

GFNorte generated a net income of Ps431.2 million for the quarter.

GFNorte earned profits of Ps431.2 million for the quarter.

GFNorte earned profits of Ps431.2 million during the first quarter of the year, that compares very favorably when compared to the previous quarter with a 55.2% increase.

Alliance with HP to offer e-commerce.

GFNorte signed a letter of intent with HP to establish a strategic alliance to jointly offer e-commerce services, in which HP will provide the infrastructure, support, and security for the Internet services and we are in the process to hook up with Ariba to facilitate the B2B platform.

"E-Trading" services are offered under the name, "Banorte Inter-Bursátil".

On February 2, 2000, GFNorte launched its service to buy and sell stocks and mutual funds over the Internet (www.banorte.com.mx) under the name "Banorte Inter-Bursátil." We are the first financial group in Mexico to offer transactions with mutual funds through the Internet.

Ps1, 000 million in fixed-rate bank bonds were issued.

During the month of March, Banorte successfully placed Ps1, 000 million in Bank Bonds with terms of 3 years at a fixed rate of 15.59%. We are the first Mexican bank to issue medium term fixed-rate securities between 1994 and today. This funding will enable us to offer mainly fixed-rate consumer financing to our clients.

The purchase of the rights to collect on the Serfin portfolio was completed.

On February 28, the purchase of the rights to collect on the Serfin portfolio was completed, with Ps2,481 million paid for the right to collect Ps23,289 million on the loan portfolio and Ps2,167 million worth of repossessed assets. The 4-year period agreed upon with the IPAB for its administration began in March.

The merger of Banpaís into Banorte is finished.

The merger of Banpaís into Banorte was legally formalized as of February, fulfilling the agreements originally made with the authorities. Bancen will continue to exist as a separate entity from Banorte.

The Punto Final program ends.

On the last day of March, we completed the process of restructuring the loans of those clients who entered into the "Punto Final" mortgage program and "Banorte es más que Punto Final" program. With these program, we were able to help 6,781 clients and we managed to decrease the past-due mortgage loan portfolio by 40.7% since it's inception.

I. Macroeconomic Environment

During the first quarter of 2000, the general economic conditions in Mexico were reaffirmed as positive. Early in the month of March, the Moody's rating agency raised the rating of the country's national debt, granting it the Baa3 rating. Standard and Poors also raised the rating of the country, moving it up one step on its investment rating scale to BB+. Both rating agencies justified their decisions based on the favorable outlook for the country. Both factors gave a boost to the stock market (+4.86%), even in spite of the fact that there were several periods of volatility experienced by the stock market in the United States during the quarter.

The foreign exchange market continued its peso appreciation trend, aided by a significant inflow of funds from abroad. In all, the peso appreciated 2.6% during the quarter. This optimistic perception of Mexico has also continued to support the decrease in interest rates, in turn supporting favorable inflationary expectations. Interest rates went from 15.62% to 12.88% in the period under review.

On the subject of inflation, the exchange rate and fruit and vegetable prices were key factors that continued to support the decrease in the rate of inflation. In a never before seen way, the inflation expectations of the private sector almost converged with the objectives proposed by the Banco de México, and at the close of the period inflationary expectations even dropped below 10%. During the first quarter, prices rose 2.81%, bringing the annualized inflation rate to 10.1%. This quarterly increase represents the lowest inflation for this period in the last five years.

Non-petroleum exports increased at a surprising rate of 26% during the first two months of the year. In addition, petroleum exports have stayed strong, growing 168% faster than during the first two-month period of 1999. Imports also grew at a noteworthy pace, reflecting the greater vigor of economic activity, as well as the strength of the exchange rate. The balance of trade stayed at a manageable level, accumulating a deficit of 900 million dollars for the first two month period, only 1.2% greater than for the same time period last year.

Industrial production during for the January - February period increased at an estimated annualized rate of 8.9%, a figure which compares favorably with the increases of 4.6%, 4.2%, and 4.5% for the three previous quarters, respectively. The evidence of improvements in

consumption are seen in almost all the indicators: In January, retail sales grew at their best rate in two years; retail sales of automobiles showed an accumulated growth of 43.1% for the two month period. Sales reports from the major supermarket chains confirm this trend. All these facts lead us to believe that the economy will grow at a rate of more than 6% during the first quarter of the year, its fastest growth rate in the last two years.

II. Strategy

With the intention of competing successfully in the new environment through the use of new technologies for servicing our clients, GFNorte has made the development of services offered via the Internet a high priority:

E-Banking.- In the Second Quarter of 2000, a new Internet application will be launched which will replace the current one, providing solutions to over 5,000 companies and offering over 25 different transactions. For individuals we will be ready to offer transfer services allowing them to make payments directly from and between, their accounts.

E-Trading.- On February 2, 2000, we introduced a new application which allows clients of the Brokerage House to buy and sell stock and mutual funds electronically.

E-Commerce (B2B).- Forming strategic alliances to offer B2B services, bring added value to Mexican companies, to their vendors, and to their customers, and at the same time offering the services of the Group in order for them to carry out their operations.

E-Commerce (B2C).- Banorte is once again a pioneer in offering e-commerce solutions in Mexico using virtual POS (points of sales). The security of these applications is provided through SSL and SET protocols. Some of our current clients include: Terra, Todito, DeCompras, and Pabellón Virtual.

III. Recent Events

Grupo Financiero Banorte

Alliance with Hewlett Packard Company.- GFNorte reached an agreement with HP to jointly offer e-commerce services through a strategic alliance in which HP will provide the infrastructure and technological support as well as security systems. It is hoped to hook up with Ariba to facilitate the B2B platform.

Startup of the "Banorte Inter-Bursátil" service.-

On February 27, 2000, GFNorte launched its e-trading service under the name "Banorte Inter-Bursátil," through which it is possible to buy and sell stocks and mutual funds. We are the first financial group in Mexico to offer transactions with mutual funds through the Internet. In addition, we have redesigned the Group's web page, which can be accessed at (www.banorte.com.mx).

Administration of mutual funds.- At the end of the fourth quarter 1999, the administration of the mutual funds were transferred from the Brokerage House to Bancen, which is to receive the income generated by these activities starting from the last quarter onward. This change was a result of the corporate restructuring of the Group.

Banking Sector

Merger of Banpaís into Banorte.- Banpaís was fully merged into Banorte with the figures reported for the end of February, 2000. This fulfills the obligations contracted with Fobaproa in the purchase agreement signed in 1997. As a result of this situation, the financial reporting for Banpaís for the month of January was as a Subsidiary of Banorte, but starting in February forward, the financial numbers were consolidated. In order to be able to merge Banpaís 100%, an exchange of shares was carried out with Fobaproa in such a way that we received 19% of the shares of Banpaís in exchange for 5.91% of the shares of Banorte already merged with Banpaís.

Purchase of the right to collect on the Serfin Portfolio.- On February 28, 2000, GFNorte, through Bancen (where a trust was established for the collection of this portfolio), made a payment of Ps2,481 million for the rights to collect Ps23,289 million on the Loan Portfolio and Ps2,167 million of repossessed assets, the latter at no cost. These amounts differ slightly from the numbers originally announced, which were based on the closing figures for the month of August, 1999. Due to the recoveries made from its date of purchase an initial profit of Ps190 million was generated.

Cede of rights to collect mortgage loans of Serfin.- On April 14, Ps4,769 million in rights to collect mortgage loans of Serfin were cede to Goldman Sachs thus lowering the risk as well as the initial investment of the Group.

Issue of bank bonds.- On March 23, 2000, Banorte successfully launched an issue of bank bonds with a term of 3 years (1,134 days) at a fixed interest rate of 15.59%, taking advantage of the favorable financial market situation, the

excellent reputation of the Group, and the rating granted by Duff and Phelps of Mexico (MAA). The funds obtained from these Bonds will be used to offer fixed-rate consumer financing.

Issue of senior certificates.- Banorte issued senior certificates guaranteed for remittances in dollars, for an amount of US\$ 35 million for a term of 5 years, to be used to support exporting customers. The issue was coordinated by Bank of America Securities, LLC, at a rate of Libor + 2 3/8 due to the favorable situation arising from the investment rating recently granted by Moody's to Mexico. This issue was in addition to the US\$ 300 million placed in July, 1999 under the same mechanism.

Cross Currency Swap Operations.- At the end of March, 2000, US\$125 million were placed in cross currency swap operations with Chase Manhattan Bank of Mexico and Comerica Bank, with a maturity term of 3 years. These funds will be used to support companies involved in international trade.

Early redemption of subordinate non-convertible bonds.- In the month of February, 2000, Ps800 million worth of subordinate non-convertible bonds of Banorte were redeemed early, with the intention of replacing this funding with lower cost deposits since the weighted average interest rate on these bonds was TIE+ 2.

IV. Accounting Changes and Regulations

Grupo Financiero Banorte (GFNorte)-The financial results of the Financial Group are presented in consolidated form with its respective subsidiaries, in accordance with the stipulations of the National Banking and Securities Commission (CNByV) in circular 1456 issued on December 22, 1999, which went into effect on January 1, 2000.

The Commission on Accounting Principles of the Mexican Institute of Public Accountants modified its Bulletin D-4, in which they explain the accounting treatment of income tax, property tax, and the profit sharing. It shows that one single method prevails to determine the basis for calculating deferred income tax, which consists of comparing the fiscal and accounting numbers of the assets and liabilities, among other things. These stipulations went into effect on January 1, 2000. In the case of Banorte, the initial impact was zero.

Banking sector (Banorte and Bancen)- New groupings are been used, as contained in bulletin 1448

of October 14, 1999, of the National Banking and Securities Commission (CNByV), which went into effect on January 1, 2000. Figures for all periods are reported in constant Pesos set at the close of the reporting period. To set this value, we use the price of the UDI at the end of each period. The information for 1999 was grouped using the new regulations except the Due to Banks and Correspondents account on the Balance Sheet.

Starting on December 1, 1999, the National Banking and Securities Commission (CNByV) in bulletin 1449 issued on October 14, 1999, stipulated a new methodology for classifying the credit card loans based on the concept of the expected loss, by breaking down this portfolio according to its delinquency. This provides the basis for determining the amount of loan loss reserves necessary to cover the risk.

In accordance with the regulations of the National Banking and Securities Commission (CNByV) and as stipulated in bulletin No. 1460 of January 31, 2000, new regulations were issued pertaining to the qualification of mortgage loans, based on the requirement that provisions be tied to the expected loss. This breaks down the portfolio based on the number of months past due, in such a way that the reserve requirements will be increased as a function of the number of payments past due, reaching 70% in the case of loans that are 12 or more months due. This stipulation will go into effect on June 1st of this year.

IV. Highlights

Grupo Financiero Banorte Consolidated with Subsidiaries (GFNorte) Earned net profits of Ps431.2 million during the quarter, 55.2% higher than those of 4Q99, equivalent to earnings of Ps0.83 per share (fully diluted). Total Assets of GFNorte were Ps125.5 billion and its Loan Portfolio was Ps81.4 billion, been the first 5.4% higher and the later 1.1% higher to those of the previous quarter. The Stockholders Equity was \$9.1 billion, 5.0% greater than in 4Q99.

