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

GFNorte reports Net Income of Ps $2.92 billion in 1H09

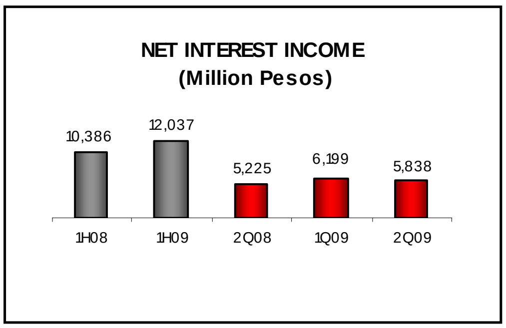
OPERATING RESULTS *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Net Interest Income	5,225	6,199	**5,838**	(6%)	12%	**10,386**	**12,037**	16%
Non Interest Income	1,971	2,070	**1,922**	(7%)	(2%)	**3,913**	**3,992**	2%
Total Income	7,196	8,269	**7,760**	(6%)	8%	**14,299**	**16,029**	12%
Non Interest Expense	3,903	4,341	**4,037**	(7%)	3%	**7,702**	**8,378**	9%
Operating Income	2,038	1,767	**1,535**	(13%)	(25%)	**4,337**	**3,301**	(24%)
Net Income	1,806	1,611	**1,312**	(19%)	(27%)	**3,735**	**2,923**	(22%)

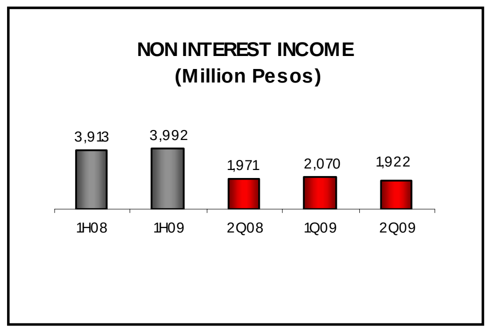
- **Net Interest Income**

During 1H09, *Pre-provision Net Interest Income* grew 16% YoY to Ps 12.03 billion driven by higher interest revenues as a result of growth in the loan book, placement of loans with higher margins given the prevailing liquidity conditions in the banking system and lower funding costs due to expansion in core deposits. The NIM declined (6%) QoQ affected by lower market interest rates and contraction in most segments of the loan book.

- **Non Interest Income**

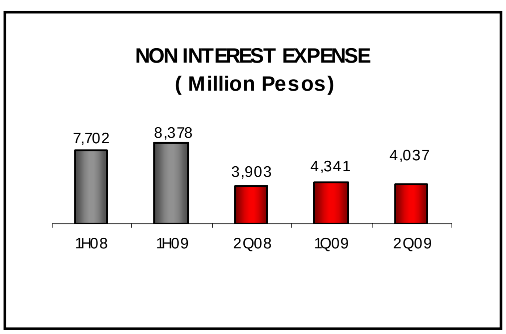
Non Interest Income was Ps 3.9 billion during 1H09, a 2% YoY rise and a (7%) QoQ drop. The YoY increase was mainly due to greater Trading and FX Income, as well as the reclassification of income into "Other Operating Income (Expense)" given the new accounting criteria that came into effect as of 2Q09 (which are explain in the annex section of this report). The QoQ drop is mainly attributable to lower Trading and FX Income and a reduction in Other Operating Income (Expenses).

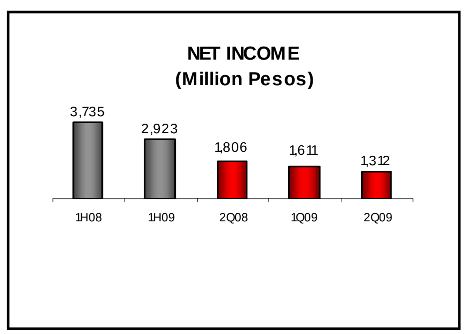




- **Non Interest Expense**

During 1H09, *Non Interest Expense* was Ps 8.37 billion, 9% higher YoY but (7%) lower QoQ. The YoY increase is mainly explained by greater professional fees, higher deposit insurance (IPAB) fees associated with growth in deposits and the impact of new accounting criteria requiring a reclassification of employee profit sharing into this line as of 2Q09. The QoQ decline is mainly explained by lower personnel expenses and taxes. The Efficiency Ratio stood at 52% during 1H09, lower than the. 54% level of 1H08.





- **Net Income**

GFNorte reported *Net Income* of Ps 2.92 billion in 1H09, a 22% YoY decline. Excluding the non-recurring income of 1H08 obtained from the sale of VISA and Mexican Stock Exchange (BMV) shares as part of their IPOs, Net Income dropped (14%) affected by higher provisions given the deterioration in the consumer portfolio. On a quarterly basis, Net Income fell due to a decline in revenues arising from lower market interest rates and less loan placements as a consequence of the adverse economic conditions.

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

INCOME STATEMENT AND BALANCE SHEET HIGHLIGHTS – *GFNorte* *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Income Statement								
Net Interest Income before REPOMO	5,225	6,199	**5,838**	(6%)	12%	**10,386**	**12,037**	16%
Non Interest Income	1,971	2,070	**1,922**	(7%)	(2%)	**3,913**	**3,992**	2%
Total Income	7,196	8,269	**7,760**	(6%)	8%	**14,299**	**16,029**	12%
Non Interest Expense	3,903	4,341	**4,037**	(7%)	3%	**7,702**	**8,378**	9%
Provisions	1,255	2,162	**2,188**	1%	74%	2,259	**4,350**	93%
Operating Income	2,038	1,767	**1,535**	(13%)	(25%)	4,337	**3,301**	(24%)
Non Operating Income (Expense)	576	425	**193**	(55%)	(66%)	1,315	**618**	(53%)
Taxes and Profit Sharing	751	574	**429**	(25%)	(43%)	1,826	**1,004**	(45%)
Subsidiaries & Minority Interest	(57)	(6)	**14**	(333%)	(125%)	(91)	**8**	(109%)
Net Income	1,806	1,611	**1,312**	(19%)	(27%)	**3,735**	**2,923**	(22%)
Balance Sheet								
Assets Under Management	649,832	589,310	**608,399**	3%	(6%)	649,832	**608,399**	(6%)
Total Assets	323,611	577,802	**581,922**	1%	80%	323,611	**581,922**	80%
Perfoming Loans (a)	217,544	236,181	**235,342**	-%	8%	217,544	**235,342**	8%
Past Due Loans (b)	3,225	5,550	**6,299**	13%	95%	3,225	**6,299**	95%
Total Loans (a+b)	220,769	241,731	**241,641**	-%	9%	220,769	**241,641**	9%
Total Loans (Net) (d)	216,552	235,680	**235,215**	-%	9%	216,552	**235,215**	9%
Acquired Collection Rights (e)	3,375	2,923	**2,804**	(4%)	(17%)	3,375	**2,804**	(17%)
Total Loans (d+e)	219,927	238,603	**238,019**	-%	8%	219,927	**238,019**	8%
Total Liabilities	285,174	536,903	**541,330**	1%	90%	285,174	**541,330**	90%
Demand Deposits	106,693	120,255	**123,755**	3%	16%	106,693	**123,755**	16%
Time Deposits	114,557	134,964	**141,608**	5%	24%	114,557	**141,608**	24%
Equity	38,437	40,899	**40,592**	(1%)	6%	38,437	**40,592**	6%

FINANCIAL RATIOS - *GFNorte*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Profitability (1):								
NIM before REPOMO (2)	7.5%	4.6%	**4.3%**	(0.3 pp)	(3.2 pp)	7.6%	**4.4%**	(3.2 pp)
NIM after Provisions (3)	5.7%	3.0%	**2.7%**	(0.3 pp)	(3.0 pp)	6.0%	**2.8%**	(3.2 pp)
ROE (4)	20.5%	16.8%	**13.5%**	(3.3 pp)	(7.0 pp)	21.8%	**15.2%**	(6.6 pp)
ROA (5)	2.3%	1.1%	**0.9%**	(0.2 pp)	(1.4 pp)	2.5%	**1.0%**	(1.5 pp)
Operation:								
Efficiency Ratio (6)	54.2%	52.5%	**52.0%**	(0.5 pp)	(2.2 pp)	53.9%	**52.3%**	(1.6 pp)
Operating Efficiency Ratio (7)	5.0%	3.0%	**2.8%**	(0.2 pp)	(2.2 pp)	5.1%	2.9%	(2.2 pp)
Liquidity Ratio (8)	55.9%	49.0%	**63.1%**	14.1 pp	7.2 pp	55.9%	**63.1%**	7.2 pp
Asset Quality:								
Past Due Loan Ratio	1.5%	2.3%	**2.6%**	0.3 pp	1.1 pp	1.5%	**2.6%**	1.1 pp
Coverage Ratio	130.8%	109.0%	**102.0%**	(7.0 pp)	(28.8 pp)	130.8%	**102.0%**	(28.8 pp)

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

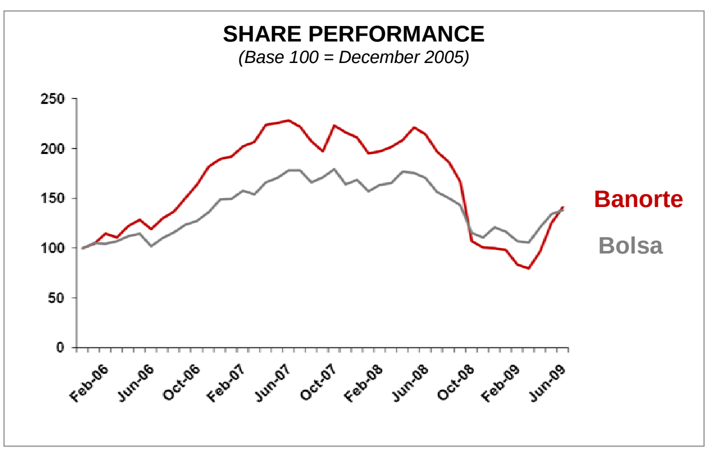
According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements. Nonetheless, the figures for 2007 and previous years will continue to be expressed in pesos of December 2007.

SUBSIDIARIES *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Bank	1,522	1,347	**1,104**	(18%)	(27%)	3,240	**2,451**	(24%)
Banco Mercantil del Norte (1)	1,522	1,347	**1,104**	(18%)	(27%)	3,240	**2,451**	(24%)
Broker Dealer	143	40	**32**	(20%)	(78%)	214	**73**	(66%)
Long Term Savings	63	119	**60**	(50%)	(5%)	143	**179**	26%
Retirement Funds (Afore)	6	30	**21**	(29%)	281%	38	**51**	32%
Insurance	58	77	**43**	(44%)	(25%)	96	**121**	25%
Annuities	-	12	**(4)**	(136%)	N.A.	8	**8**	1%
Other Finance Companies	85	101	**113**	11%	33%	155	**214**	38%
Leasing & Factoring (2)	78	94	**106**	12%	36%	144	**200**	39%
Warehousing	7	7	**7**	(5%)	3%	11	**14**	22%
Microlending (Pronegocio)	(7)	6	**6**	13%	N.A.	(16)	**12**	N.A.
G.F. Banorte (Holding Company)	1	(2)	**(3)**	N.A.	(524%)	(1)	**(4)**	N.A.
Total Net Income	1,806	1,611	**1,312**	(19%)	(27%)	3,735	**2,923**	(22%)

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

SHARE DATA	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Earnings per Share (Pesos)	0.89	0.80	**0.65**	(19%)	(27%)	1.85	**1.45**	(22%)
Book Value per Share (1) (Pesos)	18.12	19.26	**19.30**	0.2%	7%	18.12	**19.30**	7%
Total Shares Outstanding (million shares)	2,018.3	2,018.3	**2,018.3**	-	-	2,018.3	**2,018.3**	-
Stock Price *(Pesos)*	48.47	18.83	**32.05**	70%	(34%)	48.47	**32.05**	(34%)
P/BV *(Times)*	2.68	0.98	**1.66**	69%	(38%)	2.68	**1.66**	(38%)
Market *Capitalization (Million Dollars)*	9,498	2,651	**4,911**	85%	(48%)	9,498	**4,915**	(48%)

1) Excluding Minority Holdings.



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

RECENT EVENTS

- **The International Finance Corporation (IFC) plans to invest in Banco Mercantil del Norte**

Grupo Financiero Banorte informs that its Board of Directors approved today a transaction by which the IFC would become a partner of Banco Mercantil del Norte, through an equity investment in its banking subsidiary. The IFC is a member of the World Bank Group, with a mission to foster private sector sustainable development in emerging markets. Through this investment, the IFC aims to strengthen the expansion of the Mexican financial system, as well as key economic sectors considered a priority for this institution. The IFC will also contribute Banorte with its expertise in world class corporate governance practices, as well as standards for social responsibility and environmental protection. Moreover, the IFC and Banorte will collaborate in various expansion programs for Banorte in sectors with high potential to foster social and economic development in Mexico. This investment will also increase the bank's Tier 1 capitalization ratio, and is still subject to approval by the IFC's Board of Directors and the Mexican authorities.

- **Afore Banorte-Generali acquires the client portfolio and assets of Afore Ahorra Ahora**

Grupo Financiero Banorte announces the acquisition of Afore Ahorra Ahora's portfolio of 367,660 clients that represent Ps 1.13 billion in assets under management (AUM), equivalent to 1.86% of Afore Banorte Generali's AUM as of June 2009. This transaction also translates into a reduction in fees from 1.94% to 1.71% for clients being transferred to Banorte. These clients will have the benefits of personalized service at more than 60 service centers nationwide, as well as multiple phone and internet services.Through the two recent acquisitions in this sector, Afore Banorte Generali becomes the 4th largest player, increasing its market share from 9.01% to 9.95% in terms of AUM.

- **Afore Banorte-Generali acquired the client portfolio and assets of Afore IXE**

AFORE IXE signed an agreement with AFORE Banorte-Generali for the sale of its pension fund management and investment business. This transaction implies the transfer of IXE AFORE's 312,489 clients to Banorte-Generali and assets under management totalling Ps 5,447 million. These transferred clients will continue to have the highest standards of quality in service and obtain additional benefits offered by Banorte's subsidiary to its own clientele. The transaction was approved by the respective Boards of Directors. In June 30, the acquisition was formalized upon receiving the approval from the Board of Governors of the Retirement Savings Commission (CONSAR) and the Antitrust Commission (COFECO).

