Grupo Financiero Banorte

2Q15

"Bank of the Year Mexico 2014"

"Best Commercial Bank in Mexico 2013"

"Best Bank in Mexico 2011 & 2014"

"Best Bank in Mexico and Latin America 2014"

"Sustainable Company"

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"Best Latam Management & IR Team 2010, 2011, 2012 & 2013"

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1. **Financial Results as of June 30, 2015: Grupo Financiero Banorte**

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GFNorte reports Net Income of Ps 7.88 billion in 1H15

The main highlights include:

- **Net Income grows 7% annually, in line with the total income.**
- **Service fees grew 20% annually, continued strong growth in core banking service fees as result of higher transaction volume.**
- **Net Income from insurance subsidiary grows strong at 39% annually in the first half.**
- **Good annual loan growth of 12%, consumer book increased similarly.**
- **Strong yearly deposit increase of 15%, driven by growth in all customer segments.**
- **Favorable evolution of asset quality, with the NPL ratio at 2.8%.**
- **Solid capitalization ratio of 15.27% and equity grows 11% YoY.**
- **Annualized ROE for the quarter of 12.5% in line with that of 1Q15.**

Grupo Financiero Banorte, S.A.B. de C.V. (BMV: GFNORTEO; OTC: GBOOY; Latibex: XNOR) reported results for the first half of 2015, ending June 30, 2015.

GFNorte reports Net Income of Ps 7.88 billion in 1H15, representing EPS of Ps 1.44, growing 7% annually, in line with Net Income. This result was driven by a favorable evolution of the banking and long-term savings businesses.

In this regard, Marcos Ramírez, the Group's CEO commented, "During the first half of the year, our businesses are evolving positively. The environment remained challenging, with high volatility and uncertainty, affected by both external and domestic factors such as geopolitical and economic factors in the international front; and, midterm elections held in June, the reduction in the government's expense budget to adjust it for lower oil revenues; and a moderate economic expansion. Our main businesses increased at a faster pace than the economy, as a result of our effort to maintain high quality service and customer knowledge."

"In the banking business, loans grew 12% annually and deposits increased 15% in all customer segments. Furthermore, Banorte keeps growing faster its consumer book than its peers; our consumer loans balance grew 12% as well. Through the implementation and use of better technology and information, we are improving our commercial offer and enhancing our cross-sale with existing clients" Marcos Ramírez stated. "Proof of this is our significant increase in the results of the retail business, where banking services fees rose 20% during 1H15, credit card balances grew 15% and payroll loans 21% annually, Moreover, we have maintained a conservative risk management reflected in the low NPL of only 2.8%, which improved vs. the 3.1% of the prior year."

"The long-term savings business continued to improve results. Afore XXI Banorte reported Net Income of Ps 1.30 billion, 4% above 1H14. This profit was achieved in spite of lower fees vs. 2014. Moreover, Seguros Banorte reported profits of Ps 1.19 billion, +39% YoY, derived from better technical results, but above all, due to the efforts to develop the bancassurance business. The annuities company reported Net Income of Ps 160 million, 29% higher vs. 1H14, in spite of the strong competitive environment in this sector."

"The second half of the year seems challenging and volatility should remain. We expect positive but moderate economic expansion in the second half of the year; and, we expect to capitalize it in increasing results in all our businesses underpinned by prudent risk management. Our focus will remain on cross-sale, as well as, a strong and competitive commercial offer for our customers".

Income Statement and Balance Sheet Highlights-GFNorte *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14	LTM 2Q15	Change LTM
Income Statement										
Net Interest Income	10,428	11,635	**11,577**	(0%)	11%	20,780	**23,212**	12%	46,529	13%
Non Interest Income	4,241	3,624	**3,833**	6%	(10%)	8,012	**7,457**	(7%)	15,678	11%
Total Income	14,669	15,259	**15,410**	1%	5%	28,791	**30,669**	7%	62,207	13%
Non Interest Expense	6,913	7,670	**7,575**	(1%)	10%	13,758	**15,246**	11%	30,719	12%
Provisions	2,851	2,605	**2,778**	7%	(3%)	5,231	**5,383**	3%	11,348	27%
Operating Income	4,906	4,983	**5,057**	1%	3%	9,803	**10,040**	2%	20,139	7%
Taxes	1,460	1,328	**1,343**	1%	(8%)	2,959	**2,671**	(10%)	5,381	5%
Subsidiaries & Minority Interest	293	225	**290**	29%	(1%)	523	**514**	(2%)	986	12%
Net Income	3,739	3,880	**4,003**	3%	7%	7,367	**7,883**	7%	15,745	8%
Balance Sheet										
Asset Under Management	1,993,055	2,101,760	**2,101,588**	(0%)	5%	1,993,055	**2,101,588**	5%		
Total Assets	1,033,781	1,183,186	**1,194,806**	1%	16%	1,033,781	**1,194,806**	16%		
Performing Loans (a)	434,743	479,808	**486,017**	1%	12%	434,743	**486,017**	12%		
Past Due Loans (b)	14,012	13,474	**13,996**	4%	(0%)	14,012	**13,996**	(0%)		
Total Loans (a+b)	448,754	493,282	**500,012**	1%	11%	448,754	**500,012**	11%		
Total Loans Net (d)	434,113	478,711	**485,278**	1%	12%	434,113	**485,278**	12%		
Acquired Collection Rights (e)	3,137	2,860	**2,651**	(7%)	(15%)	3,137	**2,651**	(15%)		
Total Credit Portfolio (d+e)	437,249	481,571	**487,929**	1%	12%	437,249	**487,929**	12%		
Total Liabilities	916,544	1,055,334	**1,064,652**	1%	16%	916,544	**1,064,652**	16%		
Total Deposits	450,817	513,899	**522,870**	2%	16%	450,817	**522,870**	16%		
Equity	117,237	127,851	**130,154**	2%	11%	117,237	**130,154**	11%		

Financial Ratios GFNorte	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Profitability:								
NIM (1)	4.5%	4.5%	**4.3%**	(0.2 pp)	(0.2 pp)	4.5%	**4.4%**	(0.1 pp)
NIM after Provisions (2)	3.2%	3.5%	**3.3%**	(0.2 pp)	0.0 pp	3.4%	**3.4%**	0.0 pp
NIM adjusted w/o Insurance & Annuities	4.3%	4.2%	**4.1%**	(0.2 pp)	(0.3 pp)	4.3%	**4.2%**	(0.2 pp)
NIM from loan portfolio (3)	7.9%	7.8%	**7.8%**	(0.0 pp)	(0.2 pp)	7.9%	**7.8%**	(0.1 pp)
ROE (4)	13.2%	12.5%	**12.6%**	0.1 pp	(0.6 pp)	13.2%	**12.5%**	(0.7 pp)
ROA (5)	1.4%	1.4%	**1.3%**	(0.0 pp)	(0.1 pp)	1.4%	**1.4%**	(0.1 pp)
Operation:								
Efficiency Ratio (6)	47.1%	50.3%	**49.2%**	(1.1 pp)	2.0 pp	47.8%	**49.7%**	1.9 pp
Operating Efficiency Ratio (7)	2.7%	2.7%	**2.5%**	(0.1 pp)	(0.1 pp)	2.7%	**2.6%**	(0.0 pp)
Liquidity Ratio- Basel II (8)	134.5%	N.A.	**N.A.**	-	-	134.5%	**N.A.**	-
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III	-	77.7%	**84.7%**	7.0 pp	-	-	**84.7%**	-
Asset Quality:								
Past Due Loan Ratio	3.1%	2.7%	**2.8%**	0.1 pp	(0.3 pp)	3.1%	**2.8%**	(0.3 pp)
Coverage Ratio	104.5%	108.1%	**105.3%**	(2.9 pp)	0.8 pp	104.5%	**105.3%**	0.8 pp
Past Due Loan Ratio w/o Banorte USA	3.2%	2.8%	**2.9%**	0.1 pp	(0.3 pp)	3.2%	**2.9%**	(0.3 pp)
Coverage Ratio w/o Banorte USA	104.1%	107.5%	**104.8%**	(2.7 pp)	0.8 pp	104.1%	**104.8%**	0.8 pp

1) NIM= Annualized Net Interest Margin / Average Earnings Assets.
2) NIM= Annualized Net Interest Margin adjusted by Loan Loss Provisions / Average Earnings Assets.
3) NIM = Annualized Net Interest Margin from loan portfolio / Average Performing Loans
4) Annualized earnings as a percentage of the average quarterly equity over the period, minus minority interest of the same period.
5) Annualized earnings as a percentage of the average quarterly assets over the period, minus minority interest of the same period.
6) Non-Interest Expense / Total Income
7) Annualized Non-Interest Expense / Average Total Assets.
8) Liquid Assets / Liquid Liabilities. Where Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale, while Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks.

The financial information presented in this report has been calculated in pesos and the tables are in million pesos, thus, they may seem to have some errors but the differences are because of rounding effects.

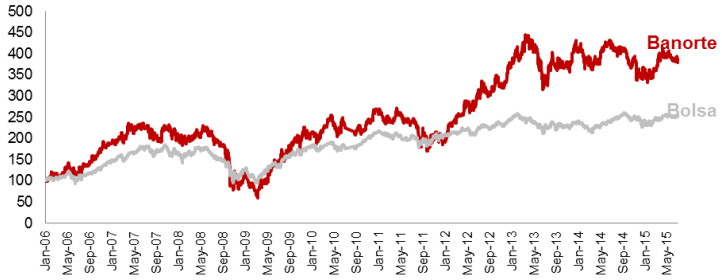
Subsidiaries Net Income (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Banking Sector	**2,683**	**2,734**	**2,729**	**(0%)**	**2%**	**5,168**	**5,462**	**6%**
Banco Mercantil del Norte (1)	2,171	2,327	**2,237**	(4%)	3%	**4,281**	**4,564**	7%
Banorte Ixe Tarjetas	512	407	**492**	21%	(4%)	888	**898**	1%
Broker Dealer	**256**	**163**	**208**	**28%**	**(19%)**	**459**	**371**	**(19%)**
Banorte- Ixe-Broker Dealer	227	106	**149**	40%	(35%)	**409**	**254**	(38%)
Operadora de Fondos Banorte-Ixe	28	57	**60**	5%	110%	**50**	**117**	135%
Long Term Savings	**782**	**968**	**1,022**	**6%**	**31%**	**1,598**	**1,990**	**25%**
Retirement Funds - Afore XXI Banorte	334	294	**346**	18%	4%	616	**640**	4%
Insurance	380	586	**603**	3%	59%	858	**1,190**	39%
Annuities	69	88	**73**	(17%)	6%	124	**160**	29%
Other Finance Companies	**59**	**36**	**61**	**72%**	**4%**	**201**	**97**	**(52%)**
Leasing and Factoring	159	136	**133**	(2%)	(16%)	330	**269**	(19%)
Warehousing	6	10	**7**	(29%)	11%	15	**17**	10%
Sólida Administradora de Portafolios	(107)	(110)	**(79)**	(28%)	(27%)	(145)	**(189)**	30%
Ixe Servicios	0	0	**(0)**	(155%)	(105%)	0	**0**	(96%)
G. F. Banorte (Holding)	**(41)**	**(20)**	**(17)**	**(15%)**	**(59%)**	**(59)**	**(37)**	**(38%)**
Total Net Income	**3,739**	**3,880**	**4,003**	**3%**	**7%**	**7,367**	**7,883**	**7%**

1) GFNorte's 98.22% participation of as of 3Q14.

Share Data	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Earnings per share (Pesos)	1.348	1.399	**1.443**	3%	7%	2.656	**2.842**	7%
Earnings per share Basic (Pesos)	1.348	1.402	**1.569**	12%	16%	2.656	**2.964**	12%
Earnings per share Diluted (Pesos)	1.348	1.400	**1.444**	3%	7%	2.656	**2.845**	7%
Dividend per Share (Pesos) (1)	0.00	0.24	**0.24**	0%	-	0.00	**0.49**	-
Dividend Payout (Recurring Net Income)	0.0%	20.0%	**20.0%**	0%	-	0.0%	**20.0%**	-
Book Value per Share (2) (Pesos)	41.67	45.45	**46.27**	2%	11%	41.67	**46.27**	11%
Issued Shares (Million Shares)	2,773.7	2,773.7	**2,773.7**	0%	0%	2,773.7	**2,773.7**	0%
Average Diluted Shares (Million Shares)	2,773.7	2,770.6	**2,772.1**	0%	(0%)	2,773.7	**2,771.4**	(0%)
Stock Price (Pesos)	92.79	88.52	**86.24**	(3%)	(7%)	92.79	**86.24**	(7%)
P/BV (Times)	2.23	1.95	**1.86**	(4%)	(16%)	2.23	**1.86**	(16%)
Market Capitalization (Million Dollars)	19,842	16,085	**15,250**	(5%)	(23%)	19,842	**15,250**	(23%)
Market Capitalization (Million Pesos)	257,374	245,531	**239,206**	(3%)	(7%)	257,374	**239,206**	(7%)

1. The Shareholders' Meeting held on December 20, 2013 approved ***advanced payments on December 31, 2013 of the dividend that would be disbursed on January 23, 2014 and April 23, 2014 amounting to Ps 0.1963 per share, respectively.*** *The fourth and last disbursement was not paid in advance and was disbursed on July 23, 2014.*
2. Excluding Minority Interest.

SHARE PERFORMANCE
2006-2015



GRUPO FINANCIERO BANORTE

- **Net Interest Income**

Net Interest Income (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Interest Income	16,454	15,562	**16,012**	3%	(3%)	32,736	**31,574**	(4%)
Interest Expense	7,259	5,556	**5,986**	8%	(18%)	14,469	**11,542**	(20%)
Loan Origination Fees	325	284	**297**	4%	(9%)	663	**581**	(12%)
Fees Paid	95	90	**96**	7%	2%	180	**186**	3%
GFNORTE´s Net Interest Income excluding Insurance and Annuities Co.	**9,425**	**10,201**	**10,226**	**0%**	**8%**	**18,751**	**20,427**	**9%**
Premium Income (Net)	3,914	5,337	**4,535**	(15%)	16%	8,885	**9,872**	11%
Technical Reserves	1,021	2,478	**1,130**	(54%)	11%	4,130	**3,608**	(13%)
Damages, Claims and Other Obligations	2,425	2,475	**2,543**	3%	5%	4,810	**5,018**	4%
Technical Results	**468**	**385**	**862**	**124%**	**84%**	**(56)**	**1,246**	**N.A.**
Interest Income & Expense (Net)	535	1,050	**490**	(53%)	(8%)	2,084	**1,540**	(26%)
Insurance and Annuitites Net Interest Income	**1,003**	**1,434**	**1,351**	**(6%)**	**35%**	**2,029**	**2,786**	**37%**
GFNORTE´s Net Interest Income	**10,428**	**11,635**	**11,577**	**(0%)**	**11%**	**20,780**	**23,212**	**12%**
GFNORTE´s Provisions	2,851	2,605	**2,778**	7%	(3%)	5,231	**5,383**	3%
Net Interest Income Adjusted for Credit Risk	**7,577**	**9,030**	**8,799**	**(3%)**	**16%**	**15,549**	**17,829**	**15%**
Average Earning Assets	934,047	1,034,929	**1,078,324**	4%	15%	928,285	**1,050,457**	13%
Net Interest Margin (1)	4.5%	4.5%	**4.3%**	(0.2 pp)	(0.2 pp)	4.5%	**4.4%**	(0.1 pp)
NIM after Provisions (2)	3.2%	3.5%	**3.3%**	(0.2 pp)	0.0 pp	3.4%	**3.4%**	0.0 pp

1. NIM = Annualized Net Interest Income / Average Interest Earnings Assets.
2. NIM= Annualized Net Interest Income adjusted by Loan Loss Provisions / Average Interest Earnings Assets.

During 1H15, GFNorte's Net Interest Income grew 12% YoY from Ps 20.78 billion to Ps 23.21 billion driven by:

- An 11% increase in Net Interest Income from loans, as a result of the 12% growth in the loan book and an improved mix, as high yielding consumer loans have gained share;
- A 37% increase in Net Interest Income from the Insurance and Annuities companies due to higher technical results;
- A (9%) decrease in Net Interest Income from repo operations driven by the YoY market interest rate gap; and
- An (18%) decrease in net fees.

F**or the quarter, Net Interest Income amounted to Ps 11.58 billion, practically unchanged vs. 1Q15**, due to the following effects:

- A (6%) decrease in Net Interest Income from the Insurance and Annuities companies as a result of lower Interest Income;
- Net Interest Income from the loan book remained flat, and
- A 3% increase in net fees driven by higher loan volume.

Insurance and Annuities Net Interest Income in 2Q15 include **lower income from inflation valuation on their securities investments**, which amounted to (Ps 275) million in 2Q15, comparing to Ps 259 million in 1Q15 and (Ps 153) million in 2Q14. Its effect in the **Net Interest Income** is offset in ***technical reserves*** requirements, and therefore, they are neutral to the Net Interest Income result of these companies.

The average Net Interest Margin (NIM) stood at 4.4% in 1H15 and at 4.3% in 2Q15, lower in (10 bp) vs. 1H14 and in (20 bp) vs. 1Q15. The annual and quarterly decreases resulted from higher in earning assets.

The average NIM excluding Insurance and Annuities companies was 4.2% in 1H15 and 4.1% in 2Q15, resulting in an annual and quarterly decrease of 16 bp.

The average NIM adjusted for Credit Risks was 3.4% in 1H15, a 4 bp YoY increase driven by growth in Net Interest Income, offsetting slightly higher provisions. On a quarterly basis, this indicator was 3.3%, decreasing (23 bp) vs. 1Q15 due to the net effect of higher loan loss provisions and lower Net Interest Income.

- **Loan Loss Provisions**

In 1H15 Loan Loss Provisions charged to results totaled Ps 5.38 billion, +3% YoY and **amounted to Ps 2.78 in 2Q15**, +7% vs. 1Q15.

The accumulated annual increase resulted from higher reserve requirements in consumer and government loan balances, which was offset by lower reserve requirements in corporate and commercial books. The quarterly increase is due to higher provision requirements in the corporate and consumer books.

Loan Loss Provisions represented 23% of Net Interest Income in 1H15, comparing favorably to the 25% in 1H14. **In 2Q15, this ratio was 24.0%**, 160 bp higher QoQ.

Annualized Loan Loss Provisions in 1H15 accounted for 2.2% of the average loan portfolio, a YoY decline of (19 bp) vs. 1H14. **During 2Q15 accounted for 2.3% of the average loan portfolio**, an 11 bp increase vs. 1Q15.

- **Non-Interest Income.**

Non Interest Income *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Fees Charged on Services	**3,037**	**3,451**	**3,602**	**4%**	**19%**	**6,004**	**7,053**	**17%**
Fees for Commercial and Mortgage Loans	2	1	**2**	60%	(6%)	5	**3**	(38%)
Fund Transfers	158	209	**195**	(7%)	24%	304	**404**	33%
Account Management Fees	374	459	**521**	14%	39%	724	**980**	35%
Fiduciary	101	111	**87**	(21%)	(13%)	183	**198**	8%
Income from Real Estate Portfolios	57	23	**21**	(9%)	(64%)	97	**43**	(55%)
Electronic Banking Services	1,085	1,193	**1,240**	4%	14%	2,119	**2,433**	15%
For Consumer and Credit Card Loans	667	703	**745**	6%	12%	1,343	**1,447**	8%
Fees from IPAB	-	-	**-**	-	-	-	**-**	-
Other Fees Charged (1)	594	753	**792**	5%	33%	1,229	**1,544**	26%
Fees Paid on Services	**1,003**	**1,203**	**1,105**	**(8%)**	**10%**	**1,989**	**2,308**	**16%**
Fund transfers	13	16	**13**	(16%)	2%	27	**29**	10%
Other Fees Paid	990	1,187	**1,092**	(8%)	10%	1,962	**2,279**	16%
Expenses from Real Estate Portfolios	-	-	**-**	-	-	-	**-**	-
Net Fees	**2,034**	**2,248**	**2,497**	**11%**	**23%**	**4,016**	**4,745**	**18%**
Trading Income	**1,563**	**953**	**817**	**(14%)**	**(48%)**	**2,679**	**1,770**	**(34%)**
Subtotal Other Operating Income (Expenses) (2)	257	94	**334**	256%	30%	449	**428**	(5%)
Non Operating Income (Expense), net	237	144	**11**	(93%)	(96%)	535	**154**	(71%)
Other Operating Income (Expense) from Insurance and Annuities	150	185	**174**	(6%)	17%	333	**359**	8%
Other Operating Income (Expenses)	**643**	**423**	**519**	**23%**	**(19%)**	**1,316**	**941**	**(29%)**
Non Interest Income	**4,241**	**3,624**	**3,833**	**6%**	**(10%)**	**8,012**	**7,457**	**(7%)**

1. Includes fees from letters of credit, transactions with pension funds, warehousing services, financial advisory services and securities trading among others.
2. Most of these revenues are related to recoveries of loan charge-offs.

During 1H15, Non-Interest Income totaled Ps 7.46 billion. Service fees grew a strong 20% annually, yet trading income, recoveries and other fees declined, bringing down Non-Interest Income (7%) annually.

Non-Interest Income totaled Ps 3.83 billion on a quarterly basis, an increase of 6% vs. 1Q15, driven mainly by an 11% increase in service fees, offsetting the decline in trading revenues.

Core banking fees, such as account management, funds transfers and electronic transfers, continue to report significant growth of 21.3% vs. 1H14 and 5.1% vs. 1Q15.

- **Trading**

Trading revenues in 1H15 totaled Ps 1.77 billion, decreasing (34%) from the prior year. Trading results normalized from the extraordinary gains achieved during the same period of last year as a result of the 50 bp hike in the benchmark market rate by the Mexican Central bank.

Trading revenues in 2Q15 totaled Ps 817 million, a (14%) decrease vs. 1Q15, due to lower fees from client related transactions and lower FX valuation revenue.

- **Other Operating Income and Expenses**

Other Operating Income (Expenses) *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Subtotal Other Operating Income (Expenses)	**257**	**94**	**334**	**256%**	**30%**	**449**	**428**	**(5%)**
Loan Recovery	225	299	**317**	6%	41%	466	**616**	32%
Income from foreclosed assets	(68)	13	**(6)**	(148%)	(91%)	(169)	**7**	N.A.
Other Operating Income	116	48	**125**	161%	8%	245	**173**	(29%)
Other Operating Income (Expense)	(16)	(266)	**(102)**	(61%)	529%	(94)	**(368)**	293%
Non Operating Income (Expense), net	**237**	**144**	**11**	**(93%)**	**(96%)**	**535**	**154**	**(71%)**
Other Products	712	1,219	**539**	(56%)	(24%)	1,473	**1,758**	19%
Other Recoveries	193	208	**85**	(59%)	(56%)	511	**293**	(43%)
Other (Expenses)	(669)	(1,283)	**(613)**	(52%)	(8%)	(1,449)	**(1,896)**	31%
Other Operating Income (Expense) from Insurance and Annuities	**150**	**185**	**174**	**(6%)**	**17%**	**333**	**359**	**8%**
Other Operating Income (Expenses)	**643**	**423**	**519**	**23%**	**(19%)**	**1,316**	**941**	**(29%)**

During 1H15 Other Operating Income and Expenses amounted to Ps 941 million, decreasing by (Ps 375) million or (29%) YoY. The decrease is mainly explained by higher charges to adjust valuations of Solida's investment projects related to homebuilders (Ps 285 million) registered in Other Operating Expenses and a (43%) decline in income from recoveries of portfolios bought in the market.

On a quarterly basis, Other Operating Income (Expenses) totaled Ps 519 million, Ps 96 million or 23% higher vs. 1Q15 mainly due to higher Other income and a lower valuation charge of Solida's investment projects related to homebuilders..

- **Recoveries**

Non-Interest Income from Loans Recoveries totaled Ps 959 million in 1H15, 6% higher YoY driven by higher revenues from loan write-offs and sales of foreclosed assets.

In 2Q15 Recoveries amounted to Ps 417 million, decreasing (23%) vs. 1Q15 because of lower income from acquired portfolios.

- **Non-Interest Expense**

Non Interest Expense (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Personnel	3,029	3,390	**3,234**	(5%)	7%	6,103	**6,624**	9%
Professional Fees	693	515	**610**	19%	(12%)	1,338	**1,125**	(16%)
Administrative and Promotional	1,397	1,722	**1,735**	1%	24%	2,646	**3,457**	31%
Rents, Depreciation & Amortization	913	992	**1,000**	1%	10%	1,762	**1,993**	13%
Taxes other than income tax & non deductible expenses	314	444	**377**	(15%)	20%	780	**821**	5%
Contributions to IPAB	466	510	**523**	3%	12%	926	**1,033**	12%
Employee Profit Sharing (PTU)	101	98	**96**	(2%)	(5%)	203	**193**	(5%)
Non Interest Expense	**6,913**	**7,670**	**7,575**	**(1%)**	**10%**	**13,758**	**15,246**	**11%**

Non-Interest Expenses during 1H15 amounted to Ps 15.25 billion, an 11% YoY increase, which is mostly explained by the following increases:

I. Ps 810 million in Administrative and Promotional expenses driven by higher transaction volume in various services, such as ATMs and POS services, credit card operation, among others.
II. Ps 521 million in Personnel Expenses driven by costs related to the personnel efficiency program held in 1Q15 and other personnel related expenses.
III. Ps 231 million in rents, depreciations and amortizations due to higher amortizations of IT projects and inflation adjustments to rent prices.

Non-Interest Expenses during 2Q15 amounted to Ps 7.58 billion, a (1%) or (Ps 95) million decline as a result of the decrease in Personnel Expenses of (Ps 156) million related to the normalization of personnel expenses excluding one-off severance charges.

The Efficiency Ratio during 1H15 came higher at 49.7%, +1.9 pp YoY related to one time severance charges held in 1Q15**. During 2Q15, this ratio was 49.2% lower by (1.1 pp) vs. 1Q15** resulting from lower personnel expenses.

- **Taxes**

Income taxes for 1H15 totaled Ps 2.67 billion, (10%) YoY lower due to larger deductibles**. For the quarter, these were Ps 1.34 billion, only +1% QoQ higher** due to a larger taxable income base.

The effective tax rate and Employee Profit Sharing in 2Q15 was 27.9%, comparing favorably vs. the 28.1% in 1Q15 and the 31.2% in 2Q14. **The effective tax rate and Employee Profit Sharing in 1H15 was 28.0%,** (3.6) pp lower vs. 1H14.

- **Subsidiaries and Minority Interest**

During 1H15, Subsidiaries and Minority Interest reported Ps 514 million in profits, (2%) lower vs. Ps 523 million registered in 1H14. The annual decrease was due to lower profits in associated companies, despite higher profits at Afore XXI Banorte.

On a quarterly basis, Subsidiaries and Minority Interest totaled Ps 290 million, increasing by Ps 65 million or +29% vs. 1Q15, driven by the Ps 53 million increase in the Afore XXI Banorte's profits

- **Net Income**

In 1H15, GFNorte reported Net Income of Ps 7.88 billion, 7% higher vs. 1H14 as revenues showed a more modest growth rate mainly driven by lower trading income than the prior year.

In 2Q15 GFNorte reported Net Income of Ps 4.00 billion, 3% higher vs. 1Q15 due the overall positive operating leverage.

During the first half of 2015, accumulated recurring revenues (NII + net fees excluding portfolio recoveries - Operating Expenses – Provisions) **totaled Ps 7.29 billion, 28% higher vs. 1H14** due to the increase in Net Interest Income and Service fees, which offset growth in Operating Expenses and Loan Loss Provisions. **In 2Q15 amounted to Ps 3.70 billion**, growing 3% vs. 1Q15 as a result of the increase in Service Fees, the decrease in Operating Expenses, which compensated the slight decrease in Net Interest Income and higher loan loss provisions.

ROE for 2Q15 was 12.6%, higher in 12 bp vs. 1Q15. **ROE for 1H15 was 12.5%,** decreasing by (71 bp) vs. 1H14. Equity increased 11% YoY and 2% QoQ.

Return on Tangible Equity (ROTE) was 15.8% for 2Q15, lower in (23 bp) and (15 bp) vs. 2Q14 and 1Q15, respectively.

Return on Tangible Equity (ROTE)

Billion Pesos	2Q14	1Q15	2Q15
Reported ROE	13.2%	12.5%	12.6%
Goodwill &Intangibles	Ps 22.74	Ps 23.90	Ps 25.15
Average Tangible Equity	Ps 90.77	Ps 97.29	Ps 99.87
ROTE	16.0%	15.9%	15.8%

ROA for 1H15 was 1.4%, (7 bp) YoY lower; for **2Q15** this ratio **was 1.3%**, decreasing (1 bp) vs. 1Q15. **Return on Risk-Weighted Assets was 3.0%**, decreasing by (4 bp) vs. 2Q14 and flat vs. 1Q15.

Return on Risk Weighted Assets (RRWA)

Billion Pesos	2Q14	1Q15	2Q15
Reported ROA	1.44%	1.36%	1.35%
Average Risk Weighted Assets	Ps 471.68	Ps 509.00	Ps 517.85
RRWA	3.1%	3.0%	3.0%

- **Capitalization**

Banco Mercantil del Norte

Capitalization *(Million Pesos)*	2Q14	3Q14	4Q14	1Q15	2Q15	Change QoQ	Change YoY
Tier 1 Capital	65,624	67,840	69,995	71,864	**72,815**	1.3%	11.0%
Tier 2 Capital	7,869	7,951	8,001	8,200	**7,634**	(6.9%)	(3.0%)
Net Capital	73,493	75,791	77,996	80,064	**80,450**	0.5%	9.5%
Credit Risk Assets	344,656	344,453	359,318	359,784	**361,730**	0.5%	5.0%
Net Capital / Credit Risk Assets	21.3%	22.0%	21.7%	22.3%	**22.2%**	(0.0 pp)	0.9 pp
Total Risk Assets (1)	491,431	506,729	511,057	526,762	**526,852**	0.0%	7.2%
Tier 1	13.35%	13.39%	13.70%	13.64%	**13.82%**	0.2 pp	0.5 pp
Tier 2	1.60%	1.57%	1.56%	1.56%	**1.45%**	(0.1 pp)	(0.2 pp)
Capitalization Ratio	14.95%	14.96%	15.26%	15.20%	**15.27%**	0.1 pp	0.3 pp

1. Includes Market and Operational Risks. Inter-company eliminations are excluded.
(*) The reported capitalization ratio of the period is estimated.

