

ANNUAL REPORT 2015

# Transformation with Value





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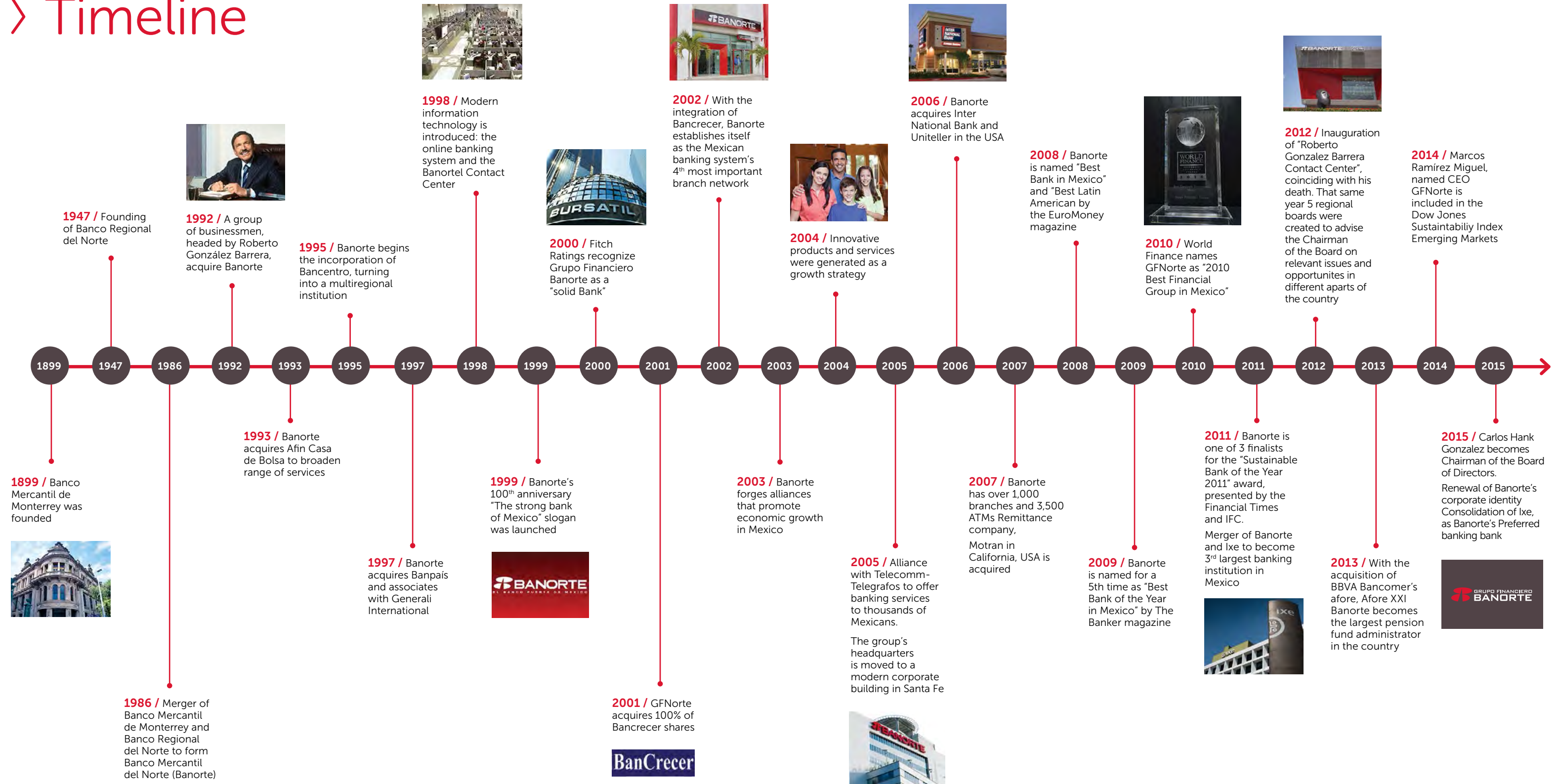
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# Timeline



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## > GFNORTE at a glance

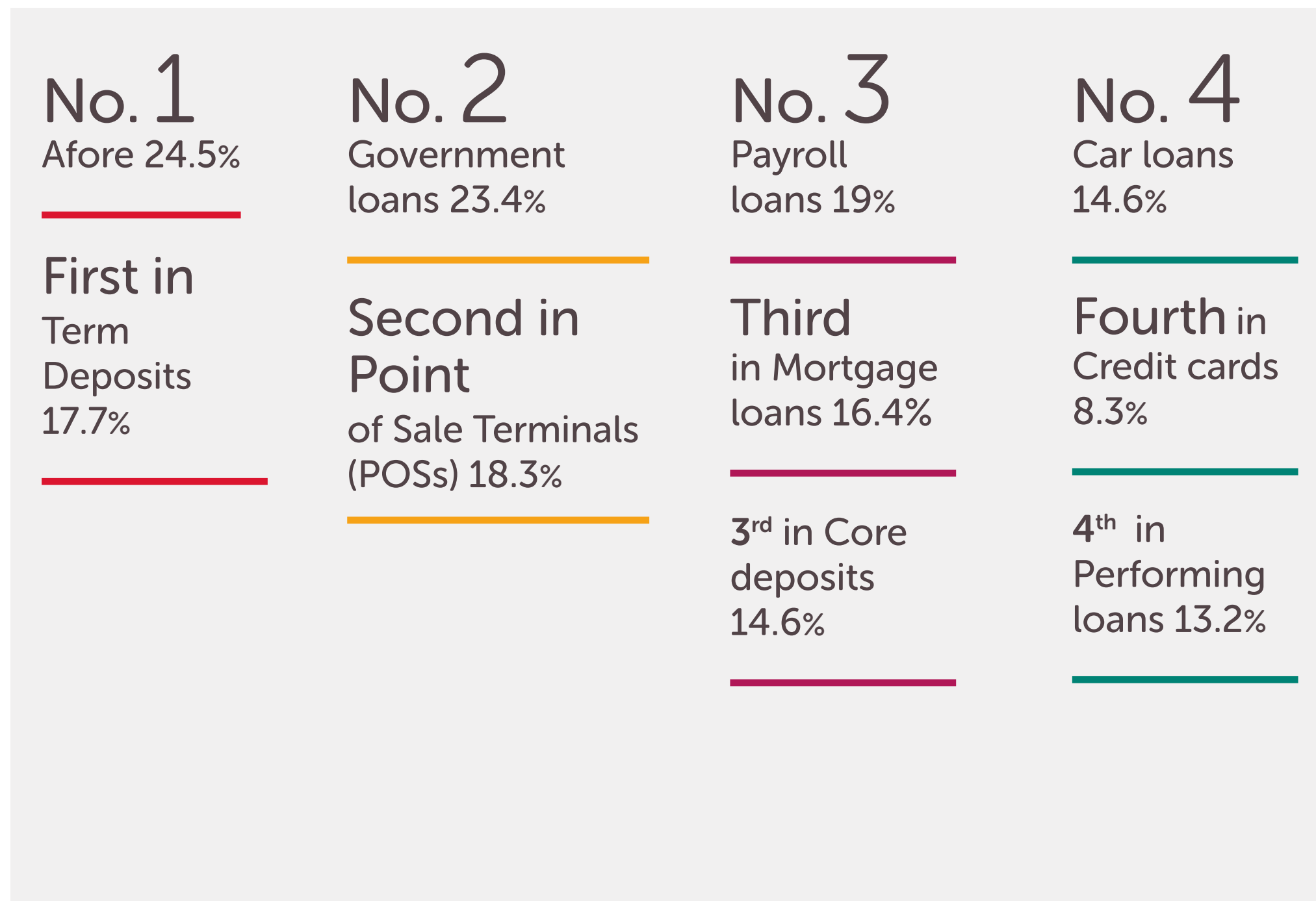
Grupo Financiero Banorte (GFNorte; BMV: GFNORTEO) is a leading financial institution in Mexico, the third largest financial group in the country and the largest controlled by Mexican investors.

GFNorte provides services to more than 27 million customers through a network that includes more than one thousand branches, over 7,000 ATMs, over 6,000 third party correspondents and more than 150,000 point of sale terminals.

The main activity of GFNorte's subsidiaries is the realization of financial transactions such as providing services for banking, brokerage, leasing, financial factoring, general warehousing services, annuities, life and damage insurance, as well as the acquisition, disposal, administration, collection and in general negotiation in any form, of claims. It operates the main administrator of retirement funds in Mexico, Afore XXI Banorte, as well as the money transfer companies Motran and Uniteller in California and New Jersey respectively, and Banorte Securities International in New York.

Banorte is one of the banks with better quality assets within the Mexican financial system and possesses adequate capitalization and liquidity levels.

### Our market share



Sources: Official reports from the CNBV and CONSAR



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Financial  
Capital



Intellectual  
Capital



Human  
Capital



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Capital



Natural  
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Our lines  
of business



## Carlos Hank González

Chairman of the Board of Directors of  
Grupo Financiero Banorte

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# > Message from the President of the Board of Directors

### Dear shareholders, directors and employees:

I am very pleased to share a general assessment of the year and some thoughts about what it has meant for Mexico and Grupo Financiero Banorte.

2015 was a key year for our institution. In my first year as Chairman of the Board of Directors, and with the invaluable support of the Group's governing body and our employees, we provided continuity to the strategies underway and designed a transformation program with the goal of becoming the best financial group in Mexico and for Mexicans.

Last year, the national and international economic environment proved to be complex and volatile, as a result of a continual drop in oil prices; the slowdown in China's economy; and the strengthening of the US dollar against most of the global currencies including the Mexican peso.

Despite these conditions, Mexico stood out among emerging economies as an exemplary country for its stability and growth prospects.

GDP increased by 2.5%, clearly higher than most of the emerging economies, maintaining healthy public finances and with an annual inflation of only 2.13%, the lowest in our history.

In 2015 Mexico returned to the top ten worldwide in tourism and direct foreign investment, became the fourth largest exporter of automobiles in the world and the third largest trade partner of the United States.

On the other hand, I want to highlight the importance that the eleven structural reforms that we have been hoping for, for more than 15 years, and that are now driving the country's competitiveness.

Grupo Financiero Banorte, faced significant challenges in 2015 and achieved strategic advances that fill us with pride and enthusiasm.

“ We continue with our ongoing strategies and designed a transformation program with the objective of becoming the best financial group in Mexico and for Mexicans.”

Net income growth was 12%; loan portfolio and deposits increased between four and five times the GDP, with an index of past due loans that was significantly reduced and the best efficiency index in the last seven years.

Our shareholders received a growing return on capital, closing the year with a ROE of 13.3%. These results reflect our approach to strengthen recurring and diversified income, as well as to maintain an appropriate quality of assets and a prudent control of spending.

The specialized banking and capital markets magazine, Euromoney, presented us with one of the most prestigious awards in the financial services industry: the award for Excellence, as "The Best Bank in Mexico". While the consulting firm Brand Finance, ranked Banorte 139th among the most valuable bank brands in the world, going up 8 places from 2013; and the firm Millward Brown in their "BrandZ" ranking maintained Banorte for a second consecutive year among the 10 Mexican brands of most value, and as #1 in the Mexican financial industry.

In terms of credit ratings, Standard & Poor's, Fitch Ratings and HR Ratings confirmed their ratings for GFNorte and subsidiaries, all with a stable outlook. The ratings reflect the strength, stability, and effectiveness of the growth and diversification strategy of the Group's business.

With the objective of providing specialized service to all our customers and segments, Banorte is now a single bank, with Ixe as Banorte's Preferred banking bank. Together with the Afore XXI Banorte and other specialized financial businesses, our financial group offers a comprehensive service based on excellence to all its customers.

During 2015, we reaffirm our actions and commitment to social responsibility and sustainability, which has been recognized in different

ways: we are part of the Sustainability Index Emerging Markets Dow Jones for the second consecutive year and the CPI Sustainable of the Mexican Stock Exchange for the fifth consecutive year.

In addition, Banorte has been awarded the socially responsible company since five years and we are pleased to report that Insurance and Annuities Banorte received it for the first time, this year. In turn, the Carbon Disclosure Project (CDP) has selected Grupo Financiero Banorte to join the CPL Index, being the first institution in Latin America to belong to the category "A", the highest position in this index.

We maintain our commitment and adherence to the 10 Principles of the Global Compact of the United Nations and to the Women's Empowerment Principles

In Corporate Governance, we remain committed to international best practices; among other actions taken, the percentage of independent members sitting on the Board of Directors was increased from 67% to 73% in 2015.

Four General Shareholders' Assemblies were held during the year, in which, among other things, changes to the dividend policy were approved, as dividend payments fell between 16% and 40% of the previous year's profits.

Dear shareholders, directors and employees:

I am convinced that Banorte has the responsibility and capacity to be the banking leader in Mexico.

To this purpose we have designed and are implementing our "20/20, Perfect Vision" strategy, which aim is to convert Banorte, by the year 2020, into the best financial group in Mexico and for Mexicans. I am convinced that this phase, which we are beginning together, will be the best in Banorte's history, and yours.

Why do I say this? Because now two favorable factors have coincided, one internal and the other external: the first, Banorte's maturity and strength; and the second, the beginning of a phase in the Mexican economy that will provide us with greater opportunities.

The plan we have designed is based on 3 pillars: our investors, for whom we seek to generate increased value and profitability; our customers, for whom we seek to serve with a closer relationship; and our partners, to whom we wish to offer the best conditions for development.

We have a clear vision for 2020: double our profits. An essential tool for this will be cross-sales, based on a better understanding of our customers and their needs. We will also seek to improve efficiency and profitability indicators.

I am convinced that with the trust of our shareholders, the guidance of our Board members and the support of our employees, we are going to achieve this goal.

I would like to take this opportunity to thank you all your commitment to our institution and anticipate a 2016 of great opportunity for all of us.

Sincerely,



**Carlos Hank González**

*President of the Board of Directors Grupo Financiero Banorte*





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of business**Marcos Ramírez Miguel**

CEO Grupo Financiero Banorte

G4-1, G4-2, G4-F8

## > Message from the Ceo

This is my second report as CEO on the progress of business for Grupo Financiero Banorte and I thank the governing body for their confidence in allowing me to continue spearheading the efforts of an excellent group of collaborators, a responsibility that I have undertaken with great enthusiasm and satisfaction.

In 2015, we experienced a challenging national and international economic environment. The focus of news media was the continual drop in prices of oil and commodities, as well as the strengthening of the US dollar and the slowdown of economic growth in the major economies and emerging markets. In Mexico, despite the moderate growth in the GDP, some indicators reflected a greater dynamism in spending of Mexican homes favored by the downward trajectory of inflation, growth in the flow of remittances and a recovery in the labor market. Such is the case of sales retailers, who achieved a 5.3% growth in the first eleven months of 2015, the highest rate in three years. For its part, the lower dynamism in manufacturing production reflected

the poor performance of the external sector in the face of a stronger dollar. However, the manufacturing industry of final goods, as in the case of automotive production, recorded improved performance due to the increased competitiveness of Mexican labor.

In the monetary field, the expected rise in the market benchmark interest rate occurred, by 25 base points, favoring expectations for the coming years in the banking sector by leaving behind historic levels of low rates. There was also a lot of competition in the financial sector in order to survive the moderate economic environment and historically low rates. Although the Mexican capitals market showed little appetite for risk, there were still some companies and funds at agreed to the public markets.

In terms of Credit, competition was also strong, especially in the business and corporate segments, where attractive prices were offered despite already low rate levels; with respect to consumer

“ Retail sales reached a growth of 5.3% in the first 11 months of 2015, the highest rate in the last 3 years.

loans, the second half of the year was encouraging as growth rebounded, It should be noted that Banorte was able to take advantage of opportunities and increased our Credit card market share by 44 basis points by the end of December 2015. In Long Term Savings, competition between Afores continued to be intense, promoting transfers of retirement savings accounts between institutions; however, although the number of accounts handled decreased by 2.2%, assets under management grew 3.3% annually as a result of better informing workers before they finalized their transfers. In Annuities, we have emphasized profitability and sought to establish long-term relationships with our customers, remaining the leader in the number of pensioners that we manage. In the insurance business we continue strengthening us and in 2015 were ranked 4<sup>th</sup> in the damage premiums market, 5<sup>th</sup> in car insurance, 6<sup>th</sup> in life insurance, 7<sup>th</sup> in health insurance and 3<sup>rd</sup> in terms of net income.

Despite of the challenging environment previously mentioned, GFNorte continued report an all-time high in net profits and expand the diversification of sources income. During the year good growth in portfolio and deposits were registered at 10% and 13% respectively, maintaining good asset quality as a result of a proper risk management. (A significant increase in recurring revenues, crosssales of products with existing customers and responsible, controlled spending were the operational levers of strategic growth.)

At the close of 2015, assets under management (AUMs), demonstrated appropriate diversification in the three fundamental pillars: the banking sector which represented 31.4%, the stock market sector 34.4% (including Casa de Bolsa Banorte Ixe and Operadora de Fondos Banorte-Ixe) and the sector of insurance and long-term savings with 34.2% (Seguros Banorte, annuities and Afore XXI Banorte).

The financial group's accumulated net income for 2015 totaled Ps 17.108 billion, 12% higher vs. 2014. This increase was due to the good performance of the consolidated bank (Banco Mercantil del Norte, Banorte-Ixe cards and Banorte USA) and the insurance and long-term savings sector. It is important to note that results also presented an annual growth of 12%.

Generation of recurrent revenues continues to be a key strategic point; one example of this is the 34% annual growth in this area. Net interest income increased 8% annually, reaching Ps 47.408 billion, with an improvement in loan loss provisions of a 4% reduction. Service fees (fees for account management, fund transfers and electronic banking services) ended 2015 with an annual increase of 21%. On the other hand, the slight 4% growth in non-interest expenses reflects the strict spending control and efforts to increase efficiency. In short, efficiency index improved which decreased 57 basis points in the year to 47.9%. Trading revenues in 2015 registered a 32% decrease mainly as a result of a strategy change, moving towards a reduction in risk taking and in face of the volatility of the markets, customers became more cautious by reducing transactions.

In 2015, the Performing Loan portfolio grew by 10% YoY, reaching Ps 518.188 billion. In the case of the Corporate and Commercial portfolios, loan prepayments continued in face of favorable conditions and market liquidity. Still, loan originations offset the foregoing, with the Corporate portfolio increasing by 9% YoY, ending the year with Ps 88.108 billion; while the Commercial portfolio grew 8%, reaching Ps 123.289 million. Government loans increased 9% YoY closing at Ps 130.119 billion. Consumer loan, including mortgages, grew 12% compared to 2014, driven by all segments: Payroll loans increased 13% to Ps 38.482 billion, driven by growth in the number of Banorte payroll accountholders. Mortgages ended the year with Ps 99.825 billion, 11% higher vs. 2014, with which Banorte continues to consolidate itself as one of the main banks in the Mexican housing financing industry. The Credit card portfolio increased 11% annually, to Ps 25.838 billion, increasing more than double that of the industry, maintaining conservative risk standards and therefore, good portfolio quality. Car loans ended 2015 at Ps 12.4 billion, growing 12% annually as a result of higher new loan placements, despite the competition in the market by banking and financial institutions of the same automakers.

Portfolio quality has been good and remains manageable ranges and at the end of 2015 presented a past-due loan ratio of 2.2%, 70 basis points lower than recorded in 2014. The balance of the PDL portfolio at the end of 2015 was Ps 11.903 billion. All the portfolios

“Accumulated net profits in 2015 for the financial group totaled Ps 17.108 billion, 12% higher vs. 2014.”



demonstrated good performance and reductions in the PDL ratios, except for Payroll, which increased due to some isolated cases. The Corporate portfolio's PDL ratio improved 222 basis points; influenced by the resolution of the Homex and Geo bankruptcy, for which shares in the companies were received for the unsecured loans recognized by the judges. We also continue to strengthen reserve coverage for nonperforming loans; at the end of 2015 this indicator was 116%, higher than the 107% at the end of 2014.

Banco Mercantil del Norte continues to show a strong level of capitalization and a ample solvency and it is this Administration's commitment to keep it that way; to provide our shareholders and customers with solidity and confidence. Banco Mercantil del Norte's capitalization ratio, according to the Basel III rules, was 14.59%, consisting of a Tier 1 ratio of 12.39%, a Tier 2 ratio of 13.20% and supplementary capital ratio of 1.39%.

At the end of 2015, Return on Equity (ROE) for the Group was 13.26%, 3 basis points higher than ROE for 2014. It should be emphasized that the majority of the Financial Group's subsidiaries are generating a good return on capital, highlighted by the SOFOM's credit card with 39.1%, insurance with 38.1% and annuities with 27.0%. Return on Assets (ROA) for Grupo Financiero Banorte was 1.47%, supported by a better mix of assets, mainly by the increasing proportion of assets originating in the consumer segment.

The diversity of sources of income keeps growing year after year. At the end of the 2015, subsidiary earnings and their contribution to the Group's earnings were: Consolidated Bank – excluding Afore XXI Banorte– posted profits of Ps 12.057 billion, 15% higher vs. 2014 and represented 70.5% of the Group's profits; the Brokerage Sector reported accumulated profits of \$790 million, an annual decrease of

15%, representing 4.6% of GFNorte profits; the Insurance and Long Terms Savings Sector, made up of the Afore XXI Banorte, insurance and annuities, reported Ps 3.832 billion, 19% higher vs. 2014 and contributed 22.4% of GFNorte's earnings; the SOFOM Sector and other finance companies, leasing and factoring, warehouse, Solida Administradora and Ixe services, registered profits of Ps 496 million, a 13% decrease and contributed 2.9% of the financial group's profits. The Holding registered a Ps 69 million loss for the fiscal year. Important changes were made with respect to banking infrastructure, with the presentation of Ixe as Banorte's Preferred Banking Bank. By the end of 2015, more than 12 million customers received services through 7,425 ATMs, 155,893 POS terminals, 1,112 Banorte branches and 79 Ixe Preferred Service Centers, we also offered 16 SME centers throughout the country. INB offered 20 branches in the state of Texas to that date. In addition, the network of correspondents reached 6,989 points of contact including: 7Eleven, Telecomm-Telegrafos, Extra stores, Circle K, Soriana, Grupo Control with the "De Sol" and "Woolworth" brands, Gasmart and the recent addition of Farmacias Guadalajara.

Last year 1.1 million active clients carried out more than 1,031 million total electronic transactions (monetary and non-monetary), representing a 16% increase over the same period last year. This channel is gaining the preference of customers and that is why in 2015 a new redesigned Banorte portal was launched with improvements in its use so that customers can carry out their operations with greater ease and convenience.

In mobile banking, the number of transactions carried out was over 107.3 million, growing annually 146%. This channel is becoming the preferred contact point of customers and is the reason why we have added more functionality and better services.

“ In 2015, ROE was 13.26% for the group, 3 basis points higher than ROE in 2014. It should be emphasized that the majority of the Financial Group's subsidiaries are generating a good return on capital.”



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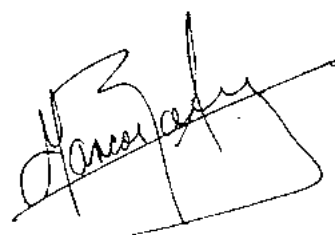
At GFNorte we remain committed to our environment, our community and our country, and for this reason we have a strong social responsibility and sustainable development program, through which we support initiatives seeking to achieve improvements in the aforementioned areas. Our efforts to position ourselves as leaders in this regard have been recognized, because we now form part of: the Dow Jones Sustainability Emerging Markets Index and the Sustainable Prices and Market Rates Index of the Mexican stock market, the Climate Disclosure Leadership Index Grade A in the Carbon Performance.

We are proud of having been bestowed with the "Best Bank of Mexico" award by Euromoney, Fondos Banorte Ixe received for the second consecutive year, the 2015 Morningstar Awards, in the category of "Best Aggressive Allocation Fund in Mexico" and Institutional Investor magazine named us as the "Best Latin American Executive Team of 2015".

Banorte continues with the transformation to become the best financial group in Mexico and for Mexicans through our "20/20, Perfect Vision" strategy directed at our investors, customers and employees. In an unprecedented joint effort, we will be

focusing all of our projects to deliver the best services in a working environment that promotes creativity and the continuous improvement of processes and products that will produce better results and profitability.

I would like to thank our more than 24 million customers for their preference and trust, as well as our more than 1,000 shareholders, and national and regional directors for their invaluable support. Finally I would like to recognize and voice my appreciation for commitment and effort of our more than 27,000 employees for their contribution and dedication to Grupo Financiero Banorte's transformation vision.

**Marcos Ramírez Miguel**

CEO Grupo Financiero Banorte

“ Banorte continues with its transformation with the goal of becoming the best financial group in Mexico and for the Mexicans through our “20/20, Perfect Vision” strategy aimed at our investors, customers and employees.”



G4-9, G4-EC1

Delivery Channels			
Grupo Financiero Banorte	2015	2014	2013
Branches <sup>(6)</sup>	1,191	1,269	1,288
ATMs	7,425	7,297	7,035
Contact Center call received (millions)	56.4	69.2	66.6
Point of Sale Terminals (POS)	155,893	162,352	141,432
POS Transactions (millions)	250	224	182
POS Billings (millions of pesos)	174,422	141,338	119,671
Third-party correspondants	6,989	5,336	4,147
Number of internet clients	1,721,682	1,847,000	1,571,086
Internet transactions (millions)	1,031	827	708
Number of clients only mobile banking transactions	709,652	247,141	192,245
Mobile banking transactions (millions)	107	43	22

<sup>(1)</sup> Source: Milward Brown.

<sup>(2)</sup> Dividends approved by the Shareholders' Assemblies in 2013, 2014 and 2015 were: a total dividend decreed in 2013 was Ps 0.7852 per share to be paid in four installments of Ps 0.1963 per share (October 2013, January, April and July 2014) although in the Shareholders' Assembly celebrated on December 20, 2013, the advanced payments regarding the installments of January and April 2014 were authorized to be made on December 31, 2013, the fourth installment was paid on its original date on July 2014. Total dividend decreed in 2014 was Ps 0.9740 per share to be paid in four installments of Ps 0.2435 per share (October 2014, January, April, and July 2015). Total dividend decreed in 2015 was Ps 1.64702 per share to be paid in four installments, the first one for Ps 0.2745 per share (November 2015) and the remaining three for an amount of Ps 0.457506549 per share each (February, June and October 2016).

<sup>(3)</sup> Considering the number of issued shares that for the three periods amount to 2,773.7 million

<sup>(4)</sup> As a result of the reclassification mentioned in Note 4 of the EEFF Audited Statements published on February 19, 2015, these indicators for 2013 were modified from those published in the 2013 Annual Report 2013 (sent to authorities in February and April 2014).

<sup>(5)</sup> Non-interest expenses / (Net Interest Income + Non-interest Income).

<sup>(6)</sup> Includes banking modules and excludes Grand Cayman branch.



G4-9, G4-EC1

Wholesale profits per sector			
	2015	2014	2013
<b>Banking sector</b> <sup>(1) (2) (3)</sup>	12,057	10,526	10,658
<b>Brokerage sector</b>	790	931	649
Brokerage House Banorte-Ixe	564	837	562
Funds Operator	226	94	87
<b>Long Term Savings</b>	3,832	3,215	1,962
Afore XXI Banorte <sup>(2)</sup>	1,220	1,181	1,114
<b>Insurance</b> <sup>(5)</sup>	2,210	1,759	725
Annuities <sup>(5)</sup>	402	276	123
<b>Other finance companies</b>	497	572	391
Leasing & Factoring	571	700	599
Warehouse	31	45	43
Ixe Automotive <sup>(4)</sup>	0	0	15
Sólida Administradora de Portafolios <sup>(3)</sup>	(105)	(173)	(266)
<b>Other companies</b>	0	2	1
Ixe Services	0	2	1
<b>Holding</b>	(69)	(18)	(153)
<b>Total</b>	<b>17,108</b>	<b>15,228</b>	<b>13,508</b>

Millions of pesos.

Figures in millions of pesos.

<sup>(1)</sup> Considered as from 1Q13 GFNorte's participation of 97.2% and 97.50% for 2Q13. Since 4Q09 until this quarter, participation was 92.72%, reflecting the IFC investment in Banco Mercantil del Norte capital.

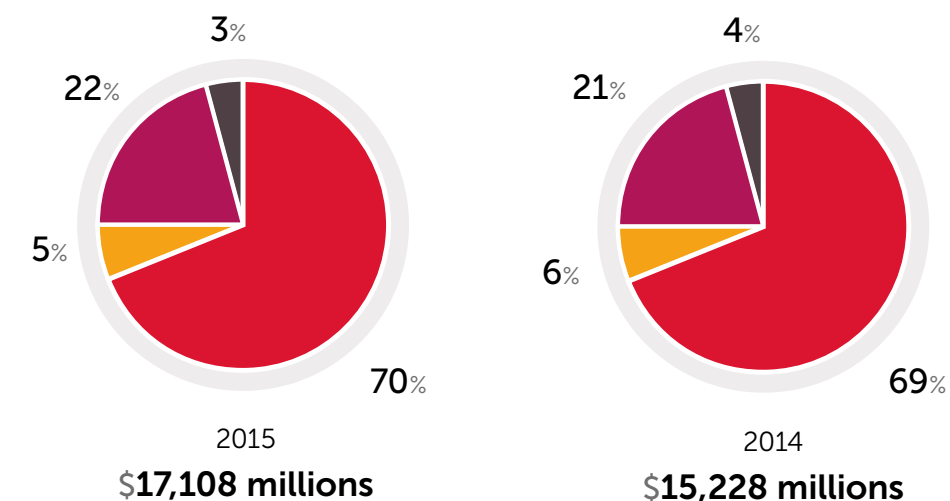
<sup>(2)</sup> As from 1Q12, Afore XXI Banorte is recognized under the participation method in Banco Mercantil del Norte, however, for purposes of information and comparison to net income of this sector, Afore XXI Banorte profits are presented in the corresponding business sector.

<sup>(3)</sup> On April 26, 2013 it was approved that Banco Mercantil del Norte withdraw its participation in Solida through a split, and was subsequently absorbed by Ixe Soluciones to consolidate recovery banking operations. Subsequently, Ixe Soluciones changed its name to Solida Administradora de Portafolios. The spin-off and merger had effects on May 24th, 2013, so for comparison purposes; profits reported by Solida in 2012 are excluded from the Banking Sector and added to what was reported in this period by Ixe Soluciones.

<sup>(4)</sup> Ixe Automotriz merged with leasing and factoring, effective as of May 7th, 2013. The results presented in the table correspond to periods prior to that date.

<sup>(5)</sup> As from October 4th, 2013 insurance and annuities were consolidated 100% into the financial group, due to the acquisition of the minority participation (49%) held by Assicurazioni Generali S.p.A. in these companies.

Net profits per sector



- Banking Sector
- Brokerage Sector
- Long Term Savings Sector
- SOFOM & Other finance companies Sector

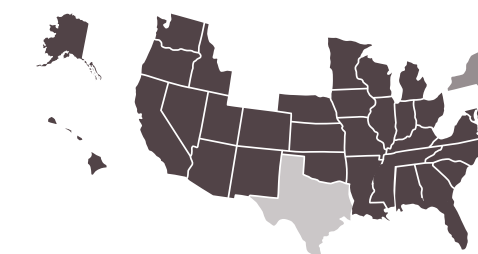


G4-5, G4-8, FS-13, FS-14

## > Our coverage

For GFNorte, transforming ourselves with value means serving the greatest number of customers, even in the most remote regions, providing everyone access to quality services.

