According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

GFNorte Reports Net Income of Ps 1.6 billion in 1Q09

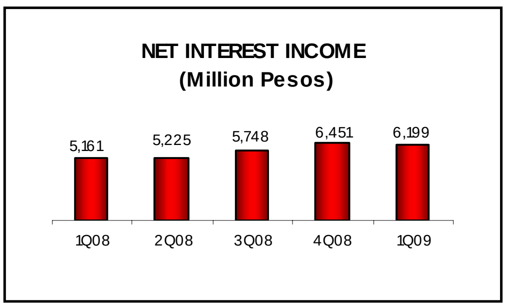
OPERATING RESULTS *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Net Interest Income	5,161	6,451	**6,199**	(4%)	20%
Non Interest Income	1,942	2,360	**1,845**	(22%)	(5%)
Total Income	7,103	8,811	**8,044**	(9%)	13%
Non Interest Expense	3,799	4,369	**4,142**	(5%)	9%
Operating Income	2,299	1,458	**1,739**	19%	(24%)
Net Income	1,928	1,272	**1,611**	27%	(16%)

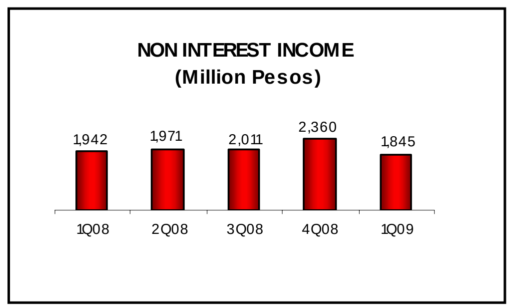
- **Net Interest Income**

During 1Q09, Net Interest Income before Repomo was Ps 6.2 billion, a 20% YoY growth, driven by higher interest revenues as a result of growth in the loan portfolio and higher average market interest rates compared to 1Q08, as well as higher spreads on new loans. NII also benefited from growth in demand deposits. NII suffered a 4% QoQ decline, affected by a 2% reduction in the performing loan portfolio and a reduction in market interest rates as a result of Banxico's monetary policy.

- **Non Interest Income**

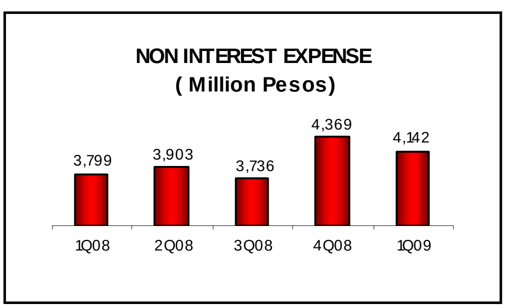
Non Interest Income was Ps 1.8 billion during 1Q09, a 5% YoY decline and a 22% QoQ drop, given less recoveries of real estate portfolios, as well as lower service fees.

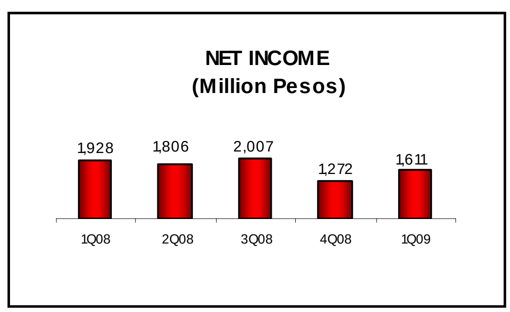




- **Non Interest Expense**

Non Interest Expense was Ps 4.1 billion for 1Q09, a 9% YoY increase mainly due to higher personnel, branch remodellling and other sales channels related expenses. The 5% QoQ decline vs. 4Q08 is mainly explained by a non-recurring fiscal adjustment registered in 4Q08 which had a total positive impact of $33 million, but a negative one time fiscal cost at the end of last year. The efficiency ratio was 51.5% during 1Q09 vs. 49.6% in 4Q08 and 53.5% in 1Q08.





- **Net Income**

During 1Q09, GFNorte reported Net Income of Ps 1.6 billion, 27% higher than 4Q08 and 16% lower than 1Q08. The YoY decline is mainly explained by the non-recurring Ps 275 million gain from the sale of shares of VISA obtained during 1Q08 as part of it's IPO. Exluding this non-recurring line item, net income fell by 3% YoY, affected mainly by higher loan loss provisions as a result of deterioration in the consumer portfolio. The QoQ growth was mainly due to lower loan loss provisions and an increase in non operating income due to changes in the C-2 accounting criteria, which modified the valuation of benefits to be received from securitizations of Mortgage, State and Municipal loans.

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According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

INCOME STATEMENT AND BALANCE SHEET HIGHLIGHTS – *GFNorte* *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Income Statement					
Net Interest Income before REPOMO	5,161	6,451	**6,199**	(4%)	20%
Non Interest Income	1,942	2,360	**1,845**	(22%)	(5%)
Total Income	7,103	8,811	**8,044**	(9%)	13%
Non Interest Expense	3,799	4,369	**4,142**	(5%)	9%
Provisions	1,005	2,983	**2,162**	(28%)	115%
Operating Income	2,299	1,458	**1,739**	19%	(24%)
Non Operating Income (Expense)	738	413	**652**	58%	(12%)
Taxes and Profit Sharing	1,075	592	**774**	31%	(28%)
Subsidiaries & Minority Interest	(34)	(7)	**(6)**	(14%)	(82%)
Net Income	1,928	1,272	**1,611**	27%	(16%)
Balance Sheet					
Assets Under Management	634,873	590,039	**589,310**	-%	(7%)
Total Assets	301,526	577,025	**577,802**	-%	92%
Perfoming Loans (a)	199,875	240,298	**236,181**	(2%)	18%
Past Due Loans (b)	3,189	4,948	**5,556**	12%	74%
Total Loans (a+b)	203,065	245,246	**241,737**	(1%)	19%
Total Loans (Net) (d)	199,017	238,556	**235,686**	(1%)	18%
Acquired Collection Rights (e)	3,538	3,049	**2,923**	(4%)	(17%)
Total Loans (d+e)	202,554	241,605	**238,609**	(1%)	18%
Total Liabilities	265,888	537,280	**536,903**	-	102%
Demand Deposits	103,263	128,350	**120,255**	(6%)	16%
Time Deposits	93,830	132,419	**134,964**	2%	44%
Equity	35,638	39,746	**40,899**	3%	15%

FINANCIAL RATIOS - *GFNorte*	1Q08	4Q08	1Q09	QoQ	YoY
Profitability (1):					
NIM before REPOMO (2)	7.9%	6.1%	**4.6%**	(1.5 pp)	(3.3 pp)
NIM after Provisions (3)	6.4%	3.3%	**3.0%**	(0.3 pp)	(3.4 pp)
ROE (4)	23.2%	13.6%	**16.8%**	3.2 pp	(6.4 pp)
ROA (5)	2.6%	1.1%	**1.1%**	- pp	(1.5 pp)
Operation:					
Efficiency Ratio (6)	53.5%	49.6%	**51.5%**	1.9 pp	(2.0 pp)
Operating Efficiency Ratio (7)	5.2%	3.8%	**2.9%**	(0.9 pp)	(2.3 pp)
Liquidity Ratio (8)	49.5%	46.6%	**49.0%**	2.4 pp	(0.5 pp)
Asset Quality:					
Past Due Loan Ratio	1.6%	2.0%	**2.3%**	0.3 pp	0.7 pp
Coverage Ratio	126.9%	135.2%	**108.9%**	(26.3 pp)	(18.0 pp)

1) The 4Q08 NIM and ROA indicators are not fully comparable to previous periods as a result of recording repos as on balance sheet assets.
2) NIM= Annualized Net Interest Margin before REPOMO / Average Earnings Assets.
3) NIM= Annualized Net Interest Margin adjusted by Loan Loss Provisions / Average Earnings Assets.
4) Annualized earnings as a percentage of the average quarterly equity over the period.
5) Annualized earnings as a percentage of the average quarterly assets over the period.
6) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions)
7) Annualized Non Interest Expense / Average Total Assets.
8) Liquid Assets / Liquid Liabilities (Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale) / (Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks).

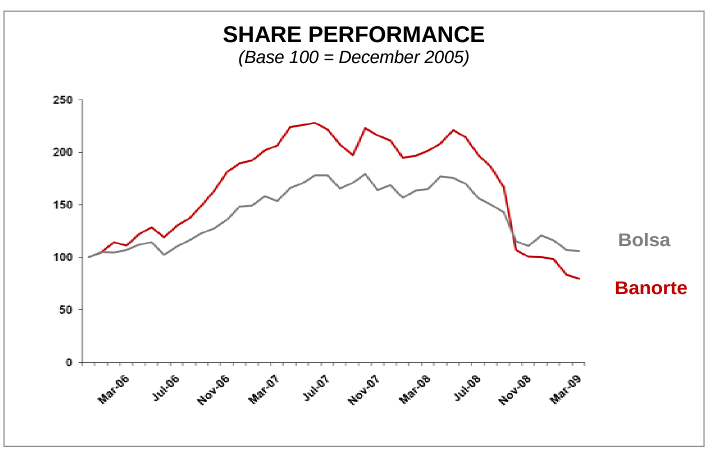
According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

SUBSIDIARIES *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Bank	1,718	1,215	**1,347**	11%	(22%)
Banco Mercantil del Norte (1)	1,718	1,215	**1,347**	11%	(22%)
Broker Dealer	71	(89)	**40**	N.A.	(43%)
Long Term Savings	79	100	**119**	19%	50%
Retirement Funds (Afore)	33	32	**30**	(8%)	(10%)
Insurance	39	70	**77**	10%	100%
Annuities	8	(3)	**12**	N.A.	56%
Other Finance Companies	71	121	**101**	(16%)	43%
Leasing & Factoring (2)	66	115	**94**	(18%)	43%
Warehousing	5	6	**7**	27%	49%
Microlending (Pronegocio)	(9)	(80)	**6**	N.A.	N.A.
G.F. Banorte (Holding Company)	(2)	6	**(2)**	(127%)	N.A.
Total Net Income	1,928	1,272	**1,611**	27%	(16%)

1) 96.11% owned by GFNorte as of 2Q06. Since 3Q06 97.06% owned by GFNorte. On August of 2006 Banorte merged Bancen. N.C. = Non Comparable.
2) The merger of Leasing and Factoring became effective as of January 31, 2008

SHARE DATA	1Q08	4Q08	1Q09	QoQ	YoY
Earnings per Share (Pesos)	0.96	0.63	**0.80**	27%	(16%)
Dividends per Share (Pesos)	-	0.47	**-**	-	-
Dividend Payout (Recurring net income)	-	15%	**-**	-	-
Book Value per Share (1) (Pesos)	16.78	18.73	19.26	3%	15%
Total Shares Outstanding (million shares)	2,018.3	2,018.3	**2,018.3**	-	-
Stock Price *(Pesos)*	46.14	24.88	**18.83**	(59%)	(24%)
P/BV *(Times)*	2.75	1.33	**0.98**	(26%)	(64%)
Market Capitalization *(Million Dollars)*	8,753	3,650	**2,651**	(27%)	(70%)

1) Excluding Minority Holdings.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

RECENT EVENTS

- **Organizational Changes**

On March 2, Alejandro Garay Espinoza was appointed Managing Director of Administration and on March 23 Javier Márquez Diez-Canedo was named Managing Director of Risk Management.

- **Banorte strengthens its presence in Texas.**

On April 1st, 2009, Grupo Financiero Banorte announced the purchase of the remaining 30% of INB Financial Corp's shares. ("INB"), the controlling company of Inter National Bank, headquartered in Texas, USA. Through this acquisition, Banorte concludes the original strategy outlined in January 2006, when Banorte acquired 70% of Inter National Bank. Banorte paid US $146.6 million dollars for this remaining stake of INB without having to recurr to external funding. This operation did not have an impact on Banorte's regulatory capitalization since 100% of the transaction was booked in 2006.

- **Issuance of Preferred Non Convertible Subordinated Debentures for Ps 2.2 billion in the Mexican Stock Exchange.**

In order to strengthen its regulatory capital; Banorte issued Preferred Non Convertible Subordinated Debentures (BANORTE 09) for a total of Ps 2.2 billion with a 10 year maturity and an interest rate of 28 day TIIE plus 200 basis points. The securities were rated Aaa.mx by Moody's and AA (mex) by Fitch. The first three transactions carried out under this subordinated debt program were issued in 2008 in the local markets for approximately Ps 7.7 billion.

- **China Development Bank and Banorte sign an agreement of international cooperation**

On February 10th, 2009 China Development Bank and Grupo Financiero Banorte signed an important cooperation agreement, establishing the foundation through which both institutions can mutually serve their clientele mainly in China, Mexico and the United States by taking advantage of both institutions' business platforms.

- **Restructuring Program for SME Clients**

Despite the prevailing economic environment, Banorte maintains its commitment to support and develop Mexican SMEs. On March 24, the bank launched an aggressive loan restructuring program for its Crediactivo clients, which will allow clients to meet their obligations by extending the loan term for up to 7 years and reducing interest rates if they remain current with their payments.

- **Launching of "Banorte Movil" (Mobile).**

On March 5, the "Banorte Movil" service became available to our clients. This is an innovative electronic banking service that operates via cellular telephones and mobile devices using the Internet. Clients can access this service from anywhere in the country using a cellular phone, regardless of the phone's model and the mobile telephone provider. During the first weeks of use, 15 thousand electronic banking clients downloaded this application to their cellular telephones.

- **Launching of "Dollar Debit Card"**

On March 30, the "Tarjeta de Debito Dólares" (Dollar Debit Card) was launched, as well as the new "Enlace Dólares sin Chequera" (Dollar Savings Account without Checkbook). Both of these products were developed for clients who reside along Mexico's border.

- **Banorte was Awarded "Best Financial Group 2009 in Mexico" by *World Finance*.**

In April, World Finance magazine recognized Grupo Financiero Banorte as the "Best Financial Group in Mexico". This is the first time that a Mexican bank has been granted with this award from this prestigious publication, which is part of the London based "World News Media" publishing group. Banorte was recognized for its constant innovation, originality and quality of its products and services, continuous development of markets, its growing participation in all segments, as well as excellence in client service, among other things.

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GRUPO FINANCIERO BANORTE

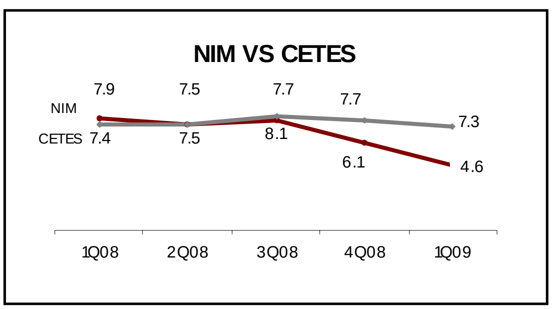
NET INTEREST INCOME *(Million Pesos)*	1Q08	4Q08(1)	1Q09	QoQ	YoY
Interest Income	11,307	14,061	**13,141**	(7%)	16%
Interest Expense	6,247	7,766	**7,095**	(9%)	14%
Loan Origination Fees	101	156	**153**	(2%)	52%
Fees Paid (2)	-	-	**-**	-	-
Net Interest Income before REPOMO	5,161	6,451	**6,199**	**(4%)**	**20%**
Average Earning Assets	261,871	424,890	**540,851**	27%	107%
Net Interest Margin before REPOMO (3)	7.9%	6.1%	**4.6%**		

1) In accordance with the accounting criteria B-3 "Repos" issued last October 14, as well as the authorization given by the Banking and Securities Commission (CNBV), credit institutions were allowed to classify debt instruments, regardless of their category, as Investments in Securities considering that: i) the guidelines relative to the reclassification of the instruments will be equally applicable to proprietary repos transactions and securities' lending, given that investment in securities is equally done through these operations; ii) the value of the instruments to be received in repos and securities' lending transactions may be adjusted to the market value (closing price) of such instruments corresponding to October 1, 2008 in the same manner as was stipulated for the book value adjustment of proprietary investments in securities; iii) once the book value of the instruments to be received in repos and securities' lending operations has been adjusted, such instruments can be reclassified to any category of investments in securities according with the institutions' intentionality for those instruments, and they will be later valued according to the valuation standards for each category established in the accounting criteria; iv) the reclassification of investments in securities, as well as the adjustment to the valuation of the repos to be received and securities' lending transactions, will be done in only one occassion on the date that each institution determines during the last quarter of 2008.
2) Fees Paid, As a result of new accounting standards by the CNByV that went into effect as of January 2007 these fees were reclasificated into Other Fees Paid in Non Interest Income.
3) NIM = Annualized Net Interest Margin before REPOMO / Average Earnings Assets

- **Net Interest Income**

Net Interest Income before Repomo reported a 20% YoY increase in 1Q09, driven by a 16% rise in interest income as a result of 18% annual growth in the performing loan portfolio, a 9 basis point increase in the TIIE average interest rate (TIIE averaged 8.02% in 1Q09 vs. 7.93% in 1Q08), coupled with a 16% increase in demand deposits. NII was also driven by a 52% increase in origination fees resulting from higher volumes, as well as the amortization of deferred fees from loans placed in 2007. NII had a (4%) QoQ loss vs. 4Q08, affected by a (7%) decline in interest income as a result of a 70 basis point decline in the average TIIE rate from the previous quarter (TIIE averaged 8.02% in 1Q09 vs. 8.72% in 4Q08) and less loan origination volumes. On a quarterly basis, the margin was also impacted by a 2% decline in loan fees and a 6% drop in demand deposits (associated with seasonality).

Net Interest Margin (NIM) was 4.6% in 1Q09, 3.3 percentage points (pp) lower compared to the same quarter of the previous year. However, these figures are not fully comparable due to the significant increase in productive assets in 4Q08 as a result of accounting changes for the reclassification of repos issued by the National Banking and Securities Commission (CNBV). The NIM declined 1.5 pp in 1Q09 vs. 4Q08, affected by a drop in interest income given lower market interest rates and the impact of the new accounting regulations for repos.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

NON INTEREST INCOME *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Fees charged on Services	**2,026**	**2,138**	**1,914**	**(10%)**	**(6%)**
Fund Transfers	52	63	**60**	(5%)	14%
Account Management Fees	235	253	**230**	(9%)	(2%)
Fiduciary	69	72	**51**	(29%)	(26%)
Income from Real Estate Portfolios (1)	190	204	**137**	(33%)	(28%)
Electronic Banking Services	234	269	**250**	(7%)	7%
Credit Card Fees	581	655	**590**	(10%)	1%
Fees from IPAB (2)	-	1	**-**	-%	-%
Fees charged by Afore	256	230	**231**	-	(10%)
Other Fees Charged (3)	408	391	**365**	(7%)	(11%)
Fees Paid on Services	**282**	**337**	**312**	**(8%)**	**11%**
Fund transfers	5	5	**6**	27%	22%
Other Fees Paid	277	332	**305**	(8%)	10%
Expenses from Real Estate Portfolios (1)	-	-	**-**	-	-
Net Fees	**1,744**	**1,801**	**1,602**	**(11%)**	**(8%)**
Trading Income	**198**	**559**	**241**	**(57%)**	**22%**
Non Interest Income	**1,942**	**2,360**	**1,845**	**(22%)**	**(5%)**

1) Since 1Q07, it only reflects Income from recoveries and amortizations of Real Estate Portfolios. Until 4Q06, it included income from recoveries and amortization of Acquired Portfolios.
2) Includes Fees received by Recovery Banking and by the Bank.
3) It includes fees from letters of credit, from transactions with pension funds, wharehousing services, financial advisory services and securities trading by the Brokerage House, among others.

- **Non Interest Income**

Non interest Income reported a (5%) YoY and (22%) QoQ decline in 1Q09, affected by a reduction in various line items.

NON INTEREST INCOME *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Services	1,554	1,596	**1,465**	(8%)	(6%)
Recovery	190	205	**138**	(33%)	(28%)
Trading	198	559	**241**	(57%)	22%
Non Interest Income	**1,942**	**2,360**	**1,845**	**(22%)**	**(5%)**

- **Service Fees**

Service Fees in 1Q09 reached Ps 1.4 billion, a (6%) YoY and (8%) QoQ decline. On an annual basis, the main declines were a (28%) reduction in fiduciary revenues, (11%) in other fees paid and (10%) in AFORE pension fund fees. Most of these line items were affected by a reduction in business volumes, while the AFORE was affected by changes in regulation. The QoQ decline is due to the (29%) reduction in fiduciary revenues, (10%) in credit card fees, (9%) in account management fees and (7%) in electronic banking services. The drop in these items is explained mainly by lower business volumes given the economic environment, and in the case of credit cards, also as a result of he bank's initiatives to reduce or eliminate some fees in order to benefit clients and also in anticipation of regulatory changes in this front.

- **Recovery**

Non Interest Revenues from recoveries in 1Q09 were lower by (28%) YoY and (33%) QoQ. The YoY drop is mainly explained by lower revenues from investment projects, which generate revenues as the project advances, while the QoQ fall is explained by less recovery activity and a reduction in the revenues from investment projects due to the economic environment. The amount invested in these investment projects at closing of 1Q09 totaled Ps 3.16 billion, and the portfolio continues to be diversified by region, partner and industry.