The Banking Sector (Banorte and Bancen) generated earnings of Ps358.5 million during the quarter, 65.4% higher than that of 4Q99 and 7.0% higher than that of 1Q99, with the largest contributions coming from Bancen, with Ps278.4 million and Banorte with Ps80.1 million. The past due loan ratio at the close of the quarter was 5.3%, and the Reserve Coverage was 102.3%, compared to 5.8% and 100.7% respectively at the end of

4Q99. Deposits grew by 9.2% vs. the previous quarter, ending the period with a balance of Ps96.1 billion.

The Brokerage Sector (the Brokerage House) registered net earnings of Ps17.5 million for the quarter vs. a profit of Ps42.6 million the previous quarter. This important reduction in the results was due to the transfer of the Administration of the Mutual Funds to Bancen at the end of 4Q99.

Long-Term Savings Sector - This sector reported earnings for the quarter of Ps43.0 million vs. Ps 10.8 million in 4Q99, equivalent to an increase of 298.2% and 210.3% when compared to 4Q99 and 1Q99 respectively, mainly due to growth in assets under management as well as to the income cyclicality of the AFORE.

Auxiliary Organizations Sector - Accumulated earnings during the quarter in this Sector were Ps13.5 million, 206.8% higher than in 4Q99, with the largest contributor being the Factoring business, which accounted for roughly 65% of the sectors profits.

V. Grupo Financiero- Consolidated

With the purpose of better understanding the results of the quarter, the Net Interest Income and the Loan Loss Provisions figures were modified for Bancen, the Banking Sector and the Group consolidated in comparison to the official numbers sent to the CNBV. The reason for this is that an operation of transferring of a surplus of Loan Loss Reserves from UDI trusts to the balance sheet in Bancen for Ps179.1 million, distorts the understanding of those lines in the Income Statement since according to the present GAAP, that transfer has to be shown first as an income in the Net Interest Income and as an expense in the Loan Loss Provisions, increasing both lines by that amount. The net effect of this operation is zero for both the Net Income and the Loan Loss Reserves in the Balance Sheet. (consolidated with UDIS)

Grupo Financiero Banorte Earnings

(Millions as of March '00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
G. F. Banorte [holding]	3.4	(1.3)	(2.7)
Banking Sector			
Banco Mercantil del Norte (1)	157.2	80.1	270.6
Banco del Centro (2)	59.5	278.4	64.5
	216.7	358.5	335.1
Brokerage Sector			
Brokerage House	42.6	17.5	57.7
Long-Term Saving Sector			
Pension Funds Afore	7.8	31.9	14.9
Bancassurance	5.3	2.1	9.3
Annuities	(2.4)	9.0	(9.8)
	10.8	43.0	14.5
Auxiliary Organization Sector			
Leasing	0.1	3.7	2.9
Factoring	3.4	8.6	7.8
Warehousing	-	0.5	0.8
Bonding	0.9	0.7	3.0
	4.4	13.5	14.5
Total	277.9	431.2	419.0

RATIOS

Net Income per Share (2)	0.59	0.91	0.89
Net Inc. per Share (diluted) (3)	0.53	0.83	0.82
Dividends per share (2)	-	-	-
Book Value per share (2) (4)	16.8	17.6	16.1
Book Value per share (3) (4)	15.2	15.9	14.6

- 1) 94.09% owned by GFNorte. Excludes the AFORE.
- 2) Per Share data, based on 472.3 million shares outstanding on March 31,2000.
- 3) Assumes a conversion of the Subordinated Convertible Debt. at a minimum conversion price of Ps8.5 per share (50 millions of shares)
- 4) Excluding Minority holdings.

Capital Structure of the Holding Company

	Current Shares Outstanding as of March 31,2000	%
O Series	472,321,483	100.0

Relevant Numbers for Grupo Financiero

(Millions as of March '00 Ps)

Income Statement	QUARTER		
	4Q99	1Q00	1Q99
Net Interest Income (NII)	1,599.8	1,314.2	1,924.5
+ REPOMO-Margin	107.9	25.6	406.1
= NII after Repomo	1,707.8	1,339.8	2,330.6
- Loan Loss Provisions	173.4	44.7	216.8
- Loss Sharing Provisions	(10.7)	39.5	54.8
=NII after Provisions	1,545.1	1,255.6	2,059.0
+ Non Interest Income	567.1	710.4	618.5
= Total Operating Income	2,112.2	1,966.0	2,677.5
- Non Interest Expense	1,800.4	1,417.3	1,671.6
= Net Operating Income	311.8	548.8	1,005.9
- Other Expense (Income)	16.8	(44.3)	(499.7)
= Pre-tax Income	328.6	504.5	506.2
- Income Tax & profit sharing	3.3	(35.1)	(39.6)
- Tax on asset	(15.6)	(5.3)	(7.9)
- Deff. Inc. Tax & profit sharing	(56.2)	(24.6)	2.7
= Net Income b/Subsidiaries	260.1	439.5	461.4
+ Undistrib. Earnings of Subs.	37.6	31.3	(3.7)
=Net Income-contin. Operation	297.7	470.8	457.7
+ Extraordinary Items, net	-	-	-
- Minority Income	(19.8)	(39.6)	(38.7)
=Total Net Income	277.9	431.2	419.0

Balance Sheet

	4Q99	1Q00	1Q99
Total Assets	119,069	125,506	102,120
Loan Portfolio	80,485	81,360	81,793
Deposits	87,697	95,769	70,792
Equity	8,677	9,112	8,304
PDL	4,711	4,312	5,778
LLR	4,720	4,400	5,720

Asset Quality Ratios

PDL to Total Loans	5.9%	5.3%	7.1%
LLR to PDL	100.2%	102.0%	99.0%

Profitability Ratios

ROA (1)	1.0%	1.4%	1.9%
ROE (2)	12.9%	19.4%	29.0%

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

LLR= Loan Loss Reserves, PDL= Past Due Loans, NPDL= Net Past Due Loans

Grupo Financiero Banorte (GFNorte) - generated Ps431.2 million in earnings for the quarter, 55.2% higher than 4Q99. The Net Interest Income before Repomo was down 17.9% compared to the previous quarter due to

lower interest rates (the average 28 day CD (Cete) in 1Q00 was 15.3% vs. 17.5% in 4T99) and also to a lower yield on the Fobaproa notes from Banpaís. During the quarter, Ps44.7 million in Loan Provisions were created as well as Ps39.5 million in Fobaproa loss sharing provisions. Non Interest Income grew by 25.3% due mainly to higher fee income received for collections on the Serfin portfolio and also to higher trading Income. Non Interest Expense decreased by 21.3% compared to the quarter before and 15.2% when compared to 1Q99 due primarily to the positive results of the cost efficiency and rationalization program started in second half of 1999 and to provisions for taxes created in 4Q99.

No of Employees & Distribution Network

EMPLOYEES	1Q99	4Q99	1Q00
Banking Sector	9,508	8,892	8,928
Other Sectors	<u>1,178</u>	<u>2,067</u>	<u>2,170</u>
Total Group	10,686	10,959	11,098

DISTRIBUTION NETWORK

Branches (*)	461	456	456
ATM	1,068	1,341	1,354

(*) Includes banking modules and excludes 3 branches located in Cayman Island.

The quarter ended with an annual personnel reduction of 580 employees from the Banking Sector of the Group, equivalent to 6.1% when compared to March, 1999.

With regard to other sectors of the Group, the number increased by 992 compared to March, 1999, due mainly to the hiring of 818 sales representatives for the Afore and 123 for the Annuities business, to support the sales efforts and to look for increasing our market share in these businesses.

We ended the quarter with 456 branches and 1,354 ATMS.

VI. Information by Sectors (See Annex I)

1. Banking Sector

(Millions of March 00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
Income Statement			
Net Interest Income	1,683.3	1,335.1	1,929.1
+ REPOMO-Margin	130.7	47.3	431.5
= NII after Repomo	1,813.9	1,382.4	2,360.6
- Loan Loss Provisions	167.0	42.1	213.4
- Loss Sharing Provisions	<u>(10.7)</u>	<u>39.5</u>	<u>54.8</u>
= NII after Provisions	1,657.6	1,300.8	2,092.4
+ Non Interest Income	<u>211.3</u>	<u>383.0</u>	<u>293.6</u>
= Total Operating Income	1,868.9	1,683.7	2,386.0
- Non Interest Expense	<u>1,622.1</u>	<u>1,231.2</u>	<u>1,512.2</u>
= Net Operating Income	246.9	452.5	873.8
+ Other Expense (Income)	<u>21.9</u>	<u>(55.0)</u>	<u>(494.7)</u>
= Pre-tax Income	268.8	397.5	379.1
- Income Tax & profit sharing	4.7	-	(2.9)
- Tax on asset	(14.3)	(5.3)	(7.9)
- Deferred Inc. Tax & profit sharing	<u>(38.5)</u>	<u>(41.8)</u>	-
= Net Income b/Subsidiaries	220.7	350.3	368.3
+ Undistrib. Earnings of Subs.	<u>16.0</u>	<u>47.1</u>	<u>8.5</u>
= Net Income-continu. Operation	236.7	397.4	376.8
+ Extraordinary Items, net	-	-	-
Minoritary Income	<u>(12.3)</u>	-	<u>(24.4)</u>
= Total Net Income	224.4	397.4	352.4

Balance Sheet	4Q99	1Q00	1Q99
Total Assets	116,941	121,819	99,258
Loan Portfolio	80,354	81,216	81,427
Deposits	87,988	96,062	70,999
Equity	6,826	7,145	6,655
PDL	4,674	4,283	5,643
LLR	4,704	4,383	5,654

Asset Quality Ratios	4Q99	1Q00	1Q99
PDL to Total Loans	5.8%	5.3%	6.9%
LLR to PDL	100.7%	102.3%	100.2%
NPDL to Equity	-0.4%	-1.4%	-0.2%

Profability Ratios	4Q99	1Q00	1Q99
ROA (1)	0.8%	1.3%	1.4%
ROE (2)	13.5%	22.8%	21.4%

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

NII= Net Interest Income, LLP_ Loan Loss Provisions, PDL= Past Due Loans, LLR= Loan Loss Reserves, NPDL=Net Past Due Loans

Profits from the Banking Sector totaled Ps397.4 million during the quarter, 77.1% more than the previous quarter and 12.8% more than 1Q99. During the quarter, loan provisions were increased by Ps42.1 million, and Ps39.5 million were charged against earnings for Fobaproa loss sharing provisions. Net Interest Income

before Repomo decreased by 20.7% with respect to 4Q99 principally due to the lower interest rate environment and also to a lower yield on the inherited Fobaproa notes from Banpais. Non Interest Income for the quarter was Ps383.0 million, vs. Ps211.3 million of the previous quarter, a rise of 81.3%, with the main factor being the fee income received from the Serfin loans collections for Ps190 million (Fiduciary). Non Interest Expense was Ps1,231.2 for the year, 24.1% lower than in 4Q99.

Net Interest Income

(Millions as of March '00 Ps)

	4Q99		1Q00	
	BN(2)	BC	BN	BC
Int. Inc.- loans & securit.	4,735.2	1,162.8	3,921.6	1,011.3
Int. Inc.- repo agreement.	158.3	2.1	110.0	0.1
Foreign exch. Valuation	43.2	0.5	15.9	-
UDI valuation	-	-	-	1.0
Loan Fees	<u>115.6</u>	<u>10.4</u>	<u>103.2</u>	<u>8.7</u>
Interest Income	5,052.3	1,175.8	4,150.7	1,021.1
Int. Exp.-dep.& funding	2,947.2	828.1	2,615.9	699.0
Int. exp.- repo agreement	743.0	3.8	484.9	4.3
Fees paid	5.2	0.3	1.9	1.0
Foreign exch. Valuation	-	-	-	0.5
UDI valuation	<u>12.7</u>	<u>1.0</u>	<u>29.2</u>	-
- Interest Expense	3,711.7	833.1	3,131.9	704.9
= NII	1,340.6	342.7	1,018.8	316.2
Ave. earn. Assets	94,146.7	22,808.6	95,537.3	23,326.7
% NIM (1)	5.7%	6.0%	4.3%	5.4%

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

(2) Includes Banpais for comparison reasons.