**Mexico**  
● Banorte



**USA**

- Uniteller
- Uniteller and Banorte - Ixe Securities
- Uniteller, Banorte - Ixe Securities and Inter National Bank

Banorte Infrastructure									
Territory	State	Branches		ATMs		Third-party Correspondents <sup>(1)</sup>		Disadvantaged Population	
		2014	2015	2014	2015	2014	2015	Population Density <sup>(2)</sup>	Extreme & Moderate Poverty <sup>(3)</sup> %
Southern Mexico	Mexico City, State of Mexico	192	169	763	778	223	571	1,008	37.1
Northern Mexico	Mexico City, State of Mexico	169	161	701	702	748	566	1,008	37.1
North	Durango, Nuevo León, Tamaulipas, Coahuila	220	217	1,636	1,644	1,497	1,850	29	34.9
Central	Aguascalientes, Guanajuato, Jalisco, Querétaro, San Luis Potosí, Tamaulipas, Zacatecas	161	150	1,040	1,062	445	779	68	43.2
Northwest	Baja California, Baja California Sur, Chihuahua, Sinaloa, Sonora	149	141	1,079	1,126	788	910	20	32.2
West	Colima, Guanajuato, Jalisco, Michoacán, Nayarit	142	133	713	736	543	957	94	44.1
South	Guerrero, Hidalgo, Morelos, Oaxaca, Puebla, Tlaxcala, Veracruz	124	117	697	685	464	701	106	57.8
Peninsular	Campeche, Chiapas, Oaxaca, Tabasco, Veracruz, Yucatán, Quintana Roo	112	103	668	692	628	655	56	52.8
<b>Total Banorte</b>		<b>1,269</b>	<b>1,191</b>	<b>7,297</b>	<b>7,425</b>	<b>5,336</b>	<b>6,989</b>	<b>57</b>	<b>44.7</b>

Banorte USA Infrastructure			
Entity	State	Branches	
		2014	2015
INB	Texas	20	20
Uniteller	44 states in the USA	733	1,031
Banorte - Ixe Securities	Texas, Nueva York	2	2

INB has 25 ATMs of its own and uses the All Point network consisting of 55,000 ATMs throughout the US. In terms of branches, refers to agencies in the case of Uniteller, and offices for Banorte - Ixe Securities.

### PHILIPPINES

- 1 Uniteller office



<sup>(1)</sup> Our network of correspondents is comprised of branch networks of Telecomm, 7 Eleven, Extra stores, Soriana, Woolworth, Del Sol and Farmacias Guadalajara.  
<sup>(2)</sup> Population density in inhabitants/km. Source: [cuentame.inegi.gob.mx](http://cuentame.inegi.gob.mx)  
<sup>(3)</sup> Extreme and Moderate Poverty. Source: [www.coneval.gob.mx](http://www.coneval.gob.mx)

G4-7, G4-17

## > Corporate structure

<b>GRUPO FINANCIERO BANORTE</b>	Banco Mercantil del Norte, S.A.	98.22 %
	Casa de Bolsa Banorte - Ixe, S.A. de C.V.	99.99 %
	Operadora de Fondos Banorte - Ixe, S.A. de C.V.	99.99 %
	Seguros Banorte, S.A. de C.V.	99.99 %
	Afore XXI Banorte	50 %
	Pensiones Banorte, S.A. de C.V.	99.99 %
	Arrendadora y Factor Banorte, S.A. de C.V., SOFOM	99.99 %
	Almacenadora Banorte, S.A. de C.V.	99.99 %
	Sólida Administradora de Portafolios, S.A. de C.V. SOFOM	98.83 %
	Ixe Servicios, S.A. de C.V.	99.99 %
	Banorte USA	100 %



G4-4, G4-8, EC-1

## > How we create Value

For GFNorte, generating value means growing our business and at the same time improving the social and environmental context in which we do it. And it is in this generation of value that our strength lays.



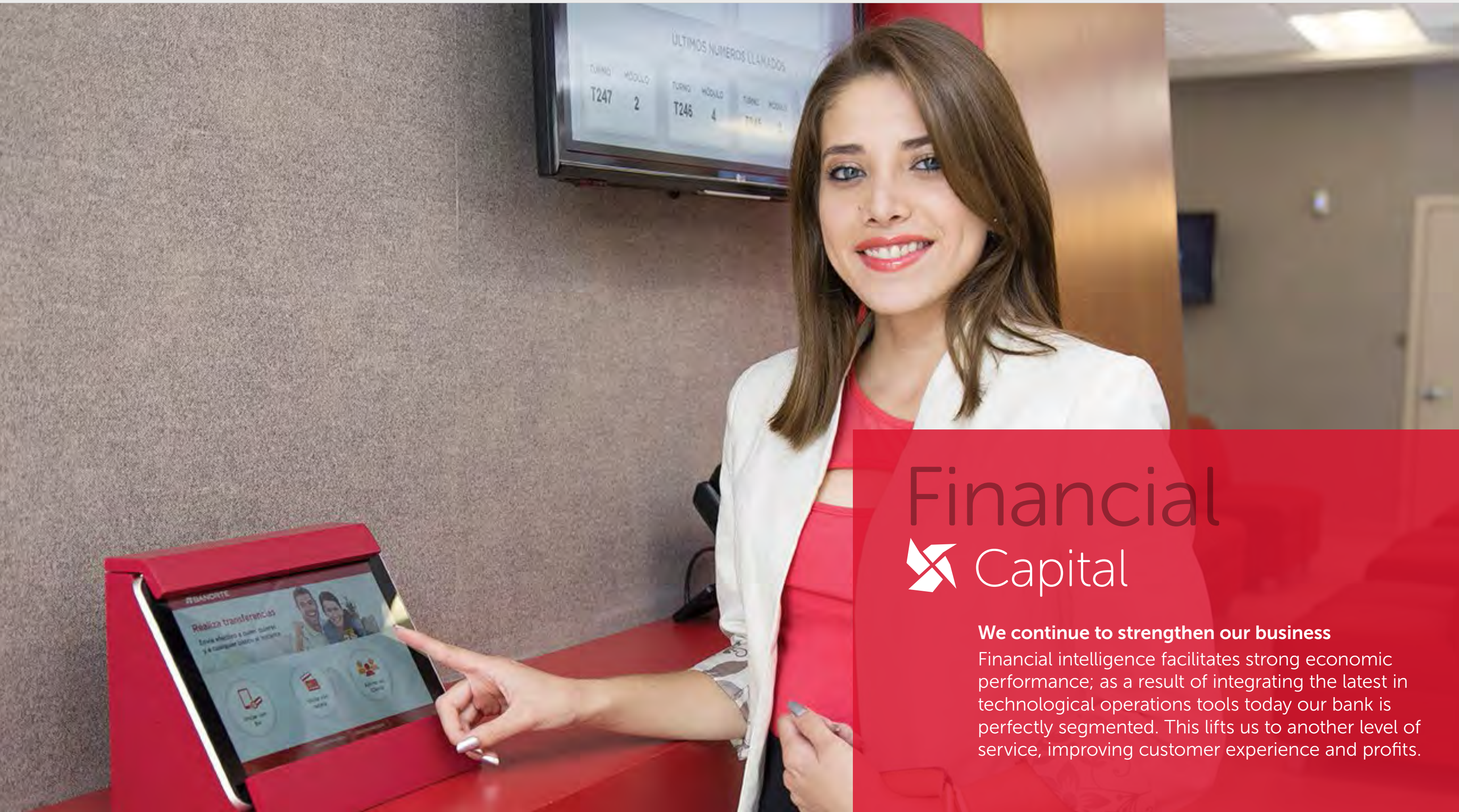
**Rafael Arana de la Garza**

CFO

“Our business model is focused on serving our customers. That is why we are in the process of transforming, to become, by 2020, the best financial group in Mexico and for the mexicans.”

	Lines of Business	Business activity	Impact on income	Associated Risks						Principal indicators				
				Credit	Market	Liquidity	Operational	Concentration	Reputational					
INCOME	Deposits	We receive and invest customers' resources and savings	Interest payments to our clients		●		●		●	Demand deposits Ps348,816 millions	Term deposits Ps157,739 millions	Money Market deposits Ps54,907 millions		
	Loans and Investments	Granting loans to promote the development of individuals and companies by providing the support they need to meet their expenses	Collection of interest, cost of unpaid loans	●	●	●	●	●	●	Commercial Portfolio Ps123,289 millions	Consumer Portfolio Ps176,544 millions	Corporate Portfolio Ps88,108 millions	Government Portfolio Ps130,118 millions	
	Channels	We offer various channels of secure access that make it easy for customers to manage their resources	Cost of maintenance of all channels		●		●		●	Branches 1,191	ATMs 7,425	Point of Sale Terminal 155,893	Third-Party Correspondents 6,989	
	Banking Sector Long Term Savings	We have a wide range of products, thus ensuring the short, medium and long-term wellbeing and tranquility of our clients.	Entering into long-term investment and management of long-term savings activities		●		●		●	Afore XXI Banorte Insurance Ps1,220 millions net profit	Insurance Ps2,210 millions net profit	Annuities Ps402 millions net profit		
	International Businesses	We provide specialized products and services for commercial interaction on an international level.	Investment income from foreign trade activities	●	●	●	●	●	●	INB Offices 20	Uniteller Offices 1,031	Banorte - Ixe Securities Offices 2		
	Leasing, Factoring and Warehouse	We offer quality services to benefit and support companies	Income from offering of financial services		●	●	●		●	Leasing & Factoring Ps571 millions net profit	Warehouse Ps31 millions net profit	ROE Leasing & Factoring 14%		
Main Investments														
EXPENSES	Financial Capital	Investment that strengthens business	Improvements in service				●		●	ROE GFNORTE 13.3%	Efficiency ratio 47.9%	Social & Environmental Risks 3,704 analyzed loans		
	Intellectual Capital	Investment and innovation to offer clients the best service	Operating cost				●		●	Banorte brand value Ps2.2 billion	Ingenio, Innovating Program 651 ideas generated			
	Human Capital	Investment in our personnel for maximum performance	Payroll and benefits				●		●	Full-time Employees Employees' 27,574	Employees' compensation Ps4,329.3 billion	Scholarships \$8.1 billion	Courses, seminars & conferences Ps92.1 billion	Training Ps24.2 billion
	Social Capital	Investment to favorably impact the socio-economic development of communities	Social support				●		●	Fundación Banorte Donations Ps60.7 billion	Indirect Beneficiaries 868,443 people	Mobilized resources AyuDamos Ps2.4 billion	Total AyuDamos beneficiaries 70,526 people	
	Natural Capital	Investment in efficiency of resources and reduction of our environmental footprint	Operating cost				●		●	Energy consumption per employee 18.56 GJ	Videoconferences employee Ps9.4 millions invested 37,057 videoconferences held	Integral energy control system (SICE) Ps8.92 millions invested 17.43 millions Kwh saved		
<b>NET PROFIT</b>														





# Financial Capital

## **We continue to strengthen our business**

Financial intelligence facilitates strong economic performance; as a result of integrating the latest in technological operations tools today our bank is perfectly segmented. This lifts us to another level of service, improving customer experience and profits.



## Evolving to strengthen business even more

### Sumando, transformation underway

Just as foreseen, the Sumando program has allowed us to continue to evolve to offer customers consistent service and products suited to their profile, regardless of the channel used. During the year important achievements were made, some of which are:

- The new branch information system, which offers detailed customer information about each transaction and its profitability.
- Our new web site, with over 300,000 customers having migrated to the new platform, migration of remaining customers should conclude by the second quarter of 2016.
- The origination system is already in operation in 300 branches and over the in the third quarter of 2016, will cover all branches considering deposit and credit card products, which provides us with a digital record for each client to strengthen cross-sales.
- We have a campaigns system in production that issues messages in production of NBA (next best action) on our new web site, connected to branch offices and the call center. This way, when a customer calls or accesses our website, the system identifies the client and goes to the campaign data based on the analytics of the customer. This allows, for example, automatically increase in the line of credit.

In addition to the aforementioned achievements, we have advanced on the multichannel system and the new system of client security.

We have a new model for risk assessment of personal, payroll and car loans. In 2016 we will release models for other credit products.

Another important project for the next year is the loan simulator, connected to the multichannel sales system. Once the customer's quote is completed, products such as a credit card or a personal loan will be given in real time; a car loan or mortgage is a very different process that is also managed through the multichannel sales system.

In terms of innovation, we have two main projects:

- Complete the implementation of our business mobility strategy, already in the pilot stage, starting with SME, Patrimonial and Private banking. Throughout 2016 all of these bank executives will have elements of mobility at their disposal, enabling them to reach customers at anytime, anywhere, with customer-specific information.
- GFNorte is pioneering the use of cognitive technology in Mexico through the development of a prototype called "Watson of IBM" used in the Contact Center to assist executives during calls with customers.

It is important to point out that, unlike other institutions that have linear and specific innovations for one product, at GFNorte we are building comprehensive processes that generate changes.

“Our new web site, with over 300,000 customers having migrated to the new platform.”





G4-9, G4-23, G4-EC1, G4-F8

## Our financial strengths

### Analysis and discussion of Financial Statements

2015 was a year in which GFNorte made its financial strengths clear by achieving positive figures, as shown in the next section, with information based on the consolidated financial statements of GFNorte.

#### Net Interest Income

During 2015, GFNorte's Net Interest Income (NII) increased 8% YoY going from Ps 44.096 to Ps 47.408 billion due mainly to:

- An increase of Ps 3.512 billion (+11%) in the loan portfolio as a result of a 10% growth in the Performing Loan portfolio.
- An increase of Ps 973 million (+22%) in NII for insurance and annuities due to growth in revenues in their investment portfolios.
- An annual decrease in portfolio origination fees of Ps 997 million, as a result of an extraordinary transaction in 4Q14.
- A decrease of Ps 271 million (-6%) YoY in income from repurchase operations.

Income from net interest excluding the insurance and annuities companies presented an annual growth of 6%, going from Ps 39.680 billion to Ps 42.019 billion.

Net interest margin (NIM) was 4.5% in 2015, 19 basis points lower vs. the same period of last year due less origination fees in the portfolio. Moreover, the annual NIM adjusted for loan loss provisions was 3.5%, unchanged with respect to 2014; the NIM adjusted without Insurance and Annuities was 4.3%, 18 basis points lower vs. 2014 and NIM for the loan portfolio was 7.8%, 33 basis points below that reported for same period of last year.

#### Provisions

In 2015, provisions charged to results totaled Ps 10.719 billion, a (4%) YoY reduction. This decrease is due to lower requirements in the corporate, business and mortgage portfolios, which offset higher natural requirements in payroll and credit cards.

#### Non-Interest Income

Non-interest income in 2015 totaled Ps15.859 billion, significantly improving in service fees that accounted for 62% of the total, against 53% in 2014, which supports growth in recurring revenues of the Group.

#### Non-Interest Expenses

Non-interest expenses totaled Ps 30.295 billion, only 4% higher than in 2014; This is due to the reduction in personnel costs and fees paid in the first half of the year which offset increases due to volume of transactions in various services such as: ATMs, POSs and Credit cards as well as amortization charges for technology costs. The efficiency index for 2015 was 47.9%, improving in 57 basis points YoY, resulting the best year of the last seven.

#### Net Income

GFNorte's Net income for 2015 was Ps17.108 billion, 12% YoY higher as a result of the positive trend observed in income from net interest, provisions and service fees, as well as the efficient management of non-interest expenses and taxes, offsetting lower brokerage revenues and other income.

ROE for 2015 was 13.3%, comparing favorably against the 13.2% of 2014. It is noteworthy that equity showed an annual growth of 10%; while ROTE was 16.6%, 0.1 pp higher than that reported last year. On the other hand, ROA accumulated during 2015 was 1.5%, unchanged vs. in the same period of last year and the RAPR rose to 3.2% increasing 0.1 pp vs. 2014.

“The Efficiency ratio was 47.9%, improving by 57bp YoY, resulting the best year of our last seven years.”



Loan Portfolio			
	2015	2014	2013
Commercial	\$123,289	\$114,040	\$113,795
Consumer	\$176,544	\$158,139	\$139,715
Corporate	\$88,108	\$80,464	\$75,690
Gobierno	\$130,118	\$118,963	\$95,637
<b>Sub Total</b>	<b>\$518,059</b>	<b>\$471,606</b>	<b>\$424,837</b>
Recovery Banking	\$129	\$162	\$201
<b>Performing Loans Portfolio</b>	<b>\$518,188</b>	<b>\$471,768</b>	<b>\$425,038</b>
<b>Past Due Loans</b>	<b>\$11,903</b>	<b>\$14,294</b>	<b>\$13,655</b>
<b>Total Portfolio</b>	<b>\$530,091</b>	<b>\$486,062</b>	<b>\$438,693</b>
PDL ratio	2.2%	2.9%	3.1%

Millions of pesos

Total Performing Loans increased 10% YoY, growing by Ps 46.453 billion to Ps 518.059 billion at the end of 2015, excluding the proprietary portfolio managed by Recovery banking. The accelerated growth in Commercial. Corporate and Car loans stood out, while the others maintained a level of expansion similar to that of previous quarters.

#### Past Due Loans

At the end of 2015, Past Due loans amounted to Ps 11.903 billion, lower by (\$2.390) billion or (17%) vs. 2014, primarily as a result of decreases in past due loans for corporate, commercial, as well as housing and automotive. At the end of 2015, the PDL ratio was 2.2%, (70bp) lower than that registered for 2014, due to decreases in all segments with the exception of payroll loans.

When excluding the exposure of the housing developers in financial problems, the PDL ratio would be 1.5%, (29bp) below the level recorded one year ago.

#### Deposits

At the end of 2015, GFNorte's core deposits maintained an important growth +13% YoY, reaching Ps 561.462 billion, boosted by promotional efforts, as well as the significant increase registered in balances of customers' accounts in all segments and in the branch network. Core deposits Bank totaled Ps 563.670 billion, increasing by Ps 64.973 billion annually; due to a 17% increase in demand and 16% in term deposits.

Deposits			
Deposits	2015	2014	2013
Demand Deposits – without interest	\$175,918	\$147,033	\$122,499
Demand Deposits – with interest	\$175,127	\$153,249	\$132,798
<b>Demand Deposits</b>	<b>\$351,045</b>	<b>\$300,282</b>	<b>\$255,297</b>
Term Deposits – Retail	\$157,718	\$136,127	\$129,121
Money market	\$54,907	\$62,287	\$59,729
<b>Bank Core Deposits (1)</b>	<b>\$563,670</b>	<b>\$498,697</b>	<b>\$444,148</b>
<b>Total GFNorte Deposits (2)</b>	<b>\$561,462</b>	<b>\$497,922</b>	<b>\$443,741</b>
Deposits by third parties	\$139,099	\$149,092	\$150,636
<b>Total resources</b>	<b>\$702,769</b>	<b>\$647,789</b>	<b>\$594,783</b>

Millions of pesos.

<sup>(1)</sup> See Note 19, Banco Mercantil del Norte audited financial statements for the integration of demand deposits.

<sup>(2)</sup> Includes deletions between subsidiaries. The balances of these deletions to 2013, 2014 and 2015 were (Ps 407) million, (Ps 774) million and (Ps 2.208) billion respectively.

“Performing loans increased 10% YoY, growing by Ps 46.453 billion to reach Ps 518.059 billion at the close of 2015.”





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### Our credit ratings

International Ratings - GFNorte				
Rating Agency	Rated Institutions	Rating	Category	Date
Standard & Poor's	Banco Mercantil del Norte	STABLE BBB BBB A-2 A-2 BBB BB	Outlook Counterparty credit - Long term foreign currency Counterparty credit - Long term local currency Counterparty credit - Short term foreign currency Counterparty credit - Short term local currency Senior Unsecured Notes Subordinated Junior Notes (from the merged Ixe Banco)	April, 2015
Fitch	Grupo Financiero Banorte	STABLE bbb+ BBB+ F2 5 NF (not floor)	Outlook Viability Long term foreign currency (IDR'S) Short term foreign currency (IDR'S) Support Rating-GFNorte Support Rating Floor - GFNorte	March, 2015
	Banco Mercantil del Norte	STABLE bbb+ BBB+ F2 C BBB- 2 BB	Outlook Viability Long term foreign currency Short term foreign currency Individual - Foreign Currency Support Rating Floor Support Rating - Banco Mercantil del Norte Subordinated Junior Notes (from the merged Ixe Banco)	
Moody's	Banco Mercantil del Norte	STABLE baa1 STABLE A3 A3 P-2 P-2 A3 Baa2 baa2 (hyb) baa3 (hyb) baa3 (hyb) baa1 A2 (cr) Prime-1 (cr)	Outlook BFSR Baseline Credit Assessment Outlook Long term local currency deposits* Long term foreign currency deposits Short term local currency deposits* Short term foreign currency deposits Long term foreign currency senior debt* Long term local currency subordinated debt Long term foreign currency subordinated debt Long term local currency junior subordinated debt Long term foreign currency junior subordinated debt Adjusted baseline credit assesment Long term counterparty risk assesment Short term counterparty risk assesment	December, 2015
		Arrendadora y Factor Banorte	STABLE Baa1 P-2 (P)baa1 (P)P-2	





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### Our credit ratings

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

FS-3

### Risk Management

As a financial institution responsible taking care of and enhancing the patrimony of our clients and their families, we are responsible to have strict risk management systems.

Our main banking risks are loan risks (individual and business), portfolio risk, financial instruments, market risk, liquidity and balance sheet risks, operational risk, annuities' risk, technological risk, legal risk and sustainability risk. We also have insurance risk.

In the case of Consumer, Housing Mortgages and Commercial portfolios, at Banorte we apply provisions related to credit ratings issued by the National Banking and Securities Commission.

Since June 2001, Banorte has applied its own methodology to the Commercial loan portfolio called Internal Risk Rating (Banorte CIR), which establishes the rating of the debtor. In assessing the credit worthiness of the debtor using the Banorte CIR, risk and payment experience were rated in a specific and independent manner as follows:

Risk criteria	Risk factors
1. Financial Risk	1. Financial structure and payment capacity
	2. Sources of financing
	3. Administration and decision making
	4. Quality and opportune financial information
2. Industrial risk	5. Positioning and market in which entity participates
	- Target markets - Risk acceptance criteria
3. Credit experience	6. Credit experience
4. Country risk	7. Country risk

Each of the risk factors is analyzed using descriptive assessment tables whose result indicates the debtor's rating, which is approved to the degrees of risk established by the Commission.

CIR Banorte	Description of risk level	Equivalent to commission qualification
1	Substantially risk free	A1
2	Under minimal risk	A2
3	Minimal risk	A2
4	Low risk	B1
5	Moderate risk	B2
6	Average risk	B3
7	Risk requiring administrative attention	C1
8	Potential partial loss	C2
9	High percentage of loss	D
10	Total loss	E



“Banorte’s unit for Comprehensive Risk Management, (UAIR) is commissioned to identify, measure, monitor, limit, control, inform and reveal the various types of risk the bank is exposed to, and is responsible for General Risk Management.”

### Social and Environmental Risk Management System

Another factor of paramount importance to GFNorte is the identification, mitigation and management of social and environmental risks of our loan portfolio. For this we have the Social and Environmental Risk Management System (SEMS), which concentrates the social and environmental risk analysis process based on the national legal framework, the Equator Principles' guidelines, the performance standards of the International Finance Corporation (IFC) and the World Bank's environmental, health and Safety guidelines. All loan portfolio transactions over \$1 million US for Corporate, Business and Government banking, and structured financing are subject to the SEMS criteria.

In 2015 the SEMS regulations were adopted and incorporated into the loan granting process and the risk manual in the reputational risk section of the institutional regulations. As a result of the foregoing, allocation was strengthened, evaluation and monitoring of environmental risk, credit research was more rigorous, diligence forms were standardized and senior management of the various banks were involved in the monitoring of project performance. In parallel, we optimized system traceability, improving the management of information in manuals, forms and records.

The process begins with the identification of potential environmental risks based on an analysis of the loan characteristics provided by account executives through the Selective Alliance Credit Bank System (SACS), via telephone, or through SEMS defined questionnaires in the case of Government banking and structured financing.

Followed by the categorization phase, in which loans are qualified as low risk (C), medium risk (B) and high risk (A). Projects requiring assessment correspond mainly to the following criteria:

- Exclusion List: economic activities that are outside the list of activities or operations considered as situations of risk or prohibited, defined in the Banorte loan manual's chapter on loan philosophy.
- Sensitive industries: industrial sectors whose activities have been identified as potentially risky socially and environmentally (construction, agribusiness, food production, energy, forestry, infrastructure, manufacturing, mining, oil and gas, chemistry and tourism).
- Characteristics and destination of the credit.
- Other environmental risks: that the project is less than 5 km from cultural or natural heritage sites and indigenous communities, and induces the resettlement of communities.

Finally, the phases of risk evaluation and management are covered. The latter refers to the monitoring of the environmental and social performance of loans eligible for assessment and mainly includes those analyzed under the Equator Principles' framework. During this phase, our Socio-environmental coordination team establishes continual contact with executives and analysts to monitor the delivery of documents and reports that permit the annual review of projects, communication to those responsible for the situation in terms of compliance with relevant legislation and areas of opportunity in terms of social and environmental performance. The direct training of GFNorte analysts, executives and directors involve more than 4,000 phone calls a year. In addition, we design the monthly newsletter "SEMS in brief", which includes cases of high environmental risk at national and international levels, which reaches approximately 1,200 bank employees.



“The Equator Principles represent the most important standard in the financial sector to manage social and environmental impacts and risks.”





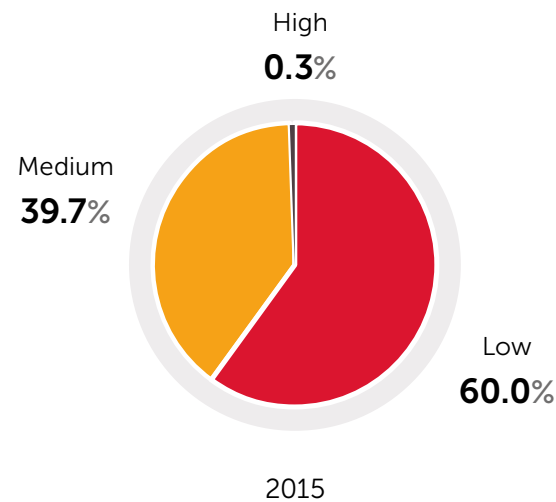
FS-1, FS-3, FS-5, FS-11

The following table shows an overview of figures reported for SEMS operations in 2015:

Social and Environmental Risk Management System	
2015 Loans analyzed	
Type of Risk	Cases
High risk	10
Medium risk	1,471
Low risk	2,223
<b>Total loans analyzed</b>	<b>3,704</b>

**ocial and Environmental Risk Management System**

((Loans analyzed by risk type)



17 diligences were prepared and 131 recommendations were sent based on IFC sectoral guidelines for health, safety and environment, thus promoting the improvement of social and environmental loan.

Diligences and recommendations to clients	
Total diligences realized	17
Total diligences according to the Equator Principles	9
Total recommendations sent to clients	131

The Equator Principles, created in 2003 by signatory financial institutions together with IFC, represent the most important standard within the financial sector to manage environmental and social impacts and risks.

Banorte was the second Mexican bank to sign these principles and, as part of its Social and Environmental Risk Management System, as from 2012 we analyze large investment projects and provide specialized advice to our customers, thereby providing added value and contributing to the minimization of risks.

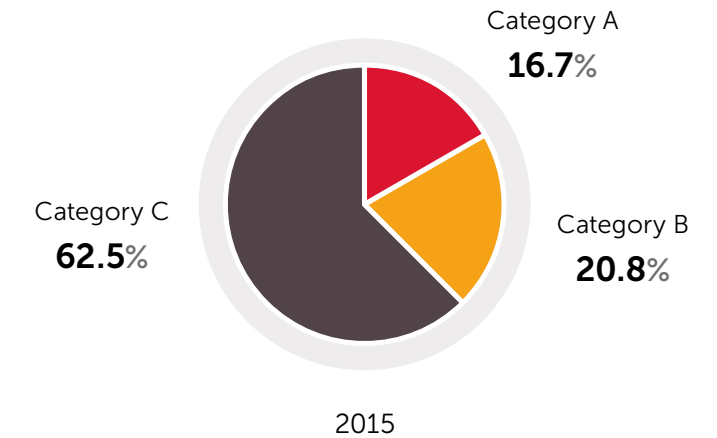
In 2015, in accordance with the Equator Principles and the existing Mexican legal framework, 24 projects were approved and their performance is being monitored. They are classified as shown below.

Equator Principles	
Authorized transactions by risk category	
Risk Type	Cases
Category A	4
Category B	5
Category C	15
<b>Total</b>	<b>24</b>

Total number of authorized transactions by sector and risk category					
Sector	Riesk A	Riesk B	Riesk C	Total	%
Mining	0	0	0	0	0
Oil and gas	0	0	0	0	0
Chemical	0	0	0	0	0
Construction	0	0	11	11	45.8
Manufacturing	0	1	1	2	8.3
Agribusiness	1	0	0	1	4.2
Energy	0	2	0	2	8.3
Forestry	0	0	0	0	0
Infrastructure	0	2	1	3	12.5
Tourism	3	0	1	4	16.7
Other	0	0	1	1	4.2
<b>Total</b>	<b>4</b>	<b>5</b>	<b>15</b>	<b>24</b>	<b>100</b>

**Equator Principles**

Authorized transactions by risk category



Project classification under the Equator Principles' framework:  
 Category A. projects with potentially adverse, significant, diverse, irreversible or unprecedented risks or environmental and social impacts.  
 Category B. projects with limited potentially adverse risks or environmental and social impacts, few in number, generally site specific, largely reversible and easily managed with mitigation measures.  
 Category C. projects involving or minimal risk or no adverse environmental and social impacts.

We are convinced that our Social and Environmental Risk Management System is essential in our consolidation as a sustainable bank. 2015 was a year of new challenges for the system and in 2016 we will be perfecting the SEMS through the specialized training of banks, working together with specialized areas, the definition of policies for sensitive sectors, the development of tools enabling assessment of most financial products and the exchange of ideas and good practices in working groups with other banks performance.

“Our Social and Environmental Risk Management System is fundamental in our consolidation as a sustainable bank.”





# Intellectual Capital

**We continue to strengthen our business**

Generating value in every interaction, understanding our clients' needs, allowing us to establish long-term relationships that translates into a valuable brand.



G4-4

## Creating value through a brand

Banorte is a brand with roots and a history, an integral image and business model that reinforces the commitment of “The Strong Bank of Mexico.”

This value must be reinforced, and 2015 was a year of evolution for Grupo Financiero Banorte at the brand level. After the Banorte-Ixe, merger, keeping both brands generated some confusion that there were still two banks. The challenge was to clarify that Banorte is a single bank with two segments, one that will be seen through the Banorte branch network, and the other, its affluent segment, which will be served through Ixe, Banorte’s preferred banking bank.

Customer response to the Ixe change was very good. This strong brand with a good positioning, targeting a selective segment enabled us to access this market by taking advantage of their penetration and image and at the same time we reinforced it with more personalized elements that has differentiated their service model from the competition.

To be able to maintain a clear relationship between Grupo Financiero Banorte’s banks and subsidiaries, we used our distinctive compass in our brand. This element not only represents our brand clearly, but reinforces our image in each segment of banking, every branch and in every communication, strengthening our institutional image and vice versa.

Additionally, we wanted to modernize the image in a natural process of evolution, seeking to build on our Mexican roots with a modern and edgy tone that projects Grupo Financiero Banorte into the future.

Banorte brand’s value has continued to grow in accordance with branding experts including Millward Brown, Interbrand and Brand Finance, consolidating Banorte as one of the most important Mexican brands in the world and the best Mexican brand in the financial sector, with a value of more than US \$2.2 billion.

We have consolidated our offering to customers by integrating the best technology for the digital world in which our clients live, while at the same time, including packaged solutions that allow a greater link and take better advantage of the benefits of the institution’s products and channels.

Our redesigned institutional website provides clients with a better experience, providing an intuitive website that at the same time reflects the financial group’s brand and new image.

Today, our digital bank is a differentiator that gives our customers the freedom to do their banking from wherever they are with security and integrated with integrated efforts to increase levels of bonding between the customer and the bank, ensuring their loyalty, preference and business relationship.

We seek to include technological elements in all our promotional efforts. Our campaign for mobile banking – in which we sought to increase awareness of the key characteristics and benefits of our product - was the year’s most successful, doubling activation of this channel, laying the groundwork for more growth and contributing to social responsibility.

We strengthened our client-bank relationship with a strategy of alliances, sponsorships and events at regional levels and according to the needs of each market segment, opening the possibility for corresponding business areas to improve their results.

We also created a new mobile application of discounts and promotions, providing customers with greater benefits through their mobile devices with unique, cutting-edge technology.