- **Trading**

This line item registered a 22% YoY increase in 1Q09, which is explained by favorable dynamics in FX revenues over the last few months. The (57%) QoQ drop is mainly due to the extraordinary income of Ps 284 million registered in the 4Q08 from positive mark to market valuation from the recognition of substituting a loan from a State government with another loan with higher value in securitized State and Municipalloans. Excluding this extraordinary gain, Trading revenues were (12%) lower, affected mainly by the prevailing interest rate environment, while FX revenues were similar to those registered in the previous quarter.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

Non Interest Expense *(Million Pesos)*	**1Q08**	**4Q08**	**1Q09**	**QoQ**	**YoY**
Personnel Expenses	1,504	1,558	**1,692**	9%	13%
+ Professional Fees	227	437	**334**	(23%)	48%
+ Administrative and Promotion Expenses	1,255	1,288	**1,187**	(8%)	(5%)
+ Rents, Depreciation & Amortization	417	436	**452**	4%	8%
+ Taxes other than income tax	183	391	**209**	(47%)	14%
+ Contributions to IPAB	213	259	**267**	3%	25%
= Non Interest Expense	**3,799**	**4,369**	**4,142**	**(5%)**	**9%**

- **Non Interest Expense**

Non Interest Expenses in 1Q09 registered a 9% YoY increase, driven by 13% YoY growth in personnel expenses related to the bank's expansion programs, especially branches. Expenses also grew due to a 48% YoY increase in Professional Fees as a consequence of more expenses for the development of IT projects, as well as more legal and extrajudicial expenses related to portfolio recoveries and an increase in business consulting services. Other Taxes grew 14% YoY due to higher value added tax payments driven by more expenditures over the last year. Rents, Depreciations and Amortizations grew 4% YoY due to larger licensing payments associated with business growth and the impact of foreign exchange movements in these expenditures, as well as transfers of depreciation balances resulting from the merger of the real estate companies. Contributions to IPAB grew 25% YoY as a result of increased deposits.

Expenses decreased by (5%) QoQ compared to 4Q08 mainly due to an (8%) QoQ reduction in Administration and Promotional Expenses resulting from less expenditures on infrastructure and systems' maintenance, as well as computer hardware and software acquisitions. Other Taxes fell (47%) QoQ due to the Ps 220 million non recurring tax update during 4Q08 related to the fiscal treatment of loan portfolios acquired during 2004-2005. Expenses also declined due to a (23%) QoQ reduction in Professional Fees related to IT projects and portfolio recoveries.

It is important to mention that in 4Q08, Banorte initiated a series of cost containment measures in anticipation of a weaker economic and business environment, which included the merger of a significant number of branches in order to improve efficiency. In February 2009, 50 branches were merged which will translate into higher efficiencies throughout the rest of the year.

The efficiency ratio improved from 53.5% to 51.5% in 1Q09, supported by higher revenues. The slight deterioration from 4Q08's 49.6% efficiency level was caused mainly by leverage reduction in total revenues.

- **Provisions**

Provisions created in 1Q09 reached Ps 2.1 billion, a 115% YoY increase, driven mainly by higher credit card delinquencies and the additional initial reserve requirements for credit cards mandated by authorities. The (28%) QoQ decline is attributed to lower reserve requirements by corporate loans as result of fully reserving an important loan in this segment during 4Q08.

Provisions for 1Q09 represented 3.6% of the average loan portfolio, a considerable reduction from the 5% level of 4Q08.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

NON OPERATING INCOME (EXPENSE) NET *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Non Operting Income	850	1,497	**904**	(40%)	6%
Other Revenues	548	273	**421**	54%	(23%)
Foreign Exchange	-	-	**-**	-	-
Recoveries	267	727	**403**	(45%)	51%
Repomo - Other Revenues	-	-	**-**	-	-
Warehousing	35	497	**81**	(84%)	131%
Non Operating Expense	(112)	(1,084)	**(253)**	(77%)	126%
Other Expenses	(77)	(589)	**(173)**	(71%)	125%
Foreign Exchange	-	-	**-**	-	-
Repomo - Other Expenses	-	-	**-**	-	-
Warehousing	(34)	(495)	**(80)**	(84%)	135%
Non Operating Income (Expense), net	**738**	**413**	**652**	58%	(12%)

- **Non Operating Income (Expense), net**

During 1Q09, Non Operating Income (Expense), Net reached Ps 652 million, a 12% YoY decline due to a Ps 394 million nonrecurring pre-tax gain in 1Q08 from the sale of VISA's shares (868,138 shares at a net price of USD 42.768 and an exchange rate of Ps 10.62), as well as an increase in Other Expenses caused by the release of reserves for legal contingencies. The 58% QoQ increase resulted from the positive impact of Ps 243 million given the changes to the C-2 accounting criteria for the valuation of benefits to be received from securitization of Mortgage, State and Municipal loan portfolios. Due to this change in criteria, the impact from changes in valuation of these securities will be accounted in Other Products as of January 2009.

- **Taxes**

Taxes and Profit Sharing totaled Ps 774 million during 1Q09, a 28% YoY decline due to higher profits registered in 1Q08. On a quarterly basis, Taxes grew 31 % due to higher net income in 1Q09. The effective tax rate in 1Q09 was 32%, the same level as in 4Q08 and lower than the 35% of 1Q08.

- **Subsidiaries and Minority Interest**

This line item reported a loss of Ps 6 million in 1Q09, which breakdowns as follows: a Ps 89 million profit from Subsidiaries - mainly due to positive results from the Insurance company, and a negative impact of Ps 95 million from Minority interest as a consequence of an increase in net income of the AFORE pension fund (Banorte owns 51%), Banco Mercantil del Norte (GFNORTE owns 97.06% of Banorte) and Banorte USA (Banorte owned 70% until end of 1Q09).

Capitalization *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	QoQ	YoY
Tier 1 Capital	27,527	29,982	30,538	28,300	**29,358**	4%	7%
Tier 2 capital	11,524	13,806	14,822	17,076	**14,840**	(13%)	29%
Net Capital	39,052	43,788	45,360	45,376	**44,198**	(3%)	13%
Credit Risk assets	187,531	194,173	197,080	204,884	**203,501**	(1%)	9%
Net Capital/ Credit Risk Assets	20.8%	22.6%	23.0%	22.1%	**21.7%**	(0.4 pp)	0.9 pp
Total Risk Assets (1)	267,175	278,933	287,412	302,279	**301,897**	-%	13%
Tier 1	10.3%	10.7%	10.6%	9.4%	**9.7%**	0.4 pp	(0.6 pp)
Tier 2	4.3%	5.0%	5.2%	5.6%	**4.9%**	(0.7 pp)	0.6 pp
Capitalization Ratio	14.6%	15.7%	15.8%	15.0%	**14.6%**	(0.4 pp)	- pp

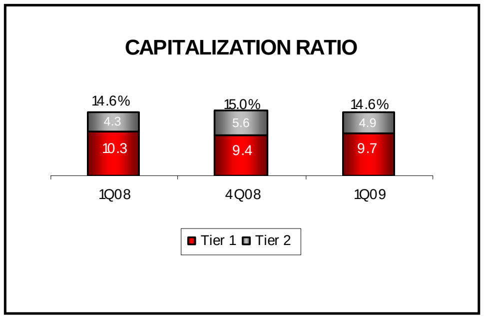
(1) Includes Market and Operational Risks. Without inter-company eliminations.
(*) The capitalization ratio of the last period reported is estimated.
(**) The capitalization ratio of 4Q08 was revised upwards due to an adjustment in the calculation of subordinated debentures as regulatory capital.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

- **Capitalization**

At closing of 1Q09, the Capitalization Ratio was 14.6% considering credit, market and operational risks, and 21.7% when considering credit risks only. The Tier 1 capital ratio was 9.7% and 4.9% for Tier 2. The 0.4 percentage points (pp) drop vs. 4Q08 is mainly explained by the amortization last February of USD 300 million in subordinated debentures, which were considered as Tier 2 capital. The Capitalization Ratio remained at the same level registered in 1Q08 due the reinvestment of profits generated during the year and the issuance of Ps 8.9 billion in subordinated debt for during the LTM. This helped to offset a 13% growth in Total Risk Assets, as well as the impact from several regulatory and market driven events.

In 2008, the authorities determined that the requirement for operational risk must be fully constituted during a 3 year term in in proportional monthly allotments. At closing of 1Q09, the period from March 2008-2009 has been covered, (13/36 months), with ahaving impacto of 61 basis points on the capitalization ratio.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

DEPOSITS *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Non Interest Bearing Demand Deposits	43,342	57,876	**54,041**	(7%)	25%
Interest Bearing Demand Deposits (1)	59,923	70,481	**66,213**	(6%)	10%
Total Demand Deposits (2)	**103,266**	**128,357**	**120,254**	(6%)	16%
Time Deposits – Retail	63,067	75,085	**82,308**	10%	31%
Core Deposits	**166,333**	**203,442**	**202,562**	-	22%
Money Market (3)	30,904	57,454	**52,730**	(8%)	71%
Total Bank Deposits	**197,236**	**260,896**	**255,292**	(2%)	29%
GFNorte's Total Deposits (4)	**197,084**	**260,755**	**255,203**	(2%)	29%
Third Party Deposits	**168,131**	**144,916**	**177,147**	22%	5%
Total Assets Under Management	**365,368**	**405,812**	**432,439**	7%	18%

1) Includes Debit Cards.
2) Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts in 1Q08, 4Q08 and 1Q09 were Ps $8 million, Ps $14 million and Ps $16 million, respectively.
3) Includes Bank Bonds (Customers and Financial intermediaries).
4) Includes the eliminations between the subsidiaries (1Q08=153 millions, 4Q08=142 milllons and 1Q09=88 millions).

- **Total Deposits**

At closing of 1Q09, *Total Deposits* were Ps 255.2 billion, a 29% YoY increase vs. 1Q08, driven mainly by 16% YoY growth in Demand Deposits, and in particular, by an important 25% increase in non-interest bearing demand deposits due to higher balances in Enlace Corporate Checking Accounts. Core Deposits declined by (2%) QoQ, due to seasonal effects as a result of smaller balances held in accounts at the beginning of the year.

- **Demand and Term Deposits**

Demand Deposits grew 16% YoY at closing of 1Q09, driven by a 25% YoY increase in non-interest bearing demand deposits due to increased balances in Enlace Corporate Checking Accounts, as well as a 10% increase in interest-bearing demand deposits due to higher balances in Banorte Facil, Suma, Sumanomina, Enlace Individual and Corporate Interest Yielding Checking Accounts, as well as Demand Investments. On a quarterly basis, Demand Deposits fell (6%) affected mainly by a (7%) QoQ drop in non-interest bearing demand deposits and a(6%) QoQ decline in interest bearing demand deposits as a consequence of lower balances held in clients' accounts at the start of every year.

Retail time deposits increased 31% YoY and 10% QoQ in 1Q09, as a result of a successful campaign to promote the "Pagamás" and "Ganamás" retail promissory notes with 7 and 14 day maturities, as well as the traditional 28 day option.

As a result of the efforts to increase deposits, 226,000 new personal accounts and 4,150 new corporate accounts were opened during the quarter (net of cancellations).

- **Money Market Deposits**

The 71% YoY growth was mainly driven by greater institutional customer balances (companies, states and municipalities), as well as an adequate management of relations with our clients. The (8%) QoQ drop is mainly explained by the migration of mutual funds' clientele towards other deposit products within the bank.

- **Third Party Deposits**

Registered a 5% YoY rise during 1Q09 due to more customer securities received in custody, as well as other assets in custody or under management. The 22% QoQ increase was due to greater assets in custody or under management, as well as third-party investment banking transactions.

- **Assets Under Management**

At closing of 1Q09, total AUM were Ps 432.4 billion, an 18% YoY increase, driven by growth in bank and money market deposits. The 7% QoQ increase from 4Q08 is a result of increased retail time deposits and third-party deposits.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

PERFORMING LOAN PORTFOLIO *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Commercial	75,914	92,521	**89,247**	(4%)	18%
Consumer	66,618	74,868	**74,049**	(1%)	11%
Corporate	38,696	45,127	**43,533**	(4%)	12%
Government	17,556	26,989	**28,592**	6%	63%
Sub Total	198,784	239,505	**235,421**	(2%)	18%
Recovery Banking	1,091	794	**760**	(4%)	(30%)
Total	199,875	240,299	**236,181**	(2%)	18%
PERFORMING CONSUMER LOAN PORTFOLIO *(Million Pesos)*	**1Q08**	**4Q08**	**1Q09**	**QoQ**	**YoY**
Mortgages	37,978	45,499	**46,275**	2%	22%
Car Loans	7,411	7,594	**7,521**	(1%)	1%
Credit Cards	15,005	15,067	**13,837**	(8%)	(8%)
Payroll	6,223	6,707	**6,417**	(4%)	3%
Consumer Loans	66,618	74,868	**74,049**	(1%)	11%
(Million Pesos)	**1Q08**	**4Q08**	**1Q09**	**QoQ**	**YoY**
IPAB Loans	-	-	**-**	-	-
Past Due Loans	3,189	4,948	**5,556**	12%	74%
Loan Loss Reserves	4,048	6,690	**6,051**	(10%)	49%
Acquired Rights	3,538	3,049	**2,923**	(4%)	(17%)

- **Total Performing Loans**

Total Performing Loans increased 18% YoY, growing from Ps 198.7 billion at closing of 1Q08 to Ps 235.4 billion in 1Q09, excluding loan portfolios managed by Recovery Banking. This growth was driven by all segments in the loan portfolio, especially government, commercial and mortgage loans.

On a quarterly basis, total Performing Loans fell (2%) vs 4Q08, mainly due to a reduction in the credit card, payroll, commercial and corporate portfolios. This decline is explained by an industrywide deceleration in loan activityover the last months in Mexico, as a consequence of lower demand in light of the economic environment, coupled with the more restrictive origination policies adopted by most financial institutions. In Banorte's case, stricter origination standards are preventive measures to face the current market situation.

Banorte has tried to offset the decline in industry-wide lending with more penetration in those sectors which continue to provide adequate levels of risk adjusted profitability and lower capital consumption, such as government loans. The bank is also seeking to take advantage of market opportunities derived from lower presence by our competitors in various segments.

Loan growth by segments was:

I. Loans to Individuals

- **Consumer + Mortgage:** during 1Q09, grew 11% but fell (1%) QoQ. On an annual basis, growth was mainly driven by an increase in mortgage and payroll loans, while the quarterly decline was due to a reduction in the credit card, payroll and car loans.

  - ***Mortgage:*** grew 22% YoY and 2% QoQ, despite a (39%) annual and (46%) quarterly decline in new loan production. Lower origination is mainly explained by less credit demand in the market, adjustments to the credit evaluation model and greater restrictions to originate loans in certain product categories. Durign the LTM, 18,360 new loans were placed, and 2,620 during 1Q09.

  - ***Credit Card*:** Registered an (8%) YoY and QoQ reduction at closing of 1Q09, as a consequence of a (83%) annual and a (16%) quarterly decline in new cards originated due to more conservative policies and less loan demand in the market. At closing of 1Q09, Banorte had 1.19 million accounts, (7%) less than those registered during the same period in 2008.

  - ***Payroll and Personal Loans:*** At closing of 1Q09, the portfolio grew 3% YoY, as a result of promotional strategies implemented during 2008 to increase penetration in payroll loans. Additionally, the efforts to attract corporate and government payroll clients have expanded the bank's potential payroll loan client base, and efforts have been made to penetrate our current payroll deposit client base. On a quarterly basis, payroll loans dropped (4%) as a result of lower personal loans' sales and lower credit demand given the country's adverse employment situation.

- ***Car Loans:*** This portfolio grew 1% YoY as a result of enhancements made in 2007 and 2008 to loan origination processes. On a quarterly basis, the portfolio declined (1%) QoQ as a result of lower domestic car sales and a more conservative approach to this segment in response to adverse economic conditions.

II. Loans to Institutions

- **Commercial:** This portfolio grew 18% YoY in 1Q09, due to promotional strategies (Empuje Banorte) targeted to SMEs, which include a package of comprehensive solutions (Paquete PYMES and Crediactivo), as well as the efforts to increase placements at the branch level. The authorities also increased the loan amount that can be originated at branch level using parametric models, which has facilitated the access of SMEs to these loans. The portfolio's balance fell (4%) QoQ due to payments received from some clients, as well as seasonal effects that reduce loan sales in the first few months of the year and lower loan demand due to an adverse economic environment.

- **Corporate:** Grew 12% YoY, but declined (4%) QoQ in 1Q09. The annual growth was driven by higher loan placements during the last 12 months derived from attractive market opportunities. In light of the adverse economic environment, it is important to note that Banorte's corporate loan portfolio is well diversified by regions and sectors, and has low concentration levels. The bank's 20 most important corporate exposures represent 15% of the bank's total loan portfolio; with the largest corporate loan representing 1.9% of the total portfolio, while number 20 represents only 0.4%.
- **Government:** Grew 63% YoY and 6% QoQ in 1Q09 as a result of efforts to establish comprehensive banking relationships with these entities, by offering comprehensive solutions to suit their financial needs, as well as structuring of loans to finance their investment needs.

- **Past Due Loans**

At closing of 1Q09, past due loans registered a 74% YoY and 12% QoQ growth, given the deterioration in the consumer portfolio, especially credit cards, and recently commercial loans. The PDL Ratio at the end of 1Q09 was 2.3%, 0.7 percentage points (pp) more than in 1Q08 and 0.3 pp higher than in 4Q08. The increase in the PDL ratio in 1Q09 was mainly due to the deterioration of the consumer and commercial portfolios. At the close of 1Q09, the PDL ratio for credit cards was 13.6%, which compares unfavorably to 12.4% in 4Q08 and 5.9% in 1Q08, although it is important to note that most of the deterioration in this ratio happened between December and January, whereas in the subsequent months (February and March), it remained relatively stable in spite of a sharp reduction in performing loans. On the other hand, at the end of 1Q09, the PDL Ratio for Car loans was 2.5%, Payroll 2.9%, Mortgages 1.7%, Commercial 2.6%, while Government and Corporate remained at 0% (an important delinquent corporate loan was charged off in March 2009). Despite a higher PDL Ratio in some segments compared to 4Q08, this increase is within the estimated limits given the adverse economic environment.

PAST DUE LOAN VARIATIONS (Million Pesos)		
Balance as of December 2008		**4,948**
	Transfer from Performing Loans to Past Due Loans	5,125
	Renewals	(52)
	Cash Collections	(599)
	Discounts	(7)
	Charge Offs	(2,703)
	Foreclosures	(42)
	Transfer from Past Due Loans to Performing Loans	(1.118)
	Foreign Exchange Adjustments	3
Balance as of March 2009		**5,556**

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During 1Q09, 51% of the new non performing loans correspond to credit cards and 39% of write-offs correspond to this segment.

RISK RATING OF PERFORMING LOANS – *GFNorte*
(Million Pesos)

		LOAN LOSS RESERVES			
CATEGORY	**LOANS**	**COMMERCIAL**	**CONSUMER**	**MORTGAGES**	**TOTAL**
A	54,166	-	60	148	207
A1	111,730	504	-	-	504
A2	56,448	532	-	-	532
B	6,331	-	107	192	299
B1	15,445	50	319	-	369
B2	2,823	104	202	-	306
B3	1,267	142	-	-	142
C	2,062	-	877	107	984
C1	476	98	-	-	98
C2	292	118	-	-	118
D	1,923	189	978	205	1,371
E	783	670	102	1	773
Total	**253,747**				
Not Classified	(71)				
Exempt	93				
Total	**253,769**	**2,406**	**2,645**	**652**	**5,704**
Reserves					**6,051**
Surplus (Deficit)					**347**

Notes:
1.- The ratings of loans and reserves created correspond to the last day referred in the Balance Sheet at March 31st, 2009.
2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV and internal methodologies approved by the CNBV. For Mortgage and Consumer loans, Banorte uses the regulation described in the Official Gazette published on December 2, 2005, and for Commercial loans it uses internal methodologies approved by the CNBV.
3.- The excess in preventive reserves, follow the rules issued by the CNBV, to regulate support programs, that were constituted mainly in UDIS Trusts.
5.- The Ratings of Leasing and Factoring loans are dated as of December 2008 and Reserves, as of March, 2009.

LOAN LOSS RESERVES *(Million Pesos)*	**1Q09**
Previous Period Ending Balance	**6,690**
Provisions charged to results	**2,155**
Release of reserves	**-**
Elimination of Excess Reserves charged to results	**-**
Charge offs and discounts:	
Commercial Portfolio	(1,1,84)
Consumer Portfolio	(1,405)
Mortgage Portfolio	(184)
Foreclosed assets	(20)
	(2,793)
Cost of debtors support programs	**(13)**
Valuation and Others	**13**
Other Concepts	**-**
Loan Loss Reserves at Period End	**6,051**

- ### Loan Loss Provisions

At the end of 1Q09, the balance of this account was Ps 6.0 billion, 10% less than in 4Q08. This decline is mainly due to a charge off of an important corporate loan, which was fully reserved since December 2008, as well as charge offs in deteriorated consumer loans, especially credit cards. Provisioning against results totaled Ps 2.1 billion for 1Q09, while write-offs and discounts were Ps 2.7 billion. The release of reserves, other concepts, debtors support program and valuations had a small impact in the variations.

- ### Requirements for Loan Loss Reserves

Required Loan Loss reserves for 1Q09 were Ps 2.162 billion, equivalent to a 115% YoY increase and a (28%) QoQ decrease. The annual increase in loan loss reserves during the fourth quarter is mainly due to higher reserves for delinquent consumer loans, especially credit cards, and to a lesser degree, to the new credit card reserve requirements for zero missed paymens. The quarterly decline is due to lower reserve requirements, especially in the corporate sector, since an important loan was reserved during 4Q08, and no other event of this magnitude occurred during 1Q09.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANKING SECTOR

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS– Banking* *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Income Statement					
Net Interest Income before Repomo	4,903	6,181	**5,965**	(3%)	22%
Provisions	987	2,914	**2,144**	(26%)	117%
Non Interest Income	1,532	1,978	**1,445**	(27%)	(6%)
Non Interest Expense	3,408	3,945	**3,779**	(4%)	11%
Non Operating Income (Expense), Net	767	540	**649**	20%	(15%)
Pre-Tax Income	2,808	1,840	**2,137**	16%	(24%)
Net Income	1,804	1,285	**1,418**	10%	(21%)
Balance Sheet					
Performing Loans	193,514	231,400	**228,126**	(1%)	18%
Deposits	197,245	260,911	**255,307**	(2%)	29%

- **Net Interest Income**

Net Interest Income before Repomo in 1Q09 increased by 22% YoY, driven by a 18% growth in the overall performing loan portfolio, an increase in fees charged for loan originations and substantial growth in demand deposits. NII dropped (3%) QoQ due to a (1%) decline in performing loans and a reduction in market interest rates. The bank's NIM was 4.5% at closing of 1Q09, 3.2 percentage points (pp) less than 1Q08 and 0.5 pp less than 4Q08.