- **Banorte initiates a Sponsored Level 1 ADR Program in the US OTC Market**

Grupo Financiero Banorte (BMV ticker: GFNORTEO) announced the establishment of a Level 1 Sponsored American Depositary Receipt (ADRs) Program in the United States, as a consequence of the changes to Rule 12g3-2b by the Securities and Exchange Commission (SEC) on October 10, 2008, that facilitates the establishment of sponsored and non-sponsored ADR programs for companies not operating in US stock markets. Since GFNORTE is one of the BMV's most liquid stocks, it has attracted interest by international institutional funds seeking exposure to the Mexican financial system. In this respect, the ADR program complements the bank's efforts to increase its presence in the world's main financial markets. It has been established as a Level 1 ADR Program, which means that Banorte will operate in "Over the Counter" market without being listed in the NYSE or NASDAQ. Each ADR is equivalent to 5 shares of GFNORTE and operate under the symbol GBOOY. Bank of New York Mellon was selected as the depository bank for this program.

- **GFNORTE began trading on Madrid's Stock Exchange Latibex Index.**

On June 9, Grupo Financiero Banorte S.A.B.'s common shares were listed in the Madrid Stock Exchange through the Latin American Stock Market "Latibex" and began trading successfully under the symbol XNOR. Banorte's shares were included in the FTSE Latibex All Share index upon listing, and were incorporated in the FTSE Latibex TOP Index as of June 10, an index comprised of the 16 most important Latin American companies listed in this market. One "XNOR" share is equivalent to 5 shares of GFNORTE.

- **Banorte launches the most attractive credit card in the market**

In response to market needs, Banorte launched a credit card that guarantees users the most attractive features among traditional credit cards, the lowest APR in the market and benefits that enable greater security.

- **Organizational Changes**

During the quarter, the Direction General of Banking was created, which grouped the previous Direction General of Cosumer Banking and Direction General of Commercial Banking. Jesus Garza Martínez was designated as Managing Director of this new unit. Also, the Direction General of Administration assumed the operations unit, and it changes its denomination to Direction General of Corporate Services under the responsibility of Alejandro Garay Espinosa. These changes are part of the strategy to optimize the organizational structure of Grupo Financiero Banorte.

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

GRUPO FINANCIERO BANORTE

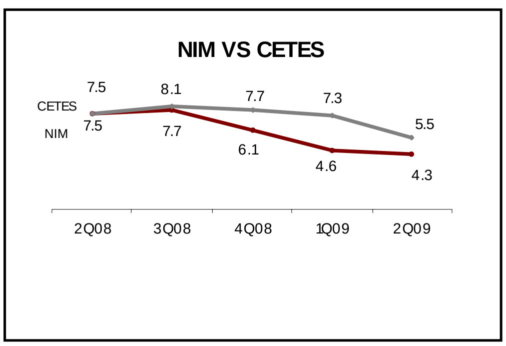
NET INTEREST INCOME *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Interest Income	11,676	13,141	**11,358**	(14%)	(3%)	22,983	**24,499**	7%
Interest Expense	6,568	7,094	**5,656**	(20%)	(14%)	12,814	**12,750**	-%
Loan Origination Fees	117	153	**139**	(9%)	(45%)	217	**292**	34%
Fees Paid	-	-	**4**	100%		-	**4**	100%
Net Interest Income before REPOMO	5,225	6,199	**5,838**	**(6%)**	**12%**	**10,386**	**12,037**	**16%**
Average Earning Assets	278,644	540,851	**542,444**	**-%**	95%	271,453	**542,359**	100%
Net Interest Margin before REPOMO (1)	7.5%	4.6%	**4.3%**	(0.3 pp)	(3.2 pp)	7.6%	**4.4%**	(3.2 pp)

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

- **Net Interest Income**

Pre-Provision Net Interest Income (NII) rose 16% YoY during 1H09, driven mainly by 7% growth in interest revenues as a result of an 8% annual increase in the performing loan portfolio, coupled with a 16% rise in core deposits. NII fell (6%) QoQ vs. 1Q09, mainly affected by a (14%) drop in interest revenues due to a 2.09pp quarterly decline in the average interbank (TIIE) interest rate (TIIE averaged 5.93% in 2Q09 vs. 8.02% in 1Q09), as well as lower loan origination volumes in almost all loan categories, which also led to a (9%) drop in fees charged for loan placements. *NII* increased by 12% vs. 2Q08, driven by 8% annual growth in performing loans, higher spreads charged on new loans given the liquidity conditions that prevail in the banking system and favorable dynamics in low cost deposits. In this sense, interest revenues fell by (3%), while interest expenses dropped (14%).

Net Interest Margin (NIM) was 4.4% during the 1H09, 3.2 pp points lower than in 1H08. Nevertheless, these figures are not fully comparable given the significant increase in productive assets in 4Q08 as a result of accounting changes issued by the National Banking and Securities Commission (CNBV) for the reclassification of repos. On a quarterly basis, the NIM fell 0.3pp vs. 1Q09 affected by the sharp drop in market interest rates, and it dropped 3.2pp vs. 2Q08 as a result of the impact from the changes in accounting criteria for repo transactions.



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

NON INTEREST INCOME *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Fees charged on Services	**2,103**	**1,914**	**1,912**	**-%**	**(9%)**	**4,129**	**3,826**	**(7%)**
Fund Transfers	55	60	**61**	2%	11%	107	**121**	13%
Account Management Fees	250	230	**237**	3%	(5%)	485	**467**	(4%)
Fiduciary	76	51	**68**	33%	(11%)	145	**119**	(18%)
Income from Real Estate Portfolios (1)	117	137	**164**	19%	40%	307	**302**	(2%)
Electronic Banking Services	249	250	**256**	3%	3%	483	**506**	5%
Credit Card Fees	621	590	**520**	(12%)	(16%)	1,203	**1,110**	(8%)
Fees from IPAB (2)	-	-	**-**	-%	-%	-	**-**	-%
Fees charged by Afore	260	231	**246**	6%	(5%)	516	**477**	(8%)
Other Fees Charged (3)	475	365	**360**	(1%)	(24%)	884	**725**	(18%)
Fees Paid on Services	**292**	**312**	**294**	**(6%)**	**1%**	**574**	**605**	**6%**
Fund transfers	5	6	**5**	(18%)	9%	10	**11**	15%
Other Fees Paid	287	305	**289**	(5%)	1%	564	**594**	5%
Expenses from Real Estate Portfolios (1)	-	-	**-**	-%	-%	-	**-**	-%
Net Fees	**1,811**	**1,602**	**1,618**	**1%**	**(11%)**	**3,555**	**3,221**	**(9%)**
Trading Income	**159**	**241**	**157**	**(35%)**	**(2%)**	**357**	**398**	**11%**
Other Operating Income (Expenses) (4)	**-**	**226**	**147**	**(35%)**	**100%**	**-**	**373**	**100%**
Non Interest Income	**1,971**	**2,070**	**1,922**	**(7%)**	**(2%)**	**3,913**	**3,992**	**2%**

1) Since 1Q07, it only reflects Income from recoveries and amortizations of Real Estate Portfolios. Until 4Q06, it included income from recoveries and amortization of Acquired Portfolios.
2) Includes Fees received by Recovery Banking and by the Bank.
3) It includes fees from letters of credit, from transactions with pension funds, wharehousing services, financial advisory services and securities trading by the Brokerage House, among others.
4) As of April 2009, the CNBV issued changes to the main accoutnign criteria that require recording this ítem under Non Interest Income.

- **Non Interest Income**

Non Interest Income rose 2% YoY but fell (7%) QoQ vs 1Q09, driven by greater Trading and FX Income and the positive impact from incorporating to non interest income the new line item "Other Operating Income (Expenses)"in accordance with the new accounting criteria. The QoQ drop is mainly explained by lower Trading and FX Income and a reduction in Other Operating Income (Expenses).

NON INTEREST INCOME *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Services	1,694	1,465	**1,454**	(1%)	(14%)	3,248	**2,919**	(10%)
Recovery	117	138	**164**	19%	40%	307	**302**	(2%)
Trading	160	242	**157**	(35%)	(2%)	357	**398**	11%
Other Operating Income (Expense)	-	226	**147**	(35%)	100%	-	**373**	100%
Non Interest Income	**1,971**	**2,070**	**1,922**	**(7%)**	**(2%)**	**3,913**	**3,992**	**2%**

- **Service Fees**

Services Fees reached Ps 2.92 billion during 1H09, declining (10%) YoY and (1%) QoQ. The sharpest annual declines were Fiduciary Revenues and Other Fees Charged with an (18%) drop given lower business volumes, as well as an (8%) reduction in AFORE Pension Fund and Credit Card Fees. The quarterly drop is explained by a (12%) decline in Credit Card fees and (1%) in Other Fees Charged. The drop in these items is mainly explained by lower business volumes given the complex economic environment, and in the case of credit cards, as a result of the bank's initiatives to reduce or eliminate some fees in order to benefit clients and also in anticipation of regulatory changes.

- **Recovery**

Revenues from recoveries of real estate portfolios and investment projects were lower (2%) YoY in 1H09 and 19% higher vs. 1Q09. The annual decline is explained by lower revenues from investment projects given the weaker economic environment, which has reduced progress in various project's, leading to lower accrued income. The QoQ rise is explained by greater portfolio recoveries and a slight improvement in revenues from investment projects. A total of Ps $3.2 billion was invested in these projects at the close of 2Q09. The portfolio continues to be well diversified by region, partner and industry.

- **Intermediation**

Trading and FX income rose 11% YoY during 1H09, given favorable dynamics in FX revenues due to the exchange rate volatility registered since 3Q08. *Trading and FX Income* was (35%) lower vs. 1Q09 due to a decreasing trend in exchage rate volatility during 2Q09.

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

Non Interest Expense *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
+ Personnel	1,522	1,693	**1,523**	(10%)	-%	3,026	**3,216**	6%
+ Professional Fees	236	334	**340**	2%	44%	463	**675**	46%
+ Administrative and Promotional	1,303	1,187	**1,132**	(5%)	(13%)	2,559	**2,319**	(9%)
+ Rents, Depreciation & Amortization	426	452	**435**	(4%)	2%	843	**887**	5%
+ Taxes other than income tax	187	209	**172**	(18%)	(8%)	370	**381**	3%
+ Contributions to IPAB	228	267	**265**	(1%)	(16%)	441	**532**	21%
+ Employee Profit Sharing (PTU)	-	199	**169**	(15%)	100%	-	**368**	100%
= Non Interest Expense	3,903	**4,341**	**4,037**	**(7%)**	**3%**	7,702	**8,378**	**9%**

1) As of april 2009, the Banking and Securities Commission (CNBV) issued accounting changes that require recording this ítem as Non Interest Expense.

- **Non Interest Expense**

Non Interest Expense rose 9% YoY during the 1H09, driven mainly by a 6% increase in personnel expenses due to the expansion in the branch network througout 2008. Expenses also rose due to higher Professional Fees related to the development of IT projects, more legal and extrajudicial expenses related to portfolio recoveries and an increase in business consulting services. Contributions to IPAB rose by 21% YoY as a result of increased deposits. The new accounting criteria, which requires the reclassification of Employee Profit Sharing in this line as of the 2Q09, also impacted non interest expense.

Expenses fell (7%) QoQ mainly driven by a (10%) quarterly drop in Personnel Expenses given several efficiencies achieved during the quarter, an (18%) reduction in Other Taxes due to a lower tax burden related to value added taxes, a (15%) decline in Employee Profit Sharing and a (5%) drop in Administrative and Promotional Expenses.

Banorte initiated in 4Q08 a series of cost containment measurs in response to a weaker economic environment, which include the merger of 50 branches in February 2009, which has transalated in greater efficiencies.

The efficiency ratio improved YoY in 2Q09 from 53.9% to 52.3% as a result of positive operating leverage. On a quarterly basis, it remained stable compared to the 52.5% level reported in 1Q09.

- **Provisions**

Provisions created during the 1H09 amounted to Ps $4.35 billion, a 93% YoY growth, explained mainly by greater delinquencies in the consumer segment. On a quarterly basis, provisions remained at a similar level to 1Q09, given a stabilization in credit card asset quality indicators.

During 2Q09, provisions as percentage of average gross loans were 3.6%, a similar level compared to 1Q09.

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

NON OPERATING INCOME (EXPENSE) NET *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Non Operting Income	741	665	**717**	8%	(3%)	1,591	**1,382**	(13%)
Other Revenues	319	388	**207**	(47%)	(35%)	866	**596**	(31%)
Foreign Exchange	-	-	**-**	-%	-%	-	**-**	-%
Recoveries	367	196	**122**	(38%)	(67%)	634	**318**	(50%)
Repomo - Other Revenues	-	-	**-**	-	-	-	**-**	-%
Warehousing	55	81	**388**	379%	605%	91	**468**	414%
Non Operating Expense	(165)	(240)	**(525)**	119%	218%	(276)	**(764)**	177%
Other Expenses	(111)	(160)	**(142)**	(11%)	28%	(187)	**(301)**	61%
Foreign Exchange	-	-	**-**	-	-%	-	**-**	-%
Repomo - Other Expenses	-	-	**-**	-	-%	-	**-**	-%
Warehousing	(54)	(80)	**(383)**	379%	609%	(89)	**(463)**	420%
Non Operating Income (Expense), net	576	**425**	**193**	(55%)	(66%)	1,315	**618**	(53%)

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

During 1H09, *Non Operating Income* amounted to Ps $618 million, a (53%) YoY decline given a (50%) reduction in loan recoveries, as well as a 61% increase in Other Expenses driven by the release of reserves related to legal contingencies and the clean up of some liabilities, such as accounts receivable. Also, during 1H08, there was a Ps $556 million non-recurring pre-tax gain from the sale of VISA's shares as part of its IPO and Ps $91 million from the sale of INDEVAL shares held by the bank, among others.

This line decreased (55%) vs. the 1Q09, given a (38%) drop in recoveries as well as a (47%) slide in Other Income due to the Ps $243 million positive impact that was registered during the 1Q09, given the changes to the C-2 accounting criteria for the valuation of benefits to be received from the securitization of Mortgage, State and Municipal loan portfolios, which are registered in Other Products since January 2009. Previously, the impacts were reflectedagainst equity

- **Taxes**

Taxes during 1H09 totaled Ps $1.0 billion, (45%) less YoY due to higher profit level during 1S08. They declined (25%) less QoQ given lower net income in 2Q09. The Effective Tax Rate and Profit Sharing was 32% in 2Q09, the same level as in 1Q09 and higher than the 29% registered in 2Q08.