NII= Net Interest Income

BN=Banorte & BC=Bancan

The Net Interest Income before Repomo of the banking sector of the Group amounted Ps. 1,335.1 million, a 20.7% decrease vs. the previous quarter mainly due to a lower interest rate environment (28 day Cete averaged 15.3% vs. 17.5% in 4Q99) and also to the decrease in the yield on the Fobaproa notes tied to Banpais that now generate interests at a CPT +4.25 rate (CPT=average cost of deposits) which affected Banorte's net interest income in a 24.0% decrease. From this quarter and on Banpais' Fobaproa notes receive interests in cash as well as Bancan which does it since 1Q98.

Non Interest Income

(Millions as of March '00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
Fees on purchased services:			

+ Fund Transfers	7.5	6.1	5.9
+ Account Manag. Fees	44.0	39.0	34.9
+ Fiduciary	9.5	198.6	6.2
+ Credit Card	2.6	2.6	5.3
+ From Fobaproa	136.6	73.9	139.9
+ Other Fees	<u>68.6</u>	<u>84.9</u>	<u>59.2</u>
	268.7	405.1	251.3

Fees on payed services:

+ Fund Transfers	-	-	(0.2)
+ Other Fees	<u>(100.0)</u>	<u>(82.4)</u>	<u>(53.4)</u>
	(100.1)	(82.4)	(53.6)

=Net Fees **168.6** **322.7** **197.7**

= Trading Income

+ Foreign Exchange	5.4	30.4	64.5
+ Sec.- Realized gains	38.3	11.0	25.8
+ Sec.- Unrealized gains	<u>(1.0)</u>	<u>19.0</u>	<u>5.6</u>
	42.7	60.3	95.9

= Non Interest Income **211.3** **383.0** **293.6**

Non Interest Income for the quarter was 81.3% higher than that of 4Q99 mainly due to Ps190 million of fee income derived from Serfin loans collections which was accounted in the Fiduciary line. Fees from Fobaproa decreased by 45.9% because of lower collections in the period compared to 4Q99, which was partially compensated by higher Trading Income specially from Foreign Exchange transactions.

Non Interest Expense

(Millions as of March '00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
Personnel Expenses	637.5	529.5	570.9
+Fees Paid	87.6	65.6	101.8
+Operation & Adminis. Expenses	309.8	324.4	489.8
+Rent, Depreciation & Amortization	181.7	160.0	216.1
+Tax other than income tax	320.9	81.6	82.0
+Contributions to IPAB	<u>84.6</u>	<u>70.1</u>	<u>51.5</u>
= Non Interest Expense	1,622.1	1,231.2	1,512.2

Non Interest Expense decreased 24.1% vs. 4Q99 mainly due to the positive results of the cost reduction program started in 2H99 and to provisions for taxes created in 4Q99. Another important variation was reflected in Personnel Expenses that decreased 16.9% mainly due to the compensations payed in 4Q99 for the laying off personnel in the period and its correspondent lower payroll, medical and other related expenses in the period. Fees Paid also decreased in 25.1% in the quarter. Likewise the level of Operation an Administration

Expenses showed a 33.8% decrease when compared to 1Q99.

Other Expenses (Revenues)

(Millions as of March '00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
+Other Revenues	162.8	100.3	27.4
+Recoveries	26.0	13.8	103.7
+Repomo-other	-	-	-
=Other Products	188.9	114.2	131.1
-Other Expenses	(16.1)	(52.0)	(113.7)
-Repomo-other	(150.9)	(117.2)	(512.1)
=Other Expenses	(166.9)	(169.2)	(625.7)
= Other Expenses(Revenues)	21.9	(55.0)	(494.7)

The net result of the Other Expenses (Revenues) was Ps(55.0) millions vs. Ps21.9 of the previous quarter mainly due to Ps59.8 million of non recurrent operations that were included in Other Expenses, to a Ps33.7 million decrease in Repomo-Other (Other Expenses) because of lower levels of inflation, and to a Ps35.9 million in Other Expenses mainly due to the cancellation of Ps33.3 million of provisions for write offs in the 4Q99.

Loan Portfolio

(Millions as of March '00 Ps)

	4Q99	1Q00	1Q99
Performing Loans			
Commercial	14,315	15,412	14,723
Interbank	3,144	2,599	1,451
Credit Card & Consumer	535	557	609
Mortgages	3,603	4,041	3,652
Government Entities	3,024	3,058	2,852
Fobaproa	51,060	51,267	52,498
Total	75,680	76,933	75,785
PDL			
Commercial	2,081	2,024	2,301
Credit Card & Consumer	685	579	509
Mortgages	1,907	1,679	2,833
Total	4,674	4,283	5,643
Total Proprietary Loans	80,354	81,216	81,427
% PDL	5.8%	5.3%	6.9%

PDL= Past Due Loans

Don't exists Mortgages Rents Esquem

The quarter ended with a Ps81,216 million balance of the loan portfolio, 1.1% higher than the previous quarter. Without Fobaproa the loan portfolio grew by 2.2% due to new commercial loans granted in the quarter which increased 7.7%. Mortgage loans showed a 12.2% jump

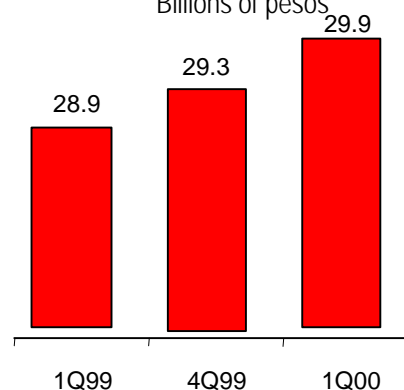
due to a PS186.3 million correction in the grouping of mortgage loans.

Pat due loans contracted by 8.4% vs. 4Q99 as a result of the 12.0% reduction in mortgage past due loans that benefited from the last part of the "Punto Final" and "Banorte es más que Punto Final" mortgage programs. Both programs benefited 6,781 customers and contracted non performing mortgage loans by 40.7% since their inception. The past due loan ratio at the end of the quarter was 5.3% vs. 5.8% of 4Q99.

Note: In the 3Q99 report it was mentioned a Ps727 million of past due loans in Banorte which was referring to the Banking Sector.

Loan Portfolio without Fobaproa

Billions of pesos



Classified Loans

(Millions of March 00 Pesos)

Category	4Q99		1Q00	
	Loans	%	Loans	%
A	16,735.6	62.5	17,332	64.5
B	3,640.6	13.6	3,722	13.9
C	1,994.0	7.4	1,658	6.2
D	2,555.5	9.5	2,495	9.3
E (*)	1,866.1	7.0	1,644	6.1
Total	26,791.9	100.0	26,851	100.0
Excepted	54,090.2	66.8	51,168	65.3
Not Classified	115.8	0.1	389	0.5
	80,997.8	66.9	78,408	65.8

(*) Net of Charges offs

Note : Consolidated with UDIS

Fobaproa Loss Sharing Provisions

During the year, the Ps24.3 million in Fobaproa Loss Sharing Provisions charged against the income statement, together with the amortization of Ps15.2 million in provisions charged against Deferred Assets (originally created since 3Q98) totaled Ps39.5 million. The balance of Fobaproa reserves at the end of the quarter was at Ps857.3 million and the reserves charged against Deferred Assets amounted to Ps354.9 million.

Note : The Ps663.9 million balance of Fobaproa reserves included in the previous report should have been Ps705 million.

Loan Loss Reserves (LLR)

(Millions as of March 00 Ps)

	1Q00		
	BN	BC	Total
Previous Period end-LLR	3,313(1)	1,391	4,704
+ Provisions taken in the period	26	16	42
- Charge offs and discounts	183	73	255
-Special Fobaproa Notes Rsvs.(*)	-	-	-
+ Valuation & Other	(78)	(30)	(108)
= LLR at period end	3,079	1,305	4,383

BN=Banorte & BC=Bancen

(*) There is a Ps26.6 million contingency in a portion of the Banpais' Fobaproa notes which are fully reserved since 3Q99.

(1) Includes Banpais.

In the period, Ps255 million were accounted as Charge Offs and Discounts been most of them related to the "Punto Final" y "Banorte es más que Punto Final" programs.

Note: In 4Q99 Valuation and Other should have been Ps(15.5) million for Banpais and Ps(173.3) million for the total Sector integrated by Ps(81.7) million in transfers to UDI Trusts, Ps(138.2) million in Exchange Rate Valuation, and Ps46.6 million in Other.

Reserve Coverage as of 1Q00

(Millions as of March '00 Pesos)

BANORTE	PDL	LLR	LLR/PDL
Commercial	1,618	1,618	100.0%
Mortgage	1,347	987	73.3%
Credit Card & Consumer	474	474	100.0%
Total	3,438	3,079	89.6%
BANCEN			
Commercial	407	407	100.0%
Mortgage	333	333	100.0%
Credit Card & Consumer	106	106	100.0%
Surplus	-	460	-%
Total	845	1,305	154.4%
Total	4,283	4,383	102.3%

The Reserve Coverage of the banking sector of the Group was 102.3% at the end of 1Q00, slightly higher than that of 4Q99. Banorte had a 89.6% reserve coverage, with a 100.0% coverage in Commercial and Credit Card and Consumer loans, and Bancen showed a 154.4% reserve coverage with 100.0% coverage in all three types of loans with Ps460 million as a surplus.

Deposits

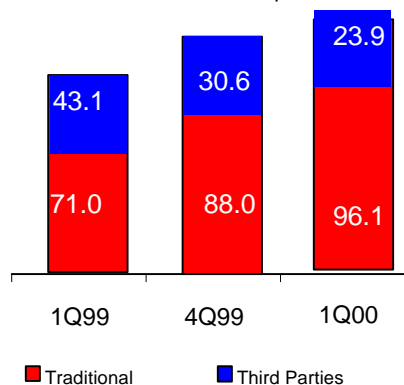
(Millions as of March 00 Ps)

	1Q99	4Q99	1Q00
Demand Deposits	23,682	21,332	18,213
Time Deposits	61,187	73,727	48,858
Bonds	3,119	1,003	3,927
Total	87,988	96,062	70,999
On behalf of Third Parties Deposits	30,640	23,857	43,126

The growth of Time Deposits continued during the quarter due to the follow up of Banorte's strategy to move clients from the money market (with third party accounts) to Banorte promissory notes. This was carried out through new minimal investment requirements for the money market operations, which were raised from Ps250,000 to Ps500,000, forcing those depositors who did not meet the new minimum requirements to switch to term promissory note investments, whose yields are lower and as such contribute to increasing the net interest income.

Total Deposits grew 9.2% in the quarter which was mainly reflected in Time Deposits which increased 20.5%. Demand Deposits showed a 9.9% contraction compared to the previous quarter as a consequence of the yearly seasonality that normally shows higher Demand Deposits at the end of the year. Deposits on Behalf of Third Parties decreased 22.1% due to the transfers to Time Deposits as mentioned earlier.

