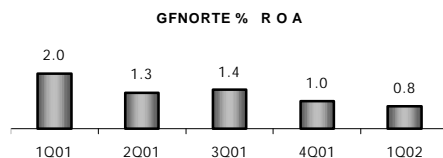
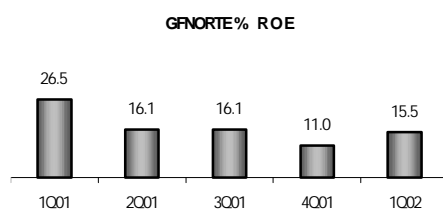
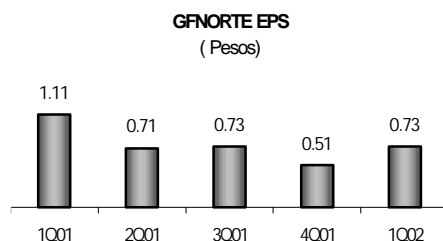
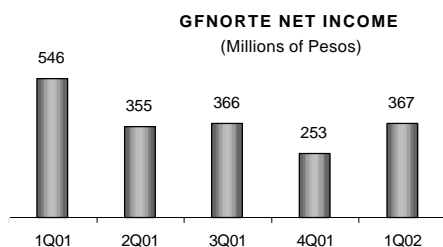


GFNorte generates a net profit of Ps 366.5 million for the quarter.



GRUPO FINANCIERO BANORTE

- GFNorte's **profit** for 1Q02 was Ps 366.5 million, 44.8% higher than that of 4Q01.
- In the period, GFNorte reached a 15.5% **ROE**, which compares favorably versus the 11.0% of 4Q01. This was achieved despite the interest rate drop.
- The Banorte-Bancrecer **merger** took place on March 31, 2002.
- GFNorte's trading volumes**, increased from 916 thousand shares per day, for USD 1.7 million in 2001, to 1.4 million shares for USD 3.3 million in March 2002.
- GFNorte's **market cap** has been steadily on the rise since acquiring Bancrecer, reaching levels over USD 1.3 billion toward the end of April 2002.

BANKING SECTOR

- As part of the commercial **credit promoting** strategy, Banorte signed a loan risk participation agreement with Nacional Financiera which sets aside Ps 2.4 billion in financing funds for small and medium-size companies.
- Banorte, New Holland de México and FIRA confirmed their decisive participation in Mexico's rural sector by financing agriculture technology.
- Banorte signed a **strategic alliance** with MoneyGram for money transfers from the U.S. to our country.

OTHER SECTORS

- Profits in the **Long-Term Saving** Sector increased by 584% compared to 4Q01, mainly because of the substantial Afore and Leasing contributions for Ps 42.8 million and Ps 26.7 million, respectively.

Contacts:

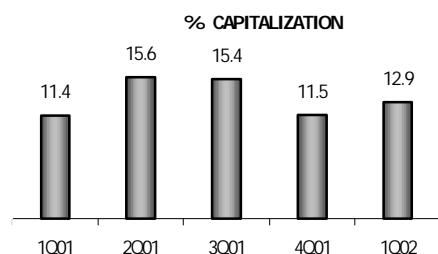
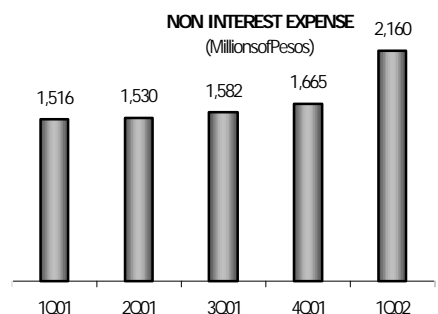
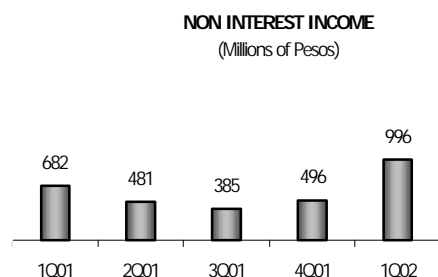
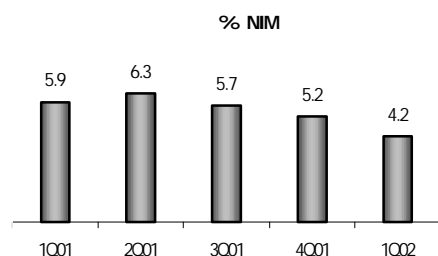
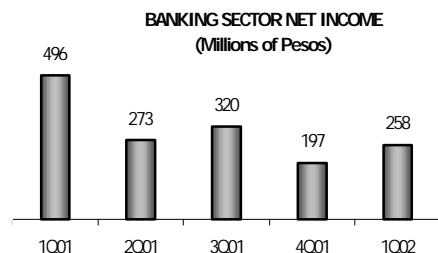
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Highlights

BANKING SECTOR



Net Income

The Ps 258.1 million profit accumulated in the quarter (excluding the Afore), 31.1% greater than that of the previous one, was the result of a substantial increase in the total net income, which was much greater than the increase in non-interest expenses.

Net-Interest Margin

The Net-Interest Margin before Repomo, fell from 5.2% in 4Q01 to 4.2% in 1Q02 principally because of the Bancrecer-Banorte merger, as the latter has assets that generate a lower Net-Interest Margin. Additionally, the 28-day TIIE averaged a quarterly drop of 0.60%, which lowered the returns on the IPAB portfolio.

Non-Interest Income

The quarter's Non-Interest Income was 100.9% higher than in the previous quarter because of the contribution from Bancrecer, and a considerable increase in Trading Income and Service fees.

Non-Interest Expense

The Non-Interest Expense increased 29.8% in the quarter because of the Bancrecer merger, although part of the benefits of the synergies of this integration have already become apparent. Such is the case of Banorte's expense per branch, which was Ps 3.6 million in 4Q01, and after Bancrecer's integration, fell 48% to Ps 1.9 million.

Capitalization

The quarter closed with a 12.9% Capitalization ratio vs. 11.5% of the previous quarter due to Bancrecer's incorporation and also to the accumulated earnings of the quarter. This level, which is higher than the minimum established by the authorities, sets the foundation of a sound growth platform.

Loan Portfolio

At the close of March 2002, the Banking Sector portfolio's balance was Ps 135,897 million, a 65.1% increase over December 2001, due to Bancrecer's incorporation and to Banorte's loan growth strategy, highlighting a Ps 5,899 million increase in Housing, Ps 3,829 million in Commercial, and Ps 839 million in Consumer.

Asset Quality

The Banking Sector closed the quarter with a Ps 4,578 million past-due loan balance, resulting in a past-due loan ratio of 3.4%. Loan reserve coverage reached 116.1%

Executive Summary

GFNORTE

GFNorte and its subsidiaries showed a Ps 366.5 million profit during the first quarter of the year, 44.8% greater than in the fourth quarter last year. This was due mainly to the higher contributions of the Banking, the Brokerage, and the Long Term Savings sectors of the Group. This enabled an average Return on Equity (ROE) of 15.5%.

The Banco Mercantil del Norte - BanCreceer merger took place in March, once the stockholders' meetings of both banks to approve the merger were held. Banorte's results for the first quarter include BanCreceer figures.

GFNorte's Assets under Management by the close of March 2002 amounted to Ps 314,724 million. Said assets include: deposits, on behalf of third party deposits and mutual funds of the Banking Sector, and Brokerage House and AFORE assets under management.

The Banking Sector accounted for 70% of GFNorte's total profit during this year, generating Ps 258 million, which is 31.1% greater than in 4Q01 and a 13.0% ROE. The contributions to profit by the other sectors in the first quarter this year were as follows: Brokerage Sector, Ps 23.5 million; Long-Term Saving Sector, Ps 72.5 million; and the Auxiliary Organization Sector, Ps 14.2 million.

BANKING SECTOR

By March 2002, the Banking Sector demand deposits showed a balance of Ps 48,632 million. Total Deposits ended the quarter with a Ps 193,879 balance, thereby raising our market share in deposits from 8 to 12%.

The Loan Portfolio of the Banking Sector amounted Ps 135,987 at the end of March. Performing Loans ended the period with a Ps 131,319 million balance, a 66% increase over those of 1Q01, due to BanCreceer merging and also to new commercial and consumer loans in Banorte. Our loan strategy directs placement efforts toward the commercial and consumer portfolios, considers loan granting to the Corporate segment under certain profitability criteria, and promotes collecting on Recovery Banking- managed loans. Commercial loans reached Ps 13,644 million, 39% higher than in 1Q01; Mortgage loans went from Ps 1,863 million to Ps 8,597 million in the last twelve months, a 361% increase vs. 1Q01, influenced in part by the incorporation of over, Ps 5,500 million in BanCreceer's mortgage loans. Auto loans ended the quarter with a Ps 1,835 million balance, a 176% growth in one year. The success in growing Consumer loans in Banorte was based in its fixed interest rates schemes for Mortgage and Auto loans and also for Credit Cards, as well as a proactive attitude and service quality of the sale force. Corporate loans fell by 1.9% while the Recovery Banking portfolio dropped 16% in the course of one year, in keeping with the assumed strategy.

As part of a strategy to promote commercial and business loans, last April 19 Banorte signed a loan risk participation agreement with Nacional Financiera for up to Ps 1.2 billion, which will designate Ps 2.4 billion to financing for the small and medium-sized companies. Accordingly, Banorte will launch a new product -CrediActivo Empresarial- under a parametric loan assessment scheme and loans for up to Ps 10 million. On the other hand, during April, Banorte, New Holland de México and FIRA confirmed their decisive participation in Mexico's rural sector, providing agriculture technology support. During 2001, this alliance made it possible to grant 1,495 loans, for an equivalent of Ps 270 million benefiting 3,208 farmers.

As to the assets quality, the Banking Sector closed March with Ps 4,578 million in past-due loans, resulting in a 3.4% past-due loans ratio. The loan reserve coverage for this portfolio was 116.1% at the close of March 2002. These indicators improved substantially after the BanCreceer acquisition.

Non Interest Income grew by 101% between 4Q01 and 1Q02, fueled by the BanCreceer consolidation, by the new service fees, by the volume increase, and by an increase in trading income tied to descending interest rates.

By March 2002, the Banking Sector's operations expense showed the benefits of the cost reduction efforts from BanCreceer integration. As a sample of this, the total expense per branch decreased from Ps 3.3 million in 1Q01 to Ps 1.9 million in 1Q02, a 43% reduction, after integrating BanCreceer.

The capitalization ratio reached 14.7% for Banorte, considering only credit risk, and 13.6% adding market risk. These ratios already include the merger with BanCreceer. Bancentro, on the other hand, reached 20.2% and 10.2%, respectively. The above has enabled the Group Banking Sector to reach a capital ratio of 12.9% considering loan and

market risks. These levels are higher than the minimum established by the authorities and give GFNorte's Banking Sector a sound growth platform.

Last April 16, Banorte signed a strategic alliance with MoneyGram for money transfers from the U.S. to our country. This important market is currently estimated at USD 8.0 billion annually. MoneyGram Payment Systems, Inc. is a subsidiary of Travelers Express Company, a leading money transfer business with over 50,000 branches in 150 countries around the world.

Bancrecer's integration has substantially increased the delivery channels, which will enhance current and future customer service. By March 31, 2002 the distribution network was integrated as follows: 1,158 branches, 2,591 ATMs, 14,984 point of sale terminals, 8,896 companies with electronic payroll service, and 17,563 companies with PC Banking services.

BROKERAGE SECTOR

The Group's Brokerage Sector generated Ps 23.5 million in accumulated profit during the first quarter of 2002; 88% higher than in the same period last year, as a result of the securities position strategy followed to profit from a decreasing interest rates, and to an increase in the client portfolio. Mutual Funds administration was taken back from Bancen to the Brokerage House beginning 2002, which also contributed to the quarters profit. Up until March, Banorte Brokerage House has a total portfolio of Ps 105,219 million in custody, 38.7% greater than that in the same period of 2001.

LONG TERM SAVINGS SECTOR

In the Long-Term Saving Sector, the number of Banorte-Generali Afore affiliates has continued to increase, numbering 2,445,539 affiliates. Banorte-Generali AFORE still has one of the lowest affiliation costs in the industry and holds a market share that went from 8.9% in March 2001 to 9.2% in March this year. Assets under management rose to Ps 15,518 million by March 2002, 50.9% higher than in the same period last year. In the Insurance business, the total assets increased by 17.6% during this period, while the Pensions company showed a considerable 50.3% asset increase vs. the same period.

The accumulated first quarter profit for GFNorte, derived from the Long-Term Savings Sector companies was Ps 72.5 million, 784% greater than in the same period last year, thanks to a greater and better quality of affiliations in the Afore to mark to market gains in the Insurance and Annuities companies, to a sales increase, and to a better claim process administration in the Bankassurance. The latter was possible thanks to the acquisition of the claim service department to Generali Mexico in 2Q01.

AUXILIARY ORGANIZATIONS SECTOR

The Auxiliary Organization Sector's first quarter accumulated profit was Ps 14.2 million. Highlighting the 38.9% growth in the Leasing company's portfolio vs 1Q01, as well as a 3.3% to 2.8% decrease in its past-due loan ratio. On the other hand, Factor Banorte (the Factoring Company) increased its portfolio by 10.1% in the same period.

BANCRECER'S INTEGRATION

The Banorte-Bancrecer integration is in progress and in keeping with the established program.

During the first quarter, research was done to determine **the technological and operation platform** to use for the integrated bank. It was concluded that the basic deposit and loan operations would best be handled in BanCrececer's Altamira platform, whereas for the added value applications such as accounting, Call Center, Risk Management, etc., the best option was to keep Banorte's current systems. In order to enhance operation efficiency, both **computer centers** were integrated in the BanCrececer facilities in Tlalpan, D.F., and the central processors of both institutions were replaced for other larger capacity equipment.

The **inter-operation** project, which consists of being able to handle the main banking transactions indistinctly in either bank's network, became operative as of April 22. In this context, the BanCrececer **re-branding** started this month and is estimated to be completed by the second quarter this year.

The **products and services** offered by both branch networks have been standardized in a single offer of products that will be implemented as the technological integration progresses.

As to **operative integration**, during the quarter, the cash concentration and distribution centers have been

consolidated, and the clearing home processes, credit control departments and the securities custody departments have been unified. There is also great progress in electronic products as credit and debit card operations, ATMs and point of sale terminals have already been consolidated, thereby enhancing operation efficiency and lowering costs.

During the quarter, the first organizational level, integrated by General Directors, was defined, absorbing all Bancrecer's functions with the same structure. The efforts in establishing synergies and improving **operative efficiency** during the first quarter of the year include a new branch network organizational structure in which Territorial and Regional offices are responsible for both Banorte and Bancrecer offices indistinctly. On the other hand, by March 31 the BanCreceer staff was reduced by 1,093 positions, which translates into a Ps 16.2 million monthly reduction in payroll, 24% less than the amount spent in November 2001. Banorte, on the other hand, laid off 426 employees, for a monthly payroll savings of Ps 5.5 million. Estimated Personnel Expense savings for the rest of 2002 amount Ps 342 million for the new merged Institution. There will be additional cutbacks principally as other branches will be closed down.

During the quarter, the BanCreceer head office building located on Reform in Mexico City was sold, and most of the personnel working there were relocated to the building that stands beside Banorte's current corporate office building in that city, which was purchased for this purpose. The purchase-sale operations of both buildings had a net impact of releasing funds for over Ps 110 million. Moreover, of the 105 **branch shutdowns** scheduled for this year, thirty were followed through by March 31. The remaining 75 branches will be closed in the second quarter of the year.

GFNORTE EVOLUTION SHARE

The operative behavior and price of GFNorte shares in the market over the last months is encouraging as it reflects an interest in and acceptance of our strategies and plans for the financial community.

While GFNorte's market operations in 2001 averaged 916 thousand shares per day –equivalent to USD 1.7 million; this average in March this year was 1.4 million shares a day for a total of USD 3.3 million.

The market cap of Grupo Financiero Banorte has been steadily on the rise since September last year, which was when Bancrecer was acquired, and reached levels over USD 1.3 billion towards the close of April this year.

Grupo Financiero Banorte

Grupo Financiero Banorte Earnings (Millions of Pesos)	QUARTER		
	1Q01	4Q01	1Q02
G. F. Banorte [holding]	5.7	14.2	(1.8)
Banco Mercantil del Norte (1)	257.3	75.2	147.6
Banco del Centro	238.6	121.6	110.4
Banking Sector	495.9	196.8	258.1
Brokerage Sector (Brokerage House)	12.5	17.2	23.5
Afore	32.8	15.4	42.8
Insurance	(19.6)	(0.6)	26.7
Annuities	(5.1)	(4.3)	3.0
Long-Term Saving Sector	8.2	10.6	72.5
Leasing	7.0	6.1	4.6
Factoring	13.0	4.3	5.0
Warehousing	2.1	2.2	2.1
Bonding	1.4	1.6	2.6
Auxiliary Organization Sector	23.4	14.2	14.2
Total	545.8	253.0	366.5

1) 96.11% owned by GFNorte.

GFNorte Income Statement (Millions of Pesos)	QUARTER		
	1Q01	4Q01	1Q02
Net Interest Income (NII)	1,688.3	1,383.8	1,864.7
+ REPOMO-Margin	7.1	20.1	26.5
= NET Interest Income after Repomo	1,695.4	1,404.0	1,891.2
- Loan Loss Provisions	181.1	191.4	161.6
- Loss Sharing Provisions	76.8	16.7	1.9
=Net Interest Income after Provisions	1,437.4	1,195.9	1,727.8
+ Non Interest Income	918.9	721.3	1,310.1
= Total Operating Income	2,356.3	1,917.3	3,047.9
- Non Interest Expense	1,703.9	1,913.6	2,416.2
= Net Operating Income	652.4	3.6	631.6
+ Non Operating Income (Expense) Net	68.5	306.6	(136.7)
= Pre-tax Income	720.8	310.3	495.0
- Income Tax & profit sharing	20.0	29.4	37.5
- Tax on asset	1.9	6.5	21.1
- Deferred Income Tax & profit sharing	108.5	(0.6)	73.3
= Net Income before Subsidiaries	590.4	274.9	363.1
+ Undistributed Earnings of Subsidiaries	(1.9)	(5.5)	50.3
=Net Income-contin. Operation	588.6	269.5	413.5
+ Extraordinary Items, net	-	-	-
- Minority Income	42.8	16.5	47.0
=Total Net Income	545.8	253.0	366.5

Figures are presented in constant pesos set at the close of March' 2002.