- **Subsidiaries and Minority Interest**

During 1H09, *Subsidiaries and Minority Interest* posted a Ps $8 million profit, greater than the $91 million loss of 1H08. The improvement resulted from Ps $134 million net income posted by the Group's Subsidiaries –basically driven by the Insurance company's favorable results- and a negative impact of Ps $126 million from Minority Interest participating in the results of the AFORE (Banorte owns 51%) and Banco Mercantil del Norte (GFNorte owns 97.06% of Banorte). On a quarterly basis, this line registered a $14 million gain, versus a $6 million loss in 1Q09, mainly as a result of lower profitability in Banorte USA and the banking subsidiary.

Capitalization *(Million Pesos)*	2Q08	3Q08	4Q08	1Q09	2Q09	QoQ	YoY
Tier 1 Capital	29,982	30,538	28,300	29,358	**31,598**	8%	5%
Tier 2 capital	13,806	14,822	17,076	14,840	**14,351**	(3%)	4%
Net Capital	43,788	45,360	45,376	44,198	**45,949**	4%	5%
Credit Risk assets	194,173	197,080	204,884	203,501	**206,135**	1%	6%
Net Capital/ Credit Risk Assets	22.6%	23.0%	22.1%	21.7%	**22.3%**	0.6 pp	0.3 pp
Total Risk Assets (1)	278,933	287,412	302,279	301,905	**294,272**	(3%)	5%
Tier 1	10.7%	10.6%	9.4%	9.7%	**10.7%**	1.0 pp	- pp
Tier 2	5.0%	5.2%	5.6%	4.9%	**4.9%**	- pp	(0.1 pp)
Capitalization Ratio	15.7%	15.8%	15.0%	14.6%	**15.6%**	1.0 pp	(0.1 pp)

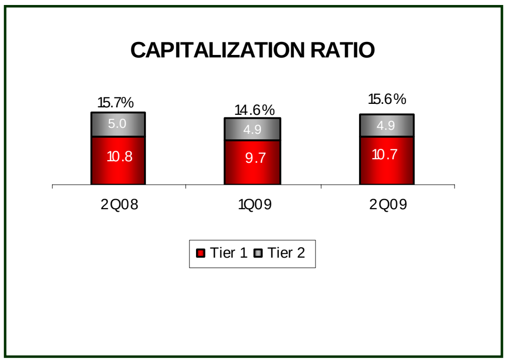
(1) Includes Market and Operational Risks. Without inter-company eliminations.
(*) The capitalization ratio of the last period reported is estimated.
(**) The capitalization ratio of 4Q08 was revised upwards due to an adjustment in the calculation of subordinated debentures as regulatory capital.

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

- **Capitalization**

At closing of 2Q09, the capitalization ratio was 15.6% considering credit, market and operational risk, and 22.3% considering only credit risk. Tier 1 Capital Ratio was 10.7% and Tier 2 was 4.9%. The increase of 1.0 percentage point (pp) with respect to 1Q09 is due to the positive impact from: reinvesting profits of 2Q09 –+0.4 pp; valuation of securities and hedging instruments +0.3pp,and the reduction in market risk from lower risk assets +0.6pp. The increase in credit and operational risk had a negative impact of -0.3pp in the capitalization ratio. On an annual basis, the capitalization ratio in 2Q09 remains at similar levels compared to 2Q08 as a result of reinvestment of profits generated during the period and the issuance of subordinated debt during that period totalling $9.3 billion pesos, which allowed the absorption of a 5% growth in total risk assets, the amortization of subordinated debt during Feb-09 and various impacts related to regulation and the markets.

In 2008, the authorities determined that the capital requirement for operational risk must be 100% constituted during a 3 year period on a monthly basis in equal parts. At closing of 2Q09, the period March 2008 – June 2009 has been covered, (16/36 months), having an impact of 87 basis points on the capitalization ratio.



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

DEPOSITS *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY
Non Interest Bearing Demand Deposits	45,338	54,041	**56,382**	4%	24%
Interest Bearing Demand Deposits (1)	61,375	66,213	**67,378**	2%	10%
Total Demand Deposits (2)	106,713	**120,254**	**123,760**	3%	16%
Time Deposits – Retail	64,273	82,308	**83,068**	1%	29%
Core Deposits	170,985	**202,562**	**206,828**	2%	21%
Money Market (3)	50,473	52,730	**58,692**	11%	16%
Total Bank Deposits	221,459	**255,292**	**265,520**	4%	20%
GFNorte's Total Deposits (4)	221,238	**255,203**	**265,345**	4%	20%
Third Party Deposits	164,322	**177,147**	**155,372**	(12%)	(5%)
Total Assets Under Management	385,781	**432,439**	**420,892**	(3%)	9%

1) Includes Debit Cards.
2) Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts in 2Q08, 1Q09 and 2Q09 were Ps $12 million, Ps $16 million and Ps $18 million, respectively.
3) Includes Bank Bonds (Customers and Financial intermediaries).
4) Includes the eliminations between the subsidiaries (2Q08=221 millions, 1Q09=88 millIons and 2Q09=175 millions).

- **Total Deposits**

At closing of 2Q09, *Total Deposits* were Ps $265.5billion, a 20% YoY increase vs. 2Q08, driven mainly by a 16% YoY rise in Demand Deposits, and in particular, by an important 24% increase in non-interest bearing demand deposits. Core deposits rose 4% QoQ driven mainly by Demand Deposits.

- **Demand and Time Deposits**

Demand Deposits grew 16% YoY at closing 2Q09, driven mainly by a 24% YoY increase in Non-interest bearing deposits, given the greater balances in Mujer Banorte and Enlace business checking accounts, as well as 10% growth in Interest-bearing demand deposits due to the greater balances in Banorte Fácil, Sumanímina, Demand Investments and Individual and Business Enlace accounts. Demand Deposits expanded 3% QoQ, driven mainly by a 4% QoQ rise in Non-Interest bearing demand deposits and 2% growth in interest-bearing demand deposits.

Retail time deposits grew 29% YoY and 1% QoQ during 2Q09, as a result of the successful campaign to promote the "Pagamás" and "Ganamás" 7 and 14 day promissory notes offered at branch level, which complement the traditional 28 day product.

As a result of the efforts to increase deposits, a total of 263.9 thousand new personal accounts and 13.1 thousand new corporate accounts were opened during the quarter. Over the last twelve months, Banorte has increased its core deposits' market share in over 200 basis points, ranking second in terms of core deposits' growth among the largest banks in the industry.

- **Money Market Deposits**

Registered 16% YoY and 11% QoQ growth at the end of 2Q09, as a result of greater balances by institutional clients, as well as adequate management of client relationships.

- **Third Party Deposits**

Registerd a (5%) YoY drop and a (12%) QoQ decline at the end of 2Q09. The yearly decline was due to a reduction in assets managed under trusts or mandate and investment banking activities on behalf of third parties, and the quarterly drop was due to a decline in collaterals and investment investment banking activities on behalf of third parties.

- **Assets Under Management**

At closing of 2Q09, total AUM were Ps $420.8billion, 9% higher YoY, driven mainly by core and money market deposits. AUM fell by (3%) QoQ vs. 1Q09, affected mainly by lower third party deposits.

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

PERFORMING LOAN PORTFOLIO *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY
Commercial	78,857	89,247	**86,357**	(3%)	10%
Consumer	70,620	74,049	**73,626**	(1%)	4%
Corporate	42,759	43,533	**42,715**	(2%)	-%
Government	24,368	28,592	**31,921**	12%	31%
Sub Total	216,602	235,421	**234,619**	-%	8%
Recovery Banking	942	760	**722**	(5%)	(23%)
Total	217,544	236,181	**235,342**	-%	8%

PERFORMING CONSUMER LOAN PORTFOLIO *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY
Mortgages	40,242	46,275	**46,976**	2%	17%
Car Loans	7,570	7,521	**7,394**	(2%)	(2%)
Credit Cards	16,179	13,837	**12,913**	(7%)	(20%)
Payroll	6,628	6,417	**6,343**	(1%)	(4%)
Consumer Loans	70,620	74,049	**73,626**	(1%)	4%

(Million Pesos)	2Q08	1Q09	2Q09	QoQ	YoY
IPAB Loans	-	-	**-**	-	-
Past Due Loans	3,225	5,556	**6,299**	13%	95%
Loan Loss Reserves	4,217	6,051	**6,426**	6%	52%
Acquired Rights	3,375	2,923	**2,804**	(4%)	(17%)

- **Total Performing Loans**

Total Performing Loans increased 8% YoY, growing from Ps $ 216.6 billion in 2Q08 to Ps $234.6 billion in 2Q09. This increase was mainly driven by government, commercial and mortgage loans. *Total Performing Loans* remained at the same level on a QoQ basis, given a contraction in the credit card, payroll, corporate and commercial loan portfolios, which was offset by growth in the mortgage and government loan portfolios. This decline in loan sales is explained by reduced loan demand industrywide given the complex economic environment, coupled with tighther orgination policies adopted by most financial institutions. In the case of Banorte, it has adopted stricter origination standards as a peventive measure to face the current difficult market situation.

Banorte has tried to offset the decline in lending industrywide with more penetration in segments which continue to provide adequate levels of risk-adjusted profitability and lower capital consumption, like government and mortgage loans. The bank is also trying to exploit market opportunities derived from retrenchment by our competitors in various market segments. Loan growth by segment was:

I. Loans to Individuals

- **Consumer + Mortgage:** during 2Q09, this segment grew by 4% YoY, but fell (1%) QoQ. The yearly growth was driven by an increase in mortgage loans, while the quarterly drop is explained by a contraction in credit card, car and payroll loans.

- ***Mortgage:*** Grew 17% YoY and 2% QoQ, despite a (38%) decline in new loan sales. The lower origination is explained by less credit demand in the market, adjustments to the credit evaluation model and greater restrictions to originate loans in certain categories. During the LTM , a total of 15,734 new loans were placed, and 2,844 during 2Q09.

- ***Credit Card:*** Registered a (20%) YoY and (7%) QoQ reduction at closing of 2Q09, as a consequence of a (58%) anual drop in new cards originated due to more conservative origination policies and less demand in the market. Nevertheless, the number of cards sold during the 2Q09 registered a small recovery compared to 1Q09. At closing of 2Q09, Banrote had 1.14 million accounts, (12%) less than those registered during 2Q08.

- ***Payroll and Personal Loans:*** At closing of 2Q09, this portfolio fell by (4%) YoY given the tighter origination policies in these products, especially in personal loans. On a QoQ basis, this portfolio dropped (1%) given reduced origination of personal loans and lower credit demand as a result of the difficult economic environment.

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

- ***Car:*** Fell (2%) YoY and QoQ, affected mainly by lower domestic car sales and a more conservative approach to lending in response to the adverse economic conditions.

II. Loans to Institutions

- ***Commercial:*** grew 10% YoY driven mainly by favorable results of the promotion strategy for SME loans. The portfolio's balance fell (3%) QoQ due to prepayments made by some mid-sized corporate, as well as lower credit demand given the adverse economic environment.

- **Corporate:** remained at the same level YoY but fell (2%) QoQ during the 2Q09, given the prepayments made by large clients, as well as lower credit demand in light of the unfavorable economic situation. It is worth noting that Banorte's corporate portfolio is well diversified by region and sectors, and has low concentration levels. The bank's 20 most important corporate exposures represent 16% of the bank's total loan portfolio; with the largest corporate loan representing 1.7% of the total portfolio, while number 20 represents only 0.5%.

- **Goverment:** rose 31% YoY and 12% QoQ in 2Q09 as a result of the efforts by the new business area to establish comprehensive banking relationships with these entities, by offering integral solutions to suit their financial needs, as well as structuring loans to finance their investment programs.

- **Past Due Loans**

At closing of 2Q09, *Past Due Loans* grew 95% YoY given the deterioration in the consumer portfolio, especially credit cards. PDL's expanded 13% QoQ as a result of greater deterioration in most of the loan segments, especially Crediactivo loans, which is an expected phenomena, in light of the difficult economic and employment environment. At the end of 2Q09, the *Past Due Loan Ratio* stood at 2.6%, 1.2 percentage points greater vs. 2Q08 and 0.3 percentage points higher vs. 1Q09. The increase in the PDL ratio is mainly attributable to greater past due loans in most of the segments, especially consumer and commercial. The credit card PDL ratio stood at 14.4% at the close of 2Q09, higher than the 13.6% of 1Q09 and 6.7% in 2Q08. Nonetheless it is important to note that the creation of new past due loans has remained relatively stable over the past months and most of the increase in the PDL ratio is due to a contraction in the overall portfolio. At closing 2Q09, the car loan's PDL ratio stood at 3.0%, payroll at3.0%, mortgages 1.9%, commercial 3.4%, corporate 0.1%, and government 0%. Despite the increase of the PDL ratio in most segments, this rise is within the bank's estimates considering the adverse economic environment.

PAST DUE LOAN VARIATIONS *(Million Pesos)*		
Balance as of March 2009		**5,556**
	Transfer from Performing Loans to Past Due Loans	4,507
	Renewals	(78)
	Cash Collections	(819)
	Discounts	(10)
	Charge Offs	(1,587)
	Foreclosures	(50)
	Transfer from Past Due Loans to Performing Loans	(1,177)
	Foreign Exchange Adjustments	(42)
Balance as of June 2009		**6,299**

During 2Q09, 53% of the new non perfoming loans, 54% of the reserve requirements and 66% of the write offs correspond to credit cards.

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

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

		LOAN LOSS RESERVES			
CATEGORY	LOANS	COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A	54,319	-	58	149	208
A1	105,629	482	-	-	482
A2	58,412	554	-	-	554
B	6,672	-	110	202	312
B1	15,382	73	299	-	372
B2	2,474	88	183	-	271
B3	1,901	205	-	-	205
C	1,989	-	830	111	941
C1	783	169	-	-	169
C2	377	152	-	-	152
D	2,125	215	1,077	254	1,546
E	861	732	121	-	853
Total	250,924				
Not Classified	(67)				
Exempt	28				
Total	250,885	2,669	2,677	717	6,063
Reserves					6,426
Surplus (Deficit)					362

Notes:
1.- The ratings of loans and reserves created correspond to the last day referred in the Balance Sheet at June 30st, 2009.
2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV and internal methodologies approved by the CNBV. For Mortgage and Consumer loans, Banorte uses the regulation described in the Official Gazette published on December 2, 2005, and for Commercial loans it uses internal methodologies approved by the CNBV.
3.- The excess in preventive reserves, follow the rules issued by the CNBV, to regulate support programs, that were constituted mainly in UDIS Trusts.
5.- The Ratings of Leasing and Factoring loans are dated as of March 2009 and Reserves, as of June, 2009.