The evolution of Grupo Financiero Banorte’s image goes hand in hand with a strategy for the future and lays the foundation for our institution’s short and long-range objectives.

“Our redesigned institutional website provides clients with a better experience, providing an intuitive website that also reflects the financial group’s brand and new image.”





**Promoting a relationship with customers**

At Grupo Financiero Banorte, we are committed to being an innovative institution, as part of our strategy to become the best financial group in Mexico and for the Mexicans.

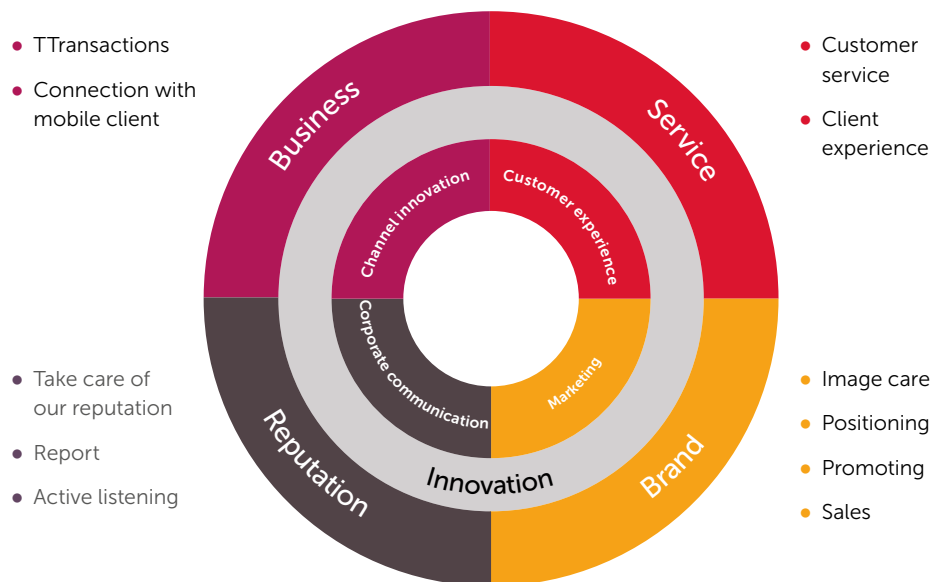
We also consider responsible and transparent communication as a key element to maintaining our good corporate reputation.

Faced with the need to innovate and adapt to new forms of communication, Grupo Financiero Banorte came up with the digital strategy, that will strengthen contact with current and potential customers, media, financial sector authorities and the public in general.

Through our digital strategy, GFNorte seeks to:

- Improve customer experience by offering new service channels
- Empower sales campaigns
- Reflect and reinforce our good reputation
- Perform transactions through social media

**Digital Strategy of Grupo Financiero Banorte**



In 2015 we decided to use social networks to generate active listening, enabling us to learn more about what the customer thinks and expects of Banorte's offer of value, services and products.

Thanks to these tools, today we have more information about Grupo Financiero Banorte's potential.

It is very important to GFNorte to keep in close contact with clients and social networks represent a great opportunity to do so. For this reason we decided to launch our channels in social networks, allowing us to communicate institutional issues since the origin and instigate new conversations.

As a starting point, we created an institutional policy governing institutional participation in social networks, as well as employee participation. We also developed protocols to respond to and assist customers. In addition, using our website as a base, we will have internal (through our intranet) and external social networks. We will begin with one Facebook and two Twitter accounts.

Banorte's and Ixe's presence in the networks will be differentiated, since the target of both business units are different from each other.

As regards to the potential of social banking, we consider that for Banorte, in the medium term, banking through social networks will become a reality, allowing us to strengthen cross-sales of products and take advantage of the tools we already have. In addition, analytics has made a great difference in making campaigns much more targeted and efficient, with measurable results in many aspects



“ In 2015 we decided to use social networks to generate active listening enabling us to Digital Strategy of Grupo Financiero Banorte offer of value, services and products.”

G4-PR 5

**“Ingenio” Program, promoting innovation**

Strengthening our brand as well as internal processes and our products and services is a permanent objective of Banorte. For this reason, we instituted the Ingenio Program, whose purpose is to promote, recognize and implement innovative ideas and projects of employees that have a significant impact on income, savings and quality of service, reinforcing GFNorte as an institution that constantly reinvents itself to lead change in markets where it has presence. Categories considered for 2015 were: value for the external client, value for internal customers and innovation for the community.

Value for external clients is related to innovative proposals for products and services from Banorte employees, their family and friends. Innovation for the community includes those ideas that impact significantly on Banorte activities for the community: Working for My Community, Innovation in Financial Education and Innovation in Products and services with social/ environmental impact. The Ingenuity Program seeks high impact, highly innovative ideas with interesting propositions for value that signify a change for both internal and external customers, as well as for the community, seeking to promote and foster radical innovation. In 2015, 651 ideas were generated.

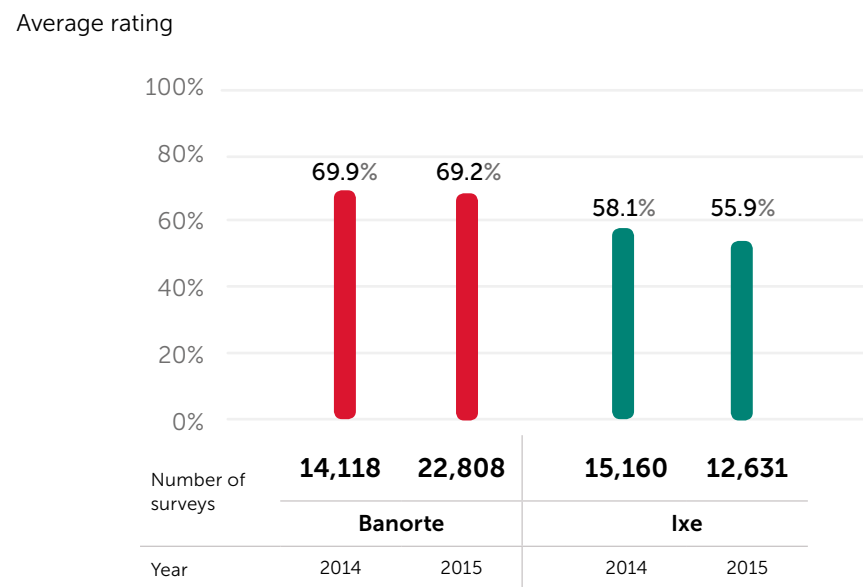
Additionally, a Banorte Challenge was held to improve interaction and customer experience with the participation of students from Tecnológico de Monterrey in Mexico City, in which 14 applications were presented and three projects for users with mobile banking services were awarded.

**Customer satisfaction**

Listening to customers leads to actions that build long-lasting relationships and increase profitability. Therefore, we constantly conduct surveys that help us to improve services and implement best practices. During the year, the number of surveys increased an average of 21.04% vs. last year.

Banorte and Ixe telephone surveys allowed us to assess the experience of customers in the main channels of attention through Net Promoter Score, an assessment that describes the quality of service received in branches, ATMs, telephone and electronic banking. As a result, we know the strengths and areas of opportunity in the quality of our service and have a guideline to take positive action.

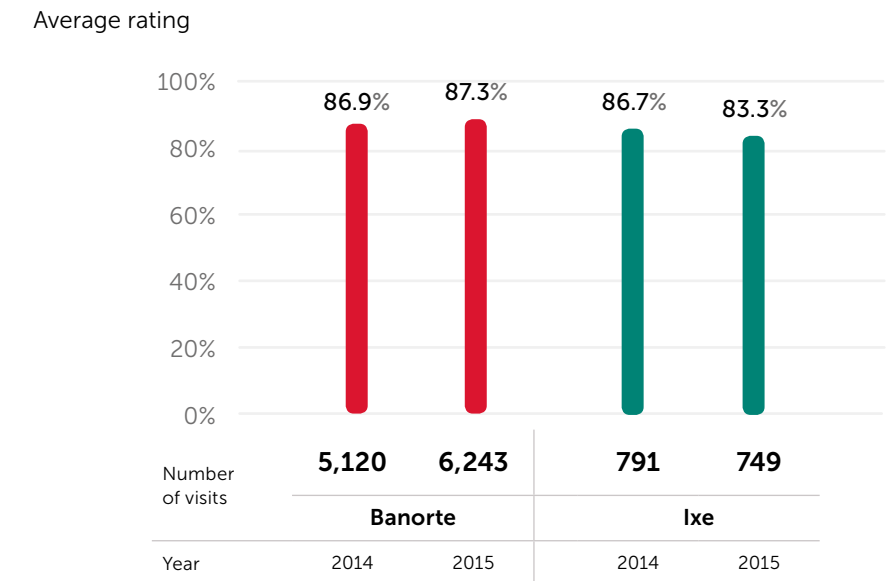
**Net Promoter Score**



Another tool that has proven to be very useful is the Mystery Shopper, applied in Banorte and Ixe branches bimonthly to evaluate the protocols of service and attention, sales, and branch image. In this way, we know about the service branch executives provide and detect areas of opportunity for product placement.

Banorte sees every opinion as an opportunity to achieve service excellence.

**Mystery Shopping**



“Listening to customers directs our actions to build lasting relationships and increase profitability of the institution.”





# Human Capital

**Effort transformed into a valuable asset**

Committed people at all levels of the institution, acknowledged and encouraged on an ongoing basis as well as our corporate governance's best practices represent values that have made us a leader.



G4-9, G4-10, G4-11, G4-EC1, G4-LA1, G4-DMA LA, G4-LA12

## Generating value in our personnel

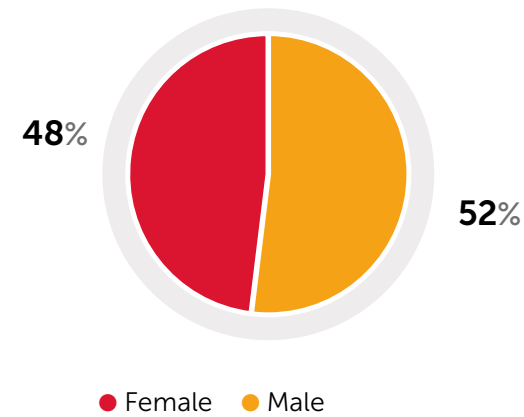
In a changing environment and a business in expansion, one of our main commitments is to promote the professional and personal development of our employees in alignment with our business strategy. We know that our human capital is a great source of strength, enabling us to achieve our goals and increase profitability.

Therefore, at GFNorte we strive to maintain good practices in the field of human resources, developing employees' skills and providing conditions that encourage them to remain; in this way, we have well trained and well paid employees.

### Ethical and inclusive labor practices

We have over 27,000 full-time employees, furthermore, the composition of our staff is an even balance of males and females. The following table present the number of employees, gender and age range, as well as our medium turnover rate indicators:

### Composition of the workforce by gender



Data corresponds to Banking Sector.

“Our workforce has an adequate balance of males and females.”

Workforce by range age and gender					
Gender	Age range	2013	2014	2015	Variation 2015 vs 2014
Female	< 30 years	4,250	4,393	4,199	-4.4% ▼
	30 - 50 years	5,231	5,379	5,152	-4.2% ▼
	> 50 years	443	489	571	16.8% ▲
<b>Total female</b>		<b>9,924</b>	<b>10,261</b>	<b>9,922</b>	<b>-3.4% ▼</b>
Male	< 30 years	4,272	4,426	4,360	-1.5% ▼
	30 - 50 years	5,490	5,580	5,039	-9.7% ▼
	> 50 years	927	996	1,141	14.6% ▲
<b>Total male</b>		<b>10,689</b>	<b>11,002</b>	<b>10,540</b>	<b>-4.2% ▼</b>
<b>Total</b>		<b>20,613</b>	<b>21,263</b>	<b>20,462</b>	<b>-3.8% ▼</b>

Data corresponds to Banking Sector.

We have 5,424 employees in the banking sector, who are union members covered by a collective agreement, representing 27% of the total workforce in this sector.

GFNorte number of employees to December 31 <sup>st</sup> , 2015						
Company	Full-time		Fee		Total	
	2014	2015	2014	2015	2014	2015
<b>Banking Sector</b>	<b>21,252</b>	<b>20,455</b>	<b>11</b>	<b>7</b>	<b>21,263</b>	<b>20,462</b>
Bank	18,677	18,055	11	0	18,688	18,055
Warehouse	10	11	0	0	10	11
Leasing & Factoring	100	93	0	7	100	100
ASPE	2,465	2,296	0	0	2,465	2,296
<b>Businesses in the USA</b>	<b>501</b>	<b>558</b>	<b>0</b>	<b>0</b>	<b>501</b>	<b>558</b>
Inter National Bank	375	413	0	0	375	413
Uniteller	104	122	0	0	104	122
Banorte - Ixe Securities	22	23	0	0	22	23
<b>Long Term Savings</b>	<b>6,145</b>	<b>6,561</b>	<b>34</b>	<b>13</b>	<b>6,179</b>	<b>6,574</b>
AFORE	4,251	4,645	24	7	4,275	4,652
Insurance	1,690	1,684	9	6	1,699	1,690
Annuities	204	232	1	0	205	232
<b>Total</b>	<b>27,898</b>	<b>27,574</b>	<b>45</b>	<b>20</b>	<b>27,943</b>	<b>27,594</b>

Data Plant Employees Long Term Savings Sector include outsourcing employees.

Employee turnover rate average by age range and gender					
Gender	Age range	2013	2014	2015	Variation 2015 vs 2014
Female	< 30 years	11.6%	11.6%	11.9%	0.3% ▲
	30 - 50 years	8.5%	6.9%	8.3%	1.4% ▲
	> 50 years	0.7%	0.6%	1.4%	0.8% ▲
<b>Total female</b>		<b>20.8%</b>	<b>19.1%</b>	<b>21.6%</b>	<b>2.5% ▲</b>
Male	< 30 years	14.4%	14.8%	14.3%	-0.5% ▼
	30 - 50 years	9.9%	8.1%	9.9%	1.8% ▲
	> 50 years	2.1%	1.3%	2.1%	0.8% ▲
<b>Total male</b>		<b>26.5%</b>	<b>24.3%</b>	<b>26.3%</b>	<b>2.0% ▲</b>
<b>Total</b>		<b>23.8%</b>	<b>21.8%</b>	<b>24.0%</b>	<b>2.2% ▲</b>

Data corresponds to Banking Sector.

G4-EC1, G4-LA9, G4-LA10, G4-LA11

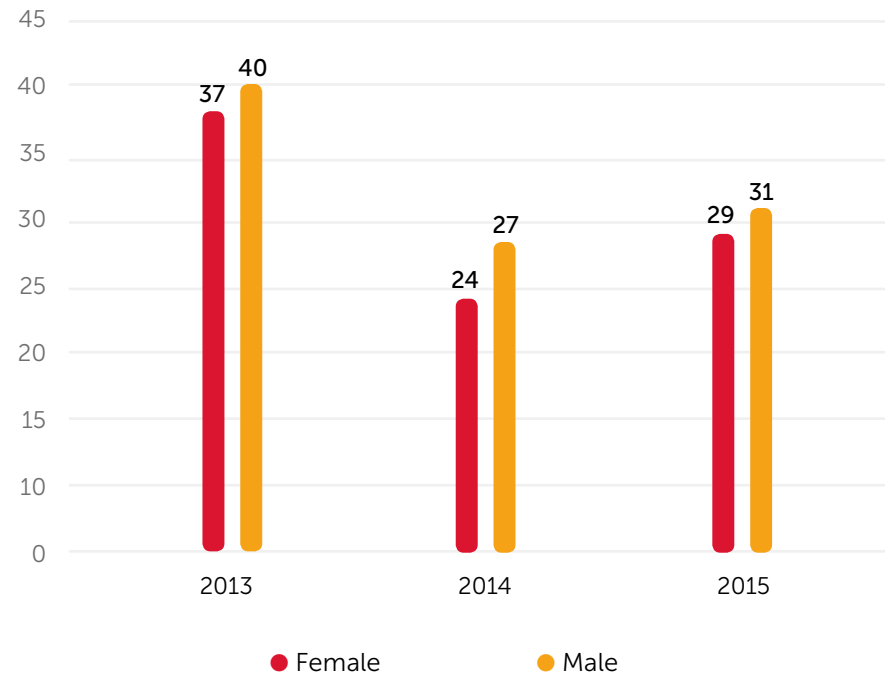
### Talent Management

A fundamental aspect of the development of our employees is that we support their growth, in order to improve standards of performance and professional growth within the institution. In 2015, employees received an average of 30 hours of training to enrich and strengthen their skills.

Average number of training hours by gender				
	2013	2014	2015	Variation 2015 vs 2014
Female	37	24	29	20.8% ▲
Male	40	27	31	14.8% ▲
<b>Average</b>	<b>38</b>	<b>25</b>	<b>30</b>	<b>20% ▲</b>

Data corresponds to Banking Sector.

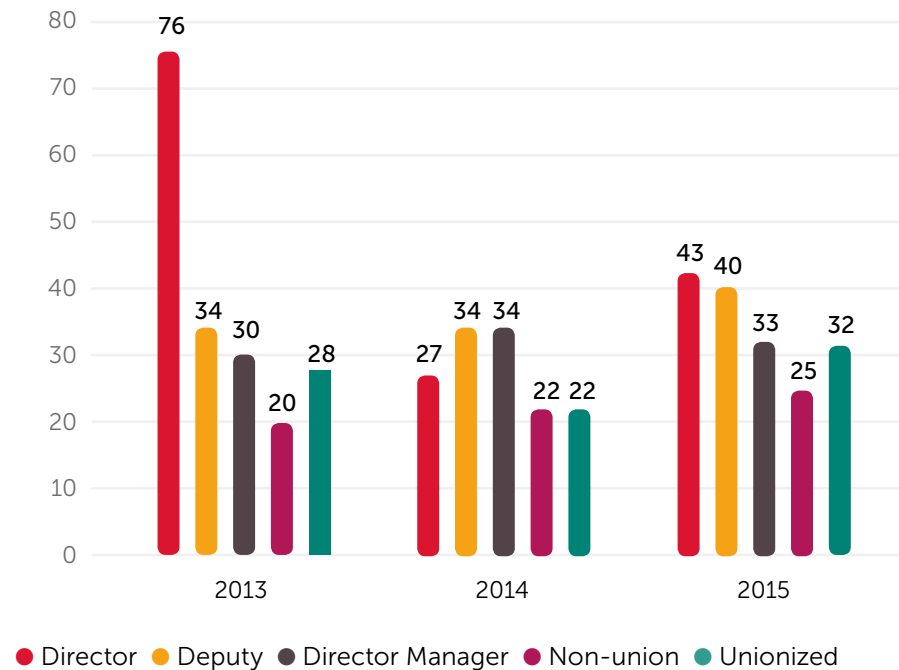
#### Average number of training hours by gender



Average hours of training by job category				
	2013	2014	2015	Variation 2015 vs 2014
Director	76	27	43	59.3% ▲
Deputy Director	34	34	40	17.6% ▲
Manager	30	34	33	-2.9% ▼
Non union	20	22	25	13.6% ▲
Unionized	28	22	32	45.4% ▲

Data corresponds to Banking Sector.

#### Average hours of training by job category



Data corresponds to Banking sector.

To support the development of our employees, in 2015, an investment of more than Ps 120 million was made for training, both in person and online. At GFNorte we have a wide range of initiatives to support and promote our employees' potential, such as a scholarship program to earn their master's degree, technical training and development for high potential employees.

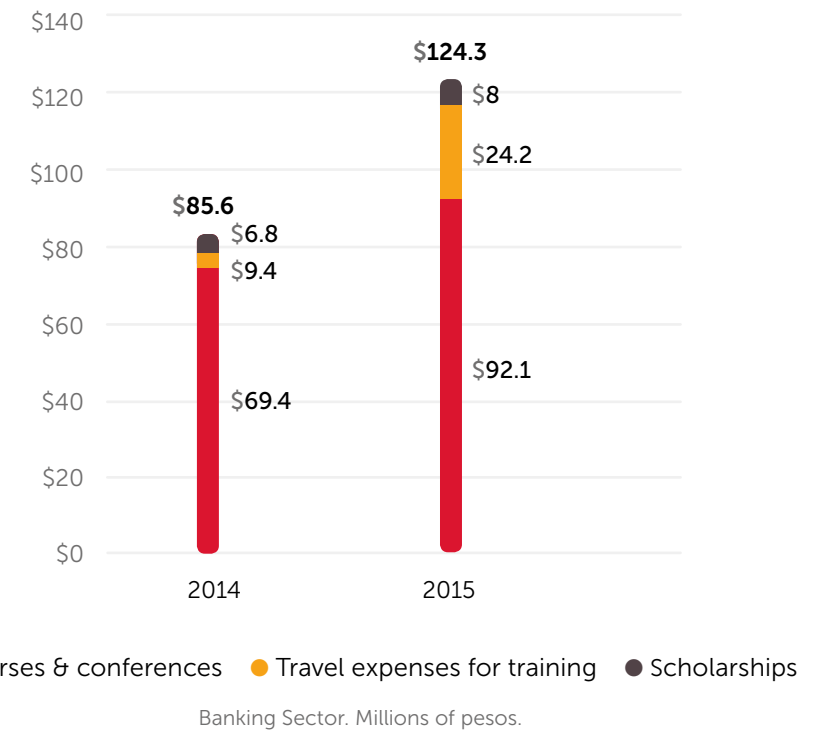
The amount earmarked for courses, seminars and conferences was more than Ps 92 million, and travel expenses related to training amounted to over Ps 24 million. Scholarships totaling Ps 8,055,499 were also awarded. It is important to note that in 2015, investment in the training and development of our employees, increased by 45.2%.

Investment in training and development			
	2014	2015	Variation 2015 vs 2014
Scholarships	6.8	8.0	17.6% ▲
Travel expenses for training	9.4	24.2	157.4% ▲
Courses and conferences	69.4	92.1	32.7% ▲
<b>Total</b>	<b>85.6</b>	<b>124.3</b>	<b>45.2% ▲</b>

Millions pesos.

G4-DMA, G4-EC1, G4-EC3, G4-LA2, G4-LA5, G4-LA9, G4-LA10, G4-LA11, G4-LA13

#### Investment in training and development



Banking Sector. Millions of pesos.

To help improve the quality of life of our employees and provide them with a safe working environment, programs were designed focused on results to develop and strengthen institutional and functional skills. For example, in 2015 the Development Program for institutional competence, "Client Orientation" was implemented, whose objective is to provide better customer experience in services.

In addition, 38,344 hours of training on policies and procedures with human rights aspects were imparted, covering 83% of personnel in the banking sector. Of upper level management and security personnel, 75% received training in the field of human rights.

Another important issue in the field of training is security, so we have civil protection brigades, who received training in first aid, how to act in case of fire, emergency evacuations, among others. These brigades are comprised of 1,769 employees in the network of administrative buildings and 3,502 employees in the branch network of the banking sector.

Due to the nature of our line of business, most activities are conducted in offices that do not represent significant risk in terms of accidents. However, bank branches may be susceptible to various acts of violence, such as robberies and assaults, which is the reason why we have emergency protocols to act in situations of risk.

**Performance assessment**

At GFNorte we have a wide variety of tests to evaluate employee performance. In this way, we can determine their level of potential, compatibility with their position, personality style and effectiveness in communication between work teams, assessments 360° of competencies (skill gaps), as well as focus areas to complement successful profiles. In addition, we have an assessment center to evaluate aptitudes and attitudes, integrity evaluations (Midot), interests and commitments, and psychometric assessments.

It is worth mentioning that we have a succession plan methodology for the different general management areas of the institution. In the same way we have formed a "Talent Nursery" to form future leaders in the commercial network, as well as Career Development programs for high performance and high potential personnel. This is how we try to ensure that internal employees assume our leadership positions – including senior management.

**Salaries and benefits**

In accordance with our remuneration policies, Banorte offers the same starting salary to all employees regardless of gender and the same social benefits, are mostly higher than those stipulated by law, such as the obligatory Christmas bonus, vacation bonus, life insurance and social security. Among the social security benefits, there is provision maternity or paternity leave that the law grants.

In addition to competitive salaries, we offer far superior benefits to those established by the law, as shown in the following table:

Main benefits	
Obligatory annual Christmas bonus	Food stamps
Savings fund	IMSS subsidy
Vacation and vacation bonus	Comprehensive health system
Cash Loans	Insurance
Car loans	Aid for sports
Loans for mortgage	Annuities and retirement plans

Amounts expressed in pesos. Data corresponding to the Banking Sector.

“ We have a succession methodology in various departments of the Institution.”

Average wage by job category and gender					
General labor category	Average salary		Variation between male and female average salaries		
	Female	Male	Amount	Ratio	Variation
Upper management	\$103,263	\$115,569	\$12,306	89%	2% ▲
Middle management	\$28,570	\$31,190	\$2,620	92%	0%
Operating employees	\$11,819	\$12,002	\$183	98%	1% ▲

Amounts expressed in pesos. Data corresponding to the Banking Sector

Compensation of employees			
	2015	2014	Variation 2015 vs 2014
Management	\$2,568,849,992	\$2,568,834,292	-0.001% ▼
Employees	\$1,745,171,035	\$1,760,437,836	0.875% ▲
<b>Total</b>	<b>\$4,314,021,027</b>	<b>\$4,329,272,128</b>	<b>0.354% ▲</b>

Amounts expressed in pesos. Data corresponding to the Banking Sector



G4-DMA

### Comprehensive Health System

The Comprehensive Health System covers medical service to employees as well as their dependents; Occupational Medicine is focused on protecting the health of personnel through the prevention of occupational accidents and illnesses, as well as the elimination of risk factors; Health and Corporate Wellbeing, promotes a culture of health and wellness in GFNorte and the Live Healthy portal, consists of an information tool to promote conditions that favor a healthy lifestyle.

The Banorte hotline provides telephone services to support the wellbeing of our employees, and is also available free of charge to their immediate families or dependent relatives.

This support line provides professional guidance to face the challenges of everyday life, such as personal or emotional problems, communication problems with the children, stress, among others. A psychologist helps them to find strategies to deal with each situation and the caller can coordinate periodic telephone appointments with the same specialist. The Banorte hotline is available 24 hours a day, 365 days of the year.

Another service provided by the Banorte hotline, is called Lifemanagement®, which provides information on different institutions that provide psychological services, family services, education, as well as orientation on procedures such as for official documents, migratory and vehicular, among many others, with timely information on costs, processes and required documentation.

We also have other benefits such as dining room service in six of our corporate buildings, which offer a wide variety of nutritionally balanced dishes, with options in alignment with our health and wellness program for more than 2,500 employees. This provision, which affects the quality of life for employees, is offered every working day with a subsidy of over 40%. All the dining areas are certified with the “Distinctive H”, granted by the Ministry of Tourism, which affirms that they meet the highest standards of cleanliness and hygiene.

In 2015, we joined the “Meatless Monday” initiative to raise awareness of the global impact of not consuming meat one day a week, by which we support actions towards sustainability and reinforce healthy practices within the corporate.

### Distinctions received for our labor practices

#### Great Place to Work

For the sixth consecutive year, we conducted a diagnosis to learn about the company’s cultural and organizational climate in accordance with the

parameters of Great Place to Work. Using this anonymous survey, and using certain indicators, employee commitment can be measured. We can say that results have improved year after year, which drives us to maintain working conditions that will allow us to preserve our competitive position.



“All dining areas have been certified with the “Distinctive H”, awarded by the Ministry of Tourism, signifying that they meet the highest standards of cleanliness and hygiene.”





# Social Capital

## Strengthening Mexico's socio-economic development

Since our inception, we have committed ourselves to all our stakeholders, transforming our operations, products and financial services to positively impact the communities in which we operate; this commitment strengthens us as an institution and in society.





G4-12, DMA EC, G4-LA14

## We contribute to Mexico's development.

Convinced that the roots of our business lies in our connection with people, we have always sought the best way to interact with them. It is then that our relationship with customers is a key part in motivating us to focus on their needs, as well as those special circumstances that might be manifesting in the market, both nationally and locally.

For this reason, we developed a General Policy for Emerging Programs and Economic Recovery, through which special conditions are activated for small and medium-sized businesses in sectors or regions of the country which could require some special support, thus promoting the continuity of local development.

This year, to cite some examples, the following support programs were provided to small and medium-sized businesses.

Support programs for SMEs
A program for in the state of Oaxaca companies linked to the tourism industry to boost the economy
A program to boost the economy and promote employment in the states of Puebla and Sinaloa
Support programs for the textile, clothing and fashion industries and supply production chains
A program to strengthen and consolidate SMEs in Tamaulipas
An economic recovery program for the states of Guerrero, Chiapas and Oaxaca
A program to support women entrepreneurs
A program to boost the economy and promote employment in the state of Mexico
Social policy and public safety program

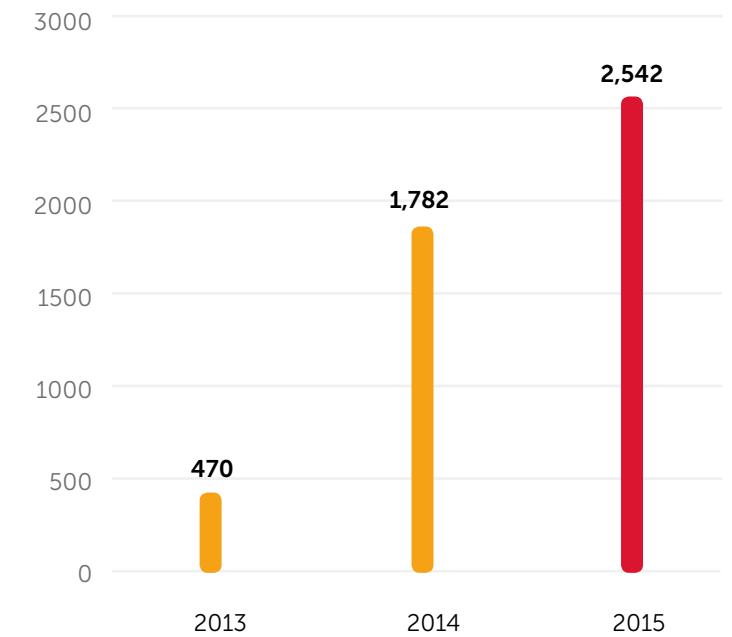
## Suppliers

One of GFNorte's policies is to promote, to the extent possible, that suppliers are of national origin, to favor the communities in which we operate, an objective that we have achieved as can be seen in the following table.

Registered suppliers			
	2014	2015	Variation 2015 vs 2014
New registered suppliers			
<b>No. suppliers</b>	<b>2,146</b>	<b>3,649</b>	<b>70% ▲</b>
Supplier origin			
Foreign	64	57	-10.9% ▼
National	2,082	3,592	72.5% ▲
<b>Total</b>	<b>2,146</b>	<b>3,649</b>	<b>70% ▲</b>
Supplier class			
Purchases	168	113	-32.7% ▼
Services	1,978	3,536	78.8% ▲
<b>Total</b>	<b>2,146</b>	<b>3,649</b>	<b>70% ▲</b>
Supplier type			
Permanent	1,406	3,172	125.6% ▲
Eventual	740	477	-32.2% ▼
<b>Total</b>	<b>2,146</b>	<b>3,649</b>	<b>70% ▲</b>

“ We promote our suppliers to share with us the adherence to sound business practices. To ensure a positive and lasting impact, since 2012 we seek to declare know and apply the 10 principles of the Global Compact Unit Nations.”

## United Nations Global Compact Suppliers' contracts that include a clause of knowledge about the 10 principles of the UN Global Compact





G4-DMA EC, G4-EC1, G4-EC7

**Fundación Banorte (Banorte Foundation)**

At the Banorte foundation, we strive to promote and support projects mainly aimed to promote the socio-economic development of people in vulnerable situations. But this year we decided to promote education and economic development starting with ourselves through a scholarship program for children of employees who demonstrate excellence in academics, arts and sports.

The response has been extraordinary: we received more than 537 requests within a month of the call. Indirectly, this creates awareness among employees about programs benefitting the community and leads to the construction of a philanthropic culture within the company.

We have decided to support education and believe that there are aspects that are not given adequate attention, such as educational coverage.

Therefore, we seek to contribute to the construction of education in the future, an inclusive education for children and youth to address the societal and environmental problems that arise, to form a competitive society.