Group's Balance Sheet Highlights			
<i>(Millions of Pesos)</i>	1Q01	4Q01	1Q02
Performing loans excluding Fobaproa – IPAB (1)	29,953	34,309	42,540
FOBAPROA Loans	49,641	45,715	90,544
Past Due Loans	4,437	4,566	4,636
Total Loans	84,031	84,590	137,720
Loan Loss Reserves	4,447	4,542	5,337
Total Assets	108,050	106,526	171,905
Deposits	72,905	76,356	128,401
Equity	9,123	9,963	10,456
Assets under Management (2)	202,494	236,518	314,724

1) Excludes Fobaproa-IPAB notes and loans to IPAB that are accounted in the Loans to Government Entities line.

2) Includes Deposits, On behalf of Third Parties Deposits and Mutual Funds of the Banking Sector, Assets under management of the Brokerage Sector and those of the Afore.

GFNorte Share Data	1Q01	QUARTER 4Q01	1Q02
Net Income per Share <i>(Pesos)</i>	1.11	0.51	0.73
Dividends per Share <i>(Pesos)</i>	-	-	-
Book Value per Share (1) <i>(Pesos)</i>	16.90	18.31	19.19
Shares Outstanding <i>(Millions of Shares)</i>	492.8	500.1	500.7
Price <i>(Pesos)</i>	14.97	19.10	21.41
P/BV <i>(Times)</i>	0.90	1.04	1.12
Market Cap <i>(Millions of Dollars)</i>	785	1,036	1,188

1) Excluding Minority holdings.

Group's Financial Ratios	1Q01	QUARTER 4Q01	1Q02
ROA (1)	2.0%	1.0%	0.8%
ROE (2)	26.5%	11.0%	15.5%
Efficiency Ratio (3)	75.2%(5)	94.9%	83.9%
Efficiency Ratio (w/o Depreciation & contributions to IPAB) (4)	66.9%(5)	83.1%	72.0%
Past Due Loans to Total Loans	5.3%	5.4%	3.4%
Loan Loss Reserves to past Due Loans	100.2%	99.5%	115.1%

1) Annualized earnings as a percentage of the average of end of the month assets over the period.

2) Annualized earnings as a percentage of the average of end of the month equity over the period.

3) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions - Trading Income)

4) (Non Interest Expense – Contributions to IPAB - Depreciation) / (Total Operating Income – Repomo Margin + Loan Loss Provisions-Trading Income)

5) Excludes from the Operating Income Ps 120 millions of extraordinary earnings.

Banking Sector

Banking Sector's Financial Ratios	QUARTER		
	1Q01	4Q01	1Q02
<u>Profitability</u>			
% Net Interest Margin	5.9%	5.2%	4.2%
ROA (1)	1.9%	0.8%	0.6%
ROE (2)	29.1%	10.2%	13.0%
<u>Operation</u>			
Efficiency Ratio (3)	77.7%(6)	96.8%	86.4%
Efficiency Ratio (w/o Depreciation & contribution to IPAB) (4)	69.2%(6)	85.4%	74.2%
<u>Assets Quality</u>			
% Past Due Loans w/o Fobaproa	12.9%	12.3%	10.1%
% Past Due Loans with Fobaproa	5.3%	5.5%	3.4%
Loan Loss Reserves to past Due Loans	100.4%	100.0%	116.1%
<u>Quarter Growths</u>			
Loans w/o Fobaproa	(2.3)%	13.4%	23.9%
Total Loans	(1.7)%	2.2%	65.1%
Traditional Deposits	1.5%	5.2%	68.0%
Total Deposits	6.2%	0.6%	56.6%
<u>Capitalization</u>			
% Tier 1 (5)	11.2%	8.4%	10.3%
% Total Capitalization Ratio (5)	11.6%	11.5%	12.9%

- 1) Annualized Net Income as a percentage of the average of end of the month assets over the period.
- 2) Annualized Net Income as a percentage of the average of end of the month equity over the period.
- 3) $\text{Non Interest Expense} / (\text{Total Operating Income} - \text{Repomo Margin} + \text{Loan Loss Provisions} - \text{Trading Income})$
- 4) $(\text{Non Interest Expense} - \text{Contributions to IPAB} - \text{Depreciation}) / (\text{Total Operating Income} - \text{Repomo Margin} + \text{Loan Loss Provisions} - \text{Trading Income})$
- 5) The Banking Sector Ratio is included for information purposes. A ratio for each bank is presented in the capitalization section.
- 6) Excludes from the Operating Income Ps 120 millions of extrarodinary earnings.

Information by Sectors

1.- Banking Sector

Income Statement	QUARTER		
(Millions of Pesos)	1Q01	4Q01	1Q02
Net Interest Income	1,592.8	1,292.8	1,788.9
+ REPOMO-Margin	13.9	38.0	34.8
= Net Interest Income after Repomo	1,606.6	1,330.8	1,823.6
- Loan Loss Provisions	180.7	191.0	161.5
- Loss Sharing Provisions	76.8	16.7	1.9
= Net Interest Income after Provisions	1,349.1	1,123.1	1,660.3
+ Non Interest Income	682.2	495.9	996.1
= Total Operating Income	2,031.2	1,618.9	2,656.4
- Non Interest Expense	1,515.7	1,664.7	2,160.3
= Net Operating Income	515.6	(45.7)	496.0
+ Non Operating Income (Expense) Net	70.0	291.2	(137.4)
= Pre-tax Income	585.6	245.4	358.7
- Income Tax & profit sharing	15.4	(48.4)	-
- Tax on asset	1.9	4.5	21.1
- Deferred Income Tax & profit sharing	68.1	75.8	78.1
= Net Income before Subsidiaries	500.2	213.5	259.6
+ Undistributed Earnings of Subsidiaries	39.8	0.3	47.2
= Net Income-continuous Operation	540.0	213.9	306.7
+ Extraordinary Items, net	-	-	-
Minoritary Income	-	-	(0.1)
=Total Net Income	540.0	213.9	306.8

First quarter Banking Sector profits in 2002 (including the Afore by the participation method), which include Bancrecer's contribution as of this year, were Ps 306.8 million, 43.4% higher than in the previous quarter due to an important increase in Total Operating Income, that greatly surpassed the Non Interest Expense increment (64% vs. 30%). The Net Interest Margin before Repomo rose 38.4% that includes a decrease in the IPAB loans and notes returns as a consequence of an average 60 bp decrease in the TIIE rate, as compared to 4Q01. The Loan Loss Provisions were lower than those of the previous quarter as Bancrecer's loan reserve surplus was taken advantage of ending the quarter with a higher reserve coverage index. The Non-Interest Income's substantial 100.9% increase was due to both Bancrecer's contribution and the increase in Service Fees and Trading Income. The Non-Interest Expense rose 29.8% because of Bancrecer's contribution to this sector having reached important improvements in the Personnel Expense as a result of laying off 1,519 employees. Other Products and Expenses dropped considerably compared to the previous quarter due to the creation of a precautionary reserve for Ps 100 million for securities mark to market, fewer cancellations of Diverse Creditors and Debtors, and other non-recurrent concepts that arose in 4Q01.

Net Interest Income

Banking Sector Net Interest Income (Millions of Pesos)	QUARTER		
	1Q01	4Q01	1Q02
Interest Income	8,640.6	4,201.6	5,429.4
Interest Expense	7,113.0	3,002.9	3,750.2
Loan Fees	69.0	103.8	119.8
Fees Paid	3.8	9.7	10.1
Net Interest Income before Repomo	1,592.8	1,292.8	1,788.9
Average Earning Assets	107,158	99,869	171,340
% Net Interest Margin (1)	5.9%	5.2%	4.2%

1) Annualized Net Interest Income (NII) to average total earnings assets for the period.

Net Interest Income (Millions of Pesos)	1Q01		4Q01		1Q02	
	BANORTE	BANCEN	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	4,216.7	52.1	2,351.7	1,039.5	3,784.6	1,034.4
Interest Income- repo agreement	2,156.4	2,215.3	124.5	685.5	21.7	587.4
Foreign exchange Valuation	-	0.1	-	0.4	0.9	0.4
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	-	-	-	-	-	-
Interest Income	6,373.1	2,267.5	2,476.2	1,725.4	3,807.2	1,622.2
Interest Expenses-dep.& funding	2,797.4	14.8	1,306.8	23.2	2,106.1	29.1
Interest expenses- repo agreement	2,538.1	1,749.7	894.8	751.7	984.8	616.1
Foreign exchange Valuation	2.1	-	10.8	-	-	-
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	9.4	1.5	2.2	13.3	12.6	1.6
- Interest Expense	5,347.0	1,766.0	2,214.7	788.2	3,103.4	646.8
Loan Fees	68.6	0.3	103.6	0.2	119.6	0.2
Fees paid	3.8	-	8.6	1.1	8.3	1.8
= Net Interest Income	1,091.0	501.8	356.6	936.2	815.0	973.8

The Net Interest Margin before Repomo of the Banking Sector rose 38.4% during the quarter as a result of Bancrecer's contribution in this Sector's earnings as of this quarter. There were two additional factors that influenced the Net Interest Margin, as detailed below:

- The 0.60% average drop in the 28-day TIIE, compared to that of the last quarter, had a negative effect on the IPAB portfolio returns as the IPAB loans for Bancen and Banpaís, as well as the IPAB promissory note for Bancrecer are referred to the 28-day TIIE rate.
- The Net Interest Margin percentage fell from 5.2% in 4Q01 to 4.2% in 1Q02 mainly because Bancrecer operates with a lower Net Interest Margin than that of Banorte, therefore both banks combined show a lower margin. The drop in the 28-day TIIE rate also took its toll on said Margin.

The Average Earning Assets increased by 71.6% in the quarter principally by adding those of Bancrecer, averaging Ps 171,340 million in 1Q02.

Non Interest Income

Non Interest Income (Millions of Pesos)	1Q01	QUARTER 4Q01	1Q02
+ Fund Transfers	9.4	16.0	38.1
+ Account Management Fees	75.1	59.8	152.4
+ Fiduciary	245.1	197.8	190.0
+ Credit Card	81.5	94.4	120.2
+ From Fobaproa	80.2	42.4	131.6
+ Other Fees	72.3	191.7	242.8
Fees on purchased services:	563.5	602.1	875.0
+ Fund Transfers	-	-	-
+ Other Fees	85.3	174.5	162.4
Fees Paid :	85.3	174.5	162.4
=Net Fees	478.2	427.6	712.6
+ Foreign Exchange	55.9	48.6	64.3
+ Securities- Realized gains	31.7	(20.0)	226.4
+ Securities- Unrealized gains	116.4	39.6	(7.1)
Trading Income	203.9	68.2	283.5
= Non Interest Income	682.2	495.9	996.1

The Non-Interest Income of the quarter rose 100.9%. This increase was due mainly to Bancrecer's contribution to earnings in this Sector. Other factors also contributed to this increase, as mentioned below:

Service Fees

- The Account Management Fees rose 154.9% in the period because of the new charge made to clients on checks issued and also to the tariffs revision as of February. Favorable results were immediately reflected. These new fees are included in this account.
- The Fees from Fobaproa increased by 210.4% over 4Q01, because of greater collecting on the Bancen and Banpaís Fobaproa portfolios during the quarter.
- The net fees charged to the IPAB for collecting on the Serfin account totaled, Ps 75.8 million vs. the Ps 91.2 million in the previous quarter, which represents a negative variation of 16.9%. However, the total Net Contribution increased by 6.7%, thus accumulating Ps 72.0 million in 1Q02.

(Millones de Pesos)	4Q01	1Q02
Fee Income (Fiduciary)	177.6	132.2
- Fee Expense (Other Fees Paid)	<u>86.4</u>	<u>56.3</u>
= Net Fees	91.2	75.8
- Interest Expense	8.3	2.3
- Other Expenses (Other Accounts)	15.3	1.6
= Net Contribution	67.5	72.0

Security Realized Gains

- The substantial security realized gains income, which was 315.7% greater than in the previous quarter, was a result mainly of the Security Realized Gains, as they were generated through higher margins in the Money Desk fixed income securities position taking advantage of the descending market interest rates. As to Security Unrealized Gains, there was a Ps 7.1 million loss in the mark to market of the securities position.

Non Interest Expense

Non Interest Expense (Millions of Pesos)	QUARTER		
	1Q01	4Q01	1Q02
Personnel Expenses	699.3	625.8	956.9
+Professional Fees	84.9	90.4	83.3
+Operation & Administration Expenses	362.0	485.7	561.8
+Rent, Depreciation & Amortization	169.3	176.6	288.6
+Tax other than income tax	105.7	195.7	118.3
+Contributions to IPAB	94.5	90.5	151.5
- Corporate Expense Recoveries	-	-	-
= Non Interest Expense	1,515.7	1,664.7	2,160.3

The Non-Interest Expense increased by 29.8% vs. 4Q01 because of Bancrecer's contribution to this Sector. This growth was less than half that of the Total Operating Income, due to considerable improvements in several Expense items are the result of the progress in integrating Bancrecer to Banorte in which 1,093 Bancrecer employees were dismissed mainly from central areas. Similarly, Banorte reduced its staff in the quarter by 426 employees, equivalent to 10% of its payroll. The benefits of the Bancrecer Expense Reduction were immediately reflected as the severance expenses were taken from the Integration Expense reserve created in Dec. '01.

The Operation and Administration Expenses also benefited in Banorte as several projects were completed at the closing of last year. Likewise, the Credit Card transaction volume dropped because 4Q01 includes the Christmas season and the consequent increase in credit card usage. Other Taxes decreased by 39.6% as Value Added Tax on investments of the previous year were paid in 4Q01, and there were several repossessed assets sales that also generated tax payments.

The Efficiency Ratio fell from 96.8% in 4Q01 to 86.4% at the closing of 1Q02 because of the considerable reduction in the period's expenses.

Non Operating Income (Expense) Net

Non Operating Income (Expense) (Millions of Pesos)	QUARTER		
	1Q01	4Q01	1Q02
+Other Revenues	95.2	196.4	74.4
+Foreign Exchange	-	-	-
+Recoveries	105.9	148.7	56.6
+Repomo-other revenues	(17.6)	(59.8)	16.5
=Non Operating Income	183.5	285.3	147.5
-Other Expenses	(109.5)	33.7	(226.1)
-Foreign Exchange	-	-	(1.7)
-Repomo-other expenses	(3.9)	(27.8)	(57.1)
=Non Operating Expense	(113.4)	5.9	(284.9)
= Non Operating Income (Expense) Net	70.0	291.2	(137.4)

The net result of the quarter for Other Products and Expenses was Ps 137.4 million negative, as compared with the positive Ps 291.2 million in 4Q01. This was due to the following factors:

- The creation of a Ps 100 million securities mark to market precautionary reserve in the quarter due to interest rate volatility. (Registered in Other Expenses line)
- A considerable reduction in the cancellation of Ps 81.0 million in Diverse Creditors accounts and Ps 46 million of a Diverse Debtors reserve decrease, as compared to the last quarter. These operations are registered in the Other Revenues and Other Expenses lines, respectively.
- The cancellation of Ps 75.5 million in amortizations from January to November of 2001 of an over-appraisal of a package of Repossessed Assets of IPAB in 4Q01, which were registered in Other Expenses and had a positive effect on this line in the last quarter.
- A Ps 34 million decrease in fees charged to the Banorte Brokerage House for the administration of mutual funds in Bancen, as they are again managed in the Brokerage House as of January 2002.

Loan Portfolio

Loan Portfolio (Millions of Pesos)	TRADITIONAL BANKING		RECOVERY BANKING		FOBAPROA		TOTAL	
	4Q01	1Q02	4Q01	1Q02	4Q01	1Q02	4Q01	1Q02
Commercial	21,272	22,258	1,930	1,861	-	-	23,202	24,119
Corporate	8,760	8,614	48	96	-	-	8,808	8,709
Commercial	12,334	13,414	1,879	1,763	-	-	14,214	15,177
Other	177	230	3	2	-	-	180	232
Financial Entities	596	601	-	-	-	-	596	601
Consumer	2,342	3,183	296	294	-	-	2,638	3,477
Credit Card	831	1,039	136	138	-	-	967	1,177
Auto	1,305	1,835	17	18	-	-	1,322	1,853
Other	206	309	143	138	-	-	349	447
Mortgages	2,586	8,597	3,876	3,765	-	-	6,462	12,361
Government Entities	3,695	4,785	10	9	35,758	35,385	39,463	40,179
Government Entities	3,695	4,785	10	9	-	-	3,705	4,794
IPAB	-	-	-	-	35,758	35,385	35,758	35,385
Fobaproa	-	-	-	-	9,957	55,160	9,957	55,160
Total	30,491	39,424	6,112	5,929	45,715	90,545	82,318	135,897
Total Loans w/o Fobaproa/ IPAB							36,603	45,353
Fobaproa / IPAB loans							45,715	90,544
Past Due Loans							4,519	4,578

The quarter closed with a Total Portfolio balance of Ps 135,897 million, which increased by 65.1% vs. 4Q01 mainly due to Bancrecer merger. The most significant increase to the Total Portfolio in descending order were: IPAB portfolio with Ps 44,829 million, Mortgages with Ps 5,899 million, Commercial with Ps 917 million, and Consumer with Ps 839 million.

The Traditional Banking portfolio rose Ps 8,934 million vs. 4Q01 because of Bancrecer's important contribution as well as new loan placements especially in the Consumer and Commercial portfolios.

