

GFNorte generates a net profit of Ps 527.2 million for the 1Q01.

The net income of GFNorte was 13.7% greater than that of 1Q00.

GFNorte generated profits in 1Q01 for Ps 527.2 million, with a contribution of Ps 480.4 million of the Banking Sector (not including Pension Funds Afore), higher by 13.7% and 24.3%, respectively, when compared to 1Q00.

Annualized ROE reaches 26.8%

GFNorte increases its ROE to 26.8% standing out as one of the most profitable financial groups in México.

The Net Interest Income increases by 5.6%.

The Banking Sector's Net Interest Income of the quarter increased by 5.6% when compared to 1Q00, due mainly to an improvement in the deposit mix.

There was a 5.8% decrease in personnel in the Banking Sector.

Last year's expenditure reduction and efficiency program was extended and as part of the actions taken, personnel was cut, which will render an approximate benefit of a 10% reduction in the Banking Sector's payroll beginning 2Q01.

Commercial and Consumer Performing loans grew by 12.6%

Commercial and Consumer performing loans grew by 12.6% when compared to the previous year and total past due loans fell 8.1% in the same period.

Total deposits increased by 6.3%.

Total deposits, which consists of both deposits and those of third parties, increased by 6.3% with respect to the 1Q00. This was due to the new promotion strategies implementation and to the Banorte's image as a sound institution.

Purchase of Ps 2,061 million on Mortgages from IPAB.

Last March, Banorte won the bidding for the purchase of Ps 2,061 million on Bancrecer's Mortgages offered by the IPAB, for which Ps 559 million were paid.

Alliance with Bancrecer to share ATM's

Towards the end of March 2001 Banorte signed an agreement with Bancrecer that will allow Banorte's clients to use the latter's 1,000-ATM network, with the same benefits as they currently have with Banorte. These automatic tellers are in addition to Banorte's 1,468 existing ATMs.

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I. Macroeconomic Environment

During the first quarter of the year, the adverse conditions of the international environment contaminated the stock markets all over the world. Despite the fact that the Central Bank of the United States lowered its reference interest rate three times, the fear of recession and lower company earnings triggered marked drops in the world stock markets. The Mexican Stock Exchange, despite the external volatility, held relatively firm and, in all, it accumulated a slight earning of 1.3%.

The fixed income market was affected, at the beginning of the year, by the new short increase which raised the interest rates to levels above 19%. Later, the rates began a descending cycle. The Cete at 28 days closed the quarter at 15.38%, an earning of 240 basis points during the period.

The exchange rate has benefited from a considerable capital inflow to the Mexican economy. According to preliminary estimates of the Bank of Mexico, this flow is close to 10,000 million dollars. This is a reflection of the confidence and favorable financial expectations in the country. In total, the peso experienced a 0.4% revaluation vs the U.S. dollar in the quarter, ending the period in 9.54 pesos per dollar.

The international reserves reached a record high of over 40 billion dollars. During the quarter, 4.7 billion dollars were accrued. This figure gives a good idea of the important supply of money in the country during the period.

Sound monetary handling, the strength of the peso, and the unexpected drop in the prices of agricultural goods with a marked influence on the general price index, have contributed to an accumulated quarterly inflation of 1.12% -a figure 150% lower than the inflation in the first quarter last year.

During the first quarter of the year, all the economic activity indicators showed signs of deceleration. The principal factor has been the marked economic deceleration of the United States which has had a strong impact on the industrial sector of the economy. The country's industrial production grew around 2.5% in the first two months of the year, after having experienced a growth of 9.3% in the same period last year. Automobile production, grew 8.6% in the first quarter whereas in the same period last year its growth reached 19.3%.

As to the external sector, the deceleration of the American economy has hit the exporting sector hard. During the period of January-February, this sector grew 4.25%, far below the 34.3% of the same period the previous year. Imports, in turn, also showed a lower growth rate during the first two months of year barely reaching 6.8% compared to 32.1% in the same period in 2000.

Consumption, after its best year in three decades, has begun to show symptoms of moderation. The lower rate of employment generation, the high level of actual interest rates, the deceleration of the industrial and export sectors are now reflected in domestic consumption. Wholesale and supermarkets sales and car dealers sales show a slower growth rate than last year.

II. Recent Events

Grupo Financiero Banorte

Purchase of Ps 2,061 million on Mortgages from IPAB.- On March 5, 2001, GFNorte won three of the six packages of the auction held by the IPAB, the sum of which adds up to Ps 2,061 million of Bancrecer's mortgages. A total of Ps 559 million will be paid for such loans. This operation will be carried out through Banorte's subsidiary Sólida Administradora de Portafolios, S.A. de C.V., which will handle the collecting on such loans.

Grupo Financiero Banorte and America On Line sign an alliance.- GFNorte and America On Line Mexico, an affiliate of America On Line, signed an alliance which would enable the latter's users to have access to a wide range of financial products that Banorte offers, while the clients and account holders of the financial firm will benefit with the innovative on-line services offered by AOL. This alliance is aimed at formalizing the commercial union of both companies and is part of the Group's strategy to consolidate the expansion of its operations and provide the best services on the Internet, as well as to promote on-line contracting, consulting and transactions. Banorte will have a portal activated by AOL Mexico, as well as the implementation of different interactive products.

Goldman Sachs services contracted.- Goldman Sachs services were hired at the beginning of the year to carry out an analysis for defining the better strategies and alliances for the Group.

Banking Sector

Alliance with Bancrecer to share ATM's.- Towards the end of March 2001 an agreement was signed with Bancrecer that would allow Banorte's Clients to use the latter's 1,000-ATM network, with the same benefits as they currently have with Banorte. These automatic tellers are the latest addition to Banorte's 1,468 existing ATM network.

III. Grupo Financiero- Consolidated

Grupo Financiero Banorte Earnings

(Millions of Pesos)	QUARTER		
	1Q00	4Q00	1Q01
G. F. Banorte [holding]	(1.4)	37.1	5.4
<u>Banking Sector</u>			
Banco Mercantil del Norte (1)	88.5	257.5	243.8
Banco del Centro (2)	<u>297.9</u>	<u>172.4</u>	<u>236.6</u>
	386.4	429.9	480.4
<u>Brokerage Sector</u>			
Brokerage House	18.8	(31.5)	12.2
<u>Long-Term Saving Sector</u>			
Pension Funds Afore	34.1	4.9	31.3
Insurance	2.1	7.6	(19.4)
Annuities	<u>9.1</u>	<u>(13.9)</u>	<u>(5.0)</u>
	45.4	(1.4)	6.9
<u>Auxiliary Organization Sector</u>			
Leasing	4.2	7.1	6.5
Factoring	9.2	13.3	12.4
Warehousing	0.6	10.4	1.9
Bonding	<u>0.7</u>	<u>0.7</u>	<u>1.4</u>
	14.7	31.5	22.2
Total	463.8	465.5	527.2
<u>RATIOS</u>			
Net Income per Share (3)	0.94	0.94	1.07
Dividends per share (3)	-	-	-
Book Value per share(3) (4)	18.05	15.43	16.14

1) 95.79% owned by GFNorte. Includes Banpaís.

2) Includes the Bank's Subsidiaries. Excludes the AFORE

3) Per Share data, based on 492.8 million shares outstanding on March 31,2001.

4) Excluding Minority holdings.

Grupo Financiero Banorte consolidated generated a net income of Ps 527.2 million in the quarter, 13.7% higher than that of 1Q00. Equivalent to 1.07 pesos per share. The Book value per share at the close of the quarter was 16.14 pesos per share, lower than that of 1Q00 due to charges against Banorte's capital in 3Q00 for an amount of Ps 2,021 million, to fully reserve for Fobaproa contingencies.

Relevant Numbers for Grupo Financiero
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<i>(Millions of Pesos)</i>	QUARTER		
	1Q00	4Q00	1Q01
Income Statement			
Net Interest Income (NII)	1,826.3	1,468.7	1,613.4
+ REPOMO-Margin	5.6	13.3	7.5
= NET Interest Income after Repomo	1,831.9	1,482.0	1,620.9
- Loan Loss Provisions	227.8	259.9	153.1
- Loss Sharing Provisions	42.3	-	93.9
=Net Interest Income after Provisions	1,561.8	1,222.1	1,373.9
+ Non Interest Income	677.9	773.2	885.6
= Total Operating Income	2,239.7	1,995.3	2,259.5
- Non Interest Expense	1,616.0	1,743.5	1,629.9
= Net Operating Income	623.8	251.8	629.6
- Other Revenues and Expenses	(52.8)	166.5	64.0
= Pre-tax Income	571.0	418.3	693.6
- Income Tax & profit sharing	(37.5)	(23.7)	(19.1)
- Tax on asset	(5.6)	(0.5)	(1.9)
- Deferred Income Tax & profit sharing	(33.6)	74.8	(103.6)
= Net Income before Subsidiaries	494.2	469.0	569.1
+ Undistributed Earnings of Subsidiaries	12.1	11.2	(1.1)
=Net Income-contin. Operation	506.3	480.2	567.9
+ Extraordinary Items, net			-
- Minority Income	(42.6)	(14.7)	(40.8)
=Total Net Income	463.8	465.5	527.2
Profability Ratios			
ROA (1)	1.4%	1.7%	2.1%
ROE (2)	21.4%	25.3%	26.8%
Balance Sheet			
Total Assets	134,285	104,497	103,172
Loan Portfolio	87,051	81,159	80,237
Performing loans excl. Fobaproa and Govern. Ent.	24,296	26,643	25,238
Deposits	102,468	68,575	69,613
Assets under Management (3)	191,657	177,438	193,337
Equity	9,750	8,330	8,711
Past Due Loans	4,613	4,202	4,236
Loan Loss Reserves	4,707	4,239	4,246
Asset Quality Ratios			
Past Due Loans to Total Loans	5.3%	5.2%	5.3%
Loan Loss Reserves to Past Due Loans	102.0%	100.9%	100.2%

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

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

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

IV. Information by Sectors

1. Banking Sector

<i>(Millions of Pesos)</i>	QUARTER		
	1Q00	4Q00	1Q01
Income Statement			
Net Interest Income	1,715.2	1,434.1	1,522.2
+ REPOMO-Margin	<u>26.5</u>	<u>7.3</u>	<u>14.0</u>
= Net Interest Income after Repomo	1,741.7	1,441.4	1,536.2
- Loan Loss Provisions	225.1	259.6	152.7
- Loss Sharing Provisions	<u>42.3</u>	-	<u>93.9</u>
= Net Interest Income after Provisions	1,474.4	1,181.8	1,289.6
+ Non Interest Income	<u>453.2</u>	<u>624.7</u>	<u>659.0</u>
= Total Operating Income	1,927.6	1,806.6	1,948.6
- Non Interest Expense	<u>1,424.5</u>	<u>1,554.2</u>	<u>1,449.6</u>
= Net Operating Income	503.0	252.4	499.0
+ Other Revenues and Expenses	<u>(47.9)</u>	<u>100.4</u>	<u>65.5</u>
= Pre-tax Income	455.1	352.8	564.4
- Income Tax & profit sharing	-	(21.4)	(14.7)
- Tax on asset	(5.6)	(0.5)	(1.9)
- Deferred Income Tax & profit sharing	<u>(52.0)</u>	<u>105.2</u>	<u>(65.0)</u>
= Net Income before Subsidiaries	397.5	436.1	482.9
+ Undistributed Earnings of Subsidiaries	<u>33.9</u>	<u>8.1</u>	<u>39.5</u>
= Net Income-continuous Operation	431.4	444.1	522.4
+ Extraordinary Items, net	-	-	-
Minoritary Income	<u>(3.2)</u>	-	-
=Total Net Income	428.2	444.1	522.4
Profitability Ratios			
ROA (1)	1.2%	1.6%	2.0%
ROE (2)	22.5%	28.3%	29.6%
Balance Sheet	1Q00	4Q00	1Q01
Total Assets	130,340	102,236	100,789
Loan Portfolio	86,896	81,325	79,936
Deposits	102,781	68,740	69,747
Equity	7,644	6,957	7,302
Past Due Loans	4,582	4,175	4,210
Loan Loss Reserves	4,690	4,222	4,229
Asset Quality Ratios			
Past Due Loans to Total Loans	5.3%	5.1%	5.3%
Loan Loss Reserves to Past Due Loans	102.4%	101.1%	100.4%

- 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.

The 1Q01 earnings of the Banking Sector rose to Ps 522.4 million (including the Pension Funds Afore in the Undistributed Earnings of Subsidiaries), 22.0% greater than those of 1Q00 and 17.6% higher than those of 4Q00. During the quarter, loan loss provisions for Ps 152.7 million were created, lower than those created in 4Q00, thereby reaching a reserves coverage of 100.4%, and Ps 93.9 million in Fobaproa loss sharing provisions. The Net Interest Income before Repomo increased by 6.1% with respect to 4Q00, due to the reclassification of fees charged to other institutions for the use of Banorte's ATMs and POS in the previous quarter, and also to the fact that interest rates stayed very much the same. The Non-Financial Income was Ps 659.0 million vs. Ps 624.7 million in 4Q00, 5.5% higher due mainly to income from fees for collecting on

Serfin's loans and also to fee income from services. The Non Interest Expense was Ps 1,449.6 million in the quarter, 6.7% less than that of the previous quarter, because of the efficiency and expenditure rationing program and to lower VAT taxes paid. Other Revenues and Expenses went from Ps 100.4 million in 4Q00 to Ps 65.5 million in 1Q01 due to the cancellation of several creditors' accounts for Ps 86.0 million. The Undistributed Earnings of Subsidiaries rose from Ps 8.1 million in the previous quarter to Ps 39.5 million in 1Q01 because of the income from collecting on the mortgage portfolio of Serfin acquired in December 2000 from the IPAB. This collecting is channeled through Sólida Administradora de Portafolios, S.A. de C.V.