LOAN LOSS RESERVES *(Million Pesos)*	2Q09
Previous Period Ending Balance	6,051
Provisions charged to results	2,214
Release of reserves	-
Elimination of Excess Reserves charged to results	(1)
Charge offs and discounts:	
Commercial Portfolio	(185)
Consumer Portfolio	(1,399)
Mortgage Portfolio	(190)
Foreclosed assets	(20)
	(1,794)
Cost of debtors support programs	(11)
Valuation and Others	(34)
Other Concepts	-
Loan Loss Reserves at Period End	6,426

- **Loan Loss Provisions**

At the end of 2Q09, the balance of this account was Ps $6.4 billion, 6% greater than in 1Q09. This rise is mainly explained by lower charge-offs and discounts vs. 1Q09. Provisions charged against results totaled Ps 2.2 billion during 2Q09, while charge-offs and discounts were Ps 1.7 billion. The release of reserves, other concepts, debtors support programs and valuations had no relevant impact during the quarter.

- **Requirements for Loan Loss Reserves**

Requirements for Loans Loss Reserves for 2Q09 was Ps $2.1 billion, a 93% YoY increase and slight 1% QoQ rise. The annual growth in loan loss reserves during the second quarter is mainly due to higher reserves for delinquent consumer loans, especially credit cards, and to a lesser degree to the new credit card reserve requirements for loans with zero missed payments. On a quarterly basis, *Requirements for Loan Loss Provisions* remained at similar levels to those of 1Q09 given a stabilization of the credit cards' asset quality indicators.

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

BANKING SECTOR

INCOME STATEMENT & BALANCE SHEET HIGHLIGHTS– Banking (Million Pesos)	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Income Statement								
Net Interest Income before Repomo	5,058	5,965	**5,578**	(6%)	10%	9,962	**11,543**	16%
Provisions	1,234	2,144	**2,151**	-%	74%	2,221	**4,294**	93%
Non Interest Income	1,410	1,672	**1,506**	(10%)	7%	2,942	**3,178**	8%
Non Interest Expense	3,494	3,976	**3,597**	(10%)	3%	6,901	**7,573**	10%
Non Operating Income (Expense), Net	548	423	**170**	(60%)	(69%)	1,315	**592**	(55%)
Pre-Tax Income	2,288	1,940	**1,506**	(22%)	(34%)	5,096	**3,446**	(32%)
Net Income	1,573	1,418	**1,159**	(18%)	(26%)	3,378	**2,577**	(24%)
Balance Sheet								
Performing Loans	211,003	228,126	**226,328**	(1%)	7%	211,003	**226,328**	7%
Deposits	221,471	255,307	**265,538**	4%	20%	221,471	**265,538**	20%

- **Net Interest Income**

Pre-provision Net Interest Income increased 16% YoY vs. 1H09 driven mainly by 7% growth in the total performing loans. On a quarterly basis, *NII* fell (6%) vs. 1Q09 due to a reduction in market interest rates.

- **Loan Loss Reserves**

Loan Loss Reserves during 1H09 were 93% higher YoY, but remained at the same levels QoQ. The annual increase is mainly explained by a rise in credit card delinquencies. The stabilization in 2Q09 compared to the previous quarter is attributed to provisioned leveling off in credit card delinquencies.

- **Non Interest Income**

It increased by 8% vs. the 1H08 driven by greater FX related revenues and the reclassification of income into "Other Operating Income and Expenses", in accordance to the new accounting criteria. On a quarterly basis, *Non Interest Income* fell (10%) vs. 1Q09, given lower FX revenues as a result of a reduction in market volatility.

- **Non Interest Expense**

Non Interest Expenses (NIE) rose 10% vs. 1H08 given greater personnel, promotional and marketing expenses related to the branch expansion program and the efforts to promote and sell a larger number of products. On a quarterly basis, *NIE* fell (10%) vs. 1Q09 due to less personnel and promotional expenses.

- **Non Operating Income**

It decreased (55%) vs. 1H08 due to lower recoveries and an increase in other expenses. Also, during 1H08, a non-recurring gain from the sale of VISA and INDEVAL shares' was registered. On a quarterly basis, this line dropped (60%) vs. 1Q09, due to lower recoveries, as well as the positive impact registered during 1Q09 from the changes in accounting criteria for the valuation of benefits to be received from Mortgage, State and Municipal loan securitizations.

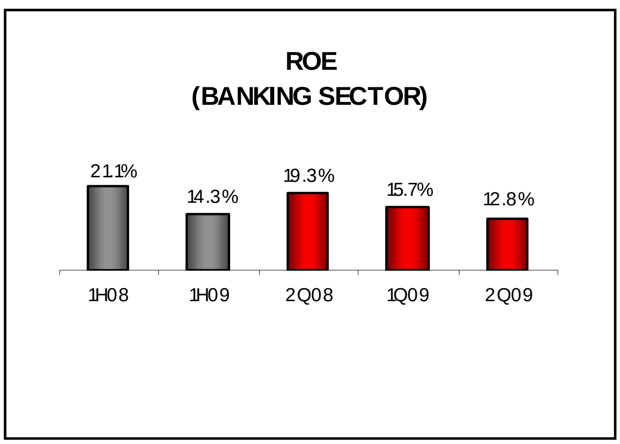
- **Net Income**

The Bank's accumulated profits (100%, including the Afore through the participation method) totaled Ps $ 2.56 billion during 1H09, (24%) less compared to 1H08, as a result of greater provisions and less non operating income. *Net Income* fell 18% vs. 1Q09, given less net interest income arising from the lower loan placements and the sharp reduction in the market interest rates, as well as lower non interest and non operating income.

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

FINANCIAL RATIOS – *Banking Sector* *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Profitability								
NIM (1)	7.5%	4.5%	**4.2%**	(0.3 pp)	(3.3 pp)	7.6%	**4.3%**	(3.3 pp)
ROE (2)	19.3%	15.7%	**12.8%**	(2.9pp)	(6.5 pp)	21.1%	**14.3%**	(6.8 pp)
ROA (3)	2.1%	1.0%	**0.8%**	(0.2 pp)	(1.3 pp)	2.3%	**0.9%**	(1.4 pp)
Operation								
Efficiency Ratio (4)	54.0%	52.1%	**50.8%**	(1.3 pp)	(3.2 pp)	53.5%	**51.4%**	(2.1 pp)
Operating Efficiency Ratio (5)	4.6%	2.8%	**2.6%**	(0.2 pp)	(2.0 pp)	4.7%	**2.7%**	(2.0 pp)
Liquidity Ratio (6)	56.9%	50.5%	**63.2%**	12.7 pp	6.3 pp	56.9%	**63.2%**	(3.7 pp)
Asset Quality								
Past Due Loan Ratio	1.4%	2.3%	**2.7%**	0.3 pp	1.2 pp	1.4%	**2.7%**	1.2 pp
Coverage Ratio	135.6%	109.4%	**102.1%**	(7.3 pp)	(33.5 pp)	135.6%	**102.1%**	(33.5 pp)
Growth (7)								
Performing Loans (8)	29%	18%	**7%**	(11 pp)	(22 pp)	29%	**7%**	(22 pp)
Core Deposits	6%	22%	**21%**	(1 pp)	15.0 pp	6%	**21%**	15 pp
Total Deposits	22%	29%	**20%**	(9 pp)	(2.0 pp)	22%	**20%**	(2 pp)
Capitalization								
Net Capital/ Credit Risk Assets	22.6%	21.7%	**22.3%**	0.6 pp	(0.3 pp)	22.6%	**22.3%**	(0.3 pp)
Total Capitalization Ratio	15.7%	14.6%	**15.6%**	1.0 pp	(0.1 pp)	15.7%	**15.6%**	(0.1 pp)

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



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BANORTE USA

I. Banorte USA

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS – Banorte USA* *Figures in MEX GAAP (Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Income Statement								
Net Interest Income	163	221	**187**	(15%)	14%	322	**408**	27%
Non Interest Income	24	38	**31**	(19%)	30%	48	**69**	44%
Total Income	187	259	**218**	(16%)	16%	370	**477**	29%
Non Interest Expense	152	198	**198**	(0%)	30%	294	**396**	35%
Loan Loss Reserves	17	9	**164**	1,793%	890%	9	**172**	1,753%
Operating Income	19	52	**(144)**	(376%)	(868%)	66	**(92)**	(238%)
Non Operating Income (Expense)	55	49	**61**	25%	12%	115	**110**	(4%)
Taxes and Profit Sharing	25	38	**(30)**	(177%)	(220%)	61	**9**	(86%)
Subsidiaries & Minority Interest	19	24	**(24)**	(200%)	(228%)	44	**-**	(100%)
Net Income	30	38	**(29)**	(175%)	(196%)	76	**10**	(87%)

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

Under Mexican GAAP, Banorte USA's 1H09 net income (a subsidiary that owns 100% of Inter National Bank, as well as 100% of the remittance companies, Uniteller and Motran) was Ps 10 million, a (87%) YoY decline. This decrease is mainly explained by a US 12 million exraordinary provision given the deterioration in the loan portfolio as a result of the complex economic environment in the US, coupled with a tighter regulatory environment.

II. InterNational Bank (US GAAP)

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS - InterNational Bank* *Figures in US GAAP (Millon Dollars)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Income Statement								
Net Interest Income	16.3	15.5	**13.6**	(12%)	(16%)	31.6	**29.2**	(8%)
Non Interest Income	3.7	3.1	**4.1**	32%	11%	7.5	**7.2**	(4%)
Total Income	20.0	18.6	**17.8**	(5%)	(11%)	39.1	**36.4**	(7%)
Non Interest Expense	8.7	8.4	**9.8**	17%	12%	16.5	**18.1**	10%
Loan Loss Reserves	2.2	0.9	**12.8**	1,281%	482%	3.2	**13.8**	335%
Operating Income	9.0	9.4	**(4.9)**	(152%)	(154%)	19.5	**4.5**	(77%)
Net Income	6.0	6.1	**(3.0)**	(149%)	(150%)	12.9	**3.1**	(76%)
Balance Sheet								
Investments in Securities	531.1	457.2	**485.6**	6%	(9%)	531.1	**485.6**	(9%)
Performing Loans	1,018.3	1,136.3	**1,086.3**	(4%)	7%	1,018.3	**1,086.3**	7%
Past Due Loans	13.5	27.1	**56.9**	110%	321%	13.5	**56.9**	321%
Demand Deposits	707.2	660.8	**730.1**	11%	3%	707.2	**730.1**	3%
Time Deposits	713.0	905.5	**963.9**	7%	35%	713.0	**963.9**	35%
Total Deposits	1,420.2	1,566.2	**1,693.9**	8%	19%	1,420.2	**1,693.9**	19%
Equity	125.4	157.2	**367.2**	134%	193%	125.4	**367.2**	193%

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Financial Ratios *INB* *Figures in US GAAP*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Profitability:								
NIM	4.2%	3.8%	**3.3%**	(0.6)	(0.9)	4.1%	**3.5%**	(0.6)
ROE	18.7%	16.0%	**(4.6%)**	(20.6)	(23.3)	20.6%	**2.8%**	(17.8)
ROA	1.4%	1.4%	**(0.6%)**	(2.0)	(2.0)	1.6%	**0.3%**	(1.2)
Operational:								
Efficiency Ratio	43.7%	44.8%	**55.2%**	10.4	11.4	42.1%	**49.9%**	7.8
Asset Quality:								
Past Due Loan Ratio	1.3%	2.3%	**4.9%**	2.6	3.6	1.3%	**4.9%**	3.6
Coverage Ratio	96.6%	54.0%	**37.4%**	(16.6)	(59.2)	96.6%	**37.4%**	(59.2)
Capitalization:								
Leverage Ratio	7.2%	8.2%	**7.8%**	(0.4)	0.6	7.2%	**7.8%**	0.6
Capitalization Ratio	11.6%	13.3%	**14.1%**	0.7	2.5	11.6%	**14.1%**	2.5

Under US GAAP, Inter National Bank's (INB) *Net Income* was US $3.1 million during 1H09, a (75.6%) YoY decline. On a quarterly basis, *Net Income* fell (149%) vs. 1Q09 and (150%) vs. 2Q08 affected mainly by the US 12 million rise in provisions caused by the challenging economic environment, tighter regulations and higher non-recurring non-interest expenses due to a US 1.2 million extraordinary fee charged by the FDIC (Federal Deposit Insurance Corporation) to all banks in the US.

Regarding INB's asset portfolio composition, the bank holds an investment portfolio of Mortgage Backed Securities (MBS), which showed an (8.6%) YoY contraction, but grew 6.2% QoQ. The quality of the underlying mortgages is AAA. At the close of 2Q09, this portfolio shows an unrealized gain of US $7.5 million. Its weighted average life is 3 years.

Core deposits grew 19.3% YoY, driven mainly by time deposits, and rose 8.2% QoQ due to greater time deposits.

Total performing loans rose 6.7% YoY, but dropped (4.4%) QoQ, from USD $1.11 billion to USD $1.08 billion, as a result of the lower lending activity in the US.

PDLs registered a 321.4% YoY and 110% QoQ increase mainly due to higher mortgage delinquencies given the adverse market environment for this sector. It is important to note that INB uses US criteria to classify past due loans (30+ vs. 60+ days in Mexico).

Finally, the INB's capitalization ratio improved considerably, registering a 2.5 pp YoY increase to 14.1%. The leverage ratio rose 0.6 pp YoY to 7.8%. Regarding Asset Quality indicators, the Past-Due Loan Ratio increased 3.6 pp YoY to 4.9%, whereas the Reserve Coverage fell (59.2 pp) to 37.4%. The Efficiency Ratio stood at 49.9%, a 7.8 pp rise vs. 1H09. Regarding Profitability Ratios, during the 1H09, the ROE fell (17.8pp) to 2.8%; the ROA fell (1.2 pp) to 0.3% and the NIM decreased (0.6pp) to 3.5%. The contraction in these ratios is mainly explained by lower profit levels given higher provisions.