With the Bancrecer merger, the Fobaproa-IPAB portfolio proportion rose from 55.5% to 66.6% in the Total Loan Portfolio.

The Past-Due Loans increased by Ps 59 million, equivalent to 1.3% in the quarter, mainly from Mortgage and Consumer Loans. The past due loan ratio decreased from 5.5% in 4Q01 to 3.4% in 1Q02 as a result of the positive contribution of Bancrecer that has a lower level of past due loans than Banorte.

As a part of the Commercial loan strategy, last April, 19, was subscribed an agreement with Nacional Financiera for financing up to Ps 2,400 million to small and medium size companies, sharing 50% of the risk each of the parties. This agreement will allow us to launch a new product called "Crediativo" for individuals and companies, under a parametric scheme for credits ranging from Ps 10,000 to Ps 10 million and from 1 to 5 year term.

Additionally, Grupo Financiero Banorte, New Holland de Mexico, and FIRA, a Mexican development fund for agriculture, reaffirmed their commitment to help in finance the rural sector in Mexico through the financing of technology for agricultural activities.

LOANS PORTFOLIO			
(Millions of Pesos)	1Q01	1Q02	% Growth
Commercial	9,811	13,644	39%
Mortgage and Consumer	3,180	11,780	270%
Mortgage	1,863	8,597	361%
Credit Card	493	1,039	111%
Auto	666	1,835	176%
Other	158	309	96%
Corporate	8,778	8,614	(2)%
Recovery Banking	7,023	5,929	(16)%

When comparing the loan portfolio of the quarter with that of 1Q01 we can see that the loan contribution of Bancrecer is congruent with the Banorte's loan strategy by bringing additional loans in:

- Commercial loans, which grew by 39% equivalent to Ps 3,833 million from which Banorte added Ps 1,429 million.
- Consumer loans increased 270% mainly due to an increase in Bancrecer Mortgage loans amounting to Ps 5,620 million, as well as Banorte's contribution of Ps 2,197 million in Mortgage and Auto loans resulting from promotional and sales efforts.
- Corporate loans had a decrease 2% decrease and the loan portfolio managed by the Recovery Banking decreased by 16% on a year-to-year basis.

Classified Loans

Category	COMMERCIAL (*)			MORTGAGE			CONSUMER			TOTAL		
	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve
A	20,830	72.1	160	7,998	66.8	54	2,699	76.8	13	31,526	71.0	228
B	2,038	7.1	350	1,892	15.8	112	393	11.2	39	4,324	9.7	502
C	1,113	3.9	382	620	5.2	193	67	1.9	30	1,801	4.1	606
D	41	0.1	29	1,464	12.2	1,025	64	1.8	47	1,569	3.5	1,101
E	2,020	7.0	1,995	-	-	-	291	8.3	290	2,311	6.3	2,285
Not Classified	2,856	9.9	-	-	-	-	-	-	-	2,856	-	-
Total	28,898	100.0	2,916	11,975	100.0	1,384	3,514	100.0	420	44,387	100.0	4,720
Excepted	-	-	-	-	-	-	-	-	-	92,552	-	-
Total	28,898	100.0	2,916	11,975	100.0	1,384	3,514	100.0	420	136,939	100.0	4,720

Note : Consolidated with UDIS. With March'02, per application of Report 1449,1460,1480 Y 14 of the CNByV (the National Banking and Securities Commission).

(*) Includes Financial Intermediaries, Government Entities, Irrevocable Lines of Credit and Signatures Guarantees Granted.

Loans Loss Reserves (LLR)

Loan Loss Reserves (Millions of Pesos)	1Q02		
	BANORTE	BANCEN	Total
PREVIOUS PERIOD END BALANCE	4,902	412	5,315
Provision taken in the period	131	20	151
UDI trusts transfers	62	(7)	55
Charge offs and discounts:			
Commercial Portfolio	(69)	(1)	(70)
Foreclosed assets	-	-	-
Consumer Portfolio	(1)	-	(1)
Mortgage Portfolio	(31)	(1)	(32)
	(101)	(2)	(103)
Cost of debtors support programs	(36)	(3)	(39)
Valuation and Others	(62)	-	(62)
LOAN LOSS RESERVES AT PERIOD END	4,895	420	5,315

(*) It does not include UDI trusts eliminations.

During the quarter, Ps 151 million were provisioned through the Income Statement and Ps 103 million were taken out through Charge offs and discounts related to Collections and restructuring of loans, from which Ps 70 million came from Commercial loans, Ps 1 million from Consumer loans, and Ps 32 million from Mortgage loans. The Loan Loss Reserve balance at the end of 1Q02 was Ps 5,315 million.

Reserve Coverage

Reserve Coverage			
<i>(Millions of Pesos)</i>	Past Due Loans	Reserves	Reserves/Past Due Loans
BANORTE			
Commercial	2,228	2,228	100.0%
Financial Intermediaries	-	-	-
Consumer	348	348	100.0%
Mortgage	1,680	1,680	100.0%
Government Entities	-	-	-
Surplus	-	639	-
Total Banorte	4,256	4,895	115.0%
BANCEN			
Commercial	186	186	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	-	-	-
Government Entities	137	137	100.0%
Surplus	-	97	-
Total Bancen	323	420	130.0%
Total Banking Sector	4,578	5,315	116.1%

The Reserve Coverage of the Banking Sector increased from 100.0% the previous quarter to 116.1% in 1Q02 due to the contribution of Bancrecer's surplus reserves. For Banorte the reserve coverage was 115.0% and 130.0% for Bancen. Both Banks have individual coverages of 100.0% for each type loan portfolio, with surpluses of Ps 639 million in Banorte and Ps 97 million in Bancen.

Deposits

Deposits			
<i>(Millions of Pesos)</i>	1Q01	4Q01	1Q02
Demand Deposits	25,404	29,842	48,632
Time Deposits	46,241	45,374	78,633
Bonds	1,400	1,315	1,330
Traditional Deposits	73,045	76,531	128,595
On behalf of Third Parties Deposits (*)	44,019	47,259	65,284
Total Deposits	117,064	123,790	193,879

(*) Accounted in Memorandum Accounts.

Total Deposits grew by 56.6% vs. 4Q01, mainly due to Bancrecer's merger. Traditional Deposits were the most benefited, by increasing 68.0% in the same period. The Traditional Deposit mix remained similar to that of the previous quarter, with a 38% contribution of Demand Deposits. The merging of Bancrecer had a minor effect on the Deposit cost since the peso currency Deposit cost of Banorte and Bancrecer are very similar. At December 2001 these costs were 28 Cetes rate -2.9 pp for Banorte and Cetes -2.8 pp for Bancrecer.

Capitalization

Capitalization (Millions of Pesos)	RULES OF 2003			
	4Q01		1Q02	
	BANORTE	BANCEN	BANORTE	BANCEN
Basic Capital	3,469	1,418	6,074	1,539
Supplemental Capital	1,821	-	1,940	-
Net Capital	5,290	1,418	8,014	1,539
Credit risk assets	42,083	7,896	54,526	7,611
Net Capital/ Credit Risk Assets	7.2%	18.0%	14.7%	20.2%
Total risk assets (1)	48,203	10,054	58,928	15,063
Tier 1	7.2%	14.1%	10.3%	10.2%
Tier 2	3.8%	0.0%	3.3%	0.0%
Total Capitalization Ratio	11.0%	14.1%	13.6%	10.2%

(1) Includes Market Risks. Without inter-company eliminations

Note.- The disclosure of capital and credit risk assets is included in the Notes to Banking Sector Financial Statements section.

Banorte strengthened its capitalization ratio as a result of the Bancrecer merging as well as for the accumulated profits of the quarter. At the close of 1Q02, Banorte presented a credit risk capitalization ratio of 14.7%, and 13.6% considering also market risks, with 10.3% of Tier 1 and 3.3% of Tier 2. Bancen, on the other hand, closed with a 20.2% ratio with respect to the credit risk assets, and with 10.2% including market risks. Its Tier 1 ratio was 20.2% and zero as for Tier 2.

US Dollar Assets and Liabilities

US Dollar Assets and Liabilities (Millions of Dollars)	4Q01		1Q02	
	BANORTE	BANCEN	BANORTE	BANCEN
Liabilities				
Retail Deposits	825.3 ⁽²⁾	-	1,198.0	-
Market Issues	260.4	-	246.1	-
Loans from Banks	183.2	-	173.9	-
Intergroup Funding	-	-	-	-
Development Banks	99.7	29.7	104.8	29.2
Cross Currency Swaps	128.5	-	125.2	-
Deferred payments	51.3	-	24.4	-
Loan Loss Reserves	96.1	2.2	131.0	1.8
Foreign Exchange Derivatives	61.1	-	56.3	-
Other liabilities	4.6	0.1	8.4	-
Total Liabilities	1,710.2	32.0	2,068.1	30.9
Assets				
Cash	18.2	-	26.4	-
Deposits on Foreign Banks	69.7	28.9	315.9	28.1
Intergroup Deposits	-	-	-	-
USCP	149.6	-	124.5	-
Remittances Securitization Trust	9.4	-	13.1	-
Investment portfolio	160.6	-	185.5	-
Loan portfolio	654.5	2.0	803.3	1.8
Fobaproa – IPAB Notes(1)	508.4 ⁽²⁾	-	500.7	-
Foreign Exchange Derivatives	102.4	-	73.8	-
Other assets	37.4	1.3	24.9	1.1
Total Assets	1,710.2	32.0	2,068.1	30.9

(1) The balance is net of Fobaproa checking accounts.

(2) Se realizó una corrección en el 4T01 por USD 43.8 millones, ya que faltó netear la chequera Fobapra en el Pagaré, por lo que se afectan los conceptos marcados con esta nota.

A 20.5% quarterly increase in the balance in dollars due to Bancrecer's contribution to end up with a USD 2,099 million balance. The liabilities concepts with greater growth were Retail Deposits, which increased 45.2%, and Loan Loss Reserves, 35.1%. As to Assets, the concepts with a more substantial increase were Deposits in Foreign Bank with a 248.9% increase, and Loan Portfolio, 22.6%.

Recovery Banking

Recovery Banking Income Statement		
<i>(Millones de Pesos)</i>	1Q01	1Q02
Net Interest Income	(10)	(3)
+ REPOMO-margin	-	-
= Net Interest Income After REPOMO	(10)	(3)
- Loan Loss Provisions	-	-
= Net Interest Income After Provisions	(10)	(3)
+ Fiduciary	219	74
+ Fobaproa Fees	80	132
+ Other Fees	28	89
Non Interest Income	326	295
= Total Operating Income	316	292
Non Interest Expense	127	156
= Net Operating Income	190	136
- Other Revenues and Expenses	-	-
= Pre-tax Income	190	136
- Income Tax & Profit Sharing	-	-
- Tax on Asset	-	-
- Deferred Income Tax & Profit Sharing	-	-
= Net Income before Subsidiaries	190	136
+ Undistributed Earnings of Subsidiaries	-	-
= Net Income-continuous Operation	190	136
+ Extraordinary Items, net	-	-
- Minority Income	-	-
= Total Net Income	190	136

The following table shows the amounts of assets managed by the Recovery Bank and the concepts where these assets are found, as well as the items where the income from each portfolio are registered

Assets Under Management	1Q02	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
<i>(Millions of Pesos)</i>			
Fobaproa-IPAB: Portfolios			
Banking Sector (1)	19,447	Out of balance trusts	Fees from FOBAPROA
Serfin	14,079	Serfin Trust	Fiduciary (3)
Reposessed assets	11,455	Out of balance trusts	Fobaproa fees and Fiduciary
	44,981		
Loans purchased to IPAB(2):	11,292	Sólida Administradora de Portafolios	Undistributed Earnings from Subsidiaries
Banking Sector Portfolio:			
Banking Sector (1)	5,758	Banorte's Portfolio	Net Interest Income
Reposessed assets	1,216	Banorte's Reposessed assets	Other Revenues and Expenses
	6,974		
Total	63,247		

(1) Includes the loan portfolios sold to Fobaproa by Bancen and Banpaís.

(2) Includes 5 packages.

(3) Departing 3Q01 this trust is consolidated and affects the following accounts: Interest Expenses, Fiduciary, Other Fees Paid, and Operation & Administration Expenses.

This section is intended to dimension the Recovery Banking business contribution to the Banking Sector. Recovery Banking has contributed substantially in the last years to the Banking Sector's earnings. However, it is important to mention that this contribution tends to be smaller as the Traditional GFNorte Banking Business is strengthened.

A breakdown of the Recovery Banking contribution to the earnings of said Sector is given below. The methodology was fine-tuned in order to show this contribution more clearly therefore some numbers change with respect to those included in previous reports.

The basis to calculate these figures were the assets managed by Recovery Banking which consist of: the loan portfolios ceded to Fobaproa by Bancen and Banpaís before being sold, the purchase of collecting rights of the Serfin

Figures are presented in constant pesos set at the close of March' 2002.

Portfolio for 4 years, and the portfolios bought to the IPAB. Additionally, it administrates own portfolio which, given its characteristics, have been transferred to be collected through the Recovery Banking.

Following are the Recovery Banking earnings as a percentage of the overall earnings of the Banking Sector:

Recovery Banking Contribution (Millions of Pesos)	ACCUMULATED	
	1Q01	1Q02
Traditional Banking Net Income	350	271 ⁽¹⁾
Recovery Bank Net Income	<u>190</u>	<u>136</u>
Banking Sector Net Income(*)	540	407⁽¹⁾
=% of Contribution	35.2%	33.4%

(*) Sector Banca al 100.0%

(1) Includes Ps 100 million of securities mark to market precautionary reserve.

The Recovery Banking contributed with Ps 136 million to the quarterly profits of the Banking Sector, equivalent to a 33.4% participation, which is a lower proportion when comparing to the 35.2% of 1Q01, due to an important growth of the Traditional Banking business.

2.- Brokerage Sector

Brokerage Sector (Millions of Pesos)	QUARTER		
	1Q01	4Q01	1Q02
Brokerage House			
Net Income	12.5	17.2	23.5
Equity	162.6	240.5	263.3
Total Assets	300.3	424.8	385.8
Assets under Management	75,877.1	97,017.3	105,218.7
ROE %	31.0%	28.9%	36.6%

The **Brokerage Sector** (Brokerage House) showed a Ps 23.5 million profit in 1Q02 because of, among other things, the income generated by mutual funds, which increased by 75%. This increase is due to the creation of Operadora de Fondos Banorte, S.A. de C.V. in December 2001 as a subsidiary of the Brokerage House. This new company is in charge of administrating the mutual funds promoted by the Institution, which during the first quarter acknowledged the income, which, up until last year, was registered in Banco del Centro, S.A.

As to the Institution's stock brokerage income, the first quarter closed with a sum of Ps 20.1 million, derived mainly from the year-to-date 15.5% recovery in the stock market and the increased operations volume in the Mexican Stock Exchange.

It is important to stress that the company has maintained strict control of its expenses, and this policy contributed to the profit in the quarter.

3.-Long Term Savings Sector

Long Term Savings Sector (Millions of pesos)	QUARTER		
	1Q01	4Q01	1Q02
Afore			
Net Income	64.3	30.2	83.9
Equity	1,104.6	1,125.3	1,200.3
Total Assets	1,280.4	1,377.0	1,427.5
Assets under Management (SIEFORE)	10,284.0	14,242.2	15,518.4
ROE %	23.7%	10.3%	28.7%
Insurance			
Net Income	(38.4)	(1.1)	52.4
Equity	85.7	138.7	191.5
Total Assets	1,420.8	1,482.2	1,670.5
Technical Reserves	1,124.5	1,249.5	1,343.4
ROE %	(155.2)%	(3.8)%	124.5%
Annuities			
Net Income	(9.9)	(8.4)	5.9
Equity	98.1	120.9	127.2
Total Assets	2,571.6	3,587.9	3,864.6
Technical Reserves	2,464.4	3,452.0	3,725.0
ROE %	(41.7)%	(27.7)%	18.1%

The **Afore** totaled a quarterly profit of Ps 83.9 million (51% for Bancen), 177.8% higher than that of 4Q01. This was due mainly to a 4% increase in assets under management as new affiliates were attracted by the promotion efforts. By the end of 1Q02, there was 2,445,539 affiliates, which represents a 9.2% market share. The profit variation with respect to the previous quarter is due to the business' cyclic nature as the employers' contributions are bimonthly, which means that two contributions are received in the 1st and 3rd quarters each year, whereas only one contribution is received in the 2nd and 4th quarters.

The **Insurance Company** totaled a Ps 52.4 million profit (51% for GFNorte) in 1Q02, 274% higher than in the previous year, due to an important increase in the premiums sold, to the release of Ps 14.0 million of claim reserves as a result of an efficiency improvement in the claim service operations, and to profits from the mark to market valuation.

The **Annuities** (Pensions) company accumulated a quarterly profit of Ps 5.9 million (51% for GFNorte) which compares very favorably with the Ps 8.4 million loss in the previous quarter. This variation is explained by the

important earnings from mark to market valuation gains, for Ps 16.0 million, as well as by an increase in premiums sold. The company currently ranks 5th in the industry with a 9.8% share in premiums sold.

4.-Auxiliary Organizations Sector

Auxiliary Organizations Sector (Millones de pesos)	QUARTER		
	1Q01	4Q01	1Q02
Leasing			
Net Income	7.0	6.1	4.6
Equity	128.3	127.6	132.2
Loan Portfolio(*)	564.0	739.9	783.3
Past Due Loans	18.5	20.7	22.2
Loan Loss Reserves	8.9	13.2	12.9
Total Assets	568.1	742.9	788.2
ROE %	22.4%	19.5%	14.0%
Factoring			
Net Income	13.0	4.3	5.0
Equity	184.2	133.7	138.7
Loan Portfolio	1,593.2	2,264.2	1,753.7
Past Due Loans	8.8	26.4	35.3
Loan Loss Reserves	8.8	8.7	8.6
ROE %	1,602.6	2,273.8	1,771.2
Total Assets	28.7%	12.6%	14.5%
Warehousing			
Net Income	2.1	2.2	2.1
Equity	53.6	60.4	62.4
Inventories(**)	172.9	161.7	238.0
Total Assets	284.2	220.4	299.3
ROE %	15.4%	14.9%	13.3%
Bonding			
Net Income	1.4	1.6	2.6
Equity	66.1	71.4	74.2
Total Assets	137.7	146.6	151.4
ROE %	8.6%	9.2%	14.1%

New Accounting Principles : Warehousing, Leasing & Factoring= Circular 1490

(*) Departing 2Q00 it includes operating lease.