Traditional and Behalf of third Parties Deposits
Billions of pesos



Capitalization

(Millions as of Mar. '00 Ps)

	4Q99		1Q00	
	BN(2)	BC	BN	BC
Basic Capital	3,927	1,473	3,869	1,901
Supplemental Capital	1,705	200	461	34
Net Capital (NC)	5,632	1,673	4,330	1,935
Risk credit assets	33,358	2,877	36,475	2,867
NC / RCA	16.9%	58.1%	11.9%	67.5%
Total risks assets (1)	36,955	3,847	39,016	3,528
Capitalization Ratio				
Tier 1	10.6%	38.3%	9.9%	53.9%
Tier 2	4.6%	5.2%	1.2%	1.0%
Total Capitaliz. Ratio	15.2%	43.5%	11.1%	54.9%

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

(2) Includes Banpaís.

BN=Banorte & BC=Bancen

The capitalization ratios for each bank at the close of the quarter were as follows: Banorte 11.1%, lower than the 15.2% of the previous quarter, and Bancen 54.9%, higher than the 43.5%. The Net Capital of Banorte decreased by Ps1,302 million mainly due to the Ps800 million early redemption of Subordinated Non-convertible Bonds, to the new capitalization rules that excludes Fobaproa Loss Sharing provisions of Ps355 million from the Net Capital, and to the Ps92 million decrease in the Adjustment in the Employees Pension Fund account due to the Banpaís merging. In the case of Bancen the increase in its Net Capital was due to the earnings of the quarter.

The shortfall in the employees pension fund at the close of the quarter was Ps 0 million due to the fact that during the quarter the administration of the pension fund was transferred to Pensiones Banorte Generali.

US Dollar Funding/ US Dollar Loan Portfolio

(Millions of Dollars)

	4Q99		1Q00	
	BN(1)	BC	BN	BC
Liabilities:				
Retail Deposits	784.7	119.0	759.3	119.0
Comercial & Euro paper	512.0	42.2	464.4	42.2
Bank Loans	1,114.5 (2)	110.0	1,006.6	110.0
Peso Funding	-	-	-	-
Currency Swaps	-	-	100.2	-
Deferred payments	6.6	-	7.9	-
Loan Loss Reserves	29.0	20.0	31.1	20.0
Future Contract	68.2	-	118.3	-
Other liabilities	8.0	12.0	-	12.0
	2,523.0	303.2	2,487.8	303.2

Assets

Cash	13.4	0.8	13.9	0.8
Bank Deposits	810.4(2)	40.8	710.5	40.8
US Treasury Bills	59.1	-	9.9	-
Investment portfolio	246.1	-	251.9	-
Loan portfolio	1,323.7	261.0	1,363.6	261.0
Future contracts	50.8	-	111.2	-
Other assets	19.5	0.6	26.8	0.6
	2,523.0	303.2	2,487.8	303.2

BN=Banorte & BC=Bancen

(1) Includes Banpaís.

(2) These Figures are different from those of the 4Q99 report because Ps387 million were eliminated when consolidating Banpaís into Banorte

At the end of March, 2000, US\$125 million were placed in cross currency swap operations with Chase Manhattan Bank of Mexico and Comerica Bank, with a maturity term of 3 years. These funds will be used to support companies involved in international trade.

2. Other Sectors

Brokerage Sector

(Millions as of March '00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
Brokerage House			
Net Income	42.6	17.5	57.7
Equity	498.4	517.0	396.3
Total Assets	1,048.3	2,506.2	1,612.7

The **Brokerage House** obtained profits of Ps17.5 million in 1Q00 which compares unfavorably to the Ps42.6 million of 4Q99. This is mainly due to the transfer of the Administration of the mutual funds to Bancen since 4Q99 as part of the corporate restructuring of the Group.

Long Term Savings Sector

(Millions of March '00 Ps)

	QUARTER		
	4Q99	1Q00	1Q99
Afore			
Net Income	15.2	66.4	29.3
Equity	871.9	1,000.2	793.9
Total Assets	911.9	1,041.8	820.1
Assets under Management	5,464.8	6,180.6	3,531.0
Bancassurance			
Net Income	10.4	4.1	18.2
Equity	105.0	131.5	139.5
Total Assets	1,131.5	1,263.0	614.3
Annuities			
Net Income	(4.6)	17.7	(19.3)
Equity	95.6	113.0	82.2
Total Assets	1,062.8	1,324.0	476.1

The **Afore** had profits for Ps66.4 million in 1Q00 (51% for Banorte), 336.8% higher than those of 4Q99 due, in an important portion, to 13.1% more assets under management and to 59,532 new affiliates for a total of 1,410,910 affiliates, at the end of the quarter. The positive results emerged from the business cycle because bimonthly contributions from the companies are received by the AFORE unevenly distributed throughout the year receiving two contributions in 1st. and 3rd. quarters an just one contribution in 2nd and 4th quarters.

The **Bancassurance** business had a profit of Ps4.1 million vs. a Ps10.4 million profit in the previous quarter (51% for GFNorte). This decrease was due to higher technical provisions requirements as a result of new Auto and Life insurance issued in the quarter.

The **Annuities Company** had profits for Ps17.7 million vs. a Ps4.6 million loss in the previous quarter (51% for GFNorte). The increase was favored by Treasury Income.

The **Leasing Company** posted a Net Income of Ps3.7 million in the quarter much higher than the Ps0.1 million in the 4Q99, due mainly to the creation of Ps3.3 million in loan loss provisions in the previous quarter. Presently this Company ranks 9th. place in the System out of 35 leasing companies.

The **Factoring Company** generated Ps8.6 millions in profits for the year 152.9% higher than those of 4Q99 due mainly to the creation of Ps3.0 million in loan loss provisions in 4Q99. Presently this Company ranks 1st place in the system in terms of loan portfolio and profits.

The **Warehousing** showed a favorable situation during the quarter posting Ps0.5 million in profits in 4Q99, as a result of the strategy of offering specialized schemes to steel companies .

The **Bonding Company** generated Ps0.7 million of Net Income for the quarter, 22.2% lower than that of 4Q99. This reduction was caused by payments of claims on contracts that were signed before becoming part of GFNorte.

Auxiliary Organizations Sector

(Millions as of March '00 Pesos)

	QUARTER		
	4Q99	1Q00	1Q99
Leasing			
Net Income	0.1	3.7	2.9
Equity	89.0	92.6	80.5
Loan Portfolio	419.2	407.4	532.3
Past Due Loans	27.6	19.2	119.7
Total Assets	475.0	465.3	539.2
Factoring			
Net Income	3.4	8.6	7.8
Equity	112.7	122.6	93.3
Loan Portfolio	1,168.3	1,068.1	755.8
Past Due Loans	10.0	9.6	15.7
Total Assets	1,166.1	1,076.0	752.7
Warehousing			
Net Income	-	0.5	0.8
Equity	53.1	53.6	51.5
Total Assets	54.4	58.5	53.9
Bonding			
Net Income	0.9	0.7	3.0
Equity	52.7	53.2	51.1
Total Assets	112.7	112.5	101.8

New Accounting Principles : Warehousing, Leasing & Factoring= Circular 1458

Note: In June, 1999 this company payed Banorte Ps88 million in non performing loans thus reducing substantially its balance of past due loans and therefore improving its Net Interest Income which contributed to the 1999 good results.

ANNEX I.- Grupo Financiero-Information by Segments

Proforma consolidated data as of 1Q00(*)

(Millions as of Mar '00 Ps)	(1) BANORTE	(3) BANCEN	TOTAL SECTOR
Income Statement			
NII	1,018.9	316.2	1,335.1
Non Interest Income	173.0	210.0	383.0
Non Interest Expense	990.9	240.3	1,231.2
Other income (expense)	(91.3)	36.2	(55.0)
Extraordinary items, net	-	-	-
Net Income	102.3	295.2	397.4
Balance Sheet			
Assets	98,412	23,407	121,819
Loans	60,731	20,484	81,216
Deposits	78,494	17,569	96,062
Equity	5,219	1,926	7,145
PDL	3,438	845	4,283
LLR	3,079	1,305	4,383
Ratios			
% NII	4.3%	5.4%	N.A.
Expense/ Total Assets	4.0%	4.1%	4.0%
% PDL	5.7%	4.1%	5.3%
Reserves / PDL	89.6%	154.4%	102.3%
% Capitalization (2) (*)	11.1%	54.9%	N.A.

(*) Without taking intercompanies accounts

1) Includes a 94.73% participation of the Group.

2) Includes Market Risks.

3) Excludes the AFORE.

NII= Net Interest Income, PDL= Past Due Loans, LLR= Loan Loss Reserves

With the ultimate goal of improving the understanding of information of the Group and given the importance of the 3 banks (Banorte and Bancen) within the Financial Group, (together representing more than 90% each of the Shares, Deposits, and Profits of the Group), we have included their financial statements and combined indicators pro-forma together under the "Banking Sector" heading. The Banking Sector is defined as the 2 banks with their respective subsidiaries, except the Afore unit (a subsidiary of Banorte), which is not considered part of this Sector for management reasons (as of the end of 1998). We have also grouped companies corresponding to other Sectors, which are defined in accordance with the orientation of the companies. These Sectors are as follows: The Brokerage Sector which is made up of the Brokerage House; the Long-Term Savings Sector, made up of the Annuities, Bancassurance and Afore companies, and the Auxiliary Organizations Sector which includes the Leasing, the Brokerage, the Warehousing, and the Bonding companies. For purposes of the Reconciliation Table by Sector, these sectors are all put under the heading "Other Sectors" given that they each represent only a very small participation in the group. This segmentation was done on the basis of the International Accounting Normative (NIC 14) and the Statement of Financial and Accounting Standards N° 131 that refers to the rules for presenting financial information by segment.