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RECOVERY BANKING

INCOME STATEMENT HIGHLIGHTS – Recovery Banking *(Million Pesos)*	1H08	1H09	YoY
Net Interest Income	**(97)**	**(121)**	25%
Loan Loss Provisions	**(13)**	**(26)**	100%
Non Interest Income	**552**	**596**	8%
Non Interest Expense	**407**	**426**	5%
Non Operating Income (Expense), net	**428**	**279**	(35%)
Pre-tax Income & Subsidiaries	**463**	**301**	(35%)
Income Tax & Profit Sharing	**(145)**	**(82)**	(43%)
Undistributed Earnings of Subsidiaries	**-**	**-**	-
Net Income	**318**	**219**	(31%)

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

ASSETS UNDER MANAGEMENT *(Million Pesos)*	2Q09	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Fobaproa-IPAB Portfolios:	**1,510**	Off balance trusts	Fees charged to Fobaproa and Fiduciary
Loans purchased:	**31,958**	Sólida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Banorte)
Investment Projects:	**3,241**	Sólida Asset Management	Non Interest Income
Banking Sector Portfolio:	**28,885**	Banorte's Portfolio and Repossessed assets	Net Interest Income and Other Revenues and Expenses
Total	**65,595**		

- At the end of 2Q09, acquired loan portfolios amounted to Ps 32 billion, broken down as follows: 41% corporate and commercial loans; 40% mortgage loans; 12% real estate portfolios and 7% foreclosed assets. Revenues stemming from these portfolios during the 1S09 amounted to Ps $296 million, (34%) lower YoY, while *Net Income* amounted to Ps $56 million, (64%) less YoY. Also, the recovery ratio was 57% during the semester, 46% greater vs. 1H08. The Recovery Bank did not acquire any assets during 2Q09.

- In terms of investment projects, the total amount invested by Sólida at the end of 2Q09 was Ps 3.2 billion, a 22% YoY increase compared to 2Q08. Investments are distributed among 34 projects nationwide. The revenues generated by these portfolios during 1H09 totaled Ps 239 million, 21% greater YoY, while *Net Income* was Ps $ 66 million, (3%) less YoY.

- At the close of 2Q09, the breakdown of Banorte's Ps 28.9 billion in proprietary loans managed by the Recovery Bank was distributed as follows: 32% in credit cards; 28% in mortgage loans; 11% in corporate and commercial loans; 9% in car loans; 10% in Crediactivo, 7% in payroll and personnel and 3% in real estate. Revenues generated by this portfolio during 1H09 totaled Ps $373 million, a 8% YoY increase, while profits were Ps $97 million, a 3% YoY increase.

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BROKERAGE

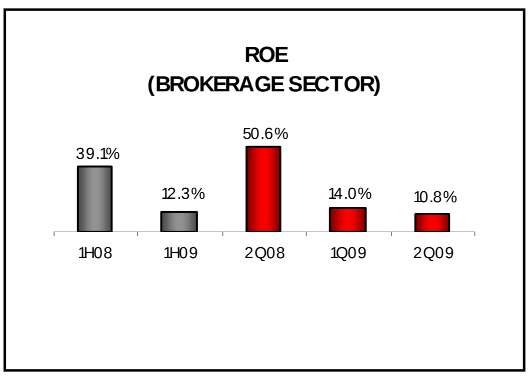
Brokerage *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Brokerage								
Net Income	143	40	**32**	(20%)	(78%)	214	**73**	(66%)
Stockholder's Equity	1,176	1,163	**1,223**	5%	4%	1,176	**1,223**	4%
Assets Under Management	186,513	92,072	**114,776**	25%	(38%)	186,513	**114,776**	(38%)
Total Assets	1,483	1,532	**5,271**	244%	255%	1,483	**5,271**	255%
ROE	50.6%	14.0%	**10.8%**	(3.2 pp)	(39.8 pp)	39.1%	**12.3%**	(26.8 pp)
Net Capital								
Net Capital	936	914	**984**	8%	5%	936	984	5%

- **Broker-Dealer**

Net Income
During 1H09, the Broker-dealer reported *Net Income* of Ps $73 million, (66%) less YoY, affected mainly by lower revenues from advisory services in investment banking; from fixed income and equities mutual funds; the negative impact onoperational margins arising from lower funding rates and less turnover in the Mexican Stock Exchange vs. 1H08. On a quarterly basis *Net Income* fell (20%), due to lower operating revenues. It is worth noting that during the quarter, the investment banking unit acted as the lead manager and bookrunner in FOVISSSTE's Ps 3.5 billion structured loan.

Mutual funds
At closing of 2Q09, AUMs increased 17.2% QoQ given the efforts to improve the mutual funds' returns. Nevertheless, on an annual basis, the AUM declined given the migration of customers to checking accounts and other deposit products within the bank.

Assets Under Management
At the end of 2Q09, AUMs totaled Ps $114.8 billion, a (38%) YoY drop affected mainly by a decrease in mutual funds and portfolio management assets. They rose 25% QoQ driven by higher AUMs at the mutual funds and money market desk.



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LONG TERM SAVINGS

LONG TERM SAVINGS *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Afore								
Net Income	11	60	**43**	(28%)	281%	78	**102**	32%
Equity	1,040	1,112	**1,154**	4%	11%	1,040	**1,154**	11%
Total Assets	1,174	1,220	**1,286**	5%	10%	1,174	**1,286**	10%
AUM (SIEFORE)	56,578	56,516	**62,785**	11%	11%	56,578	**62,785**	11%
ROE	4.3%	22.1%	**15.0%**	(7.1 pp)	10.7 pp	15.4%	**18.5%**	3.1 pp
Insurance								
Net Income	113	152	**85**	(44%)	(25%)	189	**236**	25%
Equity	2,016	2,278	**2,365**	4%	17%	2,016	**2,365**	17%
Total Assets	12,585	11,374	**12,182**	7%	(3%)	12,585	**12,182**	(3%)
Technical Reserves	9,337	7,359	**7,536**	2%	(19%)	9,337	**7,536**	(19%)
Premiums sold	2,002	2,080	**1,717**	(17%)	(14%)	4,999	**3,797**	(24%)
ROE	23.0%	27.6%	**14.6%**	(13.0 pp)	(8.4 pp)	19.7%	**20.9**%	1.2 pp
Annuities								
Net Income	-	24	**(8)**	(133%)	100%	15	**15**	-%
Equity	1,136	1,009	**1,001**	(1%)	(12%)	1,136	**1,001**	(12%)
Total Assets	12,522	15,491	**16,257**	5%	30%	12,522	**16,257**	30%
Technical Reserves	11,343	14,337	**15,100**	5%	33%	11,343	**15,100**	33%
Premiums sold	932	672	**791**	18%	(15%)	1,531	**1,462**	(5%)
ROE	-	9.4%	**(3.4%)**	(12.8 pp)	(3.4 pp)	2.6%	**3.0%**	0.4 pp

- **Afore**

During 1H09, the Afore reported a *Net Income* of Ps $102 million (51% corresponds to Banorte), 31% higher YoY and (28%) less QoQ. The annual rise is mainly explained by greater operating income and higher returns on investments, while the quarterly reduction includes the tax payment of Afore IXE. At the close of 2Q09, the Afore's AUM increased 11% YoY and QoQ.

On the other hand, at the close of 2Q09, the Afore had a total of 3,531,728 affiliates, representing 9.0% of total affiliates in the system and 9.9% in certified accounts. As of June 2009, the AFORE ranked 6th with a 6% market share in terms of managed accounts.

- **Insurance**

The company reported *Net Income* of Ps $236 million during 1H09 (51% correspond to GFNorte), 25% higher YoY, driven by higher overall revenues as a result of growth in accrued premiums, as well as return on investments and other income. Expenses grew at a slower pace given the containment of acquisition and claim related costs. On a quarterly basis, Net Income fell (44%) vs. 1Q09 and (25%) vs. 2Q08 given a rise in operating costs.

A the end of 1H09, the number of premiums issued declined (24%) YoY to Ps $3.79 billion driven by lower sales of "Patrimonio Integral Banorte" product. The number of accrued premiums remained at the same level (Ps $ 2.94 billion). Technical reserves were Ps $7.53 billion, (19%) YoY lower, but remained stable on a QoQ basis.

- **Annuities**

It registered profits of Ps $15 million in 1H09 (51% corresponds to GFNorte), remaining at the same level on an annual basis due to lower accrued premiums and greater expenses. On a quarterly basis, *Net Income* fell 133% given lower financing results.

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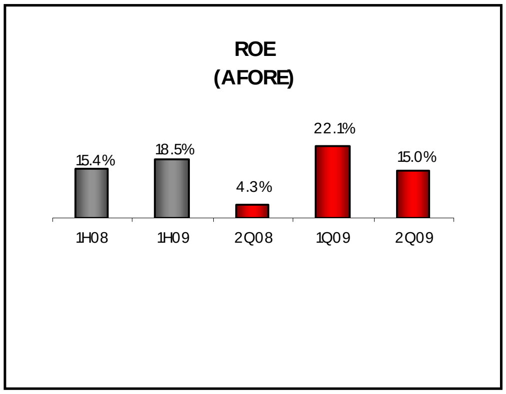

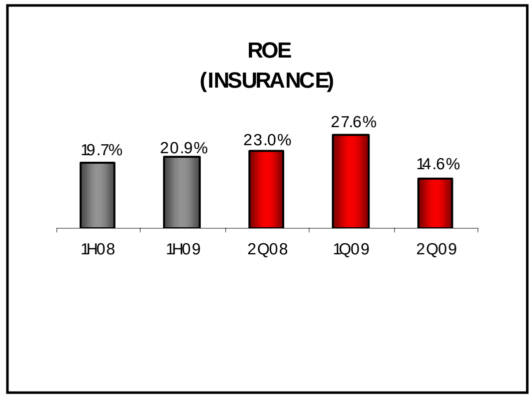

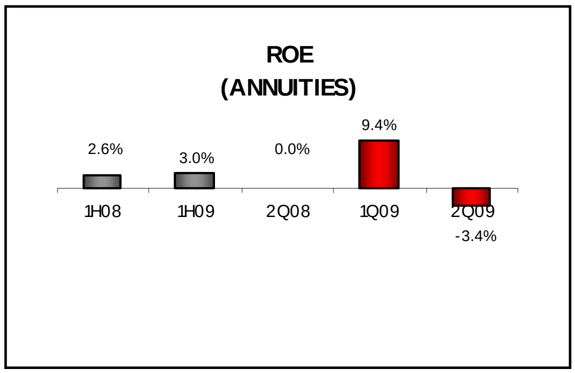

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OTHER FINANCE COMPANIES

OTHER FINANCE COMPANIES (1) *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Leasing and Factoring								
Net Income	78	94	**106**	13%	36%	144	**200**	39%
Equity	1,135	1,278	**1,384**	8%	22%	1,135	**1,384**	22%
Loan Portfolio (2)	11,385	12,791	**13,457**	5%	18%	11,385	**13,457**	18%
Past Due Loans	55	92	**117**	27%	113%	55	**117**	113%
Loan Loss Reserves	30	88	**119**	35%	297%	30	**119**	297%
Total Assets	11,532	12,927	**13,521**	5%	17%	11,532	**13,521**	17%
ROE	28.5%	30.6%	**31.8%**	1.2 pp	3.3 pp	27.1%	**31.2%**	4.1 pp
Warehousing								
Net Income	7	7	**7**	-%	-%	11	**14**	27%
Equity	112	129	**136**	5%	21%	112	**136**	21%
Inventories	77	479	**2,014**	320%	2,516%	77	**2,014**	2,516%
Total Assets	217	621	**439**	(29%)	102%	217	**439**	102%
ROE	24.0%	22.3%	**20.3%**	(2.0 pp)	(3.7 pp)	21.2%	**21.2%**	-%

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

- **Leasing and Factoring**

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

The Leasing and Factoring Company reported Net Income of Ps 200 million during the 1H09, 39% greater YoY driven by an 18% expansion in loan placements.

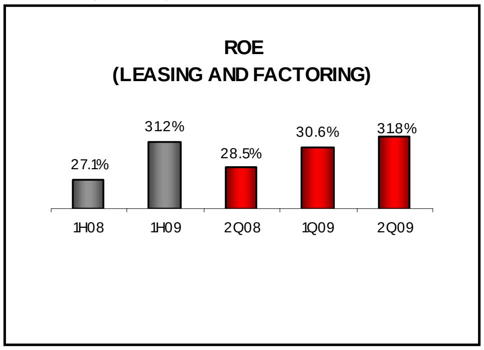
At closing of 2Q09, the Past Due Loan Ratio was 0.87%, while the Capitalization Ratio stood at 10.65%, with average risk assets of Ps $13.16 million.

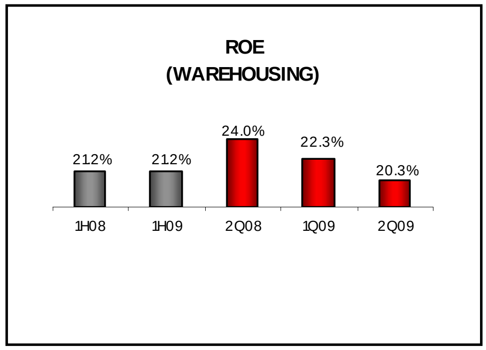
At the end of 2Q09, the Leasing and Factoring Company ranked second among 41 companies in terms of loan portfolio.

- **Warehousing**

It registered *Net Income* of Ps $14 million at the close of 1H09, 27% higher YoY driven mainly by greater inventories and storage services. *Net Income* remained stable compared to 1Q09.

At the end of 2Q09, the Capitalization Ratio was 6.74% considering Ps $2.01 bilion in total outstanding risk certificates. On March 31st, 2009, Banorte's warehouse ranked 3rd among the 20 warehousing companies in terms of profits generated.





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PRONEGOCIO

MICROLENDING PRONEGOCIO *(Million Pesos)*	2Q08	1Q09	2Q09	QoQ	YoY	1H08	1H09	YoY
Net Income	(7)	6	**6**	-%	186%	(16)	**12**	175%
Equity	75	54	**60**	11%	(20%)	75	**60**	(20%)
Loan Portfolio	421	162	**102**	(37%)	(76%)	421	**102**	(76%)
Non Performing Loans	107	24	**13**	(46%)	(88%)	107	**13**	(88%)
Loan Loss Reserves	34	21	**11**	(48%)	(68%)	34	**11**	(68%)
Total Assets	535	266	**197**	(26%)	(63%)	535	**197**	(63%)
ROE	(34.8%)	43.8%	**44.1%**	0.3 pp	78.9 pp	(45.5%)	**43.9%**	89.4 pp

- **Pronegocio**

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

Pronegocio posted *Net Income* of Ps $12 million during 1H09, 175% higher YoY and 186% greater QoQ vs. 2Q08, due to lower payroll and other operating expenses, a reduction in loan reserves and a rise in other products and expenses.