(**) Accounted in Other Assets, Deferred charges and Intangibles account.

The **Leasing** Company accumulated a profit of Ps 4.6 million in the quarter, 24.6% less than in 4Q01 particularly because of the impact of falling interest rates on margins. The Total Portfolio was increased and has grown as a result of the promotional efforts undertaken. The past-due loan ratio remained at 2.8% in 1Q02. The quarter closed with a 58% reserve coverage. At present the company ranks 7th of the 29 leasing companies in the sector.

The **Factoring** Company generated a Ps 5.0 million profit in the quarter; 16.3% greater than in 4Q01 in spite of operating with lower margins. The Total Portfolio decreased by 22.6% as a result of the business' seasonal nature, which increases substantially at the end of the year. The past-due loans rose temporarily because one client fell behind but this situation will be normalized by 2Q02. The company currently ranks 1st among the 11 factoring companies in the system.

The **Warehousing** company obtained a net profit of Ps 2.1 million during 1Q02; very similar to last quarter's results. This profit was attained by working on inventory commercialization and direct national warehousing services, which have compensated for the decrease in its fiscal deposit services, which are still suffering the effects of the economic deceleration.

The **Bonding** generated a net quarterly accumulated profit of Ps 2.6 million, 62.5% greater than in the previous quarter, despite such factors as fewer construction projects, which caused a market contraction. This profit increase came from lower claims, and from the promotional efforts among smaller clients and the strict expense control.



ANNEXES

1. MACROECONOMIC ENVIRONMENT
2. GRUPO FINANCIERO – GENERAL INFORMATION
3. ACCOUNTING CHANGES AND REGULATIONS
4. FINANCIAL STATEMENTS
5. NOTES TO BANKING SECTOR FINANCIAL STATEMENTS

ANNEX 1. Macroeconomic Environment

An aura of optimism characterized the first quarter of 2002, which was due to the perception that the United States had started an economic recovery process. This optimism has not yet been reflected in the Stock Exchanges of our main commercial partner. NASDAQ fell by 5.4%, while the Dow Jones rose 3.8%. On the other hand, our Stock Exchange benefited greatly from the more favorable external and internal environment and rose 13.8% in the first quarter of the year.

Along with the stock market, the money market also did well. Interest rates have been kept low, averaging 7.23% in March (primary bid for Cetes at 28 days). This behavior is strongly backed up by the decreasing inflationary trend. In the first quarter of the year, the accumulated inflation rate was 1.37%, whereas in the last twelve months it registered 4.66% -very close to the 4.5% goal the Bank of Mexico had set for the whole year.

Quarterly inflation benefited from a deflationary month resulting from agricultural product behavior and a strong exchange rate. The latter showed a 1.2% appreciation in the first three months of the year, closing the quarter at 9.03.

The synchronous economic cycles of our country and the United States led Mexico to an inevitable recession in 2001. Likewise, this relationship will take the country to a recovery phase this year, as a result of a clear improvement of our main business partner.

There have been signs of a slight recovery in some economic indicators. Industrial production is still falling to increasingly lower rates. In the first two months of the year, it fell 2.6%, which compares favorably with the 4.1% drop in the fourth quarter of 2001.

Consumption (consumer spending), however, has not shown a clear recovery but is growing at positive rates. Following the 0.8% increase in retail sales in the last quarter last year, January registered a 0.4% increase.

In the external sector, exports continue to fall, albeit this drop seems to lose momentum as internal and external demands are showing signs of recovery. While exports showed a 11.7% drop in 4Q01, the reduction in January-February was 7.5%. Imports fell 7.3% in the first two months of the year, which is an improvement of the 10% drop in the last quarter of 2001.

After such a difficult year as 2001, recovery seems to be the trend for 2002. This gradual improvement in economic activity will be accompanied by a downward inflation trend, a strong exchange rate, and low and stable interest rates.

ANNEX 2 .-Grupo Financiero- General Information

GFNorte Ownership in Subsidiaries

	1Q02
Banco Mercantil del Norte (1)	96.11%
Banco del Centro	99.99%
Brokerage House	99.99%
Pension Funds Afore (2)	51.00%
Insurance	51.00%
Annuities	51.00%
Leasing	99.99%
Factoring	99.99%
Warehousing	99.99%
Bonding	99.99%

(1) As a result of merging Banpais in February, 2000.

(2) Subsidiary of Banco del Centro.

Holding Company Capital Structure

Number of Shares	SERIE O As of March 31, 2002
Number of shares issued	504,586,887
- Shares held on Treasury	3,838,663
= Number of shares outstanding	500,748,224

Banorte Ratings

Firm	Calificated Entity	Opinion	Category	Date
Moody's Investor	Banorte	POSITIVE	Outlook	Feb. 2002
		Baa2	LT Foreign Currency Deposits	
		D+	Modest Bank Financial Strength	
Standard & Poors	Banorte	P-2	ST Foreign Currency Deposits	Oct 2001
		NEGATIVE	Outlook	
		BB	LT Foreign Issuer Credit	
		BB	LT Local Issuer Credit	
Fitch	Banorte	B	ST Foreign Issuer Credit	January 2002
		B	ST Local Issuer Credit	
		STABLE	Outlook	
		BBB-	Foreign Currency LT Debt	
		BBB-	Local Currency LT Debt	
F3	Foreign Currency ST Debt			
F3	Local Currency ST Debt			
C/D	Individual-Foreign Currency			

No. of Employees & Distribution Network

EMPLOYEES	1Q01	4Q01	2Q02
Banking Sector	8,641	8,515	13,327
Other Sectors	<u>2,156</u>	<u>2,540</u>	<u>2,919</u>
Total Group	10,797	11,055	16,246
DISTRIBUTION NETWORK			
Branches (*)	458	459	1,158
ATM	1,468	1,610	2,591

(*) Includes banking modules and excludes 1 branch located in Cayman Island.

ANNEX 3 .-Accounting Changes and Regulations

Terms and Particular Features of the Merger Process.

The Secretaría de Hacienda y Crédito Público authorized the Banorte – Bancrecer merger, in which the latter is the merging company and Banorte is the merged company. The merging party thereby changed its name to “Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte”.

This merger is a reorganization or transaction between companies under common control, pursuant to the Generally Accepted Accounting Principles of the United States of America, which were complementarily applied in accordance with the Accounting Criteria for Financial Institutions referred to in Circulars 1448 and 1488, issued by the National Banking and Securities Commission.

Up to February 28, 2002, both Institutions issued separate financial statements. As of March 2002, a single financial statement is drawn up for the merged entity.

For this purpose, Banorte’s book balances of assets, liabilities and stockholders’ equity were transferred to Bancrecer, thereby proceeding to eliminate the inter-company operations between both Institutions.

There were no changes made to the accounting policies applicable to Financial Institutions as a result of the reorganization in question.

The following table summarizes the merger process, indicating the effect on financial statements as well as detailing the inter-company transactions that were eliminated.

	Banorte (before consolidation)	Bancrecer	Total	Intercompany Operations	Intercompany Operations	Balance of the Merged entity
				Debit	Credit	
Millions of pesos						
ASSETS	106,528	69,681	176,209		12,107	164,102
LIABILITIES	99,839	67,838	167,677	10,264		157,413
STOCKHOLDER'S EQUITY	6,689	1,843	8,532	1,843		6,689

As the above table shows, the remaining stockholders’ equity is that of Banorte, as it is the Holder of Bancrecer shares. The stockholders’ equity of the latter Institution is eliminated against Permanent Investment in shares that Banorte kept in its assets.

The stockholders’ equity of the merged company totals Ps 2,273,482,963.00 (Two billion, two hundred seventy-three million, four hundred eighty two thousand, nine hundred and sixty three Mexican pesos 00/100) represented by 22,734,829,630 ordinary nominative shares of the “O” series, for a nominal value of Ps 0.10 (ten cents Mexican Currency).

Bancrecer, S.A., as a result of the merger, cancelled the shares it had deposited in the Company Treasury which had not been paid.

The nominal value of each stockholders' equity representative shares was modified from Ps 100.00 (one hundred Mexican pesos 00/100) to Ps 0.10 (ten cents Mexican Currency).

Interbank Eliminations in Balance lines		
(Millions of Pesos)	Debit	Credit
Stockholder's Equity	1,843	
Investments in Subsidiaries		1,843
Interbank loans	10,201	
Cash and due from banks		10,201
Deferred Taxes (Liabilities)	63	
Deferred Taxes (Assets)		63

(The last registers were reclassifications only, in accordance to CNBV and accounting criteria for presentation)

Interbank Eliminations in Income lines		
Interest Income – Expense	Debit	Credit
(Millions of Pesos)		
Interest Income.- Loans & Securities	39.1	
Interest Expense.- Deposits & funding		39.1
Interest Income.- Repo agreements	0.7	
Interest Expense.- Repo agreements		0.7
Earnings of Subsidiaries	84.6	
Net Interest Income before Repomo		645.4
REPOMO – margin	11.1	
Loan Loss Provisions	11.6	
Non Interest Income		283.8
Non Interest Expense	789.0	
Non Operating Income (Expense)	22.9	
Tax on Asset	11.8	
Deferred Income Tax & Profit Sharing		1.3
Earnings of Subsidiaries		0.5

For comparability purposes, Bancrecer's quarterly figures appear consolidated in the corresponding accounts of Banorte's (merged) earnings statements. Therefore, to avoid duplicating figures, the profit that, by means of the participation method Banorte had registered as subsidiaries profit, is eliminated.

Reserves for Integration Expenses.-

In Official Document number 60-II-105587, dated December 11, 2001, the National Banking and Securities Commission authorized the creation in December 2001 of a Reserve for Integration Expenses against Capital Reserves for a total of Ps 678.1 million. Said provision contemplates the following concepts:

1. Reorganization

1.1 Restructuring Cost

The amount to cover the Bancrecer personnel severance pay to those laid off because of the organizational restructuring, product of the integration.

1.2 Outplacement Program

Fees to pay to specialized external advisors that will help the dismissed personnel to take on new productive activities on their own or to find new jobs.

1.3 Acquittance on loans made out to personnel laid off

Pursuant to internal policies, the Bank will grant an acquittance on the loans granted to the personnel subject to dismissal, 30% on commercial loans and 20% on mortgage loans.

2. Integration

2.1 Operative Integration

The necessary expenses to integrate all the branches into a single operative framework.

2.2 Re-branding

The necessary expenses to re-brand Bancrecer's branches, these expenses such concepts as indoor and outdoor painting, carpeting, sign make-over, and project coordination.

Also included are the expenses needed to uniform signage and image inside the branches.

2.3 Amortization of Installation Expenses due to branch shutdowns

Installation expenses incurred at the Bancrecer branches that will soon close down according to Banorte's strategic plan.

3. After Retirement obligations (medical service)

The actuarial study of medical service benefits up to January 1, 2000, showed accumulated debts for retirement benefits for a total of Ps 132.3 million. Banorte does not have the corresponding detailed actuarial calculation; therefore, a conservative adjustment of Ps 80.7 million has been included.

The amounts of each concept are:

	Inicial Balance	March 2002 changes	March, 2002 Balance
1. Reorganization	368.1	(111.8)	256.3
2. Integration	229.3	0.0	229.3
3. After Retirement obligations (medical service)	80.7	0.0	80.7
Total	678.1	(111.8)	566.3

If these reserves had not been created in December 2001, the operations in the current business year would have been registered directly and charged to earnings or to the loan loss provisions in the case of the credit discounts for laid-off personnel.

Deferred Taxes.-

Taxes are calculated on the fiscal income of the year, applying the fiscal regulation currently in effect. However, due to the temporary differences in acknowledging income and expense for accounting and fiscal purposes, as well as the differences in the book and fiscal balance accounts, Banorte (already merged) has acknowledged a deferred tax in its favor for Ps 835,769, that is made up as follows:

(Pesos)	2002		
	Temporary	Deferred	
	Differences	ISR	PTU
Loan Loss Provisions (not deducted)	Ps 3,162,772	Ps 1,106,970	Ps 23,107
Tax loss carryforwards	10,326	3,614	-

Figures are presented in constant pesos set at the close of March' 2002.

Deficit from retirement obligations	601,449	210,507	60,145
Tax on assets	-	-	-
Excess of fiscal on account value of foreclosed assets	171,050	59,868	-
	<u>Ps 3,945,597</u>	<u>Ps 1,380,959</u>	<u>Ps 83,252</u>

CONCEPT	2002		
	Temporary	Deferred	
	Differences	ISR	PTU
Excess of fiscal over account value of fixed assets and expenses, Intangible and Others	171,050	59,868	-
Accrued interest and inflationary effect on special CETES	Ps 1,560,845	546,296	42,320
Value market results	-	-	-
UDI trusts payable income tax	-	39,826	-
	<u>Ps 1,560,845</u>	<u>Ps 586,122</u>	<u>Ps 42,320</u>
Total Liabilities	<u>Ps 1,560,845</u>	<u>Ps 586,122</u>	<u>Ps 42,320</u>
Accumulated Net Effect	<u>Ps 2,384,752</u>	<u>Ps 794,837</u>	<u>Ps 40,932</u>
DEFERRED TAX			<u>Ps 835,769</u>

As a result of the modifications to the Income Tax Law (ISR), published on January 1, 2002, the ISR rate (35%) will be reduced annually as of 2003 until the nominal rate of 32% is reached in 2005. Consequently, this gradual reduction in Income Tax, in turn, will reduce the assets from deferred taxes in the same years, thereby affecting the year's earnings.

Pursuant to paragraph 28 of Bulletin D-4 of the Generally Accepted Accounting Principles, issued by the Mexican Institute of Public Accountants, the administration has made financial and fiscal projections based on conservative economic condition scenarios. They will enable recovery of the deferred asset tax with future fiscal profit within the normal course of operations of Banorte (already merged). Additionally, as mentioned in item (b) of the aforementioned paragraph, the right to deferred tax generated by Bancrecer's fiscal loss, which totals Ps 1,596,350, will be considered when there is a greater likelihood of having sufficient future taxable profits, as contemplated in the paragraph cited above.

In regard to the updated fiscal accounts balance related to the Stockholder's Equity, based on Bulletin D-4 paragraph 75, it is convenient to highlight that the deferred tax movements of the current year were not created against Capital accounts, and that fiscal accounts (Net Income and Updated Capital Contributions) were calculated according to the current fiscal regulations.

ANNEX 4 .- Financial Statements

HOLDING –Income Statement (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Income from Subsidiaries and	549	352	365	243	1,509	371				371
Interest Expense	-	-	-	-	-	-				-
Trading Income	-	-	-	-	-	-				-
Fees & Tarifs	-	-	-	-	-	-				-
REPOMO	(3)	(3)	(3)	(4)	(14)	(2)				(2)
Total Operating Income	546	349	362	239	1,495	369				369
Operation & Administrative expenses	-	1	1	1	2	-				-
Operating Income	546	348	361	238	1,493	368				368
Non Operating Income	-	8	9	17	35	-				-
Non Operating Expense	-	-	-	-	-	-				-
Non Operating Income	-	8	9	17	35	-				-
Pre-tax Income	546	356	370	255	1,527	369				369
Income Tax & Profit Sharing	-	-	-	-	-	3				3
Tax on Assets	-	1	23	2	27	-				-
Deferred Inc. Tax and Profit sharing	-	-	(19)	-	(19)	(1)				(1)
	-	1	4	2	7	2				2
Net income from Continuos	546	355	366	253	1,520	366				366
Extraordinary Items, net	-	-	-	-	-	-				-
Total Net Income	546	355	366	253	1,520	366				366

HOLDING -BALANCE SHEET (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	205	424	303	147	158			
Financial Instruments:								
Sundry debtors and other assets,net	45	2	-	35	44			
Real Estate, Furniture & Equipment, net	-	-	-	-	-			
Investments in subsidiaries	8,083	8,536	8,802	8,997	9,428			
Deferred taxes	-	-	1	-	-			
Goodwill	-	-	-	-	-			
Other Assets, Deferred charges, intang	1	1	1	-	1			
TOTAL ASSETS	8,335	8,963	9,106	9,178	9,631			
LIABILITIES								
Due to banks and correspondents	-	-	-	-	-			
Income Tax & Profit Sharing	-	-	5	6	8			
Other Payable accounts	5	-	11	0	-			
Other payable accounts	5	-	15	6	8			
Deferred taxes	-	-	-	12	15			
TOTAL LIABILITIES	5	-	15	18	24			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,868	4,908	4,885	4,895	4,898			
Share subscription premiums	1,342	1,417	1,395	-	1,425			
Subordinated Convertible Debentures	-	-	-	1,420	-			
Subscribed Capital	6,211	6,325	6,280	6,315	6,323			
Capital Reserves	780	975	894	938	949			
Retained Earnings	8,214	8,127	8,127	8,127	9,647			
Surplus (Deficit) from securities	-	-	-	-	-			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(5,003)	(5,003)	(5,005)	(5,009)	(5,009)			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm	(2,418)	(2,362)	(2,472)	(2,731)	(2,669)			
Adjustment in the employees pension	-	-	-	-	-			
Accumulated Deferred tax effect	-	-	-	-	-			
Net Income	546	901	1,267	1,520	366			
Earned Capital	2,119	2,638	2,811	2,845	3,284			
Total Stockholder 's Equity	8,330	8,962	9,091	9,160	9,607			
TOTAL LIABILITIES & STOCKHOLDER 'S	8,335	8,963	9,106	9,178	9,631			