Banorte has fully adopted the capitalization requirements established to date by Mexican authorities and international standards, so-called Basel III, which came into effect as of January 2013.

At the end of 2Q15 the estimated Capitalization Ratio (CR) for Banorte was 15.27% considering credit, market and operational risk; and, 22.24% if only credit risks are considered. The Core Tier 1 ratio was 12.97%, Total Tier 1 ratio was 13.82% and Tier 2 was 1.45%.

The Capitalization Ratio increased 0.07 pp vs. 1Q15, as follows:

1.	Profits for 2Q15	+0.59 pp
2.	Growth in risk assets	-0.01 pp
3.	Investment in Subsidiaries and Intangibles	-0.05 pp
4.	Valuation of Financial Instruments, Securitizations and Equity Accounts	-0.02 pp
5.	Decrease of Subordinate Debt effectiveness	-0.10 pp
6.	Dividend payment in May 2015	-0.34 pp

The Capitalization Ratio increased 0.32 pp vs 2Q14, as follows:

1.	Profit growth for the period	+2.49 pp
2.	Valuation of Financial Instruments, Securitizations and Equity Accounts	+0.13 pp
3.	Decrease of Subordinate Debt effectiveness	-0.23 pp
4.	Investment in Subsidiaries and Intangibles	-0.47 pp
5.	Dividend payment	-0.50 pp
6.	Growth in risk assets	-1.10 pp

- **Deposits**

Deposits *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY
Non Interest Bearing Demand Deposits	118,957	144,240	**153,071**	6%	29%
Interest Bearing Demand Deposits	146,094	163,715	**159,803**	(2%)	9%
Total Demand Deposits	265,051	307,955	**312,875**	2%	18%
Time Deposits – Retail	134,428	141,694	**146,834**	4%	9%
Core Deposits	399,479	449,649	**459,709**	2%	15%
Money Market (1)	52,100	65,611	**64,496**	(2%)	24%
Total Bank Deposits	**451,580**	**515,259**	**524,205**	2%	16%
GFNorte's Total Deposits (2)	**450,817**	**513,899**	**522,870**	2%	16%
Third Party Deposits	**171,293**	**177,481**	**158,036**	(11%)	(8%)
Total Assets Under Management	**622,873**	**692,741**	**682,241**	(2%)	10%

1. Includes Bank Bonds (Customers and Financial intermediaries).
2. Includes eliminations among subsidiaries: 2Q14 = (Ps 763) million; 1Q15 = (Ps 1.36) billion; 2Q15 = (Ps 1.33) billion.

- **Total Deposits**

At the end of 2Q15, Total Deposits reached a record high of Ps 522.87 billion, 16% higher than last year driven mainly by efforts to promote Banorte deposit products, as well as higher account balances in all client segments as well as in the retail network. **On a quarterly basis, Total Deposits increased Ps 8.97 billion or 2%**.

- **Loans**

Performing Loan Portfolio *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY
Commercial	112,584	114,902	**116,563**	1%	3.5%
Consumer	147,401	160,754	**165,815**	3%	12%
Corporate	74,231	78,914	**78,784**	(0%)	6%
Government	100,345	125,085	**124,708**	(0%)	24%
Sub Total	434,562	479,656	**485,870**	1%	12%
Recovery Bank	181	152	**147**	(3%)	(19%)
Total	434,743	479,808	**486,017**	1%	12%

Performing Consumer Loan Portfolio *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY
Mortgages	84,861	91,152	**93,699**	3%	10%
Car Loans	11,442	11,071	**11,466**	4%	0%
Credit Cards	20,941	23,199	**24,089**	4%	15%
Payroll	30,158	35,333	**36,561**	3%	21%
Consumer Loans	147,401	160,754	**165,815**	3%	12%

(Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY
Past Due Loans	14,012	13,474	**13,996**	4%	(0%)
Loan Loss Reserves	14,642	14,571	**14,734**	1%	1%
Acquired Rights	3,137	2,860	**2,651**	(7%)	(15%)

- **Total Performing Loans**

Total Performing Loans increased 12% YoY, growing Ps 51.31 billion for an ending balance of Ps 485.87 billion in 2Q15, excluding proprietary loans managed by the Recovery Bank. Furthermore, consumer loans grew similarly and the government book increased with a faster pace of growth.

Total Performing Loans increased 1% QoQ, growing by Ps 6.21 billion, as a result of growth in all the consumer books and flat balances in corporate and government books.

Growth by segments was:

- **Individual Loans**

✓ **Consumer + Mortgage:** Increased by Ps 18.41 billion or 12% vs. 2Q14 and Ps 5.06 billion or 3% QoQ, with an **ending balance of Ps 165.82 billion.** Annual and quarterly growths resulted from favorable dynamics in all segments. Derived from the strategy to increase this segment, consumer loans (excluding mortgages) have increased their proportion within the performing loan portfolio from 14.4% to 14.8% in the last 12 months.

✓ **Mortgages:** Grew by Ps 8.84 billion or 10% YoY, achieving a **balance of Ps 93.70 billion as of 2Q15**. This growth was driven by all the different product segments of the mortgage book. During the quarter the portfolio grew Ps 2.55 billion or 3% QoQ. As of May 2015, Banorte held a 16.2% market share in balances (ranking third).

✓ **Credit Cards: At the end of 2Q15 the credit card book totaled Ps 24.09 billion,** growing 15% YoY or +Ps 3.15 billion. On a quarterly basis, it increased 4% or Ps 890 million. Active portfolio management, coupled with commercial campaigns explained this growth. As of May 2015, Banorte held an 8.2% market share in credit card balances, ranking fourth in the banking system.

✓ **Payroll: At the end of 2Q15, the portfolio increased Ps 6.40 billion** or 21% YoY and Ps 1.23 billion or 3% QoQ **totaling Ps 36.56 billion**, as a result of growth in the number of Banorte's payroll account holders and a higher credit penetration in this customer group. Payroll loans continue to show vigorous growth and good asset

quality with respect to the system's average. Banorte held an 18.9% market share in balances as of May 2015, ranking third in the system.

✓ **Car Loans:** The portfolio increased Ps 25 million YoY and Ps 396 million or 4% QoQ to end **2Q15 with Ps 11.47 billion**, reversing the downward trend of the last 12 months. The QoQ growth was result of the efforts to strengthen the commercial strategy aiming to offset the strong competition from financial firms of car manufacturers. As of May 2015, Banorte held a 14.5% market share, ranking fourth in the banking system.

- **II. Loans to Institutions**

✓ **Commercial:** increased by Ps 3.98 billion or 4% YoY and Ps 1.66 billion or 1% QoQ **totaling Ps 116.56 billion**. Growth was affected by customer prepayments, as well as by the reduction in the SME portfolio. The leasing and factoring books showed a positive evolution, growing 9% YoY and QoQ, respectively. As of May 2015, the market share in commercial loans (including Corporate) was 10.9%, ranking fourth in the system.

The SME performing portfolio balance was Ps 26.61 billion, (Ps 4.97) billion or (16%) lower YoY and (Ps 1.25) billion or (4%) lower vs. 1Q15.

SMEs Portfolio Evolution (billion pesos)

	2Q14	1Q15	2Q15
Performing Portfolio	Ps 31.58	Ps 27.86	Ps 26.61
% of Performing Commercial Portfolio	28.0%	24.2%	22.8%
% of Total Performing Portfolio	7.3%	5.8%	5.5%
NPL Ratio	8.5%	8.8%	9.5%

✓ **Corporate: At the end of 2Q15** the balance was **Ps 78.78 billion**, increasing Ps 4.55 billion or 6% YoY and decreasing (Ps 130) million QoQ. Client prepayments continued to flow. Banorte's corporate loan book is well diversified by sectors and regions and shows a low concentration risk. Banorte's 20 main corporate borrowers accounted for 11.1% of the bank's total portfolio, increasing by 0.1 pp vs. 1Q15 and 1.2 pp vs. 2Q14. The bank's largest corporate loan represents 1.0% of the total portfolio and has an A1 rating, whereas number 20 represent 0.3%.

Through its subsidiaries Banco Mercantil del Norte, Arrendadora y Factor Banorte and Sólida Administradora de Portafolios, GFNorte granted loans, and participated through SPVs in housing investments projects. Since 2013 some of the largest companies in this sector have experienced financial difficulties; three of the largest companies are undergoing a debt restructuring process and have defaulted on their payments. This situation has led to deterioration in the risk profile of these three borrowers. They are currently involved in restructuring negotiations with GFNorte and other banks.

As of June 30, 2015 the loan exposure was Ps 5.60 billion in Urbi Desarrollos Urbanos, S.A.B. de C.V., Corporación Geo, S.A.B. de C.V. and Desarrolladora Homex, S.A.B. de C.V., 0.5% higher than the prior quarter. This exposure represented 1.1% of the total loan portfolio, similar to March 2015. Out of these loans, **Ps 5.42 billion were classified as non-performing**, unchanged vs. 1Q15. This exposure has 76% coverage in guarantees, unchanged vs. last quarter. The reserve coverage stood at 43.0% in 2Q15. **Sólida had Ps 5.69 billion in investment projects,** (4.5%) lower than that registered in March 2015. During June, both Corporación Geo and Desarrolladora Homex announced the termination of their bankruptcy processes, as a result from the Judge's favorable ruling. The restructuring process is still yet to be implemented, as both companies require certain authorizations from shareholders and authorities. Therefore, GFNorte's exposure to these companies remains unchanged as of this date.

✓ **Government: At the end of 2Q15** the balance was **Ps 124.71 billion,** growing by Ps 24.36 billion or 24% YoY, as a result of efforts to continue meeting demand for loans in this segment, including some federal government entities, on a quarterly basis it decreased (Ps 377) million. Banorte's Government portfolio is diversified by sectors and regions, and shows adequate concentration risk. Banorte's 20 largest Government loans account for 23.1% of the Bank's total portfolio, increasing by 3.1 pp vs. 2Q14 and decreasing (0.3 pp) vs. 1Q15. The largest Government loan represents 4.2% of the total portfolio and has an A1 rating, whereas number 20 represent 0.3%. The portfolio's risk profile is adequate with 32.0% of the loans granted to Federal Government entities and over 94% of loans to States and Municipalities have a fiduciary guarantee (Federal budget transfers and local revenues such as payroll tax), and less than 2% of the loans have short-term maturities. Risk adjusted profitability for Government Banking is high. As of May 2015, Banorte held a 24.3% market share of the total system, ranking second.

- **Past Due Loans**

During 2Q15, Past Due Loans were Ps 14 billion, (Ps 16) million lower YoY as a result of lower delinquencies mainly in the corporate, car, mortgages and government books. The 4% QoQ increase came from higher delinquencies in all segments, except in mortgage loans.

The quarterly evolution of NPL balances were as follows:

Million pesos	PDLs 2Q15	Change. Vs. 1Q15	Change. Vs. 2Q14
Credit Cards	1,521	164	101
Payroll	945	147	172
Car loans	219	56	(4)
Mortgage	1,149	(27)	(4)
Commercial	4,698	154	105
Corporate	5,464	28	(385)
Government	-	0	(1)
Total	13,996	522	(16)

In 2Q15, the Past Due Loan Ratio was 2.8%, (32 bp) lower vs. 2Q14 and 7 bp higher vs. 1Q15. The annual decrease was the result of a lower PDL Ratio in all segments; while the quarterly increase came from higher PDL Ratio in all segments with the exception of mortgage.

When excluding the home developers exposure, the PDL Ratio would be 1.7%, (10 bp) below the level registered for 2Q14 and 10 bp higher vs. 1Q15.

PDL Ratios by segment showed the following trends during the last 12-months:

	2Q14	3Q14	4Q14	1Q15	2Q15
Credit Cards	6.3%	5.9%	5.5%	5.5%	5.9%
Payroll	2.5%	2.2%	2.3%	2.2%	2.5%
Car loans	1.9%	1.9%	2.0%	1.5%	1.9%
Mortgage	1.3%	1.4%	1.4%	1.3%	1.2%
Total Commercial	3.9%	5.0%	4.4%	3.8%	3.9%
SMEs	*8.5%*	*9.8%*	*10.0%*	*8.8%*	*9.5%*
Commercial	*2.0%*	*3.1%*	*2.2%*	*2.1%*	*2.1%*
Corporate	7.3%	6.8%	6.3%	6.4%	6.5%
Government	0.0%	0.0%	0.0%	0.0%	0.0%
Total	3.1%	3.3%	2.9%	2.7%	2.8%

The expected loss of Banco Mercantil del Norte, the Financial Group's main subsidiary, represents 1.8% and the unexpected loss 3.2%, both with respect to the total portfolio at the end of 2Q15. These ratios were 1.9% and 3.2%, respectively in 1Q15 and 2.1% and 3.4% 12 months ago.

Banco Mercantil del Norte's Net Credit Losses (NCL) including write-offs was 1.5%, flat vs. the last quarter.

Quarterly changes in accounts that affect Non Performing Loans' balances for the Financial Group were:

Past Due Loan Variations *(Million Pesos)*	
Balance as of March '15	**13,474**
Transfer from Performing Loans to Past Due Loans	4,537
Portfolio Purchase	204
Renewals	(330)
Cash Collections	(726)
Discounts	(102)
Charge Offs	(2,238)
Foreclosures	(12)
Transfer from Past Due Loans to Performing Loans	(813)
Loan Portfolio Sale	-
Foreign Exchange Adjustments	3
Fair Value Ixe	-
Balance as of June '15	**13,996**

Around 83% of the loan book is rated A Risk, 12% B Risk and 5% as Risk C, D and E combined.

Risk Rating of Performing Loans as of 2Q15 - GFNorte
(Million Pesos)

CATEGORY	LOANS	LOAN LOSS RESERVES					
		COMMERCIAL			CONSUMER	MORTGAGES	TOTAL
		MIDDLE MARKET COMPANIES	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES			
A1	382,925	751	412	168	350	120	**1,801**
A2	63,320	314	175	6	339	42	**876**
B1	27,360	156	111	3	755	11	**1,036**
B2	20,116	91	-	1	719	19	**830**
B3	16,359	250	59	2	412	8	**730**
C1	5,645	141	14	5	223	30	**413**
C2	5,387	89	94	2	467	77	**728**
D	14,849	4,036	-	0	1,611	317	**5,965**
E	3,427	742	-	0	1,212	135	**2,089**
Total	539,389						
Not Classified	(24)						
Exempt	-						
Total	539,365	6,570	865	187	6,087	758	**14,467**
Reserves							**14,734**
Preventive Reserves							**268**

Notes:
1. The ratings of loans and reserves created correspond to the last day of the month referred to in the Balance Sheet as of June 30, 2015.
2. The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV.
3. The additional loan loss reserves follow the rules applicable to banks and credit institutions.

Based on B6 Credit Portfolio criteria of the CNBV, a Distressed Portfolio is defined as those commercial loans unlikely to be recovered fully, including both principal and interest pursuant to terms and conditions originally agreed. Such determination is made based on actual information and data and on the loan review process. Performing loans and past-due loans are susceptible of being identified as Distressed Portfolios. The D and E risk degrees of the commercial loan rating are as follows:

(Million Pesos)	**Total**
Distressed Portfolio	11,345
Total Loans	539,365
Distressed Portfolio / Total Loans	**2.1%**

- **Loan Loss Reserves and Loan Loss Provisions**

Loan Loss Reserves *(Million Pesos)*	**2Q15**
Previous Period Ending Balance	**14,571**
Provisions charged to results	2,652
Created with profitability margin	0
Reserve Portfolio Sold	0
Other items	0
Charge offs and discounts:	
Commercial Loans	(1,142)
Consumer Loans	(981)
Mortgage Loans	(374)
Foreclosed assets	0
	(2,497)
Cost of debtor support programs	(2)
Valorization and Others	10
Adjustments	0
Loan Loss Reserves at Period End	**14,734**

Loan Loss Reserves in 2Q15 totaled Ps 14.73 billion, 1% higher vs. 1Q15. Moreover, 46% of write-offs, charge-offs and discounts correspond to the commercial portfolio, 39% to consumer and 15% to Mortgages.

Similarly, the loan loss coverage ratio was 105.3% (104.8% excluding INB), increasing 0.8 pp YoY and decreasing (2.9 pp) QoQ.

RECENT EVENTS

- **Shareholders' Assembly.**

GFNorte's Annual General Shareholders' Meeting was held on April 24th, with a 64.07% representation of the total subscribed, paid and voting shares of the Company's capital. The resolutions adopted by the Assembly were:

1. Approval of the reports referred in section IV, Article 28 of the Securities Market Law, corresponding to the year ending December 31, 2014.
2. Distribution of the 2014 net income amounting to Ps 15.35 billion, applied into the account "Retained Earnings from prior Years", as it was not necessary to allocate resources into the account "Legal Reserve" since it is fully constituted.
3. Approval to distribute a cash dividend of Ps 0.4870 per share, derived from the fiscal net income as of December 31, 2013, and which will be paid in two installments of Ps. 0.2435, against delivery of coupons No. 15 and 16 on April 30 and July 31, 2015. These dividends correspond to the third and fourth of four payments that will be made for a total amount of Ps. 0.9740 per share, equivalent to Ps. 2.70 billion, amount approved by the Group's Board of Directors on July 24, 2014.
4. Approval of the Board of Directors' composition of 15 Proprietary Members, and if the case, their respective Alternate Members, appointing the following people and their duties for the year 2015, qualifying the corresponding members' independence since they do not fall within the restrictions outlined in the Securities Market Law:

PROPRIETARY MEMBERS		ALTERNATE MEMBERS	
Carlos Hank González	Chairman	Graciela González Moreno	
Juan Antonio González Moreno		Juan Antonio González Marcos	
David Villarreal Montemayor		José María Garza Treviño	Independent
José Marcos Ramírez Miguel		Robert William Chandler Edwards	Independent
Everardo Elizondo Almaguer	Independent	Alberto Halabe Hamui	Independent
Patricia Armendáriz Guerra	Independent	Roberto Kelleher Vales	Independent
Héctor Reyes-Retana y Dahl	Independent	Manuel Aznar Nicolín	Independent
Juan Carlos Braniff Hierro	Independent	Guillermo Mascareñas Milmo	Independent
Armando Garza Sada	Independent	Ramón A. Leal Chapa	Independent
Alfredo Elías Ayub	Independent	Isaac Becker Kabacnik	Independent
Adrián Sada Cueva	Independent	Eduardo Livas Cantú	Independent
Miguel Alemán Magnani	Independent	Lorenzo Lazo Margain	Independent
Alejandro Burillo Azcárraga	Independent	Javier Braun Burillo	Independent
José Antonio Chedraui Eguía	Independent	Rafael Contreras Grosskelwing	Independent
Alfonso de Angoitia Noriega	Independent	Guadalupe Phillips Margain	Independent

5. Héctor Ávila Flores was designated as Secretary of the Board of Directors; but, he is not a board member.
6. Designation of Héctor Reyes-Retana y Dahl as Chairman of the Audit and Corporate Practices Committee.
7. Approval to allocate the amount of Ps. 3.37 billion, equivalent to 1.5% of the Financial Groups' market capitalization value as of December 2014, charged against equity, to purchase Company's shares during 2015, and will consider those transactions to be carried out in 2015 and until April 2016, subject to the Treasury's Policy for Transactions with Shares.

- **Euromoney Awards for Excellence 2015.**

In July, Euromoney the specialized magazine in banking and capital markets published its 24th edition of the **Awards for Excellence**, one of the most recognized in the financial services industry, in which Banorte was awarded **"Best Bank in Mexico"**. The methodology considers quantitative and qualitative data, recognizing leading institutions that offer the highest levels of service, innovation and expertise to their clients.

- **Credit Ratings.**

HR Ratings ratified Banorte's Long and Short Term ratings and "BANORTE 12" Subordinated Debt

On May 29, HR Ratings ratified Banco Mercantil del Norte, S.A.'s ("Banorte") HR AAA and HR+1 Long and Short term ratings, respectively, as well as BANORTE 12 Subordinated Debt with HR AA+, with a stable outlook.

The main factors considered were: the adequate solvency and profitability metrics, solid corporate governance and an adequate revenue generation from the loan portfolio, which they considered as well distributed in terms of geographic location and customers.

BANKING SECTOR

Banking Sector: Banco Mercantil del Norte, Banorte USA, Banorte- Ixe Tarjetas and Afore XXI Banorte (50% ownership).

Income Statement and Balance Sheet Highlights-Banking Sector (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Income Statement								
Net Interest Income	9,277	9,790	**9,823**	0%	6%	18,310	**19,613**	7%
Non Interest Income	3,857	3,650	**3,575**	(2%)	(7%)	7,313	**7,225**	(1%)
Total Income	13,134	13,440	**13,398**	(0%)	2%	25,623	**26,837**	5%
Non Interest Expense	6,401	7,087	**6,999**	(1%)	9%	12,775	**14,086**	10%
Provisions	2,826	2,539	**2,690**	6%	(5%)	5,195	**5,229**	1%
Operating Income	3,907	3,814	**3,709**	(3%)	(5%)	7,654	**7,522**	(2%)
Taxes	1,180	1,034	**938**	(9%)	(21%)	2,389	**1,972**	(17%)
Subsidiaries & Minority Interest	349	302	**359**	19%	3%	642	**662**	3%
Net Income	3,075	3,082	**3,130**	2%	2%	5,906	**6,212**	5%
Balance Sheet								
Total Assets	862,996	939,691	**936,237**	(0%)	8%	862,996	**936,237**	8%
Performing Loans (a)	427,260	470,707	**476,450**	1%	12%	427,260	**476,450**	12%
Past Due Loans (b)	13,659	12,981	**13,536**	4%	(1%)	13,659	**13,536**	(1%)
Total Loans (a+b)	440,919	483,688	**489,986**	1%	11%	440,919	**489,986**	11%
Total Loans Net (d)	426,703	469,736	**475,869**	1%	12%	426,703	**475,869**	12%
Acquired Collection Rights (e)	1,610	1,480	**1,416**	(4%)	(12%)	1,610	**1,416**	(12%)
Total Loans (d+e)	428,313	471,216	**477,285**	1%	11%	428,313	**477,285**	11%
Total Liabilities	775,441	842,090	**837,224**	(1%)	8%	775,441	**837,224**	8%
Total Deposits	451,580	515,259	**524,205**	2%	16%	451,580	**524,205**	16%
Equity	87,555	97,601	**99,013**	1%	13%	87,555	**99,013**	13%

Financial Ratios Banking Sector	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Profitability:								
NIM (1)	4.7%	4.6%	**4.5%**	(0.1 pp)	(0.1 pp)	4.7%	**4.6%**	(0.1 pp)
NIM after Provisions (2)	3.2%	3.4%	**3.3%**	(0.2 pp)	0.0 pp	3.4%	**3.4%**	(0.0 pp)
ROE (3)	14.3%	12.8%	**12.7%**	(0.1 pp)	(1.6 pp)	14.2%	**12.8%**	(1.4 pp)
ROA (4)	1.4%	1.4%	**1.3%**	(0.0 pp)	(0.1 pp)	1.4%	**1.4%**	(0.1 pp)
Operation:								
Efficiency Ratio (5)	48.7%	52.7%	**52.2%**	(0.5 pp)	3.5 pp	49.9%	**52.5%**	2.6 pp
Operating Efficiency Ratio (6)	3.0%	3.1%	**3.0%**	(0.1 pp)	0.0 pp	3.1%	**3.1%**	0.0 pp
Liquidity Ratio- Basel II (7)	118.9%	N.A.	**N.A.**	-	-	118.9%	**N.A.**	-
Average Liquidity Coverage Ratio for Banorte and SOFOM - Basel III	-	77.7%	**84.7%**	7.1 pp	-	-	**84.7%**	-
Asset Quality:								
Past Due Loan Ratio	3.1%	2.7%	**2.8%**	0.1 pp	(0.3 pp)	3.1%	**2.8%**	(0.3 pp)
Coverage Ratio	104.1%	107.5%	**104.3%**	(3.2 pp)	0.2 pp	104.1%	**104.3%**	0.2 pp
Past Due Loan Ratio w/o Banorte USA	3.2%	2.8%	**2.8%**	0.1 pp	(0.3 pp)	3.2%	**2.8%**	(0.3 pp)
Coverage Ratio w/o Banorte USA	103.6%	106.8%	**103.8%**	(3.0 pp)	0.2 pp	103.6%	**103.8%**	0.2 pp
Growth (8)								
Performing Loans (9)	5.4%	11.7%	**11.5%**	(0.2 pp)	6.1 pp	5.4%	**11.5%**	6.1 pp
Core Deposits	15.8%	16.6%	**15.1%**	(1.5 pp)	(0.7 pp)	15.8%	**15.1%**	(0.7 pp)
Total Deposits	6.5%	13.1%	**16.1%**	3.0 pp	9.6 pp	6.5%	**16.1%**	9.6 pp
Capitalization:								
Net Capital/ Credit Risk Assets	21.3%	22.3%	**22.2%**	(0.0 pp)	0.9 pp	21.3%	**22.2%**	0.9 pp
Total Capitalization Ratio	15.0%	15.2%	**15.3%**	0.1 pp	0.3 pp	15.0%	**15.3%**	0.3 pp

1. NIM = Annualized Net Interest Margin for the quarter / Average of Performing Assets.
2. NIM = Annualized Net Interest Margin for the quarter adjusted for Credit Risks / Average of Performing Assets.
3. Net Income of the period annualized as a percentage of the quarterly average of Equity (excluding minority interest) for the same period.
4. Net Income of the period annualized as a percentage of the quarterly average of Total Assets (excluding minority interest) for the same period.
5. Non-Interest Expenses / Total Income.
6. Annualized Non-Interest Expenses of the quarter / Average of Total Assets
7. Liquid Assets / Liquids Liabilities (Liquid Assets = Availability + Titles for negotiation + Titles available for sale; Liquid Liabilities = Demand deposits + Loans from banks and of other organisms immediately payable + short term loans from banks and of other organisms.9
8. Growth compared to the same period of the previous year.
9. Does not include Fobaproa / IPAB and proprietary portfolio managed by the Recovery Bank.

- **Net Interest Income**

Net Interest Income-Banking Sector (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Interest Income	14,276	14,283	**14,429**	1%	1%	28,281	**28,711**	2%
Interest Expense	5,229	4,688	**4,807**	3%	(8%)	10,454	**9,494**	(9%)
Loan Origination Fees	325	283	**295**	4%	(9%)	663	**578**	(13%)
Fees Paid	95	88	**94**	7%	(0%)	180	**182**	1%
Net Interest Income	**9,277**	**9,790**	**9,823**	**0%**	**6%**	**18,310**	**19,613**	**7%**
Provisions	2,826	2,539	**2,690**	6%	(5%)	5,195	**5,229**	1%
Net Interest Income Adjusted for Credit Risk	**6,451**	**7,250**	**7,133**	**(2%)**	**11%**	**13,115**	**14,384**	**10%**
Average Earning Assets	797,236	845,437	**872,003**	3%	9%	776,704	**852,829**	10%
Net Interest Margin (1)	4.7%	4.6%	**4.5%**	(0.1 pp)	(0.1 pp)	4.7%	**4.6%**	(0.1 pp)
NIM after Provisions (2)	3.2%	3.4%	**3.3%**	(0.2 pp)	0.0 pp	3.4%	**3.4%**	(0.0 pp)

1. NIM = Annualized Net Interest Margin for the quarter / Average of Performing Assets.
2. NIM = Annualized Net Interest Margin for the quarter adjusted for Credit Risks / Average of Performing Assets.

During 1H15, Net Interest Income increased 7% YoY to Ps 19.61 billion as a result of the 8% growth in Net Interest Income from loans, due to the 12% increase in the loan book and an improved portfolio mix.

In 2Q15, **Net Interest Income amounted to Ps 9.82 billion, Ps 33 million or 0.3% higher QoQ,** driven by a higher Net Interest Income from loans and derived from a higher funding cost QoQ.

The average NIM was 4.6% in 1H15 lower by (0.1 pp) over the same period last year. On a quarterly basis, this ratio was 4.5%, (0.1 pp) lower vs. 1Q15, both decreases were a result of a faster growth rate in the Average Earning Assets than in Net Interest Income.

The average NIM adjusted for Credit Risks was 3.4% in 1H15, flat vs. 1H14. **In 2Q15, this ratio amounted to 3.3%,** (0.2 pp) lower vs. 1Q15.

- **Loan Loss Provisions**

Provisions charged to results totaled Ps 5.23 billion in 1H15, 1% higher YoY driven by higher reserve requirements in consumer and government loan balances, which were offset by lower reserve requirements in corporate and commercial books. During the quarter, provisions amounted to Ps 2.69 billion, +6% vs. 1Q15, due to higher reserve requirements in corporate and consumer books.