At the close of 2Q09, past due loans were Ps $13 million, (88%) lower YoY and (46%) down QoQ as a result of write-offs applied in 2008. The past due loan ratio was 12.7%, lower than the 25.4% at the end of 2Q08 and 14.8% in 1Q09. The reserve coverage ratio stood at 85% at the end of 2Q09.

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RATINGS

International Ratings

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

Domestic Ratings

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

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INFRASTRUCTURE

INFRASTRUCTURE	2Q08	1Q09	2Q09
Employees	19,516	19,516	**19,679**
Banking (1)	14,659	15,032	**15,043**
Other	4,857	4,484	**4,636**
Branches (2)(3)	1,073	1,075	**1,076**
INB	20	20	20
Pronegocio	97	56	14
ATM's	3,985	4,170	**4,247**

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

- During the quarter, one branch was opened in Mexico City and no closures were carried out.ATM's totaled 4,247 at the end of 2Q09.

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

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

ANNEXES

1. GROUP'S GENERAL INFORMATION
2. SUMMARY OF RESULTS AND FINANCIAL STATEMENTS
3. ACCOUNTING CHANGES AND REGULATIONS
4. LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS
5. NOTES TO THE GROUP'S FINANCIAL STATEMENTS

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

GFNORTE'S GENERAL INFORMATION

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

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

Holding Company Capital Structure	
Number of Shares	**SERIE O As of June 30, 2009**
Number of Shares Outstanding	**2,018,347,548**
Shares held in the bank's Treasury	**-**

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

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

SUMMARY OF RESULTS

Monterrey, N. L., July 23, 2009. Grupo Financiero Banorte announced today its operating results at the close of 1H09, reporting a net income of Ps $2.9 billion, 14% less vs. 1H08. The banking unit contributed with 84% of this results, posting Ps $2.4 billion of net income. GFNorte's annualized ROE was 15.2% and ROA was 1.0%. During the 1H08, the Group registered a Ps $339 million non-recurring gain, arising from the sale of VISA's shares during its IPO. This non-recurring line item, coupled with greater provisions during 1H09 as a consequence of the adverse economic environment, are the main reasons that explain the decline in profits.

Net Interest Income

During 1H09, Net Interest Income rose 16% vs. 1H08, mainly driven by 21% annual growth in core deposits and the 8% increase in performing loans.

Performing Loans

At closing of 2Q09, performing loans grew 8% annually, reaching a Ps 234.6 billion balance. This increase is explained by the bank's efforts to exploit current market opportunities, coupled with greater penetration in the commercial and government segments.

Over the last twelve months, commercial loans grew 10% to Ps $86.3 million. The corporate loan book amounted to Ps $42.7 billion, while the government portfolio rose 31% to Ps $31.9 billion.

Consumer loans grew 4% during the period with differentperformance in its components. This line item represents 31% of the total performing loan portfolio. Credit cards fell (20%) during the LTM, reaching a Ps 12.9 billion balance. Payroll and personal loans fell (4%) to Ps 6.3 billion, (89% of the balance correspond to payroll loans). Car loans dropped (2%) to Ps 7.3 billion. Mortgage loans maintained an upward trend, closing 2Q09 with a Ps 46.9 billion balance, a 17% YoY increase.

The Past Due Loan Ratio stood at 2.6%, being one of the lowest in the system. Grupo Financiero Banorte closed the quarter with Ps 6.2 billion in past due loans and the reserve coverage ratio was 102%.

Deposits

Core Deposits amounted to Ps 265.3 billion at the close of 2Q09, a 20% YoY increase vs. 2Q08, driven by a 16% rise in demand deposits and a 29% increase in time deposits. Non interest bearing demand deposits grew by 24%given greater corporate and government balances. Money market deposits grew 16% over the LTM.

Non Interest Income

Non Interest Income amounted to Ps 3.9 billion during 1H09, growing 2% vs. 1H08, mainly driven by an 11% rise in FX trading income as well as the positive impact from including the "Other Operating Income (Expenses)" on accordance to the accounting criteria.

Efficiency Ratio

The efficiency ratio improved during the period, from 54% in 1H08 to 52% in 1H09, driven mainly by positive operating leverage. It is worth noting that Banorte has undertaken a series of cost containment measures since 4Q08 given the adverse economic environment. This will translate into greater efficiencies during the rest of 2009.

Other Subsidiaries

The Long Term Savings Sector (Afore, Insurance and Annuities) reported a profit of $179 million, 26% higher YoY. During 1H09, Other Finance Companies (Leasing, Factoring and Warehouising) posted net income of $214 million, 38% greater YoY. The Broker-Dealer reported a Ps 73 million profit.

Relevant Events during the quarter

Grupo Financiero Banorte's Board of Directors approved today a transaction through which the International Finance Corporation, member of the World Bank Group, would become a partner of Banco Mercantil del Norte, through an equity investment in its banking subsidiary. IFC will strengthen Banorte's capital base and will contribute Banorte with its expertise in world class corporate governance practices, and standards for social responsibility and environmental protection, as well as collaborate in various expansion programs for Banorte in sectors with high potential to foster social and economic development in Mexico. This transaction is still subject to approval by the IFC's Board of Directors and the Mexican authorities.

IXE AFORE signed an agreement with AFORE Banorte-Generali to sell its business of pension fund management and investment. This transaction implies a transfer of 312,489 clients and Ps 5.4 billion in AUM. The transaction was approved by the respective Boards of Directors and corresponding authorities.

AFORE Banorte-Generali also signed an agreement to purchase Afore Ahorra Ahora's 367,660 client portfolio. This AFORE's Ps 1.1 billion in AUM represents 1.86% of Banorte Generali's AUM at the close of June.

Through these acquisitions, Banorte-Generali becomes the 4th largest market player in terms of AUM.

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HOLDING

Holding – INCOME STATEMENT *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Income Subsidiaries & Other	1,930	1,806	2,007	1,266	7,009	1,613	1,315			2,928
Interest Income	3	3	3	3	13	1	2			3
Interest Expense	-	-	-	-	-	-	-			-
Fees & Tariffs	-	-	-	-	-	-	-			-
Trading Income	-	-	-	-	-	-	-			-
Monetary Position REPOMO	-	-	-	-	-	-	-			-
Total Operating Income	1,933	1,809	2,010	1,269	7,022	1,614	1,317			2,931
Admin & Promotion Expense	2	1	1	2	6	1	3			4
Operating Income	1,932	1,808	2,009	1,268	7,016	1,612	1,314			2,926
Non Operating Income	-	-	-	-	-	2	-			-
Non Operating Expense	-	-	-	-	-	-	-			-
Non Operating Income, net	-	-	-	-	-	2	-			2
Pre-tax Income	1,932	1,808	2,009	1,268	7,016	1,614	1,314			2,928
Income Tax & Profit Sharing	3	1	3	-	7	1	(1)			-
Tax on Assets	-	-	-	-	-	-	-			-
Deferred Income Tax & PS	-	1	(1)	(5)	(5)	2	3			5
	3	1	2	(5)	2	3	2			5
Profit from Cont Ops	1,928	1,806	2,007	1,272	7,014	1,611	1,312			2,923
Extraordinary Items, net	-	-	-	-	-	-	-			-
Total Net Income	1,928	1,806	2,007	1,272	7,014	1,611	1,312			2,923

Holding – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash & Due from Banks	131	204	157	24	63	150		
Margin Accounts	-	-	-	-	-	-		
Investment in Securities	-	-	-	-	-	-		
Sundry Debtors & Other Accts Receivable, net	11	11	164	12	2	3		
Real Estate, Furniture & Equipment, net	-	-	-	-	-	-		
Investments in Subsidiaries	34,345	36,964	37,574	38,184	39,186	39,455		
Deferred Taxes	-	-	-	5	3	1		
Goodwill	36	35	33	32	34	31		
Other Assets, Deferred Charges & Intangibles	-	-	-	-	-	-		
TOTAL ASSETS	34,524	37,214	37,929	38,257	39,288	39,640		
LIABILITIES								
Due to Banks & Correspondents	-	-	-	-	-	-		
Income Tax & Profit Sharing	-	-	-	-	-	-		
Other Accounts Payable	5	3	1	1	1	1		
Deferred Taxes	-	1	-	-	-	-		
TOTAL LIABILITIES	5	3	1	1	1	1		
STOCKHOLDER´S EQUITY								
Paid-in Capital	12,018	12,020	12,014	12,004	12,007	12,020		
Premium of Share Subscription & Issuance	1,863	1,863	1,863	1,860	1,859	1,853		
Subordinated Convertible Debt	-	-	-	-	-	-		
Subscribed Capital	13,881	13,882	13,877	13,865	13,866	13,873		
Capital Reserves	2,446	2,807	2,767	2,720	2,748	3,173		
Retained Earnings	21,376	21,035	21,035	16,935	23,965	23,459		
Surplus (Deficit) from Valuation of Securities	-	-	-	(550)	(1,315)	(867)		
Mark To Market of Securities	-	-	-	-	-	(1,342)		
Results from Conversions of Foreign Ops	-	-	-	1,094	1,244	(1,580)		
Surpluss (Deficit) in Capital Restatement	-	-	-	-	-	-		
Results of Non Monetary Fixed Assets	-	-	-	-	-	-		
Results of Non Monetary Investment Assets	(5,113)	(4,250)	(5,493)	(2,821)	(2,833)	-		
Adjustmens in the Employees' Liabilities	-	-	-	-	-	-		
Net Income	1,928	3,735	5,742	7,014	1,611	2,923		
Earned Capital	20,638	23,328	24,051	24,391	25,421	25,767		
Total Stockholder´s Equity	34,519	37,210	37,928	38,256	39,287	39,640		
TOTAL LIABILITIES & EQUITY	34,524	37,214	37,929	38,257	39,288	39,640		

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

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GRUPO FINANCIERO BANORTE

GFNorte – INCOME STATEMENT *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Interest Income	11,307	11,676	12,820	14,061	**49,864**	**13,141**	11,358			**24,499**
Interest Expense	6,247	6,568	7,209	7,766	**27,789**	**7,094**	5,656			**12,750**
Loan Fees Charged	101	117	137	156	**510**	**153**	139			**292**
Fees Paid	-	-	-	-	**-**	**-**	4			**4**
Net Interest Income (NII)	**5,161**	**5,225**	**5,748**	**6,451**	**22,585**	**6,199**	**5,838**			**12,037**
Monetary Adjustment (Repomo) to margins	-	-	-	-	**-**	**-**	-			**-**
NII after Repomo	**5,161**	**5,225**	**5,748**	**6,451**	**22,585**	**6,199**	**5,838**			**12,037**
Preventive Provisions for Loan Losses	1,005	1,255	1,653	2,983	**6,896**	**2,162**	2,188			**4,350**
Loan Loss Sharing Provisions Fobaproa	-	-	-	-	**-**	**-**	-			**-**
NII Adjusted for Credit Risk	**4,156**	**3,971**	**4,095**	**3,467**	**15,689**	**4,037**	**3,650**			**7,687**
Fund Transfers	52	55	53	63	**222**	**60**	61			**121**
Account Management	235	250	260	253	**998**	**230**	237			**467**
Fiduciary	69	76	79	72	**295**	**51**	68			**119**
Income from Real Estate Portfolios	190	117	223	204	**734**	**137**	164			**302**
Electronic Banking Services	234	249	256	269	**1,009**	**250**	256			**506**
Credit Card Fees	581	621	675	655	**2,533**	**590**	520			**1,110**
Fees Charged to IPAB	-	-	-	1	**1**	**-**	-			**-**
Other Fees	664	735	640	621	**2,660**	**596**	606			**1,202**
Fees Charged on Services	**2,026**	**2,103**	**2,185**	**2,138**	**8,452**	**1,914**	**1,912**			**3,826**
Fund Transfers	5	5	4	5	**19**	**6**	5			**11**
Other Fees	277	287	293	332	**1,189**	**305**	289			**594**
Expenses from Real Estate Portfolios	-	-	-	-	**-**	**-**	-			**-**
Fees Paid on Services	**282**	**292**	**298**	**337**	**1,208**	**312**	**294**			**605**
Foreign Exchange	128	135	165	351	**779**	**356**	163			**518**
Securities - Realized Gains	153	19	235	(131)	**276**	**19**	79			**98**
Securities - Unrealized Gains	(83)	6	(277)	339	**(15)**	**(133)**	(85)			**(218)**
Market Related Income	**198**	**159**	**123**	**559**	**1,040**	**241**	**157**			**398**
Other Operating Income (Expense)	**-**	**-**	**-**	**-**	**-**	**226**	**147**			**373**
Non-Interest Income	**1,942**	**1,971**	**2,011**	**2,360**	**8,284**	**2,070**	**1,922**			**3,992**
Total Operating Income	**6,098**	**5,941**	**6,106**	**5,828**	**23,973**	**6,107**	**5,572**			**11,679**
Personnel	1,504	1,522	1,572	1,558	**6,156**	**1,693**	1,523			**3,216**
Profit Sharing	-	-	-	-	**-**	**199**	169			**368**
Professional Fees Paid	227	236	293	437	**1,192**	**334**	340			**675**
Administrative and Promotional Expenses	1,255	1,304	1,093	1,288	**4,941**	**1,186**	1,132			**2,319**
Rents, Depreciation and Amortization	417	426	407	436	**1,687**	**452**	435			**887**
Other Taxes (other than Income tax)	183	187	133	391	**894**	**209**	172			**381**
Contributions to IPAB	213	228	238	259	**938**	**267**	265			**532**
Non-Interest Expense	**3,799**	**3,903**	**3,736**	**4,369**	**15,808**	**4,341**	**4,037**			**8,378**
Net Operating Income	**2,299**	**2,038**	**2,370**	**1,458**	**8,166**	**1,767**	**1,535**			**3,301**
Other Revenues	583	374	256	770	**1,984**	**469**	595			**1,064**
Changes in Foreign Exchange Valuation	-	-	-	-	**-**	**-**	-			**-**
Recoveries	267	367	445	727	**1,806**	**196**	122			**318**
Repomo - Other revenues	-	-	-	-	**-**	**-**	-			**-**
Non-Operating Income	**850**	**741**	**701**	**1,497**	**3,789**	**665**	**717**			**1,382**
Other Expenses	(112)	(165)	(83)	(1,084)	**(1,444)**	**(240)**	(525)			**(764)**
Foreign Exchange	-	-	-	-	**-**	**-**	-			**-**
Repomo - Other (creditor balance)	-	-	-	-	**-**	**-**	-			**-**
Non-Operating Expense	**(112)**	**(165)**	**(83)**	**(1,084)**	**(1,444)**	**(240)**	**(525)**			**(764)**
Non Operating Income (Expense), net	**738**	**576**	**618**	**413**	**2,346**	**425**	**193**			**618**
Pre-Tax Income	**3,038**	**2,614**	**2,988**	**1,871**	**10,511**	**2,192**	**1,728**			**3,919**
Income Tax	799	687	724	552	**2,761**	**258**	413			**670**
Profit Sharing	232	233	258	160	**884**	**-**	-			**-**
Tax on Assets	-	-	-	-	**-**	**-**	-			**-**
Deferred Income Tax	44	(169)	-	(120)	**(245)**	**317**	17			**334**
Taxes	**1,075**	**751**	**982**	**592**	**3,400**	**574**	**429**			**1,004**
Net Income before Subsidiaries	**1,963**	**1,863**	**2,006**	**1,279**	**7,111**	**1,617**	**1,298**			**2,915**
Subsidiaries' Net Income	77	22	100	77	**276**	**89**	45			**134**
Net Income form Continuos Operations	**2,040**	**1,885**	**2,106**	**1,356**	**7,386**	**1,706**	**1,343**			**3,049**
Extraordinary Items, net	-	-	-	-	**-**	**-**	-			**-**
Minority Interest	111	79	99	84	**372**	**95**	31			**126**
TOTAL NET INCOME	**1,928**	**1,806**	**2,007**	**1,272**	**7,014**	**1,611**	**1,312**			**2,923**