MEMORANDUM ACCOUNTS OF HOLDING (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Client securities held in custody	2,868	2,829	2,810	2,945	2,915			
Other trust account items	14,374	14,182	114	112	111			
Total	17,242	17,011	2,924	3,058	3,026			

GRUPO FINANCIERO BANORTE—CONSOLIDATED INCOME STATEMENT (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	8,680	4,753	4,736	4,313	22,482	5,528				5,528
Interest Expense	7,057	2,971	3,266	3,023	16,316	3,733				3,733
Loan Fees	69	71	91	104	335	120				120
Fees Paid	4	4	5	10	23	10				10
Net Interest Income (NII)	1,688	1,849	1,556	1,384	6,478	1,865				1,865
Repomo-Margin	7	9	20	20	56	27				27
NII after Repomo	1,695	1,858	1,576	1,404	6,534	1,891				1,891
Loan Loss Provisions	181	446	169	191	988	162				162
Loss Sharing Provisions	77	53	25	17	171	2				2
NII after Provisions	1,437	1,359	1,382	1,196	5,374	1,728				1,728
Fund transfers	9	11	14	16	51	38				38
Account management	75	80	77	60	293	152				152
Fiduciary	245	117	428	198	988	190				190
Credit Card	81	86	85	94	347	120				120
Fees from FOBAPROA	80	84	63	42	269	132				132
Other fees	288	236	356	391	1,271	553				553
Fees on services,	779	614	1,023	802	3,218	1,185				1,185
Fund transfers	-	-	-	-	-	-				-
Other fees	82	78	319	170	648	170				170
Fees paid,	82	78	319	170	648	170				170
Foreign exchange	56	45	47	49	196	64				64
Securities –Realized gains	52	61	(16)	2	100	244				244
Securities- Unrealized gains	114	(14)	(100)	38	38	(4)				(4)
Market-related Income	222	91	(69)	89	333	304				304
Total Non Interest Income	919	628	635	721	2,904	1,320				1,320
Total Operating Income	2,356	1,987	2,017	1,917	8,278	3,048				3,048
Personnel	759	746	765	705	2,976	1,044				1,044
Professional Fees	86	73	87	92	339	85				85
Operation & Administrative expenses	458	568	528	608	2,162	687				687
Rents, depreciation and amortization	197	186	218	219	820	327				327
Taxes, other than income tax	109	108	104	199	520	121				121
Contributions to IPAB	94	87	89	90	361	152				152
Corporate expenses Recoveries	-	-	-	-	-	-				-
Non-Interest Expense	1,704	1,769	1,792	1,914	7,178	2,416				2,416
Operating Income	652	218	226	4	1,100	632				632
Other Revenues	158	320	266	394	1,138	248				248
Foreign exchange	-	-	-	-	-	-				-
Recoveries	107	175	86	149	517	58				58
Repomo-other revenues	(17)	72	52	(42)	65	17				17
Non Operating Income	248	567	404	501	1,720	322				322
Other Expense	(176)	(376)	(150)	(166)	(868)	(399)				(399)
Foreign exchange	-	-	-	-	-	(2)				(2)
Repomo-other Expenses	(4)	(8)	(14)	(28)	(53)	(58)				(58)
Non Operating Expense	(179)	(384)	(164)	(194)	(921)	(459)				(459)
Non Operating Income (Expense), net	68	183	241	307	799	(137)				(137)
Pre-tax Income	721	402	467	310	1,899	495				495
Income Tax	4	9	31	50	93	36				36
Profit sharing	16	40	(33)	(20)	3	2				2
Tax on Assets	2	5	27	7	40	21				21
Deferred Inc. Tax and Profit sharing	109	59	31	(1)	198	73				73
	130	113	56	35	335	132				132
Net Income before subsidiaries	590	288	410	275	1,564	363				363
Subsidiaries' net income	(2)	71	(4)	(5)	60	50				50
Net Income from continuous operations	589	360	406	269	1,624	413				413
Extraordinary items, net	-	-	-	-	-	-				-
Minority Interest	43	5	40	16	104	47				47
TOTAL NET INCOME	546	355	366	253	1,520	366				366

Figures are presented in constant pesos set at the close of March' 2002.

GRUPO FINANCIERO BANORTE— CONSOLIDATED BALANCE SHEET (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	8,121	8,031	8,873	7,758	16,761			
Negotiable Instruments	6,503	6,224	2,088	2,421	3,663			
Securities held for sale	1,839	1,640	1,274	1,067	916			
Securities held to maturity	1,316	1,369	1,417	3,070	3,855			
Financial Instruments:	9,658	9,232	4,779	6,559	8,435			
Repurchase agreements, net	175	215	121	159	146			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	5	50	8	15	25			
Repos & Derivatives :	180	266	129	175	171			
Commercial	20,843	18,903	19,843	23,377	23,931			
Financial Intermediaries	67	61	115	90	70			
Consumer	1,303	1,436	1,724	2,391	3,198			
Mortgage	4,218	4,291	4,442	4,743	10,543			
Government Entities	40,692	40,322	39,762	39,466	40,182			
Fobaproa	12,470	11,801	12,006	9,957	55,160			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	79,594	76,813	77,893	80,024	133,084			
Commercial	1,824	2,177	2,461	2,518	2,461			
Financial Intermediaries	-	-	-	-	-			
Consumer	652	324	316	329	358			
Mortgage	1,960	1,851	1,773	1,719	1,817			
Government Entities	-	-	-	-	-			
Past Due Loans	4,437	4,352	4,550	4,566	4,636			
Total Loans	84,031	81,165	82,442	84,590	137,720			
Preventive loan loss reserves	4,447	4,342	4,543	4,542	5,337			
Net Loan Portfolio	79,584	76,823	77,899	80,049	132,383			
Credit Assets Portfolio	-	-	2,435	2,581	2,388			
Sundry debtors and other assets, net	2,382	2,487	1,146	1,280	1,726			
Foreclosed assets, net	1,511	1,551	1,511	1,370	1,337			
Real Estate, Furniture & Equipment, net	3,420	3,369	3,531	3,662	5,556			
Investments in subsidiaries	965	990	1,003	1,001	1,139			
Deferred taxes	639	664	680	718	574			
Goodwill	-	-	-	-	-			
Deferred charges & Intangibles	1,590	1,421	1,383	1,372	1,435			
UDIS Mortgage loans reserve coverage	-	-	-	-	-			
Other Assets	10,507	10,481	11,690	11,985	14,154			
TOTAL ASSETS	108,050	104,833	103,369	106,526	171,905			

GRUPO FINANCIERO BANORTE – CONSOLIDATED BALANCE SHEET*(Millions of Pesos)*

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	25,381	25,964	26,428	29,814	48,596			
Time Deposits	46,124	49,882	44,631	45,227	78,476			
Bonds	1,400	1,348	1,367	1,315	1,330			
Deposits	72,905	77,193	72,426	76,356	128,401			
Demand	4,380	8	20	2,539	1,430			
Short term	9,232	4,288	7,672	4,988	13,738			
Long term	10,008	9,907	9,608	8,803	12,535			
Due to banks and correspondents	23,619	14,203	17,301	16,330	27,703			
Repurchase agreements, net	52	105	132	108	66			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	21	2	40	10	-			
Repos & Derivatives:	73	107	172	118	67			
Income Tax & Profit Sharing	293	110	107	30	43			
Other Payable accounts	1,928	2,003	2,007	2,327	3,799			
Other payable accounts	2,221	2,113	2,114	2,357	3,842			
Subordinated non Convertible Debenture	-	1,349	1,377	1,350	1,377			
Deferred Taxes	-	-	-	-	-			
Deferred credits	109	107	55	52	60			
TOTAL LIABILITIES	98,927	95,072	93,445	96,562	161,449			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,868	4,908	4,885	4,895	4,898			
Share subscription premiums	1,342	1,417	1,395	1,420	1,425			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	6,211	6,325	6,280	6,315	6,323			
Capital Reserves	780	975	894	938	949			
Retained Earnings	8,214	8,127	8,127	8,127	9,647			
Surplus (Deficit) from securities	-	-	-	-	-			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(5,003)	(5,003)	(5,005)	(5,009)	(5,009)			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm	(2,418)	(2,362)	(2,472)	(2,731)	(2,669)			
Adjustment in the employees pension	-	-	-	-	-			
Accumulated Deferred tax effect	-	-	-	-	-			
Net Income	546	901	1,267	1,520	366			
Earned Capital	2,119	2,638	2,811	2,845	3,284			
Minority Holdings	793	798	834	803	849			
Total Stockholder 's Equity	9,123	9,761	9,925	9,963	10,456			
TOTAL LIABILITIES &	108,050	104,833	103,369	106,526	171,905			

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED

(Millions of Pesos)	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
ON BEHALF OF THIRD PARTY								
Customers' banks	3	2	3	3	4			
Dividends receivable from customers	-	-	-	-	-			
Interest receivable from customers	-	-	-	-	-			
Liquidation of customer transactions	7,847	9,790	11,896	14,419	17,131			
Customer loans	-	-	-	-	-			
Liquidation with foreign currencies of	-	-	-	-	-			
Margin accounts in futures operations	-	-	-	-	-			
Other current accounts	-	-	-	-	-			
CUSTOMERS CURRENT ACCOUNT	7,850	9,793	11,899	14,422	17,134			
Client securities held in custody	71,979	83,817	87,347	95,701	103,970			
Securities and documents received in	-	-	1	23	-			
Client securities abroad	-	-	-	-	-			
CLIENT SECURITIES	71,979	83,817	87,348	95,724	103,970			
Repurchase operations for customers	20,185	21,029	22,035	25,817	24,835			
Clients securities loans	-	-	-	-	-			
Purchase of Futures & forward contracts	-	-	-	-	-			
Sale of futures and forward contracts	-	-	-	-	-			
Purchasing operations (option price)	351	41	86	37	45			
Sales operations (option price)	-	-	-	-	-			
Purchase of derivative packages	-	-	-	-	-			
Sale of derivative packages	-	-	-	-	-			
Administration trusts	1,095	841	1,031	998	1,049			
TRANSACTIONS ON BEHALF CLIENT	21,631	21,911	23,153	26,851	25,929			
TOTAL ON BEHALF OF THIRD PARTY	101,461	115,520	122,400	136,997	147,034			
Signature guarantees granted	3	3	3	3	14			
Issuing of irrevocable letters of credit	1,186	1,032	797	525	667			
Property in trust and guardianship	38,940	36,238	35,918	40,214	77,437			
Assets held in custody or in administration	80,926	82,850	78,255	80,307	120,661			
Amounts committed to operations with	3,990	4,133	4,279	4,775	52,059			
In Transit drafts	-	-	-	-	-			
Certificates of Deposit in circulation	159	115	95	92	82			
Secured Credit Cards from the company	-	-	-	-	-			
Securities given to the company in custody	23	21	45	108	84			
Government securities in custody of the	27	35	43	87	-			
Securities given to the company on	-	-	-	-	-			
Securities outside the country	-	-	-	-	-			
Liquidations with foreign currencies abroad	-	-	-	-	-			
Debits to the contingency fund	-	-	-	-	-			
Other contingent obligations	16,839	17,007	10,335	10,363	13,482			
Banking transactions on behalf of third-	84,307	100,083	60,698	104,298	107,471			
Investments in funds for the retirem.saving	2,317	2,337	2,320	2,328	2,338			
Integration of the credit portfolio	-	-	-	-	-			
Amounts contracted in derivative	2,705	2,448	2,684	3,320	4,022			
Other trust account items	257,386	257,732	180,515	180,274	339,376			
OWN ACCOUNT OPERATIONS	488,810	504,033	375,989	426,695	717,695			
Repurchase agreements								
Securities to be received	110,211	134,959	146,229	146,220	173,087			
(Less) Securities to be delivered	(110,056)	(134,758)	(146,339)	(146,066)	(173,045)			
REPURCHASE TRANSACTIONS-	155	201	(110)	154	42			
Securities to be received	60,505	95,334	106,041	93,382	114,276			
(Less) securities to be delivered	(60,537)	(95,425)	(105,942)	(93,485)	(114,238)			
REPURCHASE TRANSACTIONS- SOLD	(32)	(91)	99	(102)	38			
TOTAL ON OWN ACCOUNT	488,933	504,143	375,978	426,746	717,774			

GRUPO FINANCIERO BANORTE CONSOLIDATED STATEMENT OF CASH FLOW
JANUARY 1, 2002 –MARCH 31,2002
(Millions of Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :	
Net Income	366.5
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	10.4
Provisions for loan losses	163.5
Depreciation and amortization	266.0
Deferred Taxes	73.2
Provisions for Obligations	848.1
Minoritary Interest	(47.0)
Undistributed Earnings of Subsidiaries	-
	1,314.2
Cash Flows From Investing Activities:	
Banks Deposits	52,041.3
Decrease (Increase) loan portfolio	(52,494.2)
Decrease (Increase) credit assets portfolio	193.3
Decrease (Increase) treasury operations	(1,886.0)
Decrease (Increase) financial instruments	(47.7)
Loans from banks and other entities	11,372.0
Net Resources provided by operations	9,178.7
Financial Activities:	
Subordinated Debentures Interest	26.9
Issuance of stock	17.5
Net Resources provided by Investing activities	44.4
CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issuance of common stock	(2,029.1)
Decrease (Increase) Deferred charges or credits	(168.2)
Decrease (Increase) Deferred taxes	70.6
Decrease (Increase) Foreclosed assets	33.2
Decrease (Increase) in accounts receivable and payable	192.0
Net Cash provided by financing activities	(1,901.5)
Decrease (increase) in cash and due from banks	9,002.4
Cash and due from banks at the beginning of the year	7,758.6
Cash and due from banks at the end of the year	16,761.0

GRUPO FINANCIERO BANORTE
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
JANUARY 1, 2002- MARCH 31, 2002-

(Millions of Pesos)

	CONTRIBUTED CAPITAL		
	Fixed Paid-in Capital	Paid-in Capital Premium	& oth. Securities
Balance as of December 31,2001	2,927.3	1,968.1	1,419.8
Stock Changes			
Issuance of stock		2.2	5.1
Profits Capitalization		2.2	5.1
Total	-	2.2	5.1
Total Income			
Total Income:			
Net Income			
Results of assets holdings			
Minority Interest			
Total	-	-	-
Balance as of March 31,2002	2,927.3	1,970.3	1,425.0

	EARNED CAPITAL							Total Stockholders' Equity
	Capital Reserves	Retained earnings	Excess if Insuf. Capital Restatement	Non Monetary Assets Results (Investment)	Net Income of the year	Minorit ary Interest		
Balance as of December 31,2001	938.4	8,127.4	(5,009.2)	(2,731.5)	1,520.0	803.5	9,963.9	
Stock Changes								
Issuance of stock	10.1	-	-	-	-	-	17.5	
Profits Capitalization	-	1,520.0	-	-	(1,520.0)	-	-	
Total	10.1	1,520.0	-	-	(1,520.0)	-	17.5	
Total Income								
Total Income:								
Net Income	-	-	-	-	366.5	-	366.5	
Results of assets holdings	-	-	-	62.7	-	-	62.7	
Minority Interest	-	-	-	-	-	45.1	45.1	
Total	-	-	-	62.7	366.5	45.1	474.3	
Balance as of March 31,2002	948.6	9,647.4	(5,009.2)	(2,668.7)	366.5	848.6	10,455.6	

BANKING SECTOR- INCOME STATEMENT (*) (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	8,641	4,611	4,633	4,202	22,086	5,429				5,429
Interest Expense	7,113	2,970	3,266	3,003	16,351	3,750				3,750
Loan Fees	69	71	91	104	335	120				120
Fees Paid	4	4	5	10	23	10				10
Net Interest Income (NII)	1,593	1,708	1,453	1,293	6,047	1,789				1,789
Repomo-Margin	14	18	27	38	96	35				35
NII after Repomo	1,607	1,726	1,480	1,331	6,143	1,824				1,824
Loan Loss Provisions	181	445	163	191	981	161				161
Loss Sharing Provisions	77	53	25	17	171	2				2
NII after Provisions	1,349	1,227	1,292	1,123	4,991	1,660				1,660
Fund transfers	9	11	14	16	51	38				38
Account management	75	80	77	60	293	152				152
Fiduciary	245	117	428	198	988	190				190
Credit Card	81	86	85	94	347	120				120
Fees from FOBAPROA	80	84	63	42	269	132				132
Other fees	72	74	111	192	449	243				243
Fees on services,	564	453	778	602	2,397	875				875
Fund transfers	-	-	-	-	-	-				-
Other fees	85	86	321	175	667	162				162
Fees paid,	85	86	321	175	667	162				162
Foreign exchange	56	45	47	49	196	64				64
Securities -Realized gains	32	85	(24)	(20)	73	226				226
Securities- Unrealized gains	116	(15)	(96)	40	45	(7)				(7)
Market-related Income	204	114	(72)	68	314	284				284
Total Non Interest Income	682	481	385	496	2,044	996				996
Total Operating Income	2,031	1,709	1,677	1,619	7,036	2,656				2,656
Personnel	699	665	692	626	2,682	957				957
Professional Fees	85	72	85	90	333	83				83
Operation & Administrative expenses	362	440	423	486	1,711	562				562
Rents, depreciation and amortization	169	160	191	177	697	289				289
Taxes, other than income tax	106	105	102	196	509	118				118
Contributions to IPAB	94	87	89	90	361	152				152
Corporate expenses Recoveries	-	-	-	-	-	-				-
Non-Interest Expense	1,516	1,530	1,582	1,665	6,293	2,160				2,160
Operating Income	516	178	95	(46)	743	496				496
Other Revenues	95	137	118	196	546	74				74
Foreign exchange	-	-	-	-	-	-				-
Recoveries	106	174	86	149	514	57				57
Repomo-other revenues	(18)	63	42	(60)	28	16				16
Non Operating Income	183	374	245	285	1,088	148				148
Other Expense	(110)	(188)	(3)	34	(267)	(226)				(226)
Foreign exchange	-	-	-	-	-	(2)				(2)
Repomo-other Expenses	(4)	(8)	(14)	(28)	(53)	(57)				(57)
Non Operating Expense	(113)	(195)	(17)	6	(320)	(285)				(285)
Non Operating Income (Expense), net	70	178	228	291	768	(137)				(137)
Pre-tax Income	586	357	323	245	1,510	359				359
Income Tax	-	-	29	(29)	-	-				-
Profit sharing	15	37	(33)	(19)	1	-				-
Tax on Assets	2	4	3	5	13	21				21
Deferred Inc. Tax and Profit sharing	68	48	1	76	192	78				78
Net Income before subsidiaries	85	89	-	32	207	99				99
Subsidiaries' net income	40	11	39	-	90	47				47
Net Income from continuous operations	540	278	361	214	1,393	307				307
Extraordinary items, net	-	-	-	-	-	-				-
Minority Interest	-	-	-	-	-	-				-
TOTAL NET INCOME	540	278	361	214	1,393	307				307

(*)Afore is included in the Subsidiaries' net income.