- **Non-Interest Income**

Non-Interest Income (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Services	2,027	2,375	**2,449**	3%	21%	4,023	**4,824**	20%
Recovery	5	6	**4**	(34%)	(15%)	10	**10**	(2%)
Trading	1,355	850	**728**	(14%)	(46%)	2,403	**1,578**	(34%)
Other Operating Income (Expense)	470	419	**393**	(6%)	(16%)	876	**812**	(7%)
Non Interest Income	**3,857**	**3,650**	**3,575**	**(2%)**	**(7%)**	**7,313**	**7,225**	**(1%)**

During 1H15, Non-Interest Income amounted to Ps 7.23 billion, a (1%) decline YoY; while in 2Q15, totaled Ps 3.58 billion, (2%) lower vs. 1Q15. Both decreases resulted from the contraction in all segments, excepting from service fees. **Furthermore, core banking fees revenues (account management fees, funds transfers and electronic transfers) continue to report high growth, +21.3% YoY and +5.1% QoQ.**

- **Non-Interest Expenses**

Non-Interest Expense *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Personnel	2,884	3,249	**3,092**	(5%)	7%	5,834	**6,341**	9%
Professional Fees	605	434	**492**	13%	(19%)	1,153	**926**	(20%)
Administrative and Promotional	1,222	1,504	**1,535**	2%	26%	2,330	**3,039**	30%
Rents, Depreciation & Amortization	853	927	**937**	1%	10%	1,642	**1,863**	13%
Taxes other than income tax & non deductible expenses	270	368	**326**	(12%)	21%	690	**694**	1%
Contributions to IPAB	466	510	**523**	3%	12%	926	**1,033**	12%
Employee Profit Sharing (PTU)	101	96	**94**	(2%)	(6%)	200	**190**	(5%)
Non Interest Expense	**6,401**	**7,087**	**6,999**	**(1%)**	**9%**	**12,775**	**14,086**	**10%**

Non-Interest Expenses in 1H15 totaled Ps 14.09 billion, a 10% YoY increase driven by growth in Administration and Promotional Expenses, Personnel Expenses and Rents, Depreciations and Amortizations, which were not offset by reduced Professional fees.

In 2Q15, Non-Interest Expenses amounted to P 7.00 billion, (1%) lower QoQ as a result of a reduction in Personnel Expenses.

The Efficiency Ratio for 1H15 was 52.5%, +2.6 pp YoY due to a higher growth rate in Operating Expenses vs. total income; while the quarterly ratio was 52.2% lower in (0.5 pp) vs 1Q15 as a result of the decrease in Interest Expenses.

- **Net Income**

Net Income for the Banking Sector in 1H15 was Ps 6.21 billion, increasing by 5% YoY driven by growth in total revenues, lower tax payments, and greater profits from subsidiaries, which compensated increases in Operating Expenses. On a quarterly basis, net income rose to P 3.13 billion, +2% vs. 1Q15 due to higher Net Interest Income, lower Non-Interest Expenses and tax payments and higher profits from subsidiaries, which offset the increase in provisions and the decrease in Non-Interest Income.

Net Income for the Banking Sector in 1H15, excluding Afore XXI Banorte results, was Ps 5.46 billion, +6% YoY, contributing 69% of the Financial Group's profits according to its percentage of participation.

SOFOM Banorte-Ixe Tarjetas posted net profits of Ps 898 million in 1H15, 1% higher YoY, contributing 11% of the Financial Group's profits.

ROE for 1H15 of this sector was 12.8%, (1.4 pp) lower YoY; **this ratio for 2Q15 was 12.7%,** lower by (0.1 pp) vs. 1Q15. **ROA for the first half of the year was 1.4%,** lower by (0.1 pp) vs. 1H14, whereas **as of 2Q15, ROA was 1.3%,** (0.02 pp) lower vs. 1Q15.

- **NPL Ratio**

The Banking Sector's NPL Ratio for 2Q15 **was 2.8%** (includes INB past due loans), (0.3 pp) lower vs. 2Q14 and 0.1 pp higher vs. 1Q15.

BANORTE USA

I. Banorte USA

Income Statement - Banorte USA *MEX GAAP (Million Pesos)*	2Q14	1Q15	2Q15	Change 1Q15	Change 2Q14	1H14	1H15	Change 1H14
Income Statement								
Net Interest Income	162	184	**197**	7%	22%	320	**380**	19%
Non Interest Income	119	137	**118**	(14%)	(1%)	239	**255**	7%
Total Income	281	321	**315**	(2%)	12%	559	**636**	14%
Non Interest Expense	211	216	**230**	6%	9%	401	**446**	11%
Provisions	2	15	**(1)**	(108%)	(153%)	13	**14**	4%
Operating Income	68	90	**86**	(4%)	26%	145	**176**	21%
Taxes	22	25	**34**	35%	57%	46	**60**	29%
Net Income	46	64	**51**	(20%)	12%	98	**116**	18%

Under Generally Accepted Accounting Principles in Mexico (MEX GAAP), **Net Income of Banorte USA** (owner of 100% of Inter National Bank as well as 100% of the remittance company Uniteller) **was Ps 116 million in 1H15,** increasing by 18% YoY. Net Income for Banorte USA during 1H15 represents 1.5% of the Financial Group's profits. On a quarterly basis, profits amounted to Ps 51 million, (20%) lower vs. 1Q15 due to lower Non-Interest Income and higher Non-Interest Expenses and tax payments.

II. Inter National Bank (US GAAP)

Income Statement and Balance Sheet Highlights- Inter National Bank *Figures in US GAAP (Millon Dollars)*	2Q14	1Q15	2Q15	Change 1Q15	Change 2Q14	1H14	1H15	Change 1H14
Income Statement								
Net Interest Income	13	13	**13**	3%	2%	25	**26**	2%
Non Interest Income	4	4	**3**	(9%)	(12%)	9	**7**	(18%)
Total Income	17	16	**17**	1%	(1%)	34	**33**	(3%)
Non Interest Expense	12	11	**11**	6%	(9%)	23	**22**	(6%)
Provisions	0	0	**0**	(87%)	(78%)	1	**0**	(39%)
Operating Income	4	6	**5**	(4%)	23%	11	**11**	4%
Net Income	3	4	**3**	(19%)	12%	7	**7**	3%
Balance Sheet								
Investment in Securities	553	589	**547**	(7%)	(1%)	553	**547**	(1%)
Performing Loans	840	922	**943**	2%	12%	840	**943**	12%
Past Due Loans	8	6	**9**	46%	12%	8	**9**	12%
Demand Deposits	852	898	**863**	(4%)	1%	852	**863**	1%
Time Deposits	601	572	**549**	(4%)	(9%)	601	**549**	(9%)
Total Deposits	1,452	1,470	**1,412**	(4%)	(3%)	1,452	**1,412**	(3%)
Equity	424	437	**439**	0%	3%	424	**439**	3%

Financial Ratios-INB *Figures in US GAAP (Millon Dollars)*	2Q14	1Q15	2Q15	Change 1Q15	Change 2Q14	1H14	1H15	Change 1H14
Profitability								
NIM	3.4%	3.3%	**3.4%**	0.1	0.0	3.4%	**3.4%**	0.0
ROE	2.8%	3.8%	**3.0%**	(0.8)	0.2	3.5%	**3.4%**	(0.1)
ROA	0.6%	0.9%	**0.7%**	(0.2)	0.1	0.8%	**0.8%**	0.0
Operation								
Efficiency Ratio	72.9%	63.9%	**67.1%**	3.2	(5.8)	67.2%	**65.5%**	(1.7)
Asset Quality								
Past Due Loan Ratio	1.0%	0.7%	**1.0%**	0.3	(0.0)	1.0%	**1.0%**	(0.0)
Coverage Ratio	189.3%	278.8%	**192.2%**	(86.6)	2.9	189.3%	**192.2%**	2.9
Capitalization								
Leverage Ratio	13.0%	13.4%	**13.2%**	(0.2)	0.2	13.0%	**13.2%**	0.2
Capitalization Ratio	23.7%	22.8%	**22.9%**	0.1	(0.8)	23.7%	**22.9%**	(0.8)

Under Generally Accepted Accounting Principles of the United States (US GAAP), Inter National Bank (INB) posted net profits for **US 7 million in 1H15, a 3% YoY increase** mainly due to higher Net Interest Income, lower Non-Interest Expenses and provisions. **The quarterly Net Income decreased (19%) vs. 1Q15**, **ending 2Q15 with US 3 million**, driven by a drop in Non-Interest Expenses and higher expenses.

Total Deposits amounted to US 1.41 billion, decreasing (3%) YoY and (4%) vs. 1Q15. **Performing Loans totaled US 943 million,** increasing 12% vs. 2Q14 and 2% QoQ. **Past Due Loans posted US 9 million**, 12% YoY and 46% QoQ higher.

Capitalization and Leverage Ratios remained robust. **The Capitalization Ratio ended 2Q15 at 22.9% and the Leverage Ratio was 13.2%. The Past Due Loan ratio was 1.0%**, remaining flat vs. last year and increasing 0.3 pp QoQ; **the Coverage ratio was 192.2%**, increasing 2.9 pp YoY and decreasing (86.6 pp) QoQ.

III. UniTeller Financial Services (US GAAP)

Income Statement and Transactions Highlights –Uniteller Financial Services *Figures in US GAAP (Thousand Dollars)*	2Q14	1Q15	2Q15	Change 1Q15	Change 2Q14	1H14	1H15	Change 1H14
Profitability								
Revenues	7,105	7,252	7,493	3%	5%	13,167	14,746	12%
Cost of Sales	4,657	4,360	4,432	2%	(5%)	8,575	8,791	3%
Margin	2,448	2,892	3,062	6%	25%	4,592	5,954	30%
Expenses	1,697	1,967	1,814	(8%)	7%	3,331	3,781	13%
Income before Taxes	751	925	1248	35%	66%	1,260	2,173	72%
Net Income	513	570	719	26%	40%	855	1,289	51%
Transactions								
# of Created Transactions (thousands)	2,079	2,119	2,314	9%	11%	3,783	4,432	17%

UniTeller Financial Services and subsidiaries (UFS) **recorded profits of US 1.29 million in 1H15**, comparing favorably to profits of US 855 thousand for the same period of the previous year (+51%) on higher remittances volume.

At the end of 1H15 transactions grew 17% YoY, resulting mainly from the expansion of the processing business, including more services to other institutions.

IV. Sólida USA

Assets under management by Sólida USA as of 2Q15 are as follows:

Sólida México (Foreclosed Assets):	US $ 70 million
Banorte (Foreclosed Loans and Assets):	US $ 15 million
INB (Classified Assets & Mortgage Loans):	US $ 5 million
Total:	US $ 90 million

As a result of adequate asset management, **INB's Tier 1 Classified Assets Ratio at the end of 2Q15 was 5.5%,** higher quality levels than the average district and national competitors.

RECOVERY BANKING

Income Statement Highlights - Recovery Banking *(Million Pesos)*	1H14	1H15	Change 1H14
Net Interest Income	14	12	(10%)
Loan Loss Provisions	(3)	(5)	95%
Non Interest Income	819	913	11%
Non Interest Expense	(465)	(479)	3%
Pre-tax Income & Subsidiaries	365	442	21%
Income Tax and Profit Sharing	(85)	(130)	53%
Net Income	**280**	**312**	**11%**

Assets Under Management *(Million Pesos)*	2Q15	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Banking Sector Portfolio- Banorte:	**91,806**	Banorte's Portfolio and Repossessed Assets	Net Interest Income and Other Revenues and Expenses
Loans purchased and managed:	**29,019**	Solida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Sólida / Banorte)
Investment Projects:	**6,045**	Solida Asset Management and Banorte	Non Interest Income
Total	**126,871**		

- **Net Income**

Recovery Banking posted profits of Ps 312 million in 1H15, 11% higher than the same period in 2014, driven by higher Non-Interest Income. Recovery Banking's Net Income represents 4% of the Group's profits.

- **Assets Under Management**

The Recovery Bank managed total assets of Ps 91.8 billion at the end of 2Q15, of which 28% correspond to mortgage loans, 18% to credit cards, 16% to Crediactivo, 13% to payroll loans, 8% to foreclosed assets, 7% to car loans, 5% to middle market companies and 5% to other loans. Gross revenues in 1H15 amounted to Ps 547 million, 21% YoY higher.

At the end of 2Q15, 36% of the **acquired assets managed by the Recovery Bank** were mortgages, 21% loans to middle market companies and commercial, 20% were assets managed on behalf of the Mexican mortgages agency SHF, 12% were foreclosed assets and payments in kind and 11% were real estate portfolios. Income from these portfolios was Ps 379 million in 1H15, (4%) lower YoY.

BROKERAGE

Brokerage Sector (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Brokerage								
Net Income	256	163	**208**	28%	(19%)	459	**371**	(19%)
Shareholder's Equity	3,014	2,890	**2,904**	0%	(4%)	3,014	**2,904**	(4%)
Assets Under Custody	733,725	738,459	**743,088**	1%	1%	733,725	**743,088**	1%
Total Assets	57,332	119,075	**131,224**	10%	129%	57,332	**131,224**	129%
ROE	35.3%	22.9%	**28.7%**	5.9 pp	(6.6 pp)	32.9%	**25.9%**	(7.0 pp)
Net Capital								
Net Capital (1)	2,558	2,379	**2,362**	(1%)	(8%)	2,558	**2,362**	(8%)

1. Net capital structure: Tier 1 =Ps 2.36 billion, Tier 2 = Ps 0 million.

- **Net Income**

The Brokerage Sector (Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte Ixe) reported profits of Ps 371 million in 1H15, (19%) lower than last year due to reduced Net Interest Income, a decline in trading revenues and higher Non-Interest Expenses. Net Income during 1H15 represents 5% of the Financial Group's profits.

In 2Q15 Net Income amounted to Ps 208 million, increasing 28% quarterly as a result mainly of higher Non-Interest Income and a reduction in Operating Expenses.

- **Mutual Funds**

Operadora de Fondos Banorte Ixe reported profits of Ps 117 million in 1H15, an increase of Ps 67 million, or 135% vs. the same period last year due to greater fees from growth in assets under management. **Quarterly earnings amounted to Ps 60 million**, +5% QoQ, due to higher net fees and reduced Operating Expenses.

At the end of 2Q15, assets managed by Banorte-Ixe mutual funds **totaled Ps 148.7 billion, an annual growth of 6%.** Assets held in fixed income funds totaled Ps 131.1 billion, a 4% increase YoY, while equity funds held assets of Ps 17.5 billion, an annual increase of 14%. At the end of June, Banorte-Ixe had a 7.7% share of the mutual fund market, comprised of 9.1% in fixed income funds and 3.5% in equity funds.

- **Assets Under Management**

At the end of 2Q15, AUMs totaled Ps 743.1 billion, increasing 1% YoY and QoQ.

LONG TERM SAVINGS

LONG TERM SAVINGS *(Million Pesos)*	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Afore (1)								
Net Income	681	598	**704**	18%	3%	1,258	**1,302**	4%
Shareholder's Equity	23,432	22,380	**23,085**	3%	(1%)	23,432	**23,085**	(1%)
Total Assets	24,659	23,604	**24,279**	3%	(2%)	24,659	**24,279**	(2%)
AUM (SIEFORE)*	583,549	616,374	**620,426**	1%	6%	583,549	**620,426**	6%
ROE	11.3%	10.3%	**12.4%**	2.1 pp	1.1 pp	10.4%	**11.3%**	0.9 pp
Insurance- Seguros Banorte								
Total Operating Income	760	1,055	**1,109**	5%	46%	1,645	**2,164**	32%
Non Interest Expense	210	210	**240**	14%	14%	406	**450**	11%
Operating Income	549	845	**869**	3%	58%	1,239	**1,714**	38%
Taxes	169	257	**264**	3%	57%	380	**522**	37%
Subsidiaries & Minority Interest	(1)	(2)	**(1)**	(20%)	71%	**(1)**	**(3)**	114%
Net Income	380	586	**603**	3%	59%	858	**1,190**	39%
Shareholder's Equity	4,713	5,682	**5,787**	2%	23%	4,713	**5,787**	23%
Total Assets	23,434	26,063	**26,637**	2%	14%	23,434	**26,637**	14%
Technical Reserves	12,937	14,498	**15,449**	7%	19%	12,937	**15,449**	19%
Premiums sold	4,820	5,438	**3,700**	(32%)	(23%)	9,748	**9,138**	(6%)
Coverage ratio of technical reserves	1.3	1.3	**1.3**	0.0 pp	(0.0 pp)	1.3	**1.3**	(0.0 pp)
Capital coverage ratio of minimum guarantee	2.0	1.7	**1.9**	0.2 pp	(0.1 pp)	2.0	**1.9**	(0.1 pp)
Coverage ratio of minimum capital	49.5	62.3	**63.5**	1.2 pp	14.0 pp	49.5	**63.5**	14.0 pp
ROE	33.8%	43.8%	**42.3%**	(1.5 pp)	8.5 pp	40.1%	**43.3%**	3.2 pp
Annuities								
Total Operating Income	164	198	**177**	(11%)	8%	312	**375**	20%
Non Interest Expense	64	70	**71**	2%	12%	134	**142**	6%
Operating Income	100	128	**106**	(17%)	6%	178	**234**	31%
Taxes	32	42	**34**	(17%)	8%	56	**76**	37%
Subsidiaries & Minority Interest	1	2	**1**	(17%)	71%	1	**3**	111%
Net Income	69	88	**73**	(17%)	6%	124	**160**	29%
Shareholder's Equity	1,373	1,464	**1,437**	(2%)	5%	1,373	**1,437**	5%
Total Assets	56,706	63,842	**65,168**	2%	15%	56,706	**65,168**	15%
Technical Reserves	54,904	61,820	**63,169**	2%	15%	54,904	**63,169**	15%
Premiums sold	1,789	2,048	**1,967**	(4%)	10%	3,801	**4,015**	6%
Coverage ratio of technical reserves	1.0	1.0	**1.0**	0.0 pp	(0.0 pp)	1.0	**1.0**	(0.0 pp)
Coverage ratio of minimum capital	9.2	9.9	**9.7**	(0.0 pp)	0.1 pp	9.2	**9.7**	0.5 pp
ROE	20.5%	24.8%	**20.0%**	(4.7 pp)	(0.5 pp)	18.9%	**22.5%**	3.6 pp

1. Afore XXI Banorte's results are shown in Banco Mercantil del Norte through the equity participation method. For comparative purposes, Afore XXI Banorte's income is included in this section.

- **Afore XXI Banorte**

Afore XXI Banorte posted net profits of Ps 1.30 billion for 1H15, 4% higher vs. 1H14 due to higher revenues and lower Operating Expenses, which offset fewer profits from subsidiaries, valuation losses in the investment portfolios and higher tax payments**. Quarterly profits amounted to Ps 704 million**, +18% QoQ as a result of a significant reduction in Operating Expenses and higher revenues.

ROE for Afore XXI Banorte as of 1H15 was 11.3%, 0.9 pp higher YoY; when excluding goodwill, **ROE would be 40.8%.** As of **2Q15 ROE was 12.4%,** an increase of 2.1 pp QoQ. According to GFNorte's participation in this sector, Afore XXI Banorte contributed 8% of the Financial Group's profits for 1H15.

Assets under management as of June 2015 totaled Ps 620.4 billion, an increase of 6% YoY and 1% QoQ.

According to CONSAR, to June 2015 Afore XXI Banorte had a 25.0% share in managed funds, ranking 1st in the market, with 11.22 million accounts (this number does not include 6.1 million accounts managed by Afore XXI with resources deposited in Banco de Mexico), which represent a 23.6% share of the total number of accounts in the system, making it the market leader.

- **Seguros Banorte**

During **1H15, Seguros Banorte reported profits of Ps 1.19 billion,** a 39% YoY increase driven by premium income which offset higher tax payments, and higher Operating Expenses. Seguros Banorte's net income represented 15% of the Financial Group's profits for the first half of 2015.

Quarterly earnings totaled Ps 603 million, 3% higher QoQ.

Issued premiums decreased (6%) YoY, **totaling Ps 9.14 billion in 1H15.** Moreover, **Technical Reserves totaled Ps 15.45 billion,** increasing 19% YoY.

ROE for the insurance company was 43.3% in 1H15, 3.2 pp higher YoY; while ROE for 2Q15 was 42.3%, decreasing (1.5 pp) QoQ.

Regarding the disclosure requested by the General Provisions applicable to Financial Groups' controlling companies, for this reporting period:

i. Risks assumed through the issuance of insurance premiums and bonds, with respect to operations and authorized branches of cancelled operations.
   - *No cancellations were registered during 2Q15 that involved any technical risk.*

ii. Damages and claims, as well as the fulfillment with reinsurers and bonding companies according to their participation.
   - *In 2Q15 damage ratios remained under control.*

iii. Costs derived from placement of insurance policies and bonds.
   - *There were no relevant events to disclose in 2Q15.*

iv. Transfer of risks through reinsurance and bonding contracts
   - *In the P&C book two important businesses of governmental tenders were ceded to reinsurers, mainly foreign entities, by which 100% of the risk was transferred.*

v. Contingencies arising from non-fulfillment by reinsurers and bonding companies.
   - *There were no relevant events in 2Q15.*

- **Pensiones Banorte**

During 1H15, Pensiones Banorte reported profits of Ps 160 million, +29% YoY driven by better technical results and lower expenses. The Annuities company contributed with 2% of the Financial Group's profits as of 1H15. **During 2Q15, Pensiones Banorte reported profits of Ps 73 million**, decreasing (17%) vs. 1Q15.

ROE was 22.5% in 1H15, 3.6 pp higher vs. 1H14; furthermore, **ROE for 2Q15 was 20.0%**, decreasing (4.7 pp) QoQ.

SOFOM AND OTHER FINANCE COMPANIES

Other Finance Companies (Million Pesos)	2Q14	1Q15	2Q15	Change QoQ	Change YoY	1H14	1H15	Change 1H14
Leasing and Factoring								
Net Income	159	136	**133**	(2%)	(16%)	330	**269**	(19%)
Shareholder's Equity	3,540	3,871	**4,005**	3%	13%	3,540	**4,005**	13%
Loan Portfolio (1)	21,681	21,657	**23,519**	9%	8%	21,681	**23,519**	8%
Past Due Loans	217	202	**198**	(2%)	(9%)	217	**198**	(9%)
Loan Loss Reserves	339	323	**350**	8%	3%	339	**350**	3%
Total Assets	22,041	22,065	**23,840**	8%	8%	22,041	**23,840**	8%
ROE	18.4%	14.3%	**13.6%**	(0.7 pp)	(4.9 pp)	19.6%	**13.9%**	(5.7 pp)
Warehousing								
Net Income	6	10	**7**	(29%)	11%	15	**17**	10%
Shareholder's Equity	287	224	**231**	3%	(20%)	287	**231**	(20%)
Inventories	657	422	**688**	63%	5%	657	**688**	5%
Total Assets	897	627	**857**	37%	(4%)	897	**857**	(4%)
ROE	8.9%	17.8%	**12.4%**	(5.4 pp)	3.5 pp	11.0%	**15.0%**	4.0 pp
Sólida Administradora de Portafolios								
Net Income	(110)	(111)	**(80)**	(28%)	(27%)	(149)	**(191)**	28%
Shareholder's Equity	2,464	3,841	**3,758**	(2%)	53%	2,464	**3,758**	53%
Loan Portfolio	233	3,654	**3,285**	(10%)	1311%	233	**3,285**	1311%
Past Due Loans	196	291	**262**	(10%)	34%	196	**262**	34%
Loan Loss Reserves	87	296	**268**	(10%)	208%	87	**268**	208%
Total Assets	13,263	16,067	**15,554**	(3%)	17%	13,263	**15,554**	17%
Ixe Servicios								
Net Income	0.5	0.0	**(0.0)**	(155%)	(105%)	0.5	**0.0**	(96%)
Shareholder's Equity	24	145	**145**	(0%)	499%	24	**145**	499%
Total Assets	133	146	**145**	(1%)	10%	133	**145**	10%
ROE	7.8%	0.1%	**(0.1%)**	(0.2 pp)	(7.9 pp)	3.9%	**0.0%**	(3.8 pp)

1. Includes pure leasing portfolio and fixed asset amounting to Ps 12 million registered in property, furniture and equipment (net).

- **Leasing and Factoring**

In 1H15 Arrendadora y Factor Banorte reported profits of Ps 269 million, decreasing (19%) YoY due to higher income taxes and higher loan loss provisions. The Leasing and Factoring Company contributed 3.4% of the Financial Group's profits in 1H15.

In 2Q15 earnings totaled Ps 133 million, a (2%) QoQ decrease due to higher income taxes.

At the end of 2Q15, the Past Due Loan Ratio was 0.9%, (0.1) pp lower vs. 1Q15 and (0.2 pp) lower vs. 2Q14, while the Coverage ratio was 176.6%, increasing 20.3 pp vs. 2Q14 and 16.8 pp vs. 1Q15. The Capitalization ratio estimated as of June was 15.8% considering total risk-weighted assets of Ps 25.26 billion.

Arrendadora y Factor Banorte continues to be the market leader in terms of loans and assets among the 47 companies in this sector, according to the Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C. (AMSOFAC).

- **Warehouse**

In 1H15, **Warehouse posted profits of Ps 17 million**, growing by Ps 1.5 million or 10% YoY, due to growth in trading revenues and Net Interest Income which offset the decrease in Other Operating Income and greater Administrative Expenses. Almacenadora Banorte contributed 0.2% of the Financial Group's profits in 1H15.

In 2Q15, earnings totaled Ps 7 million, (Ps 3) million lower vs. 1Q15 as a result of a reduction in trading revenues and Net Interest Income, which were not offset by the increase in Other Operating Income and lower Administrative Expenses and.

ROE for 1H15 was 15.0%, 4.0 pp higher YoY; ROE for 2Q15 was 12.4% (5.4 pp) lower QoQ.

At the end of 2Q15, the Capitalization Ratio was 27.5% considering assets at risk. The total certificates in circulation amounted to Ps 2.44 billion. Almacenadora Banorte ranks third among the 16 warehouses of this sector in terms of profits generated.

- **Solida Administradora de Portafolios**

During 1H15, Sólida Administradora de Portafolios reported a loss of (Ps 191) million, an annual variation of (Ps 42) million mainly due to higher valuation charges related to the fair valuation of the investment projects in housing developers and the impairment of loan portfolios, higher tax payments and provisions. **In 2Q15,** Sólida Administradora de Portafolios **posted an (Ps 80) million loss,** improving by Ps 31 million as a result of lower valuation charges related to the fair valuation of the investment projects in housing developers.

The Past Due Loan Ratio was 8.0% at the end of 2Q15, unchanged vs. 1Q15. **The Coverage ratio was 102.1%,** comparing favorably to the 101.6% of 1Q15 and the 44.4% of 2Q14. **The estimated Capitalization ratio at the end of 2Q15 was 17.4%,** higher by 0.4 pp vs. 1Q15 and 5.6 pp vs. 2Q14 (the later due to the increase in equity in 3Q14).

RATINGS

International Ratings - GFNorte				
Rating Agency	**Rated Intitutions**	**Rating**	**Category**	**Date**
Standard & Poor's	Banco Mercantil del Norte	STABLE	Outlook	April, 2015
		BBB	Counterparty credit - Long term foreign currency	
		BBB	Counterparty credit - Long term local currency	
		A-2	Counterparty credit - Short term foreign currency	
		A-2	Counterparty credit - Short term local currency	
		BBB	Senior Unsecured Notes	
		BB	Subordinated Junior Notes (from the merged Ixe Banco)	
Fitch	Grupo Financiero Banorte	STABLE	Outlook	March, 2015
		bbb+	Viability	
		BBB+	Long term foreign currency (IDR'S)	
		F2	Short term foreign currency (IDR'S)	
		5	Support Rating-GFNorte	
		NF (Not Floor)	Support Rating Floor - GFNorte	
	Banco Mercantil del Norte	STABLE	Outlook	
		bbb+	Viability	
		BBB+	Long term foreign currency	
		F2	Short rerm foreign Currency	
		C	Individual - Foreign Currency	
		BBB-	Support Rating Floor	
		2	Support Rating - Banco Mercantil del Norte	
		BB	Subordinated Junior Notes (from the merged Ixe Banco)	
Moody's	Banco Mercantil del Norte	STABLE	Outlook BFSR	March,2015
		baa1	Baseline Credit Assessment	
		STABLE	Outlook	
		A3	Long term local currency deposits	
		A3	Long term foreign currency deposits	
		P-2	Short term local currency deposits	
		P-2	Short term foreign currency deposits	
		A3	Long term foreign currency senior debt	
		Baa2	Long term local currency subordinated debt	
		Baa2 (hyb)	Long term foreign currency subordinated debt	
		Baa3 (hyb)	Long term local currency junior subordinated debt	
		Baa3 (hyb)	Long term foreing currency junior subordinated debt	
		baa1	Adjusted baseline credit assesment	
		A2 (cr)	Long term counterparty risk assesment	
		Prime-1 (cr)	Short term counterparty risk assesment	
	Arrendadora y Factor Banorte	STABLE	Outlook	
		Baa1	Long term local currency issuer	
		P-2*	Short term local currency issuer	
		(P)Baa1	Long term local currency senior debt	
		(P)P-2*	Short term local currency senior debt	

Domestic Ratings - GFNorte				
Rating Agency	**Rated Institutions**	**Rating**	**Category**	**Date**
Standard & Poor's	Banco Mercantil del Norte	STABLE	Outlook	April, 2015
		mxA-1+	National Scale Counterparty credit - Short term	
		mxAAA	National Scale Counterparty - Long term	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	
		mxA-1+	National Scale Counterparty credit - Short term	
		mxAAA	National Scale Counterparty credit - Long term	
Fitch	Banco Mercantil del Norte	STABLE	Outlook	March, 2015
		AAA (mex)	National Scale Counterparty - Long term	
		F1+ (mex)	National Scale Counterparty - Short term	
		F1 + (mex)	Depo. Certi. y P.R.L.V. short Term	
		AA+ (mex)	Depo. Certi. y P.R.L.V. long term	
	Casa de Bolsa Banorte Ixe	STABLE	Outlook	
		F1+ (mex)	National Scale - Short term	
		AAA (mex)	National Scale - Long term	
	Arrendadora y Factor Banorte	F1+ (mex)	National Scale Counterparty - Short term	
		AAA (mex)	National Scale Counterparty- Long term	
		F1+ (mex)	National Scale - Unsecured Debt - Short term	
		AAA (mex)	National Scale - Unsecured Debt - Long term	
	Almacenadora Banorte	F1+ (mex)	National Scale Counterparty - Short term	
		AAA (mex)	National Scale Counterparty - Long term	
	Pensiones Banorte	ESTABLE	Outlkook	March, 2015
		AAA (mex)	National Scale	
	Seguros Banorte Generali	STABLE	Outlook	February, 2015
		AAA (mex)	Financial Strenght	
Moody's	Banco Mercantil del Norte	STABLE	Outlook	March, 2015
		Aaa.mx	National Scale - Long term deposits	
		MX-1	National Scale - Short term deposits	
		Aa1.mx	Subordinated debt - Long term	
		Aa2.mx	Junior Subordinated debt - Long term	
	Arrendadora y Factor Banorte	STABLE	Outlook	March, 2015
		Aaa.mx	National Scale - Long term issuer	
		MX-1*	National Scale - Short term issuer	
		Aaa.mx	National Scale - Long term senior debt	
		MX-1*	National Scale - Short term senior debt	
HR Ratings	Banco Mercantil del Norte	STABLE	Outlook	May, 2015
		HR AAA	Long term debt	
		HR+1	Short term debt	
		HR AA+	Subordinated Debt Preferential	

INFRASTRUCTURE

INFRASTRUCTURE	2Q14	1Q15	2Q15
Employees (1)	27,411	27,376	26,979
Branches (2)	1,267	1,270	1,184
INB	20	20	20
ATM's	7,045	7,062	7,135
POS's	151,112	159,066	151,114

1. Includes Banking Sector and Afore hired and outsourcing personnel.
2. 5 Banking modules are considered as branches. Does not include Remote Tellers. Does not include 1 branch in Cayman Islands.