- **Loan Loss Reserves**

Loan Loss Reserves for 1Q09 were 117% higher YoY and (26%) less QoQ. The annual increase is caused by a rise in credit card delinquencies, while the quarterly reduction is a result of lower reserve requirements in the corporate segment.

- **Non Interest Income**

During 1Q09 there was a (6%) YoY and (27%) QoQ decline affected by a reduction in service fees, less income from recoveries of acquired real estate portfolios and trading revenues.

- **Non interest Expenses**

Non Interest Expenses (NIE) increased 11% YoY in 1Q09, as a result of higher Personnel Expenses associated with the branch expansion program. On a quarterly basis, *NIE* dropped (4%) due to lower administration and promotional expenses, a reduction in professional fees, other taxes, as well as lower expenditures in rents, amortizations and depreciations. The efficiency ratio stood at 51% in 1Q09, 2 pp lower vs. 1Q08, but 2.2 pp higher compared to 4Q08, mainly due to lower revenues.

- **Non Operating Income**

This line dropped (24%) YoY given the extraordinary income from the sale of VISA shares which was registered during 1Q08. The 20% QoQ increase is a result of the positive impact caused by the modification in the criteria for valuation of benefits to be received from Mortgage, State and Municipal loan securitizations.

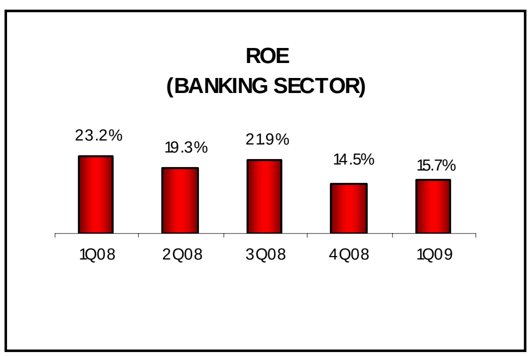
- **Net Income**

The Bank's accumulated profits (100%, including the Afore through the participation method) totaled Ps 1.4 billion during 1Q09, a (21%) YoY decline caused by an increase in provisions and operating expenses, coupled with lower non interest income. Profits grew 10% QoQ given lower provisions, a reduction in operating expenses and an increase in non operating revenues. The bank's ROE was 15.7% at the end of 1Q09, 7.5 pp lower than in 1Q08, although it represents a 1.2 pp increase vs 4Q08.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

FINANCIAL RATIOS – *Banking Sector* *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Profitability					
NIM (1)	7.7%	6.0%	**4.5%**	(1.5 pp)	(3.2 pp)
ROE (2)	23.2%	14.5%	**15.7%**	1.2 pp	(7.5 pp)
ROA (3)	2.5%	1.1%	**1.0%**	(0.1 pp)	(1.5 pp)
Operation					
Efficiency Ratio (4)	53.0%	48.4%	**51.0%**	2.6 pp	(2.0 pp)
Operating Efficiency Ratio (5)	4.8%	3.5%	**2.7%**	(0.8 pp)	(2.1 pp)
Liquidity Ratio (6)	50.8%	48.9%	**51.0%**	2.1 pp	0.2 pp
Asset Quality					
Past Due Loan Ratio	1.5%	2.0%	**2.3%**	0.3 pp	0.8 pp
Coverage Ratio	130.6%	136.1%	**109.2%**	(26.9 pp)	(21.4 pp)
Growth (7)					
Performing Loans (8)	29%	25%	**18%**	(7.0 pp)	(11.0 pp)
Core Deposits	11%	16%	**22%**	6.0 pp	11.0 pp
Total Deposits	13%	28%	**29%**	1.0 pp	16.0 pp
Capitalization					
Net Capital/ Credit Risk Assets	20.8%	22.1%	**21.7%**	(0.4 pp)	0.9 pp
Total Capitalization Ratio	14.6%	15.0%	**14.6%**	(0.4 pp)	- pp

1) NIM = Annualized Net Interest Margin before REPOMO / Average Earnings Assets.
2) Annualized earnings as a percentage of the average quarterly equity over the period.
3) Annualized earnings as a percentage of the average quarterly assets over the period.
4) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions)
5) Annualized Administrative and Promotion Expenses / Average Total Assets.
6) Liquid Assets / Liquid Liabilities (Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale, Liquid Liabilities = Demand Deposits + Loans from banks and other institutions with option to redeem any moment + short term loans from banks.
7) Growth versus the previous period.
8) Does not include Fobaproa / IPAB and loans managed by Recovery Banking.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANORTE USA

I. Banorte USA

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS – Banorte USA* *Figures in MEX GAAP (Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Income Statement					
Net Interest Income	159	217	**221**	2%	39%
Non Interest Income	24	67	**38**	(43%)	58%
Total Income	183	285	**259**	(9%)	42%
Non Interest Expense	143	196	**198**	1%	39%
Loan Loss Reserves	(7)	81	**9**	(89%)	(219%)
Operating Income	48	8	**52**	553%	10%
Non Operating Income (Expense)	60	69	**49**	(29%)	(19%)
Taxes and Profit Sharing	36	14	**38**	177%	6%
Subsidiaries & Minority Interest	25	14	**24**	70%	(5%)
Net Income	46	49	**38**	(21%)	(17%)

Under generally accepted accounting principles in Mexico, Banorte USA's 1Q09 net income (a subsidiary that owned 70% of Inter National Bank until March 2009, as well as 100% of the remittance companies, Uniteller and Motran) was Ps 38 million, a (17%) YoY decline, mainly as a result of an extraordinary event from the conversion of these figures into MexGaap during 1Q08, which freed-up loan reserves.

The (21%) QoQ decline was mainly due to an FX valuation gain during 4Q08 driven by the US dollar appreciation against the Mexican peso. This resulted from applying the accounting criteria for conversion of foreign entities.

II. InterNational Bank (US GAAP)

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS - InterNational Bank* *Figures in US GAAP (Millon Dollars)*	1Q08	4Q08	1Q09	QoQ	YoY
Income Statement					
Net Interest Income	15.3	17.3	15.5	(10%)	2%
Non Interest Income	3.8	4.1	3.1	(24%)	(19%)
Total Income	19.1	21.4	18.6	(13%)	(3%)
Non Interest Expense	7.7	9.2	8.4	(9%)	8%
Loan Loss Reserves	1.0	1.1	0.9	(15%)	(3%)
Operating Income	10.5	11.1	9.4	(16%)	(10%)
Net Income	6.9	7.3	6.1	(16%)	(11%)
Balance Sheet					
Investments in Securities	497.3	449.2	457.2	2%	(8%)
Performing Loans	996.7	1,108.1	1,136.3	3%	14%
Past Due Loans	24.7	22.7	27.1	20%	10%
Demand Deposits	744.7	617.2	660.8	7%	(11%)
Time Deposits	692.3	761.6	905.5	19%	31%
Total Deposits	1,437.0	1,378.9	1,566.2	14%	9%
Equity	129.5	149.6	157.2	5%	21%

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

Financial Ratios *INB* ***Figures in US GAAP***	**1Q08**	**4Q08**	**1Q09**	**QoQ**	**YoY**
Profitability:					
NIM	4.2%	4.4%	**3.9%**	(0.4 pp)	(0.3 pp)
ROE	22.3%	20.2%	**16.5%**	(3.6 pp)	(5.8 pp)
ROA	1.7%	1.7%	**1.4%**	(0.3 pp)	(0.3 pp)
Operational:					
Efficiency Ratio	40.3%	43.0%	**44.9%**	1.8 pp	4.5 pp
Asset Quality:					
Past Due Loan Ratio	2.4%	2.0%	**2.3%**	0.3 pp	(0.1 pp)
Coverage Ratio	44.5%	61.1%	**54.0%**	(7.1 pp)	9.4 pp
Capitalization:					
Leverage Ratio	7.5%	8.0%	**8.2%**	0.2 pp	0.7 pp
Capitalization Ratio	11.5%	12.5%	**13.3%**	0.8 pp	1.8 pp

Under US GAAP, Inter National Bank's (INB) total net income was US $6.1million during 1Q09, an (11%) YoY decline, which is mainly explained by an extraordinary gain from the sale of securities (securities available for sale) in 2008 and to a lesser extent, higher operating expenses. Profits fell (16%) QoQ given less net interest income as a consequence of lower market interest rates in the USA, as well as a reduction in non interest income given the extraordinary gain from the sale of securities registered in 2008.

Regarding INB's asset composition, the bank holds a portfolio of Mortgage Backed Securities (MBS), which showed an (8%) YoY contraction, but grew 2% QoQ. The quality of the underlying mortgages is AAA. At the close of 1Q09, this portfolio shows an unrealized gain of US $6.5 million. Its average weighted life is 3 years.

Total performing loans rose 14% YoY, driven mainly by an increase in mortgage loans granted to Americans acquiring recreational or retirement properties in Mexico, and loans to companies guaranteed by commercial real estate. It is important to note that commercial real estate loans have not been affected by the difficult economic situation, as in other regions in the USA, mainly because the Texan economy has proven more resilient than other parts of the country. On a quarterly basis, performing loans rose 3% QoQ, from USD $1.11 billion to USD $1.13 billion, as a result of increased balances in mortgage and commercial loans.

PDLs registered a 10% YoY and 20% QoQ increase mainly due to higher mortgage delinquencies, given the adverse market environment for this particular sector. It is important to note that INB uses US criteria to classify past due loans (30+ vs. 60+ days in Mexico). The past due loan ratio was 2.3% at the close of 1Q09, a decrease of 0.1 pp compared to 1Q08, but a 0.3 pp QoQ increase compared to 4Q08.

Overall deposits increased 9% YoY and 14% QoQ, driven by higher time deposits.

Finally, INB's capitalization ratio stood at 13.3% at the end of 1Q09, posting a significant 1.8 pp YoY increase. Leverage rose 0.7 pp YoY to 8.2% in 1Q09. With respect to Asset Quality indicators, the Past-Due Loan Ratio fell 0.1 pp YoY to 2.3%, whereas the Reserve Coverage rose 9.4 pp to 54%. Although the profitability and operational ratios deteriorated, they are within acceptable levels considering the difficult situation affecting most US financial institutions. ROE dropped 5.8 pp to 16.5% and ROA decreased 0.3 pp to 1.4%. The NIM fell 0.3 pp to 3.9% and the Efficiency Ratio increased 4.5 pp to 44.9%.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

RECOVERY BANKING

INCOME STATEMENT HIGHLIGHTS – Recovery Banking *(Million Pesos)*	1Q08	1Q09	YoY
Net Interest Income	(54)	**(63)**	17%
Loan Loss Provisions	34	**11**	(68%)
Non Interest Income	336	**325**	(3%)
Non Interest Expense	176	**184**	5%
Non Operating Income (Expense), net	169	**147**	(13%)
Pre-tax Income & Subsidiaries	242	**214**	(12%)
Income Tax & Profit Sharing	75	**68**	(9%)
Undistributed Earnings of Subsidiaries	-	**-**	-
Net Income	**167**	**146**	(13%)

As of 1Q07, the financial information of Sólida Administradora de Portafolios is consolidated in Banorte according to the new accounting standards that went into effect in January 2007.

ASSETS UNDER MANAGEMENT *(Million Pesos)*	1Q09	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Fobaproa-IPAB Portfolios:	**1,512**	Off balance trusts	Fees charged to Fobaproa and Fiduciary
Loans purchased:	**32,554**	Sólida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Banorte)
Investment Projects:	**3,163**	Sólida Asset Management	Non Interest Income
Banking Sector Portfolio:	**26,340**	Banorte's Portfolio and Repossessed assets	Net Interest Income and Other Revenues and Expenses
Total	**63,570**		

- At the end of 1Q09, acquired loan portfolios amounted to Ps 32.6 billion, broken down as follows: 40% mortgages, 42% corporate and commercial loans, 12% real estate portfolios and 6% foreclosed assets. Revenues stemming from these portfolios during 1Q09 totaled Ps 152 million, 30% lower YoY, while net income was Ps 38 million, (57%) less YoY. Also, the recovery ratio was 56% during the quarter, 40% higher than 1Q08. The Recovery Bank did not acquire any assets during 1Q09.

- In terms of investment projects, the total amount invested by Sólida at the end of 1Q09 was Ps 3.2 billion, a 22% YoY increase compared to 1Q08. Investments are distributed among 33 projects nationwide. The revenues generated by these portfolios during 1Q09 totaled Ps 115 million, (12%) lower YoY, while profits were Ps 25 million, (55%) less YoY from 1Q08.

- At the close of 1Q09, the breakdown of Banorte's Ps 26.3 billion in proprietary loans managed by the Recovery Bank was distributed as follows: 31% in credit cards; 29% in mortgage loans; 10% in corporate and commercial loans; 10% in car loans; 9% in Crediactivo, 9% in payroll and personnel and 3% in real estate. Revenues generated by this portfolio during 1Q09 totaled Ps 225 million, a 40% YoY increase from 1Q08, while profits were Ps 83 million, a 261% YoY increase from 1Q08.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BROKERAGE

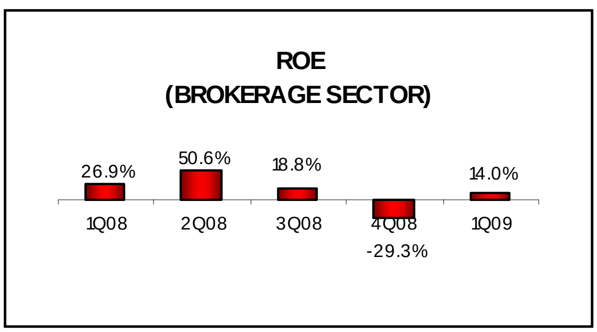
Brokerage *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Brokerage					
Net Income	71	(89)	**40**	145%	(43%)
Stockholder's Equity	1,086	1,143	**1,163**	2%	7%
Assets Under Management	185,612	119,286	**92,072**	(23%)	(50%)
Total Assets	1,297	1,662	**1,532**	(8%)	18%
ROE	26.9%	(29.3%)	**14.0%**	43 pp	(13 pp)
Net Capital					
Net Capital	990	901	**914**	2%	(8%)

- **Broker-Dealer**

Net Income
During 1Q09, the Broker-dealer reported net income of Ps 40 million, a (43%) YoY decline compared to 1Q08, a result of a contraction in commissions and fees charged to clients, mainly in capital market given higher risk aversion, as well as lower revenues from advisory services in investment banking. On a quarterly basis, net income increased 145% due to higher revenues from financial advisory services and lower expenses.

Mutual funds
At closing of 1Q09, AUMs grew 5% QoQ compared to 4Q08, given the efforts to improve the mutual funds' returns. On an annualized basis, the AUMs declined given the migration of customers to checking accounts and other deposit products within the bank.

Assets Under Management
At the end of 1Q09, AUMs totaled Ps 92.1 billion, a (50%) YoY and (23%) QoQ decline, affected mainly by a decrease in mutual funds and portfolio management assets.



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LONG TERM SAVINGS

LONG TERM SAVINGS *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Afore					
Net Income	67	65	**60**	(8%)	(10%)
Equity	1,029	1,052	**1,112**	2%	8%
Total Assets	1,143	1,218	**1,220**	-	7%
AUM (SIEFORE)	63,390	56,186	**56,516**	1%	(11%)
ROE	26.7%	24.3%	**22.1%**	(2%)	(5 pp)
Insurance					
Net Income	76	138	**152**	10%	100%
Equity	1,928	2,130	**2,278**	7%	18%
Total Assets	12,643	11,306	**11,374**	1%	(10%)
Technical Reserves	9,238	7,356	**7,359**	-	(20%)
Premiums sold	2,997	1,604	**2,080**	30%	(31%)
ROE	16.1%	26.9%	**27.6%**	0.7 pp	11 pp
Annuities					
Net Income	15	(5)	**24**	N.A.	56%
Equity	1,152	985	**1,009**	2%	(12%)
Total Assets	11,598	14,833	**15,491**	4%	34%
Technical Reserves	10,419	13,612	**14,337**	5%	38%
Premiums sold	598	996	**672**	(33%)	(12%)
ROE	5.3%	(2.1%)	**9.4%**	12 pp	4 pp

- **Afore**

During 1Q09, the AFORE reported a net income of Ps 60 million (51% corresponds to Banorte), a (10%) YoY and (8%) QoQ drop. The annual drop is mainly explained by less operating revenues and lower return on investments, while the quarterly decline is a result or lower returns on investments.

At the end of 1Q09, AFORE's assets under management registered an (11%) YoY drop, given the mark to market losses on its portfoliosunder highly volatile financial markets. However, it is important to point out that as a result of the decline in market interest rates during 1Q09, the mark to market losses accumulated during 2008 have been recovered, and the value of the fund is 0.4% higher from the level at the end of 2008.

On the other hand, at closing of 1Q09, the AFORE had a total of 3,219,496 affiliates, representing 8.2% of total affiliates in the system and 9.6% in certified accounts. As of March 2009, the AFORE ranked 7th with a 6% market share.

- **Insurance**

Reported Net Income was Ps 152 million in 1Q09 (51% correspond to GFNorte), 100% higher YoY, driven by higher overall revenues as a result of growth in accrued premiums, returns on investments and other income. Expenses also grew at a lower pace than revenues given the containment of acquisition and claims related costs. On a quarterly basis, Net income increased 10%, given an increase in total revenues, as well as lower operating expenses.

The number of Premiums issued declined (31%) YoY to Ps 2.08 billion, driven by lower sales of "Patrimonio Integral Banorte" product. The number of acccrued premiums rose to Ps 1.5 billion at the end of 1Q09, a 9% YoY increase compared to 1Q08. Technical reserves were Ps 7.3 billion, (20%) lower YoY but stable on a quarterly basis.

- **Annuities**

Registered profits of Ps 24 million (51% corresponds to GFNorte) during 1Q09, 56% higher than in 1Q08, driven by higher capital and reserve interest payments, as well as the positive impact of mark to market valuations on investment portfolios due to a decreasing interest rate environment. On a quarterly basis, net income grew 553% driven by greater total revenues as a result of higher accrued premiums and a positive impact in the mark to market valuation of investment portfolios from decreasing market interest rates.

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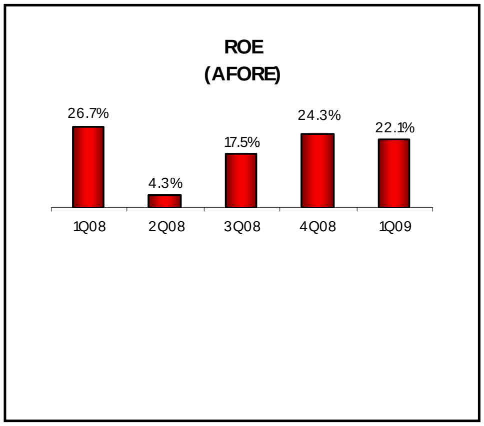

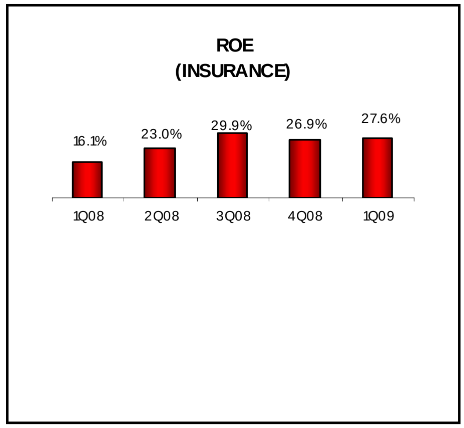

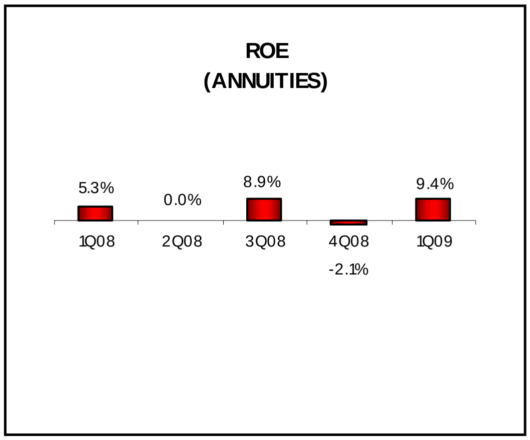

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OTHER FINANCE COMPANIES

OTHER FINANCE COMPANIES (1) *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Leasing and Factoring					
Net Income	66	115	**94**	(18%)	43%
Equity	1,057	1,184	**1,278**	8%	21%
Loan Portfolio (2)	11,212	13,874	**12,791**	(8%)	14%
Past Due Loans	33	74	**92**	24%	176%
Loan Loss Reserves	38	79	**88**	12%	121%
Total Assets	11,355	14,001	**12,927**	(8%)	14%
ROE	25.8%	38.8%	**30.6%**	(8 pp)	5 pp
Warehousing					
Net Income	5	6	**7**	27%	49%
Equity	106	124	**129**	4%	22%
Inventories	61	165	**479**	191%	689%
Total Assets	162	321	**621**	94%	284%
ROE	18.3%	18.3%	**22.3%**	4 pp	4 pp

(1) When making annual comparisons of other finance companies, it is important to keep in mind that as of March 31 2007, the bonding company was divested from Grupo Financiero Banorte. During 1Q07 it reported a net income of Ps $ 9 million, which is not reflected in the results presented in this report.
(2) Includes the portfolio of assets under pure leasing registered in property, plant and equipment.

- **Leasing and Factoring**

On February 2008, the leasing and factoring companies merged under a regulated Multi-purpose financial corporation (SOFOM). This merger enables, among other things, to optimize the use of capital, improve leverage capacity and create the possibility of achieving higher credit ratings for the merged entity. Results of both companies, as of 1Q08 are presented on a consolidated basis under the denomination "Arrendadora y Factor Banorte, S.A. de C.V."

The Leasing and Factoring Company reported Net Income of Ps 94 million during 1Q09, 43% greater YoY, due to higher Net Interest Income arising from growth in performing loans. On a quarterly basis, Net Income dropped (18%) as a result of greater loan reserves arising from the portfolio's risk rating of 4Q08.