Inter-bank Eliminations Summary

(Millions as of Mar. '00 Ps)	BANORTE	BANCEN	INTERBANK ELIMINATIONS
Income Statement			
NII	(16.7)	16.7	-
Non Interest Income	-	-	-
Non Interest Expense	0.1	-	0.1
Other Income (expense)	0.1	-	0.1
Extraordinary items, net	-	-	-
Balance Sheet			
Assets	(1,061)	(1)	(1,062)
Loans	-	-	-
Deposits	(1)	-	(1)
Equity	-	-	-
PDL	-	-	-
LLR	-	-	-

NII= Net Interest Income, PDL= Past Due Loans, LLR= Loan Loss Reserves

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

Reconciliation of Segments Summary-1Q00

(Millions as of Mar. '00 Ps)	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
Income Statement				
NII	1,335.1	73.3	(94.2)	1,314.2
Non Interest Income	383.0	244.4	83.0	710.4
Non Interest Expense	1,231.2	186.2	(0.1)	1,417.3
Other Income (expense)	(55.0)	(1.2)	11.9	(44.3)
Extraordinary items, net	-	-	-	-
Balance Sheet				
Assets	121,819	13,459	(9,772)	125,506
Loans	81,216	1,475	(1,331)	81,360
Deposits	96,062	-	(393)	95,669
Equity	7,145	10,100	(8,133)	9,112
PDL	4,283	29	-	4,312
LLR	4,383	17	-	4,400

NII= Net Interest Income, PDL= Past Due Loans, LLR= Loan Loss Reserves

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

GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet

(Millions as of March '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	10,428	10,853	11,781	13,456	10,835			
Negotiable Instruments	1,503	2,602	2,534	15,995	23,820			
Securities held for sale	346	338	331	295	47			
Securities held to maturity	5,182	4,232	4,431	4,392	4,679			
Financial Instruments:	7,032	7,172	7,296	20,682	28,546			
Repurchase agreements, net	84	55	19	79	59			
Futures receivable, net	-	-	2	-	-			
Options and derivatives, net	6	4	6	78	181			
Repos & Derivatives :	89	59	27	157	240			
Commercial	15,818	16,929	15,713	15,823	16,823			
Interbank	587	203	656	1,711	1,287			
Credit Card & Consumer	609	516	541	535	557			
Mortgage	3,652	3,445	3,427	3,603	4,041			
Government Entities	2,852	2,931	3,034	3,042	3,074			
Fobaproa	52,498	52,593	52,389	51,060	51,267			
Performing Loans	76,015	76,615	75,760	75,774	77,048			
Commercial	2,436	2,413	1,977	2,119	2,053			
Credit Card & Consumer	509	650	627	685	579			
Mortgage	2,833	2,698	2,304	1,907	1,679			
Government Entities	-	-	-	-	-			
Past Due Loans	5,778	5,761	4,908	4,711	4,312			
Total Loans	81,793	82,377	80,668	80,485	81,360			
Preventive loan loss reserves	5,720	5,696	4,888	4,720	4,400			
Net Loan Portfolio	76,073	76,681	75,780	75,765	76,960			
Sundry debtors and other assets, net	1,823	1,684	1,703	1,482	1,720			
Foreclosed assets, net	601	620	793	1,400	1,348			
Real Estate, Furniture & Equipment, net	3,277	3,247	3,261	3,322	3,170			
Investments in subsidiaries	457	491	559	701	803			
Deferred taxes	604	590	574	540	381			
Goodwill	273	259	250	241	234			
Deferred charges & Intangibles	1,462	1,429	1,415	1,322	1,239			
UDIS Mortgage loans reserve coverage	-	-	-	-	32			
Other Assets	8,498	8,320	8,556	9,008	8,925			
TOTAL ASSETS	102,120	103,084	103,441	119,069	125,506			
LIABILITIES								
Demand Deposits	18,202	19,897	22,290	23,669	21,319			
Time Deposits	48,662	47,450	44,931	60,909	73,447			
Bonds	3,927	3,292	3,187	3,119	1,003			
Deposits	70,792	70,639	70,408	87,697	95,769			
Demand	-	-	-	-	368			
Short term	-	-	-	-	6,732			
Long term	-	-	-	-	9,238			
Due to banks and correspondents	17,589	17,592	18,507	18,509	16,338			
Repurchase agreements, net	14	22	2	41	15			
Futures receivable, net	-	-	1	-	2			
Options and derivatives, net	-	-	1	94	319			
Repos & Derivatives:	14	22	4	135	336			
Income Tax & Profit Sharing	46	92	114	134	108			
Other Payable accounts	3,672	4,733	4,200	2,612	3,546			
Other payable accounts	3,718	4,824	4,314	2,746	3,653			
Subordinated non Convertible Debenture	1,383	1,363	1,341	1,019	189			
Deferred Taxes	179	156	157	189	14			
Deferred credits	141	118	133	97	94			
TOTAL LIABILITIES	93,816	94,713	94,864	110,391	116,394			
STOCKHOLDER'S EQUITY								
Paid-in Capital	4,262	4,278	4,278	4,277	4,278			
Share subscription premiums	848	898	898	898	898			
Subordinated Convertible Debentures	481	461	454	444	425			
Subscribed Capital	5,591	5,636	5,629	5,619	5,601			
Capital Reserves	390	617	617	616	584			
Retained Earnings	5,596	5,082	5,071	5,071	6,191			
Surplus (Deficit) from securities	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(4,392)	(4,340)	(4,374)	(4,556)	(4,469)			
<i>Non Monetary assets results</i>								
Valuation of Investments in subsidiaries	-	-	-	-	(24)			
Adjustment in the employees pension funds	-	-	-	-	-			
Net Income	419	662	891	1,169	431			
Earned Capital	2,013	2,021	2,204	2,300	2,713			
Minority Holdings	701	715	744	758	798			
Total Stockholder's Equity	8,304	8,372	8,577	8,677	9,112			
TOTAL LIABILITIES & STOCKHOLDER'S	102,120	103,084	103,441	119,069	125,506			

GRUPO FINANCIERO BANORTE-Consolidated Income Statement

(Millions as of March 00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
NET INTEREST INCOME								
Interest Income	7,703.5	5,798.7	6,137.9	6,017.8	5,038.5			
Interest Expense	5,869.0	4,324.8	4,622.4	4,546.4	3,839.4			
Loan Fees	90.0	100.2	117.7	128.4	115.1			
Net Interest Income (NII)	1,924.5	1,574.2	1,633.3	1,599.8	1,314.2			
Repomo-Margin	406.1	171.3	132.1	107.9	25.6			
NII after Repomo	2,330.6	1,745.5	1,765.4	1,707.8	1,339.8			
Loan Loss Provisions	216.8	164.8	74.5	173.4	44.7			
Loss Sharing Provisions	54.8	97.9	123.8	(10.7)	39.5			
NII after Provisions	2,059.0	1,482.8	1,567.1	1,545.1	1,255.6			
Fund transfers	5.9	6.1	6.3	7.5	6.1			
Account management	34.9	34.7	44.5	44.0	39.0			
Fiduciary	6.2	12.5	11.2	9.5	198.6			
Credit Card	5.3	5.2	5.4	2.6	2.6			
Fees from FOBAPROA	1,39.9	82.5	465.8	136.6	73.9			
Other fees	1,92.0	160.5	262.3	171.9	227.5			
Fees on purchased services,	384.1	301.5	795.6	372.0	547.7			
Fund transfers	0.2	0.1	-	-	-			
Other fees	53.4	60.2	99.7	100.0	82.4			
Fees on payed services,	53.6	60.2	99.8	100.1	82.4			
Foreign exchange	64.5	59.9	41.2	3.6	28.2			
Securities -Realized gains	207.4	304.8	270.4	258.5	190.9			
Securities- Unrealized gains	16.1	(20.9)	(10.3)	33.1	26.1			
Market-related Income	288.0	343.8	301.3	295.2	245.2			
Total Non Interest Income	618.5	585.0	997.2	567.1	710.4			
Total Operating Income	2,677.5	2,067.8	2,564.3	2,112.2	1,966.0			
Personnel	659.0	670.6	773.4	756.4	642.2			
Fees Paid	103.6	98.2	99.4	91.1	67.6			
Operation & Administrative expenses	538.3	498.9	828.8	341.6	368.9			
Rents, depreciation and amortization	235.2	188.3	189.4	203.2	183.9			
Taxes, other than income tax	84.0	137.6	163.6	323.5	84.5			
Contributions to IPAB	51.5	63.3	84.2	84.6	70.1			
Non-Interest Expense	1,671.6	1,656.9	2,138.8	1,800.4	1,417.3			
Operating Income	1,005.9	410.9	425.5	311.8	548.8			
Other Income	22.6	74.1	38.6	158.0	112.1			
Recoveries	104.1	72.8	81.4	26.6	15.3			
Repomo-other (Debtor balance)	-	-	-	-	-			
Total Other Products	126.6	146.9	120.0	184.6	127.4			
Other Expense	(114.0)	(73.9)	(66.7)	(16.1)	(52.0)			
Repomo-other (Creditor balance)	(512.3)	(178.6)	(165.1)	(151.7)	(119.6)			
Total Other Expense	(626.3)	(252.5)	(231.9)	(167.8)	(171.6)			
Other expenses (Revenue), net	(499.7)	(105.7)	(111.8)	16.8	(44.3)			
Pre-tax Income	506.2	305.2	313.7	328.6	504.5			
Income tax	(29.9)	(38.9)	(16.4)	4.8	(27.2)			
Profit sharing	(9.6)	(11.8)	(5.0)	(1.5)	(7.9)			
Tax on Assets	(7.9)	(9.1)	(8.3)	(15.6)	(5.3)			
Deferred Inc. Tax and Profit sharing	2.7	19.7	(9.1)	(56.2)	(24.6)			
	(44.8)	(40.0)	(38.7)	(68.5)	(65.0)			
Net income before subsidiaries	461.4	265.2	275.0	260.1	439.5			
Subsidiaries' net income	(3.7)	(11.6)	(14.7)	37.6	31.3			
Net Income from continuous operations	457.7	253.6	260.3	297.7	470.8			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	(38.7)	(10.4)	(31.7)	(19.8)	(39.6)			
TOTAL NET INCOME	419.0	243.2	228.6	277.9	431.2			

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED (Million as of March '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
ON BEHALF OF THIRD PARTY TRANSACTIONS								
Customers' banks	5	-	14	3	-	-	-	-
Dividends receivable from customers	-	-	-	-	-	-	-	-
Interest receivable from customers	-	-	-	-	-	-	-	-
Liquidation of customer transactions	398	(2,017)	(4,366)	(873)	(1,826)	-	-	-
Customer loans	-	-	-	-	-	-	-	-
Liquidation with foreign currencies of customers	-	-	-	-	-	-	-	-
Margin accounts in futures operations	-	-	-	-	-	-	-	-
Other current accounts	-	-	-	-	-	-	-	-
CUSTOMERS CURRENT ACCOUNT	402	(2,016)	(4,352)	(870)	(1,826)			
Client securities held in custody	61,112	62,593	68,362	62,143	63,784			
Securities and documents received in guarantee	1	1	-	1	4			
Client securities abroad	-	-	-	-	-			
CLIENT SECURITIES	61,113	62,593	68,362	62,144	63,787			
Repurchase operations for customers	14,985	27,566	30,652	22,406	20,367			
Clients securities loans	-	-	-	-	-			
Purchase of Futures & forward contracts (nati. total)	-	-	-	-	-			
Sale of futures and forward contracts (national total)	-	-	-	-	-			
Purchasing operations (option price)	18	18	23	144	227			
Sales operations (option price)	-	-	-	-	-			
Purchase of derivative packages	-	-	-	-	-			
Sale of derivative packages	-	-	-	-	-			
Administration trusts	435	980	1,038	1,032	1,000			
TRANSACTIONS ON BEHALF OF CLIENT	15,438	28,563	31,713	23,581	21,595			
TOTAL ON BEHALF OF THIRD PARTY	76,954	89,140	95,723	84,856	83,557			
Signature guarantees granted	90	3	3	3	3			
Issuing of irrevocable letters of credit	896	643	451	541	528			
Property in trust and guardianship	53,292	53,925	54,182	34,462	34,017			
Assets held in custody or in administration	65,885	67,905	64,942	85,087	108,930			
Amounts committed to operations with FOBAPROA	8,048	9,569	9,871	8,061	8,515			
In Transit drafts	-	-	-	-	-			
Certificates of Deposit in circulation	-	-	-	-	129			
Secured Credit Cards from the company	-	-	-	-	-			
Securities given to the company in custody	12,556	12,903	13,056	13,361	1,867			
Government securities in custody of the company	-	-	-	-	20			
Securities given to the company on guarantee	-	-	-	-	2			
Securities outside the country	-	-	-	-	18			
Liquidations with foreign currencies abroad	-	-	-	-	-			
Debits to the contingency fund	-	-	-	-	-			
Other contingent obligations	-	-	-	-	16,239			
Banking transactions on behalf of third-parties	43,126	49,270	46,192	30,640	23,857			
Investments in funds for the retirem.saving system	-	-	-	-	2,323			
Integration of the credit portfolio	80,644	80,634	81,306	79,141	78,444			
Amounts contracted in derivative instruments	2,573	2,322	2,225	2,342	2,235			
Other trust account items	202,252	256,236	257,715	279,930	272,901			
OWN ACCOUNT OPERATIONS	469,361	533,410	529,943	533,569	550,030			
Securities to be received	27,786	43,501	47,502	36,455	32,671			
(Less) Securities to be delivered	(27,702)	(43,447)	(47,486)	(36,376)	(32,611)			
REPURCHASE TRANSACTIONS- RECEIVED	84	54	16	79	59			
Securities to be received	5,119	17,639	17,388	10,737	12,644			
(Less) securities to be delivered	(5,133)	(17,642)	(17,386)	(10,777)	(12,659)			
REPURCHASE TRANSACTIONS- SOLD	(14)	(3)	2	(41)	(15)			
TOTAL ON OWN ACCOUNT OPERATIONS	469,431	533,461	529,962	533,608	550,074			