GFNORTE'S ANALYST COVERAGE

In compliance with the BOLSA MEXICANA DE VALORES, S.A.B. DE C.V requirement, the information of Brokers that have analyst coverage to:

TICKER: GFNORTEO

BROKER	ANALYST	RECOMMENDATION	DATE
Actinver	Martín Lara	Buy	26-Jan-15
Barclays	Victor Galeano	Buy	13-Jul-15
BBVA	Ernesto Gabilondo	Buy	6-Jul-15
Bradesco	Bruno Chemmer	Buy	16-Apr-15
Brasil Plural	Eduardo Nishio	Buy	24-Apr-15
BTG Pactual	Eduardo Rosman	Buy	13-Jul-15
Burkernroad	Lourdes Palma	Buy	31-Jul-13
BX+	Paulina Nuñez	Buy	24-Apr-15
Citi	Daniel Abut	Buy	4-Jun-15
Credit Suisse	Marcello Telles	Buy	12-Jul-15
Finamex	Rodrigo Ledesma	Buy	20-Nov-14
HSBC	Carlos Gomez	Buy	20-Nov-14
Intercam	Sofía Robles	Buy	27-Apr-15
JP Morgan	Saul Martinez	Buy	14-Jul-15
Nomura	Daragh Quinn	Buy	27-Jan-15
UBS	Philip Finch	Buy	13-Jul-15
Vector	Rafael Escobar	Buy	2-Dec-14
BOFA - Merill Lynch	Mario Pierry	Hold	15-Jul-15
Deutsche Bank	Tito Labarta	Hold	14-Jul-15
GBM	Lilian Ochoa	Hold	24-Apr-15
Goldman Sachs	Carlos Macedo	Hold	13-Jul-15
Interacciones	Enrique Mendoza	Hold	16-Jul-15
Invex	Ana Sepulveda	Hold	12-May-15
Itaú BBA	Thiago Batista	Hold	14-May-15
Monex	Valeria Romo	Hold	14-Aug-14
Morgan Stanley	Jorge Kuri	Hold	24-Apr-15
Nau	Iñigo Vega	Hold	13-Jul-15
Santander	Boris Molina	Hold	23-Apr-15
Scotiabank	Claudia Benavente	Hold	13-Jul-15

GRUPO FINANCIERO – GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	2Q15
Banco Mercantil del Norte, S.A. (1)	98.22%
Banorte USA (2)	100.00%
Afore XXI Banorte S.A. de C.V. (2)	50.00%
Arrendadora y Factor Banorte, S.A. de C.V., SOFOM	99.99%
Almacenadora Banorte, S.A. de C.V.	99.99%
Pensiones Banorte, S.A. de C.V.	99.99%
Seguros Banorte S.A. de C.V.	99.99%
Casa de Bolsa Banorte Ixe, S.A. de C.V.	99.99%
Operadora de Fondos Banorte Ixe, S.A. de C.V.	99.99%
Ixe Servicios, S.A. de C.V.	99.99%
Sólida Administradora de Portafolios, S.A. de C.V., SOFOM	98.83%

1. Considers as of 3Q14 a 98.22%.stake of GFNorte.
2. Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 100% of INB Financial Corp.

Holding Company Capital Structure	
Number of Shares (Million)	**SERIE O** As of June '15
Number of Issued Shares	2,773.73
Number of Shares Outstanding	2,773.73
Shares held in the bank's Treasury	0.00

Integration of the Board of Directors as of June 2015

Board of Directors for the fiscal year 2015, appointed and approved in the Annual General Shareholders' Meeting held on April 24, 2015.

Grupo Financiero Banorte Board of Directors	
PROPRIETARY MEMBERS	
Carlos Hank González	Chairman
Juan Antonio González Moreno	
David Villarreal Montemayor	
José Marcos Ramírez Miguel	
Everardo Elizondo Almaguer	Independent
Patricia Armendáriz Guerra	Independent
Héctor Reyes-Retana y Dahl	Independent
Juan Carlos Braniff Hierro	Independent
Armando Garza Sada	Independent
Alfredo Elías Ayub	Independent
Adrián Sada Cueva	Independent
Miguel Alemán Magnani	Independent
Alejandro Burillo Azcárraga	Independent
José Antonio Chedraui Eguía	Independent
Alfonso de Angoitia Noriega	Independent
ALTERNATE MEMBERS	
Graciela González Moreno	
Juan Antonio González Marcos	
José María Garza Treviño	Independent
Robert William Chandler Edwards	Independent
Alberto Halabe Hamui	Independent
Roberto Kelleher Vales	Independent
Manuel Aznar Nicolin	Independent
Guillermo Mascareñas Milmo	Independent
Ramón A. Leal Chapa	Independent
Isaac Becker Kabacnik	Independent
Eduardo Livas Cantú	Independent
Lorenzo Lazo Margain	Independent
Javier Braun Burillo	Independent
Rafael Contreras Grosskelwing	Independent
Guadalupe Phillips Margain	Independent

Group's Main Officers 2Q15	
NAME	**CURRENT POSITION**
José Marcos Ramírez Miguel	Chief Executive Officer, Grupo Financiero Banorte
BUSINESS UNITS	
Armando Rodal Espinosa	Managing Director – Wholesale Banking
Carlos Eduardo Martínez González	Managing Director – Retail Banking
Manuel Romo Villafuerte	Managing Director – Consumer Products
Fernando Solís Soberón	Managing Director – Long Term Savings
STAFF	
Rafael Arana de la Garza	Chief Operating Officer & Chief Financial Officer
David Aarón Margolin Schabes	Chief Risk Officer
Luis Fernando Orozco Mancera	Chief Credit Officer
Isaías Velazquez González	Managing Director - Internal Audit

HOLDING

Income Statement-Holding *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2014	1H15
Income Subsidiaries	3,646	3,780	3,968	3,852	3,900	4,020	15,246	7,920
Interest Income	44	22	20	7	3	8	93	11
Interest Expense	-	-	-	-	-	-	-	-
Fees & Tariffs	-	(0)	(0)	(0)	-	-	(0)	-
Trading Income	-	-	-	-	-	-	-	-
Other Operating Income (Expense)	1	0	-	-	-	-	1	-
Non Interest Expense	27	28	27	31	27	26	113	52
Pre-Tax Income	**3,664**	**3,774**	**3,960**	**3,827**	**3,876**	**4,003**	**15,226**	**7,879**
Income Tax	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	0	(0)	(118)	(9)	(4)	(1)	(127)	(5)
Taxes	**0**	**(0)**	**(118)**	**(9)**	**(4)**	**(1)**	**(127)**	**(5)**
Net Income from Continuos Operations	**3,664**	**3,774**	**4,078**	**3,837**	**3,880**	**4,003**	**15,354**	**7,884**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Net Income	**3,664**	**3,774**	**4,078**	**3,837**	**3,880**	**4,003**	**15,354**	**7,884**

Holding - Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
ASSETS						
Cash and Due from Banks	**305**	**279**	**231**	**99**	**30**	**92**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**-**	**-**	**-**	**-**	**-**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**2,400**	**2,100**	**1,300**	**500**	**190**	**1,260**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Operations w/Derivatives & Securities	**2,400**	**2,100**	**1,300**	**500**	**190**	**1,260**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**-**
Performing Loans	**-**	**-**	**-**	**-**	**-**	**-**
Past Due Loans	**-**	**-**	**-**	**-**	**-**	**-**
Gross Loan Portfolio	**-**	**-**	**-**	**-**	**-**	**-**
Preventive Loan Loss Reserves	-	-	-	-	-	-
Net Loan Portfolio	**-**	**-**	**-**	**-**	**-**	**-**
Acquired Collection Rights	-	-	-	-	-	-
Total Credit Portfolio	**-**	**-**	**-**	**-**	**-**	**-**
Benef.receivab.securization transactions	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	54	58	62	63	63	61
Inventories	-	-	-	-	-	-
Foreclosed Assets, Net	-	-	-	-	-	-
Real Estate, Furniture & Equipment, Net	-	-	-	-	-	-
Investment in Subsidiaries	95,903	100,536	104,631	109,558	113,124	114,658
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	4	4	122	131	136	136
Goodwill and Intangibles	10,909	10,886	10,863	10,840	10,819	10,796
Other Assets Short and Long Term	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
	106,870	111,483	115,677	120,593	124,141	125,651
TOTAL ASSETS	**109,575**	**113,863**	**117,209**	**121,191**	**124,361**	**127,003**

Holding - Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
LIABILITIES						
Deposits	-	-	-	-	-	-
Due to Banks & Correspondents	-	-	-	-	-	-
Total Collateral sold	-	-	-	-	-	-
Total Operations w/ Derivatives & Securities	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	0	0	-	1	10	676
Subordinated Non Convertible Debt	-	-	-	-	-	-
Deferred Taxes, Net	-	-	-	-	-	-
Deferred Credits	-	-	-	-	-	-
TOTAL LIABILITIES	**0**	**0**	**-**	**1**	**10**	**676**
EQUITY						
Paid-in Capital	14,664	14,664	14,664	14,648	14,643	14,614
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	35,500	35,797	35,815	36,334	36,207	36,371
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**50,163**	**50,460**	**50,479**	**50,983**	**50,850**	**50,985**
Capital Reserves	5,811	7,014	7,014	6,657	6,563	5,854
Retained Earnings	50,846	49,628	49,105	48,429	63,123	61,770
Surplus (Deficit) of Secs Available for Sale	734	833	541	605	779	74
Results from Valuation of Hedging Secs	(734)	(594)	(709)	(762)	(1,026)	(578)
Results from Conversions	(909)	(916)	(737)	(75)	181	339
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	3,664	7,438	11,517	15,354	3,880	7,884
Earned Capital	**59,411**	**63,403**	**66,730**	**70,208**	**73,501**	**75,342**
Minority Interest	-	-	-	-	-	-
Total Equity	**109,575**	**113,863**	**117,209**	**121,191**	**124,351**	**126,327**
TOTAL LIABILITIES & EQUITY	**109,575**	**113,863**	**117,209**	**121,191**	**124,361**	**127,003**

Holding - Memorandum Accounts *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
TOTAL ON BEHALF OF THIRD PARTIES	**-**	**-**	**-**	**-**	**-**	**-**
Properties in Custody or Administration	3,716	3,716	3,716	3,716	3,716	3,716
Proprietary Transactions	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**
TOTAL PROPRIETARY	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**	**3,716**

GRUPO FINANCIERO BANORTE

Income Statement -GFNorte *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2014	1H15
Interest Income	17,835	16,985	17,009	18,511	16,612	16,501	70,341	33,113
Interest Expense	7,213	7,256	6,428	6,597	5,556	5,986	27,494	11,542
Charged Fees	338	325	441	1,134	284	297	2,238	581
Fees Paid	85	95	100	88	90	96	367	186
Net Interest Income from interest & fees (NII)	**10,875**	**9,960**	**10,923**	**12,960**	**11,251**	**10,716**	**44,718**	**21,966**
Premium Income (Net)	4,971	3,914	4,507	5,301	5,337	4,535	18,693	9,872
Net Increase in Technical Reserves	3,109	1,021	2,119	3,406	2,478	1,130	9,655	3,608
Damages, Claims and Other Obligations	2,385	2,425	2,436	2,412	2,475	2,543	9,659	5,018
Net Interest Income (NII)	**10,352**	**10,428**	**10,875**	**12,441**	**11,635**	**11,577**	**44,096**	**23,212**
Preventive Provisions for Loan Losses	2,380	2,851	3,253	2,712	2,605	2,778	11,196	5,383
Net Interest Income Adjusted for Credit Risk	**7,972**	**7,577**	**7,622**	**9,729**	**9,030**	**8,799**	**32,900**	**17,829**
Fees for Commercial and Mortgage Loans	3	2	2	2	1	2	9	3
Fund Transfers	146	158	161	173	209	195	637	404
Account Management Fees	351	374	378	397	459	521	1,499	980
Fiduciary	82	101	83	96	111	87	362	198
Other Fees	635	594	660	958	753	792	2,847	1,544
Income from Real Estate Portfolios	40	57	51	39	23	21	187	43
Electronic Banking Services	1,034	1,085	1,126	1,242	1,193	1,240	4,486	2,433
For Consumer and Credit Card Loans	676	667	705	744	703	745	2,792	1,447
Fees Charged on Services	**2,967**	**3,037**	**3,167**	**3,649**	**3,451**	**3,602**	**12,820**	**7,053**
Fund transfers	13	13	8	11	16	13	45	29
Other Fees	972	990	1,075	1,185	1,187	1,092	4,222	2,279
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-
Fees Paid on Services	**986**	**1,003**	**1,083**	**1,196**	**1,203**	**1,105**	**4,268**	**2,308**
Foreign Exchange	343	280	226	236	402	118	1,085	520
Securities-Realized Gains	481	677	823	340	477	298	2,322	775
Securities-Unrealized Gains	292	606	317	(202)	74	401	1,013	475
Trading Income	**1,116**	**1,563**	**1,366**	**375**	**953**	**817**	**4,420**	**1,770**
Loan Recoveries	241	225	226	264	299	317	956	616
Income from foreclosed assets	(100)	(68)	(16)	55	13	(6)	(130)	7
Other Operating Income	129	116	76	102	48	125	424	173
Other Operating Expense	(77)	(16)	(48)	(87)	(266)	(102)	(229)	(368)
Other Products	761	712	1,458	490	1,219	539	3,421	1,758
Other Recoveries	318	193	277	429	208	85	1,217	293
Other Operating Expense	(781)	(669)	(1,072)	(538)	(1,283)	(613)	(3,060)	(1,896)
Other Operating Income (Expense) from Insurance and Annuities	183	150	155	173	185	174	660	359
Total Other Operating Income (Expense)	**673**	**643**	**1,057**	**887**	**423**	**519**	**3,260**	**941**
Total Non Interest Income	**3,770**	**4,241**	**4,506**	**3,715**	**3,624**	**3,833**	**16,233**	**7,457**
Total Operating Income	**11,742**	**11,818**	**12,128**	**13,444**	**12,654**	**12,632**	**49,133**	**25,286**
Personnel	3,074	3,029	2,829	4,054	3,390	3,234	12,986	6,624
Employee Profit Sharing (PTU)	103	101	101	74	98	96	379	193
Professional Fees	645	693	762	900	515	610	3,000	1,125
Administrative and Promotional Expenses	1,249	1,397	1,434	1,599	1,722	1,735	5,679	3,457
Rents, Depreciation & Amortization	848	913	928	958	992	1,000	3,648	1,993
Taxes other than income tax & non deductible expenses	467	314	356	517	444	377	1,653	821
Contributions to IPAB/Fobaproa	459	466	474	487	510	523	1,887	1,033
Total Non Interest Expense	**6,845**	**6,913**	**6,884**	**8,590**	**7,670**	**7,575**	**29,232**	**15,246**
-	-	-	-	-	-	-	-	-
Operating Income	**4,897**	**4,906**	**5,244**	**4,855**	**4,983**	**5,057**	**19,901**	**10,040**
Subsidiaries' Net Income	293	349	248	329	279	345	1,220	623
-	-	-	-	-	-	-	-	-
Pre-Tax Income	**5,190**	**5,255**	**5,492**	**5,184**	**5,262**	**5,402**	**21,121**	**10,664**
Income Tax	2,108	1,908	2,408	1,617	1,208	1,537	8,040	2,744
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	(608)	(448)	(1,011)	(305)	121	(193)	(2,372)	(73)
Taxes	**1,500**	**1,460**	**1,397**	**1,312**	**1,328**	**1,343**	**5,668**	**2,671**
Net Income from Continuos Operations	**3,691**	**3,795**	**4,095**	**3,872**	**3,934**	**4,058**	**15,453**	**7,992**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Minority Interest	(63)	(56)	(54)	(52)	(54)	(55)	(225)	(109)
Net Income	**3,628**	**3,739**	**4,042**	**3,819**	**3,880**	**4,003**	**15,228**	**7,883**

GFNorte - Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
ASSETS						
Cash and Due from Banks	**70,120**	**72,074**	**70,541**	**73,838**	**83,716**	**85,551**
Margin Accounts	**74**	**100**	**72**	**45**	**97**	**160**
Negotiable Instruments	247,302	240,754	234,133	248,976	294,182	295,065
Securities Available for Sale	83,281	78,144	92,465	104,937	117,709	117,035
Securities Held to Maturity	92,839	88,571	86,860	77,736	80,371	78,694
Investment in Securities	**423,422**	**407,470**	**413,459**	**431,649**	**492,263**	**490,794**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans, net	**378**	**51**	**8**	**871**	**1**	**0**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	14,050	17,786	15,106	16,510	19,211	19,000
For hedging purposes	76	371	246	86	137	151
Operations w/Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**14,126**	**18,157**	**15,351**	**16,597**	**19,347**	**19,152**
Operations w/Derivatives & Securities	**14,504**	**18,208**	**15,360**	**17,468**	**19,349**	**19,152**
Valuation adjustments for Asset Coverage	**154**	**150**	**147**	**143**	**139**	**136**
Commercial Loans	182,202	182,992	182,257	191,189	190,682	192,050
Financial Intermediaries´ Loans	3,419	3,825	3,624	3,316	3,156	3,301
Consumer Loans	60,153	62,542	67,065	68,383	69,597	72,118
Mortgage Loans	83,153	85,040	87,003	89,918	91,288	93,844
Government Entities´ Loans	98,625	100,344	104,995	118,962	125,085	124,704
Loans granted as Federal Agent	-	-	-	-	-	-
Performing Loans	**427,553**	**434,743**	**444,944**	**471,768**	**479,808**	**486,017**
Commercial PDL´s	9,989	10,442	11,377	10,649	9,980	10,162
Financial Intermediaries PDL´s	0	1	1	1	1	0
Consumer PDL´s	2,058	2,416	2,371	2,370	2,318	2,685
Mortgage PDL´s	1,101	1,153	1,202	1,274	1,175	1,149
Government Entities PDL´s	1	1	-	-	-	-
Past Due Loans	**13,151**	**14,012**	**14,951**	**14,293**	**13,474**	**13,996**
Gross Loan Portfolio	**440,704**	**448,754**	**459,896**	**486,061**	**493,282**	**500,012**
Preventive Loan Loss Reserves	13,909	14,642	15,550	15,287	14,571	14,734
Net Loan Portfolio	**426,794**	**434,113**	**444,345**	**470,774**	**478,711**	**485,278**
Acquired Collection Rights	3,273	3,137	3,050	2,984	2,860	2,651
Total Credit Portfolio	**430,067**	**437,249**	**447,395**	**473,759**	**481,571**	**487,929**
Account Receivables from Insurance and Annuities	1,385	1,713	2,200	1,934	2,167	2,444
Premium Debtors (Net)	4,695	5,668	3,535	4,502	5,952	5,477
Account Receivables from Reinsurance	3,367	4,856	5,431	5,967	5,865	6,864
Benef.receivab.securization transactions	729	789	691	587	583	505
Sundry Debtors & Other Accs Rec, Net	37,448	28,175	31,268	26,646	31,845	34,191
Inventories	442	657	459	922	422	688
Foreclosed Assets, Net	2,611	2,670	2,546	2,731	2,678	2,526
Real Estate, Furniture & Equipment, Net	12,277	12,253	12,320	12,845	13,191	13,468
Investment in Subsidiaries	14,510	13,731	13,982	13,916	13,115	13,440
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	436	885	1,845	2,311	2,293	2,378
Goodwill and Intangibles	21,893	22,740	23,030	24,697	23,901	25,145
Other Assets Short and Long Term	4,399	4,391	4,361	4,022	4,037	3,959
Other Assets	-	-	-	-	-	-
	104,192	98,529	101,668	101,081	106,050	111,085
TOTAL ASSETS	**1,042,534**	**1,033,781**	**1,048,642**	**1,097,982**	**1,183,186**	**1,194,806**

GFNorte - Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
LIABILITIES						
Demand Deposits	252,652	263,672	276,545	298,852	306,474	311,439
Time Deposits-Retail	186,461	179,225	180,569	185,220	194,351	196,146
Time Deposits-Money Market	10,745	2,805	1,518	8,444	8,076	10,108
Special Funds	-	-	-	-	-	-
Senior Unsecured Debt	5,482	5,115	5,011	5,406	4,997	5,177
Deposits	**455,340**	**450,817**	**463,644**	**497,922**	**513,899**	**522,870**
Immediate Redemption Loans	0	7,809	0	0	0	0
Short Term Loans	18,942	19,137	18,155	21,082	17,172	17,546
Long Term Loans	7,382	7,585	9,077	9,002	11,324	12,438
Due to Banks & Correspondents	**26,324**	**34,531**	**27,232**	**30,084**	**28,496**	**29,984**
Technical Reserves	65,182	67,970	70,256	73,693	76,450	78,753
Non-assigned Securities for Settlement	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	317,580	292,593	296,061	306,602	360,901	362,801
Secs to be received in Repo Trans, Net	-	-	-	-	-	-
Repos (Credit Balance)	32	0	7	154	19	41
Securities' Loans	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Total Collateral sold	**32**	**0**	**7**	**154**	**19**	**41**
For trading purposes	14,140	17,704	15,201	17,271	19,664	19,495
For hedging purposes	3,583	3,071	3,041	4,020	3,381	3,556
Operations w/ Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**17,723**	**20,775**	**18,242**	**21,291**	**23,045**	**23,050**
Total Operations w/ Derivatives & Securities	**335,335**	**313,368**	**314,310**	**328,046**	**383,965**	**385,892**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Obligations in securitization transactions	0	0	0	0	0	-
Payable Accounts for Reinsurance	1,054	2,449	796	1,619	2,094	1,477
Income Tax Payable	1,917	2,816	4,547	5,380	1,681	1,572
Profit Sharing Payable	130	206	304	373	145	217
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Creditors for settlement of transactions	9,931	10,678	12,357	3,224	14,996	8,747
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	13,502	15,510	16,168	15,041	15,484	16,950
Other Payable Accounts	**25,480**	**29,210**	**33,375**	**24,019**	**32,306**	**27,485**
Subordinated Non Convertible Debt	18,083	15,788	16,021	16,468	16,712	16,790
Deferred Taxes, Net	-	-	-	-	-	-
Deferred Credits	2,511	2,412	2,389	1,459	1,413	1,400
TOTAL LIABILITIES	**929,310**	**916,544**	**928,026**	**973,311**	**1,055,334**	**1,064,652**
EQUITY						
Paid-in Capital	14,647	14,647	14,647	14,632	14,627	14,610
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	35,349	35,664	35,682	36,201	36,079	36,527
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**49,995**	**50,311**	**50,330**	**50,833**	**50,706**	**51,137**
Capital Reserves	5,811	7,014	7,014	6,657	6,563	5,854
Retained Earnings	52,823	51,605	51,082	50,407	64,974	63,622
Surplus (Deficit) of Secs Available for Sale	732	808	554	634	773	75
Results from Valuation of Hedging Secs	(734)	(594)	(709)	(762)	(1,026)	(578)
Results from Conversions	(909)	(916)	(737)	(75)	181	339
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	3,628	7,367	11,409	15,228	3,880	7,883
Earned Capital	**61,350**	**65,284**	**68,611**	**72,089**	**75,346**	**77,195**
Minority Interest	1,878	1,642	1,675	1,750	1,799	1,823
Total Equity	**113,224**	**117,237**	**120,616**	**124,672**	**127,851**	**130,154**
TOTAL LIABILITIES & EQUITY	**1,042,534**	**1,033,781**	**1,048,642**	**1,097,982**	**1,183,186**	**1,194,806**

GFNorte - Memorandum Accounts *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
On behalf of Third Parties						
Customer's Banks	264	117	39	52	22	252
Dividends Receivable from Customers	-	-	-	-	-	-
Interest Receivable from Customers	-	-	-	-	-	-
Settlement of Customer Transactions	(193)	(123)	(28)	(21)	(2)	(18)
Customer Premiums	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-
Customers' Current Account	**71**	**(7)**	**12**	**32**	**20**	**234**
Client Securities Received in Custody	546,591	592,850	625,248	588,561	592,356	594,403
Securities and Documents Received in Guarantee	-	-	-	-	-	-
Client Securities Abroad	-	-	-	-	-	-
Clients' Securities	**546,591**	**592,850**	**625,248**	**588,561**	**592,356**	**594,403**
Clients' Repurchase Operations	77,927	52,824	59,524	98,802	112,425	126,824
Clients' Repo Transactions w/ Securities	-	-	-	-	-	-
Collateral received in guarantee for customer accounts	76,581	51,573	58,283	97,555	111,981	126,381
Purchase of Futures & Forward Contracts, national	-	-	-	-	-	-
Sale of Futures and Forward Contracts, national	-	-	-	-	-	-
Clients' Option Purchase Operations	-	-	-	-	-	-
Clients' Option Sales Operations	-	-	-	-	-	-
Purchase Operations of derivatives	-	-	-	-	-	-
Clients' Sales Operations of derivatives	-	-	-	-	-	-
Trusts under Administration	64,280	72,413	75,847	76,857	77,144	73,549
Transactions On Behalf of Clients	**218,788**	**176,810**	**193,655**	**273,214**	**301,550**	**326,754**
Investment bank Trans on Behalf of Third (Net)	**85,548**	**99,955**	**94,013**	**90,769**	**91,311**	**98,221**
TOTAL ON BEHALF OF THIRD PARTIES	**850,998**	**869,609**	**912,928**	**952,576**	**985,237**	**1,019,612**
Endorsement Guarantees Granted						
Loan Obligations	28,616	31,840	29,682	43,023	46,200	72,508
Trusts	167,885	187,006	205,556	212,425	211,808	217,386
Mandates	10,090	8,957	9,031	9,002	596	9,524
Properties in Trusts and Warrant	177,975	195,963	214,587	221,427	212,405	226,910
Properties in Custody or Administration	484,554	489,633	438,328	433,473	441,489	449,344
Collateral Received	147,461	154,390	110,293	97,855	83,491	87,699
Collateral Received or sold or delivered	171,305	153,445	115,920	142,005	142,879	161,124
Drafts in Transit	-	-	-	-	-	-
Deposits of assets	2,404	2,083	1,633	3,346	2,688	2,440
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-
Contingent Assets & Liabilities	-	0	0	1	1	5
Uncollected Accrued Interest from Past Due Loans	421	454	495	548	468	492
Investments of Retirement Savings Funds	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	85,224
Proprietary Transactions	**1,012,734**	**1,027,808**	**910,938**	**941,678**	**929,620**	**1,085,747**
Repo Securities to be Received	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**1,012,734**	**1,027,808**	**910,938**	**941,678**	**929,620**	**1,085,747**

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2015 – JUNE30, 2015 *(Million Pesos)*	
Net Income	**7,883**
Items charged to results that do not generate or require use of resources	
Depreciation	668
Technical Reserves	3,608
Provisions	(5,215)
Income taxes and deferred	2,671
Minority Interest	(514)
	1,218
	9,101
Change in items related to operations	
Change in Margin Accounts	(114)
Change in Invesment in Securities	(58,661)
Change in repo debtors	871
Change in derivatives (assets)	(2,482)
Changein Loan Portfolio (net)	(13,607)
Change in purchased receivables (net)	333
Change in accounts receivable insurance and bonding institutions (net)	(510)
Change in debtor premiums	(975)
Change in Reinsurance	(897)
Change in benefits to receive from securitizations	82
Change in foreclosed assets (net)	210
Change in other operating assets (net)	(7,793)
Change in core deposits	23,605
Change in interbank loans and other entities	(119)
Change in repo creditors	56,200
Change in collateral pledged sold	(113)
Change in derivatives (liability)	2,224
Change in Technical Reserves (net)	1,452
Change in Reinsurance (net) (liability)	(141)
Change in subordinated debt with characteristics of liabilities	302
Change in other operating liabilities	12,340
Change in hedging instruments (the related hedged transaction	(529)
Income Tax Payments	(6,541)
Net cash generated or used from operations	**14,238**
Investment Activities	
Charges for disposal of property, furniture and equipment	412
Payments for acquisition of property, furniture and equipment	(1,663)
Charges for cash dividends	1,119
Net cash generated or used from investment activities	**(132)**
Financing Activities	
Payments of cash dividends	(1,350)
Payments associated with the repurchase of proprietary shares	(1,141)
Net cash flows from financing activities	**(2,491)**
Net Cash Increase (decrease)	**11,615**
Effects for changes in cash and equivalents value	**98**
Cash and cash equivalents at beginning of period	**73,838**
Cash and cash equivalents at end of period	**85,551**