At closing of 1Q09, the Past Due Loan Ratio was 0.72%, while the Capitalization Ratio closed at 9.46%, with average risk assets of Ps 13.1 million.

- **Warehousing**

Last November 28th, the Ministry of Finance (SHCP) modified the authorization given to Almacenadora Banorte to constitute and operate as a General Deposit Warehouse, given the increase in the fixed portion of its stockholders' equity, which totaled Ps 31,780,651. This was agreed to in the Extraordinary Stockholders' Meeting held on October 1st, 2008.

Net Income for the Warehouse during 1Q09 was Ps 7 million, higher by 49% YoY and 27% QoQ due greater inventories and storage services'.

At the end of 1Q09, the Capitalization Ratio was 6.05% considering Ps 2.131 billion in total outstanding risk certificates. On December 31st, 2008, Banorte's warehouse ranked 2nd among the 20 warehousing companies in terms of profits generated.

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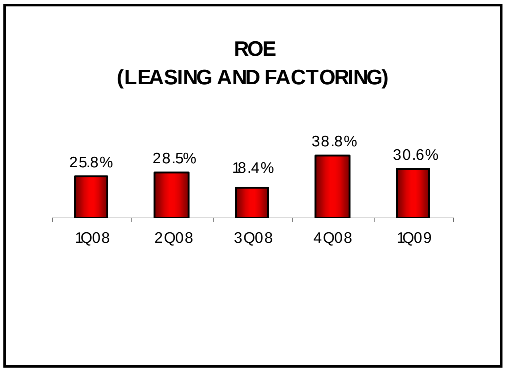

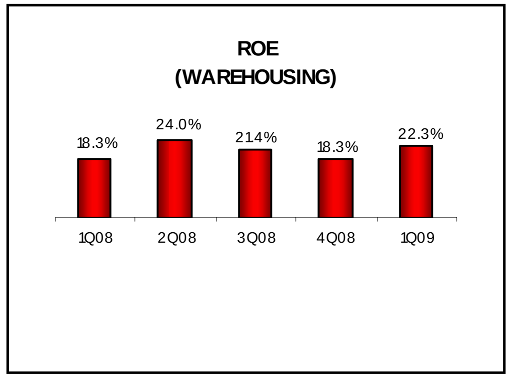

PRONEGOCIO

MICROLENDING PRONEGOCIO *(Million Pesos)*	1Q08	4Q08	1Q09	QoQ	YoY
Net Income	(9)	(80)	**6**	107%	162%
Equity	82	48	**54**	12%	(25%)
Loan Portfolio	493	269	**162**	(40%)	(67%)
Non Performing Loans	112	38	**24**	(36%)	(78%)
Loan Loss Reserves	34	29	**21**	(29%)	(30%)
Total Assets	582	433	**266**	(39%)	(64%)
ROE	(53.8%)	(646.0%)	**43.8%**	690 pp	98 pp

- **Pronegocio**

The Board of Directors approved the merger of Banco Mercantil del Norte with Credito Pronegocio, S.A. of C.V. on January 29th, 2009. Since the approval, Banorte has been working in the gradual transfer of Pronegocio's operations and expenses into the bank, as well as migrating Pronegocio's good clients to Banorte's traditional products. The final transfer will be carried out once the corresponding authorities give the final approval to this merger.

Pronegocio posted net income of Ps $6 million for 1Q09, a 162% YoY and 107% QoQ increase due to lower payroll and other operating expenses resulting from the transfer of a portion of them into the bank, as well as a reduction in loan reserves and an increase in net non operating income.

At the end of 1Q09, past due loans were Ps 24 million, a (78%) YoY and (36%) QoQ decline, as a result of write-offs applied in 2008. The past due loan ratio closed at 13.2%, lower than the 22.7% registered in 1Q08 and 14.1% in 4Q08. The reserve coverage ratio stood at 86% at the end of 1Q09.

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RATINGS

International Ratings

Rating Agency	Rated Institution	Rating	Category	Date
Moody's	Banorte	Negative C- Baa1 P-2 A-2 P-1	**Outlook** **Modest Financial Strength** **Foreign long - term bank deposits** **Foreign short- term bank deposits** **Local long - term bank deposits** **Local short - term bank deposits**	March, 2009
Moody's	Casa de Bolsa Banorte	Negative A2 P-1	**Outlook** **Issue Rating Long Term** **Issue Rating ShortTerm**	March, 2009
Standard & Poors	Banorte	Stable BBB- BBB- A-3 A-3	**Outlook** **Long term foreign issuer credit** **Long term local currency deposits** **Short term foreign issuer credit** **Short tem local issuer credit**	December, 2008
Fitch	Banorte Grupo Financiero Banorte	Stable BBB BBB F2 F2 C 2 5	**Outlook** **Long Term Foreign currency** **Long Term Local currency** **Short Term Local Currency** **Short Term Foreign Currency** **Individual - Foreign Currency** **Support Rating** **Support Rating**	February, 2009

Domestic Ratings

Rating Agency	Rated Institution	Rating	Category	Date
Fitch	Banorte	F1 + (mex) AA +(mex) F1 + (mex) AA +(mex)	**Short term counterparty risk** **Long term counterparty risk** **Short term CD's and Term Deposits** **Long term CD's and Term Deposits**	February, 2009
	Arrendadora y Factor Banorte	AA (mex) F1 + (mex)	**Medium and Long Term** **Short Term**	May, 2007
Moody's Domestic Scale	Banorte	Aaa.mx MX-1	**Long Term Deposits** **ShortTerm Deposits**	March, 2009
	Arrendadora Banorte	Aaa.mx MX-1	**Issue Rating in Domestic Scale Long Term** **Issue Rating in Domestic Scale ShortTerm**	March, 2009
	Factor Banorte	Aaa.mx MX-1	**Issue Rating in Domestic Scale Long Term** **Issue Rating in Domestic Scale ShortTerm**	March, 2009
Other Ratings				
Fitch	Banorte	AAFC1(mex)	**Financial Asset Administrator**	February, 2008
Fitch	Seguros Banorte Generali	AA (mex)	**Insurance Financial Strength**	November, 2008
Fitch	Casa de Bolsa Banorte	Stable F1 + (mex) AA +(mex)	**Outlook** **Short term counterparty risk** **Long term counterparty risk**	March, 2009
Moodys	Casa de Bolsa Banorte	Stable Aaa.mx MX-1	**Outlook** **Issue Rating Long Term** **Issue Rating ShortTerm**	Marzo,2009

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INFRASTRUCTURE

INFRASTRUCTURE	1Q08	4Q08	1Q09
Employees	17,428	19,997	**19,442**
Banking (1)	14,459	15,223	**15,032**
Other	2,969	4,774	**4,410**
Branches (2)(3)	1,062	1,118	**1,075**
INB	18	20	20
Pronegocio	97	97	56
ATM's	3,812	4,136	**4,108**

(1) Includes INB since 4Q06 and Uniteller since 1Q07.
(2) Includes banking modules and remote teller windows. Excludes 1 branch located in Cayman Island.

- During the quarter, 50 branches were merged of which 14 were located in Mexico City and 36 in the rest of the country. Also, 7 new branches were opened, 4 of which were in Mexico City, and 5 others were relocated. As part of the branch mergers carried out in 1Q09, 28 ATMs are in the process of being re-installed in the merged branches. Additionally, 561 POS terminals were installed during 1Q09.

- In 2009, 15 new branches will be opened and 5 relocations or refurbishments are programmed. These movements are part of the 2008 expansion program, but were put on hold due to diverse setbacks.

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ANNEXES

1. GROUP'S GENERAL INFORMATION

2. SUMMARY OF RESULTS AND FINANCIAL STATEMENTS

3. ACCOUNTING CHANGES AND REGULATIONS

4. LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

5. NOTES TO THE GROUP'S FINANCIAL STATEMENTS

BANORTE

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

GFNORTE'S GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	1Q09
Banco Mercantil del Norte (1)	**97.06%**
Brokerage House	**99.99%**
Retirement Funds – Afore (2)	**51.00%**
Insurance	**51.00%**
Annuities	**51.00%**
Leasing	**99.99%**
Factor	**99.99%**
Warehouse	**99.99%**
Mcrocredit Unit – Pronegocio (2)	**99.99%**
Banorte USA (2)	**100.00%**

1) As a resukt of merging Bancen on August 2006.
2) Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 70% of INB.

Holding Company Capital Structure	
Number of Shares	**SERIE O As of March 31, 2009**
Number of Shares Outstanding	**2,018,347,548**
Shares held in the bank's Treasury	**(3,666,800)**

Group Officers	
NAME	**CURRENT POSITION**
Alejandro Valenzuela del Río	Chief Executive Officer
BUSINESS UNITS	
Luis Fernando Orozco	Managing Director – Asset Recovery
Carlos Garza	Managing Director – Banorte USA
Jesús Garza Martínez	Managing Director – Commercial Banking
Antonio Ortiz Cobos	Managing Director – Corporations and SMEs
Miguel Javier Huller Grignola	Managing Director – Consumer Products
Manuel Sescosse Varela	Managing Director – Government Banking
Fernando Solís Soberón	Managing Director – Long Term Savings
Ricardo Acevedo Garay	Managing Director – Brokerage House
STAFF	
Alejandro Garay Espinosa	Managing Director - Administration
Román Martínez Méndez	Managing Director - Audit
Javier Márquez Diez-Canedo	Managing Director - Risk
Vacant	Chief Corporate Officer
Aurora Cervantes Martínez	Managing Director - Legal
Carla Juan Chelala	Managing Director - Marketing
Sergio García Robles Gil	Chief Financial Officer
Prudencio Frigolet Gómez	Managing Director – Operations and Technology

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SUMMARY OF RESULTS

Monterrey, N.L., April 29, 2009. Grupo Financiero Banorte announced its operating results for the first quarter of 2009, reporting net income of Ps 1.6 billion, which is 27% higher than the one registered during 4Q08, and 16% lower than 1Q08. Annualized ROE was 17% and ROA was 1.1%.

During 1Q08, the Group reported an extraordinary income of Ps 275 million from the cash payment received from the sale of VISA's shares during its initial public offering. Excluding this non-recurring item, net income fell by 3%, as a result of greater loan loss provisions given the prevailing adeverse economic environment.

The bank contributed with $1.34 billion pesos in profits, 84% of the Group's total, a (22%) YoY decline and a (7%) YoY drop on a recurring basis.

Net Interest and Other Income

During 1Q09, Net Interest Income increased 20% YoY, driven mainly by the 18% growth in performing loans, as well as the 22% rise in Core deposits.

Non Interest Revenues amounted to Ps 1.8 billion in 1Q09, a (5%) YoY decline due to lower revenues from recovery of real estate portfolios and service fees. Trading income registered a 22% YoY increase in 1Q09, which is explained by favorable dynamics in FX revenues.

Deposits

At the end of March 2009, Total Deposits excluding third-party deposits, were Ps 255.2 billion, a 29% YoY increase, due to the 16% rise in Demand Deposits and 31% increase in Time Deposits. Non interest bearing demand deposits grew by 25% YoY given greater balances managed in corporate accounts. Money market deposits rose 71% in the last 12 months, explained by greater account balances for institutional clients (Corporates, States and Municipalities) and adequate management of client relations.

Efficiency Ratio

The Efficiency Ratio improved YoY from 54% in 1Q08 to 52% in 1Q09, driven by a positive operating leverage. It is worth noting that Banorte initiated several cost containment measures in 4Q08 given the adeverse economic situation, including the merger of 50 branches, which will result in greater efficiencies for the rest of the year.

Loan Portfolio

At of the close of 1Q09, the loan portfolio posted an 18% YoY increase to Ps 235.4 billion. This growth is mainly attributed to the bank's efforts to take advantage of market opportunities, as well as to increase penetration in certain segments, like government and commercial.

During the last twelve months, commercial loans increased by 18% to Ps 89.2 billion. The corporate loan portfolio grew 12% to reach the Ps 43.5 billion, while government loans rose 63% to Ps 28.5 billion.

Consumer loans grew 11% during with a mixed performance by segments. Credit card loans declined by 8% YoY to Ps 13.8 billion. Payroll and personal loans grew 3% YoY to Ps 6.4 billion (85% of the balance corresponds to payroll loans). Car loans were Ps 7.5 billion, a 1% YoY increase; mortgage loans continue with an upward trend, frowing by 22% YoY to Ps 46.2 billion.

The past-due loan ratio stood at 2.3% at the end of 1Q09, one of the lowest in the financial system. Grupo Financiero Banorte ended the quarter with a balance of Ps 5.5 billion in non performing loans. The reserve coverage was 109%.

Other Subsidiaries

The Long-term Savings Sector (Afore, Insurance and Annuities), reported a profit of Ps 119 million in 1Q09, a 50% YoY increase. During 1Q09, Other Finance Companies (Leasing, Factoring and Warehousing) reported net income of Ps 101 million, a 43% YoY increase. The Broker Dealer profit's were Ps $40 million during 1Q09.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

HOLDING

Holding – INCOME STATEMENT *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Income Subsidiaries & Other	1,930	1,806	2,007	1,266	**7,009**	**1,613**				**1,613**
Interest Income	3	3	3	3	**13**	**1**				**1**
Interest Expense	-	-	-	-	**-**	**-**				**-**
Fees & Tariffs	-	-	-	-	**-**	**-**				**-**
Trading Income	-	-	-	-	**-**	**-**				**-**
Monetary Position REPOMO	-	-	-	-	**-**	**-**				**-**
Total Operating Income	**1,933**	**1,809**	**2,010**	**1,269**	**7,022**	**1,614**				**1,614**
Admin & Promotion Expense	2	1	1	2	**6**	**1**				**1**
Operating Income	**1,932**	**1,808**	**2,009**	**1,268**	**7,016**	**1,612**				**1,612**
Non Operating Income	-	-	-	-	**-**	**2**				**2**
Non Operating Expense	-	-	-	-	**-**	**-**				**-**
Non Operating Income, net	-	-	-	**-**	**-**	**2**				**2**
Pre-tax Income	**1,932**	**1,808**	**2,009**	**1,268**	**7,016**	**1,614**				**1,614**
Income Tax & Profit Sharing	3	1	3	-	**7**	**1**				**1**
Tax on Assets	-	-	-	-	**-**	**-**				**-**
Deferred Income Tax & PS	-	1	(1)	(5)	**(5)**	**2**				**2**
	3	1	2	**(5)**	**2**	**3**				**3**
Profit from Cont Ops	**1,928**	**1,806**	**2,007**	**1,272**	**7,014**	**1,611**				**1,611**
Extraordinary Items, net	-	-	-	-	**-**	**-**				**-**
Total Net Income	**1,928**	**1,806**	**2,007**	**1,272**	**7,014**	**1,611**				**1,611**

Holding – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash & Due from Banks	131	204	157	**24**	63			
Investment in Securities	-	-	-	**-**	-			
Sundry Debtors & Other Accts Receivable, net	11	11	164	**12**	2			
Real Estate, Furniture & Equipment, net	**-**	**-**	**-**	**-**	**-**			
Investments in Subsidiaries	34,345	36,964	37,574	**38,184**	39,186			
Deferred Taxes	-	-	-	**5**	3			
Goodwill	36	35	33	**32**	34			
Other Assets, Deferred Charges & Intangibles	-	-	-	**-**	-			
TOTAL ASSETS	**34,524**	**37,214**	**37,929**	**38,257**	**39,288**			
LIABILITIES								
Due to Banks & Correspondents	**-**	**-**	**-**	**-**	**-**			
Income Tax & Profit Sharing	-	-	-	**-**	-			
Other Accounts Payable	5	3	1	**1**	1			
Deferred Taxes	**-**	**1**	**-**	**-**	**-**			
TOTAL LIABILITIES	**5**	**3**	**1**	**1**	**1**			
STOCKHOLDER´S EQUITY								
Paid-in Capital	12,018	12,020	12,014	**12,004**	12,007			
Premium of Share Subscription & Issuance	1,863	1,863	1,863	**1,860**	1,859			
Subordinated Convertible Debt	-	-	-	**-**	-			
Subscribed Capital	**13,881**	**13,882**	**13,877**	**13,865**	**13,866**			
Capital Reserves	2,446	2,807	2,767	**2,720**	2,748			
Retained Earnings	21,376	21,035	21,035	**16,935**	23,965			
Surplus (Deficit) from Valuation of Securities	-	-	-	**(550)**	(1,315)			
Results from Conversions of Foreign Ops	-	-	-	**1,094**	1,244			
Surpluss (Deficit) in Capital Restatement	-	-	-	**-**	-			
Results of Non Monetary Fixed Assets	-	-	-	**-**	-			
Results of Non Monetary Investment Assets	(5,113)	(4,250)	(5,493)	**(2,821)**	(2,833)			
Adjustmens in the Employees' Liabilities	-	-	-	**-**	-			
Net Income	1,928	3,735	5,742	**7,014**	1,611			
Earned Capital	**20,638**	**23,328**	**24,051**	**24,391**	**25,421**			
Total Stockholder´s Equity	**34,519**	**37,210**	**37,928**	**38,256**	**39,287**			
TOTAL LIABILITIES & EQUITY	**34,524**	**37,214**	**37,929**	**38,257**	**39,288**			

Holding – MEMORANDUM ACCOUNTS *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Securities held under Custody	3,716	3,716	3,716	**3,716**	3,716			
Other Registration Accounts	1	1	1	**1**	1			
	3,717	**3,717**	**3,717**	**3,717**	**3,717**			

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GRUPO FINANCIERO BANORTE

GFNorte – INCOME STATEMENT *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Interest Income	11,307	11,676	12,820	14,061	**49,864**	**13,141**				**13,141**
Interest Expense	6,247	6,568	7,209	7,766	**27,789**	**7,095**				**7,095**
Loan Fees Charged	101	117	137	156	**510**	**153**				**153**
Fees Paid	-	-	-	-	**-**	**-**				**-**
Net Interest Income (NII)	**5,161**	**5,225**	**5,748**	**6,451**	**22,585**	**6,199**				**6,199**
Monetary Adjustment (Repomo) to margins	-	-	-	-	**-**	**-**				**-**
NII after Repomo	**5,161**	**5,225**	**5,748**	**6,451**	**22,585**	**6,199**				**6,199**
Preventive Provisions for Loan Losses	1,005	1,255	1,653	2,983	**6,896**	**2,162**				**2,162**
Loan Loss Sharing Provisions Fobaproa	-	-	-	-	**-**	**-**				**-**
NII Adjusted for Credit Risk	**4,156**	**3,971**	**4,095**	**3,467**	**15,689**	**4,036**				**4,036**
Fund Transfers	52	55	53	63	**222**	**60**				**60**
Account Management	235	250	260	253	**998**	**230**				**230**
Fiduciary	69	76	79	72	**295**	**51**				**51**
Income from Real Estate Portfolios	190	117	223	204	**734**	**137**				**137**
Electronic Banking Services	234	249	256	269	**1,009**	**250**				**250**
Credit Card Fees	581	621	675	655	**2,533**	**590**				**590**
Fees Charged to IPAB	-	-	-	1	**1**	**-**				**-**
Other Fees	664	735	640	621	**2,660**	**596**				**596**
Fees Charged on Services	**2,026**	**2,103**	**2,185**	**2,138**	**8,452**	**1,914**				**1,914**
Fund Transfers	5	5	4	5	**19**	**6**				**6**
Other Fees	277	287	293	332	**1,189**	**305**				**305**
Expenses from Real Estate Portfolios	-	-	-	-	**-**	**-**				**-**
Fees Paid on Services	**282**	**292**	**298**	**337**	**1,208**	**312**				**312**
Foreign Exchange	128	135	165	351	**779**	**356**				**356**
Securities - Realized Gains	153	19	235	(131)	**276**	**19**				**19**
Securities - Unrealized Gains	(83)	6	(277)	339	**(15)**	**(133)**				**(133)**
Market Related Income	**198**	**159**	**123**	**559**	**1,040**	**241**				**241**
Non-Interest Income	**1,942**	**1,971**	**2,011**	**2,360**	**8,284**	**1,845**				**1,845**
Total Operating Income	**6,098**	**5,941**	**6,106**	**5,828**	**23,973**	**5,881**				**5,881**
Personnel	1,504	1,522	1,572	1,558	**6,156**	**1,692**				**1,692**
Professional Fees Paid	227	236	293	437	**1,192**	**334**				**334**
Administrative and Promotional Expenses	1,255	1,304	1,093	1,288	**4,941**	**1,187**				**1,187**
Rents, Depreciation and Amortization	417	426	407	436	**1,687**	**452**				**452**
Other Taxes (other than Income tax)	183	187	133	391	**894**	**209**				**209**
Contributions to IPAB	213	228	238	259	**938**	**267**				**267**
Non-Interest Expense	**3,799**	**3,903**	**3,736**	**4,369**	**15,808**	**4,142**				**4,142**
Net Operating Income	**2,299**	**2,038**	**2,370**	**1,458**	**8,166**	**1,739**				**1,739**
Other Revenues	583	374	256	770	**1,984**	**502**				**502**
Changes in Foreign Exchange Valuation	-	-	-	-	**-**	**-**				**-**
Recoveries	267	367	445	727	**1,806**	**403**				**403**
Repomo - Other revenues	-	-	-	-	**-**	**-**				**-**
Non-Operating Income	**850**	**741**	**701**	**1,497**	**3,789**	**904**				**904**
Other Expenses	(112)	(165)	(83)	(1,084)	**(1,444)**	**(253)**				**(253)**
Foreign Exchange	-	-	-	-	**-**	**-**				**-**
Repomo - Other (creditor balance)	-	-	-	-	**-**	**-**				**-**
Non-Operating Expense	**(112)**	**(165)**	**(83)**	**(1,084)**	**(1,444)**	**(253)**				**(253)**
Non Operating Income (Expense), net	**738**	**576**	**618**	**413**	**2,346**	**652**				**652**
Pre-Tax Income	**3,038**	**2,614**	**2,988**	**1,871**	**10,511**	**2,391**				**2,391**
Income Tax	799	687	724	552	**2,761**	**258**				**258**
Profit Sharing	232	233	258	160	**884**	**199**				**199**
Tax on Assets	-	-	-	-	**-**	**-**				**-**
Deferred Income Tax and Profit Sharing	44	(169)	-	(120)	**(245)**	**317**				**317**
Taxes	**1,075**	**751**	**982**	**592**	**3,400**	**774**				**774**
Net Income before Subsidiaries	**1,963**	**1,863**	**2,006**	**1,279**	**7,111**	**1,617**				**1,617**
Subsidiaries' Net Income	77	22	100	77	**276**	**89**				**89**
Net Income form Continuos Operations	**2,040**	**1,885**	**2,106**	**1,356**	**7,386**	**1,706**				**1,706**
Extraordinary Items, net	-	-	-	-	**-**	**-**				**-**
Minority Interest	111	79	99	84	**372**	**95**				**95**
TOTAL NET INCOME	**1,928**	**1,806**	**2,007**	**1,272**	**7,014**	**1,611**				**1,611**