To achieve our goals, we have three strategic areas: Support for Community Support for Banorte Family and Other Philanthropic Support, through which, this year, we donated to 56 projects of 45 social organizations from 30 states Republic and Mexico City.

In 2015 we donated more than \$ 60 million pesos through Banorte Foundation, we have directly supported more than 106,000 people and indirectly to almost 900,000 .

“ We seek help build the future of education, inclusive education.”

Donations granted by Banorte Foundation			
	Community support	Family support Banorte	Other philanthropic support
Donation	\$ 25,060,613	\$ 13,378,000	\$ 22,260,178
Number of beneficiaries	More than 39 thousand people	More than 1 thousand people	More than 66 thousand people
Initiatives	Promote projects that promote access and coverage of education Educational quality Integral education Employment generation	Scholarships for excellence health funds Corporate volunteering initiatives	We contribute to social causes, public bodies Emergency campaigns Disaster Campaigns

The purpose with strengthening social actions developed other areas of GFNorte Banorte Foundation shares its experience in managing philanthropic projects and collaborates in the implementation of some social initiatives, as in the case of Social Cause Tarjeta 40.

**Social cause Tarjeta 40**

Through our Tarjeta 40 credit card we allocate funds to vulnerable or disadvantaged groups in order to support projects significant to the community, offering long-lasting support. Donations are made through a trust and are a percentage of the turnover generated by cardholders. Causes to be supported are determined through votes registered in the website of the Televisa radio station called, “Los 40 Principales”.

We linked up organizations with the project and followed-up on how the resources are applied. This year the participating organizations were Patronato Pro Zone Mazahua A.C., Hope Worldwide Mexico I.A.P, Tequio y Conocimiento A.C., and Amigos de Sian Ka’an.

**Creating a better future**

Acciones Banorte (Banorte Actions) was conceived in 2014 with the intent of integrating all the social initiatives that were developed within the financial group. These initiatives included support for the community, employees and their families and the environment, thereby contributing to the development of Mexico.

Iniciativa	Descripción
acciones AyuDamos	Trust fund for voluntary bi-monthly contributions by employees. Resources collected were matched by Fundación Banorte and earmarked for civil society organizations chosen by a committee formed exclusively of employees.
acciones Jugando Jugando	Annual toy drive in which employees participate by donating toys as well as in the operation, transfer and delivery of the toys to hospitals, community centers, orphanages and to the children of security and janitorial employees.
acciones Trabajando por mi comunidad	Regional initiatives in which employees can propose and voluntarily participate in supporting various social causes thereby contributing to improving the quality of life in their community.
acciones Apoyando a tu familia	Program created to support the families of our employees.
acciones Cuidando a mi planeta	Actions focused on preserving the environment through different practices such as Paperless and Green Roof, among others.
acciones Educación Financiera	Activities that seek the participation of customers, users and employees by promoting financial education.
acciones Desarrollando talento	A series of activities focused on promoting personal and professional development of employees.
acciones Haciendo lo correcto	Framework for action that promotes good practices in accordance with the norms and protocols of the financial group.
acciones Salud y bienestar	A program that promotes the generation of a culture for health and wellbeing among employees and their families.

G4-EC7, G4-SO1

**AyuDamos**

AyuDamos is the Trust fund that provides support to institutions and civil society organizations that serve disadvantaged populations.

Results of AyuDamos			
	2013	2014	2015
Organizations supported	9	11	22
Mobilized resources	\$ 1,603,994	\$ 1,920,401	\$ 2,445,016
Direct Beneficiaries	5,270	4,871	54,230
Indirect Beneficiaries	17,220	23,743	16,296

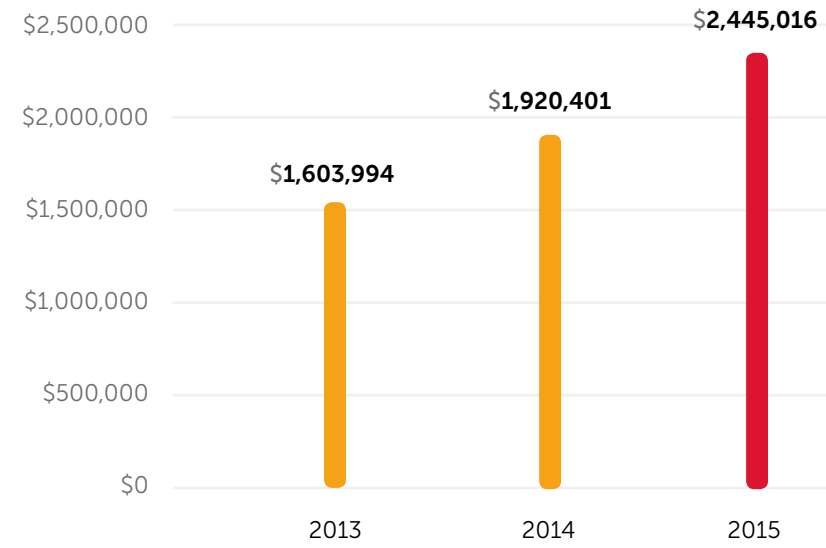
Amounts expressed in pesos

\* In 2015, we supported an institution providing support to migrants, achieving an annual direct benefit to 52,000 people. This institution did not report indirect beneficiaries; therefore the ratio between direct and indirect beneficiaries presents a considerable difference.

“ We strengthen our philanthropic culture within the group and maintain our commitment to disadvantage communities.”

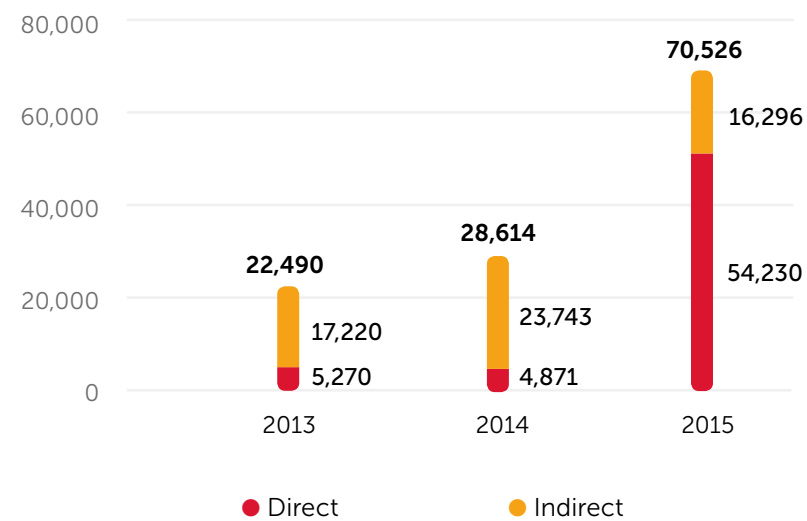
**AyuDamos**

Mobilized resources



**AyuDamos**

Program beneficiaries



**Jugando Jugando**

Jugando Jugando is an initiative whose purpose is to collect and deliver toys to children in different institutions, with the participation of corporate volunteers who spend time with the children and share moments of joy.

Results of Jugando Jugando			
	2013	2014	2015
Toys collected	44,461	40,710	39,012
Total volunteers	1,253	1,014	987
Beneficiaries	28,104	39,466	35,977
AyuDamos results	\$ 63,871.06	\$ 63,871.66	\$ 63,871.66





G4-DMA EC, G4 EC7, FS-16

**Working for my community**

We support the communities in which we operate to promote a better quality of life. This year we supported:

**Financial architects**

We provided consulting in collaboration with Unreasonable Mexico to entrepreneurs fighting social and environmental problems in order to strengthen their financial architecture. Some of the organizations supported this year were Natural Dent, Infrarural, Ncite and Kukua.

**Financial Education**

**National Financial Education Week**

National Financial Education Week was celebrated in October through an event held in Mexico City aimed at providing visitors with information to facilitate decisions about the personal finances. In this context, events and activities were held to promote best practices and the culture of saving, investment and basic accounting.

**Children's Savings Day**

Together with the Association of Mexican Banks, on November 11th, we participated in Children's Savings Day. This year 10 cities throughout the country participated: Merida, Puebla, Aguascalientes, Leon, Zacatecas, Tlaxcala, Pachuca, Villahermosa, Tuxtla Gutiérrez and Toluca.

Results of Children's Savings Day	
Total volunteers	200
Volunteer hours	400
Total people benefitted (in 10 cities)	Approximately 51,000

**Health and Wellness**

At its name implies, this program is aimed at creating a culture of health and corporate wellness among employees of the group financial.

For more details on this topic, go to the section on **Human Capital**.

**Taking care of my planet**

We promote best practices in environmental issues, to make efficient use of resources and generate awareness among our employees, their families, customers, suppliers and the community through various activities such as our Paperless program, recycling campaigns, video-conferencing and the reduction of water consumption, among others.

For more details on this topic, go to the section on **Natural Capital**.

Initiatives that were deployed in 2015 were:

**Supporting your family**

This is an initiative of Fundación Banorte that promotes the development of our employees' families through actions as: scholarships for children of employees who demonstrate excellence in academics, arts and sports.

For more details on this topic, go to the section on **Fundación Banorte**.

Supporting family		
Type of scholarships	Academic	462
	Athletic	19
	Artistic	6
	Special education	10
Gender	Women	295
	Men	202
Scholarships		497

**Developing talent**

This program promotes the personal and professional growth of our employees.

For more details on this topic, go to the section on **Human Capital**.

**Doing the right thing**

We are committed to promoting best practices with our clients, employees and suppliers. Through this framework we promote our mission, vision and principles as well as adherence to standards, codes and procedures in the financial group.

**Our vision**

Be a great ally to grow stronger with Mexico.

**Our mission**

Build trust and financial strenght for our customers.

**Our five principles**

We are a big family with principles and values wich inspire our actions in the relationship with our customers, partners an suppliers.

- Work to strenghten our customers: **Solidarity**
- Innovate to generate value: **Innovation**
- Develop committed teams: **Loyalty**
- We are inclusive: **Respect**
- We contribute to the welfare of Mexico: **Responsability**

G4-15

**Other external initiatives**

**Enterprise Responsible**

The distinction of being a socially responsible company For the fifth consecutive year we earned the Socially Responsible Company distinction. In addition, Seguros y Pensiones Banorte (insurance and annuities) earned this distinction for the first time. This award, was bestowed by the Mexican Center for Philanthropy (CEMEFI), in recognition of our performance in the management issues of social responsibility, quality of life, business ethics, links with the community, care and preservation of the environment.



**United Nations Global Compact**

We voluntarily adhere to and compliance with the 10 principles of the United Nations Global Compact, in the fields of: human rights, labor, environment and the fight against corruption. We have adhered to this initiative since 2011 and present our annual Communication on Progress, (CoP) at an advanced level.

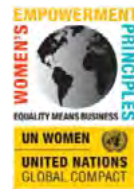


Banorte is committed to the implementation of the 17 Sustainable Development Goals, thus strenghten the fight for the eradictation of poverty, inequality, injustice and at the same time, we face climate change.



**Women's Empowerment Principles**

We seek to promote gender equality and the empowerment of women that work in the financial group, ensuring the same opportunities to promote the development of each person. We have joined to Women's Empowerment Principles voluntarily since 2014 and will continue pushing them into the institution.



“ We seek to promote gender equality and the empowerment of women in the group ensuring equal opportunities to promote their development.”





# Natural Capital

**Operations and services committed to the responsible use of resources**

As the financial group, we can influence responsible management of the environment through the loans we fund, by evaluating environmental risk factors and incorporating natural capital criteria to our products and services.



G4-23, G4-EC1, G4-DMA EN, G4-EN3, G4-EN5, G4-EN6

## Operations and services committed to the responsible use of resources

At GFNorte we are aware of the importance of natural capital as a source of resources for our operations; therefore we continually promote their efficient use and the mitigation of the impacts that our activities can have on the environment.

### Environmental policy

Grupo Financiero Banorte has a public environmental policy that has been restructured to align with ISO 14000 international standards, to meet all longterm requirements through the following:

- Management of environmental risks and impacts
- Monitoring our carbon footprint
- Waste management
- Environmental criteria in procurement processes
- Collaboration with stakeholders
- Promotion and adoption of eco-efficient internal practices
- Commitment to national and international initiatives

To support our policy, we have a matrix for the Identification, evaluation and classification of environmental impacts to determine which business processes have actual and potentially relevant environmental risks, which we classify according to scale relevance, scope, frequency and reversability.

### Energy

We continue to monitor our energy consumption and promote actions for energy efficiency in our operations.

GFNorte's total energy consumption in 2015 is detailed in the following chart:

Total Energy Consumption			
Combustible / Use	2014 [GJ]	2015 [GJ]	Variation 2015 vs 2014
Natural gas – heating offices	141.08	158.63	12.44% ▲
Natural gas - kitchens	n/a	240.33	n/a
Diesel utility vehicles	20.55	n/a	n/a
Diesel for emergency power plants	682.71	243.70	-65.35% ▼
LP gas for forklifts	1,441.59	1,534.62	6.45% ▲
LP gas for kitchens	n/a	493.69	n/a
Gasoline for utility vehicles	55,155.72	59,185.23	7.31% ▲
<b>Energy consumed (Scope 1)</b>	<b>57,441.66</b>	<b>61,856.20</b>	<b>7.69% ▲</b>
Energy generated by solar panels	136.62	136.62	n/a
Electrical energy consumed	450,347.71	450,652.83	0.07% ▲
<b>Total energy consumption</b>	<b>507,925.99</b>	<b>512,645.65</b>	<b>0.93% ▲</b>
Energy/employee (includes natural & LP gas for kitchens)	n/a	18.58	n/a
Energy/employee (excludes natural & LP gas for kitchens)	18.33	18.55	1.23% ▲
Scope employees	100%	100%	0%
Factors utilized	CONUEE 2014	CONUEE 2014	

GFNorte used heat capacities according to data published by the National Commission for el Efficient Energy Use (CONUEE) in 2014, is the reason why values in gigajoules (GJ) for 2014 differ to those published in the 2014 Annual Report.

Standing out in energy usage was gasoline consumption of our subsidiaries Insurance and Annuities' utility vehicles: 1.02 million liters –which is 55% of the total group's gasoline consumption. Similarly, 40% of the group's gasoline consumption was in Banorte and Afore XXI Banorte, both subsidiaries continue to use a fuel monitoring system which has achieved a 2% decrease in Afore XXI Banorte.

### Integral Energy Control System

One of our main programs for responsible energy usage is our Integral Energy Control System (SICE).

For more information on Integral Energy Control System, see:

[www.banorte.com/sustentabilidad](http://www.banorte.com/sustentabilidad)

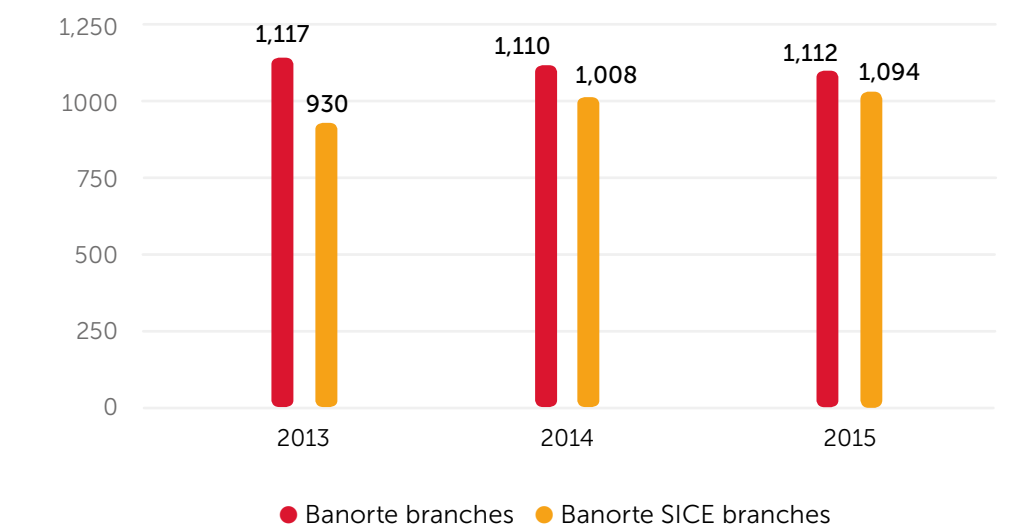
Accumulated savings due to SICE exceeds Ps130 million since its implementation in 2007 to the end of 2015. At the same time, SICE has generated a cumulative savings of over 85 million kWh, avoiding the emission equivalent of 38,620 tons of CO2 into the atmosphere.

Currently, more than 98% of Banorte branches have been integrated to this system, fulfilling the previously set goal of adding 60 Banorte branches to the total number of branch offices that operate with high efficiency SICE equipment. The program's progress brings us closer to the goal of a 30% reduction in emission intensity per employee for 2020, in alignment with the strategy implemented nationwide in Mexico.

Branches in the SICE Program					
Year	New SICE branches	Total Banorte branches	Branch scope SICE/totals	Economic savings (millions of)	Energy savings (millions of)
2013	103	1,117	83.26%	\$21.20	12.50
2014	78	1,110	90.81%	\$21.28	13.62
2015	86	1,112	98.38%	\$22.60	17.43

Estimated values of economic savings and kWh for 2014 change with respect to those published due to an internal recalculation of the 2014 Annual Report..

### Branches in the SICE program



Include modules.



G4-EN8, G4-EN31

Similarly, considering the risks associated with climate change, in 2015 we implemented an initiative to install hurricane shutters and maintenance of air conditioning in Banorte branches in coastal areas, as a preventive measure for premature deterioration due to moisture. At the end of 2015 more than US \$35,000 dollars was invested in this initiative for 7 Banorte branches.

We are aware of the outlook of transition to the use of technologies and cleaner fuels in Mexico by the year 2018 as part of the National Sustainable Use of Energy program. Therefore, in 2016, GFNorte will evaluate a portfolio of renewable energy suppliers with a view to subsequent acquisition and our alignment with national objectives in energy.

**Earth Hour**

Once again, this year we participated in the Earth Hour initiative, organised by the Worldwide Fund for Nature, by turning off non-essential lights in seven Banorte buildings, 40% more than in 2014. Insurance and Annuities joined in by turning off lights in eight main plazas. In addition, we encourage the efficient use of energy and employee participation in Earth Hour through internal communication in Banorte and Long Term Savings.

**ATMs**

In 2015, 722 ATMs were replaced by more energy-efficient models, generating an estimated savings in electricity of 3.3 million kWh per year, which represents an 80% monthly savings in energy for each renewed ATM.

Similarly, the obsolete ATMs were collected to recover recyclable material and for the careful disposal of electronic and plastic parts with high environmental impact.

On the other hand in 2015, ATM technologies and functionalities were implemented that included remote sales services and self-service reducing the need for clients to go to a branch, thus speeding up operations and reducing emissions generated by customer travel. Some of the new features are: procurement of Banorte mobile services, sale of mobile phone time, Credit Bureau inquiries, cancellation of insurance and cash withdrawals without plastic, among others.

**Water consumption**

Estimated water consumption for 2015 is 486,768 m<sup>3</sup>, which represents a 9% decrease vs. 2014 considering the 99% scope of the financial group. Water consumed on the premises comes from and is channeled to the municipal networks in which we operate.

GFNorte Water Consumption				
Consumo	2013	2014	2015	Variation 2015 vs 2014
Water m <sup>3</sup>	587,824.70	545,361.92	486,768.84	-10.74% ▼
Water m <sup>3</sup> /employee	21.59	19.37	17.66	-8.85% ▼
Scope	83.02%	99.56%	99.92%	-0.36% ▼

“ Each renovated ATM represents a monthly energy savings of 80%.”



G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-EN19, G4-EN30, G4-EN31

### Emissions

At GFNorte, we calculate our carbon footprint through a focus on financial control that uses methodologies such as the Corporate Standard for Accounting and Reporting (ECCR), the GHG Protocol and national guidelines on the use of global warming potentials. Our data is backed up every year, since 2012, by assurance of an external firm accredited by EMA, (Mexican Accreditation Entity).

GFNorte Emissions Scope 1 and 2 [tons of CO2e]							
Business Entity	2014			2015			%Var 15/14 A1+A2
	A1	A2	A1+A2	A1	A2	A1+A2	
Afore XXI Banorte	223	1,264.21	1,487.21	214.76	1,653.63	1,868.39	25.63%
Warehouse	110.95	107.49	218.44	116.02	104.89	220.91	1.13%
Leasing & Factoring	122.43	n/a	122.43	119.05	n/a	119.05	-2.76%
Banorte	1,515.77	51,637.55	53,153.32	1,556.60*	51,421.09	52,977.69*	-0.33%*
				1,512.30**		52,933.40**	-0.41%**
Banorte-lxe Securities International	n/a	26.97	26.97	n/a	27.53	27.53	2.05%
Inter National Bank	58.22	2,569.58	2,627.80	60.93	2,706.52	2,767.45	5.31%
Insurance & Annuities	2,097.55	1,631.32	3,728.87	2,367.62	1,386.30	3,753.92	0.67%
<b>Grupo Financiero Banorte</b>	<b>4,127.91</b>	<b>57,237.13</b>	<b>61,365.04</b>	<b>4,434.97</b>	<b>57,299.96</b>	<b>61,734.94</b>	<b>0.60%</b>
CO2e emission intensity per employee			2.21			2.24	
<b>Scope (employees)</b>	A1 and A2 emissions : 100 % since 2013 considering that ( i ) Banorte - lxe Values has no car fleet ( ii ) Make Leasing and Factoring Building operations in Banorte. * Includes natural gas and LP gas stoves. ** No natural gas, LP gas and includes kitchens . GFNorte updated the factors emission for 2014 and 2015 According to published on September 3, 2015 in the Official Gazette, why A1 Emissions and 2014 A2 changed from the Annual Report 2014: In addition , he used the CHORD heat capacities as published by National Commission for Efficient Use of Energy ( CONUEE ) in 2014.						

In regards to Scope 2 emissions for the Afore XXI Banorte, in 2015 there was a 25.63% increase that is related to the opening of 26 offices compared to 2014, which had a significant impact on the consumption of electrical energy; also the number of employees increased by 9% at this subsidiary.

In addition to posting direct and indirect emissions associated with the financial group's operations, this year consumption of natural and LPG gases in Banorte corporate cafeterias were included. Those emissions of added the equivalent of 44.29 tons of CO2 representing 2.8% of Banorte's total emissions.

With respect to employee travel, in 2015 an employee travel survey was conducted with the over 2,000 employees of the Contact Center building in Monterrey, NL, which estimated a total emission of 80.32 tons of CO2e per year due to the use of motorized transport.

### Videoconferences

In 2015, GFNorte held 37,057 videoconferences, which represents a 22% increase vs. 2014. Specifically in leasing and factoring the increase was 50%. In addition, an estimated 120,611 kilometers of travel was saved through videoconferences conducted in leasing and factoring and Banorte - lxe Securities, an estimated savings of more than Ps 1.3 million considering average cost per trip in 2015. Banorte invested over Ps 9.4 million for the renovation and maintenance of video conferencing rooms.

“Annual increase in 22% of realization in videoconferences.”

### Corporate travel

Kilometers of corporate travel by plane by Banorte subsidiaries' employees: Afore XXI Banorte, leasing and factoring and Banorte - lxe Securities, business entities responsible for 91% of employees in the financial group were calculated. In particular, in Banorte, the tool included in the SAP module for quantification is still used. Over 11.5 million kilometers were registered in 2015, 6% more than the 10.8 million kilometers in 2014, the equivalent of 1,159 tons of CO2 emitted into the atmosphere. To offset this impact, video-conferencing, digital collaboration between employees through the use of web tools for online meetings was encouraged. To this end, employees in the Afore XXI Banorte sales area who had laptops received UC Voice equipment and activated Webex service.

Corporate travel						
Business Entity	Kilometers traveled			Scope 3 (tons of CO2)		
	2014	2015	Variation 2015 vs 2014 %	2014	2015	Variation 2015 vs 2014
Banorte - lxe Securities	78,591	57,644	-26.65% ▼	13.36	9.80	-26.65% ▼
Inter National Bank	n/a	n/a	n/a	n/a	n/a	n/a
Afore XXI	2,158,836	736,761	-65.87% ▼	366.942	125.22	-65.87% ▼
Insurance & Annuities	n/a	n/a	n/a	n/a	n/a	n/a
Warehouse	n/a	n/a	n/a	n/a	n/a	n/a
Leasing & Factoring	298,437	297,134	-0.44% ▼	50.73	50.50	-0.44% ▼
Banorte	8,277,667	10,382,540	25.43% ▲	761.542	973.908	27.89% ▲
<b>Total</b>	<b>10,813,531</b>	<b>11,474,079</b>	<b>6.11% ▲</b>	<b>1,192.57</b>	<b>1,159.44</b>	<b>-2.78% ▼</b>

Also as from 2015, Scope 3 emissions are accounted in the recharging of refrigerants in Banorte installations. Recharged refrigerants in 2015 were 1.502 kg of R-22 gas and 561 kg of organic gas R-410A, which generated 3,722 tons of CO2e. R-410A refills are currently 27% of the total number of refills in Banorte. In 2015, Banorte stopped purchase of equipment using R22.



G4-EN1, G4-EN23, G4-EN27, G4-EN31, G4-DMA EN

### Waste management

#### Paper consumption

Paper consumption in the financial group increased 4% in 2015, reaching 1,210.81 tons. The increase lies in the Banking Sector due to the implementation of multiple contracts as a strategy for cross-selling deposit products.

Paper consumption also increased due to the affiliation and transfer of Long Term Savings clients to the Afore XXI. This variation was offset with a 0.2% reduction in paper consumption per employee. Moreover, INB and Banorte- Ixe Securities obtained reductions in paper consumed of 18% and 29% in consumption per employee.

Paper Consumption				
Sector	Type of consumption	2014 (ton)	2015 (ton)	Variation 2015 vs 2014
Bank	Total consumed	934.19	968.16	3.64% ▲
	Per employee	0.04	0.05	7.69% ▲
Long Term Savings	Total consumed	211.96	225.30	6.29% ▲
	Per employee	0.0343	0.0342	-0.18% ▼
Banorte USA	Consumo total	21.47	17.54	-18.29% ▼
	Per employee	0.04	0.03	-29.30% ▼
Total GFNorte	<b>Total consumed</b>	<b>1167.62</b>	<b>1211.00</b>	<b>3.70% ▲</b>
	<b>Per employee</b>	<b>0.0417</b>	<b>0.0438</b>	<b>4.93% ▲</b>

Values for 2014 changed with regard to the 2014 Annual Report due to the adjustment of weighing factors for paper used in GFNorte.

Among Banorte initiatives to promote the efficient use of paper, we continue with the Paperless online course for new employees. Thus, 429 employees received training for responsible paper consumption at work.

One of the main areas of opportunity is to promote responsible document printing. So, in 2015 corporate buildings implemented the Papercut tool, which administers paper and toner by controlling documents printed per user directly from the machine. At end of 2015, 0.28 tons of paper were saved.

In 2015, the insurance subsidiary developed the "Paperless mobile adjuster" application, which allows the processing of an accident electronically increasing operational efficiency. Using this application, adjusters gather the information of the accident in digital documents, which are shared with the insured party and insurance providers responsible for follow-up. At the end, documents are downloaded to the Seguros Banorte's central system, allowing future reference and completely avoiding the use of paper. In 2016, after national release, more than 8 tons of paper is expected to be saved.

#### Tokens

During 2015, 50,034 physical tokens were migrated to mobile phones, 192% more than last year, reaching a total of 414,985 users, increasing by 99% vs. 2014.

The campaign to reuse clients' tokens continued in 2015; 64,694 physical tokens were received, 96 percent more than last year. Of these, 18,287 devices were reintroduced into our operations and 46,407 were sent to a warehouse for subsequent recycling and recovery of components. In 2016 we expect to recupe and recycle 30% of our customers' tokens which are due to expire.

#### Solid municipal waste

Estimated waste generated in administrative buildings and Banorte branches this year vs. 2014 shows a 1.53% reduction in tons generated per employee. For 2016, sampling is expected to expand to include changes in branches to include that implemented in 2015: Preferred, Dual, Preferred Dual and Module.

In 2016 a pilot recycling program will take place in the Contact Center in Monterrey, Nuevo Leon. After its launch, we expect to recupe 10% of PET and aluminium waste generated monthly in the building.

#### Paper Consumption

With regard to toner consumption, in 2015 7% of toners purchased in 2014 by Banorte were recycled, which implies the recovery of 2.5 tons of components such as plastic, toner, cardboard, aluminum and other metals.

Also, at the end of the year we recovered 1,058 toners purchased by Banorte in 2015. There is a proposal for 2017 to develop a strategy for the collection and recycling of a minimum of 12% of the total number of toners requested.

#### Waste recycling

In 2015 we recycled more than 612 tons of paper as a result of the program implemented in corporate buildings and for dead files, 400% more than last year with a return of more than Ps1 million. The recycling program benefits more than 6,000 employees in 13 administrative buildings: 29% of banking personnel.

In addition, 21 tons of cardboard and white paper were recycled in insurance and pensions Banorte. Similarly, INB recycled 99 tons of paper in 2015. In 2016 we will seek to boost the scope of the recycling paper program in other states of Mexico, as well as in the group's various subsidiaries.

Recycled paper			
Sector	2014 (ton)	2015 (ton)	Variation 2015 vs 2014
Bank	122	613	403% ▲
Long Term Savings	25	21	-17% ▼
Banorte USA	66	99	51% ▲
<b>Total GFNorte</b>	<b>213</b>	<b>733</b>	<b>244% ▲</b>

On the other hand, we continue with the separation and recycling of urban solid waste in the offices of the Torre Mayor. In 2015, we recycled more than 7 tons of waste. The funds obtained were donated to a non-profit organization, Brigade Verde Mundial, that supports local elementary schools.

G4-12, G4-EN31, G4-DMA EN

### Sustainable supply chain

In 2016 the SAP ARIBA platform will be implemented for the management of suppliers of goods and services for the financial group. This tool will be used to evaluate environmental risk associated with our supply chain in alignment with the second edition of the Supply Chain Sustainability practical guide of the United Nations Global Compact, which includes diagnosis, planning, monitoring and decision-making.

Registering suppliers in the platform, beginning in 2016, will be gradual and will include the application of a questionnaire to registered suppliers. The results will allow the development of a diagnostic phase using a matrix to classify potential socio-environmental risks of suppliers.

As part of our portfolio of sustainable suppliers, since 2014 we have collaborated with a solar company that provides benefits to our employees.

Additionally in 2015, together with this institution we collaborated to hold the "Electrical Energy in the Mexican home" national conference through the Banorte - Ixe TV system to meet the needs of employees interested in solar energy. During the year, Banorte employees who installed solar panels in their homes contributed to stop emitting 3,261 kg of CO2 into the atmosphere, at the same time these devices generated 7,184 kWh of energy.

### Sustainable Management System

The SMS (Sustainability Management System) platform continued in operation for the collection, validation and analysis of the financial group's environmental performance indicators. In 2015, trained users registered 254 data related to environmental indicators. In addition, this platform was used as base for the data management of this report. A second phase, in 2016, use of the SMS will be encouraged for analysis of key social indicators for the group.

### Environmental costs and investments

The total cost of treatment and mitigation of emissions in 2015 was Ps 9.94 billion for the construction, renovation and maintenance of video conferencing rooms to reduce emissions generated by corporate travel.

The total investment for prevention and environmental management was Ps 3.68 million, which included the purchase of plants and materials for the green roof, maintenance and development of the educational program in 2015. This amount includes the investment in the SMS platform for the management of sustainability indicators and assurance of greenhouse gas emissions.

On the other hand, the global investment in the SICE program was Ps 8.92 million, to renovate air conditioning equipment and lighting in Banorte branches as well as the installation of anti-hurricane curtains in coastal areas.

### Green roof

The green roof on the "Roberto González Barrera" Contact Center in Monterrey, NL ended its second year of operation promoting the conservation of Mexican plant species.

In 2015, 1,814 people went through the environmental education program implemented in June 2014. Globally, the green roof education program has benefited 2,682 people or our various stakeholders.

“ In 2016 the SAP ARIBA platform was implemented for the management of GFNorte's suppliers of goods and services.”