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

JANUARY 1, 2014 – JUNE 30, 2015

(Million Pesos)

	CONTRIBUTED CAPITAL		EARNED CAPITAL							
	Fixed Paid-in Capital	Premium from sale of securities	Capital Reserves	Retained Earnings	Valuation Effects of Securities Available for Sale	Results from val of instrum Cash flow hedges	Results from Conversions	Net Income	Minority Interest	Total Stockholders' Equity
Balance as of December 31, 2014	**14,632**	**36,201**	**6,657**	**50,407**	**634**	**(762)**	**(75)**	**15,228**	**1,750**	**124,672**
Changes stemming from stockholders' decisions										
Repurchases of payment plan based on stock	(22)	335	(803)		(28)					(518)
Capitalization of profits				15,228				(15,228)		0
Dividends declared by the Ordinary General Shareholders' Meeting held on:										
January 21, 2015				(675)						(675)
April 24, 2015				(1,351)						(1,351)
Total	**(22)**	**335**	**(803)**	**13,202**	**(28)**	**0**	**0**	**(15,228)**	**0**	**(2,544)**
Changes stemming from profits										
Net Income								7,883		7,883
Result from valuation of securities available for sale					(531)					(531)
Effect of subsidiaries, associates and mutual funds		(9)		13			414			418
Result from valuation of instruments of cash flow hedges						184				184
Total	**0**	**(9)**	**0**	**13**	**(531)**	**184**	**414**	**7,883**	**0**	**7,954**
Recognition of minority interest									**73**	**73**
Balance as of June 30, 2015	**14,610**	**36,527**	**5,854**	**63,622**	**75**	**(578)**	**339**	**7,883**	**1,823**	**130,155**

BANKING SECTOR

Income Statement -Banking Sector (Million Pesos)	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2014	1H15
Interest Income	14,005	14,276	13,867	14,208	14,283	14,429	56,356	28,711
Interest Expense	5,225	5,229	4,641	4,543	4,688	4,807	19,638	9,494
Charged Fees	338	325	441	1,133	283	295	2,237	578
Fees Paid	85	95	99	86	88	94	365	182
Net Interest Income from interest & fees (NII)	**9,033**	**9,277**	**9,567**	**10,712**	**9,790**	**9,823**	**38,589**	**19,613**
Premium Income (Net)	-	-	-	-	-	-	-	-
Net Increase in Technical Reserves	-	-	-	-	-	-	-	-
Damages, Claims and Other Obligations	-	-	-	-	-	-	-	-
Net Interest Income (NII)	**9,033**	**9,277**	**9,567**	**10,712**	**9,790**	**9,823**	**38,589**	**19,613**
Preventive Provisions for Loan Losses	2,369	2,826	3,208	2,704	2,539	2,690	11,107	5,229
Net Interest Income Adjusted for Credit Risk	**6,664**	**6,451**	**6,359**	**8,008**	**7,250**	**7,133**	**27,482**	**14,384**
Fees for Commercial and Mortgage Loans	3	2	2	2	1	2	9	3
Fund Transfers	146	158	161	173	209	195	637	404
Account Management Fees	351	374	378	397	459	521	1,499	980
Fiduciary	81	100	83	95	111	87	360	197
Other Fees	430	398	423	639	495	503	1,890	999
Income from Real Estate Portfolios	6	5	18	21	6	4	49	10
Electronic Banking Services	1,034	1,085	1,126	1,242	1,193	1,240	4,486	2,433
For Consumer and Credit Card Loans	676	667	705	744	703	745	2,792	1,447
Fees Charged on Services	**2,726**	**2,789**	**2,896**	**3,312**	**3,177**	**3,297**	**11,723**	**6,474**
Fund transfers	13	13	8	11	16	13	45	29
Other Fees	710	744	764	827	780	830	3,046	1,610
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-
Fees Paid on Services	**724**	**758**	**772**	**837**	**796**	**844**	**3,091**	**1,640**
Foreign Exchange	342	283	229	257	411	125	1,111	536
Securities-Realized Gains	436	536	664	219	392	233	1,854	625
Securities-Unrealized Gains	270	536	191	(103)	46	371	894	417
Trading Income	**1,048**	**1,355**	**1,083**	**372**	**850**	**728**	**3,859**	**1,578**
Loan Recoveries	241	225	226	264	299	317	956	616
Income from foreclosed assets	(107)	(81)	(26)	65	7	(16)	(149)	(9)
Other Operating Income	89	116	76	102	48	125	383	173
Other Operating Expense	(65)	(3)	(36)	(33)	(32)	(7)	(138)	(39)
Other Products	199	363	667	(65)	201	153	1,164	354
Other Recoveries	270	76	204	375	139	63	925	202
Other Operating Expense	(221)	(225)	(218)	0	(242)	(242)	(663)	(485)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	-	-	-	-
Total Other Operating Income (Expense)	**406**	**470**	**894**	**708**	**419**	**393**	**2,478**	**812**
Total Non Interest Income	**3,457**	**3,857**	**4,102**	**3,554**	**3,650**	**3,575**	**14,969**	**7,225**
Total Operating Income	**10,121**	**10,308**	**10,461**	**11,562**	**10,900**	**10,708**	**42,451**	**21,608**
Personnel	2,950	2,884	2,695	3,912	3,249	3,092	12,441	6,341
Employee Profit Sharing (PTU)	99	101	99	70	96	94	369	190
Professional Fees	548	605	669	770	434	492	2,591	926
Administrative and Promotional Expenses	1,108	1,222	1,277	1,388	1,504	1,535	4,995	3,039
Rents, Depreciation & Amortization	789	853	859	889	927	937	3,391	1,863
Taxes other than income tax & non deductible expenses	420	270	303	371	368	326	1,364	694
Contributions to IPAB/Fobaproa	459	466	474	487	510	523	1,887	1,033
Total Non Interest Expense	**6,374**	**6,401**	**6,376**	**7,887**	**7,087**	**6,999**	**27,037**	**14,086**
Operating Income	**3,747**	**3,907**	**4,086**	**3,675**	**3,814**	**3,709**	**15,414**	**7,522**
Subsidiaries' Net Income	293	349	258	342	302	359	1,242	662
Pre-Tax Income	**4,040**	**4,255**	**4,344**	**4,017**	**4,116**	**4,068**	**16,655**	**8,184**
Income Tax	1,782	1,625	2,098	1,370	789	1,133	6,874	1,922
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	(573)	(445)	(800)	(337)	245	(195)	(2,154)	49
Taxes	**1,209**	**1,180**	**1,298**	**1,033**	**1,034**	**938**	**4,720**	**1,972**
Net Income from Continuos Operations	**2,831**	**3,075**	**3,046**	**2,984**	**3,082**	**3,130**	**11,936**	**6,212**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Minority Interest	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)
Net Income	**2,831**	**3,075**	**3,046**	**2,984**	**3,082**	**3,130**	**11,936**	**6,212**

Banking Sector - Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
ASSETS						
Cash and Due from Banks	**70,174**	**71,828**	**70,371**	**73,622**	**83,447**	**85,248**
Margin Accounts	**74**	**100**	**72**	**45**	**97**	**160**
Negotiable Instruments	184,013	194,110	193,774	172,478	208,758	196,688
Securities Available for Sale	70,293	67,782	69,116	77,511	83,850	82,238
Securities Held to Maturity	30,711	24,676	21,069	10,486	10,283	7,837
Investment in Securities	**285,017**	**286,567**	**283,959**	**260,475**	**302,891**	**286,763**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**0**	**51**	**8**	**1**	**1**	**0**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	14,050	17,786	15,106	16,510	19,211	19,000
For hedging purposes	76	371	246	86	137	151
Operations w/Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**14,126**	**18,157**	**15,351**	**16,597**	**19,347**	**19,152**
Operations w/Derivatives & Securities	**14,127**	**18,208**	**15,360**	**16,598**	**19,349**	**19,152**
Valuation adjustments for Asset Coverage	**154**	**150**	**147**	**143**	**139**	**136**
Commercial Loans	165,956	165,932	165,798	173,857	173,430	172,994
Financial Intermediaries´ Loans	15,174	15,575	17,700	17,703	16,424	17,493
Consumer Loans	60,106	62,499	62,960	64,652	66,230	69,090
Mortgage Loans	83,130	85,017	86,980	89,918	91,288	93,844
Government Entities´ Loans	96,925	98,238	103,144	117,655	123,336	123,029
Loans granted as Federal Agent	-	-	-	-	-	-
Performing Loans	**421,290**	**427,260**	**436,582**	**463,784**	**470,707**	**476,450**
Commercial PDL´s	9,587	10,036	11,017	10,272	9,583	9,768
Financial Intermediaries PDL´s	0	1	1	1	1	0
Consumer PDL´s	2,063	2,420	2,375	2,353	2,223	2,618
Mortgage PDL´s	1,151	1,202	1,250	1,286	1,175	1,149
Government Entities PDL´s	-	-	-	-	-	-
Past Due Loans	**12,801**	**13,659**	**14,643**	**13,912**	**12,981**	**13,536**
Gross Loan Portfolio	**434,092**	**440,919**	**451,226**	**477,696**	**483,688**	**489,986**
Preventive Loan Loss Reserves	13,506	14,215	14,989	14,718	13,952	14,117
Net Loan Portfolio	**420,586**	**426,703**	**436,237**	**462,979**	**469,736**	**475,869**
Acquired Collection Rights	1,702	1,610	1,545	1,518	1,480	1,416
Total Credit Portfolio	**422,288**	**428,313**	**437,782**	**464,497**	**471,216**	**477,285**
Benef.receivab.securization transactions	729	789	691	587	583	505
Sundry Debtors & Other Accs Rec, Net	29,371	17,464	18,742	15,662	19,427	23,017
Inventories	-	-	-	-	-	-
Foreclosed Assets, Net	2,102	2,162	2,036	2,260	2,197	2,051
Real Estate, Furniture & Equipment, Net	9,516	9,559	9,720	10,119	10,443	10,618
Investment in Subsidiaries	14,062	13,278	13,537	13,592	12,808	13,151
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	868	1,336	2,085	2,569	2,453	2,566
Goodwill and Intangibles	8,472	9,234	9,443	10,998	10,888	11,914
Other Assets Short and Long Term	4,013	4,007	3,978	3,742	3,752	3,672
Other Assets	-	-	-	-	-	-
	69,133	57,828	60,233	59,528	62,551	67,495
TOTAL ASSETS	**860,967**	**862,996**	**867,924**	**874,908**	**939,691**	**936,237**

Banking Sector - Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
LIABILITIES						
Demand Deposits	253,832	265,051	277,663	300,282	307,955	312,875
Time Deposits-Retail	187,015	179,756	181,021	185,461	194,609	196,425
Time Deposits-Money Market	10,745	2,805	1,518	8,444	8,076	10,108
Special Funds	-	-	-	-	-	-
Senior Unsecured Debt	3,951	3,968	4,065	4,510	4,619	4,798
Deposits	**455,543**	**451,580**	**464,268**	**498,697**	**515,259**	**524,205**
Immediate Redemption Loans	0	7,809	0	0	0	0
Short Term Loans	8,729	7,732	7,437	10,700	7,223	7,225
Long Term Loans	3,049	3,125	4,730	4,073	5,214	6,378
Due to Banks & Correspondents	**11,778**	**18,666**	**12,168**	**14,774**	**12,437**	**13,603**
Non-assigned Securities for Settlement	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	242,133	241,965	237,896	208,362	248,747	237,297
Secs to be received in Repo Trans, Net	-	-	-	-	-	-
Repos (Credit Balance)	32	0	6	154	16	11
Securities' Loans	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Total Collateral sold	**32**	**0**	**6**	**154**	**16**	**11**
For trading purposes	14,140	17,704	15,201	17,271	19,664	19,495
For hedging purposes	3,583	3,071	3,041	4,020	3,381	3,556
Operations w/ Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**17,723**	**20,775**	**18,242**	**21,291**	**23,045**	**23,050**
Total Operations w/ Derivatives & Securities	**259,888**	**262,740**	**256,145**	**229,806**	**271,808**	**260,358**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Obligations in securitization transactions	0	0	0	0	0	-
Income Tax Payable	1,518	2,315	3,808	4,459	1,287	859
Profit Sharing Payable	120	205	303	373	145	217
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Creditors for settlement of transactions	17,205	10,073	10,234	3,072	12,130	8,099
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	10,259	11,799	12,199	11,084	10,995	11,805
Other Payable Accounts	**29,102**	**24,392**	**26,544**	**18,988**	**24,557**	**20,980**
Subordinated Non Convertible Debt	18,083	15,788	16,021	16,468	16,712	16,790
Deferred Taxes, Net	-	-	-	-	-	-
Deferred Credits	2,373	2,274	2,252	1,384	1,316	1,289
TOTAL LIABILITIES	**776,768**	**775,441**	**777,397**	**780,117**	**842,090**	**837,224**
EQUITY						
Paid-in Capital	17,527	20,022	20,074	20,074	20,074	20,074
Provision for future capital increase not formalized by its governing entity	2,499	52	-	-	-	-
Share Subscription Premiums	10,389	10,389	10,389	11,099	11,274	11,449
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**30,415**	**30,463**	**30,463**	**31,173**	**31,348**	**31,523**
Capital Reserves	7,761	8,968	8,968	8,968	8,968	10,157
Retained Earnings	44,411	43,183	43,203	43,201	54,445	51,454
Surplus (Deficit) of Secs Available for Sale	576	691	540	510	771	69
Results from Valuation of Hedging Secs	(840)	(697)	(815)	(869)	(1,137)	(681)
Results from Conversions	(964)	(969)	(794)	(138)	115	269
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	2,831	5,906	8,952	11,936	3,082	6,212
Earned Capital	**53,775**	**57,082**	**60,054**	**63,608**	**66,243**	**67,480**
Minority Interest	10	10	10	10	10	10
Total Equity	**84,200**	**87,555**	**90,527**	**94,791**	**97,601**	**99,013**
TOTAL LIABILITIES & EQUITY	**860,967**	**862,996**	**867,924**	**874,908**	**939,691**	**936,237**

Banking Sector - Memorandum Accounts *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Investment banking transactions for third parties, net	85,548	99,955	94,013	90,769	91,311	98,221
TOTAL ON BEHALF OF THIRD PARTIES	**85,548**	**99,955**	**94,013**	**90,769**	**91,311**	**98,221**
Proprietary Transactions						
Endorsement Guarantees Granted	-	-	-	-	-	-
Loan Obligations	28,616	31,840	29,682	43,023	46,200	72,508
Trusts	167,885	187,006	205,556	212,425	211,808	217,386
Mandates	10,090	8,957	9,031	9,002	596	9,524
Properties in Trusts and Warrant	177,975	195,963	214,587	221,427	212,405	226,910
Properties in Custody or Administration	358,926	344,237	280,141	284,381	290,237	295,499
Collateral Received	86,962	75,353	75,123	68,010	72,222	78,345
Collateral Received or sold	35,054	23,364	22,996	15,475	19,629	25,389
Drafts in Transit	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-
Contingent Assets & liabilites	-	0	0	1	1	5
Uncollected Accrued Interest from Past Due Loans	378	411	452	505	425	450
Investments of Retirement Savings Funds	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	85,224
Proprietary Transactions	**687,910**	**671,167**	**622,981**	**632,822**	**641,118**	**784,330**
Repo Securities to be Received	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**687,910**	**671,167**	**622,981**	**632,822**	**641,118**	**784,330**

BANORTE USA

Income Statement-Banorte USA *MEX GAAP (Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	2014	1H15
Interest Income	183	185	183	197	210	218	747	428
Interest Expense	31	30	32	33	35	31	127	66
Charged Fees	7	7	8	8	8	10	31	18
Fees Paid	-	-	-	-	-	-	-	-
Net Interest Income from interest & fees (NII)	**159**	**162**	**160**	**171**	**184**	**197**	**651**	**380**
Premium Income (Net)	-	-	-	-	-	-	-	-
Net Increase in Technical Reserves	-	-	-	-	-	-	-	-
Damages, Claims and Other Obligations	-	-	-	-	-	-	-	-
Net Interest Income (NII)	**159**	**162**	**160**	**171**	**184**	**197**	**651**	**380**
Preventive Provisions for Loan Losses	11	2	3	5	15	(1)	21	14
Net Interest Income Adjusted for Credit Risk	**148**	**160**	**157**	**167**	**169**	**198**	**631**	**367**
Fees for Commercial and Mortgage Loans	3	2	2	2	1	2	9	3
Fund Transfers	71	80	84	88	95	102	323	197
Account Management Fees	15	15	15	15	15	15	61	30
Fiduciary	-	-	-	-	-	-	-	-
Other Fees	6	6	7	8	10	10	27	20
Income from Real Estate Portfolios	-	-	-	-	-	-	-	-
Electronic Banking Services	6	9	9	9	9	10	32	19
For Consumer and Credit Card Loans	-	-	-	-	-	-	-	-
Fees Charged on Services	**101**	**112**	**117**	**123**	**130**	**139**	**452**	**269**
Fund transfers	0	0	0	0	4	5	1	9
Other Fees	28	31	30	30	32	33	119	65
Amortization of Loan Portfolio	-	-	-	-	-	-	-	-
Fees Paid on Services	**28**	**31**	**31**	**30**	**36**	**37**	**120**	**74**
Foreign Exchange	13	15	15	16	15	17	59	32
Securities-Realized Gains	17	0	3	0	1	0	21	1
Securities-Unrealized Gains	-	-	-	-	-	-	-	-
Trading Income	**31**	**15**	**18**	**17**	**16**	**17**	**80**	**33**
Loan Recoveries	3	1	2	3	1	3	8	4
Income from purchased assets	(4)	6	(1)	1	4	(17)	2	(12)
Other Operating Income	0	-	(0)	-	1	1	(0)	2
Other Operating Expense	1	1	1	1	-	-	5	-
Other Products	17	17	17	22	22	12	73	34
Other Recoveries	-	-	-	-	-	-	-	-
Other Operating Expense	(1)	(1)	(1)	(0)	(1)	(1)	(3)	(1)
Other Operating Income (Expense) from Insurance and Annuities	-	-	-	-	-	-	-	-
Total Other Operating Income (Expense)	**16**	**24**	**19**	**26**	**28**	**(1)**	**85**	**27**
Total Non Interest Income	**120**	**119**	**122**	**135**	**137**	**118**	**497**	**255**
Total Operating Income	**268**	**279**	**279**	**302**	**306**	**316**	**1,128**	**622**
Personnel	82	90	85	94	106	115	351	221
Employee Profit Sharing (PTU)	-	-	-	-	-	-	-	-
Professional Fees	25	29	17	24	20	20	95	41
Administrative and Promotional Expenses	56	65	61	78	65	67	261	131
Rents, Depreciation & Amortization	20	18	16	18	17	19	72	36
Taxes other than income tax & non deductible expenses	4	5	4	3	3	4	16	7
Contributions to IPAB/Fobaproa	4	3	4	3	5	6	14	11
Total Non Interest Expense	**191**	**211**	**186**	**221**	**216**	**230**	**808**	**446**
Operating Income	**77**	**68**	**93**	**81**	**90**	**86**	**319**	**176**
Subsidiaries' Net Income	-	-	-	-	-	-	-	-
Pre-Tax Income	**77**	**68**	**93**	**81**	**90**	**86**	**319**	**176**
Income Tax	24	22	32	26	25	34	105	60
Tax on Assets	-	-	-	-	-	-	-	-
Deferred Income Tax	-	-	-	-	-	-	-	-
Taxes	**24**	**22**	**32**	**26**	**25**	**34**	**105**	**60**
Net Income from Continuos Operations	**52**	**46**	**61**	**55**	**64**	**51**	**214**	**116**
Extraordinary Items, net	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-
Net Income	**52**	**46**	**61**	**55**	**64**	**51**	**214**	**116**

Banorte USA-Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
ASSETS						
Cash and Due from Banks	**2,014**	**2,248**	**2,355**	**2,220**	**1,450**	**1,096**
Margin Accounts	**-**	**-**	**-**	**-**	**-**	**-**
Negotiable Instruments	-	-	-	-	-	-
Securities Available for Sale	7,474	7,190	6,853	7,692	9,007	8,599
Securities Held to Maturity	-	-	-	-	-	-
Investment in Securities	**7,474**	**7,190**	**6,853**	**7,692**	**9,007**	**8,599**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**
Debtor Balance in Repo Trans,net	**-**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-
Operations w/Derivatives & Securities"	-	-	-	-	-	-
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Operations w/Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Loans	9,686	9,608	10,171	11,943	12,676	13,454
Financial Intermediaries´Loans	-	-	-	-	-	-
Consumer Loans	142	138	134	149	143	139
Mortgage Loans	1,353	1,321	1,338	1,404	1,435	1,411
Government Entities´Loans	-	-	-	-	-	-
Loans granted as Federal Agent	-	-	-	-	-	-
Performing Loans	**11,180**	**11,067**	**11,643**	**13,497**	**14,254**	**15,004**
Commercial PDL´s	2	1	12	11	6	20
Financial Intermediaries PDL´s	-	-	-	-	-	-
Consumer PDL´s	-	-	-	-	-	0
Mortgage PDL´s	17	23	21	33	26	30
Government Entities PDL´s	-	-	-	-	-	-
Past Due Loans	**18**	**24**	**34**	**44**	**32**	**50**
Gross Loan Portfolio	**11,198**	**11,091**	**11,676**	**13,541**	**14,286**	**15,055**
Preventive Loan Loss Reserves	90	87	90	100	117	116
Net Loan Portfolio	**11,108**	**11,004**	**11,587**	**13,441**	**14,169**	**14,938**
Acquired Collection Rights	-	-	-	-	-	-
Total Credit Portfolio	**11,108**	**11,004**	**11,587**	**13,441**	**14,169**	**14,938**
Premium Debtors (Net)	-	-	-	-	-	-
Benef.receivab.securization transactions	-	-	-	-	-	-
Sundry Debtors & Other Accs Rec, Net	721	722	753	832	866	897
Inventories	-	-	-	-	-	-
Foreclosed Assets, Net	162	118	98	86	82	60
Real Estate, Furniture & Equipment, Net	575	565	576	625	651	664
Investment in Subsidiaries	143	141	146	160	166	170
Long-term assets held for sale	-	-	-	-	-	-
Deferred Taxes, Net	104	105	115	120	113	119
Goodwill and Intangibles	3,132	3,114	3,225	3,538	3,669	3,772
Other Assets Short and Long Term	125	121	98	84	109	118
Other Assets	-	-	-	-	-	-
	4,962	4,886	5,011	5,446	5,656	5,800
TOTAL ASSETS	**25,558**	**25,328**	**25,807**	**28,799**	**30,282**	**30,434**

Banorte USA-Balance Sheet *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
LIABILITIES						
Demand Deposits	11,483	10,979	10,680	12,562	13,621	13,463
Time Deposits-Retail	7,549	7,797	7,958	8,666	8,737	8,614
Time Deposits-Money Market	-	-	-	-	-	-
Special Funds	-	-	-	-	-	-
Senior Unsecured Debt	-	-	-	-	-	-
Deposits	**19,032**	**18,776**	**18,638**	**21,229**	**22,358**	**22,077**
Immediate Redemption Loans	-	-	-	-	-	-
Short Term Loans	114	105	100	111	113	98
Long Term Loans	-	6	-	-	-	-
Due to Banks & Correspondents	**114**	**112**	**100**	**111**	**113**	**98**
Non-assigned Securities for Settlement	-	-	-	-	-	-
Creditor Balance in Repo Trans, Net	-	-	-	-	-	-
Secs to be received in Repo Trans, Net	-	-	-	-	-	-
Repos (Credit Balance)	-	-	-	-	-	-
Securities' Loans	-	-	-	-	-	-
Transactions with Derivatives	-	-	-	-	-	-
Other sold collateral	-	-	-	-	-	-
Total Collateral sold	**-**	**-**	**-**	**-**	**-**	**-**
For trading purposes	-	-	-	-	-	-
For hedging purposes	-	-	-	-	-	-
Operations w/ Derivatives & Securities	-	-	-	-	-	-
Transactions with Derivatives	**-**	**-**	**-**	**-**	**-**	**-**
Total Operations w/ Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for financial liability coverage	-	-	-	-	-	-
Obligations in securitization transactions	-	-	-	-	-	-
Income Tax Payable	24	12	59	43	49	22
Profit Sharing Payable	-	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	-	-	-
Margin Accounts Payable	-	-	-	-	-	-
Other Creditors & Accounts Payable	433	430	761	419	432	691
Other Payable Accounts	**457**	**441**	**820**	**461**	**481**	**713**
Subordinated Non Convertible Debt	269	267	277	304	315	323
Deferred Taxes, Net	-	-	-	-	-	-
Deferred Credits	30	33	38	51	55	57
TOTAL LIABILITIES	**19,901**	**19,630**	**19,874**	**22,156**	**23,322**	**23,269**
EQUITY						
Paid-in Capital	4,690	4,690	4,690	4,690	4,690	4,690
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-
Share Subscription Premiums	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	**4,690**	**4,690**	**4,690**	**4,690**	**4,690**	**4,690**
Capital Reserves	-	-	-	-	-	-
Retained Earnings	749	749	749	749	964	964
Surplus (Deficit) of Secs Available for Sale	(142)	(114)	(141)	(85)	(74)	(106)
Results from Valuation of Hedging Secs	-	-	-	-	-	-
Results from Conversions	307	274	476	1,075	1,316	1,502
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-
Adjustments in the Employee´s Pensions	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-
Net Income	52	98	159	214	64	116
Earned Capital	**967**	**1,008**	**1,243**	**1,953**	**2,270**	**2,475**
Minority Interest	-	-	-	-	-	-
Total Equity	**5,657**	**5,698**	**5,933**	**6,643**	**6,960**	**7,165**
TOTAL LIABILITIES & EQUITY	**25,558**	**25,328**	**25,807**	**28,799**	**30,282**	**30,434**

Banorte USA - Memorandum Accounts *(Million Pesos)*	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15
Investment banking transactions for third parties, net	-	-	-	-	-	-
TOTAL ON BEHALF OF THIRD PARTIES	**-**	**-**	**-**	**-**	**-**	**-**
Proprietary Transactions						
Endorsement Guarantees Granted	-	-	-	-	-	-
Loan Obligations	12	13	7	8	17	18
Trusts	-	-	-	-	-	-
Mandates	-	-	-	-	-	-
Properties in Trusts and Warrant	-	-	-	-	-	-
Properties in Custody or Administration	-	-	-	-	-	-
Collateral Received	-	-	-	-	-	-
Collateral Received or sold	-	-	-	-	-	-
Drafts in Transit	-	-	-	-	-	-
Deposits of assets	-	-	-	-	-	-
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-
Securities to the Corporation for Custody	-	-	-	-	-	-
Government Secs of the Corp under Custody	-	-	-	-	-	-
Securities of the Corp given as Guarantee	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-
Contingent Assets & liabilites	-	-	-	-	-	-
Uncollected Accrued Interest from Past Due Loans	-	-	-	-	-	-
Investments of Retirement Savings Funds	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-
Proprietary Transactions	**12**	**13**	**7**	**8**	**17**	**18**
Repo Securities to be Received	-	-	-	-	-	-
(Minus) Repo Creditors	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
Repo Debtors	-	-	-	-	-	-
(Minus) Repo Securities to be Delivered	-	-	-	-	-	-
Net Repo Transactions	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL PROPRIETARY	**12**	**13**	**7**	**8**	**17**	**18**

INFORMATION BY SEGMENTS

GFNorte - Income Statement as of June '15 *(Million Pesos)*	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Interest Income	11	29,290	1,107	35	237	1,302	2,263
Premium Income (Net)	-	-	-	-	6,121	4,015	-
Interest Expense	-	9,677	625	-	-	-	2,033
Net Increase in Technical Reserves	-	-	-	-	372	3,235	-
Damages, Claims and Other Obligations	-	-	-	-	3,359	1,664	-
Net Interest Income (NII)	**11**	**19,613**	**482**	**35**	**2,627**	**418**	**230**
Preventive Provisions for Loan Losses	-	5,229	47	-	-	-	-
Net Interest Income Adjusted for Credit Risk	**11**	**14,384**	**434**	**35**	**2,627**	**418**	**230**
Loan Origination Fees	-	6,474	18	-	-	-	559
Fees Paid	-	1,640	37	0	816	-	69
Trading Income	-	1,578	-	5	9	1	193
Other Operating Income (Expenses)	-	812	51	2	344	(43)	(29)
Non Interest Income	**-**	**7,225**	**32**	**7**	**(463)**	**(42)**	**655**
Total Operating Income	**11**	**21,608**	**466**	**42**	**2,164**	**375**	**885**
Administrative and Promotional Expenses	52	14,086	81	18	450	142	533
Operating Income	**(41)**	**7,522**	**385**	**24**	**1,714**	**234**	**352**
Subsidiaries' Net Income	7,920	662	-	-	(0)	3	0
Pre-Tax Income	**7,879**	**8,184**	**385**	**24**	**1,714**	**237**	**352**
Income Tax	-	1,922	136	8	522	-	112
Deferred Income Tax	(5)	49	(21)	(0)	-	76	(14)
Net Income from Continuos Operations	**7,884**	**6,212**	**269**	**17**	**1,192**	**160**	**254**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	**-**	**(0)**	**(0)**	**-**	**(3)**	**-**	**-**
Net Income	**7,884**	**6,212**	**269**	**17**	**1,190**	**160**	**254**