Net Interest Income

(Millions of Pesos)	QUARTER		
	1Q00	4Q00	1Q01
BANKING SECTOR			
Interest Income	6,158.2	9,843.9	8,251.4
Interest Expense	4,580.4	8,291.6	6,791.5
Loan Fees	140.5	(113.0)	65.9
Fees Paid	3.2	5.2	3.6
Net Interest Income before Repomo	1,715.2	1,434.1	1,522.2

(Millions of Pesos)	1Q00		4Q00		1Q01	
	BANORTE	BANCEN	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	4,162.8	1,264.7	4,083.5	616.7	4,162.3	176.2
Interest Income- repo agreement	704.9	5.1	2,535.1	2,610.0	1,923.9	1,989.0
Foreign exchange Valuation	20.6	-	(1.5)	-	-	0.1
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	0.1	-	-	-	-	-
Interest Income	4,888.4	1,269.8	6,617.2	3,226.7	6,086.2	2,165.2
Loan Fees	129.3	11.2	(113.8)	0.8	65.5	0.3
Interest Expenses-dep. & funding	3,122.8	742.9	2,925.1	160.1	2,671.0	14.1
Interest expenses- repo agreement	674.4	9.7	2,371.4	2,820.4	2,423.4	1,670.6
Foreign exchange Valuation	-	0.6	-	-	2.0	-
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	31.2	(1.1)	12.4	2.2	8.9	1.5
- Interest Expense	3,828.4	752.0	5,308.8	2,982.8	5,105.3	1,686.2
Fees paid	2.1	1.1	5.2	-	3.6	-
= Net Interest Income	1,187.3	527.9	1,189.3	244.8	1,042.8	479.4

The Net Interest Income in the quarter was Ps 1,522.2, 11.3% lower than that of 1Q00 due to two extraordinary, non recurrent, items that were included in last year's numbers. The first one for Ps 191.5 million of the transfer of loan loss provisions surplus from UDI Trusts in Bancen to loan loss provisions on Bancen's balance sheet, and the other for Ps 82.8 million related to the Punto Final program. Excluding these effects, the Net Interest Income increased by 5.6% with respect to 1Q00 stemming from an improvement in the deposit mix where Demand Deposits increased by 6.3% and Term Deposits decreased by 44.0%.

When comparing to 4Q00, the Net Interest Income was 6.1% greater than the Ps 1,434.1 million of that quarter, mainly due to the reclassification of Loan Fees for Ps 207.8 million that arose from fees collected to other banks for the use of Banorte's ATM's and POS's that were taken to the Other Fees line in the Other Revenues and Expenses items. Excluding this effect, and leaving only Ps 35.0 million of Loan Fees

in 4Q00, the Net Interest Margin decreases by 3.8% due to a lower Loan portfolio amount with respect to 4Q00.

The income from loans and securities and the Interest Expense on deposits and funds in Bancen dropped significantly in 1Q01 with respect to 4Q00 because in mid-November 2000 the Fobaproa notes were renegotiated and thereby accounted in Banorte, as well as their corresponding funding.

Non Interest Income

<i>(Millions of Pesos)</i>	QUARTER		
	1Q00	4Q00	1Q01
Fees on purchased services:			
+ Fund Transfers	8.3	8.5	9.0
+ Account Management Fees	56.5	77.9	71.7
+ Fiduciary	211.3	138.0	241.7
+ Credit Card	5.9	9.1	77.8
+ From Fobaproa	88.0	105.1	76.5
+ Other Fees	<u>85.6</u>	<u>318.0</u>	<u>69.0</u>
	455.6	656.7	545.7
Fees paid:			
+ Fund Transfers	-	-	-
+ Other Fees	<u>88.6</u>	<u>84.8</u>	<u>81.5</u>
= Net Fees	88.6	84.8	81.5
= Trading Income	367.0	571.9	464.2
+ Foreign Exchange	54.2	45.5	53.3
+ Securities- Realized gains	11.7	(0.5)	30.2
+ Securities- Unrealized gains	<u>20.2</u>	<u>7.8</u>	<u>111.2</u>
	86.2	52.8	194.7
= Non Interest Income	453.2	624.7	659.0

The Non Interest Income of the quarter rose to Ps 659.0 million, 5.5% higher than that of 4Q00, mainly because the income from collecting Serfin's portfolio (those which rights for collections were acquired at the end of 1999), which is entered through the Fiduciary was 75.1% greater than the sum registered in 4Q00, and also to an increase on fee income on services. On the other hand, fees from Fobaproa fell 27.2% with respect to 4Q00 because of reduced collecting during the quarter. Other fees fell 78.3% compared to those of 4Q00 because of the reclassification in 4Q00 of fees collected from other Banks for the use of automatic tellers and point of sales terminals (POS) for a total of Ps 207.8 million, which were included in the Loan Fees line in the Net Interest Income. The Trading Income increased due mainly to Securities unrealized gains which increased significantly with respect to that of 4Q00 overcompensating the decrease in Securities Realized Gains.

Non Interest Expense

<i>(Millions of Pesos)</i>	QUARTER		
	1Q99	4Q00	1Q01
Personnel Expenses	603.9	665.2	667.7
+ Fees Paid	75.5	78.9	81.0
+ Operation & Administration Expenses	385.9	387.4	345.7
+ Rent, Depreciation & Amortization	182.8	149.9	164.1
+ Tax other than income tax	93.4	180.2	100.9
+ Contributions to IPAB	83.0	92.7	90.2
- Corporate Expense Recoveries	=	-	-
= Non Interest Expense	1,424.5	1,554.2	1,449.6

The Non Interest Expense dropped by 6.7% with respect to the previous quarter because of the lower VAT taxes paid associated to a lower volume of purchases and expenses in the period. Personnel Expenses held a level similar to that of the previous quarter, however in the month of February, as a continuation of the expense reduction and efficiency program, 531 employees were laid off, equivalent to 5.8% of employees in the Banking Sector. It is estimated that this measure will reduce the amount of the payroll by 10% and will be apparent departing 2Q01. Operations & Administration Expenses fell 10.8% in the quarter as a result of implanting strict expense policies and to the fact that in 4Q00 branch maintenance programs were carried out and also there was a larger volume of valuables transfer.

Other Revenues and Expenses

<i>(Millions of Pesos)</i>	QUARTER		
	1Q00	4Q00	1Q01
+ Other Revenues	119.9	200.5	90.9
+ Foreign Exchange	0.4	-	-
+ Recoveries	18.7	89.5	100.4
+ Repomo-other	<u>16.9</u>	=	=
= Other Revenues	155.8	290.1	191.3
- Other Expenses	(56.4)	(148.3)	(104.6)
- Foreign Exchange	(21.9)	-	-
- Repomo-other	<u>(125.4)</u>	<u>(41.4)</u>	<u>(21.3)</u>
= Other Expenses	(203.7)	(189.7)	(125.9)
= Other Revenues and Expenses	(47.9)	100.4	65.5

The net result of Other Revenues and Expenses for 1Q01 was Ps 65.5 million vs. Ps 100.4 million of the previous quarter caused by the cancellation of several creditors for a sum of Ps 86.0 million and to the cancellation of diverse liabilities accounts of previous years for a sum of Ps 16.5 million (cashier's checks, bank remittances, etc.).

Loan Portfolio

	Local Currency			Foreign Currency			Total		
	1Q00	4Q00	1Q01	1Q00	4Q00	1Q01	1Q00	4Q00	1Q01
<i>(Millions of Pesos)</i>									
Performing Loans									
Commercial	12,049	14,966	13,142	4,441	4,513	4,860	16,490	19,479	18,002
Financial Intermediaries	2,395	1,596	960	386	1,025	759	2,781	2,621	1,719
Consumer	596	631	1,237	-	-	-	596	631	1,237
Mortgages	4,324	4,122	4,027	-	-	-	4,323	4,122	4,027
Government Entities	3,272	38,261	38,817	-	-	16	3,272	38,261	38,833
Fobaproa	45,992	5,862	5,989	8,863	6,174	5,918	54,853	12,036	11,907
Total	68,628	65,439	64,172	13,690	11,712	11,554	82,314	77,151	75,726
Past Due Loans									
Commercial	1,618	1,169	1,173	548	576	552	2,166	1,745	1,725
Financial Intermediaries	-	-	-	-	-	-	-	-	-
Consumer	620	603	613	-	-	-	620	603	613
Mortgages	1,797	1,827	1,872	-	-	-	1,797	1,827	1,872
Government Entities	-	-	-	-	-	-	-	-	-
Total	4,035	3,599	3,658	548	576	552	4,582	4,175	4,210
Total Proprietary Loans	72,663	69,037	67,830	14,238	12,288	12,106	86,896	81,325	79,936
% Past Due Loans	5.6%	5.2%	5.4%	3.8%	4.7%	4.6%	5.3%	5.1%	5.3%

The performing loan portfolio, without Fobaproa and loans to Government Entities, increased by 3.3% with respect to 1Q00, standing out the commercial and consumer portfolios which grew by 12.6%, and fell 7.0% with respect to the previous quarter, the latter due mainly to an increase in payments made by financial intermediaries and commercial companies. The total portfolio, including Fobaproa and Government Entities, dropped 1.7% with respect to 4Q00. During 1Q01, there was a reclassification of the consumption loans and those of government entities which used to be grouped in the commercial loans for Ps 625 million and Ps 1,384 million respectively.

The past due loans fell by 8.1% with respect to 1Q00 and increased slightly when compared to the previous quarter. Being the latter due to non performing loans of the Punto Final and Banorte es Más que Punto Final mortgage loan restructuring programs. The past due loan ratio closed the quarter at 5.3%.

Classified Loans

Categoría	<i>(Millions of Pesos)</i>											
	COMMERCIAL (*)			MORTGAGES			CONSUMER			TOTAL		
	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve
A	17,823	71.7	-	2,192	37.2	11	909	48.7	5	20,924	64.1	15
B	3,136	12.6	31	1,412	23.9	76	320	17.2	32	4,868	14.9	139
C	795	3.2	159	803	13.6	252	28	1.5	13	1,626	5.0	424
D	1,040	4.2	624	1,492	25.3	1,045	28	1.5	20	2,560	7.8	1,689
E	377	1.5	377	-	-	-	582	31.2	581	959	2.9	959
Not Classified	1,697	6.8	-	-	-	-	-	-	-	1,697	5.2	-
Total	24,869	100.0	1,192	5,899	100.0	1,384	1,867	100.0	651	32,635	100.0	3,226
Excepted	-	-	-	-	-	-	-	-	-	48,525	59.8	-
Total	24,869	100.0	1,192	5,899	100.0	1,384	1,867	100.0	651	81,160	100.0	3,226

Note : Consolidated with UDIS as of March 2001. Excludes PS 89 million from Fobaproa checking account of Bancen.

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

Fobaproa-IPAB

(Million of Pesos)	REMAINING CONTINGENCIES			TOTAL
	LOSS(1) SHARING	INCENTIVE(1) SCHEME	FOBA-70 (2)	
Gross Fobaproa notes balance	9,274	5,568	913	15,755
- Cash recoveries	1,933	1,263	218	3,414
- Repossessed assets	=	=	<u>230</u>	<u>230</u>
= Balance net of recoveries	7,341	4,305	465	12,111
Contingency before reserves	1,957	321	465	2,743
- Reserves	<u>1,957</u>	<u>321</u>	<u>465</u>	<u>2,743</u>
= Remaining contingencies	0	0	0	0

1) Includes only cash recoveries.

2) Includes the historical value of repossessed assets without inflation updating.

Banorte provisioned Ps 93.9 million through the Income Statement during the quarter to keep 100% provisioning on FOBAPROA-IPAB Loss Sharing programs, Incentive, and FOBA-70 programs. Total cash recoveries represented 21.7% of Banorte's Gross FOBAPROA-IPAB notes balance.

Loan Loss Reserves (LLR)

(Millions of Pesos)	1Q01		
	BANORTE	BANCEN	Total
PREVIOUS PERIOD END BALANCE	3,834	387	4,222
Provision taken in the period	127	26	153
UDI trusts transfers	19	4	23
Charges offs and discounts:			
Commercial Portfolio	(38)	(2)	(39)
Consumer Portfolio	(2)	-	(2)
Mortgage Portfolio	<u>(40)</u>	<u>(7)</u>	<u>(47)</u>
	(80)	(9)	(88)
Cost of debtors support programs	(30)	(4)	(34)
Valuation	<u>(46)</u>	-	<u>(47)</u>
LOAN LOSS RESERVES AT PERIOD END	3,825	404	4,229

During the quarter, Ps 153 million were provisioned through the Income Statement and Ps 88 million were taken out through Charge offs and discounts related to the recovery and restructuring of the Past Due Loans. The cost of debtor support programs of the quarter was Ps 34 million. On the other hand, in the Valuation concept, there were Ps 47 million negative as a result of the reduction of the exchange rate in the dollar loan portfolio. The balance of Loan Loss Provisions at the close of 1Q01 was Ps 4,229 million.