BANKING SECTOR -BALANCE SHEET (*) (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	7,724	7,727	8,481	7,373	16,341			
Negotiable Instruments	6,409	5,028	1,951	2,174	3,520			
Securities held for sale	1,839	1,640	1,274	1,067	916			
Securities held to maturity	1,316	1,369	1,417	3,070	3,855			
Financial Instruments:	9,564	8,036	4,642	6,311	8,292			
Repurchase agreements, net	134	157	72	141	105			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	5	50	-	15	25			
Repos & Derivatives :	139	207	72	156	130			
Commercial	18,853	16,829	17,581	20,722	21,707			
Financial Intermediaries	1,800	1,276	602	596	601			
Consumer	1,296	1,411	1,672	2,318	3,128			
Mortgage	4,218	4,291	4,442	4,743	10,543			
Government Entities	40,670	40,299	39,758	39,462	40,179			
Fobaproa	12,470	11,801	12,006	9,957	55,160			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	79,307	75,907	76,061	77,799	131,319			
Commercial	1,807	2,159	2,432	2,480	2,413			
Financial Intermediaries	-	-	-	-	-			
Consumer	642	314	316	320	348			
Mortgage	1,960	1,851	1,773	1,719	1,817			
Government Entities	-	-	-	-	-			
Past Due Loans	4,409	4,324	4,520	4,519	4,578			
Total Loans	83,716	80,231	80,581	82,318	135,898			
Preventive loan loss reserves	4,429	4,324	4,520	4,520	5,315			
Net Loan Portfolio	79,287	75,907	76,061	77,798	130,583			
Credit Assets Portfolio	-	-	2,435	2,581	2,388			
Sundry debtors and other assets, net	1,580	1,882	1,066	1,122	1,588			
Foreclosed assets, net	1,502	1,542	1,503	1,363	1,330			
Real Estate, Furniture & Equipment, net	3,243	3,183	3,332	3,405	5,317			
Investments in subsidiaries	991	960	1,007	977	1,036			
Deferred taxes	793	827	891	897	750			
Deferred charges & Intangibles	731	591	563	653	632			
UDIS Mortgage loans reserve coverage	-	-	-	-	-			
Other Assets	8,841	8,985	10,798	10,998	13,041			
TOTAL ASSETS	105,555	100,862	100,054	102,637	168,386			

BANKING SECTOR-BALANCE SHEET (*) (Millions of Pesos)

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	25,404	25,992	26,460	29,842	48,632			
Time Deposits	46,241	49,214	44,934	45,374	78,633			
Bonds	1,400	1,348	1,367	1,315	1,330			
Deposits	73,045	76,554	72,760	76,531	128,595			
Demand	4,380	8	20	2,539	1,430			
Short term	8,366	3,130	6,027	2,961	12,146			
Long term	9,849	9,659	9,465	8,544	12,241			
Due to banks and correspondents	22,595	12,796	15,512	14,045	25,818			
Repurchase agreements, net	19	56	89	93	33			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	17	2	31	10	-			
Repos & Derivatives:	36	57	120	103	33			
Income Tax & Profit Sharing	267	87	84	5	10			
Other Payable accounts	1,841	1,908	1,889	2,052	3,628			
Other payable accounts	2,108	1,995	1,973	2,057	3,638			
Subordinated non Convertible Debenture	-	1,349	1,377	1,350	1,377			
Deferred Taxes	-	-	-	-	-			
Deferred credits	123	118	64	70	70			
TOTAL LIABILITIES	97,908	92,870	91,805	94,155	159,531			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	5,035	5,035	5,036	5,210	5,211			
Share subscription premiums	574	574	574	905	905			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	5,609	5,609	5,609	6,116	6,116			
Capital Reserves	2,269	2,344	2,344	2,344	2,344			
Retained Earnings	2,246	2,171	2,171	1,734	3,128			
Surplus (Deficit) from securities	(520)	(423)	(531)	(564)	(536)			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(2,177)	(2,180)	(2,181)	(2,185)	(2,185)			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm	(65)	(93)	(89)	(101)	(64)			
Adjustment in the employees pension	-	-	-	-	-			
Accumulated Deferred tax effect	(255)	(255)	(255)	(255)	(255)			
Net Income	540	818	1,179	1,393	307			
Earned Capital	2,038	2,382	2,638	2,367	2,739			
Minority Holdings	-	-	-	-	-			
Total Stockholder 's Equity	7,647	7,992	8,248	8,483	8,855			
TOTAL LIABILITIES &	105,555	100,862	100,054	102,637	168,386			

MEMORANDUM ACCOUNTS OF BANKING SECTOR (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	3	3	3	3	14			
Other contingent obligations	10,123	10,057	10,335	10,363	13,482			
Irrevocable lines of credit	1,186	1,032	797	525	667			
Assets held in trust and mandate	38,940	36,238	35,918	40,214	77,437			
Assets held in custody or in administration	76,430	78,373	73,598	75,098	115,997			
Investment banking transactions for third	84,307	100,083	60,698	104,298	107,471			
Engaged amounts in fobaproa operations	3,990	4,133	4,279	4,775	52,059			
Investment of retirement saving funds	2,317	2,337	2,320	2,328	2,338			
Integration of loan portfolio	-	-	-	-	-			
Received amounts in derivative instruments	2,705	2,448	2,684	3,320	4,022			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	90,026	113,930	124,193	120,404	148,251			
(Less) payable for reversal	(89,891)	(113,773)	(124,283)	(120,263)	(148,216)			
Receivables for reversal	40,907	74,349	83,985	67,593	89,961			
(Less) securities to be delivered	(40,927)	(74,404)	(89,913)	(67,686)	(89,924)			
Other control accounts	240,268	240,620	171,433	168,503	327,965			
	460,384	475,424	362,050	409,474	701,524			

BANCO MERCANTIL DEL NORTE- INCOME STATEMENT (*) (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	6,955	4,279	3,970	3,367	18,570	4,816				4,816
Interest Expense	5,422	2,825	2,575	2,226	13,047	3,126				3,126
Loan Fees	69	71	91	104	334	92				92
Fees Paid	4	4	5	9	22	8				8
Net Interest Income (NII)	1,598	1,520	1,480	1,236	5,835	1,774				1,774
Repomo-Margin	19	20	20	36	96	25				25
NII after Repomo	1,617	1,541	1,501	1,271	5,930	1,799				1,799
Loan Loss Provisions	150	437	167	173	927	148.8				148.8
Loss Sharing Provisions	77	53	25	17	171	1.9				1.9
NII after Provisions	1,391	1,051	1,308	1,082	4,831	1,648				1,648
Fund transfers	9	11	14	16	51	38				38
Account management	75	80	77	60	293	152				152
Fiduciary	19	20	16	15	70	54				54
Credit Card	81	86	85	94	347	120				120
Fees from FOBAPROA	75	81	61	37	255	129				129
Other fees	72	74	70	133	350	200				200
Fees on services,	332	353	324	356	1,366	693				693
Fund transfers	-	-	-	-	-	-				-
Other fees	74	73	74	78	299	106				106
Fees paid,	74	73	74	78	299	106				106
Foreign exchange	56	44	47	49	196	64				64
Securities -Realized gains	13	77	(2)	27	115	122				122
Securities- Unrealized gains	66	(45)	(23)	21	20	5				5
Market-related Income	135	77	22	97	331	191				191
Total Non Interest Income	393	357	272	376	1,397	778				778
Total Operating Income	1,784	1,407	1,580	1,457	6,229	2,426				2,426
Personnel	699	665	692	626	2,682	957				957
Professional Fees	72	65	78	83	298	76				76
Operation & Administrative expenses	359	439	416	477	1,691	559				559
Rents, depreciation and amortization	169	160	188	177	694	289				289
Taxes, other than income tax	96	101	98	192	487	114				114
Contributions to IPAB	93	85	92	83	354	149				149
Corporate expenses Recoveries	(31)	(10)	-	-	(42)	(15)				(15)
Non-Interest Expense	1,458	1,506	1,563	1,638	6,165	2,128				2,128
Operating Income	326	(99)	17	(181)	64	299				299
Other Revenues	41	69	49	136	295	52				52
Foreign exchange	-	-	-	-	-	-				-
Recoveries	106	172	83	148	509	56				56
Repomo-other revenues	(18)	63	42	(60)	28	16				16
Non Operating Income	129	304	173	224	832	124				124
Other Expense	(109)	(115)	(75)	34	(265)	(151)				(151)
Foreign exchange	-	-	-	-	-	(2)				(2)
Repomo-other Expenses	-	-	-	-	-	(33)				(33)
Non Operating Expense	(109)	(115)	(75)	34	(266)	(186)				(186)
Non Operating Income (Expense), net	20	189	98	258	566	(62)				(62)
Pre-tax Income	346	91	115	77	630	237				237
Income tax	-	-	18	(18)	-	-				-
Profit sharing	15	37	(33)	(19)	1	-				-
Tax on Assets	2	4	3	4	13	21				(21)
Deferred Inc. Tax and Profit sharing	68	48	1	17	134	67				(67)
Net income before subsidiaries	85	89	(11)	(16)	148	88				88
Subsidiaries net income	8	3	3	(16)	(2)	4				4
Net Income from continuous operations	269	5	129	77	479	154				154
Extraordinary items, net	-	-	-	-	-	-				-
Minority Interest	-	-	-	-	-	-				-
TOTAL NET INCOME	269	5	129	77	480	154				154

(*) Consolidate Subsidiaries.

BANCO MERCANTIL DEL NORTE-BALANCE SHEET (*) (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	6,974	6,727	8,223	8,218	15,833			
Negotiable Instruments	7,425	6,122	1,951	2,173	3,260			
Securities held for sale	1,675	1,482	1,123	949	916			
Securities held to maturity	1,025	1,069	1,113	2,764	3,548			
Financial Instruments:	10,124	8,672	4,188	5,887	7,724			
Repurchase agreements, net	92	72	33	75	53			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	5	50	-	15	25			
Repos & Derivatives :	97	123	33	91	78			
Commercial	18,536	16,516	17,572	20,403	21,449			
Financial Intermediaries	1,800	1,276	995	1,440	704			
Consumer	1,296	1,411	1,672	2,318	3,128			
Mortgage	3,888	3,962	4,113	4,432	10,252			
Government Entities	40,658	40,283	39,731	39,426	40,139			
Fobaproa	12,563	11,926	12,153	10,209	55,417			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	78,740	75,374	76,236	78,228	131,089			
Commercial	1,753	2,105	2,206	2,281	2,228			
Financial Intermediaries	-	-	-	-	-			
Consumer	642	314	315	319	348			
Mortgage	1,812	1,717	1,649	1,595	1,680			
Government Entities	-	-	-	-	-			
Past Due Loans	4,207	4,136	4,170	4,195	4,256			
Total Loans	82,947	79,509	80,406	82,423	135,345			
Preventive loan loss reserves	4,005	3,904	4,113	4,107	4,895			
Net Loan Portfolio	78,941	75,605	76,293	78,315	130,450			
Credit Assets Portfolio	-	-	-	-	-			
Sundry debtors and other assets, net	784	1,003	982	1,041	1,513			
Foreclosed assets, net	1,415	1,457	1,405	1,350	1,311			
Real Estate, Furniture & Equipment, net	3,241	3,181	3,332	3,405	5,317			
Investments in subsidiaries	428	394	401	391	412			
Deferred taxes	793	827	891	971	836			
Deferred charges & Intangibles	729	588	557	648	627			
UDIS Mortgage loans reserve coverage	-	-	-	-	-			
Other Assets	7,391	7,450	7,568	7,806	10,016			
TOTAL ASSETS	103,527	98,577	96,305	100,317	164,102			

BANCO MERCANTIL DEL NORTE-BALANCE SHEET (*) (Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	25,404	25,992	26,490	29,889	48,652			
Time Deposits	46,241	49,214	44,934	45,374	77,365			
Bonds	1,400	1,348	1,367	1,315	1,330			
Deposits	73,045	76,554	72,790	76,578	127,347			
Demand	4,380	80	20	2,539	930			
Short term	8,366	3,130	4,849	2,961	12,145			
Long term	9,524	9,361	9,130	8,240	11,961			
Due to banks and correspondents	22,270	12,572	14,000	13,740	25,037			
Repurchase agreements, net	10	51	20	52	33			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	17	2	31	10	-			
Repos & Derivatives:	27	53	51	62	33			
Income Tax & Profit Sharing	252	72	57	5	10			
Other Payable accounts	1,825	1,813	1,864	2,038	3,540			
Other payable accounts	2,076	1,885	1,921	2,043	3,550			
Subordinated non Convertible Debenture	-	1,349	1,377	1,350	1,377			
Deferred Taxes	-	-	-	-	-			
Deferred credits	123	118	64	69	70			
TOTAL LIABILITIES	97,541	92,530	90,202	93,841	157,413			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,042	4,042	4,043	4,217	4,218			
Share subscription premiums	574	574	574	905	905			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	4,616	4,616	4,616	5,123	5,123			
Capital Reserves	2,113	2,188	2,188	2,188	2,188			
Retained Earnings	1,994	1,919	1,919	1,727	2,206			
Surplus (Deficit) from securities	(495)	(412)	(491)	(541)	(523)			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(2,187)	(2,187)	(2,188)	(2,185)	(2,185)			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm	(70)	(96)	(91)	(61)	(19)			
Adjustment in the employees pension	-	-	-	-	-			
Accumulated Deferred tax effect	(255)	(255)	(255)	(255)	(255)			
Net Income	269	274	403	480	154			
Earned Capital	1,370	1,430	1,486	1,353	1,566			
Minority Holdings	-	-	-	-	-			
Total Stockholder 's Equity	5,986	6,047	6,103	6,476	6,689			
	103,527	98,577	96,305	100,317	164,102			

(*) Consolidate Subsidiaries.

MEMORANDUM ACCOUNTS OF BANORTE

(Millions of Pesos)	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	3	3	3	3	14			
Other contingent obligations	8,314	8,241	8,624	8,650	11,787			
Irrevocable lines of credit	1,186	1,032	797	525	667			
Assets held in trust and mandate	20,055	18,457	18,240	17,957	55,575			
Assets held in custody or in	75,421	77,288	75,598	75,098	114,732			
Investment banking transactions for	84,307	100,083	60,698	104,298	107,471			
Engaged amounts in fobaproa operations	3,897	4,008	4,132	4,524	51,802			
Investment of retirement saving funds	2,317	2,337	2,320	2,328	2,338			
Integration of loan portfolio	-	-	-	-	-			
Received amounts in derivative	2,705	2,448	2,684	3,320	4,022			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	46,913	45,493	50,155	45,392	62,507			
(Less) payable for reversal	(46,821)	(45,420)	(50,175)	(45,316)	(62,482)			
Receivables for reversal	21,506	46,077	48,120	44,322	61,226			
(Less) securities to be delivered	(21,516)	(46,128)	(48,087)	(44,375)	(61,231)			
Other control accounts	194,684	198,167	129,088	126,766	286,605			
	392,972	412,087	300,198	343,492	635,033			

BANCO DEL CENTRO (Bancen) - INCOME STATEMENT (*) (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	2,353	1,334	1,800	1,748	7,234	1,652				1,652
Interest Expense	2,348	1,135	1,818	1,679	6,980	1,628				1,628
Loan Fees	-	-	-	-	1	-				-
Fees Paid	-	-	-	1	1	2				2
Net Interest Income (NII)	5	199	(18)	68	255	23				23
Repomo-Margin	(6)	(4)	5	(9)	(14)	6				6
NII after Repomo	(1)	195	(13)	59	241	28				28
Loan Loss Provisions	31	8	(4)	18	53	13				13
Loss Sharing Provisions	-	-	-	-	-	-				-
NII after Provisions	(32)	187	(9)	41	188	16				16
Fund transfers	-	-	-	-	-	-				-
Account management	-	-	-	-	-	-				-
Fiduciary	226	97	411	182	918	136				136
Credit Card	-	-	-	-	-	-				-
Fees from FOBAPROA	5	3	2	5	14	3				3
Other fees	187	129	254	202	772	260				260
Fees on services,	418	229	667	390	1,704	399				399
Fund transfers	-	-	-	-	-	-				-
Other fees	18	17	254	102	391	63				63
Fees paid,	18	17	254	102	391	63				63
Foreign exchange	-	-	-	-	-	-				-
Securities -Realized gains	19	8	(21)	(47)	(42)	105				105
Securities- Unrealized gains	50	30	(73)	18	25	(12)				(12)
Market-related Income	69	38	(94)	(29)	(17)	92				92
Total Non Interest Income	469	249	319	259	1,296	428				428
Total Operating Income	437	436	310	300	1,484	444				444
Personnel	2	3	2	1	7	1				1
Professional Fees	14	8	9	8	38	9				9
Operation & Administrative expenses	109	116	97	95	418	108				108
Rents, depreciation and amortization	20	18	18	31	87	26				26
Taxes, other than income tax	10	5	5	6	26	5				5
Contributions to IPAB	1	2	(3)	7	7	3				3
Corporate expenses Recoveries	-	-	-	-	-	-				-
Non-Interest Expense	156	151	128	148	583	151				151
Operating Income	281	285	182	152	901	293				293
Other Revenues	54	68	69	60	251	23				23
Foreign exchange	-	-	-	-	-	-				-
Recoveries	-	1	3	1	5	1				1
Repomo-other revenues	-	-	-	-	-	-				-
Non Operating Income	54	69	72	61	256	23				23
Other Expense	-	(73)	72	-	(2)	(75)				(75)
Foreign exchange	-	-	-	-	-	-				-
Repomo-other Expenses	(4)	(8)	(14)	(27)	(53)	(24)				(24)
Non Operating Expense	(4)	(80)	58	(28)	(55)	(99)				(99)
Non Operating Income (Expense), net	50	(11)	130	33	202	(76)				(76)
Pre-tax Income	331	274	312	185	1,102	217				217
Income tax	-	-	11	65	76	25				25
Profit sharing	-	-	-	-	-	-				-
Tax on Assets	-	-	-	-	-	-				-
Deferred Inc. Tax and Profit sharing	40	18	37	(14)	(81)	12				12
	40	18	48	52	158	36				36
Net income before subsidiaries	291	256	264	134	944	181				181
Subsidiaries 'net income	12	22	3	18	55	13				13
Net Income from continuous operations	303	278	267	152	999	194				194
Extraordinary items, net	-	-	-	-	-	-				-
Minority Interest	32	5	35	15	86	41				41
TOTAL NET INCOME	271	273	232	137	914	153				153