GFNorte - Income Statement as of June '15 *(Million Pesos)*	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Interest Income	3	1	311	34,560	866	-	33,694
Premium Income (Net)	-	-	-	10,136	264	-	9,872
Interest Expense	-	-	247	12,583	-	855	11,728
Net Increase in Technical Reserves	-	-	-	3,608	-	-	3,608
Damages, Claims and Other Obligations	-	-	-	5,024	-	5	5,018
Net Interest Income (NII)	**3**	**1**	**63**	**23,482**	**-**	**-**	**23,212**
Preventive Provisions for Loan Losses	-	-	107	5,383	-	-	5,383
Net Interest Income Adjusted for Credit Risk	**3**	**1**	**(44)**	**18,099**	**-**	**-**	**17,829**
Loan Origination Fees	581	-	80	7,713	659	-	7,053
Fees Paid	406	-	0	2,968	-	660	2,308
Trading Income	-	-	(16)	1,770	-	0	1,770
Other Operating Income (Expenses)	1	0	(182)	956	21	5	941
Non Interest Income	**176**	**0**	**(117)**	**7,472**	**680**	**(655)**	**7,457**
Total Operating Income	**179**	**1**	**(161)**	**25,571**	**680**	**(655)**	**25,286**
Administrative and Promotional Expenses	19	1	129	15,511	449	715	15,246
Operating Income	**159**	**0**	**(290)**	**10,060**	**-**	**-**	**10,040**
Subsidiaries' Net Income	2	-	(40)	8,546	7,923	-	623
Pre-Tax Income	**161**	**0**	**(331)**	**18,605**	**-**	**-**	**10,664**
Income Tax	45	-	-	2,744	-	-	2,744
Deferred Income Tax	0	0	(140)	(54)	0	19	(73)
Net Income from Continuos Operations	**117**	**0**	**(191)**	**15,915**	**-**	**-**	**7,992**
Extraordinary Items, net	-	-	-	-	-	-	-
Minority Interest	**-**	**-**	**-**	**(3)**	**106**	**-**	**(109)**
Net Income	**117**	**0**	**(191)**	**15,912**	**10,287**	**2,234**	**7,883**

GFNorte - Balance Sheet as of June 30 '15 *(Million Pesos)* ASSETS	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Cash and Due from Banks	**92**	**85,248**	**52**	**18**	**59**	**1**	**1,104**
Margin Accounts	**-**	**160**	**-**	**-**	**-**	**-**	**-**
Investment in Securities	**-**	**286,763**	**-**	**3**	**11,983**	**64,018**	**128,191**
Negotiable Instruments	-	196,688	-	3	6,121	-	92,253
Securities Available for Sale	-	82,238	-	-	-	-	34,898
Securities Held to Maturity	-	7,837	-	-	5,862	64,018	1,040
Debtor Balance in Repo Trans, net	**1,260**	**0**	**-**	**-**	**-**	**-**	**-**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For trading purposes	**-**	**19,000**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For hedging purposes	**-**	**151**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for Asset Coverage	**-**	**136**	**-**	**-**	**-**	**-**	**-**
Gross Loan Portfolio	**-**	**477,285**	**20,901**	**-**	**-**	**-**	**-**
Net Loan Portfolio	**-**	**475,869**	**20,901**	**-**	**-**	**-**	**-**
Performing Loans	**-**	**476,450**	**21,052**	**-**	**-**	**-**	**-**
Commercial Loans	-	172,994	19,056	-	-	-	-
Financial Intermediaries´ Loans	-	17,493	316	-	-	-	-
Government Entities´ Loans	-	123,029	1,675	-	-	-	-
Consumer Loans	-	69,090	5	-	-	-	-
Mortgage Loans	-	93,844	-	-	-	-	-
Past Due Loans	**-**	**13,536**	**198**	**-**	**-**	**-**	**-**
Commercial PDL´s	-	9,768	198	-	-	-	-
Financial Intermediaries PDL´s	-	0	0	-	-	-	-
Government Entities PDL´s	-	-	-	-	-	-	-
Consumer PDL´s	-	2,618	0	-	-	-	-
Mortgage PDL´s	-	1,149	-	-	-	-	-
Preventive Loan Loss Reserves	**-**	**14,117**	**350**	**-**	**-**	**-**	**-**
Acquired Collection Rights	**-**	**1,416**	**-**	**-**	**-**	**-**	**-**
Account Receivables from Insurance and Annuities	**-**	**-**	**-**	**-**	**1,455**	**988**	**-**
Premium Debtors (Net)	**-**	**-**	**-**	**-**	**5,354**	**123**	**-**
Account Receivables from Reinsurance	**-**	**-**	**-**	**-**	**6,864**	**-**	**-**
Benef.receivab.securization transactions	**-**	**505**	**-**	**-**	**-**	**-**	**-**
Sundry Debtors & Other Accs Rec, Net	**61**	**23,017**	**362**	**61**	**-**	**-**	**1,200**
Inventories	**-**	**-**	**-**	**688**	**-**	**-**	**-**
Foreclosed Assets, Net	**-**	**2,051**	**9**	**-**	**-**	**-**	**-**
Real Estate, Furniture & Equipment, Net	**-**	**10,618**	**2,269**	**75**	**263**	**4**	**54**
Investment in Subsidiaries	**114,658**	**13,151**	**-**	**-**	**1**	**32**	**11**
Deferred Taxes, Net	**136**	**2,566**	**45**	**2**	**99**	**-**	**-**
Total other Assets	**10,796**	**15,586**	**202**	**12**	**558**	**1**	**256**
Goodwill	9,701	4,716	-	-	-	-	-
Intangible	1,095	7,197	202	1	489	0	38
Other Assets	-	3,672	-	10	69	1	217
TOTAL ASSETS	**127,003**	**936,237**	**23,840**	**857**	**26,637**	**65,168**	**130,816**

GFNorte - Balance Sheet as of June 30 '15 *(Million Pesos)* ASSETS	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Cash and Due from Banks	**233**	**30**	**180**	**87,017**	**273**	**1,739**	**85,551**
Margin Accounts	**-**	**-**	**-**	**160**	**-**	**-**	**160**
Investment in Securities	**-**	**-**	**-**	**490,957**	**175**	**338**	**490,794**
Negotiable Instruments	-	-	-	295,065	-	-	295,065
Securities Available for Sale	-	-	-	117,136	-	101	117,035
Securities Held to Maturity	-	-	-	78,757	175	237	78,694
Debtor Balance in Repo Trans, net	**-**	**-**	**-**	**1,260**	**-**	**1,260**	**0**
Securities Lending	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives For trading purposes	**-**	**-**	**-**	**19,000**	**-**	**-**	**19,000**
Transactions with Derivatives For hedging purposes	**-**	**-**	**-**	**151**	**-**	**-**	**151**
Valuation adjustments for Asset Coverage	**-**	**-**	**-**	**136**	**-**	**-**	**136**
Gross Loan Portfolio	**-**	**-**	**4,252**	**502,438**	**-**	**14,509**	**487,929**
Net Loan Portfolio	**-**	**-**	**3,017**	**499,787**	**-**	**14,509**	**485,278**
Performing Loans	**-**	**-**	**3,023**	**500,525**	**-**	**14,509**	**486,017**
Commercial Loans	-	-	-	192,050	-	-	192,050
Financial Intermediaries´ Loans	-	-	-	17,809	-	14,509	3,301
Government Entities´ Loans	-	-	-	124,704	-	-	124,704
Consumer Loans	-	-	3,023	72,118	-	-	72,118
Mortgage Loans	-	-	-	93,844	-	-	93,844
Past Due Loans	**-**	**-**	**262**	**13,996**	**-**	**-**	**13,996**
Commercial PDL´s	-	-	196	10,162	-	-	10,162
Financial Intermediaries PDL´s	-	-	-	0	-	-	0
Government Entities PDL´s	-	-	-	-	-	-	-
Consumer PDL´s	-	-	66	2,685	-	-	2,685
Mortgage PDL´s	-	-	-	1,149	-	-	1,149
Preventive Loan Loss Reserves	**-**	**-**	**268**	**14,734**	**-**	**-**	**14,734**
Acquired Collection Rights	**-**	**-**	**1,235**	**2,651**	**-**	**-**	**2,651**
Account Receivables from Insurance and Annuities	**-**	**-**	**-**	**2,444**	**-**	**-**	**2,444**
Premium Debtors (Net)	**-**	**-**	**-**	**5,477**	**-**	**-**	**5,477**
Account Receivables from Reinsurance	**-**	**-**	**-**	**6,864**	**-**	**-**	**6,864**
Benef.receivab.securization transactions	**-**	**-**	**-**	**505**	**-**	**-**	**505**
Sundry Debtors & Other Accs Rec, Net	**124**	**6**	**9,839**	**34,670**	**97**	**575**	**34,191**
Inventories	**-**	**-**	**-**	**688**	**-**	**-**	**688**
Foreclosed Assets, Net	**-**	**-**	**466**	**2,526**	**201**	**201**	**2,526**
Real Estate, Furniture & Equipment, Net	**0**	**104**	**4**	**13,390**	**212**	**134**	**13,468**
Investment in Subsidiaries	**92**	**-**	**282**	**128,228**	**767**	**115,556**	**13,440**
Deferred Taxes, Net	**-**	**0**	**256**	**3,105**	**355**	**1,082**	**2,378**
Total other Assets	**1**	**5**	**275**	**27,691**	**2,212**	**799**	**29,104**
Goodwill	-	-	-	14,417	2,212	635	15,993
Intangible	1	5	275	9,305	-	153	9,152
Other Assets	-	-	-	3,970	-	10	3,959
TOTAL ASSETS	**450**	**145**	**15,554**	**1,326,708**	**4,291**	**136,192**	**1,194,806**

GFNorte - Balance Sheet as of June 30 '15 *(Million Pesos)* LIABILITIES	Holding	Banorte	Arrendadora y Factor	Almacenadora	Seguros	Pensiones	Casa de Bolsa Banorte Ixe
Deposits	**-**	**524,205**	**379**	**-**	**-**	**-**	**-**
Demand Deposits	**-**	**312,875**	**-**	**-**	**-**	**-**	**-**
Time Deposits	**-**	**206,532**	**-**	**-**	**-**	**-**	**-**
Time Deposits-Retail	-	196,425	-	-	-	-	-
Time Deposits-Money Market	-	10,108	-	-	-	-	-
Senior Unsecured Debt	**-**	**4,798**	**379**	**-**	**-**	**-**	**-**
Due to Banks & Correspondents	**-**	**13,603**	**18,573**	**611**	**-**	**-**	**-**
Immediate Redemption Loans	-	0	-	-	-	-	-
Short Term Loans	-	7,225	12,512	611	-	-	-
Long Term Loans	-	6,378	6,061	-	-	-	-
Technical Reserves	**-**	**-**	**-**	**-**	**15,449**	**63,169**	**-**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Creditor Balance in Repo Trans, Net	**-**	**237,297**	**-**	**-**	**-**	**-**	**126,764**
Secs to be received in Repo Trans, Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Collateral sold or pledged as collateral	**-**	**11**	**-**	**-**	**-**	**-**	**30**
Transactions with Derivatives for trading purposes	**-**	**19,495**	**-**	**-**	**-**	**-**	**-**
Transactions with Derivatives for hedging purposes	**-**	**3,556**	**-**	**-**	**-**	**-**	**-**
Valuation adjustments for financial liability coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payable Accounts for Reinsurance	**-**	**-**	**-**	**-**	**1,477**	**-**	**-**
Other Payable Accounts	**676**	**20,980**	**747**	**15**	**3,803**	**133**	**1,409**
Income Tax Payable	-	859	88	4	535	-	60
Profit Sharing Payable	-	217	-	-	-	-	-
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	8,099	-	-	-	-	1,011
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	676	11,805	658	11	3,268	133	338
Subordinated Non Convertible Debt	**-**	**16,790**	**-**	**-**	**-**	**-**	**-**
Deferred Taxes, Net	**-**	**-**	**-**	**-**	**-**	**429**	**13**
Deferred Credits	**-**	**1,289**	**137**	**-**	**121**	**-**	**0**
TOTAL LIABILITIES	**676**	**837,224**	**19,835**	**626**	**20,850**	**63,731**	**128,216**
EQUITY							
Subscribed Capital	**50,985**	**31,523**	**526**	**87**	**709**	**325**	**1,429**
Paid-in Capital	14,614	20,074	526	87	709	325	1,354
Share Subscription Premiums	36,371	11,449	-	-	-	-	75
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	**75,342**	**67,480**	**3,473**	**144**	**5,046**	**1,111**	**1,171**
Capital Reserves	5,854	10,157	499	44	540	176	124
Retained Earnings	61,770	51,454	2,705	84	3,242	776	659
Surplus (Deficit) of Secs Available for Sale	74	69	-	-	74	(2)	69
Results from Valuation of Hedging Secs	(578)	(681)	-	-	-	-	-
Results from Conversions	339	269	-	-	-	-	64
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	7,884	6,212	269	17	1,190	160	254
Capital Mayoritario	126,327	99,003	3,999	231	5,755	1,437	2,600
Minority Interest	-	10	6	0	32	-	-
Total Equity	**126,327**	**99,013**	**4,005**	**231**	**5,787**	**1,437**	**2,600**
TOTAL LIABILITIES & EQUITY	**127,003**	**936,237**	**23,840**	**857**	**26,637**	**65,168**	**130,816**

GFNorte - Balance Sheet as of June 30 '15 *(Million Pesos)* LIABILITIES	Operadora de Fondos Banorte Ixe	IXE Servicios	Sólida Administradora de Portafolios	Total	Charges	Credits	Final Balance
Deposits	**-**	**-**	**-**	**524,584**	**1,713**	**-**	**522,870**
Demand Deposits	**-**	**-**	**-**	**312,875**	**1,435**	**-**	**311,439**
Time Deposits	**-**	**-**	**-**	**206,532**	**278**	**-**	**206,254**
Time Deposits-Retail	-	-	-	196,425	278	-	196,146
Time Deposits-Money Market	-	-	-	10,108	-	-	10,108
Senior Unsecured Debt	**-**	**-**	**-**	**5,177**	**-**	**-**	**5,177**
Due to Banks & Correspondents	**-**	**-**	**11,706**	**44,493**	**14,509**	**-**	**29,984**
Immediate Redemption Loans	-	-	-	0	-	-	0
Short Term Loans	-	-	11,706	32,055	14,509	-	17,546
Long Term Loans	-	-	-	12,438	-	-	12,438
Technical Reserves	**-**	**-**	**-**	**78,618**	**-**	**135**	**78,753**
Non-assigned Securities for Settlement	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Creditor Balance in Repo Trans, Net	**-**	**-**	**-**	**364,061**	**1,260**	**-**	**362,801**
Secs to be received in Repo Trans, Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Collateral sold or pledged as collateral	**-**	**-**	**-**	**41**	**-**	**-**	**41**
Transactions with Derivatives for trading purposes	**-**	**-**	**-**	**19,495**	**-**	**-**	**19,495**
Transactions with Derivatives for hedging purposes	**-**	**-**	**-**	**3,556**	**-**	**-**	**3,556**
Valuation adjustments for financial liability coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payable Accounts for Reinsurance	**-**	**-**	**-**	**1,477**	**-**	**-**	**1,477**
Other Payable Accounts	**145**	**0**	**83**	**27,991**	**643**	**138**	**27,485**
Income Tax Payable	25	-	-	1,572	-	-	1,572
Profit Sharing Payable	-	-	-	217	-	-	217
Provision for future capital increase not formalized by its governing entity	-	-	-	-	-	-	-
Creditors for settlement of transactions	-	-	-	9,110	363	-	8,747
Acreedores Por Colaterales Recibidos En Efectivo	-	-	-	-	-	-	-
Other Creditors & Accounts Payable	120	0	83	17,093	281	138	16,950
Subordinated Non Convertible Debt	**-**	**-**	**-**	**16,790**	**-**	**-**	**16,790**
Deferred Taxes, Net	**0**	**-**	**-**	**442**	**442**	**-**	**-**
Deferred Credits	**-**	**-**	**7**	**1,553**	**153**	**-**	**1,400**
TOTAL LIABILITIES	**146**	**0**	**11,796**	**1,083,100**	**18,721**	**273**	**1,064,652**
EQUITY							
Subscribed Capital	**112**	**144**	**2,926**	**88,767**	**37,952**	**322**	**51,137**
Paid-in Capital	112	144	2,926	40,873	26,263	-	14,610
Share Subscription Premiums	-	-	-	47,894	11,689	322	36,527
Contributions for future capital increases agreed by the governing body	-	-	-	-	-	-	-
Earned Capital	**192**	**1**	**832**	**154,793**	**80,763**	**3,165**	**77,195**
Capital Reserves	19	2	117	17,532	11,678	-	5,854
Retained Earnings	56	(1)	906	121,652	61,176	3,146	63,622
Surplus (Deficit) of Secs Available for Sale	-	-	-	284	209	-	75
Results from Valuation of Hedging Secs	-	-	-	(1,260)	(681)	-	(578)
Results from Conversions	-	-	-	672	333	-	339
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-
Results of Non Monetary Assets	-	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-
Results of Non Monetary - Investment Assets	-	-	-	-	-	-	-
Accumulated Effect of Deferred Taxes	-	-	-	-	-	-	-
Net Income	117	0	(191)	15,912	8,047	19	7,883
Capital Mayoritario	304	145	3,758	243,560	118,715	3,486	128,331
Minority Interest	0	-	-	48	32	1,807	1,823
Total Equity	**304**	**145**	**3,758**	**243,608**	**118,747**	**5,294**	**130,154**
TOTAL LIABILITIES & EQUITY	**450**	**145**	**15,554**	**1,326,708**	**137,468**	**5,566**	**1,194,806**

ACCOUNTING CHANGES & REGULATION

Numbers in this section are stated in million pesos.

- **Modification to the Severity of Loss Exposure for debtors in bankruptcy.**

On October 30, 2014 the CNBV published an amendment to Regulations for the rating methodology of commercial loan portfolios, to make it congruent with Bankruptcy Law reforms published in January 2014 for loans granted to debtors applying for bankruptcy who had previously submitted a restructuring plan.

The resolution amends Article 114 of the Regulations and applies to the part not covered by real guarantees for loans granted to individuals or corporations who have filed for bankruptcy, with a previous restructuring plan. The amendment establishes that for such cases, Institutions may calculate an Updated Loss Estimate that reflects the best estimate of loss as a percentage of the past due portfolio, considering possible payments or mitigated losses that could be received as payment for the portion of the loan that is not covered.

The Severity of Loss to be used in these cases would be the maximum between the Updated Loss Estimate and the 45% established in the regulation as Severity of Loss for un-subordinated, uncovered positions with less than 18 months of arrears. This calculation can be maintained until an agreement between lender(s) and borrower is reached or until the borrower has been declared in bankruptcy in which case this modification would not apply and the uncovered portion of the loan will be set aside in accordance to the existing regulation which requires up to 100% of Loss Severity for loans 18 months or more in default.

- **Liquidity Coverage Ratio (LCR).**

On December 31, 2014 the CNBV and the Bank of Mexico issued general regulations on liquidity requirements for banking institutions. The resolution establishes a Liquidity Coverage Ratio (LCR), with a calculation methodology following the international standard, which became effective on January 1, 2015.

Banorte has complied with the liquidity regulation by calculating the LCR on a monthly basis, as well as with the quarterly disclosure rules in Annex 5 of said publication.

- **Main changes in accounting criteria B-6 “Loan Portfolio”.**

On September 24, 2014, the Commission issued a resolution amending terms corresponding to Accounting Criterion "B-6 Loan Portfolio". The objective was to establish an accounting procedure that credit institutions must observe with regards to loans granted under the terms of Article 43 (Section VIII) and under Article 75 (Sections II and III of Article 224) of the Bankruptcy Act. The main changes are:

- In the definition of *past due loans is* specified that in order to exclude those loans from this definition whose borrowers have declared bankruptcy, the Banks must continue to receive payment on the principal and interest of such loans.

  Past Due Loan Portfolio - Comprised of those loans:

  a) Whose debtors have declared bankruptcy, with the exception of those loans:
     i. that continue to make payments under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, or
     ii. granted under the protection of Article 75 in relation to Sections II and III of Article 224 of the aforementioned Law; or
  b) Whose principal, interest, or both not have been liquidated under the terms originally pacted, to the effect of that established in paragraphs 53 to 64 of the present criteria.

- The definition of *payment* is added.

  Payment – the actual delivery of an item, amount or service due that has been agreed upon. Financial income from capital leasing or financial factoring, or capitalized interests is not considered as payment.

- It is specified the statutory basis of the Bankruptcy Act in relation to the procedures that Banks must observe to *transfer to past due loans* those loans to companies in bankruptcy, provided they are in arrears in the payment of their principal and interest.

  Transfer to Past Due Loan

  The outstanding amount, following the conditions established in the loan agreement, will be registered past due when:

  The debtor has declared bankruptcy, following Bankruptcy Law.

  Without prejudice to the provisions of the present paragraph, those payments received under the terms outlined in Section VIII of Article 43 of the Bankruptcy Law, as well as loans granted protection under Article 75 in relation to Sections II and III of Article 224 of the Act, will be classified as past due when they have incurred the cases established in numeral 2 of paragraph 53 of Criterion B-6.

- **Early termination of the mortgage debtor support programs.**

On June 30, 2010, the Ministry of Finance and Public Credit (SHCP) on behalf of the Federal Government agreed (the Agreement) to the early termination of mortgage debtor support programs (end point and UDIS trusts) with banks. Consequently, as of January 1, 2011, the Holding Company absorbed the corresponding part of the discount offered in advance to mortgage debtors that participated in the program.

In the Agreement a series of Federal Government's obligations were established, payable in 5 annual amortizations whose maturity date was June 1, 2015. On such date the last payment for an amount of Ps 29 was received. This includes a monthly financial cost as of the day immediately following the cut-off date and until the end of the month immediately preceding the payment date.

As of June 30, 2015, no balances under the Federal Government; related to the Agreement, are registered.

During 2015 Ps 3 million were recognized in results in relation to the termination of this program.

LOAN PORTFOLIO SALES TO SÓLIDA

As instructed by the CNBV in the document 601-II-323110, we show the integration of the loan portfolio sold in 1Q03 by Banorte to its subsidiary Solida Administradora de Portafolios, S.A. de C.V. The Purpose of this sale was to concentrate the portfolio in this unit as it had been managing the collections of these loans previously. This was a one-time operation and not a permanent transfer procedure of the Solida's portfolio.

On February, 2003 Banorte sold Ps $1.9 billion (Ps $1.861 billion in past due loans and Ps $64 million in Performing loans) of its own portfolio (including interests) to its subsidiary, Solida Administradora de Portafolios, S.A. de C.V. for Ps $378 million. The transaction was done based on August 2002 figures, and therefore the final figure that affected the February balance was Ps $1.86 billion, once the collections made since August 2002 are considered. The past due portfolio, as well as Ps $1.577 billion in associated loan reserves, were cancelled.

	Local Currency			Foreign Currency (USD)			Total		
(Million of Nominal Pesos)	aug-02	mar-15	jun-15	aug-02	mar-15	jun-15	aug-02	mar-15	jun-15
Performing Loans									
Commercial	5	0	0	5	0	0	10	0	0
Consumer	0	0	0	0	0	0	0	0	0
Mortgage	54	22	22	0	0	0	54	22	22
Total	**59**	**22**	**22**	**5**	**0**	**0**	**64**	**22**	**22**
Non Performing Loans									
Commercial	405	251	251	293	11	12	698	263	263
Consumer	81	71	71	0	0	0	81	71	71
Mortgage	1,112	223	222	0	0	0	1,112	223	222
Total	**1,598**	**546**	**545**	**293**	**11**	**12**	**1,891**	**558**	**556**
TOTAL LOANS	**1,657**	**568**	**566**	**298**	**11**	**12**	**1,955**	**580**	**578**
Loan Loss Reserves (1)									
Commercial	326	251	251	246	11	12	572	263	263
Consumer	77	71	71	0	0	0	77	71	71
Mortgage	669	234	233	0	0	0	669	234	233
Total	**1,072**	**557**	**555**	**246**	**11**	**12**	**1,318**	**569**	**567**

(1) Reserve requirements using the same classification method used for the bank.

(*)There was a reserve difference of Ps 4 million as of June 2015.

(*) The dollar portfolio and reserves are re-expressed in pesos.

(*) Local Currency includes UDIS valued at the new exchange rate.

In 2Q15 the Loan portfolio showed changes due to: collections of Ps 1.1 million, foreclosed assets of (Ps 0.2) million, restructurings of Ps 0.4 million and there were charge offs and discounts of Ps. 8.1 million. In the Loan loss provisions, there were charge offs and discounts of Ps 2.2 million. There were no transfers from performing loans to past due loans and transfers from past due loans to performing loans of Ps 0.1 million.

As instructed by the CNBV in the document 601-II-323110 for purposes of determining financial indicators and a general disclosure referred to regulations, we show the integration of the Banorte's portfolio including the portfolio which was sold to Solida Administradora de Portafolios, S.A. de C.V.

	Local Currency (1)		Foreign Currency (USD) (2)		Total	
(Million of Nominal Pesos)	mar-15	jun-15	mar-15	jun-15	mar-15	jun-15
Performing Loans						
Commercial	289,395	289,052	28,045	29,007	317,440	318,059
Consumer	43,915	45,853	0	0	43,915	45,853
Mortgage	89,875	92,455	0	0	89,875	92,455
Performing Loans	**423,185**	**427,359**	**28,045**	**29,007**	**451,230**	**456,366**
Non Performing Loans						
Commercial	9,745	9,916	95	95	9,840	10,011
Consumer	996	1,229	0	0	996	1,229
Mortgage	1,372	1,341	0	0	1,372	1,341
Non Performing Loans	**12,113**	**12,486**	**95**	**95**	**12,207**	**12,581**
TOTAL LOANS	**435,297**	**439,846**	**28,140**	**29,102**	**463,437**	**468,948**
Loan Loss Reserves	**11,256**	**11,397**	**250**	**261**	**11,506**	**11,657**
Net Loan Portfolio	**424,041**	**428,449**	**27,890**	**28,841**	**451,932**	**457,290**
Loan Loss Reserves					**94%**	**93%**
%Past Due Loans					**2.63%**	**2.68%**

1. Includes UDIS.
2. The dollar portfolio and reserves are re-expressed in pesos.

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q15 *(Million Pesos)*				
Negotiable Instruments	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**240,084**	**709**	**29**	**240,822**
Unrestricted	**8,315**	**20**	**8**	**8,343**
CETES (Special)	-	-	-	-
CETES	(72)	3	0	(69)
BONDES	3,716	5	3	3,724
BPA	1,054	4	0	1,059
BREMS	-	-	-	-
Bonds	3,570	7	5	3,583
CBIC	-	-	-	-
Udibonds	10	0	(0)	10
UMS	36	0	(1)	36
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	**231,769**	**689**	**21**	**232,479**
CETES (Special)	-	-	-	-
CETES	3,016	-	0	3,016
BONDES	56,680	73	1	56,754
BPA	168,805	608	12	169,425
BREMS	-	-	-	-
Bonds	2,554	6	6	2,567
CBIC	-	-	-	-
Udibonds	714	2	2	717
UMS	-	-	-	-
Treasury Bonds	0	-	-	0
Treasury Notes	(0)	-	0	0
Banking Securities	**41,162**	**44**	**19**	**41,226**
Unrestricted	**3,490**	**1**	**(0)**	**3,491**
Notes	2,801	0	(0)	2,801
CEDES	47	0	0	47
Stock Certificates	476	1	(0)	477
Structured Notes	-	-	-	-
Other Banking Securities	165	-	-	165
Restricted	**37,673**	**43**	**19**	**37,735**
Notes	10,971	-	0	10,971
CEDES	5,719	6	(1)	5,725
Stock Certificates	20,645	36	19	20,701
Structured Notes	-	-	-	-
Other Banking Securities	337	0	1	338
Private Securities	**12,757**	**20**	**241**	**13,018**
Unrestricted	**1,107**	**2**	**243**	**1,352**
Stock Certificates	390	1	(5)	385
PEMEX Bonds	3	0	0	3
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	127	1	6	135
GFNORTE stocks	-	-	-	-
BMV stocks	208	-	148	357
Mutual Funds stocks	376	-	94	470
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	3	-	-	3
Restricted	**11,649**	**18**	**(2)**	**11,665**
Stock Certificates	11,497	18	(2)	11,512
PEMEX Bonds	125	0	(0)	125
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	28	-	(0)	28
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Total	**294,003**	**773**	**289**	**295,065**

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q15 *(Million Pesos)*				
Securities Held for Sale	Book Value	Interest	Unrealized gain (loss)	Market Value
Government Securities	**92,478**	**924**	**104**	**93,506**
Unrestricted	**14,451**	**105**	**50**	**14,605**
CETES (Special)	-	-	-	-
CETES	72	-	0	72
BONDES	99	0	0	100
BPA	130	1	0	131
BREMS	-	-	-	-
Bonds	251	0	(12)	239
CBIC	30	1	5	36
Udibonds	-	-	-	-
UMS	5,161	80	188	5,429
Treasury Bonds	-	-	-	-
Treasury Notes	-	0	-	0
Other Government Securities	8,708	23	(132)	8,599
Restricted	78,027	819	55	78,901
CETES (Special)	-	-	-	-
CETES	112	-	0	112
BONDES	0	0	-	0
BPA	77,682	819	63	78,564
BREMS	-	-	-	-
Bonds	232	0	(8)	225
CBIC	-	-	-	-
Udibonds	-	-	-	-
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**873**	**1**	**(107)**	**766**
Unrestricted	**703**	**0**	**(108)**	**595**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	-	-	-	-
Structured Notes	703	0	(108)	595
Other Banking Securities	-	-	-	-
Restricted	**170**	**0**	**1**	**171**
Notes	-	-	-	-
CEDES	0	(0)	-	0
Stock Certificates	170	0	1	171
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	**22,621**	**184**	**(43)**	**22,763**
Unrestricted	**20,754**	**156**	**(63)**	**20,846**
Stock Certificates	3,430	19	(176)	3,273
PEMEX Bonds	8,224	121	25	8,370
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	1,160	16	(1)	1,176
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	7,939	-	88	8,027
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**1,867**	**29**	**21**	**1,916**
Stock Certificates	592	1	0	593
PEMEX Bonds	1,275	28	20	1,323
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Total	**115,971**	**1,109**	**(46)**	**117,035**