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***GFNORTE* – BALANCE SHEET** *(Millions Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and Due from Banks	**39,804**	**41,694**	**45,858**	**54,402**	**56,317**			
Negotiable Instruments	7,909	10,697	10,993	6,075	**5,172**			
Securities Available for Sale	15,329	14,803	14,955	11,480	**11,870**			
Securities Held to Maturity	749	742	728	221,617	**217,922**			
Investment in Securities	**23,987**	**26,242**	**26,676**	**239,172**	**234,965**			
Non-assigned Securities for Settlement	-	-	-	-	**-**			
Debtor Balance in Repo Trans, net	92	90	159	148	**1,620**			
Repo Transactions with Collateral	-	-	-	-	**-**			
Secs to be received in Repo Trans, net	-	-	-	-	**-**			
Transactions with Derivatives	2,368	4,525	2,587	8,168	**8,936**			
Operations w/ Derivatives & Securities	**2,460**	**4,615**	**2,746**	**8,317**	**10,556**			
Commercial Loans	101,040	107,097	114,752	126,798	**122,563**			
Financial Intermediaries' Loans	13,592	14,531	15,853	10,860	**10,229**			
Consumer Loans	28,642	30,380	31,413	29,369	**27,775**			
Mortgage Loans	39,046	41,170	43,682	46,282	**47,023**			
Government Entities' Loans	17,556	24,367	25,412	26,989	**28,592**			
IPAB Loans	-	-	-	-	**-**			
Performing Loans	**199,875**	**217,544**	**231,111**	**240,298**	**236,181**			
Commercial PDL's	1,089	1,135	1,319	1,703	**2,187**			
Financial Intermediaries PDL's	-	-	-	-	**3**			
Consumer PDL's	1,208	1,471	1,956	2,499	**2,541**			
Mortgage PDL's	893	619	704	746	**825**			
Government Entities PDL's	-	-	-	-	**-**			
Past Due Loans	**3,189**	**3,225**	**3,979**	**4,948**	**5,556**			
Gross Loan Portfolio	**203,065**	**220,769**	**235,091**	**245,246**	**241,737**			
Preventive Loan Loss Reserves	4,048	4,217	4,904	6,690	**6,051**			
Net Loan Portfolio	**199,017**	**216,552**	**230,187**	**238,556**	**235,686**			
Acquired Collection Rights	3,538	3,375	3,232	3,049	**2,923**			
Total Credit Portfolio	**202,554**	**219,927**	**233,419**	**241,605**	**238,609**			
Benef.receivab.securitization transactions	546	520	404	796	**699**			
Sundry Debtors & Other Accs Rec, net	12,459	10,431	13,118	9,514	**13,764**			
Inventories	61	77	571	165	**479**			
Foreclosed Assets, net	506	653	682	863	**841**			
Real Estate, Furniture & Equipment, net	7,959	8,058	8,192	8,429	**8,459**			
Investments in Subsidiaries	2,685	2,632	2,491	2,559	**2,668**			
Deferred Taxes, net	148	304	336	471	**147**			
Goodwill	4,034	3,953	4,247	5,377	**5,506**			
Intangibles	238	219	209	275	**293**			
Other Assets	4,085	4,286	4,255	5,079	**4,499**			
	32,175	**30,612**	**34,101**	**32,732**	**37,356**			
TOTAL ASSETS	**301,526**	**323,611**	**343,204**	**577,025**	**577,802**			

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***GFNORTE* – BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	103,26	106,693	107,694	128,350	**120,255**			
Time Deposits	93,830	114,557	133,799	132,419	**134,964**			
Bank Bonds	-	-	-	-	**-**			
Deposits	**197,092**	**221,250**	**241,492**	**260,769**	**255,219**			
Immediate Redemption Loans	5,615	3,136	824	1,245	**4,180**			
Short Term Loans	18,538	11,375	11,952	24,803	**25,322**			
Long Term Loans	10,178	10,070	10,395	10,636	**10,723**			
Due to Banks & Correspondents	**34,332**	**24,581**	**23,170**	**36,684**	**40,225**			
Non-assigned Securities for Settlement	1,745	1,570	1,486	-	**420**			
Creditor Balance in Repo Trans, net	291	605	632	192,727	**191,479**			
Repo Transactions with Collateral	-	-	-	2	**304**			
Secs to be received in Repo Trans, net	-	-	-	-	**-**			
Transactions with Derivatives	3,157	4,443	2,946	10,746	**11,646**			
Operations w/ Derivatives & Securities	**5,192**	**6,619**	**5,064**	**203,475**	**203,849**			
Income Tax & Profit Sharing Payable	1,197	1,340	1,512	1,272	**496**			
Other Creditors & Accounts Payable	12,538	13,306	13,654	13,121	**17,726**			
Other Payable Accounts	**13,734**	**14,646**	**15,166**	**14,393**	**18,222**			
Subordinated Non Convertible Debt	14,561	16,932	17,923	20,613	**18,053**			
Deferred Taxes	-	-	-	-	**-**			
Deferred Credits	977	1,146	1,269	1,346	**1,336**			
TOTAL LIABILITIES	**265,888**	**285,174**	**304,085**	**537,280**	**536,903**			
EQUITY								
Paid-in Capital	11,965	11,968	11,951	11,941	**11,932**			
Share Subscription Premiums	1,275	1,273	1,187	1,468	**1,530**			
Subordinated Convertible Debentures	-	-	-	-	**-**			
Subscribed Capital	**13,239**	**13,241**	**13,138**	**13,409**	**13,462**			
Capital Reserves	2,446	2,807	2,767	2,720	**2,748**			
Retained Earnings	21,376	21,035	21,035	16,935	**23,965**			
Surplus (Deficit) of Secs Available for Sale	-	-	-	(550)	**(1,315)**			
Results from Conversions of Foreign Ops	-	-	-	-	**-**			
Results from Valuation of Hedging Secs	-	-	-	1,094	**1,244**			
Surplus (Deficit) in Capital Restatement	-	-	-	-	**-**			
Results of Non Monetary Fixed Assets	-	-	-	-	**-**			
Results of Non Monetary –Investment Assets	(5,113)	(4,250)	(5,493)	(2,821)	**(2,833)**			
Adjustments in the Employee's Pensions	-	-	-	-	**-**			
Accumulated Effect of Deferred Liabilities	-	-	-	-	**-**			
Net Income	1,928	3,735	5,742	7,014	**1,611**			
Earned Capital	**20,638**	**23,328**	**24,051**	**24,391**	**25,421**			
Minority Interest	1,761	1,868	1,930	1,945	**2,016**			
Total Equity	**35,638**	**38,437**	**39,119**	**39,746**	**40,899**			
TOTAL LIABILITIES & EQUITY	**301,526**	**323,611**	**343,204**	**577,025**	**577,802**			

BANORTE

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***GFNORTE* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
On behalf of Third Parties								
Customer's Banks	12	16	12	74	**30**			
Dividends Receivable from Customers	-	-	-	-	**-**			
Interest Receivable from Customers	-	-	-	-	**-**			
Settlement of Customer Transactions	37	44	(98)	35	**246**			
Customer Premiums	-	-	-	-	**-**			
Settlement with Clients' Foreign Currency	-	-	-	-	**-**			
Margin Accounts in Futures' Operations	-	-	-	-	**-**			
Other Current Accounts	-	-	-	-	**-**			
Customers' Current Account	**49**	**60**	**(86)**	**109**	**276**			
Client Securities Received in Custody	185,033	185,766	164,891	118,537	**97,315**			
Securities and Documents Received in Guarantee	-	-	-	-	**-**			
Client Securities Abroad	-	-	-	-	**-**			
Clients' Securities	**185,033**	**185,766**	**164,891**	**118,537**	**97,315**			
Clients' Repurchase Operations	23,511	32,360	32,881	35,688	**30,925**			
Clients' Repo Transactions w/ Securities	-	-	-	-	**-**			
Purchase of Futures & Forward Contracts notional	-	-	-	-	**-**			
Sale of Futures and Forward Contracts, notional	-	-	-	-	**-**			
Clients' Option Purchase Operations	144	481	440	274	**281**			
Clients' Option Sales Operations	-	-	-	-	**-**			
Purchase of Derivatives' Packages	-	-	-	-	**-**			
Sale of Derivatives' Packages	-	-	-	-	**-**			
Trusts Ander Administration	2,360	2,602	1,897	2,377	**2,244**			
Transactions On Behalf of Clients	**26,015**	**35,443**	**35,218**	**38,340**	**33,450**			
TOTAL ON BEHALF OF THIRD PARTIES	**211,096**	**221,269**	**200,023**	**156,986**	**131,042**			
Endorsement Guarantees Granted	-	-	-	-	**-**			
Loan Obligations	2,846	2,530	2,580	2,793	**3,129**			
Properties in Trusts and Warrant	108,959	108,574	105,738	90,469	**90,632**			
Properties in Custody or Administration	101,841	131,306	149,820	131,886	**150,235**			
Collaterals Received	20,952	21,235	21,574	31,567	**31,156**			
Amounts committed to Operations with Fobaproa	-	-	-	-	**-**			
Drafts in Transit	-	-	-	-	**-**			
Certificates of Deposits in Circulation	1,377	1,692	1,971	3,006	**2,825**			
Letters of Credit to the Corporation as Guarantee	-	-	-	-	**-**			
Securities to the Corporation for Custody	698	856	511	886	**900**			
Government Secs of the Corp under Custody	56	88	641	101	**100**			
Securities of the Corp given as Guarantee	-	-	-	-	**-**			
Securities of the Corp Abroad	-	-	-	-	**-**			
Settlement with FX of the Corp Abroad	-	-	-	-	**-**			
Debts with the Contingency Fund	-	-	-	-	**-**			
Contingent Assets & Liabilities	265	262	266	266	**264**			
Investment bank Trans on Behalf of Third Parties	101,754	109,570	94,858	84,615	**91,943**			
Uncollected Accrued Interest from Past Due Loans	111	104	109	137	**181**			
Investments of Retirement Savings Funds	-	-	-	-	**-**			
Integration of the Credit Portfolio	-	-	-	-	**-**			
Amounts Contracted in Derivatives	-	-	-	-	**-**			
Other Registration Accounts	-	-	-	-	**-**			
Proprietary Transactions	**338,858**	**376,217**	**378,068**	**345,726**	**371,364**			
Repo Securities to be Received	226,589	238,589	241,457	39,939	**31,324**			
(Minus) Repurchase Creditors	(226,81	(239,160	(242,020	(40,176)	**(31,414)**			
Repurchase Transactions	**(224)**	**(571)**	**(563)**	**(237)**	**(90)**			
Repurchase Debtors	23,194	36,249	40,263	35,054	**27,757**			
(Minus) Repo Securities to be Delivered	(23,169)	(36,193)	(40,173)	(34,908)	**(27,663)**			
Repurchase Transactions	**25**	**56**	**90**	**146**	**93**			
TOTAL PROPRIETARY	**338,658**	**375,702**	**377,595**	**345,635**	**371,367**			

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2009 – MARCH 31, 2009 *(Million Pesos)*	
Cash Flow from Operating Activities	
Net Income	**1,611**
Items charged to results that do not generate or require use of resources	
Results of valuation at reasonable value	122
Provisions for loan losses	2,162
Depreciation and amortization	253
Defferred taxes	317
Provisions for obligations	(878)
Minoritary interest	95
Undistribuated earnings of subsidiaries	(89)
	3,593
Change in items related to operations:	
Decrease (Increase) Deposits	(5,550)
Decrease (Increase) loan portfolio	834
Decrease (Increase) in portfolios of credit assets	-
Decrease (Increase) treasury operations (investment in securities)	4,882
Decrease (Increase) financial instruments for sale	(1,865)
Loans from banks and other institutions	3,541
Decrease (Increase) Deferred taxes	7
Net cash generated or used from operations	**5,442**
Financing Activities:	
Issue of subordinated debentures outstanding	(2,560)
Increase in other payable accounts	4,707
Stock repurchases	82
Net cash generated or used from financing activities	**2,229**
Investment Activities :	
Decrease in fixed assets	(264)
Decrease in permanent investments in shares	(655)
Decrease (Increase) in deferred charges or credits	89
Decrease (Increase) foreclosed assets	22
Increase in other accounts receivable	(4,948)
Net cash generated or used from investment activities	**(5,756)**
Decrease (increase) in cash and equivalents	**1,915**
Cash and due from banks at the beginning of the year	**54,402**
Cash and due from banks at the end of the year	**56,317**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER´S EQUITY JANUARY 1, 2009 – MARCH 31, 2009.

(Million Pesos)

	CONTRIBUTED CAPITAL	
	Fixed Paid-in Capital	Premium from sale of securities
Balance as of December 31,2008	**11,941**	**1,468**
Changes stemming from stockholder's decisions		
Stock repurchases	**(9)**	63
Capitalization of profits	**-**	**-**
Provisions Created	**-**	**-**
Increase in Capital	**-**	**-**
Total	**(9)**	**63**
Changes stemming from profits		
Total profits:		
Net Income	**-**	**-**
Non Monetary Assets Results	**-**	**(1)**
Recognition of minority interest	**-**	**-**
Total	**-**	**(1)**
Balance as of March 31,2009	**11,932**	**1,530**

	EARNED CAPITAL								
	Capital Reser-ves	Retained earnings	Valuation Effects of Securities Available for	Results from Conversions of Foreign Ops	Surplus or Deficit in Capital Restatement	Results from Non Monet. Assets (Investments)	Net Income	Minority Interest	Total Stockholders´ Equity
Balance as of December 31,2008	**2,720**	**16,935**	**(550)**	**1,094**	**-**	**(2,821)**	**7,014**	**1,945**	**39,746**
Changes stemming from stockholder's decisions									
Stock repurchases	28	-	-	-	-	-	-	-	82
Application of profits	-	7,014	-	-	-	-	(7,014)	-	-
Provisions created	-	-	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-	-
Increase in Capital	**28**	**7,014**	**-**	**-**	**-**	**-**	**(7,014)**	**-**	**82**
Total	**2,720**	**16,935**	**(550)**	**1,094**	**-**	**(2,821)**	**7,014**	**1,945**	**39,746**
Changes stemming from profits									
Total profits:									
Net Income	-	-	-	-	-	-	1,611	-	**1,611**
Non Monetary Assets Results	-	16	(765)	150	-	-	-	-	**(600)**
Effects from valuation of instruments	-	-	-	-	-	(12)	-	-	**(12)**
Change to Accounting Criteria (NIF B-10)									
Total	**-**	**16**	**(765)**	**150**	**-**	**(12)**	**1,611**	**-**	**999**
Recognition of minority interest	-	-	-	-	-	-	-	71	**71**
Balance as of March 31,2009	**2,748**	**23,965**	**(1,315)**	**1,244**	**-**	**(2,833)**	**1,611**	**2,016**	**40,898**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANKING SECTOR

BANKING SECTOR* - INCOME STATEMENT (Million Pesos)	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Interest Income	10,772	11,250	12,446	13,559	48,027	12,688				12,688
Interest Expense	5,965	6,303	7,059	7,530	26,857	6,873				6,873
Loan Fees Charged	97	112	132	152	493	149				149
Fees Paid	-	-	-	-	-	-				-
Net Interest Income (NII)	4,903	5,058	5,519	6,181	21,662	5,965				5,965
Monetary Adjustment (Repomo) to margins	-	-	-	-	-	-				-
NII after Repomo	4,903	5,058	5,519	6,181	21,662	5,965				5,965
Preventive Provisions for Loan Losses	987	1,234	1,587	2,914	6,722	2,144				2,144
Loan Loss Sharing Provisions Fobaproa	-	-	-	-	-	-				-
NII Adjusted for Credit Risk	3,916	3,824	3,932	3,267	14,940	3,822				3,822
Fund Transfers	52	55	53	63	222	60				60
Account Management	235	250	260	253	998	230				230
Fiduciary	69	76	79	72	295	51				51
Income from Real Estate Portfolios	190	117	223	204	734	137				137
Electronic Banking Services	234	249	256	269	1,009	250				250
Credit Cards Fees	581	621	675	655	2,533	590				590
Fees Charged to IPAB	-	-	-	1	1	-				-
Other Fees	236	248	245	264	993	229				229
Fees Charged on Services	1,597	1,615	1,791	1,781	6,785	1,547				1,547
Fund Transfers	5	5	4	5	19	6				6
Other Fees	261	275	279	317	1,132	293				293
Expenses from Real Estate Portfolios	-	-	-	-	-	-				-
Fees Paid on Services	266	280	283	321	1,151	300				300
Foreign Exchange	128	135	165	351	779	356				356
Securities - Realized Gains	158	(68)	197	(174)	114	(23)				(23)
Securities - Unrealized Gains	(85)	7	(277)	340	(16)	(134)				(134)
Market Related Income	201	74	85	518	878	198				198
Non-Interest Income	1,532	1,410	1,592	1,978	6,512	1,445				1,445
Total Operating Income	5,449	5,234	5,524	5,245	21,452	5,267				5,267
Personnel	1,457	1,472	1,466	1,417	5,812	1,571				1,571
Professional Fees Paid	219	230	286	428	1,163	330				330
Administrative and Promotional Expenses	1,036	1,084	942	1,151	4,213	1,065				1,065
Rents, Depreciation and Amortization	332	328	304	321	1,285	355				355
Other Taxes (other than Income tax)	151	151	109	369	780	191				191
Contribuitons to IPAB	213	228	238	259	938	267				267
Non-Interest Expense	3,408	3,494	3,344	3,945	14,191	3,779				3,779
Net Operating Income	2,041	1,740	2,180	1,300	7,261	1,488				1,488
Other Revenues	576	302	250	276	1,404	425				425
Foreign Exchange	-	-	-	-	-	-				-
Recoveries	265	354	441	727	1,786	397				397
Repomo - other revenues	-	-	-	-	-	-				-
Non-Operating Income	841	656	690	1,002	3,190	822				822
Other Expenses	(74)	(108)	(58)	(462)	(703)	(174)				(174)
Changes in Foreign Exchange Valuation	-	-	-	-	-	-				-
Repomo - other expenses (creditor balance)	-	-	-	-	-	-				-
Non-Operating Expense	(74)	(108)	(58)	(462)	(703)	(174)				(174)
Non Operating Income (Expense), net	767	548	633	540	2,487	649				649
Pre-Tax Income	2,808	2,288	2,813	1,840	9,748	2,137				2,137
Income Tax	732	627	669	523	2,551	209				209
Profit Sharing	232	232	252	161	877	197				197
Tax on Assets	-	-	-	-	-	-				-
Deferred Income Tax and Profit Sharing	48	(157)	18	(107)	(198)	318				318
Taxes	1,011	702	939	578	3,230	724				724
Net Income before Subsidiaries	1,796	1,586	1,874	1,262	6,518	1,413				1,413
Subsidiaries' Net Income	34	14	28	37	113	29				29
Net Income form Continuos Operations	1,830	1,600	1,901	1,299	6,631	1,442				1,442
Extraordinary Items, net	-	-	-	-	-	-				-
Minority Interest	25	27	21	14	88	24				24
TOTAL NET INCOME	1,804	1,573	1,880	1,285	6,543	1,418				1,418

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANKING SECTOR **– BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and Due from Banks	39,471	41,284	45,391	53,896	55,790			
Negotiable Instruments	7,151	9,749	9,967	5,577	4,629			
Securities Available for Sale	15,329	14,803	14,826	11,971	12,163			
Securities Held to Maturity	749	742	728	221,268	217,573			
Investment in Securities	23,229	25,294	25,520	238,636	234,365			
Non-assigned Securities pending Settlement	-	-	-	-	-			
Debtor Balance in Repo Trans, net	49	34	61	1	1,502			
Repo Transactions with Collateral	-	-	-	-	-			
Secs to be received in Repo Trans, net	-	-	-	-	-			
Transactions with Derivatives	2,368	4,523	2,587	8,168	8,936			
Operations w/ Derivatives & Securities	2,417	4,557	2,648	8,169	10,437			
Commercial Loans	90,957	97,022	103,446	114,446	111,385			
Financial Intermediaries' Loans	17,329	18,070	19,977	14,331	13,374			
Consumer Loans	28,626	30,376	31,409	29,365	27,770			
Mortgage Loans	39,046	41,170	43,682	46,282	47,023			
Government Entities' Loans	17,556	24,366	25,401	26,977	28,574			
IPAB Loans	-	-	-	-	-			
Performing Loans	193,514	211,003	223,916	231,400	228,126			
Commercial PDL's	944	973	1,180	1,591	2,071			
Financial Intermediaries PDL's	-	-	-	-	3			
Consumer PDL's	1,208	1,471	1,956	2,499	2,540			
Mortgage PDL's	893	619	704	746	825			
Government Entities PDL's	-	-	-	-	-			
Past Due Loans	3,044	3,063	3,840	4,836	5,440			
Gross Loan Portfolio	196,558	214,066	227,756	236,237	233,566			
Preventive Loan Loss Reserves	3,976	4,153	4,791	6,582	5,942			
Net Loan Portfolio	192,582	209,913	222,966	229,654	227,624			
Acquired Collection Rights	3,538	3,375	3,232	3,049	2,923			
Total Credit Portfolio	196,120	213,288	226,198	232,704	230,547			
Benef.receivab.securitization transactions	546	520	404	796	699			
Sundry Debtors & Other Accs Rec, net	12,132	9,992	12,520	9,074	13,355			
Foreclosed Assets, net	506	653	682	863	841			
Real Estate, Furniture & Equipment, net	6,344	6,339	6,406	6,575	6,654			
Investments in Subsidiaries	871	839	866	931	977			
Deferred Taxes, net	177	325	360	484	138			
Goodwill	4,000	3,920	4,214	5,345	5,475			
Intangibles	238	217	208	275	291			
Other Assets	4,376	4,638	4,666	4,686	4,190			
	28,645	26,924	29,923	28,232	32,619			
TOTAL ASSETS	290,428	311,867	330,083	562,433	563,758			