BANORTE

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

***GFNORTE* – BALANCE SHEET** *(Millions Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and Due from Banks	**39,804**	**41,694**	**45,858**	**54,402**	**56,303**	**56,918**		
Margin Accounts	-	-	-	-	**14**	**17**		
Negotiable Instruments	7,909	10,697	10,993	6,075	5,172	25,672		
Securities Available for Sale	15,329	14,803	14,955	11,480	11,870	11,566		
Securities Held to Maturity	749	742	728	221,617	217,922	210,702		
Investment in Securities	**23,987**	**26,242**	**26,676**	**239,172**	**234,965**	**247,940**		
Non-assigned Securities for Settlement	-	-	-	-	-	-		
Debtor Balance in Repo Trans, net	92	90	159	148	1,620	16		
Securities lending	-	-	-	-	-	-		
For trading purposes	-	-	-	-	6,406	5,525		
For hedging purposes					2,529	1,142		
Transactions with Derivatives	2,368	4,525	2,587	8,168	**8,936**	6,667		
Operations w/ Derivatives & Securities	**2,460**	**4,615**	**2,746**	**8,317**	**10,556**	**6,684**		
Commercial Loans	101,040	107,097	114,752	126,798	122,563	120,617		
Financial Intermediaries' Loans	13,592	14,531	15,853	10,860	10,229	8,462		
Consumer Loans	28,642	30,380	31,413	29,369	27,775	26,651		
Mortgage Loans	39,046	41,170	43,682	46,282	47,023	47,691		
Government Entities' Loans	17,556	24,367	25,412	26,989	28,592	31,921		
IPAB Loans	-	-	-	-	-	-		
Performing Loans	**199,875**	**217,544**	**231,111**	**240,298**	**236,181**	**235,342**		
Commercial PDL's	1,089	1,135	1,319	1,703	2,181	2,796		
Financial Intermediaries PDL's	-	-	-	-	3	-		
Consumer PDL's	1,208	1,471	1,956	2,499	2,541	2,584		
Mortgage PDL's	893	619	704	746	825	919		
Government Entities PDL's	-	-	-	-	-	-		
Past Due Loans	**3,189**	**3,225**	**3,979**	**4,948**	**5,550**	**6,299**		
Gross Loan Portfolio	**203,065**	**220,769**	**235,091**	**245,246**	**241,731**	**241,641**		
Preventive Loan Loss Reserves	4,048	4,217	4,904	6,690	**6,051**	**6,426**		
Net Loan Portfolio	**199,017**	**216,552**	**230,187**	**238,556**	**235,680**	**235,215**		
Acquired Collection Rights	3,538	3,375	3,232	3,049	**2,923**	**2,804**		
Total Credit Portfolio	**202,554**	**219,927**	**233,419**	**241,605**	**238,603**	**238,019**		
Benef.receivab.securitization transactions	546	520	404	796	**699**	**557**		
Sundry Debtors & Other Accs Rec, net	12,459	10,431	13,118	9,514	**13,769**	**10,771**		
Inventories	61	77	571	165	**479**	**312**		
Foreclosed Assets, net	506	653	682	863	**841**	**800**		
Real Estate, Furniture & Equipment, net	7,959	8,058	8,192	8,429	**8,459**	**8,419**		
Investments in Subsidiaries	2,685	2,632	2,491	2,559	**2,668**	**2,896**		
Deferred Taxes, net	148	304	336	471	**147**	**141**		
Goodwill	4,034	3,953	4,247	5,377	**5,799**	**4,330**		
Intangibles	238	219	209	275	**4,499**	**4,119**		
Other Assets	4,085	4,286	4,255	5,079	**-**	**-**		
	32,175	**30,612**	**34,101**	**32,732**	**37,361**	**32,345**		

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

***GFNORTE* – BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	103,26	106,693	107,694	128,350	120,255	123,755		
Time Deposits	93,830	114,557	133,799	132,419	134,964	141,608		
Bank Bonds	-	-	-	-	-	-		
Deposits	**197,092**	**221,250**	**241,492**	**260,769**	255,219	265,363		
Immediate Redemption Loans	5,615	3,136	824	1,245	4,180	501		
Short Term Loans	18,538	11,375	11,952	24,803	25,322	25,057		
Long Term Loans	10,178	10,070	10,395	10,636	10,723	9,727		
Due to Banks & Correspondents	**34,332**	**24,581**	**23,170**	**36,684**	40,225	35,285		
Non-assigned Securities for Settlement	1,745	1,570	1,486	-	**420**	540		
Creditor Balance in Repo Trans, net	291	605	632	192,727	**191,479**	200,933		
Secs to be received in Repo Trans, net	-	-	-	-	**-**	-		
Repo Transactions with Collateral	-	-	-	2	**304**	**-**		
For trading purposes	-	-	-	-	**6,300**	**5,219**		
For hedging purposes	-	-	-	-	**5,345**	**3,976**		
Transactions with Derivatives	3,157	4,443	2,946	10,746	**11,646**	**9,195**		
Operations w/ Derivatives & Securities	**5,192**	**6,619**	**5,064**	**203,475**	**203,849**	**210,668**		
Income Tax Payable	1,197	1,340	1,512	1,272	211	170		
Profit Sharing Payable	-	-	-	-	285	371		
Creditors for settlement of transactions					6,832	1,709		
Other Creditors & Accounts Payable	12,538	13,306	13,654	13,121	10,894	8,516		
Other Payable Accounts	**13,734**	**14,646**	**15,166**	**14,393**	**18,222**	**10,767**		
Subordinated Non Convertible Debt	14,561	16,932	17,923	20,613	**18,053**	**17,783**		
Deferred Taxes	-	-	-	-	**-**	**-**		
Deferred Credits	977	1,146	1,269	1,346	**1,336**	**1,464**		
TOTAL LIABILITIES	**265,888**	**285,174**	**304,085**	**537,280**	**536,903**	**541,330**		
EQUITY								
Paid-in Capital	11,965	11,968	11,951	11,941	11,932	11,945		
Share Subscription Premiums	1,275	1,273	1,187	1,468	1,530	1,247		
Subordinated Convertible Debentures	-	-	-	-	-	-		
Subscribed Capital	**13,239**	**13,241**	**13,138**	**13,409**	13,462	13,192		
Capital Reserves	2,446	2,807	2,767	2,720	2,748	3,173		
Retained Earnings	21,376	21,035	21,035	16,935	23,965	23,459		
Surplus (Deficit) of Secs Available for Sale	-	-	-	(550)	(1,315)	(866)		
Results from Conversions of Foreign Ops	-	-	-	-	-	(1,342)		
Results from Valuation of Hedging Secs	-	-	-	1,094	1,244	(1,580)		
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-		
Results of Non Monetary Fixed Assets	-	-	-	-	-	-		
Results of Non Monetary –Investment Assets	(5,113)	(4,250)	(5,493)	(2,821)	(2,833)	-		
Adjustments in the Employee's Pensions	-	-	-	-	-	-		
Accumulated Effect of Deferred Liabilities	-	-	-	-	-	-		
Net Income	1,928	3,735	5,742	7,014	1,611	2,923		
Earned Capital	**20,638**	**23,328**	**24,051**	**24,391**	25,421	25,767		
Minority Interest	1,761	1,868	1,930	1,945	2,016	1,633		
Total Equity	**35,638**	**38,437**	**39,119**	**39,746**	40,899	40,592		
TOTAL LIABILITIES & EQUITY	**301,526**	**323,611**	**343,204**	**577,025**	577,802	581,922		

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

***GFNORTE* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
On behalf of Third Parties								
Customer's Banks	12	16	12	74	**30**	7		
Dividends Receivable from Customers	-	-	-	-	**-**	-		
Interest Receivable from Customers	-	-	-	-	**-**	-		
Settlement of Customer Transactions	37	44	(98)	35	**246**	118		
Customer Premiums	-	-	-	-	**-**	-		
Settlement with Clients' Foreign Currency	-	-	-	-	**-**	-		
Margin Accounts in Futures' Operations	-	-	-	-	**-**	-		
Other Current Accounts	-	-	-	-	**-**	-		
Customers' Current Account	**49**	**60**	**(86)**	**109**	**276**	**125**		
Client Securities Received in Custody	185,033	185,766	164,891	118,537	**97,315**	113,978		
Securities and Documents Received in Guarantee	-	-	-	-	**-**	-		
Client Securities Abroad	-	-	-	-	**-**	-		
Clients' Securities	**185,033**	**185,766**	**164,891**	**118,537**	**97,315**	**113,978**		
Clients' Repurchase Operations	23,511	32,360	32,881	35,688	**30,925**	27,617		
Clients' Repo Transactions w/ Securities	-	-	-	-	**-**	-		
Purchase of Futures & Forward Contracts notional	-	-	-	-	**-**	-		
Sale of Futures and Forward Contracts, notional	-	-	-	-	**-**	-		
Clients' Option Purchase Operations	144	481	440	274	**281**	-		
Clients' Option Sales Operations	-	-	-	-	**-**	-		
Purchase of Derivatives' Packages	-	-	-	-	**-**	-		
Sale of Derivatives' Packages	-	-	-	-	**-**	-		
Trusts Ander Administration	2,360	2,602	1,897	2,377	**2,244**	3,422		
Transactions On Behalf of Clients	**26,015**	**35,443**	**35,218**	**38,340**	**33,450**	**31,039**		
TOTAL ON BEHALF OF THIRD PARTIES	**211,096**	**221,269**	**200,023**	**156,986**	**131,042**	**145,142**		
Endorsement Guarantees Granted	-	-	-	-	**-**	2,503		
Loan Obligations	2,846	2,530	2,580	2,793	**3,129**	98,397		
Fideicomisos	-	-	-	-	**88,471**	1,924		
Mandatos	-	-	-	-	**2,161**	100,321		
Properties in Trusts and Warrant	108,959	108,574	105,738	90,469	**90,632**	161,005		
Properties in Custody or Administration	101,841	131,306	149,820	131,886	**150,235**	24,990		
Collaterals Received	20,952	21,235	21,574	31,567	**31,156**	26,794		
Amounts committed to Operations with Fobaproa	-	-	-	-	**-**	-		
Drafts in Transit	-	-	-	-	**-**	-		
Certificates of Deposits in Circulation	1,377	1,692	1,971	3,006	**2,825**	2,014		
Letters of Credit to the Corporation as Guarantee	-	-	-	-	**-**	-		
Securities to the Corporation for Custody	698	856	511	886	**900**	-		
Government Secs of the Corp under Custody	56	88	641	101	**100**	-		
Securities of the Corp given as Guarantee	-	-	-	-	**-**	-		
Securities of the Corp Abroad	-	-	-	-	**-**	-		
Settlement with FX of the Corp Abroad	-	-	-	-	**-**	-		
Debts with the Contingency Fund	-	-	-	-	**-**	-		
Contingent Assets & Liabilities	265	262	266	266	**264**	267		
Investment bank Trans on Behalf of Third Parties	101,754	109,570	94,858	84,615	**91,943**	87,165		
Uncollected Accrued Interest from Past Due Loans	111	104	109	137	**181**	220		
Investments of Retirement Savings Funds	-	-	-	-	**-**	-		
Integration of the Credit Portfolio	-	-	-	-	**-**	-		
Amounts Contracted in Derivatives	-	-	-	-	**-**	-		
Other Registration Accounts	-	-	-	-	**-**	-		
Proprietary Transactions	**338,858**	**376,217**	**378,068**	**345,726**	**371,364**	**405,279**		
Repo Securities to be Received	226,589	238,589	241,457	39,939	**31,324**	-		
(Minus) Repurchase Creditors	(226,818)	(239,160)	(242,020)	(40,176)	**(31,414)**	-		
Repurchase Transactions	**(224)**	**(571)**	**(563)**	**(237)**	**(90)**	**-**		
Repurchase Debtors	23,194	36,249	40,263	35,054	**27,757**	-		
(Minus) Repo Securities to be Delivered	(23,169)	(36,193)	(40,173)	(34,908)	**(27,663)**	-		
Repurchase Transactions	**25**	**56**	**90**	**146**	**93**	**-**		
TOTAL PROPRIETARY	**338,658**	**375,702**	**377,595**	**345,635**	**371,367**	**405,279**		