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q15 *(Million Pesos)*				
Securities Held to Maturity	**Book Value**	**Interest**	**Unrealized gain (loss)**	**Market Value**
Government Securities	**57,803**	**73**	**-**	**57,877**
Unrestricted	**57,803**	**73**	**-**	**57,876**
CETES (Special)	899	-	-	899
CETES	0	0	-	0
BONDES	400	0	-	400
BPA	-	-	-	-
BREMS	-	-	-	-
Bonds	1,357	3	-	1,360
CBIC	432	2	-	434
Udibonds	54,715	68	-	54,783
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Other Government Securities	-	-	-	-
Restricted	**0**	**0**	**-**	**0**
CETES (Special)	-	-	-	-
CETES	-	-	-	-
BONDES	0	-	-	0
BPA	0	(0)	-	0
BREMS	-	-	-	-
Bonds	0	0	-	0
CBIC	0	0	-	0
Udibonds	0	0	-	0
UMS	-	-	-	-
Treasury Bonds	-	-	-	-
Treasury Notes	-	-	-	-
Banking Securities	**4,452**	**1,180**	**-**	**5,632**
Unrestricted	**4,452**	**1,180**	**-**	**5,632**
Notes	1,131	-	-	1,131
CEDES	1,438	1,017	-	2,455
Stock Certificates	1,168	14	-	1,183
Structured Notes	449	148	-	598
Other Banking Securities	265	0	-	266
Restricted	**(0)**	**-**	**-**	**(0)**
Notes	-	-	-	-
CEDES	-	-	-	-
Stock Certificates	(0)	-	-	(0)
Structured Notes	-	-	-	-
Other Banking Securities	-	-	-	-
Private Securities	**14,679**	**568**	**-**	**15,248**
Unrestricted	**10,292**	**556**	**-**	**10,848**
Stock Certificates	10,096	552	-	10,648
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	196	4	-	200
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
Restricted	**4,387**	**12**	**-**	**4,399**
Stock Certificates	4,387	12	-	4,399
PEMEX Bonds	-	-	-	-
Commercial Paper	-	-	-	-
Corporate Bonds	-	-	-	-
Euro Bonds	-	-	-	-
GFNORTE stocks	-	-	-	-
BMV stocks	-	-	-	-
Mutual Funds stocks	-	-	-	-
CPOs	-	-	-	-
Structured Notes	-	-	-	-
Other Private Securities	-	-	-	-
	-	-	-	-
Fair Value Adjustment Ixe Banco	(63)	-	-	(63)
	(63)	-	-	(63)
Total	**76,873**	**1,821**	**-**	**78,694**

REPURCHASE AGREEMENT OPERATIONS 2Q15 *(Million Pesos)*					
	Repo Debtors				Repo Creditors
	MV Repo Debtors	VM Collateral received sold in Repo Trans	Debtor Balance	Creditor Balance	MV Repo Creditors
Goverment securities	19,847	19,847	0	0	308,236
Banking securities	6,856	6,856	0	0	35,433
Private Securities	7,991	8,002	0	11	19,132
Total	**34,694**	**34,705**	**0**	**11**	**362,801**

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 2Q15 *(Million Pesos)*	
Creditor Balance	
Instrument	Fair Value
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	308
Options	
Rate options	707
Fx options	0
Swaps	
Rate swap	16,238
Fx swap	1,747
Negotiable Total	**19,000**
Options	
Rate Options	0
Fx options	-
Swaps	
Rate swap	27
Fx swap	124
Hedging total	**151**
Position total	**19,152**

DERIVATES FINANCIAL INSTRUMENTS OPERATIONS 2Q15 *(Million Pesos)*	
Debtor Balance	
Instrument	**Fair Value**
Futures	
TIIE 28 Futures	-
Forward	
Fx Forward	94
Options	
Rate options	595
Fx options	7
Swaps	
Rate swap	15,750
Fx swap	3,049
Negotiable Total	**19,495**
Swaps	
Rate swap	1,333
Fx swap	2,222
Hedging total	**3,556**
Position total	**23,050**

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 2Q15- Banorte *(Million Pesos)*			
PRODUCT	**TYPE**	**UNDERLYING**	**NOTIONAL**
FX Forwards	Purchases	Exchange Rate (USD/MXN)	16,089
FX Forwards	Sales	Exchange Rate (USD/MXN)	3,993
FX Forwards	Purchases	Exchange Rate (CAD/MXN)	0
FX Forwards	Sales	Exchange Rate (CAD/MXN)	0
FX Forwards	Purchases	Exchange Rate (EUR/MXN)	0
FX Forwards	Sales	Exchange Rate (EUR/MXN)	0
FX Options	Purchases	Exchange Rate (Dollar)	0
FX Options	Sales	Exchange Rate (Dollar)	792
Interest Rate Options	Purchases	TIIE	84,331
Interest Rate Options	Sales	TIIE	107,843
Interest Rate Options	Purchases	LIBOR	3,326
Interest Rate Options	Sales	LIBOR	2,455
Interest Rate Swaps	USD LIBOR	LIBOR	340,254
Interest Rate Swaps	MXN TIIE	TIIE	1,553,295
Interest Rate and FX Swaps	CS USDMXN	FIX/VARIABLE	23,689
Interest Rate and FX Swaps	CS USDCETE	CETE	0
Interest Rate and FX Swaps	CS EURMXN	FIX/VARIABLE	7,076

LOAN PORTFOLIO (Million Pesos)	Local Currency		UDIS		Foreign Currency		Total	
	2Q14	2Q15	2Q14	2Q15	2Q14	2Q15	2Q14	2Q15
Performing Loans								
Commercial Loans	150,726	146,721	-	-	32,266	45,329	182,992	192,050
Financial Intermediaries´ Loans	2,664	1,532	-	-	1,161	1,769	3,825	3,301
Consumer Loans	62,404	71,979	-	-	138	139	62,542	72,118
Mortgage Loans	83,403	92,176	315	257	1,322	1,411	85,040	93,844
Government Entities´ Loans	99,324	123,782	-	-	1,020	922	100,344	124,704
Total	**398,521**	**436,190**	**315**	**257**	**35,907**	**49,570**	**434,743**	**486,017**
Past Due Loans								
Commercial Loans	10,372	10,058	6	0	64	104	10,442	10,162
Financial Intermediaries´ Loans	1	0	-	-	-	-	1	0
Consumer Loans	2,416	2,684	-	-	-	0	2,416	2,685
Mortgage Loans	1,092	1,092	38	27	23	30	1,153	1,149
Government Entities´ Loans	1	-	-	-	-	-	1	-
Total	**13,881**	**13,836**	**44**	**27**	**87**	**134**	**14,012**	**13,996**
Total Propietary Loans	**412,402**	**450,025**	**359**	**284**	**35,994**	**49,704**	**448,754**	**500,012**

COST OF BALANCES OF FINAPE, FOPYME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 2Q15- GFNorte (Million Pesos)	TOTAL	
	PERIOD COST	BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	2.8	0.0
Mortgage FOVI	-	-
	2.8	**0.0**

At the end of this quarter, the balance in debtors support programs totaled Ps 2.8 million without a cost for the period.

DEFERRED TAXES 2Q15 *(Million Pesos)*			
ASSETS	**INCOME TAX**	**PROFIT SHARING**	**NET**
Excess of preventive reserves accounts over the fiscal limit	2,507	-	**2,507**
Non deductible provisions and cumulative income	689	-	**689**
Excess of accounting value over fiscal value on Reposessed Assets	719	-	**719**
Diminishable profit sharing	122	-	**122**
Fees received in advance	823	-	**823**
Effects from valuation of instruments	262	-	**262**
Tax losses pending amortization	1,924	-	**1,924**
Provisions for possible loss in loans	1,306	-	**1,306**
Loss on sale of foreclosed assets and credits	86	-	**86**
Decline in value of real estate	9	-	**9**
Interest on Loans	0	-	**0**
Reserve for employee retirement benefits	2	-	**2**
Diverse Creditors	132	-	**132**
Charge-off's Estimates	32	-	**32**
Provisions for seniority premiums	20	-	**20**
Other	146	-	**146**
Total Assets	8,780	-	**8,780**
LIABILITIES			
Pension Funds Contribution	(1,020)	-	**(1,020)**
Loan Portfolio Acquisitions	(402)	-	**(402)**
Projects to be capitalized	(1,658)	-	**(1,658)**
Effects from valuation of instruments	(2,245)	-	**(2,245)**
Intangibles' amortizations	(27)	-	**(27)**
Increase for securities' valuation	(90)	-	**(90)**
Receivable interest from securities	(18)	-	**(18)**
Current Account Agents	(14)	-	**(14)**
Savings' Inventory	(11)	-	**(11)**
Savings' Inventory	(730)	-	**(730)**
Excess of the accounting value over the tax value of foreclosed assets and fix assets	(105)	-	**(105)**
Other	(83)	-	**(83)**
Total Liabilities	(6,402)	-	**(6,402)**
Assets (Liabilities) Accumulated Net	2,378	-	**2,378**

LONG TERM DEBT AS OF JUNE '15 - BANCO MERCANTIL DEL NORTE (Million Pesos)									
TYPE OF DEBT	CURRENCY	DATE OF ISSUE	ORIGINAL AMOUNT	ORIGINAL AMOUNT (VALUED)	CURRENT AMOUNT	TERM	RATE	MATURITY	INTEREST PAYMENT
Non Convertible Subordinated Bonds 2006	USD	13-oct-06	200	2,188	3,137	15 years	6.862%	13-oct-21	E/ 180 days
Senior Notes Due 2010	USD	19-jul-10	300	3,875	4,706	5 years	4.375%	19-jul-15	E/ 180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	11-mar-08	3,000	3,000	3,000	10 years	TIIE + 0.60%	27-feb-18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	27-jun-08	2,750	2,750	2,750	10 years	TIIE + 0.77%	15-jun-18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	11-mar-08	447	1,749	2,359	20 years	4.950%	15-feb-28	E/ 182 days
Non Convertible Subordinated Bonds Q Banorte 12	MXN	08-jun-12	3,200	3,200	3,200	10 years	TIIE + 1.50%	27-may-22	E/ 28 days
Non-Preferred Non-Cumulative Subordinated Fixed Rate Notes due 2020	USD	14-oct-10	120	1,484	1,882	10 years	9.25%	14-oct-20	E/ 180 days

BANK AND OTHER ENTITIES LOANS' AS OF 2Q15 (Million Pesos)			
	LOCAL CURRENCY	FOREIGN CURRENCY	TOTAL
Loans from Local Banks		-	-
Loans from Foreign Banks generated in the country		-	-
Loans from Foreign Banks generated from foreign country		1,197	1,197
Loans from Development Banks	11,128	5,511	16,639
Loans from Public Funds	7,733	1,249	8,982
Call Money & Loans from Banks	17,401	-	17,401
Loans from Fiduciary Funds	210		210
Provisions for Interest		65	65
	36,471	**8,021**	**44,492**
Eliminations			(14,508)
Total			**29,984**

CORE DEPOSITS AND DUE TO BANKS & CORRESPONDENTS - INTEREST RATES 2Q15	
CORE DEPOSITS (BANORTE)	
Demand Deposits	
Local Currency and UDIs	0.52%
Foreign Currency	0.02%
Time Deposits - Retail	
Local Currency and UDIs	2.56%
Foreign Currency	0.51%
Senior Unsecured Debt	
Local Currency and UDIs	-
Foreign Currency	4.46%
DUE TO BANKS & CORRESPONDENTS (BANORTE)	
Inmediate Redemption Loans	
Local Currency and UDIs	2.90%
Foreign Currency	-
Public Funds and Development Banks	
Local Currency and UDIs	4.03%
Foreign Currency	2.01%

MAIN CREDIT LINES RECEIVED 2Q15 (BANORTE) *Million pesos*					
	2Q14	1Q15	2Q15	Change vs. 2Q14	Change vs. 1Q15
Banxico (Monetary Regulation Deposits)	28,504	33,449	33,449	17%	0%
Banxico (Repos with the System of Payments	39,195	36,675	36,967	(6%)	1%
Call Money	65,650	65,650	65,650	0%	0%
TOTAL	**133,349**	**135,774**	**136,066**	2%	0%

TRADING INCOME 2Q15 *Million Pesos*	
Trading income	**Consolidated**
Securities - Unrealized gains	**506**
Negotiable instruments	**90**
Derivative instruments - Negotiation	**423**
Derivative instruments - Hedging	**(7)**
Impairment loss or revaluation increase	**(30)**
Result from foreign exchange valuation	**(8)**
Result from valuation of precious metals	**1**
Result from purchase/sale of securities and derivatives	**775**
Negotiable instruments	**394**
Securities held for sale	**430**
Securities held to maturity	**0**
Derivative instruments - Negotiation	**0**
Derivative instruments - Hedging	**(48)**
Result from purchase/sale of foreign exchange	**523**
Result from purchase/sale of precious metals	**3**
Transaction costs	**0**
Intermediation of received collateral	**0**
Increase derived from trading income adjustments	**0**
Total	**1,770**

- **Risk Management**

Risk management at Grupo Financiero Banorte is a fundamental factor in determining and implementing the institution's strategic planning.

The Group's risk management and policies comply with regulations and market best practices.

RISK TOLERANCE

Grupo Financiero Banorte's Board of Directors has defined its risk limits through a Risk Tolerance Statement.

Risk Tolerance is governed by general and specific guidelines and defined as the risk that the institution is willing to take in order to create value and achieve the strategic objectives of profitability, asset quality, liquidity and solvency.

The five General guidelines are principles that the institution has established and are summarized below:

1. Conservative risk profile: diversified portfolio, growth with high quality and proper capitalization.
2. Stability of results: create value for shareholders and seek leadership position in businesses that are a priority for the Group's strategy.
3. Integral vision of the client: focus on customer service based on innovation.
4. Preserving high reputation: with customers, investors and authorities.
5. Social Responsibility: To generate social and sustainable investments.

There are specific guidelines for the Group, Bank and Sofomes that incorporate three aspects:

1. Maintain profitability measured by ROE (Return on Capital), in line with the Group's strategic goals.
2. Maintain a sufficiently diversified portfolio of quality assets.
3. Maintain adequate liquidity and solvency levels to ensure the normal flow of Bank operations through the control and monitoring of the liquidity coverage ratio, Value at Risk (Market VaR) and Capitalization Ratio.

CORPORATE RISK MANAGEMENT GOVERNANCE

The Board of Directors is responsible for authorizing policies and overall strategies, as well as the Risk Tolerance for Grupo Financiero Banorte, the framework for comprehensive risk management, risk exposure limitations, risk tolerance levels and mechanisms for implementation of corrective actions.

The Board of Directors designated the Risk Policy Committee (CPR) as accountable for managing the risks that GFNorte is exposed to; in order to monitor the performance of operations; and, to comply with objectives, policies and procedures for risk management.

The CPR also monitors the overall limits of risk exposure approved by the Board of Directors, in addition to approving specific risk limits for exposure to different types of risk.

The CPR is integrated with members of the Board, the CEO, the Directors of the entities, Risk Management and Audit, the latter participates with voice but no vote.

For the adequate performance of its objective, the CPR performs, among others, the following functions:

1. Propose for approval by the Board:

• The framework for overall risk management.
• The global limits of risk exposure.
• The mechanisms for implementation of corrective actions.
• The cases or special circumstances which may exceed the overall limits as much as the specifics.

2. Approve and review at least once a year:

• Specific limits for discretionary risks and risk tolerance levels for non-discretionary risks.
• Methodology and procedures to identify, measure, monitor, limit, control, report and disclose various types of risks to which the holding company is exposed to.
• Models, parameters and settings used to carry out the valuation, measurement and control of risks proposed by the Risk Management Unit.

3. Approve:

• Methodologies for identification, valuation, measurement and control of risks of new businesses, products and services that the holding intends to offer to the market.
• Corrective actions proposed by the Risk Management Unit.
• Manuals for comprehensive risk management.
• Technical evaluation aspects of risk management.

4. Appoint and remove the unit responsible for overall risk management, it is ratified by the Board.

5. Report to the Board at least quarterly, the risk profile and its possible negative effects, as well as the non-observance of the Risk Tolerance, the follow-up to the limits and tolerance levels.

6. Report to the Board on corrective actions taken.

RISK MANAGEMENT UNIT (RMU)

The RMU helps to identify measure, monitor, limit, control, report and disclose various types of risk to which the Holding Company is exposed and is in charge of the Risk Management department (DGAR).

The DGAR reports to CPR, in compliance with the provisions of Circular of the Commission called "prudential provisions in the Field of Risk Management applicable to Credit Institutions", as to the independence of business areas. The DGAR has methodologies to manage credit, market, liquidity and operational risks.

Credit Risk: revenue volatility due changes in loan loss provisions for impaired loans, and, expected losses on borrower or counterparty defaults.

Market Risk: revenue volatility due to market changes, which affect the valuation of positions for active operations, liabilities or causes of contingent liabilities, such as: interest rates, exchange rates, price indices, etc.

Liquidity Risk: potential loss by the impossibility of renewing liabilities or hiring others to the Holding in normal conditions, by early or forced sale of assets at unusual discounts to meet their obligations.

Operational Risk: loss resulting from inadequate or failed processes, personnel, internal systems or external events. This definition includes technological risk and legal risk. Technological Risk groups all those potential losses from damage, interruption, disruption or failures resulting from use of or reliance on hardware, software, systems, applications, networks and any other distribution channel information, while the legal risk involves the potential loss by sanctions for noncompliance with laws and administrative or judicial decisions unfavorable issue appealed in relation to the Holding operations performed.

The main objectives of the DGAR are the following:

- Provide different business areas clear rules that contribute to its correct understanding to minimize risk and ensure to be within the parameters established and approved by the Board of Directors and the Risk Policy Committee.
- Establish mechanisms to monitor the risk taking within the Holding trying to mostly be a timely and supported by advanced systems and processes.
- Verify the observance of the Desired Profile Risk.
- Standardize measurement and risk control.
- Protect the Holding´s capital against unexpected losses from market movements, bankruptcies, credit and operational risks.
- Develop pricing models for different types of risks.
- Establish procedures for portfolio optimization and management of credit portfolio.

Credit Risk

It is a risk that clients, issuers or counterparts do not fulfill their payment obligations therefore, proper management is essential to maintain the loan quality of the portfolio.

The objectives of credit risk management at GFNorte are:

- Comply with the Risk Profile defined by the Board of Directors.
- Improve the quality, diversification and composition of the loan portfolio in order to optimize the risk-performance (yield) ratio
- Provide Executive Management with reliable, timely information to assist decision making regarding funding.

- Provide the Business Areas with clear and sufficient tools to support funding placement and follow-up.
- Create economic value for shareholders by efficient loan risk management.
- Define and keep updated the regulatory framework for the credit risk management.
- Comply with the information requirements that the authorities set forth regarding loan risk management.
- Perform risk management in accordance with the best practices, implementing models, methodologies, procedures and systems based on the main advances worldwide.
- Measure institution's vulnerability to extreme conditions and consider those results for decisions making.

Individual Credit Risk

GNorte separates the loan portfolio into two large groups: consumer loans and company loans.

The individual loan risk for consumer loans is identified, measured and controlled by a parametric system (scoring) that includes origination and behavior models for each of the consumer products: mortgage, car, payroll loans and credit cards.

Individual risk for companies is identified within the portfolio, measured and controlled by means of Objective Markets, the Criteria for Risk Acceptance, Early Alerts and Banorte's Internal Risk Rating (CIR Banorte).
The Objective Markets, Criteria for Risk Acceptance and the Early Alerts are tools that, together with the Internal Risk Rating are part of GFNorte's Loan Strategy and support the estimated level of credit risk.

The Target Markets are activities selected by region and economic activity – backed by economic research and loan behavior analysis – where Banorte is interested in originating loans.

The Risk Acceptance Criteria includes parameters that describe the risk identified by the industry, which makes it possible to estimate the risk involved for the institution when granting a loan to customers on the basis of their economic activity. The types of risk contemplated in the Risk Acceptance Criteria are financial risk, operation risk, market risk, company life cycle, legal, regulatory, loan experience and management quality.

Early Alerts are a set of criteria based on borrower information and indicators and their conditions that were established as a mechanism for the timely prevention and identification of a probable deterioration in the loan portfolio, thereby enabling the institution to take prompt preventive actions to mitigate the credit risk.

Banorte's CIR is a rating methodology for the borrower which assesses quantitative and qualitative criteria in order to determine the credit quality and it is applied to commercial loans equal to or greater than an amount in Mexican pesos equivalent to four million investment units on the qualification date.

Portfolio Credit Risk

GFNorte has designed a portfolio credit risk method that, in addition to including international standards in identification, measurement, control and follow-up, has been adapted to work within the context of the Mexican Financial System.

This credit risk methodology makes it possible to know the current value of the portfolio loans of GFNorte, that is, *the loan exposure*, allowing surveillance of the risk concentration levels per risk qualification, geographical regions, economic activities, currency and type of product in order to know the portfolio's profile and take action to direct it toward a diversification which will maximize profitability with the lowest risk.

Calculating loan exposure implies generating a cash flow of each one of the loans, of both capital and interest to discount it later. This exposure is sensible to changes in the market, thereby facilitating calculations under different economic scenarios.

The method, in addition to contemplating loan exposure, takes into consideration the probability of non-compliance, the recovery level associated to each client and the classification of the debtor based on the Merton model. The probability of non-compliance is the probability that the debtor will not meet his/her debt obligation with the institution according to the originally agreed terms and conditions. The probability of non-compliance is based on the transition matrixes that GFNorte calculates from the migration of the debtors through different risk qualification levels. The recovery ratio is the percentage of total exposure that is estimated to be recovered if the debtor fails to comply. The classification of the debtor, based on the Merton model, associates the debtor's future behavior to loan and market factors on which his "credit health" depends, as determined by statistical techniques.

The results are risk measures such as the expected and unexpected loss at a one-year horizon. The expected loss is the credit portfolio's loss distribution average, which is used to measure the following year's expected loss due to non-compliance or variations in debtors' credit quality. This unexpected loss is an indicator of the loss that could be

expected in extreme scenarios and is measured as the difference between the maximum loss given the distribution of losses, at a specific reliability level that in the case of the Banking Sector is 99.5%, and the expected loss.

The results obtained are used as a tool for better decision-making in granting loans and in the diversification of the portfolio, according to the Banks' global strategy. The individual risk identification tools and the portfolio credit risk methodology are periodically checked and updated to allow the application of new techniques that may support or strengthen them.

As of June 30, 2015, Banco Mercantil del Norte's total portfolio was Ps 468.37 billion. The expected loss represents 1.8% and the unexpected loss is 3.2% with respect to the total portfolio. The average expected loss is 1.8% during the period between April-June 2015.

Regarding Casa de Bolsa Banorte-Ixe, the credit exposure of investments is Ps 127.53 billion and the expected loss represents 0.01% of the exposure. The average expected loss is 0.01% between April-June 2015.

The total portfolio of Arrendadora and Factor, including pure leasing is Ps 23.51 billion. The expected loss represents 0.8% and the unexpected loss is 5.3% of the total portfolio. The prospective loss average represents 0.8% in the period of April-June 2015.

The total portfolio of Solida Administradora de Portafolios was Ps 3.29 billion. The expected loss of the portfolio represents 7.4% and the unexpected loss 10.5% both with respect to the total portfolio. The estimated loss average for the period of April-June 2015 was 7.8%.

The total portfolio of Banorte Ixe Tarjetas is Ps 24.56 billion. The expected loss represents 11.4% and the unexpected loss 8.9% both with regard to the total portfolio. The estimated loss average represents 11.3% for the period of April-June 2015.

Credit Risks of Financial Instruments

To identify, measure, supervise and control loan risks of financial instruments there are defined policies for Origination, Analysis, Authorization and Administration.

Origination policies define the types of financial instruments, as well as the method of evaluating the credit risk of the different types of originators / issuers and counterparts. Credit risk is assigned by means of a rating obtained with an internal methodology, through evaluations of external rating agencies or a combination of both. Maximum parameters of operation are also defined depending on the type of originator / issuer or counterpart, rating and type of operation.

Analysis policies include the type of information and the variables considered to analyze operations with financial instruments when they are presented for authorization to the corresponding committee, including information on the originator or counterpart, financial instrument, destination of the operation inside the group and market information.

The Loan Committee authorizes operation lines with financial instruments in accordance with Authorization policies. The request for authorization is submitted to the business sector and other sectors involved in the operation, with all the relevant information for analysis by the Committee who, if considered appropriate, issues its authorization.

Administration policies for transactions with financial instruments include procedures of Admission, Instrumentation, Compliance with Regulations, Review, Consumption Monitoring, Administration of Lines and Responsibility by the areas and organisms involved in such operations.

On an individual level, the concentration of loan risk with financial instruments is managed on a continuous basis, establishing and monitoring maximum parameters of operation for each tally or originator depending on the qualification and type of operation. There are defined risk diversification policies for portfolios, for economic groups and internal groups. Additionally, the concentration of tally type or originator, size of financial institutions and the region in which it operates are monitored so that an appropriate diversification is obtained and undesired concentrations are avoided.

Credit risk is measured by means of the rating associated with the issuer of a security, which has assigned a level of risk based on two fundamentals:

1. The probability of nonfulfillment of the originator, issuer or counterpart, which is expressed as a percentage between 0% and 100% where the better the rating or lower rate differential vs. the instrument of a government bond equivalent the lower the probability of nonfulfillment and vice versa.
2. The severity of the loss that could be experienced with regard to the total of the operation in the event of nonfulfillment, is expressed as a percentage between 0% and 100% where the better the guarantees or credit structures, the smaller the severity of the loss and vice versa. To mitigating loan risk and to reduce the severity of losses in the event of non-fulfillment, the counterparts have signed ISDA contracts and agreements to net

out, in which lines of credit and the use of collateral to mitigate loss in the event of non-fulfillment are implemented.

As of June 30, 2015, exposure to credit risk for Securities Investments of Banco Mercantil del Norte was Ps 267.96 billion, of which 98.8% is rated higher or similar to A-(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 7% of the Tier 1 Capital as of March 2015. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Net Capital as of March 2015 has similar rating to AAA(mex) and is comprised of (average considered term, amount in billions of pesos and rate): market and bond certificates from Pemex to 6 years and 5 months for Ps 16.36 to 3.5%; promissory notes and market certificates from Banobras to 7 months for Ps 6.72 to 3.2%; Banco Inbursa market certificates for 1 year and 11 months for Ps 6.40 at 3.5%; deposit, market certificates and promissory notes from Banco Santander Mexicano for 5 months for Ps 5.18 at 3.3%.

The exposure of Derivatives is Ps 4.03 billion, of which 96.5% has a rating higher or equal to A-(mex) on local level, placing them in investment grade and the 3 main counterparties other than then Federal or State Governments and National Financial Institutions represent 2% of the Tier 1 Capital of March 2015.

The exposure to credit risk for Securities Investments of Casa de Bolsa Banorte Ixe was Ps 127.53 billion, of which 100.0% is rated higher or similar to A+(mex) on a local scale, placing them in investment grade and the 3 main counterparties other than the Federal Government, State Governments and National Financial Institutions represent 25% of the Capital as of March 2015. Additionally, the exposure of investments with the same counterparty other than the Federal Government that represents a higher or similar concentration to 5% of the Capital as of March 2015 has a higher or similar rating to A+(mex) and are comprised of (average considered term, amount in billion/million of pesos and rate): deposit and market certificates of HSBC to 1 year and 6 months for Ps 2.75 billion at 3.4%; market certificates of Banamex for 1 year for Ps 2.53 billion at 3.3%; Scotiabank market certificates for 1 year and 3 months for Ps 2.09 billion at 3.4%; market certificates of Banco Inbursa to 7 months for Ps 2.01 billion at 3.3%; deposit and market certificates of Bancomer to 1 year and 7 months for Ps 1.60 billion at 3.4%; market certificates of Banco Santander Mexicano to 1 year and 3 months for Ps 519 million at 3.4%; Deutsche Bank bonds to 7 years and 11 months for Ps 492 million at 9.8%; deposit and market certificates of Banco Interacciones to 1 year and 9 months for Ps 478 million at 4.0%. In the case of derivatives, there are no operations.

Arrendadora y Factor Banorte does not have investments in securities or derivatives.

Exposure to risk of securities of Solida Administradora de Portafolios was Ps 135 million. The 100.0% is distributed in banking instruments. The Institution does not hold positions in derivative instruments.

Banorte Ixe Tarjetas does not have investments in securities or derivatives.

Risk Diversification

In December 2005, the CNBV issued “General Rules Applied to Credit Institutions” in relation to Risk Diversification.

These guidelines state that the institutions must carry out an analysis of their borrowers and/or loans to determine the amount of “Common Risk”; also, the institutions must have the necessary information and documentation to prove that the person or group of persons represent common risk in accordance with the assumptions established in those rules.