GRUPO CONSOLIDATED STATEMENT OF CASH FLOW
JANUARY 1, 2000 – MARCH 31, 2000
(Millions as of March '00 Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :

Net Income	431.2
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	26.1
Provisions for loan losses	263.3
Depreciation and amortization	87.8
Deferred Taxes	24.6
Provisions for Obligations	<u>(130.5)</u>
	702.4
Cash Flows From Investing Activities:	
Banks Deposits	8,075.3
Decrease (Increase) loan portfolio	(1,461.4)
Decrease (Increase) treasury operations	(7,890.9)
Decrease (Increase) financial instruments	118.6
Prestamos Bancarios y de Otros Organismos	<u>(2,170.7)</u>
Net Resources provided by operations	(3,329.1)
Financial Activities:	
Subordinated Debentures	(18.6)
Subordinated Debentures amortization	(829.3)
Equity Variation	-
Net Resources provided by Investing activities	(847.9)
CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issuance of common stock	38.1
Decrease (Increase) deferred charges or credits	<u>815.5</u>
Net Cash provided by financing activities	<u>853.7</u>
Decrease (increase) in cash and due from banks	<u>(2,621.0)</u>
Cash and due from banks at the beginning of the year	13,455.7
Cash and due from banks at the end of the year	<u>10,834.7</u>

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
/ JANUARY 1, 2000- MARCH 31, 2000-**

(Millions as of March '00 Ps)	CONTRIBUTED CAPITAL		
	Capital Stock	Premium, Bonds & oth. Securities	Subordinated Conv. Debt. Issuance
Balance as of December 31,1999	4,277.5	897.9	430.5
<u>Stock Changes</u>			
Issuance of stock	<1		
Net Income capitalization			
Reserves Creations			
Dividen Payment			
Profits transfers			
Total	<1	0	0
<u>Retained Earnings</u>			
Net Income			
Interests on Convertible Sub. Debt.			(5.1)
Total	0	0	(5.1)
<u>Effects of Accounting Changes</u>			
Securities valuation			
Results of converting foreign operations			
Stockholders' Equity restatement			
Results of assets holdings			
Adjustment in the employees pension fund			
Minority Interest			
Total	0	0	0
Balance as of March 31,2000	4,277.7	897.9	425.4

	EARNED CAPITAL						Total Stockholders' Equity
	Capital Reserves	Retained earnings	Excess if Insuf. Capital Restatement	Resultado por Tenencia de Activos (val. de	Net Income of the year	Minoritary Interest	
Balance as of December 31,1999	579.0	5,022.5	(4,555.9)	0	1,168.7	757.7	8,578.0
<u>Stock Changes</u>							
Issuance of stock	4.6						4.7
Net Income capitalization							0
Reserves Creations							0
Dividen Payment							0
Profits transfers		1,168.7			(1,168.7)		(<1)
Total	4.6	1,168.7	0	0	(1,168.7)	0	4.7
<u>Retained Earnings</u>							
Net Income					431.2		431.2
Interests on Convertible Sub. Debt.							(5.1)
Total	0	0	0	0	431.2		426.2
<u>Effects of Accounting Changes</u>							
Securities valuation							0
Results of converting foreign operations							0
Stockholders' Equity restatement			86.8				86.8
Results of assets holdings				(24.0)			(24.0)
Adjustment in the employees pension fund							
Minority Interest						40.7	40.7
Total	0	0	86.8	(24.0)	0	40.7	103.5
Balance as of March 31,2000	583.6	6,191.2	(4,469.1)	(24.0)	431.2	798.4	9,112.3

BANKING SECTOR- Balance Sheet (*)

(Millions as of March '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	10,420	10,845	11,770	13,451	10,820			
Negotiable Instruments	104	98	801	15,378	21,908			
Securities held for sale	346	338	331	295	47			
Securities held to maturity	5,182	4,232	4,431	4,392	4,679			
Financial Instruments:	5,632	4,669	5,563	20,065	26,635			
Repurchase agreements, net	30	42	13	35	28			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	5	2	2	2	10			
Repos & Derivatives :	35	44	15	37	38			
Commercial	14,723	15,708	14,559	14,315	15,412			
Interbank	1,451	1,397	1,729	3,144	2,599			
Credit Card & Consumer	609	516	541	535	557			
Mortgage	3,652	3,445	3,427	3,603	4,041			
Government Entities	2,852	2,931	3,034	3,024	3,058			
Fobaproa	52,498	52,593	52,389	51,060	51,267			
Performing Loans	75,785	76,589	75,680	75,680	76,933			
Commercial	2,301	2,284	1,933	2,081	2,024			
Credit Card & Consumer	509	650	627	685	579			
Mortgage	2,833	2,698	2,304	1,907	1,679			
Government Entities	-	-	-	-	-			
Past Due Loans	5,643	5,633	4,863	4,674	4,283			
Total Loans	81,427	82,222	80,543	80,354	81,216			
Preventive loan loss reserves	5,654	5,633	4,873	4,704	4,383			
Net Loan Portfolio	75,773	76,589	75,670	75,649	76,832			
Sundry debtors and other assets, net	1,772	1,652	1,604	1,295	1,480			
Foreclosed assets, net	588	607	776	1,385	1,333			
Real Estate, Furniture & Equipment, net	3,137	3,109	3,122	3,169	3,009			
Investments in subsidiaries	536	554	583	688	767			
Deferred taxes	604	590	574	540	311			
Deferred charges & Intangibles	761	737	740	662	563			
UDIS Mortgage loans reserve coverage	-	-	-	-	32			
Other Assets	7,398	7,250	7,399	7,739	7,495			
TOTAL ASSETS	99,258	99,397	100,417	116,941	121,819			
LIABILITIES								
Demand Deposits	18,213	19,919	22,305	23,682	21,332			
Time Deposits	48,858	47,722	45,196	61,187	73,727			
Bonds	3,927	3,292	3,187	3,119	1,003			
Deposits	70,999	70,932	70,688	87,988	96,062			
Demand	-	-	-	-	368			
Short term	-	-	-	-	6,729			
Long term	-	-	-	-	9,238			
Due to banks and correspondents	17,367	17,591	18,506	18,509	16,335			
Repurchase agreements, net	4	13	1	20	4			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives:	4	13	2	20	4			
Income Tax & Profit Sharing	-	1	6	6	6			
Other Payable accounts	2,575	2,632	2,833	2,325	1,976			
Other payable accounts	2,576	2,632	2,838	2,331	1,982			
Subordinated non Convertible Debenture	1,383	1,363	1,341	1,019	189			
Deferred Taxes	133	130	137	152	-			
Deferred credits	141	118	133	97	102			
TOTAL LIABILITIES	92,603	92,780	93,645	110,115	114,675			
STOCKHOLDER'S EQUITY								
Paid-in Capital	3,775	3,775	3,775	3,994	4,084			
Share subscription premiums	30	30	30	30	275			
Subordinated Convertible Debentures	481	460	454	444	425			
Subscribed Capital	4,287	4,266	4,259	4,468	4,784			
Capital Reserves	2,250	2,385	2,393	2,388	2,390			
Retained Earnings	1,534	1,289	1,278	1,045	2,108			
Surplus (Deficit) from securities	(185)	(254)	(253)	(439)	(435)			
Excess (Insuf.) in capital restatement	(1,894)	(1,959)	(1,999)	(1,867)	(1,937)			
<i>Non Monetary assets results</i>								
Valuation of fixed assets	-	-	-	-	(112)			
Valuation of Investments in subsidiaries	-	-	-	-	45			
Adjustment in the employees pension funds	-	-	-	(96)	(96)			
Net Income	352	572	772	996	397			
Earned Capital	2,057	2,032	2,191	2,028	2,360			
Minority Holdings	311	319	322	330	-			
Total Stockholder's Equity	6,655	6,617	6,772	6,826	7,145			
TOTAL LIABILITIES & STOCKHOLDER'S	99,258	99,397	100,417	116,941	121,819			

(*) Does not include Afore.

BANKING SECTOR - Income Statement (*) (Millions as of March '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	7,696.4	5,905.4	6,247.2	6,102.1	5,059.9			
Interest Expense	5,855.1	4,316.7	4,622.0	4,544.8	3,836.7			
Loan Fees	87.8	98.1	115.7	126.0	111.9			
Net Interest Income (NII)	1,929.1	1,686.8	1,741.0	1,683.3	1,335.1			
Repomo-Margin	431.5	184.2	147.1	130.7	47.3			
NII after Repomo	2,360.6	1,871.0	1,888.1	1,813.9	1,382.4			
Loan Loss Provisions	213.4	164.3	70.1	167.0	42.1			
Loss Sharing Provisions	54.8	97.9	123.8	(10.7)	39.5			
NII after Provisions	2,092.4	1,608.9	1,694.2	1,657.6	1,300.8			
Fund transfers	5.9	6.1	6.3	7.5	6.1			
Account management	34.9	34.7	44.5	44.0	39.0			
Fiduciary	6.2	12.5	11.2	9.5	198.6			
Credit Card	5.3	5.2	5.4	2.6	2.6			
Fees from FOBAPROA	139.9	82.5	465.8	136.6	73.9			
Other fees	59.2	40.7	72.0	68.6	84.9			
Fees on purchased services,	251.3	181.6	605.3	268.7	405.1			
Fund transfers	0.2	0.1	-	-	-			
Other fees	53.4	60.2	99.7	100.0	82.4			
Fees on payed services,	53.6	60.2	99.8	100.1	82.4			
Foreign exchange	64.5	60.0	41.3	5.4	30.4			
Securities -Realized gains	25.8	15.9	35.9	38.3	11.0			
Securities- Unrealized gains	5.6	13.3	(14.1)	(1.0)	19.0			
Market-related Income	95.9	89.2	63.1	42.7	60.3			
Total Non Interest Income	293.6	210.6	568.6	211.3	383.0			
Total Operating Income	2,386.0	1,819.5	2,262.8	1,868.9	1,683.7			
Personnel	570.9	577.1	671.6	637.5	529.5			
Fees Paid	101.8	96.3	97.3	87.6	65.6			
Operation & Administrative expenses	489.8	449.2	770.7	309.8	324.4			
Rents, depreciation and amortization	216.1	167.5	166.8	181.7	160.0			
Taxes, other than income tax	82.0	135.2	161.1	320.9	81.6			
Contributions to IPAB	51.5	63.3	84.2	84.6	70.1			
Non-Interest Expense	1512.2	1488.6	1951.7	1622.1	1,231.2			
Operating Income	873.8	330.8	311.1	246.9	452.5			
Other Income	27.4	74.9	44.7	162.8	100.3			
Recoveries	103.7	72.6	75.2	26.0	13.8			
Repomo-other (Debtor balance)	-	-	-	-	-			
Total Other Products	131.1	147.4	119.9	188.9	114.2			
Other Expense	(113.7)	(74.1)	(66.8)	(16.1)	(52.0)			
Repomo-other (Creditor balance)	(512.1)	(178.5)	(165.0)	(150.9)	(117.2)			
Total Other Expense	(625.7)	(252.6)	(231.9)	(166.9)	(169.2)			
Other expenses (Income), net	(494.7)	(105.2)	(112.0)	21.9	(55.0)			
Pre-tax Income	379.1	225.7	199.1	268.8	397.5			
Income tax	(2.9)	(3.1)	(2.5)	4.7	-			
Profit sharing	-	-	-	-	-			
Tax on Assets	(7.9)	(9.1)	(7.6)	(14.3)	(5.3)			
Deferred Inc. Tax and Profit sharing	-	-	(14.2)	(38.5)	(41.8)			
	(10.8)	(12.2)	(24.2)	(48.1)	(47.2)			
Net income before subsidiaries	368.3	213.5	174.9	220.7	350.3			
Subsidiaries' net income	8.5	12.8	28.3	16.0	47.1			
Net Income from continuos operations	376.8	226.2	203.1	236.7	397.4			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	(24.4)	(6.6)	(3.1)	(12.3)	-			
TOTAL NET INCOME	352.4	219.6	200.1	224.4	397.4			