(*) Consolidate Afore

BANCO DEL CENTRO (Bancen)-BALANCE SHEET *(Millions of Pesos)*

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	1,557	1,374	1,496	1,538	1,295			
Negotiable Instruments	1	-	-	1	260			
Securities held for sale	164	158	151	118	-			
Securities held to maturity	291	300	304	306	308			
Financial Instruments:	456	458	455	424	567			
Repurchase agreements, net	42	84	39	65	52			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives :	42	84	39	65	52			
Commercial	318	313	9	319	258			
Financial Intermediaries	-	-	-	-	-			
Consumer	-	-	-	-	-			
Mortgage	330	328	329	311	292			
Government Entities	12	16	27	36	41			
Fobaproa	-	-	-	-	-			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	659	658	365	666	590			
Commercial	54	54	226	200	186			
Financial Intermediaries	-	-	-	-	-			
Consumer	-	-	-	-	-			
Mortgage	148	134	124	124	-			
Government Entities	-	-	-	-	137			
Past Due Loans	202	188	350	324	323			
Total Loans	862	846	715	991	913			
Preventive loan loss reserves	424	420	407	412	420			
Net Loan Portfolio	438	426	308	578	493			
Credit Assets Portfolio	-	-	2,435	2,581	2,388			
Sundry debtors and other assets, net	805	899	129	146	99			
Foreclosed assets, net	87	85	99	13	18			
Real Estate, Furniture & Equipment, net	27	27	30	49	54			
Investments in subsidiaries	350	361	366	385	468			
Deferred taxes	-	-	-	-	-			
Deferred charges & Intangibles	616	602	592	512	482			
UDIS Mortgage loans reserve coverage	-	-	-	-	-			
Other Assets	1,884	1,974	3,650	3,686	3,508			
TOTAL ASSETS	4,377	4,316	5,948	6,291	5,915			

BANCO DEL CENTRO (Bancen)-BALANCE SHEET (Millions of Pesos)

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	93	124	147	251	258			
Time Deposits	1,017	1,094	-	-	1,268			
Bonds	-	-	-	-	-			
Deposits	1,109	1,219	147	251	1,526			
Demand	524	-	820	1,137	850			
Short term	-	-	1,178	1,430	-			
Long term	325	297	728	534	383			
Due to banks and correspondents	849	297	2,726	3,101	1,234			
Repurchase agreements, net	9	5	69	41	-			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives:	9	5	69	41	-			
Income Tax & Profit Sharing	15	15	27	-	-			
Other Payable accounts	36	120	49	102	154			
Other payable accounts	51	135	76	102	154			
Subordinated non Convertible Debenture	-	-	-	-	-			
Deferred Taxes	156	172	208	237	247			
Deferred credits	-	-	-	1	-			
TOTAL LIABILITIES	2,175	1,827	3,225	3,733	3,161			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	993	993	993	993	993			
Share subscription premiums	-	-	-	-	-			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	993	993	993	993	993			
Capital Reserves	156	156	156	156	156			
Retained Earnings	252	252	252	8	921			
Surplus (Deficit) from securities	(26)	(11)	(40)	(23)	(13)			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	9	8	7	-	-			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm	6	3	2	(40)	(45)			
Adjustment in the employees pension	-	-	-	-	-			
Accumulated Deferred tax effect	-	-	-	-	-			
Net Income	271	544	777	914	153			
Earned Capital	668	952	1,153	1,013	1,173			
Minority Holdings	541	544	577	551	588			
Total Stockholder 's Equity	2,202	2,489	2,723	2,558	2,754			
	4,377	4,316	5,948	6,291	5,915			

(*) Consolidate Afore

MEMORANDUM ACCOUNTS OF BANCEN

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	-	-	-	-	-			
Other contingent obligations	1,809	1,815	1,711	1,713	1,695			
Irrevocable lines of credit	-	-	-	-	-			
Assets held in trust and mandate	18,885	17,780	17,678	22,257	21,862			
Assets held in custody or in	1,009	1,085	-	-	1,266			
Investment banking transactions for	-	-	-	-	-			
Engaged amounts in fobaproa operations	93	125	147	251	257			
Investment of retirement saving funds	-	-	-	-	-			
Integration of loan portfolio	-	-	-	-	-			
Received amounts in derivative	-	-	-	-	-			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	43,113	68,437	74,039	75,012	85,744			
(Less) payable for reversal	(43,071)	(68,353)	(74,108)	(74,947)	(85,734)			
Receivables for reversal	19,401	28,272	35,866	23,271	28,735			
(Less) securities to be delivered	(19,411)	(28,276)	(35,827)	(23,312)	(28,693)			
Other control accounts	45,585	42,452	42,346	41,737	41,359			
	67,412	63,338	61,852	65,982	66,491			

Annex 5. Notes to Banking Sector Financial Statements
Financial Instruments and Valuation Effects 1Q02

(Millions of Pesos)

BANORTE

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	126	126	-
Banking Securities	1,896	1,949	53
Private	62	62	-
Commercial Paper	1,123	1,122	(1)
Total	3,207	3,261	53
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Stock	-	-	-
Eurobonds	1,463	916	(547)
Total	1,463	916	(547)
SECURITIES HELD TO MATURITY			
Special Cetes	3,069	3,069	-
Trust Bonds	52	52	-
Fiduciary Rights	27	27	-
US Clearing Master Trust	399	399	-
Total	3,548	3,548	-
TOTAL	8,218	7,724	(494)

BANCEN

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	-	-	-
Banking Securities	154	154	-
Private	109	105	(4)
Commercial Paper	-	-	-
Total	264	260	(4)
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Stock	-	-	-
Eurobonds	-	-	-
Total	-	-	-
SECURITIES HELD TO MATURITY			
Special Cetes	308	308	-
Trust Bonds	-	-	-
Fiduciary Rights	-	-	-
US Clearing Master Trust	-	-	-
Total	308	308	-
TOTAL	572	567	(4)

Figures are presented in constant pesos set at the close of March 2002.

BANKING SECTOR

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	127	127	-
Banking Securities	2,049	2,103	54
Private	171	168	(4)
Commercial Paper	1,123	1,122	(1)
Total	3,471	3,520	50
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Stock	-	-	-
Eurobonds	1,463	916	(547)
Total	1,463	916	(547)
SECURITIES HELD TO MATURITY			
Special Cetes	3,377	3,377	-
Trust Bonds	52	52	-
Fiduciary Rights	27	27	-
US Clearing Master Trust	399	399	-
Total	3,855	3,855	-
TOTAL	8,789	8,292	(498)

Repurchase Agreement Operations 1Q02

(Millions of Pesos)

BANORTE

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	52,820.2	39.6
Banking Securities	9,687.2	(14.4)
Total	62,507.4	25.2
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	52,775.1	11.7
Banking Securities	8,455.7	(6.4)
Total	61,230.9	5.3

1) RECEIVABLES ON REPURCHASE AGREEMENT
2) PAYABLES ON REPURCHASE AGREEMENT

BANCEN

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	68,677.2	11
Banking Securities	17,066.7	(1)
Total	85,743.9	(10)
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	25,533.0	(42)
Banking Securities	160.4	-
Total	28,693.5	(42)

1) RECEIVABLES ON REPURCHASE AGREEMENT
2) PAYABLES ON REPURCHASE AGREEMENT

BANKING SECTOR

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	121,497.4	50.5
Banking Securities	26,753.9	(15.6)
Total	148,251.3	34.8
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	81,308.2	(30.3)
Banking Securities	8,616.2	(6.3)
Total	89,924.3	(36.6)

- 1) RECEIVABLES ON REPURCHASE AGREEMENT
2) PAYABLES ON REPURCHASE AGREEMENT

Derivate Financial Instruments 1Q02

(Millions of Pesos)

BANORTE

NEGOTIABLE INSTRUMENTS	BUY	SELL	NET
FOREIGN CURRENCY FUTURES			
Market Value	-	-	-
Agreed Price	-	-	-
Total	-	-	-
FOREIGN CURRENCY FORWARDS			
Market Value	672	(502)	170
Agreed Price	(681)	512	(169)
Total	(9)	10	1
DEBTOR BALANCE NOTE			-

COVERAGE INSTRUMENTS	FLOW PAYABLE	FLOW RECEIVABLE	NET FLOWS
SWAPS			
Cross Currency	(1,148)	1,175	27
Interest Rate	(8)	5	(3)
Total	(1,156)	1,180	24
FOREIGN CURRENCY OPTIONS	OPENING PREMIUM	VALUED PREMIUM	VALUATION
Foreign Currency Options	-	-	-
Total	-	-	-
BALANCE NOTE			25

Non-governmental Financial Instruments above by 5% of Net Capital 1Q02

(Millions of Pesos)

BANORTE

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
Banking	Term Deposits	131,694.2	8.56%

BANORTE doesn't have Nongovernmental Financial Instruments above by 5% of Net Capital.

Loan Portfolio

(Million of Pesos)	LOCAL CURRENCY			FOREIGN CURRENCY			TOTAL		
	1Q01	4Q01	1Q02	1Q01	4Q01	1Q02	1Q01	4Q01	1Q02
Performing Loans									
Commercial	13,763	15,887	15,688	5,090	4,835	6,019	18,853	20,722	21,707
Financial Intermediaries	1,005	403	360	795	193	241	1,800	596	601
Consumer	1,295	2,318	3,127	-	1	1	1,296	2,318	3,128
Mortgages	4,218	4,743	10,543	-	-	-	4,218	4,743	10,543
Government Entities	40,653	39,452	40,170	17	10	9	40,670	39,462	40,179
Fobaproa	6,272	5,246	50,646	6,198	4,712	4,514	12,470	9,957	55,160
Total	67,207	68,049	120,534	12,100	9,750	10,785	79,307	71,478	131,319
Past Due Loans									
Commercial	1,228	1,391	1,345	579	1,089	1,068	1,807	2,480	2,413
Financial Intermediaries	-	-	-	-	-	-	-	-	-
Consumer	642	320	348	-	-	-	642	320	348
Mortgages	1,960	1,719	1,817	-	-	-	1,960	1,719	1,817
Government Entities	-	-	-	-	-	-	-	-	-
Total	3,831	3,430	3,510	579	1,089	1,068	4,409	4,519	4,578
Total Proprietary Loans	71,038	71,478	124,045	12,678	10,840	11,853	83,716	82,318	135,898
% Past Due Loans								5.5%	3.4%
Total Loans w/o Fobaproa/IPAB(1)								36,603	45,353
FOBAPROA (2)								35,758	35,385

(*) Includes valued UDIS

(1) Excludes Fobaproa-IPAB notes and loan to IPAB that are accounted in the Loans to Government Entities line.

(2) Includes Fobaproa promissory notes and loans to IPAB registered in Government Entities.

Note: There is no scheme for Mortgage Earnings.

Cost and Balances of FINAPE, FOPIME, Mortgage UDIS and Mortgage FOVI loan portfolios as of 1Q02

(Millions of Pesos)	BANORTE		BANCEN		TOTAL	
	PERIOD COST	BALANCE LOAN	PERIOD COST	BALANCE LOAN	PERIOD COST	BALANCE LOAN
	PORTFOLIO		PORTFOLIO		PORTFOLIO	
FINAPE	0.8	21.1	-	0.1	0.9	21.1
FOPYME	2.4	2.9	-	-	2.5	2.9
Mortgage UDIS	16.5	31.3	3.3	4.5	19.8	35.9
Mortgage tipo FOVI	13.3	17.9	3.1	-	16.4	17.9
	33.1	73.2	6.4	4.5	39.5	77.8

The quarter ending with a balance of Ps 77.8 million pesos in debtors support programs with a cost of the period of Ps39.5 million. The 99% of this portfolio are concentrated in Banorte.

Past Due Loans Variations as of 1Q02

BALANCE DEC'01	IN	OUT	BALANCE MAR'01
4,472	160	54	4,578

Troubled Portfolio 1Q02

The National Banking and Securities Commission (CNByV) accepted the Proposal of the Bankers Association of Mexico (ABM), to consider as a Troubled Portfolio the D and E risk grades of the portfolio classification. The following table shows the troubled portfolio.

(Millions of Pesos)	TOTAL
Troubled Portfolio	3,880
Total Loans	135,898
Troubled Portfolio / Total Loans	2.9%

Fobaproa-IPAB

(Millions of Pesos)	REMAINING CONTINGENCIES	
	LOSS(1) SHARING	INCENTIVE(1) SCHEME
Gross Fobaproa notes balance	10,058	6,028 (2)
- Cash recoveries	2,436	1,494 (2)
- Repossessed assets	=	=
= Balance net of recoveries	7,622	4,534
Contingency before reserves	2,029	342
- Reserves	<u>2,029</u>	<u>342</u>
= Remaining contingencies	0.0	0.0

- 1) Includes only cash recoveries.
2) Included in Loss Sharing program.

Banorte provisioned Ps 16.5 million through the Income Statement during the quarter to keep 100% provisioned on the FOBAPROA-IPAB Loss Sharing program and Incentive Scheme. Cash recoveries in the Loss Sharing program represented 23.1% of Banorte's Gross FOBAPROA-IPAB notes balance.

Banorte's Foba 70 program expired early in 4Q01. It had started with the exchange of repossessed assets to Banorte by Fobaproa-IPAB promissory note in 1995. As the program concluded, Ps 225 million in repossessed assets were received as well as Ps 243 million in the cash recovery balance, for a difference of Ps 509 million that was covered in its entirety with the special reserves created for just such a purpose.

Fobaproa - IPAB Notes Integration 1Q02

(Millions of Pesos)	BANORTE				BANCEN		BANPAIS		BANKING SECTOR TOTAL
	LOSS SHARING LOCAL CURRENCY	LOSS SHARING DOLLARS	WITHOUT RISK	INCENTIVE SCHEM	LOCAL CURRENCY	LOCAL CURRENCY	DOLLARS		
Gross Balance	9,901	163	1,253	(1)	-	-	4,770	16,087	
- Checking account balance	1,964	228	150	(1)	258	1,797	192	4,589	
- Reserves	2,029	-	-	343	-	-	-	2,372	
= Net Balance	5,908	(65)	1,103	(343)	(258)	(1,797)	4,578	9,126	
Simple Credit(2)								35,385	
Bancrecer(3)								46,291	
Interest Rate	CETES 91-1.35	LIBOR +5	CETES 91	N.A.	N.A.	N.A.	CPT DLL+0.17		
Maturity	2005	2006	2006	2005/2006	N.A.	N.A.	2007		
Remaining Contingencies	-0-	-0-	N.A.	-0-	N.A.	N.A.	N.A.		

- 1) The figures of Ps 6,028 & Ps 1,494 are included in Loss Sharing.
2) Is included in Government Entities, has a rate of TIIE 28+0.86 and it's maturity is in 2010.

Figures are presented in constant pesos set at the close of March' 2002.

3) Interest rate of TIIE 28 days +0.40 and maturity in 2009, with a single capital payment at maturity.
N.A.- Not Applicable

ORIGIN OF THE NOTES

The source of the Fobaproa-IPAB notes is different as each was given for different objectives, according to the following list:

FOBAPROA NOTES	YEAR	ORIGIN
BANORTE		
LOSS SHARING	1995-1996	Sale of Loans to Fobaproa
WITHOUT RISK	1996	Sale of Loans to Fobaproa
BANPAIS	1996-1997	Reorganization
SIMPLE CREDIT	2000	Reorganization
BANCRECER	1999	Reorganization

SIGNIFICANCE IN BANORTE BALANCE

	1997	1998	1999	2000	2001	1Q02
% Total Loans	70.9%	64.6%	63.5%	58.7%	55.5%	66.6%
% Total Assets	60.6%	53.5%	43.7%	46.7%	44.5%	53.2%

Deferred Taxes 1Q02

<i>(Millions of Pesos)</i>				
ASSETS	ISR	PTU	NET	
Allowance for loan losses (not deducted)	398	23	421	
Tax loss carryforwards	4	-	4	
Deficit from retirement obligations	211	60	271	
Obligations FOBAPROA, Net	709	-	709	
Others	=	=	=	
Total Assets	1,321	83	1,404	
LIABILITIES				
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	(612)	(42)	(654)	
Total liabilities	(612)	(42)	(654)	
Assets (Liabilities) Accumulated Net	709	41	750	

Long term debt as of 1Q02

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Millions Ps o DIs)	ORIGINAL AMOUNT (Millions Ps, DIs o UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
BANORTE								
Bank Bonds - Banorte 1-00	Ps	23-Mar-00	1,000	1,000	3 years	15.59%	1- May-03	E/189 days
Bank Bonds - Banorte 2-00	Ps	27-Jul-00	250	250	3 years	16.00%	4-Sep-03	E/189 days
CD's- Banorte U01001	UDIs	11-Ene-01	90	90	10 years	8.13%	30-Dic-10	E/182 days
CD's -Banorte U01002	Ps	29-May-01	20	20	3 years	TIIE-0.25%	25-May-04	E/28 days
Non Convertible Subordinate Bonds- Qbanorte 01U	UDIs	21-Jun-01		436	8 years	8.00%	21-Jun-09	E/182 days
CD's -Banorte M7001	Ps	30-Sep-97	16	16	7 years	17.65%	21-Sep-04	E/182 days
CD's Serie 1999-1	DIs	15-Jul-99	176.8	200	7 years	Libor+1.15%	15-Jul-06	Monthly
CD's 1999-2A	DIs	15-Jul-99	46.9	75	5 years	8.94%	15-Jul-04	Monthly
CD's Serie 1999-2B	DIs	15-Jul-99	22.3	25	7 years	9.49%	15-Jul-06	Monthly

BANCEN. does not present balance as of March 31, 2002.