In compliance with the risk diversification rules in asset and liability operations, Banco Mercantil del Norte submits the following information (billion pesos):

Tier 1 as of March 31, 2015	**71.86**
I. Financings whose individual amounts represent more than 10% of basic equity:	
Loan Operations	
Number of financings	2
Total amount of financings	16.55
% in relation to Tier 1	23%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Tier 1	0%
Overnight Operations	
Number of financings	1
Total amount of financings	8.94
% in relation to Tier 1	12%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**34.09**

In compliance with the rules of diversification of risks in active and passive operations, the following information corresponds to Leasing and Factoring (Arrendadora y Factor Banorte) in billion pesos:

Equity as of March 31, 2015	**3.87**
I. Financings whose individual amounts represent more than 10% of basic equity:	
Loan Operations	
Number of financings	5
Total amount of financings	4.58
% in relation to Equity	118%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	**5.69**

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Sólida Administradora de Portafolios in billion pesos:

Equity as of March 31, 2015	3.84
I. Financings whose individual amounts represent more than 10% of basic equity:	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	0.517

In accordance with risk diversification regulations for asset and liability operations, is the following information corresponding to Banorte Ixe Tarjetas in billion Pesos:

Equity as of March 31, 2015	**5.39**
I. Financings whose individual amounts represent more than 10% of basic equity:	
Loan Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Money Market Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
Overnight Operations	
Number of financings	0
Total amount of financings	0
% in relation to Equity	0%
II. Maximum amount of financing with the 3 largest debtors and common risk groups:	0.006

Market Risk (Bank and Brokerage House)

Market Risk Management is managed through a series of fundamental pillars, highlighting the use of models and methodologies such as Value at Risk (VaR), BackTesting and Stress Testing, which are used to measure the risk of traded products and portfolios.

Risk management is supported by a framework of policies and handbooks through which the implementation, follow up and compliance with market risk limits, and finally the disclosure of the aforementioned limits are settled.

Key risk ratios are disclosed in monthly reports to the Risk Policy Committee and through a daily report to top executives at the institution.

Value at Risk (VaR) Bank

Exposure of the institution's financial portfolios to market risk is quantified using the standard methodology in the industry known as Value at Risk (VaR).

The VaR model considers a one day horizon base, a non-parametric historical simulation with a 99% confidence level and 500 historical observations on risk factors.

Furthermore, it considers all the positions (money market, treasury, equities, FX and derivatives for trading and hedging purposes) classified for accounting purposes as trading and available for sale assets, both on and off the balance sheet.

The average VaR of the portfolio for 2Q15 was Ps 300 million (Ps 54 million lower than the average VaR for 1Q15) and as percentage of the Net capital (Ps 80.45 billion) at the end of 2Q15 was 0.37%.

Million Pesos	2Q14	3Q14	4Q14	1Q15	2Q15
Tota VaR I[(1)]	274[(1)]	379[(1)]	298[(1)]	354	300
Net Capital	73,493	75,791	77,996	78,690	80,450
VaR/ Net Capital	**0.37%**	**0.50%**	**0.38%**	**0.45%**	**0.37%**

(1) VaR adjusted to the new methodology approved in February 2015 by the Risk Policies Committee (for further details please refer to the Notes to Financial Statements of 1Q15.)

Likewise, the average VaR by risk factor for Banorte's portfolio had the following behavior during the second quarter of the year:

Risk Factor	VaR 2Q15
IPC	7
Domestic Interest Rates	234
Foreign Interest Rates	118
FX Rate	61
Diversification Effect	(119)
Total VaR	**300**

Sensibility Analysis and Stress Testing under extreme conditions

Since VaR indicates the potential losses under normal market conditions, Banorte complements its risk analysis by applying tests under extreme conditions known as Stress Testing. This is presented to the Risk Policy Committee on a monthly basis with the main objective of assessing the impact on the institute's positions of extreme movements in risk factors.

Backtesting

In order to validate the effectiveness and accuracy of the VaR, a monthly Backtesting analysis is presented to the Risk Policy Committee. Through this analysis, it is possible to compare losses and gains observed with respect to the estimated value at risk and if necessary make the required adjustments to the estimated.

Value at Risk Casa de Bolsa (VaR)

The average VaR of the portfolio for 2Q15 is Ps 19 million and as a percentage of the Global Capital (Ps 2.36 billion) for the quarter is 0.79%.

Million Pesos	2Q15
VaR Total	19
Global Capital	2.36
VaR / Global Capital	**0.79%**

The VaR per risk factor is determined by simulating 500 historical scenarios and assessing instruments by their main risk factor. It is important to note that all Casa de Bolsa Banorte-Ixe positions taken into account for the analysis were those classified as trading and available for sale, excluding held to maturity positions.

Risk Factor	VaR 2Q15
IPC	0
Domestic Interest Rates	19
Diversification Effect	0
Total VaR Casa de Bolsa	**19**

Stress Testing under extreme conditions

Since risk measurement (VaR) shows potential losses under normal market conditions, Casa de Bolsa Banorte Ixe complements its risk analysis by applying tests under extreme conditions known as *Stress Testing*. This is presented to the Risk Policy Committee on a monthly basis with the main objective of demonstrating the impact on the institute's positions by important movements in risk factors.

Backtesting

In order to validate the effectiveness and accuracy of the VaR, a monthly Backtesting analysis is presented to the Risk Policy Committee. Through this analysis it is possible to compare losses and gains observed with respect to the estimated value at risk and if necessary make the required adjustments to the estimated.

Liquidity Risk

Liquidity risk is managed through a series of fundamental pillars that include the use of indicators such as the Liquidity Coverage Ratio (LCR), funding stability and concentration ratios as well as liquidity stress testing, including the follow up of a liquidity risk metric better known as survival horizon. The latter based on a framework of policies and handbooks, including a liquidity contingency plan. Similarly, the liquidity risk management framework takes into account limits and risk tolerance quantitative metrics. The disclosure of the metrics and indicators and their compliance with the established limits, but also the risk tolerance is reviewed through monthly reports to the Risk Policy Committee, weekly reports to the Capital and Liquidity Management Group and quarterly reports to the Board of Directors.

Profile and Financing Strategy

The composition and evolution of the bank's funding during 1H15 is shown in the following table.

Funding Source	1Q15	2Q15	Change vs. 1Q15
Demand Deposits			
Local Currency	270,958	271,809	0.3%
Foreign Currency	23,439	27,670	18.1%
Demand Deposits	**294,397**	**299,479**	**1.7%**
Time Deposits – Retail			
Local Currency (1)	114,847	120,362	4.8%
Foreign Currency	15,428	17,858	15.8%
Core Deposits	**424,672**	**437,700**	**3.1%**
Money Market			
Local Currency (2)	63,993	59,740	(6.6%)
Foreign Currency (3)	4,619	4,798	3.9%
Banking Sector Deposits	**493,284**	**502,237**	**1.8%**

1. Includes eliminations among subsidiaries
2. Money Market & Time Deposits
3. Includes bonds

Liquidity Coverage Ratio

The LCR allows the quantification of liquidity risk through the relationship between liquid assets and net cash outflows in the next 30 days, under a regulatory stress scenario.

The LCR is an indicator designed to ensure that the institution has the liquidity to meet its short term obligations, under an extreme scenario using exclusively high quality liquid assets as source of funding.

The following table presents the average evolution of LCR components.

		Bank and SOFOM	
		Unweighted amount (Average)	Weighted amount (Average)
COMPUTABLE LIQUID ASSETS			
1	Total Computable Liquid Assets	N/A	65,253
CASH DISBURSEMENTS			
2	Unsecured retail financing	326,265	25,870
3	Stable financing	135,136	6,757
4	Less stable financing	191,129	19,113
5	Unsecured wholesale financing	162,891	71,980
6	Operational Deposits	76,975	16,912
7	Non-Operational Deposits	82,627	51,779
8	Unsecured debt	3,289	3,289
9	Secured wholesale financing	N/A	24,483
10	Additional Requirements:	177,576	23,680
11	Disbursements related to derivatives and other guarantee requirements	14,383	6,782
12	Disbursements related to losses from debt financing	-	-
13	Lines of credit and liquidity	163,193	16,898
14	Other contractual financing obligations	-	-
15	Other contingent financing liabilities	-	-
16	**TOTAL CASH DISBURSEMENTS**	**N/A**	**146,012**
CASH INFLOWS			
17	Cash Inflows for secured operations	31,845	5,860
18	Cash Inflows for unsecured operations	80,788	58,960
19	Other Cash Inflows	4,192	4,192
20	**TOTAL CASH INFLOWS**	**116,825**	**69,012**
			Adjusted amount
21	**TOTAL COMPUTABLE LIQUID ASSETS**	**N/A**	**65,253**
22	**TOTAL NET CASH DISBURSEMENTS**	**N/A**	**77,000**
23	**LIQUID COVERAGE RATIO**	**N/A**	**85%**

During 2Q15, the average LCR for the Bank and Sofoms was 84.74%, and at **the end of 2Q15 the LCR was 94.13%**, the aforementioned levels are above the risk tolerance and the regulatory minimum standards.

Evolution of LCR Components

The evolution of the LCR components comparing 1Q15 and 2Q15 is presented in the following table.

Component	1Q15	2Q15	Change vs. 1Q15
Liquid Assets	64,672	67,529	4.4%
Cash Inflows*	52,763	75,099	42.3%
Cash Outflows	135,783	146,836	8.1%

*See main LCR results

The Liquid Assets that compute in the LCRs for the Bank and Sofoms between 1Q15 and 2Q15 are distributed as follows:

Type of Asset	1Q15	2Q15	Change vs. 1Q15
Total	**64,672**	**67,529**	**4.4%**
Level I	55,373	60,177	8.7%
Level II	9,299	7,352	(20.9%)
Level II A	9,234	7,310	(20.8%)
Level II B	65	42	(35.6%)

Explanation of LCR ratio

Given the ongoing activities of Banorte and Sofoms as well as the liquidity management within the institution, comparing the end of 1Q15 with the end of 2Q15, the following events were observed:

Considering the average LCR at the end of the last quarter (78%) and aiming to strengthen the ratio, the following actions were taken:

a. The position of Liquid Assets was strengthened.
b. The definition of operational deposits was aligned with best practices and regulatory standards.
c. Non disposed committed lines to GFNorte's subsidiaries were managed.
d. Repo position was managed, resulting in lower net cash outflows.

Liquidity Risk in foreign currency

Additionally, for liquidity risk quantification and follow-up, in the specific case of the foreign currency denominated portfolio, Banorte uses the criteria established by the Banco de México for the assessment of the foreign currency Liquidity Coefficient.

Exposure to Derivatives and possible Margin calls

Banorte applies the regulatory methodology to determine cash outflows for derivatives. At the end 2Q15, estimated outflows for derivatives were as follows:

	1Q15	2Q15	Change vs. 1Q15
Net cash outflows at market value and for potential future exposure	4,068	4,499	10.6%
Cash outflows for a 3 notch credit rating downgrade.	1,395	659	(52.7%)

Liquidity Gaps

As part of the liquidity analysis for the Bank, 30 days liquidity gaps for the institution's assets and liabilities (obligations) are analyzed. Results for the Bank at the end of 2Q15 are presented in the following table.

Concept	1Q15	2Q15	Change vs. 1Q15
Cumulative 30 days Gap	(59,872)	(47,755)	(20.2%)
Liquid assets	64,672	67,529	4.4%
Net Capital	80,064	80,490	0.5%
Liquidity vs Net Capital	**80.80%**	**83.90%**	**3.1%**

Interest Rate Risk

The structural risk of the Balance Sheet is assessed using, among other methodologies, the analysis of balance sheet simulation, which allows the evaluation of future static or dynamic behavior in the Balance Sheet. For the base case, a sensitivity analysis of the movements in the different currencies and rates is carried out, obtaining the impact of such changes on the Economic Value and on the Annual Income.

Stress Testing under extreme conditions

As part of its liquidity risk management, Banorte performs tests under extreme liquidity circumstances with internal scenarios to assess the Bank's liquidity adequacy., A total of 9 scenarios, based on 3 sources of risk (systemic, idiosyncratic and combined) with 3 levels of severity (moderate, medium and severe) are used.

Contingency Funding Plan

For the purpose of having comprehensive liquidity management practices, and to ensure its operation in adverse situations in terms of liquidity, Banorte has implemented a contingency funding plan, which incorporates elements to identify possible liquidity problems and defines alternate funding sources available to deal with contingencies.

Subsidiaries

Liquidity Risk Management processes for the Bank and its Sofoms are consolidated and controlled by a comprehensive Risk Management Team for Grupo Financiero Banorte.

Key liquidity indicators for 2Q15 are presented in the following table:

Liquidity Ratio	Casa de Bolsa Banorte-Ixe	Arrendadora y Factor	Sólida Administradora de Portafolios	Banorte-Ixe Tarjetas
Cumulative 30 days Gap	1,365	-3,049	-3,839	2,876
Liquid assets	2,593	50	180	2
Net Capital*	2,362	3,990	3,758	4,036
Liquidity vs Net Capital*	109.8%	1.23%	4.79%	0.06%

*Casa de Bolsa Banorte Ixe considers Global Capital

- **Operational Risk**

GFNorte has a formal Operational Risk department headed by the "Deputy Managing Director of Financial and Operational Risk', reporting directly to the Chief Risk Officer.

Operational Risk is defined as the potential loss due to failures or deficiencies in internal controls, errors in operation processing and storing or in data transmitting, as well as to adverse administrative and judicial rulings, fraud or theft (this definition includes Technological and Legal risk).

The objectives of Operational Risk Management are: a) To allow and support the organization to reach its institutional objectives through prevention and management of operational risks; b) To insure that the existing operational risks and the required controls are duly identified, assessed and in line with the risk strategy established by the organization; and c) To insure that operational risks are duly quantified to make the proper capital allocation per operational risk.

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

As part of the institutional regulations, there are documented policies, objectives, guidelines, methodologies and responsible areas in Operating Risk management.

The Operational Risk Directorship maintains close communication and coordination with the Regulatory Comptrollership in order to facilitate effective Internal Control in which the proper procedures and controls are established that will mitigate Operating Risk in the processes, and provide follow up through the Internal Audit Department.

The Regulatory Comptrollership, as part of the Internal Control System, carries out the following activities to mitigate risk: a) Internal control validations; b) Institutional regulations management and control; c) Monitoring of operating processes' internal control by means of control indicators reports, that are reported by the process comptrollers in the various areas; d) Money Laundering Prevention process management; e) Control and follow up of the regulatory provisions; and f) Analysis and assessment of the operating processes and projects with the participation of the responsible directors of each process in order to insure adequate internal control.

II. Quantitative and Qualitative Measuring Tools

Operational Losses Database

To record operating loss events, has a system that enables the central information supplier areas to directly record such events online, which are classified by Type of Event in accordance with the following categories:

Types of Events	Description
Internal Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep regulations, laws or company policies (excluding diversity/discrimination events) in which at least one company party is involved.
External Fraud	Losses derived from a type of action intended to defraud, unlawfully take goods or sidestep the laws, caused by a third party.
Labor Relations and Safety in the Workplace	Losses caused by acts incompatible with the legislation or labor agreements regarding hygiene or safety, the payment of personal damage claims, or cases associated with diversity/discrimination.
Customers, Products & Business Practices	Losses caused by involuntary noncompliance or negligence of a professional obligation to specific customers (including fiduciary and adjustment requirements), or due to the nature or design of a product.
Natural Disasters and Other Events	Losses caused by damage or harm to material assets as a consequence of natural disasters or other events.
Incidences in the Business and Systems Failures	Losses caused by incidences in the business and systems failures
Process Execution, Delivery and Management	Losses caused by errors in operations processing or management, as well as relations with commercial counterparties and suppliers.

This historical Database provides the statistics of the operational events in which the institution has incurred to determine their trends, frequency, impact and distribution. Moreover, the Database will make it possible in the future to have enough information to calculate the capital requirements as per Advances Models.

- ***Legal and Fiscal Contingencies Database***

For the recording and follow-up of legal, administrative and tax issues that may arise from adverse ruling, an internal system called “Legal Risk Issues Monitoring System” (SMARL) was developed. This system enables the central data supplying areas to record such events directly and on-line, which are then classified by company, sector and legal issue, among others.

As part of GFNorte’s legal risk management, legal and fiscal contingencies are estimated by the attorneys that process the issues based on an internal methodology. This makes it possible to create the necessary book reserve to face such estimated contingencies.

- ***Risk Management Model***

GFNorte has defined objectives, which are achieved through different plans, programs and projects. Compliance with such objectives may be adversely affected due to operating risks, for which reason a methodology must be in place to manage them within the organization. Consequently, operating risk management is now an institutional policy defined and supported by senior management.

To perform Operating Risk Management, each of the operating risks involved in the processes must be identified in order to analyze them. In this regard, the risks identified by the Regulatory Comptrollership are processed in order to eliminate or mitigate them (seeking to reduce their severity or frequency) by defining tolerance levels, as the case may be. At present, work is being done on developing a new Institution Operating Risk Management Model and the technological tools needed to implement it.

III. Required Capital Calculation

In accordance with the Capitalization for Operational Risk Regulations in effect, the institution has adopted the Basic Model, which is calculated and reported periodically to the authorities.

IV. Information and Reporting

The information generated by the Database and the Management Model is processes periodically to report to the Risk Policies Committee and the Board of Directors regarding the main operating events that were detected, the trends, identified risks and their mitigating strategies. Reporting is also done on the status of the main Operating Risk mitigation initiatives implemented by the various areas of the organization.

- **Technology risk**

Technological Risk is defined as all potential losses from damage, interruption, alteration or failures derived from the use of or dependence on hardware, software, systems, applications, networks and any other information distribution channel in the rendering of banking services to the customers. This risk forms an inherent part of Operating Risk, which is why its management is handled collectively throughout the entire organization.

To address the Operating Risk associated with information integrity, and “Integrity Committee” has been created. Its objectives are to align security and information control efforts under a prevention focus, to define new strategies, policies, processes or procedures and to provide solutions to information security issues that affect or may affect the Institutional patrimony.

The functions established by the CNBV or Technology Risk Management are performed by the Institution under institution regulatory and Integrity Committee guidelines.

To address the Operating Risk caused by high impact external events, GFNorte has a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) based on a same-time data replication system at an alternate computer site. All the above cover the backup and recovery of the Institution’s critical applications in the event or any relevant operating contingency.

- **Legal risk**

Legal Risk is defined as the potential loss from failure to comply with the applicable legal and administrative provisions, the issuance of indisputable unfavorable court rulings and the application of penalties regarding the operations that the institution performs.

The Legal Risk must be measured as an inherent part of Operating Risk in order to understand and estimate its impact. Therefore, those legal issues which result in actual operating losses of the SMARL system are later recorded in the SCERO a database of operational events.

Based on the statistics of the current legal issues and real loss events, the Institution can identify specific legal or operating risks, which are analyzed in order to eliminate or mitigate them in an attempt to reduce or limit their future occurrence or impact.

- **Internal Control**

The companies comprising GFNorte have an Internal Control System (SCI) that has been structured according to the guidelines set forth by their Board of Directors, which establishes a general internal control framework, as well as the environment in which it must operate in order to provide reasonable security regarding the effectiveness and efficiency objectives of the operations, reliability on financial statements and compliance of regulation and legal framework.

The SCI's mission is to help running an adequate internal control in the operations and in data generating and recording. The system is made up of various elements:

A. The Board of Directors with the support of the Advisory Board, Risk Policies Committee (CPR), Audit and Corporate Practices Committee (CAPS) and Human Resources Committee.
B. The CEO and the departments which support him: Risk Management Unit (RMU), Legal Department and the Comptroller, responsible for ensuring that adequate control levels, operational risks and compliance with regulation are maintained.

C. Internal Audit, External Audit and the Commissary (The Commissary applies only to GFNorte subsidiaries) as additional support structures to check how the Internal Control System functions and provide reasonable assurance regarding the reliability of the generated data. The Internal Audit Department reports to the Audit and Corporate Practices Committee (CAPS) and maintains full independence from the administrative areas.
D. The Executive Group as main responsible persons for SCI assurance according to the functions and responsibilities assigned to them. In addition to promoting the enforcement of the regulations established for the Institution and the strategies set forth by the GFNorte's CEO.
E. Documents that establish the general control criteria that should be followed in the operation and reporting of transactions; in optimizing human, material and technological resources; in the use, security, timeliness and reliability of the information; and in the due compliance with the external and internal regulations. The Code of Conduct that regulates the behavior that each Board member, officer or employee of the Group should assume while performing their activities stress out.
F. Policy and procedure manuals that regulate documentation, recording and liquidation of operations that the Institution carries out and establish the control points that should be observed, assuring the separation of functions, clear assigning of responsibilities, safekeeping of information and prevention of unlawful acts.

During the second quarter of 2015, activities related to strengthening control, risk evaluation and management, establishment and monitoring of controls, and assurance of quality information continued to be developed; highlighting the following:

A. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
B. The policies and procedure manuals have been updated as per changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. The Code of Conduct was updated and subsequently authorized by the Board of Director through the CAPS. Additionally, there has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.
C. The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.
D. Through Process and Management Controllers, various business and support processes that make up the operation in GFNorte are monitored, to report periodically on compliance and identifying where areas of opportunity for timely remediation.
E. During the quarter, and according to the work plan developed at the beginning of the year, various activities in terms of accounting internal control were carried out.
F. Requests regarding internal control subjects from diverse internal departments were handled, to the development of new institutional projects, as well as those derived from changes to the Regulation.

FINANCIAL SITUATION AND LIQUIDITY

- **Treasury Policy**

GFNorte's Treasury Department is the central unit responsible of balancing GFNorte's liquidity needs, monitoring and managing the regulatory levels, reducing interest rate risk on the balance sheet by using coverage and implementing arbitrage strategies.

The majority of cash currencies and investment in securities are in Mexican pesos and U.S. dollars.

- **Internal and External Liquidity Sources**

The internal liquidity sources, in local and foreign currency, come from the various deposit products that the institution offers to customers.

Regarding external sources of liquidity, it has diverse mechanisms to access the debt and capital markets. The Institution obtains resources through the issuance of debt securities, loans from other institutions - including the Central Bank and international organisms -, as well as from the issuance of subordinated debt. Also considered is the liquidity that the Institution obtains through its proprietary repos' securities that qualify for such transactions. It also has the alternative of obtaining resources through the issuance of shares representing equity.

Currently, the Institution has diverse sources of liquidity. Deposits, including interest bearing and non-interest bearing demand and time deposits, are the bank's main source of liquidity. Negotiable and short term instruments, such as government securities and deposits in the Central Bank and other banks, are liquid assets that generate interest. Liquid assets also include deposits in foreign banks, which are denominated mainly in US dollars.

Detailed information related to liquidity sources is reported in different headings of the GFNorte's Balance Sheet in this report

- **Dividend Policy**

During the April 30, 2003 session, the Board of Directors approved a dividend payment policy in which it will propose to the General Ordinary Stockholders' Meeting a dividend payment consisting of at least 15% of the Partnership's net recurring profit, providing that there is no legal impediment and that market conditions and the Partnership's financial situation allow it.

On October 17, 2011, the Ordinary General Shareholders' Meeting approved to modify the Dividend Policy, for the purpose of aligning dividend payments to the Financial Groups' business performance, so as of that year, dividend payments are as follows:

i. 16% of recurring net income in the event that profit growth is between 0% and 10% during the year.
ii. 18% of recurring net income in the event that profit growth is between 11% and 20% during the year.
iii. 20% of recurring net income in the event that profit growth is greater than 21%.

- **Related Parties Loans**

According to Article 73 of the Law of Credit Institutions, loans granted to related parties of credit institutions cannot surpass the established limit of 35% of the basic part of the net capital.

In GFNorte as of June 30 and March 31, 2015, the amount of loans granted to third parties is as follows (million pesos):

Lender	Jun-2015	% Basic Equity	Mar-2015	% Basic Equity
Banorte	Ps 6.52	9.1%	Ps 3.56	5.1%

The loans granted are under the 100% limit set forth by the LIC.

Banorte.

As of **June 30, 2015**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 6.52 billion (including Ps 832 million in — Credit Letters "CC", which are registered in memorandum accounts), representing 1.4% of Banorte's total loan portfolio (excluding the balance of CC and Support to Federal Government Housing Debtors). Of the total related loans, Ps 6.13 billion were loans granted to clients linked to members of the Board of Directors; Ps 3 million were granted to clients linked to shareholders and Ps 388 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at the end of June 2015 was 9.1% of the basic part of the equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNorte's loan portfolio based on the general dispositions applicable to credit institutions with regard to rating of loan portfolios issued by CNBV and the internal methodology authorized by CNBV, to rate borrowers in the commercial loan portfolio. 94% of the related party loans are rated in Category "A", and the majority of these loans were classified as commercial loans.

As of **March 31, 2015**, total loans granted to related parties, under Article 73 of the Law of Credit Institutions, was Ps 3.56 billion (including Ps 664 million in — Credit Letters "CC", which are registered in memorandum accounts), representing 0.8% of Banorte's total loan portfolio (excluding the balance of CC and Support to Federal Government Housing Debtors). Of the total related loans, Ps 3.23 billion were loans granted to clients linked to members of the Board of Directors; Ps 3 million were granted to clients linked to shareholders and Ps 332 million were linked to companies related to GFNorte.

In accordance with Article 73 of the Law for Credit Institutions, the balance of GFNorte's loan portfolio for individuals and corporations at the end of March 2015 was 5.1% of the basic part of the equity.

Related party loans have been granted under market conditions and rated in accordance with the policies, procedures and rating systems applicable to the rest of GFNorte's loan portfolio based on the general dispositions applicable to credit institutions with regard to rating of loan portfolios issued by CNBV and the internal methodology authorized by CNBV, to rate borrowers in the commercial loan portfolio. 99% of the related party loans are rated in Category "A", and the majority of these loans were classified as commercial loans.

- **Loan or tax liabilities**

The tax credits listed below are currently in litigation:

	As of December 31, 2014
BANORTE	**$32**
IMSS fees, various occupations	6
INFONAVIT fees, various occupations	26
AFORE XXI BANORTE	**$2**
Loan # 4429309391 Payroll Tax of the state of Coahuila	2
SEGUROS BANORTE, S.A. de C.V. (Formerly Seguros Banorte Generali)	**$15**
Fiscal year 2003 (document 900-06-01-2009-9518)	15
CASA DE BOLSA BANORTE IXE	**$35**
Fiscal year 2007 (document 900 06 05-2010-03968)	35
IXE BANCO	**$13**
Income Tax-Profit Sharing for the 2005 fiscal year – inflation adjustment	13

Million pesos

- **People in Charge**

The undersigned represent under oath that, within the scope of our respective functions, we have drawn up the information relative to Grupo Financiero Banorte contained in this report, which, to the best of our knowledge, reasonably reflects its situation. Furthermore, we express that we are no aware that relevant information has been omitted or falsified in this quarterly report or that it contains information that may lead to errors to investors.

Act. Jose Marcos Ramirez Miguel
Chief Executive Officer of Grupo Financiero Banorte, S.A.B. de C.V.

Eng. Rafael Arana de la Garza
Chief Operating Officer & Chief Financial Officer

Lic. Isaias Velazquez Gonzalez
Managing Director of Internal Audit

Lic. Jorge Eduardo Vega Camargo
Deputy Managing Director of Comptrollership

C.P. Mayra Nelly Lopez Lopez
Executive Director of Accounting

- **Basis for submitting and presenting Financial Statements**

Grupo Financiero Banorte (GFNorte). Issues consolidated financial statements with its Subsidiaries in accordance with the General Provisions Applicable to Financial Information of the Regulating Agencies of Financial Groups Subject to Supervision by the National Banking and Securities Commission (CNBV) published in the Official Gazette of the Federation on January 31, 2011 and modified on July, 18, 2011 and December 1, 2014. As a result of the norm NIF B10 “Inflation Effects” taking effect and according to INIF 9 “Presentation of comparable financial statements as a consequence of NIF B-10 taking effect”; which mentions that, the economic environment is non-inflationary, when accumulated inflation of the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

Banking Sector (Banorte). Issues consolidated financial statements with its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2005 and modified on March 3 and 28, September 15, December 6 and 8, 2006, January 12, March 23, April 26, November 5, 2007, March 10, August 22, September 19, October 14, December 4, 2008, April 27, May 28, June 11 , August 12, October 16, November 9, 2009, December 1 and 24, 2009, January 27, February 10, April 9 and 15, May 17, June 28, July 29, August 19, September 9 and 28, October 25, November 26, December 20, 2010, January 24 and 27, March 4, April 21, July 5, August 3 and 12, September 30, October 5 and 27, December 28, 2011, June 19, July 5, October 23, November 28, December 13, 2012, January 31, April 16, May 3, June 3 and 24, July 12, October 2, December 24, 2013, January 7 and 31, March 26, May 12 and 19, July 3 and 31, September 24, October 30, December 8 and 31, 2014, January 9, February 5, April 30, May 27 and June 23, 2015. As a result of the norm NIF B10 “Inflation Effects” taking effect and according to INIF 9 “Presentation of comparable financial statements as a consequence of NIF B-10 taking effect”, which mentions that the economic environment is non-inflationary when accumulated inflation for the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008.

GFNorte and Banorte. The financial information contained in this document has been developed according to the regulations issued by the CNBV for the regulating agency and the financial entities that make up the Financial Group and to Norms of Financial Information (Normas de Informacion Financiera NIF), issued by the Mexican Council for the Investigation and Development of Norms of Financial Information, A.C. (CINIF). The regulations of the CNBV and the NIF mentioned above differ given the specialized operations of the Credit Institutions. Moreover, there is a difference in the generally accepted accounting principles of the United States (US GAAP) and the regulations and principles established by the American authorities for this type of financial entities. In order to present the information contained herein in an international format, the classification format and the presentation of certain financial information differ from the format used for the financial information published in Mexico.

The information contained in this document is based on the non-audited financial information of each of the entities to which it refers.