In 2016, the educational program will focus on an agreement with the Ministry of Education to invite primary school students.

Green roof visitors	
Number of external visitors	829
OSCs	170
Academic visitors	312
Saturday – family visitors	300
Suppliers	31
Government entities	16
Number of internal visitors	985
<b>Total number of visitors</b>	<b>1814</b>
<b>Total number of visits</b>	<b>77</b>





G4-15

**Donation for the protection of the black bear**

With regard to the preservation of wildlife, Banorte formed an alliance with the MexiCO2 platform to contribute US \$1 million pesos to the Profauna Mexico organization in 2015 to finance the protection of black bears in the Zapalinamé sierra in Coahuila. This donation will be made over four years through the AyuDamos trust fund, in which funds donated by employees is doubled by the Banorte foundation.



“ We financed the protection of the black bear in the Zapalinamé Sierra, Coahuila.”

**Other external initiatives**

**CDP**

Grupo Financiero Banorte was recognized by the CDP (Carbon Disclosure Project) as one of the 113 companies with better environmental performance worldwide, achieving the maximum score of 100A in the 2015 CDP Global Climate Change Report questionnaire. Thus, GFNorte becomes the first Latin American institution to join the CDP’s Climate A List, comprised of leading companies who report their environmental performance to this organization.

**GEI México**

For the third consecutive year, we have participated in the GHG Mexico program of the Ministry of Environment and Natural Resources (SEMARNAT). We are the first private financial institution to earn GEI2 recognition, which supports our strategy of evaluation, accounting and reporting of greenhouse gases emissions by the company, as well as implementing a program to mitigate emissions.

To comply with new environmental legislation in the area of emissions, in 2015 GFNorte recorded the details of those corresponding to 2014 in the Annual Operation Charter, adhering to guidelines established by the national law of emissions (RENE).

**Greenhouse Gas (GHG) Protocol and the United Nations Environment Program Finance (UNEP FI)**

Our goal through this initiative is to establish a methodology for calculating emissions related to loans and investments from financial institutions to increase our reach in reporting Scope 3 emissions.

This year we participated in research aimed at the development, revision and preparation of the Carbon Asset Risk Guidance Draft of the UNEP FI. As of 2017, we expected to conclude the drafting of this

methodology to calculate financed emissions to be able to publish a report in the following year. This objective has been postponed by the UNEP FI.

**Natural Capital Declaration**

GFNorte has participated actively in supporting this declaration to work towards the integration of Natural Capital considerations in our products and financial services. We currently chair a work group that deals with the following projects:

- **Pilot Project 1:** in the first phase an extensive study was carried out to identify natural capital risks and their impact on financial institutions. This analysis was performed by Henley Business School’s International Capital Markets Association Centre and Sociovestix Labs. In the second phase, methodologies to include environmental risk in the evaluation of credit risk will be added, celebrating go in 2015 funding alliance with the Swiss agency for Development and Cooperation (COSUDE) and the Secretary of State for the Economy (SECO).
- **Pilot project 2:** The development of an assessment tool for risk policies of financial institutions on agricultural commodities, provides an overview of producers of soybeans, palm oil, beef and timber products in forest ecosystems, their impact on these ecosystems and their relation with loan and investment portfolios was completed in 2015.
- **Pilot project 3:** Work in considering water risks in the credit analysis of corporate bonds to identify business risks was done. In 2016 GFNorte will begin with a strategy for modeling the economic implications of three potential drought scenarios in various industries subject to financing.

**Sustainability Committee of the Association of Mexican Banks**

This year, we assume the direction of the Sustainability Committee of the ABM, adopting the Bank Sustainability Protocol, which will be of great importance to promote the incorporation of sustainability criteria in Mexican banking sector operations.

G4-EC8

## > Mexico, a great opportunity

Mexico remains a great option for investing. Despite the difficult external environment, the stability of the macroeconomic framework –healthy public finances, external accounts under control and a well-capitalized banking system– make Mexico an attractive country for investment at an international level within the universe of emerging economies. The opening of the energy industry, as well as the implementation of other structural reforms goes forward, laying the groundwork for a more robust growth in the medium term.



**Gabriel Casillas Olvera**  
Deputy Director General  
of Economic Analysis

“At Banorte, we are ready to capitalize on these opportunities. Based on our analysis, we anticipate a growth of 2.3% in 2016 and 3.4% on average in the next five years.”



### Internal private spending

Private consumption is showing a trend of recovery. Higher employment levels, as well as lower inflation levels and increased confidence in the economy explain this. In this context, the bank loans in the consumer segment also shows a growing trend.



### Housing

Housing needs in Mexico remain significant. The residential sector has been recovering following the slowdown suffered in 2013.

### Banking

The Mexican financial system is one of the most robust and well capitalized in the world. However, banking penetration is very low - commercial loans to the non-financial private sector, for example, barely exceeds 15% of GDP –one of the lowest ratios in Latin America. And even if this low penetration could be explained by the high degree of informality of the country’s economic activity and the difficulty of the banks to recover collateral, rapid technological advancement and financial reform could benefit the penetration process into these areas with no banking.



### Energy

Although in the short term the trend of declining oil prices has reduced appeal for investments in the sector, the process of opening the sector to private investment is continuing. In 2015 the first projects were allocated to private initiative, and the finalization of assignments under the so-called Round 1 is contemplated for 2016, which includes the bid for five packages of projects, of which three were already allocated in 2015. In addition, the process of opening the electricity sector to the private sector also follows its course.

Finally, the Government has sped up the liberalization of the fuel market, allowing free imports as from April 2016.



### Infrastructure

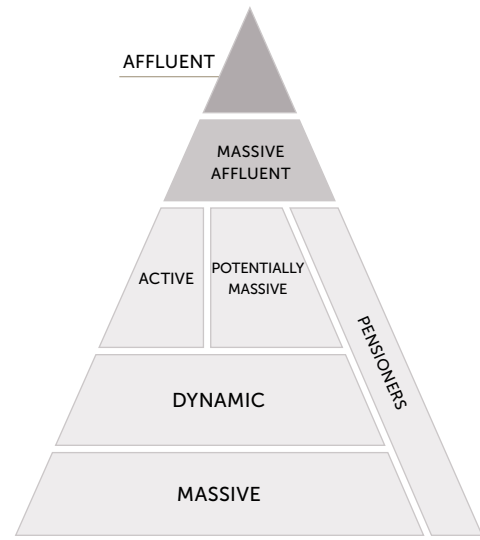
The Government has undertaken a national infrastructure program, which combines public with private investment. This represents a huge opportunity for the development of Mexico.





G4-4, G4-8

# > Our offer of Value



Segmentation of clients

Knowing our customers is the basis to implement changes that will improve their experience an relationship with us, as well as increasing our profitability. Today we know our customers: we transformed a unique base into a segmented base according to their level of relationship with the bank, and to attend their needs, we have well structured business lines that will raise our level of service.

Our offer of Value		
Lines of Business	Description	Products and services
<b>Retail Banking</b>	At Banorte, we support the Mexican economy with a wide range of financial products and services for our customers.	<b>Deposits:</b> demand deposit savings account, term deposit savings account, mutual funds, payroll <b>Loans:</b> credit cards, car loans, payroll loans, mortgages <b>Channels:</b> branches, ATMs, correspondents, point of sale terminals, internet banking, mobile banking, Contact Center
<b>Preferred Banking</b>	We offer a differentiated service tailored to the financial needs of our customers.	
<b>Patrimonial and Private Banking</b>	We offer products and services according to the customer's investment profile; investment banking –stock market via Casa de Bolsa Banorte-Ixe, offers a wide range of financing options.	<b>Brokerage house:</b> fund operator, asset administration, investment banking, stock market, money market, investment funds
<b>SME Banking</b>	We are committed to continue supporting small and medium-sized businesses with quality products and services.	
<b>Government Banking</b>	We provide support with banking and financial services as well as comprehensive consultancy to federal and state governments for the development of large projects that will transform Mexico.	Checking accounts, technology, financing, internet banking, international banking, cash management
<b>Business &amp; Corporate Banking</b>	We promote the growth of companies by offering specialized consultation and services to meet day-today needs.	
<b>Long Term Savings</b>	We offer a wide selection of products to ensure the current and future tranquility of our customers.	<b>Insurance:</b> car, damage, life, health, SME <b>Afore:</b> individual account, specialized service, integration of resources, Infonavit consultancy <b>Annuities:</b> payment of IMSS and ISSSTE pensions
<b>Warehouse, Leasing &amp; Factoring</b>	We complement our business and corporate banking services with specialized products for comprehensive management of your business.	Leasing, fleet administration, warehouse, financial factoring
<b>International Banking</b>	We offer specialized products and services for our patrimonial and private banking clients as well as international correspondent services.	International Desk, Banorte - Ixe Securities, Uniteller, Inter National Bank







Contents



Financial  
Capital



Intellectual  
Capital



Human  
Capital



Social  
Capital



Natural  
Capital



Our lines  
of business



## > Retail Banking

With a clear segmentation of our clients, we can offer services according to their specific profile, through the appropriate channels.



G4-4, G4-8, FS-14

## > Retail Banking

### 2015 Performance

We serve our customers through an extensive network of branches and ATMs, alternate channels and our Contact Center with products and differentiated services and with added value, according to their needs.

With a clear segmentation of customers, in retail banking we can offer services according to their specific profiles, through appropriate channels. This will allow us to develop and strengthen our banking relationship with clients, as well as increase profitability for the bank.

The Sumando program, providing specific information about our customers, has allowed us to evolve to providing ever more consistent services. The new branch customer information system was released during 2015, facilitating not only sales for executives but a closer relationship with customers.

Also as a result of the Sumando program, today we have an origination system that is already at work in 300 branches and will soon be working in the entire network. This system allows a single digital file per customer and will be a key element in strengthening cross-sales.

Our network of channels is becoming more and more solid enabling clients to perform operations, either by visiting our ample branch network, or through our third party correspondents that allow us to reach populations where bank penetration is limited; ATMs, which offer a greater variety of services - not just for withdrawing cash; mobile banking through which we received more than 56.9 million calls this year; and our internet banking and mobile banking, allowing clients to perform transactions from any location.

### Products

#### Core Deposits

**Ps 561.462 billion in the portfolio**  
**13% YoY increase**

Banorte distinguishes itself with highly competitive deposit products that meet the financial needs of customers in different segments.

We seek to incorporate more and more clients into our portfolio, and in the same way we care about maintaining a long-term relationship with them, so we also reward permanence. That is why throughout the year we held attractive advertising and promotional campaigns. In demand deposits we had the "Instant Gift" promotion where we encouraged the opening of accounts and maintaining of balances. Also in term deposits we held campaigns that offered attractive returns to clients.

During the year, one of Banorte's main objectives was to promote the use of debit cards in point of sale terminals. Permanent campaigns providing discounts and benefits for our customers to use this means of payment resulted in an annual growth in turnover of 21%, much higher than the market benchmark. This initiative has potentiated with the synergy in marketing efforts in conjunction with the credit card area.

In addition, use of the debit card in e-commerce is being promoted, one of the channels that no doubt will become more important due to the advance of technology and the evident migration to the use of digital channels.



**Carlos Martínez  
González**

General Director  
Retail Banking

“ Having a clear segmentation in Retail Banking enables us to offer services in accordance with a client's specific profile through the appropriate channels.”

We serve clients through an extensive network of branches and ATMs, alternate channels and our Contact Center

Core deposits Ps561.462 billion in the portfolio, a 13% YoY increase

G4-4, G4-8

The strategy followed in 2015 to consolidate will continue in 2016. We will have a very efficient catalogue of products of high value to customers. The use of electronic and digital channels will continue to be promoted, encouraging point of sale transactions, even seeking a first contact and establishing a relationship with the customer through the digital channel. Without doubt, we will seek to remain leaders in deposit growth through a better offer for the customer.

**Consumer Loans**

**Ps 176.544 billion in the Performing Loan portfolio, an a 12% YoY growth**

We promote the development of Mexican families, offering various types of loans for them to achieve personal projects and thereby have a positive impact on their quality of life. Our consumer loan offer is comprised of credit cards, mortgages, car and payroll loans.

**Credit cards**

**Ps 25.838 billion in the Performing Loan portfolio an 11% YoY increase**

A major effort in our credit card business was the strategy to promote the use of plastic with offers and promotions in shops, retail stores or airlines. We are using two way SMS messaging to communicate offers to our customers. In addition, as a result of the Sumando program, we now have a more segmentation, and it is the credit card, by its nature, a product of outstanding dynamism that provides a vast amount of data with which to use this analytical technology.

Our supply of packaged products was also strengthened, such as for example the "1,2,3 For Me" campaigns – that grouped together debit and credit cards and electronic banking for one price and higher profits, as well as our other campaigns like "2% cashback", "From Me For Me" and "5% Cashback" in payroll.

During 2015, Banorte opened over half a million credit card accounts, mostly Banorte and Ixe, although we also have co-branded cards with United Airlines and a radio station directed at young adults.

In short, our portfolio grew 11% – more than double that of the industry– thanks to the right combination of increased number of placed plastics, a better profiling of customers and well-run commercial offers.

**Car loans**

**Ps 12.400 million in Performing Loans, a 12% YoY increase**

Banorte continues to be an important participant in the financing of cars. The range of vehicles we finance has expanded to include pre-owned of up to four years old, and trucks with greater load capacities. In 2015 we supported 43,455 families and businesses by financing the purchase of their vehicle, which represents a 27% YoY increase.

**Mortgages**

**Ps 99.825 billion in the Performing Loan portfolio an 11% YoY growth**

Banorte continues to consolidate itself as one of the main banks in financing housing for Mexicans, ranking third in market participation with 16.4%.

**Payroll loans**

**Ps 38.482 billion in the Performing Loan portfolio 13% YoY increase**

We continue to focus on providing credit to this important customer base characterized by its high compliance ratio, registering an increase of 13%, driven by growth in the number of payroll accountholders. We rank third in market share with 19%.



**Manuel Romo Villafuerte**  
General Director  
Payment Methods

**“ We promote the development of Mexican families, offering different types of credits with the goal of families to make their personal projects.”**

**Ps176.544 million in performing consumer loans, a 12% YoY increase**

**Our credit card portfolio grew by 11%, more than double that of the industry**



G4-4, G4-8

**Channels**

**Traditional channel**

**Branches**

**1,112 Banorte branches + 79 Preferred Centers = 1,191**

As part of our branch transformation, we integrate in a unique project, the model of operational transformation for branches with the renewed brand and image, which enabled us to go from being a transactional bank to becoming a new kind of business center where transactions migrate to more self-service and digital operations with new technology that improves our efficiency and where the branch is more of a center of relationships with our customers.

We began the transformation of eight branches in August 2015, and in 2016 we will transform 79 more offices, seeking a 25% migration to self-service.

**Alternate channels**

**ATMs**

We have a network of 7,425 ATMs, providing different types of transactions beyond just cash withdrawal. In 2015, we installed 962 new ATMs and released new features in our ATM network including cash deposits without plastic, fast cash, cash withdrawal without plastic using a barcode and the offer of insurance "Seguro Apoyo en Vida", as well as the transfer of payroll loans.

**Internet banking**

We maintain close to 1 million active internet banking customers. During 2015 the transformation began under a multi-channel concept, offering a complete brand experience to clients in the contact channels. Online banking began its evolution with more than 130,000 users who already enjoyed this new method of banking.

This transformation plan will be completed in 2016 to include all clients of the bank, and a new transformation phase from transactional channel to a channel for sales of products will initiate.

**Mobile banking**

In 2015 over 580,000 clients used the Banorte mobile banking service taking advantage of features unique to Mexico, such as transfers between Banorte accounts using the QR code, quick response, sending transaction confirmations via WhatsApp, receiving notifications and the immediate blocking or unblocking of credit cards from the application.

**Contact Center**

The Contact Center is a channel that combines self-service with the ability to interact with a representative, which is very appreciated by our customers. In 2015, there was a 13% growth in our interactions, of which 75% were resolved automatically and the rest, approximately 15 million, were handled in a personally. We applied various initiatives to achieve greater efficiency and quality in our service model, among which stood out technological solutions to facilitate providing service, as well as integrating customers' opinions into our processes.

**Correspondents**

The number of Banorte correspondents increased by 29.4%, ending 2015 with 6,989 points of contact and 11.7 million transactions. Our customers could deposit or withdraw cash from their accounts, pay services and credit cards. This increased our presence nationally and consolidated a relationship with our customers by providing more convenient hours and locations.

With more new correspondents and additional services at existing correspondents, in 2016 we will focus on increasing use of this channel identifying transactions more likely to migrate from branch to channel and promoting their migration according to the type of service and amount of the operation.



**Héctor Ábrego Pérez**  
Deputy General Director  
Channel Development  
and Innovation

**“The transformation began under a multi-channel concept, offering a complete brand experience to clients in the contact channels.”**

Banorte correspondents increased by **29.43%**

Our network of 7,425 ATMs offer the ability to carry out many different types of transactions





## > Preferred Banking

A differentiated service for each client segment is offered today by Ixe, Banorte's Preferred banking bank.



G4-4, G4-8

# > Preferred Banking

## 2015 Performance

Organization, processes and the development of a common technological platform have combined to evolve Ixe, Banorte's Preferred Bank, focused on offering our preferred customers the discriminate service they expect from us.

Thus, we demonstrate how an extremely complex project can be carried out in the short term through the collaborative effort of virtually all areas of the financial group.

During the year, the unification of Banorte and Ixe was carried out; from being two banks, each with its own platforms and customer segments, as from October, all customers who fit the profile, (regardless of whether they were Ixe or Banorte clients) now form part of the value offering of preferred clients. We are now one single bank with banking sectors offering differentiated service models adapted to the financial needs of our customers.

Thanks to the investment made in the transformation program, we now have information about each of our clients, which allows us to provide a more personalized service. As part of the Preferred Banking model, customers are assigned to Preferred Relations Executives, making it possible to provide the attention they deserve and expect. To support the Relations Executives, the Group has developed a series of tools unique to the market.

In the same fashion, we provide our customers with Ixe Preferred Centers staffed with specialized telephone agents and advisory services that offer assistance in solving any problems the customer may have.

At the end of 2015 we had 79 Ixe Preferred Centers in which our preferred clients conducted banking transactions without having to form lines and with quick response times, in an environment designed to provide comfort and privacy.

## 2016 Perspectives

In 2016 we will have 110 Ixe Preferred Centers with more than 500 Preferred Relations executives providing national coverage in customer service.

In short, our goal is that Ixe, Banorte's Preferred Bank is the best preferred banking in Mexico, listening to clients' needs and providing the offer of value in that sense.



**Javier Salgado Muñoz**

Deputy General Director Preferred Banking

“ Thanks to the investment made in the transformation program, we now have information about each of our clients, which allows us to provide a more personalized service.”

**79**  
Preferred centers

Our preferred clients conducted banking transactions without having to form lines and with quick response times





## > Patrimonial & Private Banking

Strengthening regulatory and policy processes and offering more digital services provide us with an enormous potential in the eyes of our clients.



G4-4, G4-8

## > Patrimonial & Private Banking

### 2015 Performance

2015 was a very complicated year mainly due to two factors: high volatility in the markets and historically low interest rates, which signified great effort to retain assets. In net terms, no changes in assets were registered, even though a great dynamism in flows was registered, while some investors took advantage of opportunities in the market arising from volatility, others preferred to take more conservative positions and change assets to alternative investments such as real estate, that we do not handle.

Due to the aforementioned, we adopted the strategy of migrating highly volatile products to mutual funds, which currently represent 50% of the income in that area and nearly one-third of equity and private banking assets.

The advantages of this strategy were that assets were managed by experts in the field who provided punctual follow-ups to operations and the diversification of both portfolios and risks. Therefore advisers had more time to search for and attract more assets. This strategy has worked very well, with customers realizing the advantages of avoiding investments with issuers in serious financial problems.

Another relevant topic in the year was the impact of changes in legislation for products that were previously very strong, such as Banorte-Ixe Securities. Now, private banking clients with investments outside of Mexico receive services from RMs in the United States, which has negatively affected the business and could eventually convert private banking into management banking.

Due to these changes in legislation, we have reinforced all institutional norms and regulatory policies with more digitalized services that prevent both internal and external fraud. We have designed a strict process that consists of requesting a special

email address from customers to send only policy and regulatory documents, such as statements and confirmation of instructions. This assures the customer that we ensure their security and we have a record that the customer actually reviewed the documents sent.

Our Sumando program has allowed us to continue to evolve to provide better service to customers, who by their profile, require a differentiated service scheme - moving them from Personal banking to Preferred and Private banking.

At Banorte, we have a huge potential in clients that could represent an interesting yield if they received good service and were offered better returns without incurring risks. We want to focus on those customers with between 5 and 100 million who have not been recruited by foreign institutions, and represent an important area of opportunity.

### 2016 Perspectives

We will continue to work on strengthening the norm and regulatory processes, such as in the fundamentals to implement the business model of portfolio management. In addition, we will promote investment as a product that will allow our customers to obtain higher yields and greater profitability for Banorte. It would be interesting to dabble in alternative investments, such as real estate funds, a private real estate trust fund, private equity, although this is a complex area involving legal issues, but for the moment we do not have the tools to do this.

In terms of security, we will modify tools in order to improve alarm controls and detection of any unusual operation.

A relevant issue for next year will be the image makeover of Patrimonial and Private banking, that will display our graphic compass logo as the linking feature. Beyond the mere physical paper and office changes, this signifies a new concept, which we want to implement as soon as possible.



**Luis Pietrini Sheridan**

General Director of Patrimonial and Private Banking

“ We have adopted the strategy migrating products of high volatility investment companies, which currently account for 50% of revenue in the area and almost a third the assets of Patrimonial & Private Banking.”

The Sumando program has enabled us to provide better service to clients through a differentiated service scheme in our Patrimonial and Private Banking





## > **SME**

### Banking

Our innovative solutions of products and financial services meet the financing, cash management, investment and transactional needs of each small and medium-sized company.



G4-4, G4-8

## > SME Banking

### 2015 Performance

For SME banking, 2015 has been a year of important achievements, thanks to various projects that were launched. One of the main projects was the portfolio allocation project, which placed 70% of the portfolio under the management of specialized executives leading to better management and control.

Also, an automatic renewal program for SME revolving loans was launched, facilitating the renewal of lines of credit for both the executive and the client, improving response times and reducing the risk of overdue loans.

Deposits registered strong growth, 21% YoY, due to the focus of executives in providing a comprehensive service to clients, the acquisition of new clients and greater balance averages.

This year we provided financial service solutions to over 430,000 SMEs throughout the country, funded more than Ps 41 billion and received over Ps 86 billion in demand and term deposits.

We also improved our offer of value various strategies, among which the following stand out:

- Pre-approved loans for companies that turned out to be one of the most successful campaigns, achieving a 19% acceptance among invited clients.
- The pre-approved Empuje Negocios credit card for businesses, improving credit quality and origination response times. The profitability of this product has improved dramatically, reaching a ROE over 40%.
- High yielding promissory notes for companies, offering better returns on term investments, resulting very attractive for SMEs.

We also offered programs to support economic recovery in specific regions of the country, some with problems of insecurity; in this way, we promoted the development of local communities.

For more information on economic recovery programs, see **Social Capital**.

Providing SMEs with comprehensive service and offering needed solutions –deposits, credit, insurance, POS, internet and payroll, among others– allowed us to not only achieve phenomenal growth in deposits, but also in cross-sales to SMEs, amounting to 3.7 products per customer.

Undoubtedly one of the great achievements of Banorte SME banking in 2015 was the work carried out to improve portfolio quality, noting a strong improvement in portfolio results, that will lead to growth in the SME loan portfolio.

### 2016 Prospects

Credit growth will be promoted with a greater dynamism, increasing penetration in our customer base and attracting new customers with more flexible products, improving our levels of service and drastically reducing response times.

Our distribution model will be strengthened through the expansion of our branch network, in combination with our sales force, directing business strategy through management tools and cutting-edge commercial follow-up. We will promote our offering and services in the credit segment of between Ps10 and Ps20 million, where we see growth opportunities.

We will encourage our value proposition with innovative segmented solutions to meet the needs of our SMEs to increase cross-sales and customer loyalty.



**Carlos Zambrano Elizondo**

General Director  
SME Banking

“One of the year’s main projects was portfolio allocation leading to better management and control.”

Cross-sales to SMEs grew to **3.7** products per client

We provide financial service solutions to over **430,000** SMEs in the country





## > **Business** Banking

Integrated solutions for corporate clients through different types of specialized financing.



G4-4, G4-8

## > Business Banking

### Business Banking

#### 2015 Performance

2015 was an important year for Business banking, with the goal of developing our customers. The loan portfolio grew 12% annually, significantly greater than in the past two years. Bases were also established to develop a strategic plan that will boost Banorte to position itself as one of the main banks in this segment.

The plan includes, in addition to strengthening the personnel structure, improvements in all stages of granting loans, with the primary purpose of providing clients with prompt responses to their financing needs.

#### 2016

2016 will be the year that Business banking will take-off. Having strengthened our service model and taking advantage of improvements in our internal processes, we will have a greater response capacity and a significant improvement in customer service. These are the bases, in line with the "20/20, Perfect Vision" strategy, to be able to double assets in this customer segment by 2020. We will also strengthen successful synergies with transactional, international and agricultural banks and structured financing to continue offering products and services that provide added value that our customers seek to achieve their goals.



**Víctor Antonio Roldán Ferrer**

Deputy General Director  
Business Banking

“2015 was an important year for Business banking, with the goal of developing our clients.”

The loan portfolio grew by **12% YoY** significantly higher than in the last two years

Bases were established to develop a strategic plan to boost Banorte to a position as one of the principle banks in the segment



**Osvaldo Brondo Menchaca**

Deputy General Director  
Specialized banking

“Grupo Financiero Banorte offers a full range of financial services required by any producer.”

### Agricultural banking

#### 2015 Performance and 2016 Prospects

Financing Mexican agriculture continues to be one of Grupo Financiero Banorte's priorities. With dedicated teams distributed in Mexico's different agricultural regions, as well as a continual opportune update of agricultural programs (Fega-Fonaga, grains, livestock, etc.), to meet the needs of this sector. Grupo Financiero Banorte through its, banking, leasing and factoring and warehouse subsidiaries, offer a full range of financial services required by any producer. So far in 2016, operations that stand out are those in the livestock sector showing great dynamism, with an income exceeding Ps 2.3 billion, as well as the fruit and vegetable sector with Ps 1.67 million and the autumn-winter cycle of 2015-2016 (mainly grains and other activities) with Ps1.398 million.





## > **Corporate** Banking

We offer specialized consultancy and services to boost company growth.



G4-4, G4-8

## > Corporate Banking

### Corporate

Corporate banking performed well in 2015, in which we continued to reinforce relations with our customers through different products and services developing solutions to credit, investment, structured finance, international trade, investment banking and transactional banking needs.

The loan portfolio grew 9% in 2015 despite multiple prepayments by corporate clients who sought to pre-empt the expected increase in rates. In the Commercial and Real estate portfolio we also received prepayments as some of our customers continued taking advantage of attractive valuations paid by FIBRAS, the real estate trust. However, we had very interesting growth in the infrastructure, hospitality, consumer and renewable energy portfolios.

### 2016 Prospects

In 2016 we will continue to reinforce relations with our customers, and create comprehensive financial solutions. We will seek to acquire a degree of specialization in the sector to better serve our clients. To this end, during 2016, a team serving the energy and infrastructure sectors will be formed allowing us to be prepared for the many opportunities that await us in the next few years



**René Pimentel Ibarrola**

General Director  
Corporate banking and  
Financial Institutions

“ We continue to reinforce relations with clients through different products and services.”

The Corporate loan portfolio grew

**9%**  
YoY

Portfolios for infrastructure, hospitality, consumer and renewable energy showed very interesting growth.





## > **Government** Banking

We provide banking and financial services and comprehensive consultancy to federal and state governments to develop large projects that will transform Mexico.



G4-4, G4-8

# > Government Banking

## Federal Government Banking

### 2015 Performance

2015 was a year of consolidation as a sector, We have four departments, each responsible for one sector of the Federal Government: energy and infrastructure, health and education, Social and the government of Mexico City and Central, including secretaries of state and legislative and judicial powers.

We remained leaders in lending to the federal public sector, consolidating our participation with a 37% YoY growth. With this increase, we achieved the growth originally planned for the end of 2017.

The important synergy in domestic wholesale and retail banks, as well as in the areas of operation and product, strengthened our relationship with customers; cash management products and services increased by 10.5%, payrolls by 8.6% reaching 1'306, 605 parroll accountholders, and personal loans also increased by 18%.

For the energy sector, it was a difficult year. The drop in the price of oil forced Pemex to trim expenses and reach agreements with the Union, which reduced the administrative burden, speeded up and strengthened the implementation of the energy reform but, at the same time reduced flows, which led to new areas of opportunity.

During the year we supported Pemex's large providers with the financing of PEMEX's accounts receivable, fortifying a very solid

relationship with them which resulted in an important source of income for local economies. This contributed to the development of the communities and workplaces where the petroleum activity in the country is concentrated.

In the Education Sector, effects of the reform have been fundamental since the Government centralized flows previously transferred directly to the states, payrols are now concentrated into a single account of the Federal Treasury. Teachers' salaries are now paid directly from the TESOFE to a card or bank account. This opens the opportunity of a close link between the Federal Government banking and the state, allowing the recruitment of accounts of the many teachers nationwide.

In the Health Sector, electronic payrolls with the IMSS, ISSSTE and hospitals consolidated our our position in the market with one third of the market share, allowing us to become one of the major banks providing this service – with a clearly differentiated offering.

With the institute for housing for employees in the public sector, we worked on a scheme to fund the generation and placement of mortgages for 1Q16, with which we promote a virtuous circle that generates the wellbeing of employees and their families, reinforcing our image as a socially responsible company by boosting employment and housing which has a very important algorithmic effect.

In infrastructure, we participated in supporting public-private partnerships in pipelines, highways, rehabilitation centers and housing among others.



**Jorge de la Vega Grajales**

Deputy General Director  
Federal Government Banking

“ This was a year of consolidation, with 4 departments, each responsible for one sector of the Federal Government.”

Federal government loans grew **37% YoY**

Payrolls increased by **8.6%**, totaling **1,306,605 payroll accountholders**

G4-4, G4-8

## 2016 Prospects

Adjustments and changes in the premises of the Federal Government impacted us directly: budget base 0, which implies big opportunities for efficiency in the sector, but less floating; a cut of more than Ps 220 billion in next year's budget, which will lead to fiercer competition in the financial system due to scarce resources; the legal provision that all accounts must be productive, which will also boost competition but make deposits more expensive, and control of the Federal Treasury's cash flow, mainly in the payment of payroll and suppliers. This is certainly a real challenge for all banks.

## Municipal and State Government Banking

### 2015 Performance

Municipal and state government banking is characterized as being a banking relation, with a tremendous closeness to customers, offering competitive advantages to assist governments with the services and products they need.

When we assist a municipal or state government, we seek to offer comprehensive service in four main sectors: diagnostic general overview of public finance; financing according to requirements for public investment projects; payroll services for workers with access to special benefits and finally treasury management with robust technology and operating in real time.

In 2015, we worked with State and municipal governments to improve their funding conditions, through better interest rates, a suitable payment plan and longterm coverage rates. These initiatives have allowed savings and release of cash flow to governments, which

has resulted in more and better public investment projects, ultimately generating a positive impact on the quality of life of Mexicans.

We also had the opportunity to provide consultancy to some states, through a financial diagnosis, allowing them to detect areas of opportunity in their own revenue collection and support them through facilitating services banking for their resources.

Being the Mexican financial group allows us to offer fast response times and at the same time enjoy a close relationship with all states and municipalities of the country, knowing their needs, their challenges and opportunities that exist.

## 2016 Prospects

We face big challenges and opportunities in 2016. First of all, with the new Law of Financial Discipline regulating the financing of states and municipalities, we will seek to support governments in improving their funding conditions, through a comprehensive offering, being even more of a leader in this sector.

Secondly, we will work to maintain what we have achieved in the past two years; to date Banorte provides payroll service to 40% of state and local governmental employees. To retain this position, we will seek to maximize our offer of value, always with a focus on the customer.