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

***BANKING SECTOR* – BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	103,274	106,725	107,710	128,371	**120,269**			
Time Deposits	93,971	114,746	134,012	132,539	**135,038**			
Bank Bonds	-	-	-	-	**-**			
Deposits	**197,245**	**221,471**	**241,722**	**260,911**	**255,307**			
Immediate Redemption Loans	5,615	3,136	824	1,245	**4,180**			
Short Term	14,225	6,836	6,569	17,886	**19,223**			
Long Term	7,912	7,718	7,780	8,105	**8,193**			
Due to Banks & Correspondents	**27,752**	**17,691**	**15,173**	**27,236**	**31,596**			
Non-assigned Securities for Settlement	1,745	1,570	1,486	-	**420**			
Creditor Balance in Repo Trans, net	252	553	537	192,581	**191,364**			
Repo Transactions with Collateral	-	-	-	2	**304**			
Secs to be received in Repo Trans, net	-	-	-	-	**-**			
Transactions with Derivatives	3,156	4,443	2,946	10,746	**11,646**			
Operations w/ Derivatives & Securities	**5,153**	**6,566**	**4,969**	**203,330**	**203,733**			
Income Tax & Profit Sharing Payable	1,121	1,209	1,328	1,042	**426**			
Other Creditors & Accounts Payable	11,973	12,694	12,946	12,486	**17,012**			
Other Payable Accounts	**13,094**	**13,902**	**14,274**	**13,528**	**17,437**			
Subordinated Non Convertible Debt	14,561	16,932	17,923	20,613	**18,053**			
Deferred Taxes	-	-	-	-	**-**			
Deferred Credits	923	1,088	1,211	1,291	**1,275**			
TOTAL LIABILITIES	**258,727**	**277,650**	**295,272**	**526,908**	**527,402**			
STOCKHOLDER´S EQUITY								
Paid-in Capital	10,955	10,955	10,955	10,955	**10,955**			
Share Subscription Premiums	856	856	856	853	**852**			
Subordinated Convertible Debentures	-	-	-	-	**-**			
Subscribed Capital	**11,811**	**11,811**	**11,811**	**11,808**	**11,807**			
Capital Reserves	3,390	4,005	4,005	4,005	**4,005**			
Retained Earnings	14,749	14,039	14,039	13,426	**19,988**			
Results from Valuation of Secs Available for Sale	392	749	(517)	(237)	**(999)**			
Results from Valuation of Hedging Secs	(833)	58	(318)	(1,626)	**(1,637)**			
Results from Conversions of Foreign Ops	(33)	(258)	67	1,123	**1,274**			
Surplus (Deficit) in Capital Restatement	-	-	-	-	**-**			
Results of Non Monetary Fixed Assets	-	-	-	-	**-**			
Results of Non Monetary –Investment Assets	86	71	80	87	**87**			
Adjustments in the Employee's Pensions	-	-	-	-	**-**			
Accumulated Effect of Deferred Liabilities	-	-	-	-	**-**			
Net Income	1,804	3,378	5,258	6,543	**1,418**			
Earned Capital	**19,554**	**22,042**	**22,614**	**23,320**	**24,135**			
Minority Interest	335	364	386	397	**415**			
Total Stockholder´s Equity	**31,700**	**34,216**	**34,811**	**35,526**	**36,356**			
TOTAL LIABILITIES & STOCKHOLDER´S EQUITY	**290,428**	**311,867**	**330,083**	**562,433**	**563,758**			

***BANKING SECTOR* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Endorsement Guarantees Granted	-	-	-	-	-	-	-	**-**
Contingent Assets & Liabilities	265	262	266	266	264			
Irrevocable Lines of Credit	2,846	2,530	2,580	2,793	3,129			
Assets held in Trusts or Mandate	108,959	108,574	105,738	90,469	90,632			
Assets held in custody or in administration	98,070	127,528	146,036	128,137	146,493			
Investment banking transactions for third parties, net	101,754	109,570	94,858	84,615	91,943			
Uncharged accrued interest from past - due loans	105	99	104	136	180			
Collaterals Received	20,952	21,235	21,574	31,567	31,156			
Amounts committed to fobaproa operations	-	-	-	-	-			
Investment of retirement saving funds	-	-	-	-	-			
Integration of loan portfolio	-	-	-	-	-			
Amounts received in derivative instruments	-	-	-	-	-			
Fobaproa trusts	-	-	-	-	-			
Repurchase securities to be received	202,305	205,840	208,509	4,248	-			
(Less) creditors from repos	(202,496)	(206,363	(208,982)	(4,341)	-			
Debtors from repos	9,583	5,768	9,269	-	-			
(Less) Repurchase securities to be delivered	(9,595)	(5,764)	(9,273)	-	-			
Other control accounts	-	-	-	-	-			
	332,747	**369,279**	**370,680**	**337,890**	**363,798**			

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANORTE USA

***BANORTE USA* – INCOME STATEMENT** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	2008	1Q09	2Q09	3Q09	4Q09	2009
Interest Income	299	293	298	363	1,253	379				379
Interest Expense	140	130	127	146	542	158				158
Loan Fees Charged	-	-	-	-	-	-				-
Fees Paid	-	-	-	-	-	-				-
Net Interest Income (NII)	159	163	171	217	711	221				221
Monetary Adjustment (Repomo) to margins	-	-	-	-	-	-				-
NII after Repomo	159	163	171	217	711	221				221
Preventive Provisions for Loan Losses	(7)	17	14	81	104	9				9
Loss Sharing Provisions	-	-	-	-	-	-				-
NII Adjusted for Credit Risk	166	147	157	136	606	212				212
Fund transfers	-	-	-	-	-	-				-
Account management	-	-	-	-	-	-				-
Fiduciary	-	-	-	-	-	-				-
Income from Loan Portfolios Acquired	-	-	-	-	-	-				-
Electronic Banking Services	-	-	-	-	-	-				-
Credit Card Fees	-	-	-	-	-	-				-
Fees Charged to IPAB	-	-	-	-	-	-				-
Other fees	24	24	32	67	147	38				38
Fees Charged on Services,	24	24	32	67	147	38				38
Fund transfers	-	-	-	-	-	-				-
Other fees	-	-	-	-	-	-				-
Expenses from Loan Portfolios Acquired	-	-	-	-	-	-				-
Fees Paid on Services	-	-	-	-	-	-				-
Foreign exchange	-	-	-	-	-	-				-
Securities –Realized gains	-	-	-	-	-	-				-
Securities- Unrealized gains	-	-	-	-	-	-				-
Market Related Income	-	-	-	-	-	-				-
Total Non Interest Income	24	24	32	67	147	38				38
Total Operating Income	190	170	189	204	753	251				251
Personnel	57	60	57	72	245	71				71
Professional Fees Paid	7	7	7	11	32	11				11
Administrative and Promotional Expenses	70	75	75	106	326	111				111
Rents, depreciation and amortization	9	9	9	7	34	6				6
Taxes, other than income tax	-	-	-	-	-	-				-
Contributions to IPAB	-	-	-	-	-	-				-
Non-Interest Expense	143	152	148	196	638	198				198
Operating Income	48	19	41	8	115	52				52
Other Revenues	59	53	49	67	229	48				48
Foreign exchange	-	-	-	-	-	-				-
Recoveries	1	1	1	2	5	1				1
Repomo-other revenues	-	-	-	-	-	-				-
Non Operating Income	60	55	50	69	234	49				49
Other Expenses	-	-	-	-	-	-				-
Changes in Foreign Exchange Valuation	-	-	-	-	-	-				-
Repomo-other expenses (creditor balance)	-	-	-	-	-	-				-
Non Operating Expense	-	-	-	-	-	-				-
Non Operating Income (Expense), net	60	55	50	69	234	49				49
Pre-tax Income	108	73	91	77	349	101				101
Income Tax	(36)	(25)	(29)	(14)	(105)	(38)				(38)
Profit sharing	-	-	-	-	-	-				-
Tax on Assets	-	-	-	-	-	-				-
Deferred Income Tax and Profit sharing	-	-	-	-	-	-				-
	(36)	(25)	(29)	(14)	(105)	(38)				(38)
Net Income before subsidiaries	71	48	62	63	245	62				62
Subsidiaries' net income	-	-	-	-	-	-				-
Net Income from continuos operations	71	48	62	63	245	62				62
Extraodinary items, net	-	-	-	-	-	-				-
Minority Interest	(25)	(19)	(21)	(14)	(79)	(24)				(24)
TOTAL NET INCOME	46	30	41	49	166	38				38

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANORTE USA – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and due from Banks	347	459	332	480	492			
Negotiable Instruments	-	-	-	-	-			
Securities available for sale	5,312	5,487	5,249	6,227	6,484			
Securities held to maturity	10	10	10	13	13			
Investment in Securities	5,322	5,497	5,259	6,240	6,498			
Non-assigned securities pending Settlement	-	-	-	-	-			
Debtor Balance in Repo Trans, net	-	-	-	-	-			
Repo Transactions with Collateral	-	-	-	-	-			
Secs to be received in Repo Trans, net	-	-	-	-	-			
Transactions with derivatives	-	-	-	-	-			
Operations w/ Derivatives & Securities	-	-	-	-	-			
Commercial Loans	9,063	8,834	10,004	12,845	13,495			
Financial Intermediaries' Loans	-	-	-	-	-			
Consumer Loans	180	166	186	249	239			
Mortgage Loans	1,641	1,683	1,950	2,532	2,732			
Goverment Entities' Loans	-	-	-	-	-			
IPAB Loans	-	-	-	-	-			
Fiduciary Collection Rights	-	-	-	-	-			
Performing Loans	10,884	10,683	12,140	15,625	16,466			
Commercial PDL's	120	57	96	183	172			
Financial Intermediaries' PDL's	-	-	-	-	-			
Consumer PDL's	1	1	1	1	-			
Mortgage PDL's	16	21	19	41	30			
Goverment Entities PDL's	-	-	-	-	-			
Past Due Loans	137	79	117	225	202			
Gross Loan Portfolio	11,021	10,762	12,256	15,850	16,668			
Preventive loan loss reserves	119	128	149	259	266			
Net Loan Portfolio	10,902	10,634	12,107	15,591	16,402			
Credit Assets Portfolio	-	-	-	-	-			
Sundry debtors and other accs rec,net	-	-	-	89	643			
Foreclosed assets, net	152	313	326	484	452			
Real Estate, Furniture & Equipment, net	580	572	606	753	760			
Investments in subsidiaries	7	7	7	9	9			
Deferred taxes, net	-	-	-	18	-			
Risk Coverage for Mortgage	-	-	-	-	-			
GoodWill	2,512	2,431	2,590	3,263	3,345			
Intangible	126	114	112	133	131			
Otros Assets	485	685	666	680	269			
Other Assets	3,123	3,229	3,368	4,076	3,746			
TOTAL ASSETS	20,434	20,712	22,005	27,740	29,001			

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

BANORTE USA – BALANCE SHEET (Million Pesos)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	7,9	7,2	7,3	8,5	9,348			
Time Deposits	7,3	7,3	8,2	10,	12,814			
Bank Bonds	-	-	-	-	-			
Deposits	15,280	14,618	15,517	19,065	22,162			
Immediate Redemption Loans	-	845	824	1,2	-			
Short term	768	1,0	1,1	1,6	814			
Long term	77	71	73	89	88			
Due to banks and correspondents	844	1,9	1,9	2,9	903			
Non-assigned securities pending settlement	-	-	-	-	-			
Cerditor Balance in Repo Trans, net	-	-	-	-	-			
Repo transactions with collateral	-	-	-	-	-			
Securities to be received in Repo Trans, net	-	-	-	-	-			
Transactions with derivatives, net	-	-	-	-	-			
Operations w/ Derivatives & Securities	-	-	-	-	-			
Income Tax & Profit Sharing Payable	2	-	2	-	-			
Other creditors & accounts payable	141	141	137	168	179			
Other payable accounts	143	141	139	168	179			
Subordinated non Convertible Debenture	220	213	226	285	292			
Deferred Taxes	44	52	-	-	9			
Deferred credits	33	34	38	52	48			
TOTAL LIABILITIES	16,564	17,014	17,919	22,538	23,592			
STOCKHOLDER´S EQUITY								
Paid-in Capital	3,3	3,3	3,3	3,3	3,346			
Share subscription premiums	-	-	-	-	-			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	3,344	3,346	3,346	3,346	3,346			
Capital Reserves	-	-	-	-	-			
Retained Earnings	122	122	122	122	284			
Results from Valuation of Secs Available for Sale	105	(2)	82	98	122			
Results from Conversions of Foreign Ops	(81)	(199)	43	1,082	1,213			
Surplus (Deficit) in capital restatement	-	-	-	-	-			
Results of Non Monetary fixed assets	-	-	-	-	-			
Results on non monetary - investment assets	-	-	-	-	-			
Adjustment in employees' pensions	-	-	-	-	-			
Accumulated effect of Deferred Liabilities	-	-	-	-	-			
Net Income	46	76	117	166	38			
Earned Capital	192	(3)	365	1,4	1,657			
Minority Holdings	334	354	376	387	405			
Total Stockholder´s Equity	3,870	3,698	4,087	5,202	5,409			
TOTAL LIABILITIES & STOCKHOLDER´S CAPITAL	20,434	20,712	22,005	27,740	29,001			

BANORTE USA **– MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q07	2Q07	3Q07	4Q07	1Q09	2Q09	3Q09	4Q09
Endorsement guarantees granted	-	-	-	-	-			
Other contingent obligations	-	-	-	-	-			
Credit commitments	23	26	33	36	42			
Irrevocable lines of credit	-	-	-	-	-			
Assets held in trusts or mandate	-	-	-	-	-			
Assets held in custody or in administration	-	-	-	-	-			
Investment banking transactions for third parties, net	-	-	-	-	-			
Amounts committed to fobaproa operations	-	-	-	-	-			
Investment of retirement saving funds	-	-	-	-	-			
Integration of loan portfolio	-	-	-	-	-			
Amounts received in derivative instruments	-	-	-	-	-			
Fobaproa trusts	-	-	-	-	-			
Repurchase securities to be received	-	-	-	-	-			
(Less) creditors from repos	-	-	-	-	-			
Debitors from repos	-	-	-	-	-			
(Less) Repurchase securities to be delivered	-	-	-	-	-			
Other control accounts	-	-	-	-	-			
Endorsement guarantees granted	18	21	14	14	42			

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

- **Information by Segments**

***GFNORTE* – INCOME STATEMENT 1Q09** *(Million Pesos)*	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Pronegocio	Total	Eliminations	Final Balance
Interest Income	1	12,702	656	444	1	27	13,831	(691)	13,141
Interest Expense	-	6,873	638	239	-	6	7,555	(660)	7,095
Loan Fees	-	149	-	-	-	3	153	-	153
Net Interest Income (NII)	**1**	**5,979**	**18**	**206**	**-**	**25**	**6,229**	**(30)**	**6,199**
Repomo-Margin	-	-	-	-	-	-	-	-	-
NII after Repomo	**1**	**5,979**	**18**	**206**	**-**	**25**	**6,229**	**(30)**	**6,199**
Loan Loss & Loss Sharing Provisions	-	2,144	-	10	-	9	2,162	-	2,162
NII after Provisions	**1**	**3,835**	**18**	**196**	**-**	**16**	**4,067**	**(30)**	**4,036**
Fees on services,	-	1,778	122	2	18	3	1,923	(9)	1,914
Fees paid,	-	306	-	5	-	2	312	(1)	312
Market-related Income	-	198	44	-	-	-	241	-	241
Total Non Interest Income	**-**	**1,670**	**16**	**(3)**	**18**	**1**	**1,852**	**(8)**	**1,845**
Total Operating Income	**1**	**5,505**	**184**	**194**	**18**	**17**	**5,919**	**(38)**	**5,881**
Non-Interest Expense	**1**	**3,933**	**131**	**104**	**11**	**12**	**4,192**	**(51)**	**4,142**
Operating Income	**-**	**1,572**	**53**	**90**	**8**	**5**	**1,727**	**12**	**1,739**
Non Operating Income	2	822	7	5	81	4	920	(16)	904
Non Operating Expense	-	174	2	1	80	-	256	(4)	253
Non Operating Income (Expense)NET	**2**	**649**	**5**	**4**	**1**	**4**	**664**	**(12)**	**652**
Pre-tax Income	**1**	**2,221**	**58**	**94**	**9**	**8**	**2,391**	**-**	**2,391**
Tax and Profit sharing	**3**	**749**	**17**	**-**	**2**	**3**	**774**	**-**	**774**
Net Income before subsidiaries	**(2)**	**1,472**	**40**	**94**	**7**	**6**	**1,617**	**-**	**1,617**
Subsidiaries´ net income	1,613	(1)	-	-	-	-	1,612	(1,523)	89
Net Inc. from continuos operations	**1,611**	**1,471**	**40**	**94**	**7**	**6**	**3,229**	**1,523**	**1,706**
Extraodinary items, net	-	-	-	-	-	-	-	-	-
Minority Interest	-	(53)	-	-	-	-	(53)	(42)	(95)
TOTAL NET INCOME	**1,611**	**1,418**	**40**	**94**	**7**	**6**	**3,176**	**(1,565)**	**1,611**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

GFNORTE – BALANCE SHEET AS OF 1Q09
(Million Pesos)

ASSETS	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Pronegocio	Total	Eliminations	Final balance
Cash and due from Banks	**63**	**56,309**	**3**	**63**	**16**	**-**	**56,455**	**(139)**	**56,317**
Negotiable Instruments	-	4,629	543	-	-	-	5,172	-	**5,172**
Securities held for sale	-	12,163	111	-	-	-	12,274	(404)	**11,870**
Securities held to maturity	-	217,573	349	-	-	-	217,922	-	**217,922**
Financial Instruments:	**-**	**234,365**	**1,003**	**-**	**-**	**-**	**235,368**	**(404)**	**234,965**
Non-assigned securities to pay	-	-	-	-	-	-	-	-	**-**
Futures receivable, net	-	1,502	118	-	-	-	1,620	-	**1,620**
Options and derivatives, net	-	8,936	-	-	-	-	8,936	-	**8,936**
Repos & Derivatives :	**-**	**10,437**	**118**	**-**	**-**	**-**	**10,556**	**-**	**10,556**
Commercial	-	111,385	-	11,019	-	158	122,563	-	**122,563**
Financial Intermediaries	-	13,374	-	53	-	-	13,427	(3,198)	**10,229**
Consumer	-	27,770	-	5	-	-	27,775	-	**27,775**
Mortgage	-	47,023	-	-	-	-	47,023	-	**47,023**
Goverment Entities	-	28,574	-	18	-	-	28,592	-	**28,592**
Fobaproa	-	-	-	-	-	-	-	-	**-**
Performing Loans	**-**	**228,126**	**-**	**11,095**	**-**	**158**	**239,379**	(3,198)	**236,181**
Commercial	-	2,071	-	92	-	24	2,187	-	**2,187**
Financial Intermediaries	-	3	-	-	-	-	3	-	**3**
Consumer	-	2,540	-	-	-	-	2,541	-	**2,541**
Mortgage	-	825	-	-	-	-	825	-	**825**
Goverment Entities	-	-	-	-	-	-	-	-	**-**
Past Due Loans	**-**	**5,440**	**-**	**92**	**-**	**24**	**5,556**	**-**	**5,556**
Total Credit	**-**	**233,566**	**-**	**11,187**	**-**	**182**	**244,935**	**(3,198)**	**241,137**
Preventive loan loss reserves	-	5,942	-	88	-	21	6,051	-	**6,051**
Net Loan Portfolio	**-**	**227,624**	**-**	**11,099**	**-**	**162**	**238.884**	**(3,198)**	**235,686**
Acquired collection rights	-	2,923	-	-	-	-	2,993	-	**2,993**
Total Loans	**-**	**230,547**	**-**	**11,099**	**-**	**162**	**241,807**	**(3,198)**	**238,609**
Benef.receivab.securitization	-	699	-	-	-	-	699	-	**699**
Sundry debtors and other	2	13,417	105	141	58	8	13,731	33	**13,764**
Merchandise Inventory	-	-	-	-	479	-	479	-	**479**
Foreclosed assets, net	-	841	-	-	-	-	841	-	**841**
Real Estate, Furniture & Equipment,	-	6,727	12	1,605	56	60	8,459	-	**8,459**
Investments in subsidiaries	39,186	974	18	-	-	-	40,178	(37,509)	**2,668**
Deferred taxes	3	138	-	-	-	31	172	(26)	**147**
GoodWill	31	5,475	-	-	-	-	5,506	-	**5,506**
Intangible	3	291	-	-	-	-	293	-	**293**
Otros Assets	-	4,191	272	20	11	4	4,499	-	**4,499**
Total Other Assets	**39,225**	**32,053**	**407**	**1,766**	**604**	**103**	**74,159**	**(37,503)**	**36,657**
TOTAL ASSETS	**39,228**	**564,411**	**1,532**	**12,927**	**621**	**266**	**618,346**	**(40,544)**	**577,802**

BANORTE

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

GFNORTE – BALANCE SHEET AS OF 1Q09
(Million Pesos)