Reserve Coverage as of 1Q01

(Millions of Pesos)

BANORTE	Past Due	Reserves	Reserves/Past Due
Commercial	1,674	1,674	100.0%
Financial Intermediaries	-	-	-
Consumer	613	613	100.0%
Mortgage	1,730	1,538	88.9%
Government Entities	-	-	-
Total	4,017	3,825	95.2%
BANCEN			
Commercial	51	51	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	142	142	100.0%
Government Entities	-	-	-
Surplus	-	211	-
Total	193	404	209.3%
Total	4,210	4,229	100.4%

The Reserve Coverage of the Banking Sector was 100.4% in 1Q01. In Banorte's case, the reserve coverage was 95.2%, with a 100% coverage of past due commercial and consumer loans, and 88.9% in Mortgage loans. In the case of Bancen, the reserve coverage was 209.3%, with individual coverage exceeding 100.0%, leaving a surplus of Ps 211 million to cover future contingencies.

Deposits

(Millions of Pesos)	1Q00	4Q00	1Q01
Demand Deposits	22,824	26,326	24,257
Time Deposits	78,884	41,087	44,154
Bonds	1,074	1,326	1,337
Total	102,781	68,740	69,747
On behalf of Third Parties Deposits (*)	12,512	36,459	42,028

(*) Accounted in Memorandum Accounts. Historical data were changed due to a grouping correction.

The total deposits (including those of third parties) increased by 6.3% as compared to the previous quarter thanks the implementing new promotional strategies, which is reflected in the on behalf of Third Party Deposits. Term Deposits grew by 7.5% partly to cover the seasonal low of Demand Deposits and also to substitute loans from Banks. All this was achieved through Treasury operations.

Risk Management

December 2000 marked the completion of what was stipulated in Circular 1423 of the National Bank Commission as "Provisions of a Prudential Nature in Risk Management." The corresponding Policies and Risks Manual was approved by the Board of Director.

Moreover, there is in effect an ongoing process related to the updating and improvement of risk management policies and procedures according to the established objectives and with the involvement of all related areas. Besides, the aforementioned Manual has been widely spreaded out, via satellite and through Internet to all employees in the bank.

Figured are presented in constant pesos set at the close of March' 2001.

Market Risk

The methodology used to calculate market risk is Value at Risk (VaR). The main elements that affect this method are the volatility of the diverse risk factors, such as domestic interest rates, foreign interest rates, exchange rates, etc.

Said methodology is applied to the negotiable instruments portfolio in two ways: the first is through a 1-day tenure with a 95% level of trust, and the second is considering a 10-day tenure with a 99% level of trust.

The average quarterly Risk Value (VaR) of the Group's portfolio of negotiable instrument (Banking and Brokerage Sectors) including bonds, shares, money market operations, interest rate swaps, forwards and other derivatives and out balance are as follows:

Value at Risk
(Millions of pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01
VaR 1 day	63	51	65	81	68
VaR 10 days	286	226	288	360	292

The average VaR during the quarter under a 1-day tenure was Ps 68 million, equivalent to 0.93% of the Group's capital, and under a 10-day tenure, the average VaR was Ps 292 million, equivalent to 3.98% of the Group's capital.

Moreover, the Value at Risk of the negotiable instruments described, in a risk factor break down, performed as follows:

(Millios of pesos)

RISK FACTOR	VaR 1 day	VaR 10 days
Domestic interest rate	57	255
Foreign interest rate	7	26
Exchange rate	3	9
Shares	1	2
Total	68	292

The methodology and descriptions of the types of risks are included in the Notes to the Financial Statements of the Banking Sector.

Capitalization

(Millions of Pesos)

	RULES OF 2003			
	4Q00		1Q01	
	BANORTE	BANCEN	BANORTE	BANCEN
Basic Capital	4,602	811	4,671	1,047
Supplemental Capital	461	=	440	=
Net Capital	5,063	811	5,111	1,047
Credit risk assets	39,428	3,841	40,372	3,675
Net Capital / Risk Credit	12.8%	24.9%	12.7%(2)	28.5%
Total risks assets (1)	45,079	3,841	45,607	5,278
Capitalization Ratio				
Tier 1	10.2%	21.1%	10.2%	19.8%
Tier 2	1.0%	-	1.0%	-
Total Capitalization Ratio	11.2%	21.1%	10.7%(2)	19.8%

Figured are presented in constant pesos set at the close of March' 2001.

- (1) Includes Market Risks. Without inter-company eliminations
- (2) This ratio was calculated subtracting to the Net Capital Ps 249 million because the allowed limit of loans to subsidiaries was exceeded.
- (3) The disclosure of capital and credit risk assets is included in the Notes to Banking Sector Financial Statements section.

At the close of 1Q01, Banorte presented a credit risk capitalization ratio of 12.0%, and 10.7% considering also market risks, with 10.2% of Tier 1 and 1.0% of Tier 2. This ratio was negatively affected by Ps 249 million that were subtracted because the allowed limit of loans to subsidiaries was exceeded by this same amount (this situation was corrected as of the time of releasing this report) and also to the increase in the mark to market loss for USD 18.7 million vs. 4Q00 registered in Capital because of the transfer of Eurobonds to Securities Held for Sale. Bancen, on the other hand, closed with a 28.5% ratio with respect to the credit risk assets, and with 19.8% including market risks. Its Tier 1 ratio was 19.8% and zero as for Tier 2.

On March 19, 2001 the General Shareholders Assembly of Bancen approved the capitalization of Ps 461 million of the previous year profits thereby increasing its Paid-in capital to Ps 948 million, as part of the application project of 2000 profits.

US Dollar Assets and Liabilities

<i>(Millions of Dollars)</i>	4Q00		1Q01	
	BANORTE	BANCEN	BANORTE	BANCEN
<u>Liabilities</u>				
Retail Deposits	824.2	0.0	829.4	0.0
Market Issues	373.1	0.0	330.7	0.0
Loans	393.9	0.0	351.3	0.0
Intergroup Funding	0.0	0.0	0.0	0.0
Development Banks	174.1	34.4	153.9	32.4
Cross Currency Swaps	150.0	0.0	150.0	0.0
Deferred payments	23.3	0.0	31.7	0.0
Loan Loss Reserves	52.7	0.0	52.7	0.0
Foreign Exchange Der	65.3	0.0	114.7	0.0
Other liabilities	18.3	1.4	15.6	-
Total	2,074.9	35.8	2,030.0	32.4
<u>Assets</u>				
Cash	14.1	0.0	10.1	0.0
Deposits on Foreign B	474.5	35.4	309.2	32.0
Intergroup Deposits	0.0	0.0	0.0	0.0
USCP	19.9	0.0	69.7	0.0
Remittances Securitization Trust	6.2	0.0	11.9	0.0
Investment portfolio	213.5	0.0	214.9	0.0
Loan portfolio	621.4	0.0	637.5	0.0
Fobaproa or IPAB Note(1)	634.0	0.4	623.4	0.4
Foreign Exchange Der	65.5	0.0	113.4	0.0
Other assets	25.9	0.0	39.9	0.0
Total	2,074.9	35.8	2,030.0	32.4

During the quarter, liabilities with banks were paid in the amounts of USD 42 million and USD 21 million to development banking, and USD 43 million in Banorte market shares were amortized. Additionally, investments in shares increased by USD 49 million and loans were granted for USD 16 million. All of this was reflected in a USD 165 million reduction of Banorte's balance of Deposits in Foreign banks.

2.-Brokerage Sector

(Millions of Pesos)	QUARTER		
	1Q00	4Q00	1Q01
Brokerage House			
Net Income	18.8	(31.5)	12.2
Equity	553.2	145.1	155.3
Total Assets	2,681.5	369.7	286.7
Assets under Management	70,051.6	62,758.8	70,867.8

The **Brokerage House** obtained profits for Ps 12.2 million in the quarter as a result of the excellent income from money market operations derived of the deposit increase, to the strategies followed aimed to increase the operational margin which was reflected in a 24% increase in income when compared to the same period of the previous year, and also due to expense savings.

Because since August 2000 the fixed income securities position was relocated in Bancen, Ps 23.1 million of income generated in the quarter have to be added to 1Q01 results in order to be comparable with that of 1Q00.

On the income from stock trading and stock mutual funds side, there was a 31.5% reduction in 1Q01 vs. 1Q00, due to a 23.3% loss in the stock market in the last twelve months. In 1Q01 the evolution of the stock market was complex and unclear due to the uncertainty in the international environment, and particularly, in the behavior and perspectives of the U.S.A. economy for the short and mid terms.

3.-Long Term Savings Sector

(Millions of Pesos)	QUARTER		
	1Q00	4Q00	1Q01
Afore			
Net Income	71.1	10.9	61.4
Equity	1,070.1	997.7	1,054.7
Total Assets	1,114.7	1,124.4	1,222.6
Assets under Management (SIEFORE)	6,613.2	8,858.2	9,819.0
Insurance			
Net Income	4.1	14.08	(38.0)
Equity	140.7	119.8	81.8
Total Assets	1,351.3	1,268.6	1,356.7
Technical Reserves	1,013.8	1,124.4	1,222.6
Annuities			
Net Income	17.9	(27.2)	(9.8)
Equity	120.9	85.5	93.7
Total Assets	1,416.6	2,178.2	2,455.5
Technical Reserves	1,283.3	2,081.2	2,353.1

The **Afore** business generated profits of Ps 61.4 million in the 1Q01 (51% for Bancen), 13.6% lower than those of 1Q00 due to Ps 38.0 million of deferred taxes that were charged through the income statement in 1Q01 that for 2000 were charged until 4Q00. An important annual increase of 48.5% in Assets under Management was achieved as new affiliates were attracted to reach a total of 1,636,750 affiliates at the end of the quarter. The Net Income increase with respect to the previous quarter was due to the normal business cycle because bimonthly

contributions from the companies that are received by the Afore are unevenly distributed throughout the year receiving two contributions in 1st and 3rd quarters and just one contribution in 2nd and 4th quarters.

The **Insurance** company showed a Ps 38.0 million loss (51% for GFNorte) in 1Q01 vs a Ps 4.1 profit in 1Q00 due mainly to the highly positive mark to market valuation effect reflected a year ago on the securities portfolio. When compared to 4Q00 there was a negative variation due to some institutional clients that deferred their policy renewal thus decreasing premiums in the quarter, and also due to lower financial products in those securities which yield is tied to inflation (UDIS) given that inflation in 1Q01 was at a 0.86% level lower than the 2.65% posted in 4Q00.

The **Annuities** business presented a Ps 9.8 million loss in 1Q01 a Ps 17.9 million profit in 1Q00 (51% for GFNorte). This decrease was due mainly to a Ps 31.4 million positive mark to market valuation effect on long term securities in 1Q00.

4.-Auxiliary Organizations Sector

(Millions of Pesos)	QUARTER		
	1Q00	4Q00	1Q01
Leasing			
Net Income	4.2	7.1	6.5
Equity	99.1	116.0	122.5
Loan Portfolio(*)	493.1	528.3	538.6
Past Due Loans	20.5	18.2	17.7
Loan Loss Reserves	6.9	8.4	8.5
Total Assets	497.9	532.9	542.4
Factoring			
Net Income	9.2	13.3	12.4
Equity	131.2	163.5	175.9
Loan Portfolio	1,142.8	1,867.1	1521.3
Past Due Loans	10.3	8.9	8.4
Loan Loss Reserves	10.3	8.9	8.4
Total Assets	1,151.2	1,879.7	1,530.2
Warehousing			
Net Income	0.6	10.4	1.9
Equity	57.3	50.8	51.2
Inventories(**)	-	123.1	165.1
Total Assets	62.6	243.7	271.4
Bonding			
Net Income	0.7	0.7	1.4
Equity	56.9	61.8	63.1
Total Assets	120.4	122.0	131.5

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

(*) Departing 2Q00 it includes operating lease.

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

The **Leasing Company** generat a Net Income of Ps 6.5 million in the quarter, 54.8% higher than the Ps4.2 million profit in the 1Q00, due to a 9.2% increase in the loan portfolio and also to a lower loans level which ratio to total loans went from 4.2% in 1Q00 to 3.3% in 1Q01. Presently it's ranks 8th. place among 30 leasing companies in the industry.

The **Factoring Company** posted a Ps 12.4 million profit in 1Q01, 34.8% higher than that of 1Q00, due to an important 33.1% increase in its loan portfolio and also to 18.4% decrease in past due loans. Presently ranks 1st place in the industry in terms of loan portfolio and profits.

The **Warehousing** had a favorable quarter, showing profits of Ps 1.9 million vs. Ps 0.6 million in 1Q00, thanks to the inventory commercialization service as well as the traditional warehousing services that has offset the negative effect of a slowdown in the global economy being our company tied to the foreign trade activity.

The **Bonding Company** generated profits of Ps 1.4 million in the quarter, double the amount of 1Q00. This increase was due to an important 31% premium growth as a result of more aggressive promotional strategies. On the other hand, claims decreased by 40.0%.