Thirdly, we will seek to increase our relationship with some states and especially municipalities where the penetration of our services is very low, through differentiated offers in financing, cash management and preferred payroll services.

Our goal is to support state and municipal governments with the services and products that meet their public financing needs.



**David Salazar Vite**

Deputy General Director US Banking and Municipalities

“State and Municipal Government Banking is a banking relationship, with a tremendous closeness to clients.”

We offer payroll services to **40%** de of state and municipal employees

Being the mexican financial group allows us to offer fast response times





## > International Banking

We offer clients specialized products and services to meet their international and foreign trade needs.



G4-4, G4-8

## International Banking

### 2015 Performance

It was a very satisfying year for Banorte's international banking. In Mexico, customers with international services and foreign trade needs received attention from specialized executives who provided better service achieving growth of over 65% in foreign trade business, which has strengthened our business relationship with customers in their international needs. Additionally our strategic partnerships with foreign financial institutions enabled us to offer a world of solutions and financial services both in Mexico and abroad. The International Desk initiative has had a positive response - we already have more than 130 foreign companies that we support through the various Banorte banks.

#### Uniteller

In the United States, our remittance company continued to show strong growth achieving 9.7 million transactions processed through our paying network with more than 30,000 points of payment throughout Latin America. During 2015, a digital platform was implemented to send remittances via internet and mobile phones, as well as by a prepaid card, which has improved accessibility and reduced shipping costs, which undoubtedly responds to our goal to extend the benefits of our services to the greatest number of Mexicans through different channels.

### Banorte-Ixe Securities

Our New York- based brokerage firm endured a year of challenges given the US regulatory environment, however one of its main achievements was to implement the new operating model that resulted in better service from our specialists to our customer base by offering a range of investment alternatives.

### Inter National Bank

Our bank in Texas posted positive results, having achieved a 12% growth in net profit, as a result of greater portfolio placement and lower funding costs. The quality of classified assets has improved in the last few years, with a better average than the national and district competitors, with our equity indicators remaining solid.

### 2016 Prospects

- Expand the range of trade products and financing programs, supported by investment in technology.
- Increase remittances mainly through new corridors and digital channels.
- Improve Inter National Bank's market position and continue with growth and generation of value for our customers and shareholders.



**Ricardo Velázquez Rodríguez**

Deputy General Director  
International Banking

“International Desk is a great window of opportunity to support companies that invest in Mexico.”

Uniteller, through an extensive paying network offers over **30,000** places in Latin America.

We have a team of specialists in foreign trade to cater to our clients.





## > Long Term Savings

A multi-branch and multichannel strategy, based on our transformation and growth.



G4-4, G4-8

## > Long Term Savings

### 2015 Performance

#### Insurance

The insurance company continues to offer protection and preventive services in life, health, car and damage insurance. We provide these services through the financial group's distribution channels - insurance banking - as well as through the traditional channel of agents and brokers. In the same way we participate in tenders at federal, state and municipal levels.

With the aim of promoting cross-sales, we fortified the offer's value by segment and channel as part of GFNorte's transformation process into a customercentered bank.

We continue with the multi-branch and multichannel strategy, which has allowed us profitable growth, with a combined ratio of 75%, one of the best in the market, and a net growth of 26%, ranking us third in insurers with the most profits in the industry.

#### Afore

We are the largest retirement fund administrator in Mexico with a share of 24 centavos of every peso of workers in the country.

Seeking to deliver value to our customers, we continue to strengthen our infrastructure and service levels. In addition, we also encourage voluntary savings emphasizing it as the best savings instrument with tax advantages and an important tool to achieve a better pension

The Afore represents approximately 30% of the assets managed by GFNorte, as well as contributing 7% of the group's profits. Due to our sound corporate governance practices, the development of our investment systems and a solid base of investment professionals, the company is rated as one of the more compliant and diversified in the retirement fund administration system.

#### Annuities

2015 was a year of challenges due to a decline in the market, but at the same time of important achievements, because we continue to lead in attracting clients - this year we recruited 42% of new customers - and are ranked second in funds attracted, with 36.8% of the market share.

We continue to strengthen our relationship with customers, boosting cross-sales through loan placement: 65% of our clients already have some type of credit and the percentage is over 40% for new clients.

We also implement the sale of insurance with savings to complement the offer to retirees. Among the most important benefits that we offer customers is Firma de Voz Banorte, a voice assurance system that uses biometric technology for speech recognition. Currently, 79% - i.e., 60,000 retirees already use this service.



**Fernando Solís Soberón**

General Director  
Long Term Savings

“ We are Mexico's largest retirement fund administrator with a participation of 24 centavos of every peso of workers in the country.”

Insurance contributed  
**Ps2.2**  
billion in net profits

Afore XXI Banorte generated  
**Ps1.2**  
billion in net profits



ROE for annuities remains the second highest in the industry. Also, for the second consecutive year Fitch rated us as AAA. In terms of new provisions as stipulated by the Circular Unica, they were covered by capital and in spite of this annual dividends were Ps150 million.

### 2016 Prospects

In the insurance company there are significant opportunities for growth, thanks to the portfolio of loan and deposit products. In this aspect, customer segmentation as a result of the transformation program will allow us to continue designing appropriate products and channels of distribution.

For the Afore, the challenge of participating in a price controlled market is to maintain lower operating costs by leveraging our volume to continue adding value for customers and shareholders, as well as the challenge of actively promoting voluntary savings.

Annuities will continue to lead in the creation of value in the industry, increasing operational efficiency while improving the offer of value through better service and greater benefits for our retirees.



Annuities contributed  
**Ps402**  
million to net profits

Long Term Savings contributed  
**22%**  
to net profits





Contents



Financial  
Capital



Intellectual  
Capital



Human  
Capital



Social  
Capital



Natural  
Capital



Our lines  
of business



## > Leasing, Factoring & Warehouse

A gradual growth in these businesses is the result of good decisions that represent a competitive advantage.



G4-4, G4-8

## > Leasing, Factoring & Warehouse

### 2015 Performance

In 2015, Leasing and Factoring registered profits before taxes of Ps 826 million, increasing 17%YoY, mainly due to the increase in net interest income and noninterest income. ROE was 14% and maintained a healthy portfolio with a PDL ratio of 0.8%. Meanwhile the Warehouse registered net profits of Ps31 million.

Leasing and Factoring retain leadership in the market as a SOFOM according to the National Banking and Securities Commission's statistics.

#### Leasing

2015 was an excellent year for leasing with a portfolio growth of 16%. We responded to the market demand for a high level of service with world class companies who were attracted by our services.

#### Warehouse

Provided services for the management and administration of domestic or imported goods, as well as issuance of certificates of deposit and pledge bonds used to guarantee secured loans, stock checking and marketing of inventories.

To December 2015, the warehouse was ranked third in profits in the warehouse sector in accordance with data from the National Banking and Securities Commission.

#### Factoring

Although 2015 was a year of low demand, we remained leaders in the field. Being able to offer our services through our own portal allowed us to have a competitive edge in the factoring market by providing immediate and efficient service.

### 2016 Prospects

We will work intensely to increase our leasing and factoring portfolio by 10%, and raise our ROE to 15%. We seek to complement our leasing portfolio with new modalities that provide service to growing industrial corridors, such as the Bajío zone where Japanese companies in the automotive sector are entering.

We will also seek to increase participation in the market by setting up facilities in other areas of the country and business interactions with other banks of Grupo Financiero Banorte.



**Gerardo Zamora Náñez**

Deputy General Director Leasing, Factoring & Warehouse

“Leasing and Factoring retain leadership in the market as a SOFOM. The warehouse was ranked third in profits in the sector.”

Leasing and Factoring posted net profits of **Ps571 million**

Warehouse generated **Ps31 million** in net profits

G4-35, G4-37, G4-42, G4-45, G4-46

## > Corporate Governance

One of GFNorte's fundamental bases is the strength of its corporate governance, a key element in the strategy to create value in society and to safeguard shareholders' interests. Corporate governance provides the necessary elements for the governing bodies to function effectively and efficiently, reflecting directly on the transparency of decision-making, among other functions.

The Board of Directors is the body responsible for establishing the financial group's overall strategies, as well as general strategies for the managing, driving and execution of business of the company, its financial entities and subcontrollers as well as monitor how they are being managed and driven, among other responsibilities.

GFNorte has established various support committees that assist the Board of Directors in the execution of their duties, such as the Audit and Corporate Practices Committee, the Risk Policy Committee, Human Resources Committee and the Nominating Committee, which are made up of members of the Board of Directors, and some of them, with officials of the institution itself.

It is the responsibility of the Board of Directors to authorize statutes of the committees and to annually evaluate their management.

In addition, regional councils were created and continue to successfully operate, providing consultation and advice to the President of the Board of Directors about relevant issues on a local level.

GFNorte has a Board of Directors, consisting of 15 proprietary members, 11 of whom are independents. Similarly, each proprietary member has an alternate, resulting in a total of 27 men and 3 women, with an age range of 31 to 86 years.

Mr. Carlos Hank González, who does not occupy any position as an officer of GFNorte, is the Chairman of the Board of Directors. In turn, people who sit on the Board are previously assessed by the Shareholders' Assembly based on the following characteristics: an acknowledged prominence in the area of business, public or private institutions or in their profession; familiarity with the main regions in which GFNorte conducts its business; be acknowledged as persons of integrity and honesty with a satisfactory credit history, and who have the ability to win over the confidence of the shareholders, Board members and upper management; having demonstrated a sound and independent judgment for business throughout their career; having extensive knowledge and experience in financial, legal or administrative matters, as well as have the time available to fulfill their role as a Board member adviser and to participate in the committees that the Board requests of them.

During each session of the Board of Directors, space is assigned in the agenda to review and manage impacts, risks and opportunities of economic, social and environmental natures, which are reported directly to the Chairman of the Board by the Executive Directorate of Social Responsibility.

The Board of Directors has procedures to ensure there are no conflicts of interest.

The Executive Directorate of Social Responsibility carries out an analysis of the effectiveness of economic, social and environmental risk management procedures.

Remuneration policies, establish that the Shareholders' Assembly establishes the remuneration for GFNorte Board members in its annual ordinary session held in the first four months of each year. To

date, no request has been received from any stakeholders regarding the compensation of Board members, although communication channels are open for anyone who wishes to file a request of this nature, which will be included in the agenda of the corresponding session of the Board.

To fulfill its duties, the Board of Directors meets quarterly and the various supporting committees hold regular meetings, with the frequency depending on the committee's needs.

As a financial institution listed in the Mexican stock exchange as well as in various international stock markets, GFNorte has a procedure to notify these institutions of relevant or critical events to be reported to the shareholders or interested third parties. During the year, no critical issues that merited such communication was registered





G4-34, G4-38, G4-LA12

## Board of Directors

### Proprietary Members

Carlos Hank González	President
Juan Antonio González Moreno	Propietary
David Villarreal Montemayor	Propietary
José Marcos Ramírez Miguel	Propietary
Everardo Elizondo Almaguer	Proprietary Independent
Patricia Armendáriz Guerra	Proprietary Independent
Héctor Reyes-Retana y Dahl	Proprietary Independent
Juan Carlos Braniff Hierro	Proprietary Independent
Armando Garza Sada	Proprietary Independent
Alfredo Elías Ayub	Proprietary Independent
Adrián Sada Cueva	Proprietary Independent
Miguel Alemán Magnani	Proprietary Independent
Alejandro Burillo Azcárraga	Proprietary Independent
José Antonio Chedraui Eguía	Proprietary Independent
Alfonso de Angoitia Noriega	Proprietary Independent

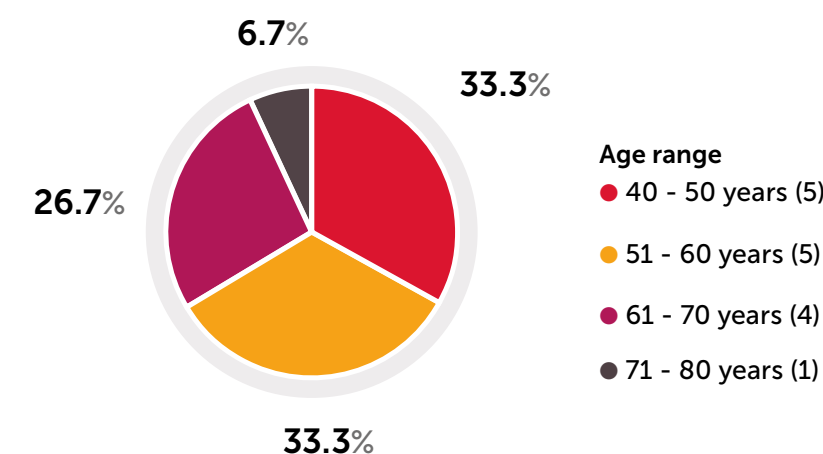
### Alternates

Graciela González Moreno	Alternate
Juan Antonio González Marcos	Alternate
José María Garza Treviño	Alternat Independent
Robert William Chandler Edwards	Alternat Independent
Alberto Halabe Hamui	Alternat Independent
Roberto Kelleher Vales	Alternat Independent
Manuel Aznar Nicolín	Alternat Independent
Guillermo Mascareñas Milmo	Alternat Independent
Ramón A. Leal Chapa	Alternat Independent
Isaac Becker Kabacnik	Alternat Independent
Eduardo Livas Cantú	Alternat Independent
Lorenzo Lazo Margain	Alternat Independent
Javier Braun Burillo	Alternat Independent
Rafael Contreras Grosskelwing	Alternat Independent
Guadalupe Phillips Margain	Alternat Independent

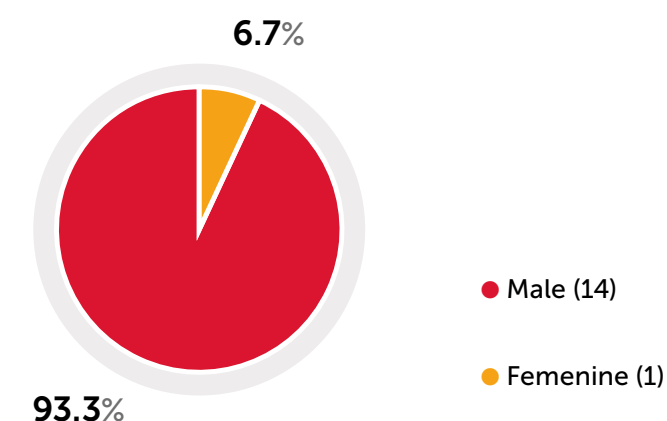
### Commissioners of Banorte

Carlos Alberto García Cardoso	Proprietary
Fernando Nogueta Conde	Alternate

### Composition of Board members by age range



### Composition of Board members by gender



### Biographies of Board Members



**Carlos Hank González (44 years)**

**Chairman**

#### Professional Background

Appointed CEO of Interacciones Casa de Bolsa in 1997, CEO of Banco Interacciones in 1999 and in 2000 CEO of Grupo Financiero Interacciones (GFI). At the beginning 2003 he became Deputy Director General of GFNorte and towards the end of the year, returned to GFI to position it as a financial group with high profitability, specializing in funding states and municipalities; he led a successful public offering in 2013, which strengthened GFI as a public company with growing liquidity in the stock market. In 2008 he was named General Director of Grupo Industrial Hermes, founded in 1978, with different lines of businesses in infrastructure, energy, automotive, transportation and from 2013, tourism.

#### Academic background

He holds a Bachelor's degree in Business Management from Universidad Iberoamericana.

Member of the Board of Directors since: October 2014



**Juan Antonio González Moreno (58 years)**

**Proprietary**

#### Professional Background

He presides as Chairman of the Board of Directors and CEO of Gruma and Gimsa; has served as DG of Gruma Asia and Oceania, Senior VP of Special Projects at Gruma Corporation. Chairman and Director General of CarAmigo in the USA, VP of the Eastern and Central Regions for Mission Foods, President and Vice President of Sales for Azteca Milling.

#### Academic background

He holds his degree in Business Administration from the Universidad Regiomontana, and his MBA from the University of San Diego in California.

Member of the Board of Directors since: April 2014



**David Villarreal Montemayor (67 years)**

**Proprietary**

#### Professional Background

He serves as CEO and majority shareholder of Artefactos Laminados, S. A. de C.V. He is currently Chairman of the Board of Directors and Deputy Director General of de Inmobiliaria Montevi, S.A. de C.V. y de Inmobiliaria Monyor, S.A. de C.V. He is a Regional Advisory Director of Banco Nacional de Mexico, S.A. (Banamex) and financial adviser and business developer at SISMEX, Sistemas Mexicanos, S.A. de C.V. in addition, has served as Deputy Manager of Operations from 1972 to 1990 in Artefactos Laminados.

#### Academic background

He received his degree as an Electrical / Mechanical Engineer and his Master Degree in Automatic Control Sciences from the Tecnológico y de Estudios Superiores de Monterrey (ITESM), as well as having participated in the Pan-American Institute's Program for Senior Management (IPADE)

Member of the Board of Directors since: October 1993



**José Marcos Ramírez Miguel (52 years)**

**Proprietary**

#### Professional Background

CEO of GFNorte and Banco Mercantil del Norte, S.A. since November 2014. He served as Banorte's Corporate General Director and Managing Director of Wholesale Banking. His work experience is essentially in banking, beginning as an interdisciplinary consultant at Peat Marwick Mexico and subsequently entered the Financial Engineering area at Operadora de Bolsa. In 1989, he founded Finventia, following the restructuring of Mexico's debt. He also worked at Banque Nationale de Paris and Banque Indosuez Mexico as a trader in the Mexican market. From 1993 to 1999 he worked at Nacional Financiera S.N.C. in development banking in various management positions. Subsequently, he worked for 11 years with Grupo Financiero Santander where he served as CFO, DG of Wholesale Banking, DG of Casa de Bolsa Santander and VP of the group. In 2007, he also served as President of the Mexican Association of Stock Brokers.

#### Academic background

An Actuary graduate from the Universidad Anáhuac with post-graduate studies in Finance at the Instituto Tecnológico Autónomo de México (ITAM), he also holds a Master in Business Administration (MBA) from E.S.A.D.E. in Barcelona.

Member of the Board of Directors since: July 2011





**Everardo Elizondo Almaguer (72 years)**

**Independent**

**Professional Background**

He is a Professor of international finance at the EGADE Business School, ITESM. He held the Directorate of Economic Studies of Grupo Industrial Alfa (Alfa Group today). He founded the index consultancy company, Economía Aplicada, S.A. and was Deputy Governor of the Bank of Mexico. He was the founder and first director of the graduate school of the faculty of Economy of the Autonomous University of Nuevo León.

**Academic background**

He holds a Bachelor in Economics from the University of Nuevo Leon. He has a master's degree and is a candidate for a PhD in Economics, from the University of Wisconsin-Madison

**Member of the Board of Directors since: April 2010**



**Patricia Armendáriz Guerra (60 years)**

**Independent**

**Professional Background**

Currently serves as DG of Sustainable Finance in Sociedad Financiera Popular dedicated to financing projects for entrepreneurs and is associate director and founder of Valores Financieros, a company dedicated to banking system consultancy.

She has served as an advisor to the Secretary of Finance and Public Credit, in which she coordinated negotiations for the Free Trade Agreement in financial services, was Vice-president of Supervision at the National Banking and Securities Commission, as well as making a name for herself as Associate Director of the Bank for International Settlements (BIS), responsible for analysis of Basel II impacts on emerging markets. She was Director of Special Projects at GFNorte and advisor to Roberto González Barrera, President of GFNorte.

She has served as an international consultant in banking crises, Professor of Economics at the Instituto Tecnológico Autónomo de México (ITAM) and author of numerous academic and specialized publications in banking and macroeconomics.

**Academic background**

She is an Actuary Mathematician of the Universidad Nacional Autonoma de Mexico (UNAM) and holds a Master in Economics from the same institution, as well as a Ph.D. in Economics from Columbia University in New York.

**Member of the Board of Directors since: April 2009**



**Héctor Reyes-Retana y Dahl (69 years)**

**Independent**

**Professional Background**

He serves as a consultant and Independent Board member, and is currently a member of the Board of Directors of the national savings bank (Bansefi).

He has held various positions in the public sector: at the Ministry of Economy he founded the state-owned agency " ProMéxico, Inversión y Comercio " (ProMexico, Investment and Commerce). He served as DG of Banco Nacional de Comercio Exterior, S.N.C (Bancomext) and DG of Banca Confía, as well as Director of International Operations at the Bank of Mexico (Banxico). In the private sector, he served as DG of Grupo Financiero Mifel and Banca Mifel.

He also held the post of first VP of the Mexican Association of Banks and was Vice President of the Bankers Association of Mexico, among other positions.

**Academic background**

He is an Industrial Engineer graduate of the Universidad Iberoamericana and holds a Master in Business Administration (MBA) from Cornell University in New York.

**Member of the Board of Directors since: July 2011**



**Juan Carlos Braniff Hierro (58 years)**

**Independent**

**Professional Background**

He currently serves as Chairman of the Board of Directors and DG of Corporación Geo, S.A.B. de C.V. as well as member of the Board of Directors of Maxcom.

At Grupo Financiero BBVA Bancomer, he was Vice President of the Board of Directors and held various executive positions such as President of the Boards of Insurance, Annuities and the Afore and sat on the Committees of Credit, Risk and Audit. He was also a member of the Boards of Directors and committees in companies Fomento Económico Mexicano (FEMSA), Coca Cola Femsa (KOF), Aeromexico, Maizoro, Presidente Intercontinental Hotels and Paso Corp., among others.

**Academic background**

He holds a degree in Industrial Design from the Universidad Autónoma Metropolitana (UAM) and has a diploma in Finance from the Instituto Tecnológico Autónomo de México (ITAM).

**Member of the Board of Directors since: July 2011**



**Armando Garza Sada (58 years)**

**Independent**

**Professional Background**

He is the current Chairman of the Board of Directors of Alpha. Participates on the boards of the following companies and institutions: Banco de Mexico Regional Council, Fomento Económico Mexicano (FEMSA), Frisa, Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), Lamosa, Liverpool, Proeza, Consejo, Stanford Business School Alumni Association, Stanford Alumni Association and Board of Trustees of Stanford University

**Academic background**

He is a graduate of the Massachusetts Institute of Technology (MIT) with a Master in Business Administration from the Stanford University school of business.

**Member of the Board of Directors since: July 2011**



**Alfredo Elías Ayub (65 years)**

**Independent**

**Professional Background**

He is currently Chairman of the Board of Directors of Promociones Metrópolis, S.A. de C.V. and member of the Board of Iberdrola USA and Rotoplas. Previously, he served as DG of the Federal Commission of Electricity (CFE), DG of Aeropuertos y Servicios Auxiliares (ASA) and held various positions within the Ministry of Energy, Mines and State-owned Industry.

He sat on the Boards of Harvard Business School Alumni Association, Nacional Financiera, Multibanco Mercantil de Mexico and Banco Internacional. He also served as Chairman of the Board of the Instituto Mexicano de Investigaciones Eléctricas and as Chairman of the Board of the Harvard Mexico Foundation.

**Academic background**

He is a Civil Engineer graduate of the Universidad Anahuac, with a Master in Business Administration (MBA) from the Harvard Business School.

**Member of the Board of Directors since: April 2012**



**Adrián Sada Cueva (40 years)**

**Independent**

**Professional Background**

He has been CEO of Vitro since March 2013 and member of the Board of Directors of Vitro, S.A.B. de C.V. since 2010, and its on the Boards of Comegua, Industrial Club of Monterrey, the Universidad de Monterrey, Chamber of the Transformation Industry (CAINTRA) and North Regional Board of GFNorte.

He has served as Director of Vitro Cristalglass (Spain), DG of Vitro Automotriz, Director of Internal Restructuring, Director of Administration and Finance and DG of Vitro's packaging business.

**Academic background**

He holds a degree in Business Administration from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and a Master in Business Administration (MBA) from Stanford University.

**Member of the Board of Directors since: April 2013**



**Miguel Alemán Magnani (50 years)**

**Independent**

**Professional Background**

He is Executive President of ABC, Interjet airlines, President of Grupo Aleman and President of the Committee of the tourism program for the Miguel Aleman Foundation A.C. He sits on the Distrito Federal Tourism Advisory Board, on the Entrepreneurial Coordinating Board and the Tourism Board of Mexico. He held various positions within Grupo Televisa, including Director of Special Affairs of the Presidency, Vice President of Corporate Image and Proprietary Board member of the same group.

**Academic background**

He received his law degree from the Universidad Anahuac.

**Member of the Board of Directors since: April 2013**





**Alejandro Burillo Azcárraga (64 years)**

**Independent**

**Professional Background**

He is Chairman of the Board of Directors of Grupo Pegaso, which has presence in sectors such as: technology, telecommunications, media, real estate, sports, culture and philanthropy, agro-industry, tourism, services and aeronautics. He has participated as majority and strategic partner in various companies and financial institutions such as: Ixe Bank, Laredo National Bank, Telefonica Movistar and Atlante Soccer Club among others. He has also participated as an independent member of the Board of Directors of Grupo Financiero BBVA Bancomer, S.A.

**Member of the Board of Directors since: April 2013**



**José Antonio Chedraui Eguía (49 years)**

**Independent**

**Professional Background**

He is CEO of Grupo Comercial Chedraui. He has held positions as Commercial Director and then as CEO of Comercial Las Galas. He participates in the organizations Fundación Chedraui, Young Presidents' Organization and México Nuevo.

**Academic background**

He holds a Bachelor's Degree in Accounting and Finance from Universidad Anáhuac.

**Member of the Board of Directors since: April 2015**



**Alfonso de Angoitia Noriega (50 years)**

**Independent**

**Professional Background**

He currently serves as the Executive Vice President and President of the Finance Committee of Grupo Televisa, S.A.B. He has been a member of the Board and of the company's Executive Committee since 1997. He also sits on the Board of Directors Cablevision, S.A. de C.V., Innova, S. de R.L. de C.V. (Sky), Cablemas Telecomunicaciones, S.A. de C.V., Operbes, S.A. de C.V. (Bestel), TV Internacional, S.A. de C.V. and Grupo Axo, S.A.P.I. de C.V., as well as The Americas Society. Additionally, he is President of the Board of Trustees of Fundación Kardias and a member of Fundación UNAM and the Mexican Health Foundation.

Prior to joining Grupo Televisa, he was founding partner of the law firm of Mijares, Angoitia, Cortés y Fuentes, S.C. He served as Executive Vice President of Administration and Finance from 1999 to 2003. He was also a member of the Board of Grupo Modelo, S.A.B. de C.V. from 2005 to 2013 and The American School Foundation from 2001 to 2010.

**Academic background**

He received his law degree from the Universidad Nacional Autonoma de Mexico (UNAM).

**Member of the Board of Directors since: April 2015**

“ We have a our strong corporate governance promotes compliance with regulations to provide greater security and confidence.”

G4-36

**Key Executives**

	<p><b>José Marcos Ramírez Miguel</b></p> <p>CEO Grupo Financiero Banorte</p>
	<p><b>José Armando Rodal Espinosa</b></p> <p>General Director of Wholesale Banking</p>
	<p><b>Fernando Solís Soberón</b></p> <p>General Director Long Term Savings</p>
	<p><b>Carlos Eduardo Martínez González</b></p> <p>General Director Retail Banking</p>

	<p><b>Manuel Antonio Romo Villafuerte</b></p> <p>General Director Payment Methods</p>
	<p><b>Guillermo Chávez Eckstein</b></p> <p>General Director Credit and Risk Management</p>
	<p><b>Rafael Arana de la Garza</b></p> <p>General Director Operations Administration and Finance</p>
	<p><b>Samuel Munafo</b></p> <p>General Director Inter National Bank</p>

	<p><b>Carlos de la Isla Corry</b></p> <p>General Director Advisory Presidency</p>
	<p><b>Sergio García Robles Gil</b></p> <p>Advisory Presidency Regional Councils</p>
	<p><b>Isaías Velázquez González</b></p> <p>General Director Audit</p>
	<p><b>Mayra Hernández González</b></p> <p>Sustainability and Social Responsibility Advisory</p>



## Regional Councils

After only four years from inception, GFNorte regional councils comprised of 231 businessmen and personalities from across the country continue to fulfill the purpose for which they were established: to provide the Chairman of the Board and the Group's senior management with opinions and advice on relevant aspects of each region.

In 2015, 12 Regional Council sessions were held in different cities of the country, in which invited personalities from the public sector such as Claudia Pavlovich Arellano, Governor of the State of Sonora and Fernando Elizondo Barragan, Executive Coordinator of Public Administration for the State of Nuevo Leon participated. Renowned speakers such as Dr. Carlos Elizondo Mayer-Serra, Federico Reyes Heroles and the Actuary Roy Campos Esquerria also participated.

To promote feedback and interaction from Board members to the institution, during the year 18 working groups were implemented in which members had the opportunity to share their opinion and make recommendations on issues related to the products and services offered by the financial group.

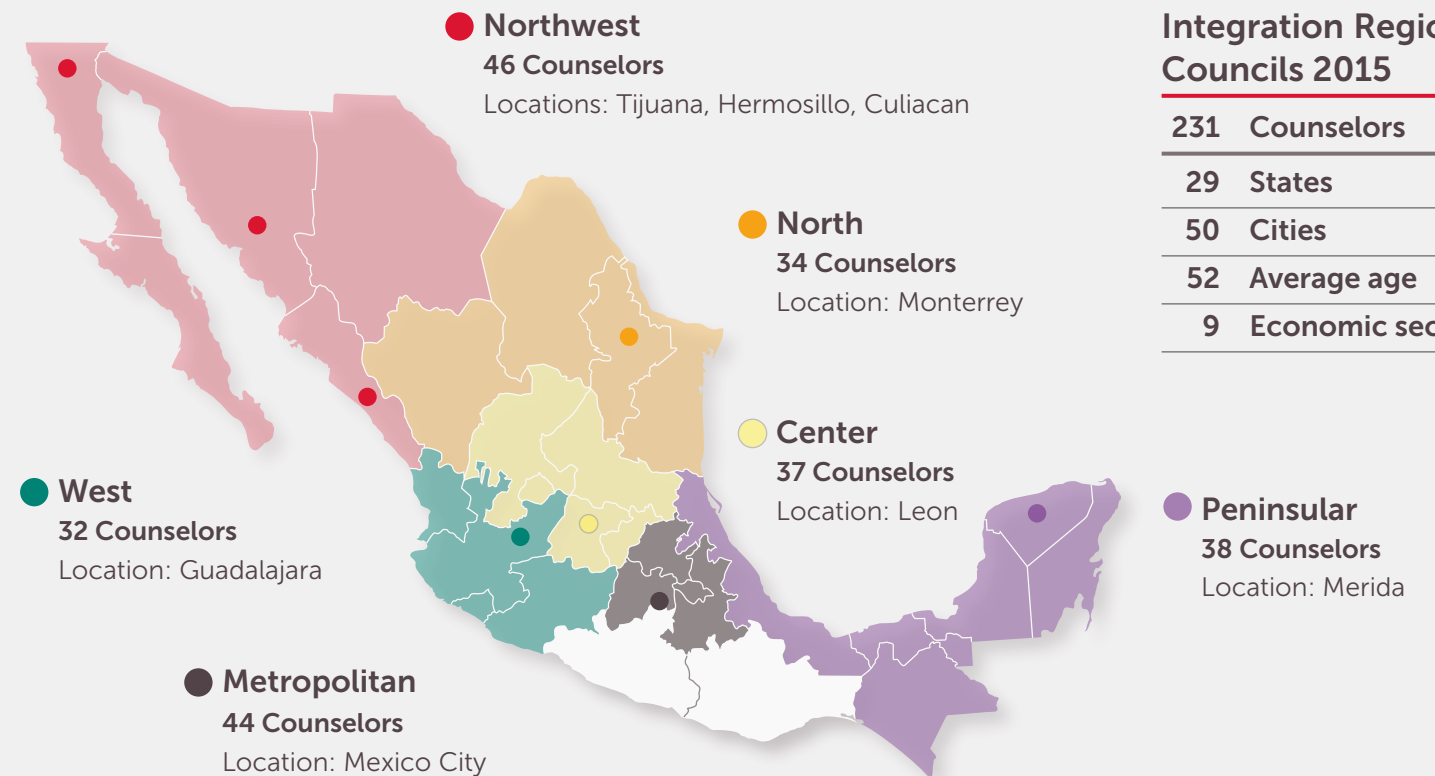
This year, members of six of the regional councils were invited to participate in the 2015 Banorte Mexico Strategy Forum, held on August 25 and 26 in Mexico City. This event focused on competitiveness, and shared specific actions and success stories through the strategic vision of government leaders, world-class

speakers and experts in the sector, such as José Luis Rodríguez Zapatero, President of Spain; Jaime Lerner, former Mayor of Curitiba and former Governor of Paraná, Brazil; Enrique Peñalosa, former Mayor of Bogotá; Former Mayor of Madrid, Alberto Ruiz-Gallardon; Alonso Salazar, former Mayor of Medellín; and governors of entities from the center of Mexico such as Miguel Angel Mancera, Eruviel Avila Villegas, Graco Ramirez and Rafael Moreno Valle.