LIABILITIES	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Pronegocio	Total	Eliminations	Final balance
Demand Deposits	-	120,268	-	-	-	-	120,268	(13)	120,255
Time Deposits	-	135,038	-	-	-	-	135,038	(74)	134,964
Bonds	-	-	-	-	-	-	-	-	-
Deposits	**-**	**255,305**	**-**	**-**	**-**	**-**	**255,305**	**(86)**	**255,219**
Demand	-	4,180	-	-	-	-	4,180	-	4,180
Short term	-	19,223	-	8,631	466	201	28,520	(3,198)	25,322
Long term	-	8,193	-	2,529	-	-	10,723	-	10,723
Due to banks & corresp.	**-**	**31,596**	**-**	**11,160**	**466**	**201**	**43,423**	**(3,198)**	**40,225**
Assigned securities to pay	**-**	**420**	**-**	**-**	**-**	**-**	**420**	**-**	**420**
Non-assigned securities to pay	-	-	-	-	-	-	-	-	-
Futures receivable, net	-	191,364	115	-	-	-	191,479	-	191,479
Options and derivatives, net	-	11,950	-	-	-	-	11,950	-	11,950
Repos & Derivatives:	**-**	**203,313**	**115**	**-**	**-**	**-**	**203,429**	**-**	**203,429**
Income Tax & Profit Sharing	-	458	37	-	1	-	496	-	496
Other Payable accounts	1	17,089	200	434	15	6	17,745	(20)	17,726
Other payable accounts	**1**	**17,547**	**237**	**434**	**16**	**6**	**18,241**	**(20)**	**18,222**
Subordinated non Convertible Debenture	-	18,053	-	-	-	-	18,053	-	18,053
Deferred Taxes	-	-	16	-	10	-	26	(26)	-
Deferred credits	-	1,275	-	56	-	5	1,336	-	1,336
TOTAL LIABILITIES	**1**	**527,510**	**369**	**11,649**	**492**	**212**	**540,233**	**(3,330)**	**536,903**
STOCKHOLDER´S EQUITY									
Paid-in Capital	12,007	10,955	540	306	87	195	24,091	(12,159)	11,932
Share subscription premiums	1,859	852	-	-	-	-	2,710	(1,180)	1,530
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-	-
Subscribed Capital	**13,866**	**11,807**	**540**	**306**	**87**	**195**	**26,801**	**(13,339)**	**13,462**
Capital Reserves	2,748	4,005	72	195	17	-	7,037	(4,289)	2,748
Retained Earnings	23,965	19,988	446	683	17	(147)	44,953	(20,988)	23,965
Surplus (Deficit) from securities	(1,315)	(999)	41	-	-	-	(2,273)	958	(1,315)
Results from coverage securities valuation	-	(1,637)	-	-	-	-	(1,637)	1,637	-
Results of foreign operations exchange	1,244	1,274	24	-	-	-	2,542	(1,298)	1,244
Excess (Insuf.) in capital restatement	-	-	-	-	-	-	-	-	-
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-	-
Non Mon assets results Investm subsidiaries	(2,833)	87	-	-	-	-	(2,746)	(87)	(2,833)
Adjustment in the employees pension funds	-	-	-	-	-	-	-	-	-
Net Income	1,611	1,418	40	94	7	6	3,176	(1,565)	1,611
Earned Capital	**25,421**	**24,135**	**623**	**972**	**42**	**(142)**	**51,051**	**(25,630)**	**25,421**
Minority Holdings	-	960	-	-	-	-	960	1,056	2,016
Total Stockholder´s Equity	**39,287**	**36,901**	**1,163**	**1,278**	**129**	**54**	**78,812**	**(37,913)**	**40,899**
TOT. LIAB. & STOCKHOL. EQUITY	**39,288**	**564,411**	**1,532**	**12,927**	**621**	**266**	**619,044**	**(41,243)**	**577,802**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

ACCOUNTING CHANGES AND REGULATIONS

- **General guidelines applicable to the financial information of holding companies of financial institutions subject to supervision by the National Banking and Securities Commission (CNBV.)**

On April 27, 2005, the CNBV issued general provisions applicable to the financial information of the controlling companies of financial groups in order to homologate the information that financial groups issue to the public for the analysis of their solvency and economic stability. This is done in order to facilitate savings and investment decision-making. GFNorte's Financial Statements can be found in our website at www.banorte.com/informacion_financiera

- **Provisions for implementation of the new Basel Capital Agreement.**

On October 3th, 2005, the CNBV published the agreement signed by financial authorities and the Mexican Banker's Association in order to implement the new capital guidelines that contain the standards and principles known as Basel II that will enable the bank's capital to reflect with greater precision the credit, market and operational risks.

- **New rules for banking institutions' capital requirements.**

On December 28, 2005, the Ministry of Finance(Secretaria de Hacienda y Credito Publico (SHCP)), issued new regulations for capital requirements, establishing a greater number of of bands and higher capital requirements. These new regulations came into effect on January, 2006.

- **B-11 Bulletin.**

The income and amortizations from investments in collection rights will be recognized according to according to the rules established in the B-11 critera of the CNBV using one of the three different methods established in this critera for that effect.

- **B-10 Bulletin "Inflation Effects".**

When comparing 2008 results vs. reported figures for previous periods are not fully comparable, as a result of the NIF B10 "Inflation Effects" norm taking effect in January of this year. This norm indicates that the economic environment is non-inflationary when the accumulated inflation rate over the last three years is less than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008. For the purpose of comparisons, 2007 and previous year's results are expressed in pesos of December 2007.

- **Change in rules for loan loss reserves requirements**

According to the new provisions of the CNBV published on August 22, 2008 in the DOF regarding the percentage of credit card reserves when there are no delinquent payments, and according to the second transitory article which makes it possible to make such adjustments by October, the impact of the change will be gradual. The percentage applied to reserves for zero delinquent payments for september is 1.72%, and at the close of October the change will be completed by applying a 2.5% reserve percentage for zero delinquent payments.

- **Repo Transactions and reclassification of investments in securities**

NEW ACCOUNTING CRITERIA

On October 14, 2008 the CNBV published a series of changes to its accounting criteria in the Official Gazette of the Federation (DOF). Such changes became effective the following day. The most important changes include:

- *Criterion B-3 "Repurchasing and Sales Agreements"*

Repurchase or Resale Agreement operations will be recorded according to the financial substance of the operation itself which is financing with collateral, in which the purchaser of securities gives cash as financing in exchange for financial assets that serve as protection in case of default.

Financial assets given as collateral by the purchaser of securities, pursuant to criterion C-1 are still recognized in the balance sheet provided that the risks, benefits and control of the same are kept.

On the repurchase and sale operation contract date, the entity acting as the purchaser of securities should record the incoming cash or a debt-liquidating account as well as an account payable at a reasonable value at the initially agreed price, which represents the obligation to return such cash to the purchaser of securities.

Throughout the life of the repurchasing and sale agreement, the account payable mentioned above will be valued at its reasonable value by acknowledging the interest on the repurchasing and sale agreement in the period's results as accrued, according to the effective interest method that affects such account payable.

On the repurchase and sale agreement operation contract date, the entity acting as the purchaser of securities should record the outlay of availabilities or a creditor-liquidating account, as well as an account receivable at a reasonable value, at initially the agreed price, which represents the right to recover the cash.

Throughout the life of the repurchasing and sale agreement, the account receivable mentioned above will be valued at its reasonable value by acknowledging the interest on the repurchase and sale agreement in the period's results as accrued, according to the effective interest method that affects such account receivable.

PREVIOUS ACCOUNTING CRITERIA
Repurchase or Resale Agreement Operations

Represent the temporary purchase or sale of certain financial instruments in exchange for an established premium with the obligation to resell or repurchase such securities in the future.

When the Institution acts as the seller of securities, the net position represents the difference between the fair value of the securities covered by the repurchase agreement (asset position) which, in turn, represents the securities to be received through the transaction, valued according to the investment valuation methods established for trading securities, and the value of the present value of the price at maturity (liability position).

When the Institution acts as the purchaser of securities, the net position represents the difference between the present value of the price at maturity (asset position) and the fair value of the securities received under the repurchase agreement (liability position) which are valued according to the method discussed in the preceding paragraph.

The debit or credit balance resulting from transactions involving repurchase agreements is presented under assets or liabilities in the consolidated balance sheet under the heading "Securities and derivative financial instruments".

For repurchase transactions entered into for periods exceeding three business days, a guarantee must be provided to mitigate market and counterpart risks. Guarantees received for repurchase transactions not involving the transfer of ownership are recognized in memoranda accounts and are considered as restricted assets.

a. Reclassification of Securities

In view of the current economic situation and considering the worldwide financial system crisis, the CNBV has adjusted various criteria, especially those relative to Repurchase or Resale Agreement operations, to allow reporting debt securities independently of the category in which they are found, within the "Investment in Securities" line item. This is to avoid restricting financial market liquidity and volatility securities' prices. Furthermore, the Commission authorized the Institution, by means of Document No. 100-035/2008 issued on October 16, 2008 and Document No. 100-042/2008 issued on November 10, 2008, to reclassify the investment-in-securities holding position and the position of receivable securities in Repurchase or Resale Agreement operations, pursuant to the rules set forth in such documents.

Therefore, during October, the Institution reclassified from the "Negotiable Securities" item to "Securities-held-to-maturity" item a total of 6,035,947,400 titles whose book value at the reclassification date was Ps 12,803. Additionally, from the "Securities available for sale" item the Institution reclassified to "Securities-held-to-maturity" a total of 560,523,193 instruments whose book value was USD 553 million and € 20 million.

The above reclassification was due to the valuation loss that negotiable securities were showing when valuated at a reasonable value, caused by market volatility. By December 31, 2008 the position in securities-held-to-maturity has not shown indications of permanent deterioration.

The effect of the valuation at reasonable value that would have been acknowledged if the above reclassification had not been made, would have shown up in the period results Ps (20) million and in shareholders' equity Ps (710) million.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

- **Main changes resulting from new accounting criteria and norms.**

Among the main changes resulting from the new measures and norms issued or modified by the Commission and CINIF that became effective as of January 1st, 2009 are:

The C-2 criteria, "Securitizations", establishes that in this type of transaction, the assigner can decide to transfer the risks and benefits and/or control of financial assets or not to the assignee.

It establishes that the benefits from the asignee's surplus will be recognized as "benefits to be received in securitization transactions" and remain valued since its initial registration, at a reasonable value, with any valuation adjustments recognized in the results of the exercise. This valuation must be consistent with “Entity with a Specific Purpose”, Entidad de Propósito Especifico (EPE) accounting policies established as the securitization medium.

If an assigner provides administrative services for transferred assets, an asset or liability must be registered initially from management of assets and liabilities, at its reasonable value according to the C-1 measure as follows:

a) An asset is registered if payment exceeds the cost and expenses incurred in providing the service; to the contrary a liability is registered.

b) Later, such asset or liability will be valued at a reasonable value, registering the effects of its valuation in the results of the exercise.

Benefits of the remaining balances of securitization operations and the asset from management of financial assets transferred will be exhibited under the heading "Benefits to be received in securitization operations".

The valuation of benefits to be received, as well as the asset or liability from management will be exhibited under the heading of "Other products" or "Other expenses", as appropriate.

The effects of said measure, in the event of having been applied to securitizations effective December 31st, 2008 are detailed as follows:

In realized securitization operations, the financial assets were eliminated from the balance sheet based on the effective accounting measures to date, C-1 "Transfer of financial assets" and C-2 "Securitization". Given that the new accounting measures that substitute the previous ones are applied prospectively, no retroactive recording will apply for operations performed prior to applying this measure, which is why the re-valuation of financial asset transfers previously registered is not required.

Notwithstanding, in accordance with these new accounting measures, securitized loans for mortgage, state and municipal government portfolios that Banorte carried out during 2006 and 2007, respectively, did not fulfill the requirements of the new accounting measures for elimination from the balance sheet, given that in both operations most of the inherent risks and/or benefits are retained.

The C-5 measure "Consolidation of Entities with a Specific Purpose" defines the particular norms related to the consolidation of EPEs. It establishes that an entity must consolidate an EPE when the economic substance of the relationship between both entities indicates that it controls said EPE.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

On February, 2003 Banorte sold Ps $1.9 billion (Ps $1.861 billion in Past-due loans & Ps $64 million in Performing loans) of its own portfolio (including interests) to its subsidiary Sólida Administradora de Portafolios, S.A. de C.V. for Ps $378 million. The transaction was done based on August 2002 figures, and therefore the final figure that affected the February balance was Ps $1.856 billion, once the collections made since August 2002 are considered. The past-due portfolio as well as Ps $1.577 billion in associated loan reserves were cancelled.

As instructed by the CNBV, we show the integration of the loan portfolio sold in 1Q03 by Banorte to its subsidiary Sólida Administradora de Portafolios, S.A. de C.V. The Purpose of this sale was to concentrate the portfolio in this specialized recovery unit as it had been managing the collections of this loans previously. This was a one time operation.

	Local Currency (2)			Foreign Currency (USD) (3)			Total		
(Millions of Nominal Pesos)	**Aug'02**	**Dec'08**	**Mar'09**	**Aug'02**	**Dec'08**	**Mar'09**	**Aug'02**	**Dec'08**	**Mar'09**
Performing Loans									
Commercial	5	-	-	5	-	-	10	-	-
Consumer	-	-	-	-	-	-	-	-	-
Mortgage	54	34	36	-	-	-	54	34	36
Total	**59**	**34**	**36**	**5**	**-**	**-**	**64**	**34**	**36**
Non Performing Loans									
Commercial	405	367	365	293	116	119	698	483	484
Consumer	81	72	72	-	-	-	81	72	72
Mortgage	1,112	393	379	-	-	-	1,112	393	379
Total	**1,598**	**832**	**816**	**293**	**116**	**119**	**1,891**	**948**	**935**
TOTAL LOANS	**1,657**	**866**	**852**	**298**	**116**	**119**	**1,955**	**982**	**971**
Loan Loss Reserves (1)									
Commercial	326	355	355	246	116	116	572	471	471
Consumer	77	72	72	-	-	-	77	72	72
Mortgage	669	369	369	-	-	-	669	369	369
Total	**1,072**	**796**	**796**	**246**	**116**	**116**	**1,318**	**912**	**912**

1) Reserve requirements using the same classification method used for the bank.
2) Includes UDIS.
3) The dollar portfolio and reserves are re-expressed in pesos.
Note 1.- There was a Reserve deficit of Ps 94 mllion as of March 2009.
Note 2.- Banorte has a 99.99% stake in Sólida.

In 1Q09 the Loan portfolio showed changes due to: collections for Ps $11 million, restructures for Ps $2.6 million, repossessed assets for Ps $4 millon and Ps $24 million in charge-offs and discounts. In the Loan loss provisions, there were charge-offs and discounts for Ps $7 million. There were transfers from performing loans to past due loans for Ps $2 million and transfers from past due loans to performing loans for Ps $7 million.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

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

	Local Currency (1)		Foreign Currency (USD)(2)		Total	
(Millions of Nominal Pesos)	Dec'08	Mar'09	Dec'08	Mar'09	Dec'08	Mar'09
Performing Loans						
Commercial	129,995	128,548	15,377	14,277	145,372	142,825
Consumer	29,116	27,531	-	-	29,116	27,531
Mortgage	43,784	44,328	-	-	43,784	44,328
Fobaproa / IPAB	-	-	-	-	-	-
Performing Loans	**202,895**	**200,407**	**15,377**	**14,277**	**218,272**	**214,684**
Non Performing Loans						
Commercial	1,738	2,171	153	214	1,891	2,385
Consumer	2,570	2,612	-	-	2,570	2,612
Mortgage	1,098	1,175	-	-	1,098	1,175
Non Performing Loans	**5,406**	**5,958**	**153**	**214**	**5,559**	**6,172**
TOTAL LOANS	**208,301**	**206,365**	**15,530**	**14,491**	**223,831**	**220,856**
Loan Loss Reserves	**6,950**	**6,243**	**285**	**337**	**7,235**	**6,580**
Net Loan Portfolio	**201,351**	**200,122**	**15,245**	**14,154**	**216,596**	**214,276**
Loan Loss Reserves					**130.15%**	**106.61%**
% Past Due Loans					**2.48%**	**2.79%**

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 1Q09
(Million Pesos)

NEGOTIABLE INSTRUMENTS	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Goverment Securities	2,704	1	(1)	2,704
Cetes	100	-	1	101
Bonds	24	-	(2)	23
Bondes	-	-	-	-
Bpas	2,580	1	(1)	2,580
Brems	-	-	-	-
UMS	-	-	-	-
UdiBonds	-	-	-	-
Stock Certificates	-	-	-	-
Banking Securities	2,336	-	-	2,336
Notes	2,335	-	-	2,336
Cedes	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	-	-	-	-
Other Bank Papers	-	-	-	-
Private	16	-	9	26
Commercial Paper Pesos	16	-	9	25
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	-	-	-	-
Eurobonds	-	-	-	-
Stock Certificates	-	-	-	-
Bank Paper	-	-	-	-
Foreign Goverment	102	-	-	102
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	-	-	-	-
Shares listed in the SIC	-	-	-	-
Guarantee (collateral) for futures	4	-	-	4
Mutual Funds	-	-	-	-
Total	**5,163**	**1**	**9**	**5,172**
SECURITIES HELD TO MATURITY				
Cetes	697	6	-	702
Affected papers as collateral	-	-	-	-
Derechos Fiduciarios	-	-	-	-
Goverment Securities	161,684	211	-	161,895
Bonds	634	1	-	635
Bondes	33,240	56	-	33,296
Bpas	125,186	113	-	125,298
Brems	-	-	-	-
UMS	2,598	32	-	2,630
UdiBonds	3	1	-	3
Cetes	-	-	-	-
Stock Certificates	23	10	-	33
Banking Securities	29,846	59	-	29,905
Notes	-	-	-	-
Cedes	9,743	10	-	9,753
Bonds	5,854	8	-	5,862
Stock Certificates	13,279	41	-	13,320
Other Bank Papers	971	-	-	971
Private	24,897	145	-	25,042
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	5,446	104	-	5,550
Eurobonds	-	-	-	-
Stock Certificates	19,381	41	-	19,421
Structured Notes	70	-	-	70
Other Debt Securities	349	-	-	349
Government Securities	13	-	-	13
Subordinated Notes	16	-	-	16
Total	**217,501**	**421**	**-**	**217,922**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

SECURITIES HELD FOR SALE 1Q09
(Million Pesos)

SECURITIES HELD FOR SALE	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Goverment Securities	6,411	26	48	6,485
Mexican Government Securities (UMS)	512	6	2	521
Treasury Bonds	-	-	-	-
Private company bonds	2	-	102	104
Private company bonds	-	-	25	25
GFNorte's Stock	61	-	(61)	-
BMV's Stock	234	-	(123)	111
Bonds	4,180	57	(680)	3,556
Eurobonds	566	25	(218)	373
Bank Paper	-	-	-	-
Structured notes	-	-	-	-
PEMEX	691	12	(7)	695
Subordinated securities	-	-	-	-
Swaps for hedging purposes	-	-	-	-
Total	**12,656**	**126**	**(912)**	**11,870**

SECURITIES ASSIGNED FOR SETTLEMENT 1Q09
(Million Pesos)

SECURITIES ASSIGNED FOR SETTLEMENT	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Government securities	420	-	-	420
Cetes	-	-	-	-
Bonds	24	-	-	24
Bondes	-	-	-	-
Bpas	396	-	-	396
Brems	-	-	-	-
UMS	-	-	-	-
UdiBonds	-	-	-	-
2U CBIC	-	-	-	-
Stock Certificates	-	-	-	-
Bank Paper	-	-	-	-
Private	-	-	-	-
Foreign Goverment	-	-	-	-
Total	**420**	**-**	**-**	**420**

REPURCHASE AGREEMENT OPERATIONS 1Q09
(Million Pesos)

SALES	MARKET VALUE		FINANCIAL STATEMENT		
				INDIVIDUAL COMPENSATION	
	RECEIVABLES ON REPURCHASE AGREEMENT	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	30,223	190,984	(160,761)	13	160,774
Banking Securities	1,101	18,546	(17,445)	-	17,445
Private Securities	-	13,248	(13,248)	-	13,248
Total	31,324	222,778	(191,454)	13	191,467

PURCHASES	MARKET VALUE		FINANCIAL STATEMENT		
				INDIVIDUAL COMPENSATION	
	RECEIVABLES ON REPURCHASE AGREEMENT	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	36,202	34,940	(1,262)	1,578	316
Banking Securities	993	963	(29)	29	-
Private Securities	-	-	-	-	-
Total	37,195	35,904	(1,291)	1,607	316
				1,620	191,783

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

DERIVATIVE FINANCIAL INSTRUMENTS OPERATIONS 1Q09
(Million Pesos)

INSTRUMENT	TO RECEIVE	TO DELIVER	NET	DEBTOR BALANCE	CREDITOR BALANCE
FUTURES					
Over Inflation (INPC)	-	-	-	-	-
					-
FORWARD FX CONTRACTS	AGREED PRICE	MARKET VALUE	VALUATION		
Negotiable					
Purchases	2,011	(2,236)	(224)		
Sells	(6,148)	6,451	303		
Total	(4,137)	4,215	78	153	74
					78
Hedging					
Purchases	-	-	-		
Sells	-	-	-		
Total	-	-	-	-	-
					-
SWAPS	TO RECEIVE	TO DELIVER	NET		
Negotiable					
Capital	15,905	(15,850)	55		
Interest rate	791	(780)	11		
Valuation	49,175	(49,275)	(101)		
Subtotal	65,870	(65,905)	(35)	6,118	6,152
					(35)
Hedging					
Capital	17,182	(18,410)	(1,228)		
Interest rate	322	(308)	14		
Valuation	7,141	(8,981)	(1,839)		
Subtotal	24,646	(27,699)	(3,053)	2,293	5,345
					(3,053)
OPTIONS					
Negociable-Assets					
Swaptions	-	-	-		
Rate Options	77	59	136		
Fx	3	(3)	-		
Index Options (ipc)	-	-	-		
Total	79	57	136	136	-
Hedging -Assets					
Swaptions	-	-	-		
Rate Options	212	25	237		
Index Options (ipc)	-	-	-		
Total	212	25	237	237	-
Negociable-Liability					
Swaptions	-	-	-		
FX	(4)	4	-		
Rate Options	(91)	17	(74)		
Index Options (ipc)	-	-	-		
Total	(94)	21	(74)	-	74
Debtor Balance				8,936	
Creditor Balance					11,646