V. Accounting Changes and Regulations

Grupo Financiero Banorte.- The CNByV issued bulletin 1489 dated October 30, 2000 which considers that due to several adjustments in domestic and international accounting, it is necessary to update certain accounting criteria to add rules of disclosure of financial information consolidated in the mid term, to incorporate the concept of overall (integral) profit, as well as to set certain rules of registration, appraisal, presentation and disclosure as to investments in shares, thereby partially replacing the provision of Circular 1456. This circular was effective as of January 1, 2001.

Eurobonds Registration.- On March 2, 2001, Banorte received instructions from the National Banking Commission to reclassify the Eurobonds in Securities Held to Maturity into the category of Securities Held for Sale.

The accounting registers carried out to comply with these instructions were the following; which are reflected in Banorte's capital:

Earnings Statement

Repomo.- the Repomo-Margin was affected positively by USD 0.1 million through the Income Statement, because as Securities Held for Sale, their monetary position is reflected in the shareholder's equity. There was no retroactive survey of the impact of the estimates on the Monetary Position. The benefit was made effective in March 2001 as of the date the accounting category was changed.

Balance Sheet

Assets.- The Eurobonds were registered as Securities Held for Sale for an amount of USD 214.9 million, along with a USD 58.5 million reduction in the account of Valuation of Securities Held for Sale.

Capital.- Up until December, 2000, there was a mark to market loss of USD 39.8 million for the concept of the market valuation of the AHMSA Eurobonds as dictated by special requirement of the CNBV, given that usually Securities held to maturity are not valued to market. Upon making the category transfer of all these titles, they were valued at market prices. Thus the accumulated effect of said appraisal was negative USD 58.5 million and negative USD 0.1 million for acknowledging the monetary position.

Banking Sector (Banorte y Bancen)- The National Banking and Shares Commission published on October 30, 2000 circular 1488, which went into effect as of January 1, 2001, thereby replacing several of the accounting criteria of Circular 1448, relative to the application of specific rules, investments in shares, derived financial instruments, loan portfolio, guarantees, related parties, accounting statement or balance sheet, earnings statement and the state of variation in stockholder's equity.

ANNEX 1- GRUPO FINANCIERO- GENERAL INFORMATION

GFNorte Ownership in Subsidiaries- 1Q01

<i>(Percentages)</i>	1Q01
Banco Mercantil del Norte (1)	95.79%
Banco del Centro	99.99%
Brokerage House	99.99%
Pension Funds Afore (2)	51.00%
Insurance	51.00%
Annuities	51.00%
Leasing	99.99%
Factoring	99.99%
Warehousing	99.99%
Bonding	99.99%

- (1) As a result of merging Banpaís in February, 2000.
- (2) Subsidiary of Banco del Centro.

Capital Structure of the Holding Company

Number of Shares	SERIE O as of March 31,2001
Number of shares issued	504 '586,887
- Shares held on Treasury	<u>11 '826,500</u>
= Number of shares outstanding	492 '760,387

Banorte's Rating – 1Q01

Calificadoras	Calificated Entity	Opinion	Category	Date
Moody's Investor	Banorte	D+	Banorte's Financial Strength	Apr- 2001
Standard & Poors	Banorte	BB/Stable/B	Banorte's Financial Strength	Aug-2000
Duff & Phelps	Banorte	AAA	Remittance-Baked Certificates (Banorte)	Jul-1999
Fitch	Banorye	BBB- BB+ C/D	Long Term-local money Long Term- Individual-	Dec.-2000

No of Employees & Distribution Network			
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EMPLOYEES	1Q00	4Q00	1Q01
Banking Sector	8,928	9,172	8,641
Other Sectors	<u>2,170</u>	<u>2,113</u>	<u>2,156</u>
Total Group	11,098	11,285	10,797
 DISTRIBUTION NETWORK			
Branches (*)	456	452	458
ATM	1,354	1,434	1,468

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

ANNEX 2- Grupo Financiero- Information by Segments

Proforma consolidated data as of 1Q01

<i>(Millions of Pesos)</i>	BANORTE (1)	BANCEN (3)	TOTAL SECTOR
Income Statement			
Net Interest Income	1,042.8	479.4	1,522.2
Non Interest Income	375.3	283.7	659.0
Non Interest Expense	1,394.4	55.2	1,449.6
Other income (expense)	17.9	47.5	65.5
Extraordinary items, net	-	-	-
Net Income	(229.7)	752.1	522.4
Balance Sheet			
Assets	97,294	3,495	100,789
Loans	79,202	734	79,936
Deposits	69,747	-	69,747
Equity	5,716	1,586	7,302
Past Due Loans	4,017	193	4,210
Loan Loss Reserves	3,825	404	4,229
Ratios			
Expense/ Total Assets	5.7%	6.3%	5.8%
% Past Due Loans	5.1%	26.3%	5.3%
Reserves / Past Due Loans	95.2%	209.4%	100.4%
% Capitalization (2)	10.7%	19.8%	N.A.

1) Includes a 95.41% participation of the Group.

2) Includes Market Risks. Using 2003 rules.

3) Excludes the AFORE.

With the ultimate goal of improving the understanding of information of the Group and given the importance of the 2 banks (Banorte and Bancen) within the Financial Group, (together representing more than 90% each of the Shares, Deposits, and Profits of the Group), we have included their financial statements and combined indicators pro-forma together under the "Banking Sector" heading. The Banking Sector is defined as the 2 banks with their respective subsidiaries, except the Afore unit (a subsidiary of Bancen), which is not considered part of this Sector for management reasons (as of the end of 1998). We have also grouped companies corresponding to other Sectors, which are defined in accordance with the orientation of the companies. These Sectors are as follows: The Brokerage Sector which is made up of the Brokerage House; the Long-Term Savings Sector, made up of the Annuities, 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

<i>(Millions of Pesos)</i>	BANORTE	BANCEN	INTERBANK ELIMINATIONS
Income Statement			
Net Interest Income	(484.2)	484.2	-
Non Interest Income	-	-	-
Non Interest Expense	(30.0)	30.0	-
Other Income (expense)	-	-	-
Extraordinary items, net	-	-	-
Balance Sheet			
Assets	(1,471)	-	(1,471)
Loans	-	-	-
Deposits	-	(971)	(971)
Due to Banks	-	(500)	(500)
Equity	-	-	-
Past Due Loans	-	-	-
Loan Loss Reserves	-	-	-

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

Reconciliation of Segments Summary-1Q01

<i>(Millions of Pesos)</i>	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
Income Statement				
Net Interest Income	1,522.2	91.2	-	1,613.4
Non Interest Income	659.0	226.6	-	885.6
Non Interest Expense	1,449.6	180.4	(0.1)	1,629.9
Other Income (expense)	65.5	(1.4)	(0.1)	64.0
Extraordinary items, net	-	-	-	-
Balance Sheet				
Assets	100,789	12,733	(10,350)	103,172
Loans	79,936	1,983	(1,682)	80,237
Deposits	69,747	-	(134)	69,613
Equity	7,302	9,729	(8,320)	8,711
Past Due Loans	4,210	26	-	4,236
Loan Loss Reserves	4,229	17	-	4,246

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.

HOLDING - Balance Sheet (Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	294	279	273	210	195			
Negotiable Instruments	-	-	-	-	-			
Securities held for sale	-	-	-	-	-			
Securities held to maturity	-	-	-	-	-			
Financial Instruments:	-	-	-	-	-			
Sundry debtors and other assets, net	6	8	6	33	43			
Real Estate, Furniture & Equipment,	-	-	-	-	-			
Investments in subsidiaries	8,346	8,259	6,865	7,361	7,719			
Deferred taxes	-	-	-	-	-			
Goodwill	250	-	-	-	-			
Other Assets, Deferred charges,	-	-	-	-	1			
	250	-	-	-	1			
TOTAL ASSETS	8,896	8,546	7,143	7,604	7,958			
LIABILITIES								
Due to banks and correspondents	-	-	-	-	-			
Income Tax & Profit Sharing	-	-	-	-	-			
Other Payable accounts	-	-	-	-	5			
Other payable accounts	1	-	-	-	5			
Deferred taxes	-	-	-	-	-			
TOTAL LIABILITIES	1	-	-	-	-			
STOCKHOLDER'S EQUITY								
Paid-in Capital	4,577	4,576	4,543	4,650	4,649			
Share subscription premiums	961	961	961	1,277	1,282			
Subordinated Convertible Debentures	455	450	444	-	-			
Subscribed Capital	5,993	5,987	5,948	5,927	5,930			
Capital Reserves	624	682	600	751	745			
Retained Earnings	6,624	6,315	6,315	6,143	7,843			
Surplus (Deficit) from securities	-	-	-	-	-			
Results of foreign operations	-	-	-	-	-			
Excess (Insuf.) in capital	(4,784)	(4,792)	(4,782)	(4,783)	(4,783)			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm	(26)	(315)	(2,172)	(2,135)	(2,309)			
Adjustment in the employees	-	-	-	-	-			
Accumulated Deferred tax effect	-	-	-	-	-			
Net Income	464	668	1,234	1,700	527			
Earned Capital	2,903	2,559	1,196	1,677	2,023			
Total Stockholder's Equity	8,895	8,546	7,143	7,604	7,954			
TOTAL LIABILITIES &	8,896	8,546	7,143	7,604	7,958			

MEMORANDUM ACCOUNTS OF HOLDING (Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Client securities held in custody	13,290	2,608	2,565	2,775	2,738			
Other trust account items	12,613	14,493	14,231	13,909	13,725			
Total	25,903	17,101	16,796	16,684	16,464			

HOLDING-Consolidated Income Statement (Millions of Pesos)

MARGEN FINANCIERO NETO	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Income from Subsidiaries and Interest	500.2	225.2	581.0	454.3	530.7			
Interest Expense	23.6	20.3	21.4	16.0	-			
Trading Income	-	-	-	-	-			
Fees & Tariffs	-	-	-	-	-			
REPOMO	(8.8)	(4.3)	(4.3)	(5.7)	(3.2)			
Total Operating Income	467.7	200.7	555.3	432.6	527.5			
Operation & Administrative expenses	0.8	0.7	0.6	0.8	0.3			
Operating Income	467.0	200.0	554.7	431.8	527.3			
Other Income	(2.6)	4.9	12.2	34.4	-			
Other Expense	-	-	-	-	(0.1)			
Otros Expenses (Revenues), Net	(2.6)	4.9	12.2	34.4	(0.1)			
Pre-tax Income	464.4	204.9	566.9	466.1	527.2			
Income Tax & Profit Sharing	(0.6)	(0.6)	(0.6)	(0.6)	-			
Tax on Assets	-	-	-	-	-			
Deferred Inc. Tax and Profit sharing	-	-	-	-	-			
	(0.6)	(0.6)	(0.6)	(0.6)	-			
Net income from Continuos	463.8	204.2	566.3	465.5	527.2			
Extraordinary Items, net	-	-	-	-	-			
Total Net Income	463.8	204.2	566.3	465.5	527.2			

GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet (Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	11,593	10,996	9,261	9,646	7,754			
Negotiable Instruments	25,486	18,425	14,986	4,199	6,210			
Securities held for sale	50	49	166	172	1,756			
Securities held to maturity	5,007	4,886	3,248	2,970	1,257			
Financial Instruments:	30,543	23,359	18,400	7,340	9,222			
Repurchase agreements, net	63	220	169	129	167			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	193	73	2	6	5			
Repos & Derivatives :	257	294	171	136	172			
Commercial	18,000	17,959	18,584	21,724	19,902			
Financial Intermediaries	1,377	3,303	2,068	166	64			
Consumer	596	607	616	631	1,245			
Mortgage	4,323	4,311	4,199	4,122	4,027			
Government Entities	3,289	3,305	2,754	38,279	38,855			
Fobaproa	54,853	54,826	53,359	12,036	11,907			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	82,438	84,310	81,580	76,958	76,000			
Commercial	2,196	2,015	1,823	1,772	1,742			
Financial Intermediaries	-	7	1	-	-			
Consumer	620	615	602	603	623			
Mortgage	1,797	1,724	1,785	1,827	1,872			
Government Entities	-	-	-	-	-			
Past Due Loans	4,613	4,360	4,211	4,202	4,236			
Total Loans	87,051	88,671	85,791	81,159	80,237			
Preventive loan loss reserves	4,707	4,592	4,325	4,239	4,246			
Net Loan Portfolio	82,344	84,079	81,467	76,920	75,991			
Sundry debtors and other assets, net	1,840	1,480	1,745	2,793	2,275			
Foreclosed assets, net	1,442	1,435	1,400	1,531	1,442			
Real Estate, Furniture & Equipment, net	3,391	3,353	3,311	3,347	3,266			
Investments in subsidiaries	859	876	845	861	922			
Deferred taxes	408	17	148	630	610			
Goodwill	250	-	-	-	-			
Deferred charges & Intangibles	1,325	1,438	1,621	1,294	1,518			
UDIS Mortgage loans reserve coverage	34	-	-	-	-			
Other Assets	9,549	8,598	9,070	10,455	10,033			
TOTAL ASSETS	134,285	127,326	118,369	104,497	103,172			

GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet (Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	22,810	23,698	24,155	26,287	24,235			
Time Deposits	78,584	68,451	62,350	40,961	44,042			
Bonds	1,074	1,100	1,305	1,326	1,337			
Deposits	102,468	93,249	87,810	68,575	69,613			
Demand	394	2,636	310	3,929	4,182			
Short term	7,203	7,364	9,944	10,287	8,815			
Long term	9,884	9,592	9,802	10,296	9,556			
Due to banks and correspondents	17,481	19,591	20,056	24,511	22,553			
Repurchase agreements, net	16	241	76	124	50			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	2	-	-	-	-			
Options and derivatives, net	341	452	56	37	20			
Repos & Derivatives:	360	692	132	161	70			
Income Tax & Profit Sharing	115	61	80	224	280			
Other Payable accounts	3,794	4,263	2,316	2,595	1,841			
Other payable accounts	3,909	4,323	2,396	2,818	2,121			
Subordinated non Convertible Debenture	203	-	-	-	-			
Deferred Taxes	15	39	-	-	-			
Deferred credits	101	102	102	101	104			
TOTAL LIABILITIES	124,535	117,997	110,496	96,167	94,460			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,577	4,576	4,543	4,650	4,649			
Share subscription premiums	961	961	961	1,277	1,282			
Subordinated Convertible Debentures	455	450	444	-	-			
Subscribed Capital	5,993	5,987	5,948	5,927	5,930			
Capital Reserves	624	682	600	751	745			
Retained Earnings	6,624	6,315	6,315	6,143	7,843			
Surplus (Deficit) from securities	-	-	-	-	-			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(4,784)	(4,792)	(4,782)	(4,783)	(4,783)			
Non Mon assets results Fixed Assets	-	-	-	-	-			
Non Mon assets results Investm subsidiaries	(26)	(315)	(2,172)	(2,135)	(2,309)			
Adjustment in the employees pension funds	-	-	-	-	-			
Accumulated Deferred tax effect	-	-	-	-	-			
Net Income	464	668	1,234	1,700	527			
Earned Capital	2,903	2,559	1,196	1,677	2,023			
Minority Holdings	854	784	729	726	758			
Total Stockholder 's Equity	9,750	9,330	7,873	8,330	8,711			
TOTAL LIABILITIES & STOCKHOLDER 'S	134,285	127,326	118,369	104,497	103,172			

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED

(Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
ON BEHALF OF THIRD PARTY TRANSACTIONS								
Customers' banks	-	4	1	2	3			
Dividends receivable from customers	-	-	-	-	-			
Interest receivable from customers	-	-	-	-	-			
Liquidation of customer transactions	(1,954)	167	3,186	3,596	7,493			
Customer loans	-	-	-	-	-			
Liquidation with foreign currencies of customers	-	-	-	-	-			
Margin accounts in futures operations	-	-	-	-	-			
Other current accounts	-	-	-	-	-			
CUSTOMERS CURRENT ACCOUNT	(1,953)	172	3,188	3,598	7,496			
Client securities held in custody	68,245	59,906	67,873	60,708	68,730			
Securities and documents received in guarantee	4	4	-	-	-			
Client securities abroad	-	-	-	-	-			
CLIENT SECURITIES	68,249	59,910	67,873	60,708	68,730			
Repurchase operations for customers	21,792	29,619	15,193	24,610	19,274			
Clients securities loans	-	-	-	-	-			
Purchase of Futures & forward contracts (nati.	-	-	-	-	-			
Sale of futures and forward contracts (national	-	-	-	-	-			
Purchasing operations (option price)	243	344	343	341	335			
Sales operations (option price)	-	-	-	-	-			
Purchase of derivative packages	-	-	-	-	-			
Sale of derivative packages	-	-	-	-	-			
Administration trusts	1,070	983	904	960	1,045			
TRANSACTIONS ON BEHALF OF CLIENT	23,106	30,945	16,441	25,911	20,655			
TOTAL ON BEHALF OF THIRD PARTY	89,401	91,027	87,502	90,218	96,880			
Signature guarantees granted	3	3	3	3	3			
Issuing of irrevocable letters of credit	565	450	661	503	1,132			
Property in trust and guardianship	36,397	37,273	35,833	36,686	37,182			
Assets held in custody or in administration	116,550	96,786	89,434	74,250	77,272			
Amounts committed to operations with	9,111	9,518	8,465	3,653	3,810			
In Transit drafts	-	-	-	-	-			
Certificates of Deposit in circulation	138	476	409	435	152			
Secured Credit Cards from the company	-	-	-	-	-			
Securities given to the company in custody	1,998	2,635	54	29	22			
Government securities in custody of the company	21	25	23	25	26			
Securities given to the company on guarantee	2	-	-	-	-			
Securities outside the country	20	20	-	-	-			
Liquidations with foreign currencies abroad	-	-	-	-	-			
Debits to the contingency fund	-	-	-	-	-			
Other contingent obligations	17,375	18,438	21,001	20,204	16,079			
Banking transactions on behalf of third-parties	25,526	29,058	47,203	70,271	80,501			
Investments in funds for the retirem.saving	2,486	2,511	2,197	2,191	2,213			
Integration of the credit portfolio	-	-	-	-	-			
Amounts contracted in derivative instruments	2,392	2,544	2,591	2,685	2,583			
Other trust account items	291,990	291,352	363,158	207,563	245,765			
OWN ACCOUNT OPERATIONS	504,572	491,088	571,032	418,498	466,740			
Repurchase agreements								
Securities to be received	34,956	43,646	63,577	92,465	105,235			
(Less) Securities to be delivered	(34,892)	(43,774)	(63,684)	(92,503)	(105,087)			
REPURCHASE TRANSACTIONS- RECEIVED	63	(128)	(107)	(38)	148			
Securities to be received	13,529	19,315	32,486	55,423	57,773			
(Less) securities to be delivered	(13,545)	(19,208)	(32,340)	(55,380)	(57,804)			
REPURCHASE TRANSACTIONS- SOLD	(16)	107	146	43	(30)			
TOTAL ON OWN ACCOUNT OPERATIONS	504,620	491,068	571,071	418,503	466,858			

GRUPO FINANCIERO BANORTE-Consolidated Income Statement (Millions of Pesos)

NET INTEREST INCOME	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Interest Income	7,275.2	6,394.2	7,249.6	9,351.2	8,288.8			
Interest Expense	5,589.8	4,883.6	5,857.4	7,767.0	6,737.6			
Loan Fees	144.0	151.5	145.8	(110.5)	65.9			
Fees Paid	3.2	3.7	3.0	5.0	3.6			
Net Interest Income (NII)	1,826.3	1,658.5	1,535.0	1,468.7	1,613.4			
Repomo-Margin	5.6	(13.4)	(26.7)	13.3	7.5			
NII after Repomo	1,831.9	1,645.1	1,508.3	1,482.0	1,620.9			
Loan Loss Provisions	227.8	176.1	6.7	259.9	153.1			
Loss Sharing Provisions	42.3	37.1	81.9	-	93.9			
NII after Provisions	1,561.8	1,431.9	1,419.8	1,222.1	1,373.9			
Fund transfers	8.3	8.4	7.9	8.5	9.0			
Account management	56.5	58.4	69.2	77.9	71.7			
Fiduciary	211.3	39.9	226.1	138.0	241.7			
Credit Card	5.9	5.4	7.9	9.1	77.8			
Fees from FOBAPROA	88.0	221.3	139.4	105.1	76.5			
Other fees	274.3	175.5	249.1	453.2	274.7			
Fees on services,	644.3	508.9	699.6	791.9	751.4			
Fund transfers	-	-	-	-	-			
Other fees	80.2	83.6	78.5	80.0	78.1			
Fees paid,	80.2	83.6	78.5	80.0	78.1			
Foreign exchange	54.2	48.4	49.9	45.5	53.3			
Securities -Realized gains	37.3	32.8	8.3	10.9	50.3			
Securities- Unrealized gains	22.3	(59.9)	54.8	4.9	108.7			
Market-related Income	113.8	21.3	113.0	61.3	212.3			
Total Non Interest Income	677.9	446.6	734.1	773.2	885.6			
Total Operating Income	2,239.7	1,878.5	2,153.9	1,995.3	2,259.5			
Personnel	724.3	762.5	731.2	769.2	725.1			
Fees Paid	77.7	83.6	65.4	81.0	82.5			
Operation & Administrative expenses	426.9	431.0	504.2	446.1	437.7			
Rents, depreciation and amortization	208.0	178.5	195.4	171.1	190.7			
Taxes, other than income tax	96.0	129.8	125.1	183.4	103.6			
Contributions to IPAB	83.0	104.1	93.8	92.7	90.2			
Corporate expenses Recoveries	-	-	-	-	-			
Non-Interest Expense	1,616.0	1,689.6	1,715.2	1,743.5	1,629.9			
Operating Income	623.8	188.9	438.7	251.8	629.6			
Other Income	118.4	147.2	277.3	814.6	150.4			
Foreign exchange	0.4	-	-	-	-			
Recoveries	20.3	11.7	206.8	90.1	101.9			
Repomo-other (Debtor balance)	14.3	4.9	12.2	34.4	(0.1)			
Total Other Products	153.3	163.8	496.3	939.0	252.2			
Other Expense	(56.4)	(41.5)	(244.6)	(732.0)	(167.6)			
Foreign exchange	(21.9)	-	-	-	-			
Repomo-other (Creditor balance)	(127.9)	(41.8)	(34.9)	(40.5)	(20.6)			
Total Other Expense	(206.1)	(83.3)	(279.5)	(772.5)	(188.2)			
Other revenues and expenses, net	(52.8)	80.5	216.9	166.5	64.0			
Pre-tax Income	571.0	269.4	655.6	418.3	693.6			
Income tax	(29.1)	23.4	(42.1)	(21.8)	(3.4)			
Profit sharing	(8.5)	6.5	(9.7)	(1.9)	(15.6)			
Tax on Assets	(5.6)	(4.6)	(5.8)	(0.5)	(1.9)			
Deferred Inc. Tax and Profit sharing	(33.6)	(44.3)	(21.9)	74.8	(103.6)			
	(76.7)	(19.1)	(79.5)	50.7	(124.5)			
Net income before subsidiaries	494.2	250.3	576.1	469.0	569.1			
Subsidiaries' net income	12.1	(33.6)	20.9	11.2	(1.1)			
Net Income from continuous operations	506.3	216.7	597.0	480.2	567.9			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	(42.6)	(12.4)	(30.7)	(14.7)	(40.8)			
TOTAL NET INCOME	463.8	204.2	566.3	465.5	527.2			

GRUPO CONSOLIDATED STATEMENT OF CASH FLOW
JANUARY 1, 2001 –MARCH 31,2001
(Millions of Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :

Net Income	527.2
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	18.1
Provisions for loan losses	247.0
Depreciation and amortization	69.5
Deffered Taxes	103.6
Provisions for Obligations	152.7
Minoritary Interest	(40.8)
Undistributed Earnings of Subsidiaries	=
	1,077.3

Cash Flows From Investing Activities:

Banks Deposits	1,037.8
Decrease (Increase) loan portfolio	683.3
Decrease (Increase) treasury operations	(2,074.0)
Decrease (Increase) financial instruments	(127.7)
Loans from banks and other entities	(1,958.7)

Net Resources provided by operations **(2,439.2)**

Financial Activities:

Subordinated Debentures	-
Subordinated Debentures amortization	-
Equity Variation	-

Net Resources provided by Investing activities -

CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds from issuance of common stock	22.6
Decrease (Increase) Deferred charges or credits	(305.4)
Decrease (Increase) Foreclosed assets	88.6
Decrease (Increase) in accounts receivable and payable	(335.9)

Net Cash provided by financing activities **(530.1)**

Decrease (increase) in cash and due from banks **(1,892.0)**

Cash and due from banks at the beginning of the year **9,646.3**

Cash and due from banks at the end of the year **7,754.4**

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
JANUARY 1, 2001- MARCH 31, 2000-**

(Millions of Pesos)	CONTRIBUTED CAPITAL		
	Fixed Paid-in Capital	Variable Paid-in Capital	Premium, Bonds & oth. Securities
Balance as of December 31,2000	2,794.9	1,855.1	1,277.0
Stock Changes			
Issuance of stock		(1.4)	4.6
Profits Capitalization		(1.4)	4.6
Total	-	-	-
Total Income			
Total Income:			
Net Income			
Results of assets holdings			
Minority Interest			
Total	-	-	-
Balance as of March 31,2001	2,794.9	1,853.7	1,281.6

	EARNED CAPITAL						Total Stockholders' Equity
	Capital Reserves	Retained earnings	Excess if Insuf. Capital	Resultado por Tenencia de Activos (val.	Net Income of the year	Minoritary Interest	
Balance as of December 31,2000	751.4	6,143.3	(4,782.7)	(2,134.6)	1,699.8	726.1	8,330.3
Stock Changes							
Issuance of stock	(6.7)						(3.5)
Profits Capitalization		1,699.8			(1,699.8)		-
Total	(6.7)	1,699.8	-	-	(1,699.8)	-	(3.5)
Total Income							
Total Income:							
Net Income					527.2		527.2
Results of assets holdings				(174.2)			(174.2)
Minority Interest						31.6	31.6
Total	-	-	-	(174.2)	527.2	31.6	384.5
Balance as of March 31,2001	744.7	7,843.1	(4,782.7)	2,308.8	527.2	757.6	8,711.3

BANKING SECTOR- Balance Sheet (*)

(Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	11,576	10,992	9,028	9,382	7,376			
Negotiable Instruments	23,441	15,662	14,867	4,106	6,119			
Securities held for sale	50	49	166	172	1,756			
Securities held to maturity	5,007	4,886	3,248	2,970	1,257			
Financial Instruments:	28,498	20,597	18,281	7,247	9,132			
Repurchase agreements, net	30	65	105	28	128			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	10	9	-	6	5			
Repos & Derivatives :	41	74	105	34	133			
Commercial	16,490	16,078	16,674	19,479	18,002			
Financial Intermediaries	2,781	5,113	3,800	2,621	1,719			
Credit Card & Consumer	596	607	616	631	1,237			
Mortgage	4,323	4,311	4,199	4,122	4,027			
Government Entities	3,272	3,287	2,737	38,261	38,833			
Fobaproa	54,853	54,826	53,359	12,036	11,907			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	82,314	84,222	81,385	77,151	75,726			
Commercial	2,166	1,985	1,794	1,745	1,725			
Financial Intermediaries	-	7	1	-	-			
Credit Card & Consumer	620	615	602	603	613			
Mortgage	1,797	1,724	1,785	1,827	1,872			
Government Entities	-	-	-	-	-			
Past Due Loans	4,582	4,330	4,183	4,175	4,210			
Total Loans	86,896	88,552	85,567	81,325	79,936			
Preventive loan loss reserves	4,690	4,573	4,306	4,222	4,229			
Net Loan Portfolio	82,206	83,980	81,261	77,103	75,707			
Sundry debtors and other assets, net	1,583	1,436	1,463	1,700	1,509			
Foreclosed assets, net	1,426	1,420	1,386	1,522	1,434			
Real Estate, Furniture & Equipment, net	3,220	3,169	3,153	3,181	3,096			
Investments in subsidiaries	821	756	796	841	947			
Deferred taxes	333	17	130	740	757			
Deferred charges & Intangibles	602	328	351	484	698			
UDIS Mortgage loans reserve coverage	34	-	-	-	-			
Other Assets	8,019	7,125	7,279	8,468	8,442			
TOTAL ASSETS	130,340	122,767	115,954	102,236	100,789			

BANKING SECTOR- Balance Sheet (*) (Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	22,824	23,714	24,165	26,326	24,257			
Time Deposits	78,884	68,737	62,521	41,087	44,154			
Bonds	1,074	1,100	1,305	1,326	1,337			
Deposits	102,781	93,551	87,991	68,740	69,747			
Demand	394	2,636	310	3,929	4,182			
Short term	7,200	7,085	9,394	9,502	7,988			
Lona term	9,884	9,592	9,722	10,277	9,405			
Due to banks and correspondents	17,477	19,312	19,426	23,708	21,575			
Repurchase agreements, net	5	65	24	35	18			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	68	56	33	17			
Repos & Derivatives:	5	132	80	68	35			
Income Tax & Profit Sharing	7	1	14	175	255			
Other Payable accounts	2,114	2,076	1,894	2,471	1,758			
Other payable accounts	2,121	2,076	1,908	2,646	2,013			
Subordinated non Convertible Debenture	203	-	-	-	-			
Deferred Taxes	-	19	-	-	-			
Deferred credits	109	108	105	118	118			
TOTAL LIABILITIES	122,696	115,198	109,511	95,279	93,487			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,369	4,369	4,169	4,347	4,808			
Share subscription premiums	294	295	295	548	548			
Subordinated Convertible Debentures	455	450	444	-	-			
Subscribed Capital	5,119	5,114	4,908	4,894	5,356			
Capital Reserves	2,557	2,873	1,628	1,454	2,166			
Retained Earnings	2,256	1,789	1,673	1,735	2,145			
Surplus (Deficit) from securities	(465)	(487)	(482)	(322)	(497)			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(2,075)	(2,081)	(2,087)	(2,086)	(2,086)			
Non Mon assets results fixed assets	(120)	-	-	-	-			
Non Mon assets results Investm	48	(39)	(63)	(58)	(62)			
Adjustment in the employees pension	(103)	-	-	-	-			
Accumulated Deferred tax effect	-	(273)	(273)	(244)	(244)			
Net Income	428	673	1,139	1,584	522			
Earned Capital	2,526	2,455	1,535	2,062	1,946			
Minority Holdings	-	-	-	-	-			
Total Stockholder 's Equity	7,644	7,569	6,443	6,957	7,302			
TOTAL LIABILITIES &	130,340	122,767	115,954	102,236	100,789			

(*) Does not include Afore.

MEMORANDUM ACCOUNTS OF THE BANKING SECTOR

(Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Signature guarantees granted	3	3	3	3	3			
Other contingent obligations	8,382	9,051	10,336	9,410	9,665			
Irrevocable lines of credit	565	450	661	503	1,132			
Assets held in trust and mandate	36,397	37,273	35,833	36,686	37,182			
Assets held in custody or in administration	102,107	92,695	85,338	69,608	72,979			
Investment banking transactions for third	25,526	29,058	47,203	70,271	80,501			
Engaged amounts in fobaproa operations	9,111	9,518	8,465	3,653	3,810			
Investment of retirement saving funds	2,486	2,511	2,197	2,191	2,213			
Integration of loan portfolio	-	-	-	-	-			
Received amounts in derivative instruments	2,233	2,544	2,591	2,685	2,583			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	13,164	14,028	48,413	67,855	85,961			
(Less) payable for reversal	(13,133)	(14,092)	(48,182)	(67,880)	(85,833)			
Receivables for reversal	2,966	3,661	19,028	30,908	39,061			
(Less) securities to be delivered	(2,971)	(3,597)	(18,857)	(30,889)	(39,079)			
Other control accounts	279,167	276,717	348,789	193,518	229,420			
	466,003	459,820	541,819	388,522	439,598			

BANKING SECTOR - Income Statement (*) (Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
NET INTEREST INCOME								
Interest Income	6,158.2	5,579.2	6,842.4	9,843.9	8,251.4			
Interest Expense	4,580.4	4,146.8	5,556.9	8,291.6	6,791.5			
Loan Fees	140.5	149.0	143.7	(113.0)	65.9			
Fees Paid	3.2	3.9	3.9	5.2	3.6			
Net Interest Income (NII)	1,715.2	1,577.5	1,425.4	1,434.1	1,522.2			
Repomo-Margin	26.5	(3.1)	(17.1)	7.3	14.0			
NII after Repomo	1,741.7	1,574.4	1,408.2	1,441.4	1,536.2			
Loan Loss Provisions	225.1	175.4	6.4	259.6	152.7			
Loss Sharing Provisions	42.3	37.1	81.9	-	93.9			
NII after Provisions	1,474.4	1,361.9	1,319.9	1,181.8	1,289.6			
Fund transfers	8.3	8.4	7.9	8.5	9.0			
Account management	56.5	58.4	69.2	77.9	71.7			
Fiduciary	211.3	39.9	226.1	138.0	241.7			
Credit Card	5.9	5.4	7.9	9.1	77.8			
Fees from FOBAPROA	88.0	221.3	139.4	105.1	76.5			
Other fees	85.6	47.4	51.9	318.0	69.0			
Fees on services,	455.6	380.8	502.4	656.7	545.7			
Fund transfers	-	-	-	-	-			
Other fees	88.6	89.9	85.4	84.8	81.5			
Fees paid,	88.6	89.9	85.4	84.8	81.5			
Foreign exchange	54.2	48.4	49.9	45.5	53.3			
Securities -Realized gains	11.7	7.4	(1.2)	(0.5)	30.2			
Securities- Unrealized gains	20.2	(26.4)	(9.0)	7.8	111.2			
Market-related Income	86.2	29.5	39.6	52.8	194.7			
Total Non Interest Income	453.2	320.4	456.7	624.7	659.0			
Total Operating Income	1,927.6	1,682.3	1,776.6	1,806.6	1,948.6			
Personnel	603.9	633.2	601.5	665.2	667.7			
Fees Paid	75.5	81.8	62.5	78.9	81.0			
Operation & Administrative expenses	385.9	382.4	451.6	387.4	345.7			
Rents, depreciation and amortization	182.8	152.4	169.4	149.9	164.1			
Taxes, other than income tax	93.4	126.3	121.9	180.2	100.9			
Contributions to IPAB	83.0	104.1	93.8	92.7	90.2			
Corporate expenses Recoveries	-	-	-	-	-			
Non-Interest Expense	1,424.5	1,480.1	1,500.7	1,554.2	1,449.6			
Operating Income	503.0	202.2	276.0	252.4	499.0			
Other Income	119.9	151.0	161.0	200.5	90.9			
Foreign exchange	0.4	-	-	-	-			
Recoveries	18.7	11.2	206.0	89.5	100.4			
Repomo-other (Debtor balance)	16.9	-	-	-	-			
Total Other Products	155.8	162.2	367.0	290.1	191.3			
Other Expense	(56.4)	(41.5)	(134.4)	(148.3)	(104.6)			
Foreign exchange	(21.9)	-	-	-	-			
Repomo-other (Creditor balance)	(125.4)	(40.8)	(33.9)	(41.4)	(21.3)			
Total Other Expense	(203.7)	(82.2)	(168.2)	(189.7)	(125.9)			
Other revenues and expenses, net	(47.9)	80.0	198.8	100.4	65.5			
Pre-tax Income	455.1	282.2	474.7	352.8	564.4			
Income tax	-	-	(6.3)	(21.4)	-			
Profit sharing	-	-	-	-	(14.7)			
Tax on Assets	(5.6)	(4.6)	(5.8)	(0.5)	(1.9)			
Deferred Inc. Tax and Profit sharing	(52.0)	(39.1)	(24.0)	105.2	(65.0)			
	(57.7)	(43.7)	(36.0)	83.3	(81.6)			
Net income before subsidiaries	397.5	238.5	438.7	436.1	482.9			
Subsidiaries 'net income	33.9	6.1	27.9	8.1	39.5			
Net Income from continuous operations	431.4	244.6	466.6	444.1	522.4			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	(3.2)	-	-	-	-			
TOTAL NET INCOME	428.2	244.6	466.6	444.1	522.4			

(*) Does not include Afore.

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	10,356	10,081	10,243	8,418	6,659			
Negotiable Instruments	23,441	15,662	23,697	5,018	7,090			
Securities held for sale	50	49	48	47	1,599			
Securities held to maturity	4,401	4,414	2,959	2,702	978			
Financial Instruments:	27,893	20,125	26,704	7,767	9,667			
Repurchase agreements, net	30	64	70	19	88			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	10	9	-	6	5			
Repos & Derivatives :	40	74	70	25	93			
Commercial	15,950	15,486	16,646	19,452	17,699			
Financial Intermediaries	2,761	4,667	3,800	2,621	1,719			
Credit Card & Consumer	588	594	616	631	1,237			
Mortgage	2,953	2,972	3,835	3,782	3,712			
Government Entities	2,915	2,913	2,737	38,255	38,822			
Fobaproa	36,134	35,971	34,925	12,036	11,995			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	61,301	62,603	62,560	76,778	75,185			
Commercial	1,731	1,612	1,665	1,681	1,674			
Financial Intermediaries	-	-	1	-	-			
Credit Card & Consumer	507	503	602	603	613			
Mortgage	1,441	1,370	1,662	1,691	1,730			
Government Entities	-	-	-	-	-			
Past Due Loans	3,678	3,485	3,931	3,974	4,017			
Total Loans	64,979	66,088	66,491	80,752	79,202			
Preventive loan loss reserves	3,294	3,202	3,920	3,834	3,825			
Net Loan Portfolio	61,685	62,886	62,571	76,918	75,377			
Sundry debtors and other assets, net	1,271	1,066	1,033	1,153	749			
Foreclosed assets, net	665	653	1,386	1,439	1,351			
Real Estate, Furniture & Equipment, net	2,811	2,761	3,153	3,179	3,095			
Investments in subsidiaries	615	651	289	332	409			
Deferred taxes	408	17	130	740	757			
Deferred charges & Intangibles	1,221	931	351	483	696			
UDIS Mortgage loans reserve coverage	34	-	-	-	-			
Other Assets	7,025	6,079	6,342	7,325	7,057			
TOTAL ASSETS	106,999	99,245	105,930	100,453	98,853			

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	20,443	21,255	24,165	26,267	24,257			
Time Deposits	62,467	52,371	54,084	41,082	44,154			
Bonds	1,074	1,100	1,305	1,326	1,337			
Deposits	83,984	74,726	79,553	68,676	69,747			
Demand	394	2,636	310	3,929	4,182			
Short term	5,970	5,698	11,306	9,502	7,988			
Long term	8,356	8,113	7,444	9,939	9,094			
Due to banks and correspondents	14,720	16,447	19,061	23,370	21,264			
Repurchase agreements, net	4	64	24	-	9			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	68	2	33	17			
Repos & Derivatives:	4	132	27	33	26			
Income Tax & Profit Sharing	5	1	12	161	240			
Other Payable accounts	1,876	1,924	1,894	2,460	1,742			
Other payable accounts	1,881	1,925	1,906	2,620	1,983			
Subordinated non Convertible Debenture	203	-	-	-	-			
Deferred Taxes	-	19	-	-	-			
Deferred credits	99	97	105	118	117			
TOTAL LIABILITIES	100,891	93,345	100,652	94,816	93,137			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	3,234	3,234	3,682	3,860	3,860			
Share subscription premiums	294	295	295	548	548			
Subordinated Convertible Debentures	455	450	444	-	-			
Subscribed Capital	3,983	3,979	4,421	4,408	4,408			
Capital Reserves	2,276	2,354	1,628	1,454	2,018			
Retained Earnings	1,926	1,697	1,673	1,735	1,904			
Surplus (Deficit) from securities	(465)	(487)	(474)	(298)	(472)			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	(2,089)	(2,094)	(2,092)	(2,086)	(2,086)			
Non Mon assets results fixed assets	(120)	-	-	-	-			
Non Mon assets results Investm	45	(40)	(74)	(66)	(67)			
Adjustment in the employees pension	(103)	-	-	-	-			
Accumulated Deferred tax effect	-	(273)	(273)	(244)	(244)			
Net Income	130	301	469	733	255			
Earned Capital	1,601	1,458	857	1,229	1,308			
Minority Holdings	524	463	-	-	-			
Total Stockholder 's Equity	6,108	5,900	5,278	5,637	5,716			
TOTAL LIABILITIES &	106,999	99,245	105,930	100,453	98,853			