To strengthen our presence in different regions of the country, as well as participation in various economic sectors, and in accordance with the Protocol established in GFNorte to do so, in 2016 some members of the regional councils will be renewed in order to give other prominent members of the country's business community the opportunity to participate.



## Regionals Councils



## Integration Regional Councils 2015

<b>231</b>	<b>Counselors</b>
<b>29</b>	<b>States</b>
<b>50</b>	<b>Cities</b>
<b>52</b>	<b>Average age</b>
<b>9</b>	<b>Economic sectors</b>



G4-23

## > Sustainability Management

Maximizing profitability and growth of the Institution while ensuring at all times a balanced development between the economic, social and environmental aspects inherent in our operation, is the principle of sustainability that governs GFNorte.

For this reason, we work to ensure that each transaction, product and service generates value for all stakeholders. This responsibility lies primarily with the Directorate of Social Responsibility, in charge of reporting directly to the Chairman of the Board of Directors the issues of greatest relevance in the area.

One of the most significant achievements of the year was to be, once again, chosen as a global leader in sustainability, being included in the Dow Jones Emerging Markets Sustainability index (DJSI), a recognition that distinguishes GFNorte as a profitable company with strict sustainability criteria in its management. Similarly, for the fifth consecutive year, we form part of the sustainable index sample of the Mexican stock market.

Even though operating under sustainability criteria has been a long-time principle for GFNorte, the concept of sustainability integrated into business is becoming increasingly relevant, obvious through the commitments that we have gradually established with various economic, social and environmental initiatives and principles.





G4-18, G4-19, G4-DMA

### Materiality

At Banorte, we recognize that one of the most important aspects of sustainability is to meet the concerns of our stakeholders and to respond to them through actions and services. To do this, two years ago we conducted a study of materiality, which remains in effect. We are now conducting a second study to learn the relevance of the items identified in the previous study and, from the diagnosis of the economic, social and environmental aspects, identify the status of the organization based on policies and procedures, specific perception of interest groups and business risks. This will result in the proposal of a new sustainability model.

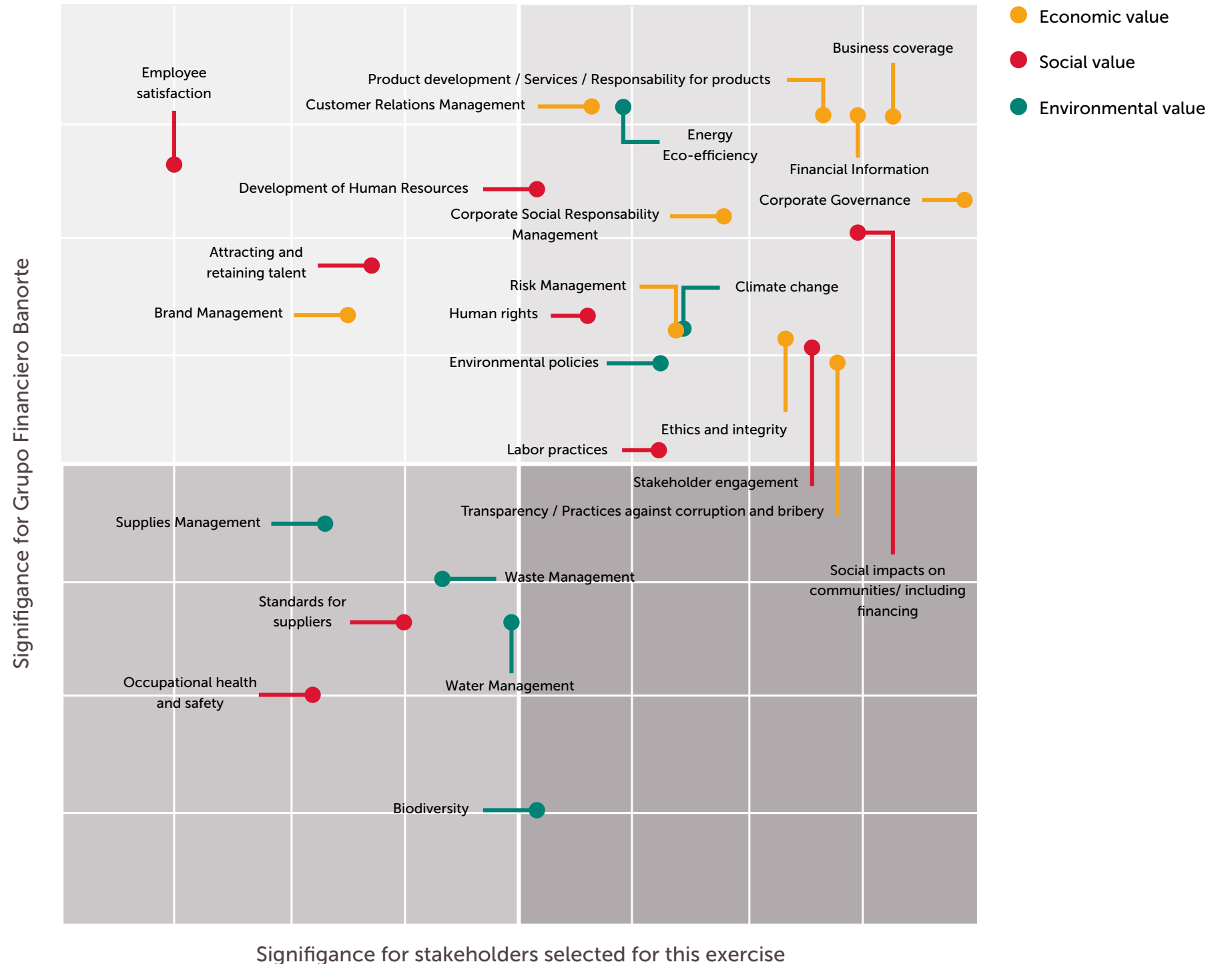
The following graph was generated based on the following criteria:

- Significance for Grupo Financiero Banorte, that is, the level of attention and management (prioritization) that relevant aspects for the institution receive.
- Significance for stakeholders, from the level of attention given to relevant aspects, based on public information that we analyze related to our stakeholders.

From the subjects located in the upper right quadrant, we will proceed to report each of the dimensions in relation to the economic, social or environmental value for our stakeholders and follow-up annually on aspects that they determined as significant.

“One of the more important aspects of sustainability is addressing our stakeholders’ concerns through actions and services.”

### Materiality Matrix



For more information on our Materiality Study, see our 2013 Annual Report at: [www.banorte.com/sustentabilidad](http://www.banorte.com/sustentabilidad)

G4-24, G4-25, G4-26, G4-27

### Stakeholder engagement

Open, transparent and constant communication is essential in strengthening our relations with stakeholders, whom we consider an important factor to achieve our business strategies. Every day, we build our business with a long-term vision, valuing these relationships and always seeking to meet contracted responsibilities, reporting our performance through various means.

The communication process and frequency of the same depend on the communication channel established with each interest group, which we seek to align with AccountAbility 1000 (AA 1000).

During the year, we advance in defining a communication policy that will allow us to establish processes, procedures and guidelines for interacting with stakeholders, seeking always to improve our relationship with them and find suitable feedback mechanisms.

The following table shows topics of focus, the channel of communication and the area linking the Bank with stakeholders.

Committed to our stakeholders			
Stakeholders	Topics of focus	Connectivity	Link area
Employees	Development of workforce (continuous technical training as a model to enhance skills and leadership among employees), labor practices and retaining talent.	<ul style="list-style-type: none"> <li>Intranet</li> <li>Electronic mail</li> <li>Banorte hotline</li> <li>Banorte - Ixe TV</li> <li>Ethic Points complaint system</li> <li>Human Resources' Development Portal</li> <li>Organizational climate survey</li> <li>Union magazine</li> </ul>	<ul style="list-style-type: none"> <li>Human Resources</li> </ul>
Investors (Shareholders)	Corporate governance, coverage, expansion and ethics for business, financial information, risk management and aspects of sustainability (environmental and social contributions and impacts).	<ul style="list-style-type: none"> <li>CNBV's Circular Única Annual Report</li> <li>Annual Report</li> <li>Quarterly reports</li> <li>Shareholders' Assemblies</li> <li>Newsletters</li> <li>Telephone service line: 5268 1680 and investor@banorte.com</li> <li>Web site</li> </ul>	<ul style="list-style-type: none"> <li>Investor Relations</li> <li>Corporate Governance</li> </ul>
Sectoral and union officials	Integrity of the business operation, monitoring and adherence to financial regulations, transparency and timely reporting of information, corruption, offerings and advertisement of products and services in accordance with regulations.	<ul style="list-style-type: none"> <li>CNBV's Circular Única Annual Report</li> <li>Electronic mail</li> <li>Web site</li> <li>Channels arranged by authorities</li> <li>Committees</li> <li>Union meetings</li> </ul>	<ul style="list-style-type: none"> <li>Investor Relations</li> <li>Communication and Corporate Relations</li> <li>Accounting</li> </ul>
Clients	Accessibility to financial products and services, clear information regarding them, monitoring of customer satisfaction and quality of service (attention and consultancy).	<ul style="list-style-type: none"> <li>Branches</li> <li>Internet banking</li> <li>Banortel telephone service line</li> <li>01 800 Banorte</li> <li>Specialized queries and omplaints line unit: 01 800 627 2292 and une@banorte.com</li> <li>Web site</li> <li>Social networks</li> <li>Customer satisfaction surveys</li> <li>Media advertising</li> </ul>	<ul style="list-style-type: none"> <li>Commercial</li> <li>Marketing</li> <li>Specialized queries and complaints unit</li> </ul>
Suppliers	Requirements and standards, suply selection, creation of value, políticas ambientales y sociales adoptadas en la institución.	<ul style="list-style-type: none"> <li>Telephone</li> <li>Electronic mail</li> <li>Bids</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Acquisitions and Expense Control</li> </ul>
Methods of Communication	Access, dissemination and transparency of the group's information, opportune media management with broad coverage, coherence and fluidity of internal and external messages.	<ul style="list-style-type: none"> <li>Telephone</li> <li>Press releases</li> <li>Electronic mail</li> <li>Press conferences</li> <li>Media call</li> <li>Web site</li> </ul>	<ul style="list-style-type: none"> <li>Communication and Corporate Relations</li> </ul>
Civil Society Organizations	Impact on natural capital and climate change, human rights, financial or in-kind support, strategic alliances and participation in work groups.	<ul style="list-style-type: none"> <li>Telephone</li> <li>Electronic mail</li> <li>Web site</li> <li>Social networks for social responsibility</li> <li>Meetings</li> <li>Visits</li> </ul>	<ul style="list-style-type: none"> <li>Social Responsibility and Sustainability</li> <li>Fundación Banorte (Banorte's foundation)</li> </ul>
Community	Management of social responsibility, management of ecosystem resources, business ethics, cooperation with communities in which we operate, strengthening relations of coexistence and advancement opportunities to rebuild the social fabric.	<ul style="list-style-type: none"> <li>Telephone</li> <li>Electronic mail</li> <li>Web site</li> <li>Social networks</li> <li>Meetings</li> <li>Visits</li> </ul>	<ul style="list-style-type: none"> <li>Investor Relations</li> <li>Human Resources</li> <li>Communication and Corporate Relations</li> <li>Territorial departments</li> <li>Fundación Banorte (Banorte's foundation)</li> </ul>
Governmental entities and coalitions	Compliance with legislation, compensation agreements union employees, environmental management (in areas such as wate, waste, impacts on biodiversity, atmospheric emissions) and collaborations with social impacts.	<ul style="list-style-type: none"> <li>Committees</li> <li>Participation in forums</li> <li>Meetings</li> <li>Telephone</li> <li>Electronic mail</li> <li>Web site</li> </ul>	<ul style="list-style-type: none"> <li>Investor Relations</li> <li>Human Resources</li> <li>Communication and Corporate Relations</li> <li>Accounting standards Social</li> <li>Responsability and Sustainability</li> </ul>

“An open, transparent and constant, communication is necessary to strengthen relationships with stakeholders.”

Frequency of interaction with stakeholders  
 ● Constant  
 ■ Periodically (weekly, monthly, bimonthly, quarterly, bi-annual or several times a year)  
 ◆ Annually



G4-43, G4-45, G4-46, G4-EC8

## > Letter of Sustainability

### **Esteemed shareholders, directors, clients and employees of Grupo Financiero Banorte:**

In this, my first year as Chairman of the Board, I have reaffirmed GFNorte's commitment to sustainability, aware that it is the basis of the Institution's permanence and the greatest strength to generate economic, social and environmental value to all our stakeholders.

Our story is one of growth and a legacy that dates back more than 115 years, during which time the Bank's development has always been linked to a strong social commitment. Today, based on our strategy for 2020, we seek to become the best financial group in Mexico and for Mexicans.

It is a great responsibility for our institution to preserve and continue the legacy of Don Roberto Gonzalez Barrera who, aware of the bank's social importance as a means to provide financial services to all Mexicans and support the country's development, guided the institution to provide banking services and strengthen small and medium-sized enterprise, as well as develop products with a positive social impact to create a stronger Mexico.

As the years passed, we have reinforced our management of corporate social responsibility and the concept of sustainability has been integrated more and more into the business. Isolated actions were taken, always in favor of vulnerable groups and institutions close to our principles. But as of 2009 we have integrated sustainability more institutionally into the work of the business establishing various

economic, social and environmental initiatives and principles; and have gradually joined and adhered to various global initiatives such as: the Equator Principles, the Natural Capital Declaration, the UN Global Compact and Women's Empowerment Principles, among others that guide our daily activities.

This strength in environmental, social and corporate governance issues has allowed us, for a second year, to form part of the Dow Jones Emerging Markets Sustainability Index, and we continue to belong to the group of companies listed on the Sustainable IPC of the Mexican stock exchange and, for the fourth year, be part of the Carbon Disclosure Project's (CDP) Climate Disclosure Leadership Index for Latin America. Today we have also adopted a new frame of reference: Sustainable Development goals, which were presented at the Summit on Sustainable Development in September 2015.

We are aware that Mexico currently faces serious challenges on sustainability issues, such as a growing demand for energy and infrastructure, and since Banorte, has a long history of participating in these segments, we will continue to look for opportunities for growth, supporting these industries in a sustainable manner. In the same way, and aware that the financial sector is an important platform to promote the growth of other industries, we will use the institution's strength to support our conviction of financing increasingly more renewable industries and facilitate the transition to a green economy. In this way, with the determination of generating trust and financial strength, and convinced that Banorte is as strong as the communities

it serves, we will continue to consolidate our system of environmental and social risks and seek to provide our clients with the financial solutions and tools that enable them to grow with us.

As a result of the aforementioned, and seeking greater transparency in the way we report our progress, in this report we have adopted the International Integrated Reporting Council's model (IIRC), since we believe that it comprehensively addresses our various capitals and their importance in the generation of value.

With our determination to work with stakeholders to transform the challenges facing Mexico in the area of sustainability into opportunities for green growth, we can promote the well-being and a prosperous future for many generations of Mexicans. I am confident that we can count on the great talent of all of our employees in the group to achieve this.



**Carlos Hank González**

*Chairman of the Board of Directors of Grupo Financiero Banorte*

# > GRI content Index

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>GRI G4 / General and Specific Standard Disclosure</b>					
<b>Strategy and analysis</b>					
G4-1	✓	4-5, 6-9, 85	Declaration of primary responsible for decisions of the organization on the relevance of sustainability for the institution and the strategy to addressing this issue.	President of the Board, Message from the CEO, Letter of Sustainability.	
G4-2	✓	4-5, 6-9, 85	Describe the main effects, risks and opportunities.	President of the Board, Message from the CEO, Letter of Sustainability.	
<b>Organizational Profile</b>					
G4-3	✓	3-4	Report the name of the organization.	GFNorte at a glance.	
G4-4	✓	3-4, 15, 48-73	Report the primary brands, products, and services.	GFNorte at a glance, How we create value, Our business.	
G4-5	✓	104	Report the location of the organization's headquarters.	Central offices.	
G4-6	✓	13	Number of countries in which the organization operates or which have specific relevance to sustainability issues reported.	Our Coverage.	
G4-7	✓	14	Nature of ownership and legality.	Corporate Structure.	
G4-8	✓	13, 15, 48	Markets served (with geographic breakdown, by sectors and types of clients and recipients).	How we create value, Our business, Our Coverage.	
G4-9	✓	10, 18, 30	Dimensions of the organization (employees, net sales, total capitalization, etc).	Relevant Figures, Financial Capital, Human Capital.	
G4-10	✓	10, 30	Number of employees by employment contract, by region and gender	Relevant Figures, Human Capital.	<b>Principle 8.-</b> Promote sustainable inclusive economic growth, full and productive employment and decent work for everyone.
G4-11	✓	30	Percentage of employees covered by collective agreements.	Human Capital.	<b>Principle 8.-</b> Promote sustainable inclusive economic growth, full and productive employment and decent work for everyone.
G4-12	✓	35	Describe the organization's supply chain.	Social Capital.	
G4-13	✓	4-5, 6-9	Significant changes during the period reviewed in the size, structure, shareholder property or the supply chain for the organization.	President of the Board, Message from the CEO, Letter of Sustainability	



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-14	✓	86	How the organization addresses, where appropriate, the precautionary principle.	<p>There are no studies on risks and environmental impact for new investments or products, however, measures were taken in the construction of new branches to mitigate the environmental impact such as:</p> <ul style="list-style-type: none"> <li>• Separation of solid waste.</li> <li>• Use of treated water.</li> <li>• Reuse of water.</li> <li>• Collection of rainwater.</li> <li>• Use of ecological bathrooms.</li> <li>• Use of materials manufactured with recycled material.</li> <li>• Use of lead-free vinyl paint.</li> <li>• Control system for lighting and air conditioning.</li> <li>• Installation of energy efficient lighting.</li> </ul>	
G4-15	✓	39, 46	Letters, principles or other external initiatives of economic, environmental and social character that the organization subscribes to or has taken.	Social Capital, Natural Capital.	
G4-16	✓	86	Major associations and national or international advocacy organizations the organization belongs to.	<p>GFNorte has an active presence in different associations, through its respective business units:</p> <ul style="list-style-type: none"> <li>• Association of Banks of Mexico.</li> <li>• Mexican Association of Afores.</li> <li>• Mexican Association of Insurance Institutions.</li> <li>• Mexican Association of Financial Corporations for Leasing, Credit and Factoring.</li> </ul>	
G4-17	✓	14	Entities included in the consolidated financial statements of the organization and other equivalent documents.	Corporate Structure.	
G4-18	✓	83	Describe the process followed to determine the contents of memorandums and the coverage of every aspect.	Sustainable Management.	
G4-19	✓	83	Material aspects identified during the process of definition of memorandum contents.	Sustainable Management.	
G4-20	✓	86	Indicate the internal coverage of the organization of every material aspect.	For more information on our Materiality Study, see our 2013 Annual Report at <a href="http://www.banorte.com/informeannual2013">www.banorte.com/informeannual2013</a> , page.14.	
G4-21	✓	86	Indicate the external coverage of the organization of every material aspect.	For more information on our Materiality Study, see our 2013 Annual Report at: <a href="http://www.banorte.com/informeannual2013">www.banorte.com/informeannual2013</a> , page 16.	
G4-22	✓	86	Consequences of the reformulating information provided in earlier reports and its causes.	There is no need for re-expression due to the fact that there were no acquisitions or mergers during the period.	
G4-23	✓	4-5, 6-9, 10-12, 29-33, 40-46, 81-84	Significant changes in the scope and coverage of every aspect in relation to earlier reports.	Message from the Chairman, Message from the CEO, Relevant Figures, Human Capital, Natural Capital and Sustainable Management.	
<b>Stakeholder Engagement</b>					
G4-24	✓	83	Stakeholders linked to the organization.	Relation with Stakeholders.	
G4-25	✓	83	Basis to identify and select stakeholders with whom we work.	Relation with Stakeholders.	

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-26	✓	83	Participation of stakeholders, including how often they collaborate with different types and groups of stakeholders.	Relation with Stakeholders.	
G4-27	✓	83	Key issues and problems that have come up as a result of stakeholders' participation and assessment made by the organization, among other aspects, through memorandums. Specify which stakeholders raised each key issue and problem.	Relation with Stakeholders.	
<b>Report Profile</b>					
G4-28	✓	87	Reporting period for the memorandum (e.g., fiscal year or calendar year).	This 2015 Annual Report includes the period from January 1st to December 31 st, 2015.	
G4-29	✓	87	Date of the last report (if applicable).	The report immediately prior to this report, was the 2014 Annual Report of Grupo Financiero Banorte.	
G4-30	✓	87	Reporting cycle (annual, biennial, etc.).	Annual.	
G4-31	✓	86, 105	Contact to resolve any doubts that may arise in relation to the contents of the memorandum.	Central offices.	
G4-32	✓	87	Chart indicating location of the basic contents of the memorandum, and the option "in accordance" with the Guide the organization has selected.	<p>We adhere to the comprehensive compliance option, reporting all general and specific indicators based on the GRI G4 aspects defined as important, as well as those of the financial sector's Supplement. In addition, we are committed to continue to fortify compliance with reporting principles, the exercise of materiality and follow-ups on important aspects and topics throughout the year.</p> <p>Letter of Assurance is attached. To learn more about our external assurance process, refer to the statement of the G4-33 indicator.</p>	
<b>Governance</b>					
G4-33	✓	103	Policy and current practices of the organization with respect to the external assurance of memorandum.	<p>External assurance was performed by Deloitte (Galaz, Yamazaki, Ruiz Urquiza, S.C.) . The scope of this inspection is found in the Letter of Assurance. The company has a selection process for the offices, and subsequently the office is subject to an audit by the Audit &amp; Corporate Practices Committee; and ultimately ratified by the Board of Directors.</p> <p>A third-party assurance is important to provide further assurance to the data presented in the Annual Report.</p>	
G4-34	✓	74-75	The organization's governing structure and that of top governing committees. Indicate what committees are responsible for decision-making on economic, environmental and social issues.	Corporate Governance.	
G4-35	✓	73	Process by which the superior governing body delegates authority to senior management and certain employees for issues of an economic, environmental and social nature.	Corporate Governance.	
G4-36	✓	79	Executive responsibilities or with responsibility for economic, environmental and social issues, and if they are answerable directly to the highest governing authority.	Corporate Governance.	



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-37	✓	74, 84	Consultation processes between stakeholders and the highest governing body of authority with respect to economic, environmental and social issues.	Sustainable Management, Corporate Governance, Stakeholders. The relationship and dialogue with various stakeholders, the head of each department, with the frequency implied by the natural relationship. In case of a topic which, due to its importance, should be submitted to the Board of Directors, this is put to consideration of the same.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-38	✓	74	Composition of the highest governing body and of its committees.	Corporate Governance.	<b>Principle 5.-</b> Achieve equality and the empowerment of all women and girls. <b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-39	✓	88	Indicate if the person who presides over the top governing body also holds an executive position.	Mr. Carlos Hank Gonzalez does not hold any position as a GFNorte officer with operational responsibilities.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-40	✓	88	Nomination and selection processes for the top governing authority and its committees, as well as the criteria on which the appointment and member selection is based.	Selection criteria for Board member candidates. People evaluated by the Shareholders' Assemblies as Board member candidates must comply, in all cases, with the following characteristics: <b>i)</b> Be a prominent figure in business, public or private institutions or in the profession they exercise; <b>ii)</b> Be familiar with the main regions in which GFNorte conducts business; <b>iii)</b> Be a person of recognized integrity and honesty, with a satisfactory credit history, and have the ability to win the confidence of shareholders, directors and senior management; <b>iv)</b> Demonstrated a sound and independent judgement for business throughout their career; <b>v)</b> Have extensive knowledge and experience in financial, legal or administrative matters; <b>vi)</b> Have the time available to dedicate in their role as Board member and to participate in the committees that the Board requested. For more information see: <a href="http://www.banorte.com/gobiernocorporativo">www.banorte.com/gobiernocorporativo</a>	<b>Principle 5.-</b> Achieve equality and the empowerment of all women and girls. <b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-41	✓	88	Processes by which the superior governing body prevents and manages potential conflicts of interest.	GFNorte's Bylaws include: that if Board members and, if the case, the Secretary of the Board of Directors, have conflict of interest in any matter, they shall refrain from participating and being present at the deliberation and vote on such matters, without affecting the required quorum.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-42	✓	74	Functions of the superior governing body and senior management in the development, approval and update of the purpose, values or mission statements, strategies, policies and objectives relating to economic, environmental and social impacts of the organization.	Corporate Governance.	
G4-43		85	Measures taken to develop and improve the collective knowledge of the superior governing body with respect to economic, environmental and social matters.	Letter of Sustainability.	

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-44		89	Processes for evaluating the performance of the superior governing body in relation to the governance of economic, environmental and social issues. Processes for evaluating the performance of the superior governing body in relation to the governance of economic, environmental and social issues.	The evaluation process is internal and confidential.	
G4-45	✓	85	Describe the function of the superior governing body in the identification and management of impacts, risks and opportunities of economic, environmental and social natures.	Letter of Sustainability.	<b>Principio 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-46	✓	85	Describe the function of the superior governing body in the analysis of the effectiveness of the organization's risk management processes in relation to economic, environmental and social matters.	Letter of Sustainability.	
G4-47	✓	89	Frequency with which the superior governing body analyzes the impacts, risks and opportunities of economic, environmental and social matters.	During the various sessions of the Board of Directors, subject to availability in the agenda, a space is assigned for the review and management of economic, social and environmental impacts, risks and opportunities.	<b>Principle 4.-</b> Ensure an inclusive, equitable and quality education and promote opportunities for learning throughout life for all. <b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-48	✓	89	Committee or charge of greater importance that reviews and approves the sustainability memorandum of the organization and ensures that all material aspects are reflected.	The Directorate of Social Responsibility approves the annual report.	
G4-49	✓	89	Process to transmit important concerns to the superior governing body.	Grupo Financiero Banorte SAB DE CV is a financial institution listed in Mexican stock exchange (Bolsa Mexicana de Valores), as well as in various international exchanges. In this sense, in the case of a critical event that shareholders or interested third parties should be notified of, GFNorte has established a procedure to notify these institutions of the relevant events.	
G4-50	✓	89	Nature and number of important concerns that were transmitted to the superior governing body; also describing the mechanisms used to approach and evaluate them.	Grupo Financiero Banorte SAB DE CV is a financial institution listed in Mexican stock exchange (Bolsa Mexicana de Valores), as well as in various international exchanges. In this sense, in the case of a critical event that shareholders or interested third parties should be notified of, GFNorte has established a procedure to notify these institutions of the relevant events.	
G4-51		89	Remuneration policies for the superior governing body and senior management.	The Shareholders' Assembly establishes remuneration for GFNorte Board members in its Ordinary session, which is usually held in April of each year.	
G4-52		89	Processes by which remuneration is determined. Indicates if consultants were used, and whether these are independent of management.	The Shareholders' Assembly establishes remuneration for GFNorte Board members in its Ordinary session, which is usually held in April of each year.	
G4-53	✓	89	How to request and take into account stakeholders' views with regards to remunerations, including, if the case, voting results on policies and proposals related to this issue.	Channels of communication with different stakeholders are kept open to receive comments on the matter.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-54		89	Relation between the total annual compensation of the best paid person in the organization of every country where significant transactions are carried out, with the average annual total compensation of all personnel (not counting the best paid person) of the corresponding country.	Salaries for executive staff with respect to the average of the rest of personnel's salary are 8.0 times the base salary. The methodology, on the one hand, consists in grouping the different management levels and getting a salary average and comparing it to the salary average of the rest of personnel. With the aforementioned numbers, the average salary of the executive staff is divided by the average of the rest of the personnel to get the indicator.	



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-55	✓	90	Relation between the percentage increase in the total annual remuneration of the best paid person in the organization with the percentage increase in the annual total compensation average of the entire labor force (not counting the best paid person) of the corresponding country	Not applicable since the highest paid individual has not received an increase in the stated period.	
<b>Ethics and Integrity</b>					
G4-56	✓	90	The organization's values, principles, standards and regulations, such as Codes of Conduct or Ethical Codes.	<p><b>Our Vision</b> Be a great ally to grow strong with Mexico.</p> <p><b>Our Mission</b> Generate trust and financial strength for our clients.</p> <p><b>Our Five Principles</b> We are a large family with principles and values which inspire our actions in the relationships with our customers, employees and suppliers.</p> <p>We work to strengthen our clients: <b>Solidarity</b>. We innovate to generate value <b>Innovation</b>. We develop committed teams <b>Loyalty</b>. We are inclusive: <b>Respect</b>. We contribute to Mexico's wellbeing: <b>Responsability</b>.</p> <p>We are committed to the creation of value. As long as our principles live, Banorte lives.</p>	<p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p>
G4-57	✓	90	Internal and external advisory mechanisms for lawful and ethical conduct, and for issues related to the integrity of the organization, such as hotlines for help or advice.	All employees have access to Ethics Points, an external complaint system that provides transparency on the issues of ethics and legality.	<p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p>
G4-58	✓	90	Internal and external mechanisms for reporting unethical or illegal behavior and integrity issues of the organization, such as staggered notifications to managing directors, whistleblowing mechanisms or telephone help lines.	All employees have access to Ethics Points, an external complaint system that provides transparency on the issues of ethics and legality.	<p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p>
G4-DMA		30-34, 83-84	Indicate why the aspect is important.	Human Capital, Sustainable Management.	
<b>Economic performance indicators</b>					
<b>Economic Performance</b>					
G4-EC1	✓	10-12, 18, 31-32, 35-36	Direct economic value generated and distributed, including revenues, operating costs, remuneration to employees, donations and other investments in the community, undistributed profits and payments to suppliers of capital and Governments.	As a move to introduce the contents of this indicator in accordance with the GRI proposed formula, we are only showing the more relevant investments made in GFNorte.  Relevant Figures, How we Create Value, Human Capital, Social Capital.	<p><b>Principle 1.-</b> End poverty in all its forms throughout the world.</p> <p><b>Principle 2.-</b> End hunger, achieve food security, improve nutrition and promote sustainable agriculture.</p> <p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p>
G4-EC3	✓	32	Coverage of the organization's defined benefit plan obligations.	Human Capital.	
G4-EC4	✓	90	Financial Assistance Received From Government.	Grupo Financiero Banorte has received no aid from the government in regards to rebates and tax credits, subsidies, exemption from royalties. i.e. aid related to taxes.	