(*) Does not include Afore.

MEMORANDUM ACCOUNTS OF THE BANKING SECTOR

(Million of March '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	90	3	3	3	3			
Other contingent obligations	7,153	8,782	8,823	10,366	7,834			
Irrevocable lines of credit	896	643	451	541	528			
Assets held in trust and mandate	53,292	53,925	54,182	34,462	34,017			
Assets held in custody or in administration	65,295	67,095	64,102	83,879	95,432			
Investment banking transactions for third parties,	43,126	49,270	46,192	30,640	23,857			
Engaged amounts in fobaproa operations	8,048	9,569	9,871	8,061	8,515			
Investment of retirement saving funds	2,779	2,459	2,359	2,340	2,323			
Integration of loan portfolio	80,644	80,634	81,306	79,141	78,444			
Received amounts in derivative instruments	2,573	2,322	2,225	2,342	2,087			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	12,801	15,936	16,850	14,049	12,303			
(Less) payable for reversal	(12,770)	(15,895)	(16,840)	(14,015)	(12,275)			
Receivables for reversal	1,683	3,603	3,725	3,380	2,772			
(Less) securities to be delivered	(1,687)	(3,615)	(3,724)	(3,400)	(2,776)			
Other control accounts	182,833	237,019	238,652	259,678	260,916			
	446,755	511,750	508,178	511,470	513,982			

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions as of March '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	7,350	7,156	8,034	9,518	9,679			
Negotiable Instruments	102	98	800	15,378	21,908			
Securities held for sale	346	338	331	295	47			
Securities held to maturity	3,966	3,536	3,728	3,705	4,114			
Financial Instruments:	4,415	3,972	4,859	19,378	26,069			
Repurchase agreements, net	28	41	11	31	28			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	5	2	2	2	10			
Repos & Derivatives :	33	43	14	33	38			
Commercial	13,098	13,881	12,499	11,418	14,907			
Interbank	1,283	1,308	1,572	2,953	2,580			
Credit Card & Consumer	491	398	424	425	549			
Mortgage	1,187	1,110	1,083	1,151	2,760			
Government Entities	2,606	2,600	2,629	2,582	2,725			
Fobaproa	6,032	6,687	6,620	6,718	33,772			
Performing Loans	24,697	25,983	24,827	25,247	57,293			
Commercial	1,828	1,934	1,780	1,538	1,618			
Credit Card & Consumer	88	88	89	167	474			
Mortgage	922	887	799	714	1,347			
Government Entities	-	-	-	-	-			
Past Due Loans	2,838	2,909	2,668	2,419	3,438			
Total Loans	27,535	28,892	27,495	27,667	60,731			
Preventive loan loss reserves	1,960	1,976	1,945	1,818	3,079			
Net Loan Portfolio	25,575	26,916	25,550	25,849	57,653			
Sundry debtors and other assets, net	1,579	1,905	2,530	2,424	1,188			
Foreclosed assets, net	580	601	703	657	622			
Real Estate, Furniture & Equipment, net	1,719	1,700	1,699	1,772	2,627			
Investments in subsidiaries	1,500	1,553	1,631	1,814	575			
Deferred taxes	604	590	574	540	381			
Deferred charges & Intangibles	1,343	1,305	1,316	1,213	1,141			
UDIS Mortgage loans reserve coverage	-	-	-	-	32			
Other Assets	7,326	7,654	8,454	8,421	6,566			
TOTAL ASSETS	44,699	45,741	46,910	63,198	100,004			
LIABILITIES								
Demand Deposits	13,145	14,068	15,167	16,941	19,106			
Time Deposits	12,944	14,138	15,554	29,779	58,384			
Bonds	-	-	-	-	1,003			
Deposits	26,089	28,207	30,721	46,720	78,493			
Demand	-	-	-	-	368			
Short term	-	-	-	-	5,580			
Long term	-	-	-	-	7,810			
Due to banks and correspondents	10,677	9,761	8,307	8,832	13,758			
Repurchase agreements, net	1	13	-	16	4			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives:	1	13	-	16	4			
Income Tax & Profit Sharing	-	1	6	1	5			
Other Payable accounts	1,561	1,544	1,559	1,450	1,754			
Other payable accounts	1,562	1,544	1,565	1,451	1,758			
Subordinated non Convertible Debenture	1,004	984	962	829	189			
Deferred Taxes	-	-	-	-	-			
Deferred credits	107	71	72	72	93			
TOTAL LIABILITIES	39,440	40,580	41,627	57,920	94,295			
STOCKHOLDER'S EQUITY								
Paid-in Capital	2,949	2,949	2,949	2,932	3,022			
Share subscription premiums	30	30	30	30	275			
Subordinated Convertible Debentures	481	460	454	444	425			
Subscribed Capital	3,461	3,440	3,433	3,407	3,723			
Capital Reserves	2,012	2,123	2,132	2,127	2,127			
Retained Earnings	1,280	1,046	1,037	1,045	1,800			
Surplus (Deficit) from securities	(185)	(254)	(253)	(439)	(435)			
Excess (Insuf.) in capital restatement	(1,986)	(2,038)	(2,078)	(1,949)	(1,949)			
<i>Non Monetary assets results</i>								
Valuation of fixed assets	-	-	-	-	(112)			
Valuation of Investments in subsidiaries	-	-	-	-	42			
Adjustment in the employees pension funds	-	-	-	(96)	(96)			
Net Income	288	449	592	757	119			
Earned Capital	1,409	1,327	1,429	1,444	1,496			
Minority Holdings	389	395	421	427	490			
Total Stockholder's Equity	5,258	5,161	5,283	5,278	5,709			
TOTAL LIABILITIES & STOCKHOLDER'S	44,699	45,741	46,910	63,198	100,004			

(*) Consolidate Afore & Subsidiaries. Consolidated with Banpaís since February, 2000.

BANCO MERCANTIL DEL NORTE - Income Statement (*)

(Millions as of March '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	3,321.3	2,534.7	2,981.4	2,865.5	4,068.8			
Interest Expense	2,484.1	1,909.7	2,325.5	2,077.4	3,136.5			
Loan Fees	63.3	83.8	90.4	100.3	103.2			
Net Interest Income (NII)	900.5	708.8	746.2	888.3	1,035.6			
Repomo-Margin	343.4	170.2	175.9	166.3	57.6			
NII after Repomo	1,243.9	878.9	922.2	1,054.6	1,093.2			
Loan Loss Provisions	214.8	144.7	26.1	151.9	26.0			
Loss Sharing Provisions	54.8	97.9	123.8	(10.7)	39.5			
NII after Provisions	974.3	636.3	772.3	913.4	1,027.8			
Fund transfers	4.9	4.8	5.0	6.1	5.7			
Account management	21.3	21.7	27.4	26.6	33.5			
Fiduciary	3.3	4.8	5.7	2.3	5.7			
Credit Card	5.3	5.2	5.4	2.6	2.6			
Fees from FOBAPROA	77.4	61.9	291.9	77.4	61.1			
Other fees	129.5	106.3	182.1	130.3	219.3			
Fees on purchased services,	241.6	204.8	517.6	245.3	327.8			
Fund transfers	0.1	-	-	-	-			
Other fees	51.6	58.8	97.5	96.4	69.8			
Fees on payed services,	51.7	58.8	97.5	96.4	69.8			
Foreign exchange	40.3	42.2	27.5	(15.7)	23.0			
Securities -Realized gains	26.4	15.9	35.2	38.2	11.0			
Securities- Unrealized gains	7.8	17.0	(9.9)	0.8	26.8			
Market-related Income	74.5	75.0	52.7	23.4	60.7			
Total Non Interest Income	264.4	220.9	472.7	172.2	318.8			
Total Operating Income	1,238.6	857.2	1,245.0	1,085.6	1,346.5			
Personnel	328.9	400.1	479.2	477.6	497.1			
Fees Paid	49.5	74.9	59.7	72.3	57.5			
Operation & Administrative expenses	91.1	28.4	190.0	(16.2)	247.6			
Rents, depreciation and amortization	145.5	96.6	112.5	144.3	158.9			
Taxes, other than income tax	48.8	86.1	85.3	96.9	65.7			
Contributions to IPAB	21.4	25.3	35.3	35.7	49.9			
Non-Interest Expense	685.2	711.4	962.1	810.6	1,076.7			
Operating Income	553.5	145.9	282.8	275.0	269.8			
Other Income	19.5	49.5	26.8	56.7	28.7			
Recoveries	92.7	70.5	71.6	(3.2)	12.4			
Repomo-other (Debtor balance)	-	-	-	-	-			
Total Other Products	112.2	120.0	98.4	53.5	41.1			
Other Expense	(100.2)	0.7	(52.6)	(59.8)	(43.2)			
Repomo-other (Creditor balance)	(360.6)	(132.6)	(164.4)	(150.1)	(88.7)			
Total Other Expense	(460.8)	(132.0)	(217.0)	(209.9)	(131.9)			
Other expenses (Income), net	(348.6)	(12.0)	(118.6)	(156.4)	(90.9)			
Pre-tax Income	204.9	133.9	164.2	118.6	179.0			
Income tax	(2.6)	(2.6)	(2.2)	6.4	-			
Profit sharing	-	-	-	-	-			
Tax on Assets	(3.0)	(2.9)	(3.1)	(6.3)	(4.0)			
Deferred Inc. Tax and Profit sharing	-	-	(4.7)	(19.7)	(41.8)			
	(5.6)	(5.6)	(9.9)	(19.7)	(45.8)			
Net income before subsidiaries	199.3	128.3	154.3	98.9	133.1			
Subsidiaries' net income	102.9	36.6	17.1	73.5	18.4			
Net Income from continuos operations	302.2	164.9	171.3	172.4	151.5			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	(14.4)	(3.8)	(28.6)	(7.5)	(32.5)			
TOTAL NET INCOME	287.8	161.2	142.8	165.0	119.0			

(*) Consolidate Afore & Subsidiaries. Consolidated with Banpais since February, 2000.