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

MEMORANDUM ACCOUNTS OF BANCO MERCANTIL DEL NORTE (Banorte) (Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Signature guarantees granted	3	3	3	3	3			
Other contingent obligations	6,041	6,585	10,336	6,777	7,939			
Irrevocable lines of credit	543	429	661	503	1,132			
Assets held in trust and mandate	19,238	17,882	16,540	18,069	19,149			
Assets held in custody or in administration	74,492	61,692	85,338	68,695	72,016			
Investment banking transactions for third	25,270	28,824	47,203	70,264	80,501			
Engaged amounts in fobaproa operations	8,536	9,203	8,146	3,591	3,721			
Investment of retirement saving funds	2,486	2,511	2,197	2,191	2,213			
Integration of loan portfolio	-	-	-	-	-			
Received amounts in derivative instruments	2,233	2,544	2,591	2,685	2,583			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	13,034	13,910	24,744	37,596	44,795			
(Less) payable for reversal	(13,004)	(13,974)	(24,769)	(37,586)	(44,707)			
Receivables for reversal	2,837	3,543	7,925	17,451	20,535			
(Less) securities to be delivered	(2,841)	(3,479)	(7,855)	(17,441)	(20,544)			
Other control accounts	219,060	215,628	348,789	162,223	185,894			
	357,927	345,301	521,851	335,021	375,230			

BANCO MERCANTIL DEL NORTE – Income Statement (*)

(Millions of Pesos)

NET INTEREST INCOME	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Interest Income	4,330.8	4,587.7	4,954.7	6,910.7	6,641.8			
Interest Expense	3,353.9	3,487.9	3,895.8	5,455.0	5,176.7			
Loan Fees	125.0	139.1	137.7	(113.8)	65.5			
Fees Paid	2.0	3.4	3.5	5.2	3.6			
Net Interest Income (NII)	1,099.9	1,235.5	1,193.1	1,336.7	1,527.0			
Repomo-Margin	60.6	6.2	(8.9)	12.6	19.0			
NII after Repomo	1,160.5	1,241.7	1,184.3	1,349.3	1,546.0			
Loan Loss Provisions	26.3	113.4	(0.1)	220.7	126.7			
Loss Sharing Provisions	42.3	37.1	81.9	-	90.1			
NII after Provisions	1,091.9	1,091.2	1,102.5	1,128.7	1,329.3			
Fund transfers	7.4	7.9	7.6	8.5	9.0			
Account management	46.5	51.2	64.9	77.9	71.7			
Fiduciary	13.9	16.0	13.7	12.3	17.9			
Credit Card	5.3	5.0	7.6	9.1	77.8			
Fees from FOBAPROA	74.2	217.3	134.0	101.9	71.9			
Other fees	203.6	142.4	143.6	318.2	69.0			
Fees on services,	350.9	439.8	371.3	527.9	317.3			
Fund transfers	-	-	-	-	-			
Other fees	79.1	82.9	81.1	79.9	70.9			
Fees paid,	79.1	82.9	81.1	79.9	70.9			
Foreign exchange	46.4	41.5	45.2	45.5	53.3			
Securities -Realized gains	11.7	7.4	(3.4)	(12.2)	12.1			
Securities- Unrealized gains	28.7	(21.4)	18.3	14.7	63.4			
Market-related Income	86.8	27.6	60.2	48.0	128.9			
Total Non Interest Income	358.6	384.5	350.3	496.0	375.3			
Total Operating Income	1,450.4	1,475.7	1,452.9	1,624.7	1,704.6			
Personnel	532.0	589.4	586.4	662.1	667.7			
Fees Paid	61.5	69.8	58.1	75.6	68.8			
Operation & Administrative expenses	326.6	363.6	449.0	386.4	343.1			
Rents, depreciation and amortization	166.9	154.1	166.1	149.6	164.0			
Taxes, other than income tax	70.3	102.5	106.6	168.3	91.9			
Contributions to IPAB	53.4	84.4	78.2	87.6	88.9			
Corporate expenses Recoveries	(66.1)	(94.1)	(52.3)	(41.0)	(30.0)			
Non-Interest Expense	1,144.6	1,269.6	1,392.2	1,488.7	1,394.4			
Operating Income	305.9	206.0	60.7	136.0	310.2			
Other Income	38.0	64.2	108.6	133.4	39.5			
Foreign exchange	-	-	-	-	-			
Recoveries	14.1	9.3	201.2	89.5	100.2			
Repomo-other (Debtor balance)	-	-	-	-	-			
Total Other Products	52.1	73.5	309.8	222.9	139.7			
Other Expense	(46.3)	(40.1)	(132.7)	(148.2)	(104.3)			
Foreign exchange	(21.9)	-	-	-	-			
Repomo-other (Creditor balance)	(94.9)	(29.0)	(26.6)	(43.8)	(17.4)			
Total Other Expense	(163.0)	(69.1)	(159.3)	(192.0)	(121.8)			
Other revenues and expenses, net	(110.9)	4.4	150.5	30.9	17.9			
Pre-tax Income	195.0	210.4	211.2	166.9	328.1			
Income tax	-	-	(6.3)	(7.3)	-			
Profit sharing	-	-	-	-	(14.7)			
Tax on Assets	(4.2)	(2.8)	(3.6)	(1.3)	(1.9)			
Deferred Inc. Tax and Profit sharing	(42.4)	(39.1)	(24.0)	105.2	(65.0)			
	(46.6)	(41.8)	(33.8)	96.6	(81.6)			
Net income before subsidiaries	148.4	168.6	177.4	263.5	246.6			
Subsidiaries net income	16.8	4.5	6.4	0.7	7.9			
Net Income from continuous operations	165.2	173.1	183.8	264.2	254.5			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	(34.9)	(2.3)	(16.1)	-	-			
TOTAL NET INCOME	130.3	170.7	167.7	264.2	254.5			

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

Note: Consolidates the Afore until August, 2000.

BANCO DEL CENTRO (BANCEN)- Balance Sheet (*)

(Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	2,326	2,051	824	1,123	1,486			
Negotiable Instruments	-	-	-	-	1			
Securities held for sale	-	-	118	125	157			
Securities held to maturity	605	472	289	268	278			
Financial Instruments:	605	472	407	393	435			
Repurchase agreements, net	1	-	35	9	40			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	-	-	-			
Repos & Derivatives :	1	-	35	9	40			
Commercial	539	591	27	27	303			
Financial Intermediaries	20	446	-	-	-			
Credit Card & Consumer	8	14	-	-	-			
Mortgage	1,370	1,339	363	339	315			
Government Entities	357	373	-	6	11			
Fobaproa	18,718	18,855	18,434	-	-			
Fiduciary collection rights	-	-	-	-	-			
Performing Loans	21,013	21,619	18,825	372	630			
Commercial	435	373	129	65	51			
Financial Intermediaries	-	7	-	-	-			
Credit Card & Consumer	113	111	-	-	-			
Mortgage	356	354	122	136	142			
Government Entities	-	-	-	-	-			
Past Due Loans	904	845	252	200	193			
Total Loans	21,917	22,464	19,077	573	823			
Preventive loan loss reserves	1,396	1,370	386	387	404			
Net Loan Portfolio	20,521	21,094	18,691	186	418			
Sundry debtors and other assets, net	360	374	435	552	768			
Foreclosed assets, net	761	767	-	84	83			
Real Estate, Furniture & Equipment, net	436	434	25	27	26			
Investments in subsidiaries	17	15	369	336	334			
Deferred taxes	-	-	-	-	-			
Deferred charges & Intangibles	19	16	606	601	588			
UDIS Mortgage loans reserve coverage	-	-	-	-	-			
Other Assets	1,593	1,607	1,434	1,599	1,799			
TOTAL ASSETS	25,045	25,223	21,391	3,310	4,180			

BANCO DEL CENTRO (BANCEN)- Balance Sheet (*)

(Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	2,381	2,458	-	59	88			
Time Deposits	16,416	16,366	17,268	917	971			
Bonds	-	-	-	-	-			
Deposits	18,797	18,824	17,268	976	1,059			
Demand	-	-	-	-	500			
Short term	2,322	2,526	-	-	-			
Long term	1,528	1,479	2,278	338	311			
Due to banks and correspondents	3,850	4,005	2,278	338	811			
Repurchase agreements, net	1	-	-	35	9			
Operations with collateral	-	-	-	-	-			
Futures receivable, net	-	-	-	-	-			
Options and derivatives, net	-	-	54	-	-			
Repos & Derivatives:	1	-	54	35	9			
Income Tax & Profit Sharing	2	-	2	15	15			
Other Payable accounts	325	252	138	25	34			
Other payable accounts	327	252	140	40	49			
Subordinated non Convertible Debenture	-	-	-	-	-			
Deferred Taxes	-	-	-	113	149			
Deferred credits	10	11	-	-	-			
TOTAL LIABILITIES	22,985	23,092	19,739	1,501	2,077			
STOCKHOLDER 'S EQUITY								
Paid-in Capital	1,135	1,136	487	487	948			
Share subscription premiums	-	-	-	-	-			
Subordinated Convertible Debentures	-	-	-	-	-			
Subscribed Capital	1,135	1,136	487	487	948			
Capital Reserves	281	519	-	-	148			
Retained Earnings	330	92	-	-	241			
Surplus (Deficit) from securities	-	-	(8)	(25)	(24)			
Results of foreign operations exchange	-	-	-	-	-			
Excess (Insuf.) in capital restatement	13	13	5	-	-			
Non Mon assets results fixed assets	-	-	-	-	-			
Non Mon assets results Investm	3	1	11	8	5			
Adjustment in the employees pension	-	-	-	-	-			
Accumulated Deferred tax effect	-	-	-	-	-			
Net Income	298	372	671	851	268			
Earned Capital	925	996	678	833	638			
Minority Holdings	-	-	487	489	517			
Total Stockholder 's Equity	2,060	2,132	1,652	1,809	2,103			
TOTAL LIABILITIES &	25,045	25,223	21,391	3,310	4,180			

(*) Consolidate Afore

MEMORANDUM ACCOUNTS OF BANCO DEL CENTRO (Bancen) (Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Signature guarantees granted	-	-	-	-	-			
Other contingent obligations	2,341	2,466	-	2,633	1,727			
Irrevocable lines of credit	22	21	-	-	-			
Assets held in trust and mandate	17,159	19,391	19,293	18,617	18,033			
Assets held in custody or in administration	27,616	31,003	-	912	963			
Investment banking transactions for third	256	234	-	7	-			
Engaged amounts in fobaproa operations	575	315	319	63	88			
Investment of retirement saving funds	-	-	-	-	-			
Integration of loan portfolio	-	-	-	-	-			
Received amounts in derivative instruments	-	-	-	-	-			
Fobaproa trusts	-	-	-	-	-			
Securities to be received	130	118	23,639	30,259	41,166			
(Less) payable for reversal	(129)	(117)	(23,693)	(30,294)	(41,126)			
Receivables for reversal	129	117	11,068	13,457	18,525			
(Less) securities to be delivered	(130)	(118)	(11,033)	(13,448)	(18,534)			
Other control accounts	60,107	61,089	-	31,295	43,527			
	108,076	114,519	19,593	53,501	64,369			

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

(Millions of Pesos)