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 1Q09

(Mililon Pesos)

PRODUCT	KIND	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases	Exchange Rate (Dollar)	MXN	2,011
FX Forwards	Sales	Exchange Rate (Dollar)	MXN	6,148
FX Options	Purchases	Exchange Rate (Dollar)	MXN	65
FX Options	Sales	Exchange Rate (Dollar)	MXN	67
Interest Rate Options	Purchases	TIIE	MXN	33,464
Interest Rate Options	Sells	TIIE	MXN	9,989
Interest Rate Swaptions	USLI/IRS	TIIE	MXN	-
Interest Rate Swaptions	TIIE/IRS	TIIE	MXN	-
Interest Rate Swaps	USLI/IRS	LIBOR	MXN	9,502
Interest Rate Swaps	TIIE/IRS	TIIE	MXN	189,637
FX Swaps	CS EURMXN	FIX/FIX	MXN	1,010
FX Swaps	CS USDCETE	CETE	MXN	3,750
FX Swaps	CS USDMXN	FIX/FIX	MXN	28,327
Futures in MEXDER	Purchases	TIIE	MXN	-
Futures in MEXDER	Sales	TIIE	MXN	-
Futures in MEXDER	Purchases	CETE	MXN	-
Futures in MEXDER	Sales	CETE	MXN	-
Futures in MEXDER	Purchases	M10	MXN	-
Futures in MEXDER	Sales	M10	MXN	-

INVESTMENT IN NON GOVERNMENTAL FINANCIAL INSTRUMENTS THAT RESPRESENT MORE THAN 5% NET CAPITAL 1Q09

(Million Pesos)

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
BANCOMER	Banking Bond	11,166	26%

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

LOAN PORTFOLIO
(Million Pesos)

	Local Currency		UDIS		Foreign Currency		Total	
	1Q08	1Q09	1Q08	1Q09	1Q08	1Q09	1Q08	1Q09
Performing Loans								
Commercial	75,800	92,361	291	297	24,948	29,905	101,040	122,563
Financial Intermediaries	12,435	10,119	-	-	1,157	109	13,592	10,229
Consumer	28,367	27,448	94	88	180	239	28,642	27,775
Mortgages	36,388	43,449	1,017	842	1,641	2,732	39,046	47,023
Goverment Entities	17,252	28,303	-	-	305	289	17,556	28,592
Fobaproa	-	-	-	-	-	-	-	-
Total	**170,242**	**201,681**	**1,403**	**1,228**	**28,230**	**33,273**	**199,875**	**236,181**
Past Due Loans								
Commercial	940	1,914	6	6	144	268	1,089	2,187
Financial Intermediaries	-	3	-	-	-	-	-	3
Consumer	1,207	2,540	-	-	1	-	1,208	2,540
Mortgages	540	749	336	47	16	30	893	825
Goverment Entities	-	-	-	-	-	-	-	-
Total	**2,687**	**5,206**	**342**	**53**	**161**	**298**	**3,189**	**5,556**
Total Propietary Loans	**172,929**	**206,887**	**1,744**	**1,280**	**28,391**	**33,570**	**203,065**	**241,737**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 1Q09
()Million Pesos)

	TOTAL	
	PERIOD COST	BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	7.6	92.5
Mortgage FOVI	-	-
	7.6	**92.5**

Quarter ending balance of Ps 93 million pesos in debtors support programs with a cost for the period of Ps 8 million.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

- **Distressed Portfolio**

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

(Million Pesos)	**Total**
Distressed Portfolio	859
Total Loans	238,609
Distressed Portfolio / Total Loans	**0.4%**

DEFERRED TAXES

(Million Pesos)

ASSETS	**INCOME TAX**	**PROFIT SHARING**	**NET**
Tax losses pending amortization	-	-	-
Provisions for possible loss in loans	74	-	74
Earnings per Society	-	-	-
Deferred compensation	-	-	-
Non deductible provisions and cumulative income	252	90	341
Net operating loss carryforward – Uniteller and Banorte USA corp.	38	-	38
Excess of preventive reserves accounts over the fiscal limit	297	106	403
State Tax on Assets Deferred	2	-	2
Excess of accounting value over fiscal value on Reposessed Assets	117	7	124
Diminishable profit sharing	251	90	341
Past-due loan reserves	6	-	6
Anticipated Income and Expenses	2	-	2
Installation expenses	-	-	-
Effects from valuation of instruments	-	-	-
Other	44	-	44
Total Assets	**1,083**	**293**	**1,376**
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	-	-	-
Pension Funds Contribution	(279)	(100)	(379)
Loan Portfolio Acquisitions	(594)	(104)	(698)
Projects to be capitalized	-	-	-
Income tax to pay on UDIS Trust funds	(40)	-	(40)
Book value depreciation	-	-	-
Dividends Federal Home Loan Bank	(2)	-	(2)
Intangibles' amortizations	(38)	-	(38)
Unrealized loss from Securities held for sale	(32)	-	(32)
Expenses paid in advance	(2)	-	(2)
Effects of other accounts	(1)	-	(1)
Effects from valuation of instruments	(33)	-	(33)
Reversal of Sale Costs	(5)	-	(5)
Organization and Recording Expenses & Installation Expenses	-	-	-
Unrealized capital gain from investments in Siefore	-	-	-
Total liabilities	**(1,026)**	**(204)**	**(1,230)**
Assets (Liabilities) Accumulated Net	**57**	**89**	**147**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

LONG TERM DEBT AS OF 1Q09
(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Pesos)	ORIGINAL AMOUNT (Million Ps, Dlls or UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
CD's- Banorte U01001	UDIs	Jan 11 '01	378	90	10 years	8.13%	Dec 30 '10	E/182 days
Step-Up Subordinated Callable Notes Due 2014	USD	Feb 17 '04	4,150	300	10 years	5.875%	Feb 17 '14	E/ 180 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	5,533	400	1 year	6.135%	Oct 13 '16	E/ 180 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	2,767	200	15 years	6.862%	Oct 13 '21	E/ 180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	Mar 11 '08	3,000	3,000	10 years	TIIE + 0.60%	Feb 27 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	Mar 11 '08	1,871	441	20 years	4.95%	Feb 27 '18	E/ 182 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	Jun 27 '08	2,750	2,750	10 years	TIIE + 0.77%	Jun 15 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	Mar 30 '09	1,338	1,338	10 years	TIIE + 2.00%	Mar 18 '19	E/ 28 days

BANK AND OTHER ENTITIES LOANS' AS OF 1Q09
(Million Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS	-	-	-	207	4.05%	1,400	207
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY	-	-	-	1,020	L+0.9	899	1,020
LOANS FROM FOREIGN BANK GENERATED FROM CAYMAN	-	-	-	4,299	3.21%	489	4,299
LOANS FROM DEVELOPMENT BANKS	5,836	4.75%	530	2,260	3.38%	30	8,096
LOANS FROM PUBLIC FUNDS	6,372	7.26%	504	560	1.56%	442	6,932
CALL MONEY & LOANS FROM BANKS	22,231	7.99%	115	-	-	-	22,231
LOANS FROM FIDUCIARY FUNDS	514	5.36%	4,487	-	-	-	514
PROVISIONS FOR INTEREST	125	N.A.	N.A.	-	-	-	125
	35,078			**8,346**			**43,424**
Eliminations	(3,198)			-			(3,198)
Total	**31,880**			**8,346**			**40,225**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

TRADING INCOME 1Q09 *(Million Pesos)*	
VALUATION EFFECTS	
Negotiable Instruments	(1)
Securities Held to Maturity	(15)
Repurchase Agreements	(1)
Derivative instruments	(116)
Futures	-
From repo trasactions	-
Range	-
Inflation Adjustment	-
Total	**(133)**
Dividends Received	**-**
RESULTS FORM BUYING AND SELLING	
Negotiable Instruments	17
Securities Held for Sell	(5)
Hedging Derivatives	7
Securities Held to Maturity	-
Inflation Adjustment	-
Total of Buying and Selling Instruments	**19**
FX Spot	217
FX Forwards	150
FX Futures	-
FX Futures TIIE	-
FX Hedging	-
Changes in FX Valuation	(16)
Intermediation of metals	2
Changes in valuation of Metals	2
Total Foreign Exchange	**356**
Inflation Adjustment	**-**
Total of Buying and Selling	**374**
TOTAL TRADING INCOME	**241**

- **Risk Management**

➢ **Credit Risk**

Credit 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 credit risk management at GFNorte are:

- Improve the quality, diversification and composition of the loan portfolio in order to optimize the risk-performance (yield) ratio
- Provide Executive Management with reliable, timely information to assist decision making regarding loans.
- Provide the Business Areas with clear and sufficient tools to support loan placement and follow-up.
- Create economic value for shareholders by efficient loan risk management.
- Comply with the information requirements that the authorities set forth regarding loan risk management.
- Perform risk management in accordance with the best practices, implementing models, methodologies, procedures and systems based on the main advances worldwide.

➢ **Individual Credit Risk**

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

The individual risk for company loans is identified, measures and controlled by the Target Markets, Risk Acceptance Criteria and Banorte's Internal Risk Qualification (CIR).
The Target Markets and Risk Acceptance Criteria are tools that, along with the Internal Risk Qualification, are part of GFNorte's Loan Strategy and give support to loan risk level estimation.

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

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

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

Banorte's CIR aligns with the "general PROVISIONS applicable to the loan qualification method of loan institution" issued by the CNByV on December 2, 2005. Banorte's CIR was certified by the CNBV and by an international external auditor in 2001.

Banorte's CIR is applied to commercial loans equal to or greater than an amount in Mexican pesos equivalent to four million investment units on the qualification date.

➢ **Portfolio Credit Risk**

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

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

The method, in addition to contemplating loan exposure, takes into consideration the probability of non-compliance, the recovery level associated to each client and the classification of the debtor based on the Merton model. The *probability of non-compliance* is the probability that the debtor will not meet his/her debt obligation with the bank according to the originally agreed terms and conditions. The probability of non-compliance is based on the transition matrixes that the Banks calculate from the migration of the debtors through different risk qualification levels. The *recovery ratio* is the percentage of total exposure that is estimated to be recovered if the debtor fails to comply.

The *classification of the debtor*, based on the Merton model, associates the debtor's future behavior to loan and market factors on which his "credit health" depends, as determined by statistical techniques.

The results are risk measures such as the expected and unexpected loss at a one-year horizon. The expected loss is the credit portfolio's loss distribution average, which is used to measure the following year's expected loss due to non-compliance or variations in debtors' credit quality. This unexpected loss is an indicator of the loss that could be expected in extreme scenarios and is measured as the difference between the maximum loss given the distribution of losses, at a specific reliability level that in the case of the Banking Sector is 95%, and the expected loss.

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

By March 31, 2009, the Banco Mercantil del Norte and Pronegocio total portfolio was Ps 220,068 million. The expected loss represents 2.6% and the unexpected loss is 4.3% with respect to the total portfolio. The average expected loss is 2.7% during the period between January and March 2009

- **General rules for risk diversification in asset and liability operations applicable to loan institutions**

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

Basic capital by December 31, 2008	$28,300
I. Financings whose individual amount represents more than 10% of the basic capital:	
Credit operations	
– Number of financings	3
– Total amount of financings	$10,557
– % vs. basic capital	37%
Money Market operations	
– Number of financings	2
– Total amount of financings	$5,899
– % vs. basic capital	21%
Transactions in overnight	
– Number of financings	3
– Amount of financings taken as a whole	$13,755
– % in relation to basic capital	49%
*Investments with Banks in checking accounts	
II. Maximum amount of financing with the 3 major Common Risk debtors and groups	$33,163

In compliance with the risk diversification rules for asset and liability transactions, the following information is provided below regarding ProNegocio (Millions of pesos):

Basic capital as of December 31, 2008	$48

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

III. Financing whose individual amount represents more than 10% of basic capital:

Credit transactions

– Number of financings 0

– Amount of financings taken as a whole $0

% in relation to basic capital 0%

Money market transactions

– Number of financings 0

– Amount of financings taken as a whole $0*

– % in relation to basic capital 0%

*Investments with Banks in checking accounts

IV. Maximum amount of financing with the 3 largest debtors and Common Risk groups $0*

*99.78% of this amount corresponds to checking account investments with Banks

Market Risk

- ***Value at Risk***

The exposure to market risk is determined through the calculation of the Value at Risk ("VaR"). The meaning of the VaR under this method is the potential loss which could be generated in the valuation of the portfolios at a given date. This methodology is used both for the calculation of market risk and for the establishment and control of internal limits.

In order to calculate the Value at Risk (VaR), the Institution applies the nonparametric historical simulation method, considering for such purpose a 99% confidence level, using the 500 immediate historical scenarios, multiplying the result by a security factor that fluctuates between 3 and 4 depending on the annual Back Testing results calculated up to the previous quarter, also considering 10 days to break up the risk portfolio in question. These measures make it possible to insure considering unforeseen volatilities in the main risk factors that affect such portfolios.

Such methodology is applied to all financial instrument portfolios within and beyond the balance, including money market and treasury transactions, capital, foreign-exchange and derivatives held for trading and hedging purposes, which are exposed to variations in their value due to changes in the risk factors affecting their market valuation (domestic and foreign interest rates, exchange rates and indexes, among others).

The average VaR for the January – March 2009 quarter for the portfolio is Ps 2,376 million.

Million Pesos	1Q08	2Q08	3Q08	4Q08	1Q09
Total Var *	2,230	2,298	2,210	2,447	**2,376**
Net Capital **	40,041	44,724	46,410	44,149	**45,113**
VaR/Net Capital	5.57%	5.14%	4.76%	5.54%	**5.27%**

* Quarter Average of Bank and Brokerage House
** Net capital of the Banking Sector is the arithmetic sum of the net capitals of Bank and Brokerage House.

Moreover, the average Value at Risk per risk factor of the portfolio of instruments described for the Bank and Brokerage House, during the first quarter of 2009 is shown below:

Risk Factor	VaR
Domestic interest rate	2,837
Foreign interest rate	271
Exchange rate	1,281
Capitals	97
Bond Prices in Foreign Currency	640
Total VaR of Bank and Brokerage House	2,376

The VaR for each of the risk factors shown is determined by simulating 500 historical scenarios of the variables that make up each of such factors, maintaining constant the variables that affect the other risk factors mentioned above. Similarly, the consolidated Value at Risk for the Bank and Brokerage House considers the correlations of all the risk factors that affect portfolio valuation. That is why the arithmetic sum of the Value at Risk per Risk Factor does not match.

- ***Backtesting Analysis***

In order to validate the daily VaR calculation measurement effectiveness, as a measure of market risk, the Backtesting analysis is updated weekly. This analysis makes it possible to compare the results estimated by VaR with the actual results.

- ***Sensitivity Analysis and Extreme Conditions Test***

To enrich the analysis and to obtain the desired impact that movements on risk factors may have on positions, sensitivity analizes and tests under extreme conditions are periodically implemented. These analizes prevent the Institution from negative situations that could arise in which extraordinary losses result from the valuation of financial instruments in position.

- **Liquidity Risk and Balance**

In response to the Banking Sector's need to measure Liquidity Risk and to have consistent follow-up, the Banks us financial ratios, such as the Liquidity Ratios (Liquid Assets / Liquid Liabilities). Liquid Assets include availabilities, securities to negotiate and securities available for sale. Liquid Liabilities include demand deposits, demand interbanking loans and short-term interbanking loans.

For liquidity risk quantification and follow-up, the Banking Sector uses for the dollar portfolios, the criteria that the Bank of Mexico established for developing the Liquidity Coefficient, which makes it possible to evaluate the differentials between asset and liability flows in different periods of time. This promotes a healthier distribution of terms for these assets.

Moreover, to prevent the risk of concentrating terms and re-appreciation date for each of the Banks in the Banking Sector, a Gap Analysis is made to face the resources with sources of funding, detecting any concentration in advance. These analyses are made separately per currency (domestic, foreign, and udis).

The structural risk of the Balance is evaluated using the analysis of balance simulation, among others, which allows the evaluation of future static or dynamic behavior in the Balance Sheet. It analyzes sensitivity to movements in domestic, foreign and real rates obtaining the impact that they have on the Economic Value and on the Net Interest Income. Likewise, tests are conducted under extreme conditions wherein the result of extreme changes is evaluated on rates, funding and exchange rates.

Projections are periodically compared with real data as a measure of evaluation of the effectiveness of the simulation model. These tests make it possible to evaluate the suppositions and methodology used, and if necessary, adjust them.

With the objective of strengthening follow-up of risk, early detection alarms have been determined, which allow the anticipation of problems and if necessary, put contingency plans into action.

- **Operational Risk**

As of January 2003, GFNorte established a formal operational risk department called the "Operational Risk Management Department" (ARO) within the General Directorship of Risk Management.

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

Operating Losses Database

To record operating loss events, a system has been developed internally known as the "Operating Loss and Events Capture System" (SCERO). This system enables the central information supplier areas to directly record such events online, which are classified by Type of Event in accordance with the following categories:

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

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

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

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

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

- ***Risk Management Model***

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

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

III. Required Capital Calculation
As of November 2007, the Official Gazette of the Federation published the Capitalization Rules for Operation Risk, establishing the use of a Basic Model, which is periodically calculated and reported to the authority.

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

- **Technology risk**

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

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

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

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

- **Legal risk**

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

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

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

- **Internal Control**

The companies that make up GFNorte has an Internal Control System (SCI) that has been structured according to the guidelines set forth by its Board of Directors and that addresses the requirements indicated by the regulating authorities.

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

A. Board of Directors with the support of the Risk Policies Committee and the Audit and Corporate Practices Committee (CAPS).
B. CEO and the direct reports, such as the Risk Management Unit (UAIR), Legal and Controlling Departments who are responsible for enforcing the proper control and risk levels in the Group's operations.
C. Internal Audit, External Audit and Commissary (The Commissary applies only to GFNorte subsidiaries) as additional support structures to check how the Internal Control System functions and provide reasonable assurance regarding the reliability of the generated data.
D. The Executive Group as those mainly responsible for SCI assurance according to the functions and responsibilities assigned to them. In addition to promoting the enforcement of the regulations established for the Institution and the strategies set forth by the CEO GFNorte.
E. Documents that establish the general control criteria that should be followed in the operation and reporting of transactions; in optimizing human, material and technological resources; in the use, security, timeliness and reliability of the information; and in the due compliance with the external and internal regulations. Code of Conduct that regulates the behavior that each advisor, officer or employee of the Group should assume while performing their activities.
F. Policy and procedure manuals that regulate documentation, recording and liquidation operations that the Institution carries out and establish the control points that should be observed, assuring the separation of functions, clear assigning of responsibilities, safekeeping of information and prevention of unlawful acts.

During 1Q09, SCI continued to work properly developing activities associated with strengthening risk control, assessment and management, establishing and monitoring controls, and insuring information quality.

A. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
B. The policy and procedure manuals have been updated as per the changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. Additionally, there has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.

The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.

- **Treasury Policy**

GFNorte's Banking Sector Treasury is the central unit in charge of balancing its resource needs, monitoring and managing the regulatory levels, eliminating the rate risk of fixed-rate placement operations by using coverage and implementing arbitrage strategies.

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

- **Internal and External Liquidity Sources**

The internal liquidity sources, in local as well as foreign currency, come from the various deposit products that the institution offers its customers, that is checking accounts and term deposits. Another source is the sales of the institution's assets.

External liquidity sources include various mechanisms to access the debt and capital markets. For instance, issuing credit titles, loans from other institution including the Central Bank and international agencies, as well as issuing subordinate debts. This concept also considers the liquidity that the bank obtains by reporting the securities the institution has that are feasible for this type of operation.

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

- **Related Parties Loans**

At GFNorte, the amount of the loans performed with related individuals and companies, does not exceed the established limit of 50% of the Tier 1 capital. As of March 31, 2009 and December 31, 2008, the loans granted to related parties totaled Ps $8,990 million and Ps $8,216 million, respectively.

- **People in Charge**

The undersigned represent under oath that, within the scope of our respective functions, we have drawn up the information relative to Grupo Financiero Banorte contained in this report, which, to the best of our knowledge, reasonably reflects its situation.

Dr. Alejandro Valenzuela del Río
Chief Executive Officer of Grupo Financiero Banorte, S. A. B. de C. V.

Ing. Sergio García Robles Gil
Chief Financial Officer

C.P. Román Martínez Méndez
Managing Director Audit

Lic. Jorge Eduardo Vega Camargo
Executive Director Comptrollership

C.P. Nora Elia Cantú Suárez
Executive Director Accounting

- **Basis for submitting Financial Statements**

Grupo Financiero Banorte (GFNorte) issues consolidated financial statements with its Subsidiaries in accordance with the General Provisions Applicable to Financial Information of the Regulating Agencies of Financial Groups Subject to Supervision by the National Banking and Securities Commission (CNByV) published in the Official Gazette of the Federation on April 27, 2005 and modified on August 11, 2006, August 14, 2006, December 19,2006 and January 8,2007. As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic enviornment is non inflationary when accumulated inflation for the last three years is lees than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008 and for comparison pruposes, figures for 2007 and previous years are expressed in December 2007 pesos.

In order to comply with the new general provisions applicable to the financial information of holding companies, since 2Q05, the Quarterly Report provides consolidated information for the financial group.

Banking Sector (Banorte) Issues consolidated financial statements with trust funds in udis and its subsidiaries in conformity with the General Provisions for Financial Information of Credit Institutions in effect as published on December 2, 2006 and modified on March 3, 2006, March 28, 2006, September 15, 2006, December 6,2006, December 8, 2006 and January 12, 2007 . As a result of the norm NIF B10 "Inflation Effects" taking effect and according to INIF 9 "Presentation of comparable financial statements as a consequence of NIF B-10 taking effect", which mentions that the economic enviornment is non inflationary when accumulated inflation for the last three years is lees than 26%. Under this context, it is not necessary to re-express financial statements as of January 2008 and for comparison pruposes, figures for 2007 and previous years are expressed in December 2007 pesos.

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

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