MEMORANDUM ACCOUNTS OF BANCO MERCANTIL DEL NORTE (Banorte) (Million of March '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	90	3	3	3	3			
Other contingent obligations	5,039	5,187	5,113	5,882	5,646			
Irrevocable lines of credit	847	592	410	492	507			
Assets held in trust and mandate	8,435	10,612	11,244	11,177	17,980			
Assets held in custody or in administration	17,612	20,205	18,300	33,600	69,622			
Investment banking transactions for third	42,425	47,725	44,283	27,887	23,618			
Engaged amounts in fobaproa operations	1,703	1,853	2,017	2,290	7,978			
Investment of retirement saving funds	1,400	1,354	2,359	2,340	2,323			
Integration of loan portfolio	28,641	27,887	28,911	27,297	59,004			
Received amounts in derivative instruments	2,352	2,322	2,225	2,342	2,087			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	12,401	15,258	16,302	13,372	12,182			
(Less) payable for reversal	(12,373)	(15,217)	(16,291)	(13,342)	(12,154)			
Receivables for reversal	1,229	2,925	3,176	2,707	2,651			
(Less) securities to be delivered	(1,231)	(2,937)	(3,176)	(2,723)	(2,655)			
Other control accounts	103,713	106,586	107,511	123,491	204,739			
	212,283	224,355	222,388	236,817	393,532			

BANCO DEL CENTRO (BANCEN)- Balance Sheet (*)*(Millions as of March '00 Pesos)*

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	2,250	2,410	2,348	2,545	2,174			
Negotiable Instruments	-	-	-	-	-			
Securities held for sale	-	-	-	-	-			
Securities held to maturity	958	472	454	506	566			
Financial Instruments:	958	472	454	506	566			
Repurchase agreements, net	-	-	-	-	1			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives :	-	-	-	-	1			
Commercial	375	490	596	630	504			
Interbank	3	3	2	2	19			
Credit Card & Consumer	1	1	1	2	8			
Mortgage	1,207	1,162	1,144	1,173	1,281			
Government Entities	228	269	301	314	333			
Fobaproa	20,465	19,549	18,620	16,925	17,495			
Performing Loans	22,279	21,472	20,666	19,047	19,639			
Commercial	183	185	39	439	407			
Credit Card & Consumer	129	126	113	110	106			
Mortgage	677	619	519	412	333			
Government Entities	-	-	-	-	-			
Past Due Loans	989	931	671	961	845			
Total Loans	23,268	22,403	21,337	20,008	20,484			
Preventive loan loss reserves	1,870	1,904	1,378	1,391	1,305			
Net Loan Portfolio	21,398	20,499	19,959	18,617	19,179			
Sundry debtors and other assets, net	168	236	199	149	336			
Foreclosed assets, net	8	6	71	724	711			
Real Estate, Furniture & Equipment, net	436	425	425	415	408			
Investments in subsidiaries	12	11	11	14	16			
Deferred taxes	-	-	-	-	-			
Deferred charges & Intangibles	37	40	29	31	18			
UDIS Mortgage loans reserve coverage	-	-	-	-	-			
Other Assets	661	719	736	1,333	1,489			
TOTAL ASSETS	25,268	24,100	23,497	23,001	23,408			
LIABILITIES								
Demand Deposits	2,106	2,480	3,008	2,619	2,225			
Time Deposits	14,526	13,671	11,437	11,521	15,343			
Bonds	3,927	3,292	3,187	3,119	-			
Deposits	20,560	19,443	17,632	17,259	17,569			
Demand	-	-	-	-	-			
Short term	-	-	-	-	2,170			
Long term	-	-	-	-	1,428			
Due to banks and correspondents	2,681	2,626	3,538	3,445	3,598			
Repurchase agreements, net	-	-	-	-	1			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives:	-	-	-	-	1			
Income Tax & Profit Sharing	-	-	-	2	2			
Other Payable accounts	545	489	729	639	304			
Other payable accounts	545	489	729	641	305			
Subordinated non Convertible Debenture	-	-	-	-	-			
Deferred Taxes	-	-	-	-	-			
Deferred credits	6	11	11	11	10			
TOTAL LIABILITIES	23,793	22,568	21,909	21,356	21,482			
STOCKHOLDER'S EQUITY								
Paid-in Capital	826	826	826	1,061	1,061			
Share subscription premiums	-	-	-	-	-			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	826	826	826	1,061	1,061			
Capital Reserves	238	261	261	261	263			
Retained Earnings	254	243	241	-	308			
Surplus (Deficit) from securities	-	-	-	-	-			
Excess (Insuf.) in capital restatement	93	78	79	82	12			
<i>Non Monetary assets results</i>								
Valuation of Investments in subsidiaries	-	-	-	-	3			
Adjustment in the employees pension funds	-	-	-	-	-			
Net Income	65	123	180	240	278			
Earned Capital	649	706	762	584	864			
Minority Holdings	-	-	-	-	-			
Total Stockholder's Equity	1,475	1,532	1,588	1,645	1,926			
TOTAL LIABILITIES & STOCKHOLDER'S	25,268	24,100	23,497	23,001	23,408			

BANCO DEL CENTRO (BANCEN) - Income Statement (*)

(Millions as of March '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	1,914.9	1,423.1	1,402.0	1,168.6	1,017.1			
Interest Expense	1,592.5	1,106.6	1,025.0	856.9	726.2			
Loan Fees	7.2	8.3	9.5	10.4	8.7			
Net Interest Income (NII)	329.6	324.7	386.6	322.0	299.5			
Repomo-Margin	12.1	(16.9)	(9.4)	(9.4)	(9.5)			
NII after Repomo	341.7	307.8	377.2	312.6	290.0			
Loan Loss Provisions	(0.3)	11.7	19.4	19.7	16.1			
Loss Sharing Provisions	-	-	-	-	-			
NII after Provisions	342.0	296.1	357.8	292.9	273.8			
Fund transfers	0.3	0.3	0.3	0.4	0.4			
Account management	5.7	5.0	5.9	6.1	5.5			
Fiduciary	1.1	3.1	2.3	4.8	192.9			
Credit Card	-	-	-	-	-			
Fees from FOBAPROA	14.5	9.2	12.8	5.9	12.9			
Other fees	14.9	3.7	5.3	5.2	3.6			
Fees on purchased services,	36.5	21.3	26.6	22.3	215.2			
Fund transfers	-	-	-	-	-			
Other fees	0.2	0.2	0.2	2.4	12.6			
Fees on payed services,	0.2	0.2	0.2	2.4	12.6			
Foreign exchange	8.3	7.5	6.2	5.2	7.4			
Securities -Realized gains	-	-	-	-	-			
Securities- Unrealized gains	-	-	-	-	-			
Market-related Income	8.3	7.5	6.2	5.2	7.4			
Total Non Interest Income	44.6	28.6	32.6	25.1	210.0			
Total Operating Income	386.6	324.7	390.5	318.0	483.8			
Personnel	70.8	68.4	75.2	76.8	74.7			
Fees Paid	26.7	13.9	19.9	5.2	9.8			
Operation & Administrative expenses	118.0	127.0	164.3	106.6	101.4			
Rents, depreciation and amortization	22.0	20.7	14.9	18.7	17.9			
Taxes, other than income tax	10.0	17.5	27.6	75.8	16.3			
Contributions to IPAB	14.5	17.2	20.2	18.8	20.2			
Non-Interest Expense	262.0	264.8	321.9	302.0	240.3			
Operating Income	124.6	59.9	68.6	16.0	243.6			
Other Income	4.1	7.9	5.3	64.7	72.0			
Recoveries	6.9	0.4	0.9	2.2	1.5			
Repomo-other (Debtor balance)	-	-	-	-	-			
Total Other Products	11.0	8.3	6.2	66.9	73.5			
Other Expense	(8.4)	(4.8)	(5.3)	(7.7)	(8.8)			
Repomo-other (Creditor balance)	(60.9)	(4.9)	(10.8)	(13.6)	(28.5)			
Total Other Expense	(69.3)	(9.7)	(16.1)	(21.3)	(37.3)			
Other expenses (Income), net	(58.3)	(1.4)	(9.9)	45.6	36.2			
Pre-tax Income	66.2	58.5	58.7	61.6	279.8			
Income tax	(0.2)	(0.5)	(0.3)	(1.7)	-			
Profit sharing	-	-	-	-	-			
Tax on Assets	(1.3)	(1.3)	(1.1)	(0.5)	(1.3)			
Deferred Inc. Tax and Profit sharing	-	-	-	(0.1)	-			
	(1.6)	(1.8)	(1.4)	(2.3)	(1.3)			
Net income before subsidiaries	64.7	56.7	57.2	59.2	278.5			
Subsidiaries' net income	(0.1)	1.7	-	0.2	-			
Net income from continuos operations	64.6	58.4	57.3	59.4	278.4			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	-	-	-	-	-			
TOTAL NET INCOME	64.6	58.4	57.3	59.4	278.4			

MEMORANDUM ACCOUNTS OF BANCO DEL CENTRO (Bancen)

(Million of March '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	-	-	-	-	-			
Other contingent obligations	1,821	1,779	1,841	2,214	2,188			
Irrevocable lines of credit	14	18	15	25	20			
Assets held in trust and mandate	17,657	16,941	17,259	16,941	16,037			
Assets held in custody or in administration	25,766	24,562	23,335	22,943	25,810			
Investment banking transactions for third parties,	319	246	17	61	239			
Engaged amounts in fobaproa operations	2,586	2,946	3,157	3,323	538			
Investment of retirement saving funds	-	-	-	-	-			
Integration of loan portfolio	23,584	22,759	22,003	20,845	19,440			
Received amounts in derivative instruments	-	-	-	-	-			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	119	13	17	42	121			
(Less) payable for reversal	(118)	(13)	(17)	(42)	(121)			
Receivables for reversal	118	13	17	42	121			
(Less) securities to be delivered	(119)	(13)	(17)	(42)	(121)			
Other control accounts	36,101	65,607	64,713	59,988	56,177			
	107,849	134,857	132,340	126,340	120,450			

Financial Statements basis for presentation.

The Grupo Financiero Banorte (GFNorte)-Financial Statements of the Financial Group are presented in consolidated form with the figures from its respective subsidiaries as stipulated in regulations of the National Banking and Securities Commission (CNByV) and circular 1400 of March 31, 1998, and the "Accounting Criteria for Controlling Companies of Financial Groups" contained in Series D of circular 1456 of the National Banking and Securities Commission (CNByV) of December 22, 1999. In addition, the Financial Statements of the Banking Institutions were presented consolidated with UDIS and their respective Subsidiaries. In May 25, 1999 "A and B Series" shares were exchanged for the new "O Series Shares"

The Banking Sector (Banorte and Bancen)-The new groupings contained in circular 1448 of October 14, 1999 of the CNByV. For all periods, figured are presented in constant pesos set at the close of the current reporting period. For this the UDI price at the end of each period was used. The information contained herein is based on unaudited information of each of the entities described herein. Results for any interim period are not necessarily indicative of results that may be achieved for a full fiscal year or any other interim period.

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