NET INTEREST INCOME	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Interest Income	1,274.7	1,028.3	2,075.4	3,379.7	2,247.0			
Interest Expense	774.8	695.5	1,846.9	3,276.3	2,241.8			
Loan Fees	11.2	9.9	6.0	0.8	0.3			
Fees Paid	1.1	0.5	0.4	-	-			
Net Interest Income (NII)	510.0	342.2	234.1	104.3	5.5			
Repomo-Margin	(10.2)	(9.2)	(7.5)	(3.4)	(5.7)			
NII after Repomo	499.8	333.1	226.6	100.9	(0.2)			
Loan Loss Provisions	197.9	62.0	6.5	38.9	26.0			
Loss Sharing Provisions	-	-	-	-	3.8			
NII after Provisions	301.9	271.1	220.1	62.0	(30.1)			
Fund transfers	0.5	0.5	0.3	-	-			
Account management	6.5	7.2	4.3	-	-			
Fiduciary	196.0	23.9	212.4	125.7	223.8			
Credit Card	0.3	0.4	0.3	-	-			
Fees from FOBAPROA	13.8	3.9	5.4	3.2	4.6			
Other fees	2.4	2.9	81.7	121.2	178.1			
Fees on services,	219.6	38.9	304.5	250.1	406.5			
Fund transfers	-	-	-	-	-			
Other fees	13.5	16.6	10.1	9.6	17.3			
Fees paid,	13.5	16.6	10.1	9.6	17.3			
Foreign exchange	7.8	6.9	4.6	-	-			
Securities -Realized gains	-	-	2.1	11.6	18.1			
Securities- Unrealized gains	-	-	(17.8)	(0.7)	47.8			
Market-related Income	7.8	6.9	(11.0)	11.0	65.9			
Total Non Interest Income	213.8	29.2	283.4	251.5	455.1			
Total Operating Income	515.8	300.3	503.4	313.5	425.0			
Personnel	79.9	90.6	63.4	36.9	1.5			
Fees Paid	10.5	13.5	6.9	4.6	13.3			
Operation & Administrative expenses	108.4	135.2	83.0	82.6	104.2			
Rents, depreciation and amortization	18.5	15.8	20.5	17.2	19.0			
Taxes, other than income tax	17.5	24.9	16.3	14.9	9.9			
Contributions to IPAB	21.6	19.7	15.6	5.1	1.3			
Corporate expenses Recoveries	-	-	-	-	-			
Non-Interest Expense	256.5	299.6	205.6	161.3	149.2			
Operating Income	259.3	0.8	297.8	152.2	275.8			
Other Income	78.0	85.6	54.4	67.3	51.4			
Foreign exchange	0.1	-	-	-	-			
Recoveries	1.8	1.9	4.8	-	0.2			
Repomo-other (Debtor balance)	-	-	-	-	-			
Total Other Products	79.9	87.6	59.2	67.3	51.6			
Other Expense	(9.4)	(1.3)	(1.7)	(0.1)	(0.3)			
Foreign exchange	-	-	-	-	-			
Repomo-other (Creditor balance)	(30.5)	(11.8)	(7.3)	2.4	(3.8)			
Total Other Expense	(39.9)	(13.1)	(8.9)	2.3	(4.1)			
Other revenues and expenses, net	40.0	74.4	50.3	69.6	47.5			
Pre-tax Income	299.3	75.2	348.1	221.8	323.3			
Income tax	-	-	-	(14.1)	-			
Profit sharing	-	-	-	-	-			
Tax on Assets	(1.4)	(1.9)	(2.2)	0.8	-			
Deferred Inc. Tax and Profit sharing	-	-	(36.7)	(32.8)	(38.0)			
	(1.4)	(1.9)	(38.9)	(46.2)	(38.0)			
Net income before subsidiaries	297.9	73.3	309.2	175.6	285.3			
Subsidiaries' net income	-	0.5	0.7	9.6	12.7			
Net Income from continuous operations	297.8	73.8	309.9	185.2	298.0			
Extraordinary items, net	-	-	-	-	-			
Minority Interest	-	-	(10.9)	(5.3)	(30.1)			
TOTAL NET INCOME	297.8	73.8	299.0	179.9	267.9			

(*) Consolidate Afore

Notes to Banking Sector Financial Statements

Financial Instruments and Valuation Effects 1Q01

(Millions of Pesos)

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	0.6	0.6	-
Banking Securities	5,329.7	5,354.9	25.2
Private	105.7	101.7	(3.9)
Commercial Paper	660.8	662.1	1.2
Total	6,096.7	6,119.3	22.5
SECURITIES HELD FOR SALE			
Government Securities	46.9	47.0	0.1
Stock	175.7	156.8	(18.9)
Eurobonds	2,040.4	1,552.3	(488.1)
Total	2,262.9	1,756.0	(506.9)
SECURITIES HELD TO MATURITY			
Special Cetes	4,475.9	4,475.9	-
Trust Bonds	(3,335.1)	(3,335.1)	-
US Clearing Master Trust	115.7	115.7	-
Total	1,256.6	1,256.6	-
TOTAL	9,616.2	9,131.9	(484.4)

Repurchase Agreement Operations 1Q01

(Millions of Pesos)

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	66,855.6	69.8
Banking Securities	19,105.3	58.3
Total	85,960.9	128.2
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	33,723.7	(28.1)
Banking Securities	5,355.0	46.3
Total	39,078.7	18.2

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

Derivate Financial Instruments 1Q01

(Millions of Pesos)

NEGOTIABLE INSTRUMENTS

FOREIGN CURRENCY FUTURES

	BUY	SELL	NET
Market Value	60.0	(56.9)	3.1
Agreed Price	(60.0)	57.5	(2.5)
Total	-	.6	.6

FOREIGN CURRENCY FORWARDS

Market Value	1,033.9	(1,043.4)	(9.5)
Agreed Price	(1,044.1)	1,057.6	13.5
Total	(10.2)	14.2	3.9

DEBTOR BALANCE NOTE 4.5

COVERAGE INSTRUMENTS

SWAPS

	FLOW PAYABLE	FLOW RECEIVABLE	NET FLOWS
Cross Currency	(1,426.2)	1,410.3	(15.9)
Interest Rate	(1.6)	1.7	0.1
Total	(1,427.8)	1,412.0	(15.8)

FOREIGN CURRENCY OPTIONS

	OPENING PREMIUM	VALUED PREMIUM	VALUATION
Foreign Currency Options	(0.4)	(0.4)	(0.8)
Total	(0.4)	(0.4)	(0.8)

CREDIT BALANCE (16.6)

Nongovernmental Financial Instruments above by 5% of Net Capital 1Q01

(Millions of Pesos)

BANORTE

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
CREMI	Certificates of Deposits	2,607.1	51.0%
UNION	Certificates of Deposits	1,402.6	27.4%
FINASA	Term Deposits	743.1	14.5%
SERFIN	Bank Bonds	600.4	11.7%
COPAMEX	Eurobonds	389.7	7.6%

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

Cost and Balances of FINAPE, FOPIME, Mortgage UDIS and Mortgage FOVI loan portfolios as of 1Q01

(Million of Pesos)	BANORTE		BANCEN		TOTAL	
	PERIOD COST	BALANCE LOAN PORTFOLIO	PERIOD COST	BALANCE LOAN PORTFOLIO	PERIOD COST	BALANCE LOAN PORTFOLIO
FINAPE	0.3	335.7	0.1	0.6	0.4	336.3
FOPIME	2.9	455.2	0.1	0.3	3.0	455.5
Mortgage UDIS	20.6	207.2	3.9	10.5	24.5	217.7
Mortgage FOVI	<u>5.9</u>	<u>31.7</u>	=	=	<u>5.9</u>	<u>31.7</u>
	29.7	1,029.8	4.1	11.4	33.8	1,041.2

The quarter ending with a balance of Ps 1,041.2 million pesos in debtors support programs with a cost of the period of Ps 33.8 million. The 98.9% of this portfolio are concentrated in Banorte.

Deferred Taxes 1Q01

(Millions of Pesos)

ASSETS

	ISR	PTU	NET
Allowance for loan losses (not deducted)			
Tax loss carryforwards	502.8	143.6	646.4
Deficit from retirement obligations	475.8	-	475.8
Others	196.5	56.1	252.6
Total Assets	<u>28.2</u>	=	<u>28.2</u>
	1,203.3	199.8	1,403.1

LIABILITIES

Obligations FOBAPROA, Net			
Accrued interest and inflationary component of del Fixed Assets, Foreclosed, Intangible & Others	(172.6)	-	(172.6)
	(441.0)	(32.0)	(473.0)
Total liabilities			
Assets (Liabilities) Accumulated Net	(613.7)	(32.0)	(645.7)
	589.6	167.8	757.4

Long term debt as of 1Q01

TYPE OF DEBT	CURR ENCY	DATE OF ISSUE	AMOUNT (Millions Ps o Dls)	ORIGINAL AMOUNT (Millions Ps o Dls)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
BANORTE								
Bonos Bancarios - Banorte 1-00	Ps	23-Mar-00		1,000	3 years	15.59%	1- May-03	E/189 days
Bonos Bancarios - Banorte 2-00	Ps	27-Jul-00		250	3 years	16.00%	4-Sep-03	E/189 days
Certificados-Banorte U01001	UDIs	11-Ene-01		90	10 years	8.13%	30-Dec-10	E/182 days
Certificados Serie 1999-1	Dls	15-Jul-99	200	200	7 years	Libor+1.15%	15-Jul-06	Monthly
Certificados 1999-2A	Dls	15-Jul-99	64.2	75	5 years	8.94%	15-Jul-04	Monthly
Certificados Serie 1999-2B	Dls	15-Jul-99	25	25	7 years	9.49%	15-Jul-06	Monthly
Certificados Serie 2000-1	Dls	10-Mar-00	29	35	5 years	Libor+2.375%	15-Mar-05	Monthly

BANCEN. does not present balance as of December 31, 2001.

Bank and Other entities loans as of 1Q01

(Millions of Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS (*)	-	-	-	1,229.4	LIBOR+6.00	668	1,229.4
LOANS FROM FOREIGN BANK CONCERTED FROM THE COUNTRY	-	-	-	128.7	5.75	321	128.7
LOANS FROM FOREIGN BANK CONCERTED FROM CAYMAN	-	-	-	1,973.7	7.16	257	1,973.7
SECURITIZATION	-	-	-	3,022.4	7.20	2,160	3,022.4
LOANS FROM DEVELOPING BANKS	-	-	-	1,457.6	N.D.	N.D.	1,457.6
LOANS FROM PUBLIC FUNDS	-	-	-	328.8	N.D.	N.D.	328.8
CALL & LOANS FROM BANKS	8,430.3	16.43	7	-	-	-	8,430.3
LOANS FROM DEVELOPING BANKS	1,218.0	N.D.	N.D.	-	-	-	1,218.0
LOANS FROM PUBLIC FUNDS	1,957.2	N.D.	N.D.	-	-	-	1,957.2
LOANS FROM FIDUCIARY FUNDS	1,700.6	N.D.	N.D.	-	-	-	1,700.6
PROVISIONS FOR INTEREST	128.0	N.D.	N.D.	-	-	-	128.0
	13,434.1			8,140.6			21,574.7

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

Capitalization

(Millions of Pesos)

	2003 RULES	
	BANORTE	BANCEN
Tier 1 Capital:		
Stockholders Equity	5,715	1,586
(+) Subordinated debt and Capitalization Instruments	-	-
(-) Investment in Subordinated debt	-	-
(-) Investment in Financial Institutions	36	-
(-) Investment in Non-Financial Institutions	-	-
(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	78	538
(-) Excess on deferred taxes	460	-
(-) Restructuring Charges and others intangibles	471	1
(-) Others Assets	-	-
Total Deductions	1,044	539
Total Tier 1	4,671	1,047
Tier 2 Capital :		
Capitalization Instruments	-	-
(+) General Preventive Reserves	440	-
(-) Subordinated Debt	-	-
Total Tier 2	440	-
Net Capital	5,111	1,047

	BANORTE			BANCEN		
	Total Assets	Weighted Assets	Required Capital	Total Assets	Weighted Assets	Required Capital
Credit Risk-Weighted						
Group 1 (risk weight 0%)	75,185	-	-	14,971	-	-
Group 2 (risk weight 20%)	17,541	3,508	281	8,991	1,470	118
Group 2bis (risk weight 10%)	5,251	525	41	26	63	5
Group 3 (risk weight 100%)	32,814	32,814	2,625	1,679	2,142	171

Figured are presented in constant pesos set at the close of March' 2001.

Group 3bis2 (risk weight 115%)	1,553	1,786	143	-	-	-
Group 3V (risk weight 150%)	1,159	1,738	139	-	-	-
Total Credit Risk-Weighted Assets	133,503	40,372	3,228	25,666	3,675	294

	BANORTE		BANCEN		
	Amount in equivalent positions in assets	Required Capital	Amount in equivalent positions in assets	Required Capital	
Market risk-weighted assets:					
Peso Nominal interest rate operations		3,675	294	1,585	127
Peso or UDI real interest rate operations		269	22	-	-
Interest rate operations in foreign currency with nominal rate		1,243	99	18	1
Position in UDIS or with a return indexed to inflation		2	-	-	-
Positions in foreign currency or indexed to the FX rate		46	4	-	-
Positions in share or index to the price of securities		-	-	-	-
Total market risk weighted assets	5,235	419	1,603	128	
Total credit and market risk-weighted assets	45,607	3,647	5,278	422	

Risk Management

Loan Risk

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

The objectives of loan risk management at GFNorte are:

- To develop and carry out loan risk policies that are compatible with the strategic objectives of the institution.
- To support strategic decision making, maximizing the creation of value for the stockholders and guaranteeing security for our clients.
- To set specific policies and procedures to identify the level of risk of the debtor, using said procedures as a basis for granting loans as well as for their follow-up.
- To calculate the exposure of loan risk in time, considering and evaluating the concentration of exposure by qualifying risk, geographical regions, economic activities, currency and type of product.
- To create diversification strategies of the loan portfolio, setting down its limits.
- To implement a global loan risk management supervising all the operations and aspects related to loan risk.

Individual Loan Risk

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

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

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

Portfolio Loan Risk

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

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

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

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

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

Financial Statements basis for presentation.

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

The Banking Sector (Banorte and Bancen)-The new groupings contained in bulletin 1488 of October 30, 2000 of the CNByV that was effective from January 1, 2001 & The Presentation Rules from the bulletin 1455 from December 14, 1999 from CNBV used since July 1st, 2000. For all periods, figures are presented in constant pesos set at the close of the current reporting period. 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.

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

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

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