Bank and Other entities loans as of 1Q02

(Millions of Pesos)	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS (*)	-	-	-	11.8	LIBOR+6.00	835	11.8
LOANS FROM LOCAL BANKS	-	-	-	-	-	-	-
LOANS FROM FOREIGN BANK CONCERNED FROM THE COUNTRY	-	-	-	2,010.9	2.31	204	2,010.9
LOANS FROM FOREIGN BANK CONCERNED FROM CAYMAN	-	-	-	42.0	3.29	234	42.0
SECURITIZATION	-	-	-	2,218.9	4.76	756	2,218.9
LOANS FROM DEVELOPING BANKS	-	-	-	877.3	N.D.	N.D.	877.3
LOANS FROM PUBLIC FUNDS	-	-	-	349.7	N.D.	N.D.	349.7
CALL & LOANS FROM BANKS	11,485.1	8.10	7.7	-	-	-	11,485.1
LOANS FROM DEVELOPING BANKS	845.3	N.D.	N.D.	-	-	-	845.3
LOANS FROM PUBLIC FUNDS	2,597.5	N.D.	N.D.	-	-	-	2,597.5
LOANS FROM FIDUCIARY FUNDS	5,308.4	N.D.	N.D.	-	-	-	5,308.4
PROVISIONS FOR INTEREST	70.8	N.D.	N.D.	-	-	-	70.8
	20,307.1			5,510.6			25,817.7

(*) Includes "Banco Nacional de Comercio Exterior".

(**) In UDIS.

Trading Income 1Q02

(Millones de Pesos)

VALUATION EFFECTS	NET
Negotiable Instruments	1.2
Repurchase	(18.1)
Futures	-
Foreign Currency Forwards	9.7
Options	-
Inflation Adjustment	0.1
Total	(7.1)
RESULTS FROM BUYING AND SELLING	
Negotiable Instruments	195.3
Securities Held for Sell	31.0
Inflation Adjustment	-
Total of Buying and Selling Instruments	226.3
FX Spot	60.7
FX Forwards	3.2
FX Futures	-
FX Futures TIIE	-
Forwards	0.3
Total of Foreign Exchange	64.2
Inflation Adjustment	0.2
Total of Buying and Selling	290.6
TOTAL TRADING INCOME	283.5

Capitalization

(Millions of Pesos)	BANORTE	BANCEN
Tier 1 Capital:		
Stockholders Equity	6,689	2,166
(+) Subordinated debt and Capitalization Instruments	-	-
(-) Investment in Subordinated debt	-	-
(-) Investment in Financial Institutions	38	12
(-) Investment in Non-Financial Institutions	-	-
(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	105	612
(-) Excess on deferred taxes	1,130	-
(-) Restructuring Charges and others intangibles	472	3
(-) Others Assets	1,130	-
Total Deductions	616	627
Total Tier 1	6,074	1,539
Tier 2 Capital :		
Capitalization Instruments	1,346	-
(+) General Preventive Reserves	594	-
(-) Subordinated Debt	-	-
Total Tier 2	1,940	-
Net Capital	8,014	1,539

	Total Assets	BANORTE Weighted Assets	Required Capital	Total Assets	BANCEN Weighted Assets	Required Capital
Credit Risk-Weighted Assets:						
Group 1 (risk weight 0%)	103,456	-	-	40,878	-	-
Group 2 (risk weight 20%)	22,998	4,600	368	17,703	3,541	283
Group 2bis (risk weight 10%)	6,572	657	53	432	43	3
Group 2bis1 (risk weight 10%)	337	8	1	-	-	-
Group 3 (risk weight 100%)	42,670	46,252	3,700	4,027	4,027	322
Group 3bis (risk weight 50%)	1,916	958	77	-	-	-
Group 3bis2 (risk weight 115%)	682	784	63	-	-	-
Group 3V (risk weight 150%)	845	1,267	101	-	-	-
Total Credit Risk-Weighted Assets	179,475	58,928	4,362	63,040	7,611	609

	BANORTE		BANCEN	
	Amount in equivalent positions in assets	Required Capital	Amount in equivalent positions in assets	Required Capital
Market risk-weighted assets:				
Peso Nominal interest rate operations	2,443	195	7,135	571
Peso or UDI real interest rate operations	1,475	118	-	-
Interest rate operations in foreign currency with nominal rate	397	32	10	1
Position in UDIS or with a return indexed to inflation	9	1	-	-
Positions in foreign currency or indexed to the FX rate	78	6	-	-
Positions in share or index to the price of securities	-	-	308	25
Total market risk weighted assets	4,402	352	7,453	596
Total credit and market risk-weighted assets	58,928	4,714	15,063	1,205

Risk Management

Market Risk

The methodology used to calculate market risk is the Value at Risk by historical simulation, which is determined by simulating 500 historical scenarios of Grupo Financiero Banorte's current portfolios.

Said method is applied to all the Group's portfolios exposed to risk factor variations that have a direct effect on their appraisal (domestic interest rates, foreign interest rates, exchange rates, among others), using a 99% reliability rate and a 10-day portfolio tenure.

The average quarterly Value at Risk (VaR) of the financial instrument portfolios of the Group (Sectors, Banking and Brokerage) including bonds, shares, money market operations, interest rate swaps, forwards, futures, and others derived in and outside the balance, is as follows:

Value at Risk
(Millions of pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02
VaR 10 days	305	560	323	228	226

The Value at Risk make up for the fourth quarter 2001, calculated under the aforementioned premises per Institution and Sector is as follows:

(Millions of Pesos)

	VaR 10 days
Banorte	72
Bancrecer	2
Bancen	232
Banking Sector	225
Brokerage House	2
GFNorte	226

The consolidated Value at Risk both for the Banking Sector and for Grupo Financiero Banorte, considers the correlations of every risk factor involved in portfolio appraisal. Therefore, the mathematical sum of the Value at Risk per Institution may not match.

Additionally, the Value at Risk per risk factor of the instruments portfolio described for Grupo Financiero Banorte as a whole, was as follows for the fourth quarter of 2001:

(Millios of pesos)

RISK FACTOR	Total
Domestic interest rate	228
Foreign interest rate	6
Exchange rate	28
Stock Exchange	13
Eurobonds Price	51

The VaR for each of the risk factors presented is determined by simulating 500 historical scenarios of the variables that make up each one of said factors, while keeping the variables that affect the rest of the indicated risk factors constant.

Loan Risk

Loan Risk is the risk of clients failing to meet their payments. Therefore, it is essential to correctly manage such a risk in order to maintain a quality loan portfolio.

The objectives of loan risk management at GFNorte are:

- To develop and carry out loan risk policies that are compatible with the strategic objectives of the institution.
- To support strategic decision-making, maximizing the creation of value for the stockholders and guaranteeing security for our clients.
- To set specific policies and procedures to identify the level of risk of the debtor, using said procedures as a basis for

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granting loans as well as for their follow-up.

- To calculate the exposure of loan risk in time, considering and evaluating the concentration of exposure by qualifying risk, geographical regions, economic activities, currency and type of product.
- To create diversification strategies of the loan portfolio, setting down its limits.
- To implement a global loan risk management supervising all the operations and aspects related to loan risk.

Individual Loan Risk

Individual risk is identified and measured at GFNorte by Qualifying Loan Risk, per Target Markets and pursuant to the Risk Acceptance Criteria.

As to the Qualification of Loan Risk, during 2000, clients were qualified applying two methods: the first, proposed by the CNBV in Circular 1128, consists of 5 levels of risk: A, B, C, D, and E; and the second is the Banorte Loan Risk Qualification method, developed internally in accordance with internationally accepted standards and practices. It indicates 10 levels of risk; in which 1 is the lowest and 10 is the highest. Additionally there is a parameter-oriented risk level calculation system for minor loans.

The Target Markets and the Risk Acceptance Criteria are tools that are part of GFNorte's loan strategy which help in determining individual loan risk levels. The Target Markets are activities selected by region and economic activity, backed up by economic and quality studies of the portfolio in which Banorte is interested in placing loans. The Risk Acceptance Criteria are parameters that describe the identified risks per industry, making it possible to identify the risk implied for the bank in granting a loan to a client depending on the economic activity involved. The types of risk considered in the Risk Acceptance Criteria are financial, operation, market, company life cycle, legal and regulatory, loan experience and management quality.

Portfolio Loan Risk

GFNorte has designed a portfolio loan risk method that, besides contemplating the major and latest international practices in identification, measurement, control and follow-up, has been adapted to work within the context of the Mexican Financial System.

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

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

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

The results are risk measures such as the expected and unexpected loss at a one-year horizon. The expected loss is the credit portfolio's loss distribution average. The unexpected loss is the maximum loss at a specific confidence level (95% in this case) given the loss distribution.

The results obtained are used as a tool for better decision-making in granting loans and in the diversification of the portfolio, according to GFNorte's global strategy. The individual risk identification tools and the portfolio loan risk methodology are periodically checked and updated to allow the application of new techniques that may support or strengthen them. As a result, GFNorte has tools and methods of the highest quality on an international scale to identify, measure, control and follow up loan risks.

Information by Segments

With the ultimate goal of improving the understanding of information of the Group and given the importance of the 2 banks (Banorte and Bancen) within the Financial Group, (together representing more than 90% each of the Shares, Deposits, and Profits of the Group), we have included their financial statements and combined indicators pro-forma together under the "Banking Sector" heading. The Banking Sector is defined as the 2 banks with their respective subsidiaries, except the Afore unit (a subsidiary of Bancen), which is not considered part of this Sector for management reasons (as of the end of 1998). We have also grouped companies corresponding to other Sectors, which are defined in accordance with the orientation of the companies. These Sectors are as follows: The Brokerage Sector which is made up of the Brokerage House; the Long-Term Savings Sector, made up of the Annuities, Insurance and Afore companies, and the Auxiliary Organizations Sector which includes the Leasing, the Brokerage, the Warehousing, and the Bonding companies. For purposes of the Reconciliation Table by Sector, these sectors are all put under the heading "Other Sectors" as they each represent only a very small participation in the group. This segmentation was done on the basis of the International Accounting Normative (NIC 14) and the Statement of Financial and Accounting Standards N° 131 that refers to the rules for presenting financial information by segment.

Proforma Consolidated Data-1Q02

<i>(Millions of pesos)</i>	BANORTE (1)	BANCEN (3)	TOTAL
Income Statement			
Net Interest Income	815.0	973.8	1,788.9
Non Interest Income	777.9	218.2	996.1
Non Interest Expense	2,127.7	32.7	2,160.3
Other income (expense)	61.7	(75.7)	(137.4)
Extraordinary items, net	-	-	-
Net Income	(805.5)	1,112.3	306.8
Balance Sheet			
Assets	163,816	4,571	168,386
Loans	135,345	553	135,898
Deposits	128,592	3	128,595
Equity	6,689	2,166	8,855
Past Due Loans	4,256	323	4,578
Loan Loss Reserves	4,895	420	5,315
Ratios			
Non Interest Expense/ Total Assets			
% Past Due Loans	3.1%	58.4%	3.4%
Reserves / Past Due Loans	115.0%	130.2%	116.1%
% Capitalization (2)			

1) Includes a 96.11% participation of the Group.

2) Includes Market Risks. Using 2003 rules.

3) Excludes the AFORE.

Inter-bank Eliminations Summary

(Millions of Pesos)	BANORTE	BANCEN	INTERBANK ELIMINATIONS
Income Statement			
Net Interest Income	(959.1)	959.1	-
Non Interest Income	-	-	-
Non Interest Expense	(15.0)	15.0	-
Other Income (expense)	-	-	-
Extraordinary items, net	-	-	-
Balance Sheet			
Assets	(12,107)	(529)	(12,636)
Cash and Due from Banks	(10,201)	(20)	(10,221)
Loans	-	(360)	(360)
Deposits	1,245	(1,523)	(278)
Due to Banks	(10,201)	(453)	(10,653)
Equity	(1,843)	-	(1,843)
Past Due Loans	-	-	-
Loan Loss Reserves	-	-	-
Investments in Subsidiaries	(1,843)	-	(1,843)
Deferred Taxes, (Liabilities) (*)	(63)	(85)	(148)
Deferred Taxes, (Assets) (*)	(63)	(85)	(148)

(*)Reclassifications, in accordance to CNBV and accounting criteria presentation

The aforementioned table shows the eliminations between the two banks, considered as the "Banking Sector," showing the balance of the same under each heading in the Income Statement and the Balance Sheet. Note, however, that the individual numbers from the pro-forma table of combined indicators cannot be compared directly with those of the individual Financial Statements of each Bank, as one must consider the eliminations contained in this section, and also take into account that the Afore unit is not included under Bancen but *is*, nevertheless, included in the individual Financial Statements of Bancen.

Reconciliation per Segments Table

(Millions of Pesos)	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
Income Statement				
Net Interest Income	1,788.9	89.9	(14.1)	1,864.7
Non Interest Income	996.1	324.0	-	1,320.1
Non Interest Expense	2,160.3	270.2	(14.3)	2,416.2
Other Income (expense)	(137.4)	0.9	(0.3)	(136.7)
Extraordinary items, net	-	-	-	-
Balance Sheet				
Assets	168,386	13,690	(10,172)	171,905
Loans	135,898	2,419	(597)	137,720
Deposits	128,595	-	(194)	128,401
Equity	8,855	10,792	(9,191)	10,456
Past Due Loans	4,578	57	-	4,636
Loan Loss Reserves	5,315	22	-	5,337

The criteria for distributing income and expenditures between the Subsidiaries of the Group is done on the basis of the relative size and operational volume of each company, depending on the type of primary service it provides. These criteria are applied to the expenses related to the operation of primary areas, these being Accounting, Systems, and Operations, as well as to the expenses for maintaining the corporate structure.

Financial Statements basis for presentation.

The Grupo Financiero Banorte (GFNorte)- Financial Statements of the Financial Group are presented in consolidated form with the figures from its respective subsidiaries as stipulated in regulations of the National Banking and Securities Commission (CNByV) and circular 1400 of March 31, 1998, and the "Accounting Criteria for Controlling Companies of Financial Groups" contained in circular 1489 of the National Banking and Securities Commission (CNByV) of October 30, 2000. This circular was effective as of January 1,2001. In addition, the Financial Statements of the Banking Institutions were presented consolidated with UDIS and their respective Subsidiaries.

The Banking Sector (Banorte and Bancen)-The new groupings contained in bulletin 1488 of October 30, 2000 of the CNByV that was effective from January 1,2001 & The Presentation Rules from bulletin 1455 from December 14, 1999 from CNBV used since July 1st, 2000. For all periods, figures are presented in constant pesos set at the close of the current reporting period. Therefore the UDI price at the end of each period was used. The information contained herein is based on non-audited information of each of the entities described herein. Results for any interim period are not necessarily indicative of results that may be achieved for a full fiscal year or any other interim period.

Grupo Financiero Banorte (GFNorte) and the Banking Sector (Banorte y Bancen) are using the same practices and accounting criteria used in the last Annual Report, according with the stipulated in regulations of the National Banking and Securities Commission (CNByV) in circular 1400 of March 31, 1998, in the circular 1456 of December 22, 1999, in the circular 1448 of October 14,1999 and the circular 1455 of December 14, 1999. Adding the stipulations of the circular 1488 and the circular 1489 of October 30, 2000 that were effective as of January 1,2001.

In order to improve the transparency and comparability of the Income Statement of the 1Q00 for the Banking Sector and for the Group, we incorporated all January, 2000 income and expense figures of Banpaís (was merged into Banorte in February, 2000) in their corresponding income statement accounts at the Banking Sector and Group levels. January results of Banpaís were shown as a net number in the Subsidiaries Net Income account in the 1Q00 release, following the accounting regulations. Besides, beginning 2Q00, a line item was added to Banorte's income statement called: Corporate Expense Recoveries given that this bank concentrates corporate and central processes expenses that are latter charged to Bancen, and previously also to Banpaís. While in the case of Banorte this amount can be seen clearly, this figure becomes zero when consolidating the Banking Sector and the Group due to inter-company eliminations.

The financial information contained herein has been prepared in accordance with accounting principles and regulations issued by the National Banking and Securities Commission for those entities, which comprise Grupo Financiero Banorte. These regulations and principles differ from the generally accepted accounting principles established by the Mexican Institute of Public Accountants (Mexican GAAP). They also differ from the accounting principles which are accepted in the United States (US GAAP), and from regulations and principles established by US authorities for the types of businesses, which are part of Grupo Financiero Banorte. In order to present the financial information contained herein in an international format, the classification and presentation format differs from the format used in the publication of such financial information in Mexico. In the United Kingdom, this document may only be distributed to those persons displaying the characteristics described in Article 9 (3) of the Financial Services Act, 1986, or to those to whom its distribution is otherwise fully lawful. The information contained in this report is not, and therefore should not be interpreted as, a solicitation for the purchase or sale of any of the securities issued by the companies of the financial groups described herein.