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>Market presence</b>					
G4-EC5	✓	91	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Minimum salary in Zone A: Ps 7,082. Position: Universal Teller with a 4% increase from 2014. Tabulations on a national level.	<p><b>Principle 1.-</b> End poverty in all its forms throughout the world.</p> <p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p>
<b>Indirect Economic Impacts</b>					
G4-EC7	✓	37-38	Development and impact of infrastructure investments and services supported.	Social Capital.	<p><b>Principle 2.-</b> End hunger, achieve food security, improve nutrition and promote sustainable agriculture.</p> <p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 7.-</b> Ensure access to modern, sustainable, safe and affordable energy for all.</p> <p><b>Principle 9.-</b> Build a resilient infrastructure, promote inclusive and sustainable industrialization and innovation.</p> <p><b>Principle 11.-</b> Ensure that the cities and human settlements are inclusive, safe, resilient and sustainable.</p>
G4-EC8		47	Significant indirect economic impacts, including the extent of impacts.	Mexico, a great opportunity.	<p><b>Principle 1.-</b> End poverty in all its forms throughout the world.</p> <p><b>Principle 2.-</b> End hunger, achieve food security, improve nutrition and promote sustainable agriculture.</p> <p><b>Principle 3.-</b> Ensure a healthy life and promote well-being for everyone at all ages.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p><b>Principle 10.-</b> Reduce inequality within and between countries.</p> <p><b>Principle 17.-</b> Strengthen implementation methods and revitalize the global alliance for sustainable development.</p>
G4-DMA EC		35-39	Explain the strategy of community investment, related to the data reported in investment in the community.	Social Capital.	
<b>Environmental performance indicators</b>					
<b>Materials</b>					
G4-DMA EN	✓	41-46	Approach to management	Natural Capital.	<b>Principle 12.-</b> Ensure sustainable consumption and production patterns.
G4-EN1	✓	41, 44	Materials used by weight or volume.	Natural Capital.	<b>Principle 12.-</b> Ensure sustainable consumption and production patterns.



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>Energy</b>					
G4-EN3	✓	41	Internal energy consumption broken down by primary sources.	Natural Capital.	<p><b>Principle 7.-</b> Ensure access to modern, sustainable, safe and affordable energy for all.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p><b>Principle 12.-</b> Ensure sustainable consumption and production patterns.</p> <p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p>
G4-EN5	✓	41	Energy intensity.	Natural Capital.	<p><b>Principle 7.-</b> Ensure access to modern, sustainable, safe and affordable energy for all.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p><b>Principle 12.-</b> Ensure sustainable consumption and production patterns.</p> <p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p>
G4-EN6	✓	43	Energy savings due to conservation and improvements in efficiency and initiatives to reduce indirect energy consumption and reductions achieved with these initiatives.	Natural Capital.	<p><b>Principle 7.-</b> Ensure access to modern, sustainable, safe and affordable energy for all.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p>
<b>Emissions</b>					
G4-EN15	✓	44	Direct greenhouse gas (ghg) emissions (scope 1).	Natural Capital.	<p><b>Principle 3.-</b> Ensure a healthy life and promote well-being for everyone at all ages.</p> <p><b>Principle 12.-</b> Ensure sustainable consumption and production patterns.</p> <p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p> <p><b>Principle 14.-</b> Conserve and use in a sustainable manner the oceans, seas and marine resources for sustainable development.</p> <p><b>Principle 15.-</b> Protect, restore and promote sustainable use of terrestrial ecosystems, carry out sustainable management of forests, combat desertification, stop and reverse land degradation and halt the loss of biological diversity.</p>

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-EN16	✓	43	Energy indirect greenhouse gas (ghg) emissions (scope 2).	Natural Capital.	<p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p> <p><b>Principle 14.-</b> Conserve and use in a sustainable manner the oceans, seas and marine resources for sustainable development.</p> <p><b>Principle 15.-</b> Protect, restore and promote sustainable use of terrestrial ecosystems, carry out sustainable management of forests, combat desertification, stop and reverse land degradation and halt the loss of biological diversity.</p>
G4-EN17	✓	43	Other indirect greenhouse gas (ghg) emissions (scope 3).	Natural Capital.	<p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p>
G4-EN18	✓	43	Greenhouse gas (ghg) emissions intensity.	Natural Capital.	<p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p> <p><b>Principle 15.-</b> Protect, restore and promote sustainable use of terrestrial ecosystems, carry out sustainable management of forests, combat desertification, stop and reverse land degradation and halt the loss of biological diversity.</p> <p><b>Principle 14.-</b> Conserve and use in a sustainable manner the oceans, seas and marine resources for sustainable development.</p>
G4-EN19	✓	43	Reduction of greenhouse gas (ghg) emissions.	Natural Capital.	<p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p> <p><b>Principle 14.-</b> Conserve and use in a sustainable manner the oceans, seas and marine resources for sustainable development.</p> <p><b>Principle 15.-</b> Protect, restore and promote sustainable use of terrestrial ecosystems, carry out sustainable management of forests, combat desertification, stop and reverse land degradation and halt the loss of biological diversity.</p>
<b>Efluentes and waste</b>					
G4-EN23	✓	45	Total weight of waste by type and disposal method.	Natural Capital.	<p><b>Principle 6.-</b> Ensure the availability of water and its sustainable management and sanitation for all.</p> <p><b>Principle 12.-</b> Ensure sustainable consumption and production patterns.</p>
<b>Compliance</b>					
G4-EN29	✓	93	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	In 2015, GFNorte did not receive any environmental fines.	<p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p>



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>Transport</b>					
G4-EN30	✓	43	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	Natural Capital.	<p><b>Principle 11.-</b> Ensure that the cities and human settlements are inclusive, safe, resilient and sustainable.</p> <p><b>Principle 12.-</b> Ensure sustainable consumption and production patterns.</p> <p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p>
<b>Overall</b>					
G4-EN31	✓	41-46	Total environmental protection expenditures and investments by type.	Natural Capital.	<p><b>Principle 7.-</b> Ensure access to modern, sustainable, safe and affordable energy for all.</p> <p><b>Principle 9.-</b> Build a resilient infrastructure, promote inclusive and sustainable industrialization and innovation.</p> <p><b>Principle 14.-</b> Conservar y utilizar en forma sostenible los océanos, los mares y los recursos marinos para el desarrollo sostenible.</p> <p><b>Principle 12.-</b> Ensure sustainable consumption and production patterns.</p> <p><b>Principle 13.-</b> Take urgent action to combat climate change and its effects (recognizing that the United Nations Framework Convention on Climate Change is the main international intergovernmental forum to negotiate global response to climate change).</p> <p><b>Principle 15.-</b> Protect, restore and promote sustainable use of terrestrial ecosystems, carry out sustainable management of forests, combat desertification, stop and reverse land degradation and halt the loss of biological diversity.</p>
<b>Supplier Environmental Assessment</b>					
G4-EN32	✓	94	Percentage of new suppliers that were screened using environmental criteria.	Social Capital. There are no test procedures based on environmental criteria; However, since the 2 <sup>nd</sup> semester of 2012, suppliers were encouraged to maintain healthy human rights, labor, environmental and anticorruption practices, including a clause in new contracts and renewals, whereby they manifest their commitment to comply with the Global Compact Principles (without signifying their adherence). Today we have 2,554 suppliers' contracts with suppliers in which this commitment is declared.	
<b>Social performance indicators</b>					
<b>Empleo</b>					
G4- DMA LA	✓	31	Policies and practices related to threats or violence in the workplace to help employees, their family or community, in cases of attacks or aggression (verbal or physical) by customers, armed robbery, kidnapping, etc.	Human Capital.	
G4-LA1	✓	31	Total number and rates of new employee hires and employee turnover by age group, gender and region.	Human Capital.	<b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
G4-LA2	✓	32	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Human Capital.	<b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.
<b>Occupational Health and Safety</b>					
G4-LA5	✓	96	Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.	<p>During 2015, 5,271 employee brigades of GFNorte buildings and branches were trained for a total of 269 events, with 17 committees across the country on issues such as:</p> <ul style="list-style-type: none"> <li>• First aid.</li> <li>• Evacuation and crisis management.</li> <li>• Control and combat of fires.</li> <li>• Heimlich maneuvers.</li> <li>• Human Capital</li> </ul>	<b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.
G4-LA6	✓	95	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	<p>Rate of absenteeism of male and female employees corresponded to 0.02 days in 2015.</p> <p>Rate of lost days of male and female employees corresponded to 0.003 days in 2015.</p>	<p><b>Principle 3.-</b> Ensure a healthy life and promote well-being for everyone at all ages.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p>
<b>Training and education</b>					
G4-LA9	✓	32	Average hours of training per year per employee by gender, and by employee category.	Human Capital.	<p><b>Principle 4.-</b> Ensure an inclusive, equitable and quality education and promote opportunities for learning throughout life for all.</p> <p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p>
G4-LA10	✓	32	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Human Capital.	<b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.
G4-LA11	✓	95	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Percentage of employees who are regularly evaluated on performance and the evolution of their career: for 81% of females and 81% of males, professional development does not apply.	<p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p>
<b>Diversity and equal opportunities</b>					
G4-LA12	✓	30, 74	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Human Capital, Corporate Governance.	<p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p>
<b>Equal Remuneration for Women and Men</b>					
G4-LA13	✓	32	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	<p>At GFNorte, no gender distinction is made in the allocation of salaries; any differences are due to the valuation that the vacant position had at the time it became occupied without any gender influence.</p> <p>Human Capital.</p>	<p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p><b>Principle 10.-</b> Reduce inequality within and between countries.</p>



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>Supplier Assessment for Labor Practices</b>					
G4-LA14	✓	35	Percentage of new suppliers that were screened using labor practices criteria.	Social Capital. There are no test procedures based on environmental criteria; However, since the 2nd semester of 2012, suppliers were encouraged to maintain healthy human rights, labor, environmental and anticorruption practices, including a clause in new contracts and renewals, whereby they manifest their commitment to comply with the Global Compact Principles (without signifying their adherence). Today we have 2,554 suppliers' contracts with suppliers in which this commitment is declared.	<p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p>
<b>Evaluation of the suppliers' labor practices</b>					
G4-LA16	✓	96	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	We have a confidential and anonymous complaints system, Ethic Points, to address cases of corruption and those who violate sound business practices. In 2015, 305 complaints were registered: 85% correspond to Human Resources and 15% to Internal Control. It is worth mentioning that no complaint was presented for discrimination. Complaints in Human Resources issues correspond to the following classifications: discrimination or harassment; violation of policies and conduct; bad conduct; violence; threat or theft and unsafe working conditions. In Internal Control, the existing classifications are: operational issues; false accounting; erroneous information; illicit enrichment; falsification of contracts or records.	<p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p>
<b>Human Rights</b>					
<b>Investment</b>					
G4-HR1	✓	96	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	We have no investment agreements. We have 2,542 suppliers' contracts, in which they declared their commitment to knowing and fulfilling the Global Compact Principles (without meaning they adhere to them).	
G4-HR2	✓	96	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	By 2015, 38,344 hours of training activities were imparted in human rights' issues representing 83% of employees trained in this topic.	
<b>Non- discrimination</b>					
G4-HR3		96	Total number of incidents of discrimination and corrective actions taken.	No complaints of this type were registered in 2015.	<p><b>Principle 5.-</b> Achieve gender equality and the empowerment of all women and girls.</p> <p><b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.</p> <p><b>Principle 8.-</b> Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p>

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>Supplier Human Rights Assessment</b>					
G4-HR10	✓	97	Percentage of new suppliers that were screened using human rights criteria.	We have no test procedures based on human rights' criteria; however, since the 2S12, we have encouraged our suppliers to maintain healthy labor, environmental, anti-corruption and human rights' practices with the incorporation of a clause in new and renewed contracts, which manifest their commitment to comply with the Global Compact Principles (without signifying their adherence). Today we have 2,542 suppliers' contracts with this declared commitment.	
G4-HR12	✓	97	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	We have a confidential and anonymous complaints system, Ethic Points, to address cases of corruption and those who violate sound business practices. In 2015, 305 complaints were registered: 85% correspond to Human Resources and 15% to Internal Control. It is worth mentioning that no complaint was presented for discrimination. Complaints in Human Resources issues correspond to the following classifications: discrimination or harassment; violation of policies and conduct; bad conduct; violence; threat or theft and unsafe working conditions. In Internal Control, the existing classifications are: operational issues; false accounting; erroneous information; illicit enrichment; falsification of contracts or records.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
<b>Society</b>					
<b>Local communities</b>					
G4-SO1	✓	38-39	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Social Capital.	
<b>Anti-corruption</b>					
G4-SO3	✓	97	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	The Ethic Points complaints system, that receives complaints for the financial group, is made up of 22 centers: GFNorte, North Territories, Southern Mexico, Northern Mexico, West, Central, Northwest, Peninsular, South, Consumer, Business, Banorte USA, Banorte - Ixe Securities, Casa de Bolsa, warehouse, leasing, factoring, insurance, annuities, Afore, assistance and Solida. Allegations are classified by topics related to Internal Control or Human Resources.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-SO4	✓	97	Communication and training on anti-corruption policies and procedures.	Our staff receives constant training and updates on the prevention of money laundering. In addition to this, there is constant communication to promote the Ethic Points complaints system as a mechanism to report corruption. 17,255 employees have been trained on the prevention of money laundering.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
G4-SO5	✓	97	Confirmed incidents of corruption and actions taken.	In general, resolutions implemented this year for the cases received through the Ethic Points complaints system, for both Human Resources and Internal Control were: <ul style="list-style-type: none"> <li>• No action taken for lack of information or foundation: 70%</li> <li>• Relocation of the respondent: 2%</li> <li>• Reprimand to the respondent: 16%</li> <li>• Suspension without pay: 4%</li> <li>• Job termination: 7%</li> <li>• Others: 1%</li> </ul>	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
<b>Compliance</b>					
G4-SO8	✓	98	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	During the year, 156 fines were paid for a total amount of \$6,473,442.1 in fines or municipal penalties for updating properties awarded to the Bank. SAT, INFONAVIT, CNBV, CONDUSEF and Bank of Mexico fines.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
<b>Supplier Assessment for Impacts on Society</b>					
G4-SO9	✓	98	Percentage of new suppliers that were screened using criteria for impacts on society.	We have no assessment procedures based on human rights' criteria; however, since 2S12, we have encouraged our suppliers to maintain healthy labor, environmental, anti-corruption, human rights' practices with the incorporation of a clause in new and renewed contracts, in which they manifest their commitment to comply with the Principles (without signifying their adherence). Today we have with 2,542 suppliers' contracts in which this commitment is declared.	
<b>Product liability</b>					
<b>Product and Service Labelin</b>					
G4-PR5	✓	28	Results of surveys measuring customer satisfaction.	Intellectual Capital.	
<b>Marketing communications</b>					
G4-PR7	✓	98	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	2 fines were presented for the omission of information and tickets for the event, Lotteries, Raffles, Sweepstakes and Contests. (Held in 2012, fine paid in 2015) for the amount of Ps 9,940.00.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
<b>Customer privacy</b>					
G4-PR8	✓	98	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	During 2015, 4 claims were received for the alleged leakage of information; however these 4 claims were unfounded.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
<b>Compliance</b>					
G4-PR9	✓	98	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	During the year, 156 fines were paid for a total amount of \$6,473,442.1 in fines or municipal penalties for updating properties awarded to the Bank. SAT, INFONAVIT, CNBV, CONDUSEF and Bank of Mexico fines.	<b>Principle 16.-</b> Promote peaceful and inclusive companies for sustainable development, facilitate access to justice for all and create effective, accountable and inclusive institutions at all levels.
<b>Financial Supplement</b>					
FS-1	✓	24	Policies with specific environmental and social components applied to business lines.	Financial Capital.	<b>Principle 10.-</b> Reduce inequality within and between countries.

G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
FS-2	✓	99	Procedures for the evaluation and selection of environmental and social risks in lines of business.	<p>We have two frameworks for analysis and management of environmental risk: the Social and Environmental Management system SEMS (for corporate and business banking) and the Equator Principles for all bank areas. With these methodologies we generate an analysis prior to financing any project, whether proprietary or third party financing.</p> <ul style="list-style-type: none"> <li>• SEMS: transactions requested for amounts over US\$1 million, which can be for working capital or investment projects over more than 2 years.</li> <li>• Equator Principles: financial consultancy services for investments of US\$10 million or more. Projects with a total investment of US\$10 million or more.</li> <li>• Business loans related to a single project, with a minimum financing of US\$100 million for more than 2 years, when Banorte's exposure is US\$50 million or more.</li> <li>• Temporary loans for under 2 years, that can be refinanced for a loan for a project or a business loan related to a project.</li> <li>• Projects with an emission of the equivalent of over 100,000 tons of CO2 per year.</li> </ul>	Principle 10.- Reduce inequality within and between countries.
FS-3	✓	23, 24	Processes to monitor implementation and compliance with environmental and social requirements included in agreements or transactions with customers.	Financial Capital.	Principle 10.- Reduce inequality within and between countries.
FS-4	✓	99	Processes to improve personnel competence in implementing environmental and social policies and procedures applicable to lines of business.	Banorte has a Social Responsibility department with personnel experienced in the field, who are responsible for providing training to teams distributed across the territories in which we operate, and whose activities are related to the granting of loans.	Principle 10.- Reduce inequality within and between countries.
FS-5	✓	23, 24	Interactions with customers in terms of environmental and social opportunities and risks.	Financial Capital.	Principle 10.- Reduce inequality within and between countries.
FS-8	✓	99	Monetary value of products and services designed to deliver a specific environmental benefit for each line of business by objectives.	We do not have products designed to deliver a specific environmental benefit.	
FS-10	✓	99	Percentage and number of companies in the institution's portfolio with which interactions on environmental or social issues have been carried out.	<p>Departaments: Corporate Banking, Business Banking and Financial Structure.</p> <p>3,704 loans for the Corporate and Business Banking and Financial Structure portfolios were analyzed which generated 131 recommendations to improve returns on project activities in socio-environmental terms and the realization of 17 client diligences that included areas of opportunity to improve socio-environmental yields for clients. We have no information on the volume of companies in the portfolios to establish a percentage that this data represents.</p>	Principle 10.- Reduce inequality within and between countries.
FS-11	✓	23, 24	Percentage of assets subject to social or environmental review, positive as well as negative.	Financial Capital.	Principle 10.- Reduce inequality within and between countries.



G4 Indicators	Assurance	Page	Description	2015 Declaration	Sustainable development objectives
FS-13	✓	13	Points of access in scarcely populated or economically disadvantaged areas described by type.	Our Coverage.	<p>Principle 1.- End poverty in all its forms throughout the world.</p> <p>Principle 8.- Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p>Principle 10.- Reduce inequality within and between countries.</p>
FS-14		13	Initiatives to improve access to financial services for the disadvantaged.	Our Coverage.	<p>Principle 10.- Reduce inequality within and between countries.</p>
FS-15	✓	100	Policies for the design and sale of financial products and services in a fair and reasonable manner.	We have no specific policy for the design and offer of financial products and services; however, we adhere to all the Internal Control policies of the Financial Group.	<p>Principle 10.- Reduce inequality within and between countries.</p>
FS-16	✓	38	Initiatives to improve financial literacy and education by type of beneficiary.	Social Capital.	<p>Principle 8.- Promote sustainable, economic growth, productive inclusive and sustainable full-time employment and decent work for all.</p> <p>Principle 10.- Reduce inequality within and between countries.</p>

# Annual Report of the Audit and Corporate Practices Committee

Transforming with **Value** Financial Statements Annual Report 2015

## Annual Report of the Audit and Corporate Practices Committee

Mexico City, March 17, 2016

**To the Board of Directors of Grupo Financiero Banorte, S.A.B. de C.V.**

In accordance with Articles 58 of the law to regulate financial groups and 43 of the stockmarket law, the Audit and Corporate Practices Committee (Committee) presents its annual report of activities for 2015.

The contents of this report refer to Grupo Financiero Banorte (GFNorte) and the following relevant institutions: Banco Mercantil del Norte, S.A., Inter National Bank, Casa de Bolsa Banorte Ixe, S.A. de C.V., Banorte Ixe Tarjetas, S.A. de C.V., SOFOM ER, Arrendadora y Factor Banorte, S.A. de C.V., SOFOM ER, Solida Administradora de Portafolios, S.A. de C.V., SOFOM ER, Seguros Banorte, S.A. de C.V., and Pensiones Banorte, S.A. de C.V.

**I. In regard to audit:**

a) With respect to the state of the Internal Control System (SCI) and Internal Audit of GFNorte and its relevant institutions, and deficiencies and deviations, the following elements were considered:

1. Annual reports on activities in the area of Internal Control of the relevant entities drawn up by their General Directors.
2. Reports from Internal Comptrollers and those responsible for Control and Compliance functions of some relevant entities, and their opinion on the functioning of the SCI.
3. Internal Audit's opinion on the state of the SCI of relevant entities.
4. Reports on deficiencies and relevant observations of GFNorte and subsidiaries, submitted by Internal Audit and the monitoring of corrective measures.
5. Reports of observations to the External Auditor's Internal Control and their opinion of the financial statements for GFNorte and its subsidiaries.
6. Inspection reports from competent Authorities.
7. Reports from the Commissioners of GFNorte's relevant entities.
8. Reports from other Audit Committees about relevant events and the minutes of their meetings.
9. Reports on Internal Audit's management and compliance with its work program.

Taking into consideration the indicated elements, the SCI of GFNorte and its relevant subsidiaries is reported to work reasonably, and that those deficiencies or deviations detected were corrected or are in the process of being addressed.

On Internal Audit's functioning, the area has maintained its independence, reasonably met its work program according to best practices, and effectively monitored the implementation of measures to correct observations and identified areas of opportunity.

b) No significant non-compliances to the operating and accounting guidelines and policies of GFNorte and its relevant subsidiaries were found; the identified areas of opportunity were reported to policymakers and measures were taken to address them and monitoring to ensure their proper implementation.

c) Regarding the performance evaluation of the legal entity providing external audit services, in the performance of its duties and its relationship with the Administration and the Committee, the quality of the firm Galaz, Yamazaki, Ruiz Urquiza, S.c. (Deloitte Touche Tohmatsu member), as well as the Auditor in charge were confirmed.

The content of its reports are considered to be of quality and useful in supporting the Committee, and its results and opinions are not in disagreement with the Administration.

Transforming with **Value** Financial Statements Annual Report 2015

## Annual Report of the Audit and Corporate Practices Committee

d) On the description and assessment of the additional or complementary services provided by the External Auditor, his hiring was approved during the fiscal year to review the technical aspects of the process of comprehensive risk management, evaluate FATCA processes and procedures, review the sustainability report, prices of transfers for intercompany transactions and reports of local taxes.

With regard to corporate restructuring, the External Auditor was hired to conduct a limited review of financial statements and review fiscal costs of the companies' shares, as well as to design and document a management and operation model for a Security Operations Center. The Committee ensured that there was no conflict of interest in the provision of these services.

e) A review of the financial statements of GFNorte and Subsidiaries was carried out to December 31st, 2015 and the opi External Auditor's report confirmed that they were prepared in all material aspects in compliance with the applicable accounting principles, and recommended its approval to the Board of Directors. The Committee also reviewed interim financial statements for the fiscal year on a quarterly basis.

f) On main modifications to the policies and accounting criteria used during the year, it was reported that modifications were made to comply with changes in the applicable provisions, which are described in Note 4 of the financial statements entitled "Main Accounting Policies", which contains a detailed explanation of them and their effects.

Highlighted in 2015 was the Board's approval of changes in Banco Mercantil del Norte's accounting policy for financial charges to clients of: SME, Business and Corporate banking, without implying an additional cost of reserves.

g) No relevant observations were received during the fiscal year from shareholders, Board members, directors, employees or any third party, with respect to accounting, internal controls or internal and external audit, or allegations of irregular events. In accordance with best practices, the anonymous complaints system and the Committee follow-up on any reported relevant observations.

h) In regards to monitoring the agreements of the Shareholders' Assembly and the Board of Directors, such entities did not request the Committee to monitor any agreement in particular.

i) During the fiscal year, various visits were received from Condusef, IPAB, Banxico and CNBV, the latter was highlighted by an inspection on issues related to the credit process with special focus on payroll loans, information security and the remuneration system for which modifications to manuals, processes and technological adaptations were requested. These were reported to the Board of Directors in the session held on October 22nd, 2015.

Observations resulting from such visits were in large measure attended to or are being attended to.

j) Other relevant activities carried out by the Committee include the approval of changes to the Internal Audit structure, evaluation of work guidelines on the minimum aspects to be considered in a review of the Technology area and the approval to incorporate materiality as a measure for the possible economic impact of observations.

In terms of credit, the functions in the areas of credit, legal, operations, accounting and internal audit were analyzed to comply with Articles 20, 21 and 31 of the General Provisions applicable to credit institutions, criteria were reviewed for the acceptance of risk (CARs) for specific-purpose projects, and the methodology to promote the culture of correct record integration was authorized in order to minimize the reprocessing presented in the standard review. The state of portfolios for Corporate, Business, SME, Agricultural holdings and the housing builders' loans were reviewed and the process for payroll loan and mortgage products was analyzed.

We reviewed the progress of corrective measures for observations from Internal Audit reviews qualified as "Unacceptable", including the revocation of authority process for officials and employees who ceased to work for GFNorte, and approved the bonus methodology, based on revision results of responsible branch-based officials and employees.

Monitoring continues on the progress of the projects: "Adding value for the customer" and "Market Transformation, Casa de Bolsa and Investments" and the relaunch of Ixe branch plan was analyzed.

With regard to relevant regulatory changes, the Committee reviewed the impacts of the Volcker rule and the responsibilities of the Comptroller for insurance and annuities on when the law for insurance and bonding institutions came into effect.

Transforming with **Value** Financial Statements Annual Report 2015

## Annual Report of the Audit and Corporate Practices Committee

**II. With regard to corporate practices:**

a) Observations regarding the performance of relevant managers, the Human Resources Committee reported that during the fiscal year there were no cases of executives who acted outside of established policies.


b) Transactions with related parties were approved by the Board of Directors and to December 31st, 2015 loans granted through Banco Mercantil del Norte to related parties amounted to Ps 7,552 billion, less than the limit set by the corresponding regulation. Intercompany transactions were made at market prices, which was verified by the External Auditor who did not report findings.

In relation to unusual or non-recurring operations, during the fiscal year the Board of Directors approved the capitalization, through Solida Administradora de Portafolios, de Corporación GEO S.A.B. de C.V. for up to Ps 3,000 million.

c) With respect to emolument packages for the CEO and relevant directors, there is a compensation system approved by the Board of Directors, which divides their remuneration in ordinary and extraordinary, and includes rules to defer the latter according to established risk indicators and in compliance to policies, which was applied consistently during the fiscal year taking into account the results of the Internal Audit review and reports submitted by the Human Resources and Risk Policy Committees to the Board of Directors.

d) Finally, reported that during the fiscal year the governing body granted dispensation to Board member Juan Carlos Braniff to take advantage of a business opportunity, considering he has a participation in Capital I Reserva, S.A. de C.V., which contributed the amount of Ps 500 million for the financial and operational restructuring of GEO.

Sincerely,



**Hector Reyes Retana y Dahl**  
President of the Audit and Corporate Practices Committee  
Grupo Financiero Banorte



# > Independent Assurance Report



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## Independent Assurance Report to Grupo Financiero Banorte, S.A.B. de C.V. (GFNorte) on the Annual Report 2015.

### Responsibilities of GFNorte and independent reviewer

The elaboration of the Annual Report 2015 (AR), as well as its content is responsibility of GFNorte, who is also responsible for defining, adapting and maintaining the management and internal control systems from which information is obtained. Our responsibility is to issue an independent report based on the procedures applied during our review.

This report has been prepared exclusively on the main interest of GFNorte in accordance with the terms of our agreement letter dated February 11<sup>th</sup>, 2016 and is not intended to be nor should it be used by someone other than this.

### Scope of our work

The scope of our assurance was limited, and is substantially lower than a reasonable assurance work. Therefore, the security provided is also lower. This report in no case can be understood as an audit report.

We conducted our review of the AR under the following conditions and / or criteria:

- The adaptation of the contents of the AR to the Global Reporting Initiative (GRI) Guidelines version 4 (G4) and according to the materiality study provided by GFNorte.
- The review of the General and Specific Standard Disclosures reported according to the option Comprehensive and specified in the GRI Content Index of the AR.
- The consistency of information contained in the AR with supporting evidence provided by the management.

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### Assurance standards and procedures

We have performed our work in accordance with the International Auditing Standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) of IFAC.

Our review work included the formulation of questions to the management as well as various areas of GFNorte that have participated in the elaboration of the AR and the application of certain analytical and sample screening tests that are described below:

- Meetings with staff of GFNorte to learn the principles, systems and applied management approaches.
- Analysis of the process to collect, validate and consolidate the data presented in the AR.
- Analysis of scope, relevance and integrity of the information included in the AR in terms of the understanding of GFNorte and of the requirements that stakeholders have identified as material aspects.
- Selected sample review from the evidence that supports the information included on the AR.

The following table details the General and Specific Standard Disclosures reviewed according to the GRI Guidelines version 4 and Financial Services Sector Supplement:

G4-1	G4-15	G4-29	G4-45	G4-EC5	G4-EN30	G4-LA16	G4-PR9
G4-2	G4-16	G4-30	G4-46	G4-EC7	G4-EN31	G4-HR1	FS1
G4-3	G4-17	G4-31	G4-47	DMA-EN	G4-EN32	G4-HR2	FS2
G4-4	G4-18	G4-32	G4-48	G4-EN1	DMA-LA	G4-HR10	FS3
G4-5	G4-19	G4-33	G4-49	G4-EN3	G4-LA1	G4-HR12	FS4
G4-6	G4-20	G4-34	G4-50	G4-EN5	G4-LA2	G4-SO1	FS5
G4-7	G4-21	G4-35	G4-53	G4-EN6	G4-LA5	G4-SO3	FS8
G4-8	G4-22	G4-36	G4-55	G4-EN15	G4-LA6	G4-SO4	FS10
G4-9	G4-23	G4-37	G4-56	G4-EN16	G4-LA9	G4-SO5	FS11
G4-10	G4-24	G4-38	G4-57	G4-EN17	G4-LA10	G4-SO8	FS13
G4-11	G4-25	G4-39	G4-58	G4-EN18	G4-LA11	G4-SO9	FS15
G4-12	G4-26	G4-40	G4-EC1	G4-EN19	G4-LA12	G4-PR5	FS16
G4-13	G4-27	G4-41	G4-EC3	G4-EN23	G4-LA13	G4-PR7	
G4-14	G4-28	G4-42	G4-EC4	G4-EN29	G4-LA14	G4-PR8	



### Conclusion

Based on the work performed and described in this report, nothing comes to our attention that could make us believe that the AR contains significant mistakes or has not been prepared in accordance with the Comprehensive Option established in the Sustainability Reporting Guidelines G4.

### Recommendations

Our recommendations for strengthening future Annual Reports, which do not modify the conclusions expressed in this report, are the following:

- Improve the communication process and team coordination responsible for the elaboration of the AR in order to strengthen and achieve a more efficient process.
- Update the 2013 materiality analysis.
- Expand the scope of the platform currently used to manage the environmental indicators including other material aspects of GFNorte

We have submitted a detailed report of recommendations to the Executive Social Responsibility Officer of GFNorte concerning areas of improvement in the sustainability strategy (specifically for the verified indicators) as well as the reporting process.

Galaz, Yamazaki, Ruiz Urquiza, S.C.  
Member of Deloitte Touche Tohmatsu Limited

*Rocio Canal Garrido*

Rocio Canal Garrido  
Sustainability Partner

May 26<sup>th</sup>, 2016

## 2015 Annual Report

Date prepared: February 2016

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### Credits

We appreciate the support of the members of GFNorte that with their valuable participation, made possible realization of this Annual Report.

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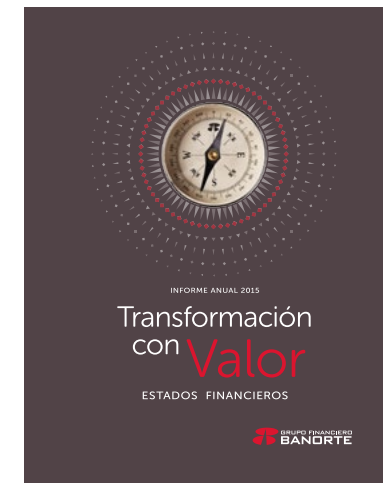
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### Methodology

GFNorte is at the forefront in reporting using both the IIRC and GRI methodologies, detailing our actions in 2015, guided by evaluation of intangibles and a vision for the future in our most important operations.



We use the GRI methodology to report on our economic, social and environmental performance. Currently we report using the G4 version, given the optimum attachment to this methodology and the correct implementation of the results of our materiality study.



We incorporated the IIRC framework into to our annual report in order to improve the quality of information and have a more complete approach to the factors that affect our ability to create value over time.



We adhere to this initiative that promotes the implementation of ten principles of action in the areas of human rights, labor, environment and anti-corruption.



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CapitalIntellectual  
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