Independent Auditors' Report

To the Secretaría de la Función Pública and
Board of Directors of
Banco Nacional de Comercio Exterior, S. N. C.,
Institución de Banca de Desarrollo and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Banco Nacional de Comercio Exterior, S. N. C., Institución de Banca de Desarrollo and Subsidiary (the Bank) which comprise the consolidated balance sheets as of December 31, 2016 and 2015, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended and the notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying Bank's consolidated financial statements as at December 31, 2016 and 2015, and for the years then ended, are prepared in all material respects, in accordance with accounting standards applicable to credit institutions issued by Comisión Nacional Bancaria y de Valores (CNBV).

Bases for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Bank in accordance with the Ethics Standards of Mexican Institute of Public accountants together with other requirements applicable to our audits in Mexico. We have fulfilled our other ethical responsibilities in accordance with those requirements and standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter

Allowance for loan losses.
 	
As mentioned in Notes 3.h and 9, the allowance for loan losses of Ps.3,730 million pesos is based on an expected loss model for the following twelve months and it is determined as per the Bank's methodology based on rules established by the CNBV for leding institutions for the purpose of classifying and rating loan portfolios, which require identifying the probability of default, the severity of the losses and the exposure to default of each type of loan. In identifying the foregoing, the rules in question establish a method for rating and classifying different types of loan portfolios that include a number of qualitative and quantitative factors, such as: i) in relation to consumer loans (personal loans) the possibility of default, potential losses, credit risk and guarantees received, if any; ii) in relation to housing loans (mortgages), the periods of late payment, the possibility of non-payment and the potential net loss of guarantees received; and iii) in relation to commercial loans, the rules focus on the assessment of the debtor's capacity to repay the loan (including country risk, financial risk, industry risk and payment history), as well as the assessment of the respective guarantees.
 	
Our work mainly focused on this caption due to the significance of the book value of the loan portfolio and the allowance for loan losses, and because the process for determining the allowance for loan losses is complex as it involves different input data on credit risk, as described in the preceding paragraph.
 	
We specifically focused our audit work on: i) the integrity and accuracy of key input used in the models, such as: payment experience, late-payment days, amounts payable, guarantees, credit history, quitclaims, write-offs, reorganizations, and financial information, among others, and ii) compliance with the applicable CNBV rules.
	The following procedures where are applied as part of our audit:
	
	• We evaluated the design and operating effectiveness of the controls over the process for classifying and rating the loan portfolio and determining the allowance for loan losses per type of loan, mainly in relation to the model and accuracy and integrity of key input data used to determine the allowance for loan losses and the transfer of data from the source systems in which the reserve is calculated to the accounting records.
	
	• We compared the model used by the Bank for determining the allowance for loan losses based on the model approved by the CNBV.
	
	• Through selective testing, we evaluated the key input data as follows:
	
	  • The amount payable and late-payment days matched against the portfolio system.
	
	  • Borrower credit history, quitclaims, write-offs and reorganizations in relation to other lending institutions were matched to the credit bureau report.
	
	  • The fair value of the guarantees offered to the Bank by borrowers was matched against the appraisal requested by management, which was prepared by an independent third party.
	
	  • Recent borrower financial information was matched against the financial statements used at the rating date.
	
	  • Quitclaims, write-offs and reorganizations were matched against specific evidence, such as arrangements made with the client establishing the new features of the loan, which were approved by high-raking officers.
	
	  • In preparing a sample of the loan portfolio, our experts reprocessed the respective calculation considering the CNBV rules and the aforementioned input data.

Responsibilities of Management and those charged of the Bank's Governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with accounting standards applicable to credit institutions in Mexico issued by CNBV and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern issues and using the going concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Bank´s financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Banks's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and Subsidiary to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank and Subsidiary audit. We remain solely responsible for our audit opinion.

We communicate with those charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, S. C.

C.P.C. Nicolás Germán Ramírez
Audit Partner

Mexico City, February 24, 2017