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

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2009 – JUNE 30, 2009 *(Million Pesos)*	
Cash Flow from Operating Activities	
Net Income	**2,923**
Items charged to results that do not generate or require use of resources	
Results of valuation at reasonable value	44
Provisions for loan losses	4,370
Estimate for non recovery or difficult collection	84
Depreciation and amortization	487
Provisions for obligations	(2,635)
Effective and deffered taxes on profits	910
Undistribuated earnings of subsidiaries	(52)
	3,208
Change in items related to operations:	
Change in Margin Accounts	(10)
Change in Invesment in Securities	(11,735)
Change in repo debtors	132
Change in derivatives (assets)	1,501
Changesin Loan Portfolio	(1,558)
Change in purchased receivables	245
Change in benefits to receive from securitizations	240
Change in foreclosed assets	34
Change in other operating assets	209
Change in core deposits	5,632
Change in interbank loans and other entities	1,135
Change in repo creditors	8,747
Change in sold collaterals or granted as guarantees	(2)
Change in derivatives (liability)	(1,552)
Change in other operating liabilities	(3,765)
Change in Margin Accounts	
Net cash generated or used from operations	**5,384**
Investment Activities:	
Charges for disposal of property, furniture and equipment	324
Payments for acquisition of property, furnitute and equipment	(829)
Subsidiaries and associated acquisitions payment	(2,269)
Charges for other permanent investments	1
Payment s for purchase of other invesments	(1)
Charges for cash dividends	23
Net cash generated or used from investment activities	**(2,751)**
Financing Activities :	
Payments assopciated with the repurchase of proprietary shares	(109)
Net Cash Increase (decrease)	**2,524**
Cash flow adjusmtents given exchage rate or inflation variations	**(2)**
Cash and cash equivalents at beginning of period	**54,396**
Cash and cash equivalents at end of period	**56,918**

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

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER´S EQUITY
JANUARY 1, 2009 – JUNE 30, 2009.
(Million Pesos)

	CONTRIBUTED CAPITAL	
	Fixed Paid-in Capital	**Premium from sale of securities**
Balance as of December 31,2008	**11,941**	**1,469**
Changes stemming from stockholder's decisions		
Stock repurchases	**4**	(215)
Capitalization of profits	**-**	**-**
Provisions Created	**-**	**-**
Increase in Capital	**-**	**-**
Total	**4**	**(215)**
Changes stemming from profits		
Total profits:		
Net Income	**-**	**-**
Equity participation method	**-**	**(3)**
Changes in accounting policies	**-**	**(4)**
Total	**-**	**(7)**
Balance as of June 30,2009	**11,945**	**1,247**

	EARNED CAPITAL								
	Capital Reser-ves	**Retained earnings**	**Valuation Effects of Securities Available for**	**Results from Conversions of Foreign Ops**	**Surplus or Deficit in Capital Restatement**	**Results from Non Monet. Assets (Investments)**	**Net Income**	**Minority Interest**	**Total Stockholders´ Equity**
Balance as of December 31,2008	**2,720**	**16,934**	**(550)**	**-**	**1,094**	**(2,821)**	**7,014**	**1,945**	**39,746**
Changes stemming from stockholder's decisions									
Stock repurchases	102	-	-	-	-	-	-	-	(109)
Application of profits	-	7,014	-	-	-	-	(7,014)	-	-
Provisions created	351	(351)	-	-	-	-	-	-	-
Increase in Capital	-	-	-	-	-	-	-	-	-
Total	**453**	**6,663**	**-**	**-**	**-**	**-**	**(7,014)**	**-**	**(109)**
Changes stemming from profits									
Total profits:									
Net Income	-	-	-	-	-	-	2,923	-	**2,923**
Equity participation method	-	(56)	(79)	237	(1,755)	-	-	-	**(1,656)**
Changes in accounting policies	-	(82)	(237)	(1,579)	(919)	2,821	-	-	**-**
Total	**-**	**(138)**	**(316)**	**(1,342)**	**(2,674)**	**2,821**	**2,923**	**-**	**1,267**
Recognition of minority interest	-	-	-	-	-	-	-	(312)	**(312)**
Balance as of June 30,2009	**3,173**	**23,459**	**(866)**	**(1,342)**	**(1,580)**	**-**	**2,923**	**1,633**	**40,592**

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

BANKING SECTOR

BANKING SECTOR - INCOME STATEMENT (Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Interest Income	10,772	11,250	12,446	13,559	**48,027**	**12,688**	10,899			23,588
Interest Expense	5,965	6,303	7,059	7,530	**26,857**	**6,873**	5,455			12,327
Loan Fees Charged	97	112	132	152	**493**	**149**	137			286
Fees Paid	-	-	-	-	**-**	**-**	4			4
Net Interest Income (NII)	**4,903**	**5,058**	**5,519**	**6,181**	**21,662**	**5,965**	**5,578**			**11,543**
Monetary Adjustment (Repomo) to margins	-	-	-	-	**-**	**-**	-			**-**
NII after Repomo	**4,903**	**5,058**	**5,519**	**6,181**	**21,662**	**5,965**	**5,578**			**11,543**
Preventive Provisions for Loan Losses	987	1,234	1,587	2,914	**6,722**	**2,144**	2,151			**4,294**
Loan Loss Sharing Provisions Fobaproa	-	-	-	-	**-**	**-**	-			**-**
NII Adjusted for Credit Risk	**3,916**	**3,824**	**3,932**	**3,267**	**14,940**	**3,822**	**3,427**			**7,248**
Fund Transfers	52	55	53	63	**222**	**60**	61			**121**
Account Management	235	250	260	253	**998**	**230**	237			**467**
Fiduciary	69	76	79	72	**295**	**51**	68			**119**
Income from Real Estate Portfolios	190	117	223	204	**734**	**137**	164			**302**
Electronic Banking Services	234	249	256	269	**1,009**	**250**	256			**506**
Credit Cards Fees	581	621	675	655	**2,533**	**590**	520			**1,110**
Fees Charged to IPAB	-	-	-	1	**1**	**-**	-			**-**
Other Fees	236	248	245	264	**993**	**229**	225			**454**
Fees Charged on Services	**1,597**	**1,615**	**1,791**	**1,781**	**6,785**	**1,547**	**1,531**			**3,078**
Fund Transfers	5	5	4	5	**19**	**6**	5			**11**
Other Fees	261	275	279	317	**1,132**	**293**	282			**576**
Expenses from Real Estate Portfolios	-	-	-	-	**-**	**-**	-			**-**
Fees Paid on Services	**266**	**280**	**283**	**321**	**1,151**	**300**	**287**			**587**
Foreign Exchange	128	135	165	351	**779**	**356**	163			**518**
Securities - Realized Gains	158	(68)	197	(174)	**114**	**(23)**	24			**-**
Securities - Unrealized Gains	(85)	7	(277)	340	**(16)**	**(134)**	(71)			**(206)**
Market Related Income	**201**	**74**	**85**	**518**	**878**	**198**	**115**			**313**
Other Operating Income (Expenses)	**-**	**-**	**-**	**-**	**-**	**227**	**147**			**374**
Non-Interest Income	**1,532**	**1,410**	**1,592**	**1,978**	**6,512**	**1,672**	**1,506**			**3,178**
Total Operating Income	**5,449**	**5,234**	**5,524**	**5,245**	**21,452**	**5,494**	**4,933**			**10,427**
Personnel	1,457	1,472	1,466	1,417	**5,812**	**1,571**	1,376			**2,947**
Profit shaing	-	-	-	-	**-**	**197**	167			**364**
Professional Fees Paid	219	230	286	428	**1,163**	**330**	335			**666**
Administrative and Promotional Expenses	1,036	1,084	942	1,151	**4,213**	**1,065**	991			**2,055**
Rents, Depreciation and Amortization	332	328	304	321	**1,285**	**355**	337			**692**
Other Taxes (other than Income tax)	151	151	109	369	**780**	**191**	126			**316**
Contribuitons to IPAB	213	228	238	259	**938**	**267**	265			**532**
Non-Interest Expense	**3,408**	**3,494**	**3,344**	**3,945**	**14,191**	**3,976**	**3,597**			**7,573**
Net Operating Income	**2,041**	**1,740**	**2,180**	**1,300**	**7,261**	**1,517**	**1,336**			**2,853**
Other Revenues	576	302	250	276	**1,404**	**392**	198			**590**
Foreign Exchange	-	-	-	-	**-**	**-**	-			**-**
Recoveries	265	354	441	727	**1,786**	**191**	115			**306**
Repomo - other revenues	-	-	-	-	**-**	**-**	-			**-**
Non-Operating Income	**841**	**656**	**690**	**1,002**	**3,190**	**583**	**313**			**896**
Other Expenses	(74)	(108)	(58)	(462)	**(703)**	**(160)**	(144)			**(304)**
Changes in Foreign Exchange Valuation	-	-	-	-	**-**	**-**	-			**-**
Repomo - other expenses (creditor balance)	-	-	-	-	**-**	**-**	-			**-**
Non-Operating Expense	**(74)**	**(108)**	**(58)**	**(462)**	**(703)**	**(160**	**(144)**			**(304)**
Non Operating Income (Expense), net	**767**	**548**	**633**	**540**	**2,487**	**423**	**170**			**592**
Pre-Tax Income	**2,808**	**2,288**	**2,813**	**1,840**	**9,748**	**1,940**	**1,506**			**3,446**
Income Tax	732	627	669	523	**2,551**	**209**	380			**589**
Profit Sharing	232	232	252	161	**877**	**-**	-			**-**
Tax on Assets	-	-	-	-	**-**	**-**	-			**-**
Deferred Income Tax and Profit Sharing	48	(157)	18	(107)	**(198)**	**318**	17			**336**
Taxes	**1,011**	**702**	**939**	**578**	**3,230**	**527**	**398**			**925**
Net Income before Subsidiaries	**1,796**	**1,586**	**1,874**	**1,262**	**6,518**	**1,413**	**1,108**			**2,521**
Subsidiaries' Net Income	34	14	28	37	**113**	**29**	27			**56**
Net Income form Continuos Operations	**1,830**	**1,600**	**1,901**	**1,299**	**6,631**	**1,442**	**1,135**			**2,577**
Extraordinary Items, net	-	-	-	-	**-**	**-**	-			**-**
Minority Interest	25	27	21	14	**88**	**24**	(24)			**-**
TOTAL NET INCOME	**1,804**	**1,573**	**1,880**	**1,285**	**6,543**	**1,418**	**1,159**			**2,577**

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

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

BANKING SECTOR **– BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and Due from Banks	**39,471**	**41,284**	**45,391**	**53,896**	**55,776**	**56,598**		
Margin Accounts	-	-	-	-	**14**	**12**		
Negotiable Instruments	7,151	9,749	9,967	5,577	**4,629**	**21,375**		
Securities Available for Sale	15,329	14,803	14,826	11,971	**12,163**	**12,074**		
Securities Held to Maturity	749	742	728	221,268	**217,573**	**210,345**		
Investment in Securities	**23,229**	**25,294**	**25,520**	**238,636**	**234,365**	**243,793**		
Non-assigned Securities pending Settlement	-	-	-	-	**-**	-		
Debtor Balance in Repo Trans, net	49	34	61	1	**1,502**	8		
Securities lending	-	-	-	-	**-**	-		
For trading purposes	-	-	-	-	6,406	5,525		
For hedging purposes	-	-	-	-	2,529	1,142		
Transactions with Derivatives	2,368	4,523	2,587	8,168	8,936	6,667		
Operations w/ Derivatives & Securities	**2,417**	**4,557**	**2,648**	**8,169**	10,437	6,676		
Commercial Loans	90,957	97,022	103,446	114,446	111,385	108,861		
Financial Intermediaries' Loans	17,329	18,070	19,977	14,331	13,374	11,224		
Consumer Loans	28,626	30,376	31,409	29,365	27,770	26,646		
Mortgage Loans	39,046	41,170	43,682	46,282	47,023	47,691		
Government Entities' Loans	17,556	24,366	25,401	26,977	28,574	31,906		
IPAB Loans	-	-	-	-	-	-		
Performing Loans	**193,514**	**211,003**	**223,916**	**231,400**	228,126	226,328		
Commercial PDL's	944	973	1,180	1,591	2,065	2,666		
Financial Intermediaries PDL's	-	-	-	-	3	-		
Consumer PDL's	1,208	1,471	1,956	2,499	2,540	2,584		
Mortgage PDL's	893	619	704	746	825	919		
Government Entities PDL's	-	-	-	-	-	-		
Past Due Loans	**3,044**	**3,063**	**3,840**	**4,836**	5,434	6,169		
Gross Loan Portfolio	**196,558**	**214,066**	**227,756**	**236,237**	233,560	232,496		
Preventive Loan Loss Reserves	3,976	4,153	4,791	6,582	5,942	6,295		
Net Loan Portfolio	**192,582**	**209,913**	**222,966**	**229,654**	227,618	226,201		
Acquired Collection Rights	3,538	3,375	3,232	3,049	2,923	2,804		
Total Credit Portfolio	**196,120**	**213,288**	**226,198**	**232,704**	230,541	229,005		
Benef.receivab.securitization transactions	546	520	404	796	699	557		
Sundry Debtors & Other Accs Rec, net	12,132	9,992	12,520	9,074	13,361	10,385		
Foreclosed Assets, net	506	653	682	863	841	801		
Real Estate, Furniture & Equipment, net	6,344	6,339	6,406	6,575	6,654	6,610		
Investments in Subsidiaries	871	839	866	931	977	1,128		
Deferred Taxes, net	177	325	360	484	138	150		
Goodwill	4,000	3,920	4,214	5,345	5,766	4,132		
Intangibles	238	217	208	275	4,190	3,775		
Other Assets	4,376	4,638	4,666	4,686	-	-		
	28,645	**26,924**	**29,923**	**28,232**	32,625	27,537		
TOTAL ASSETS	**290,428**	**311,867**	**330,083**	**562,433**	563,758	563,620		

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***BANKING SECTOR* – BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	103,274	106,725	107,710	128,371	120,269	123,778		
Time Deposits	93,971	114,746	134,012	132,539	135,038	141,760		
Bank Bonds	-	-	-	-	-	-		
Deposits	**197,245**	**221,471**	**241,722**	**260,911**	255,307	265,538		
Immediate Redemption Loans	5,615	3,136	824	1,245	4,180	501		
Short Term	14,225	6,836	6,569	17,886	19,223	18,289		
Long Term	7,912	7,718	7,780	8,105	8,193	7,253		
Due to Banks & Correspondents	**27,752**	**17,691**	**15,173**	**27,236**	31,596	26,043		
Non-assigned Securities for Settlement	1,745	1,570	1,486	-	420	540		
Creditor Balance in Repo Trans, net	252	553	537	192,581	191,364	197,102		
Repo Transactions with Collateral	-	-	-	2	304	1		
Secs to be received in Repo Trans, net	-	-	-	-	-	-		
For trading purposes	-	-	-	-	6,300	5,219		
For hedging purposes	-	-	-	-	5,345	3,976		
Transactions with Derivatives	3,156	4,443	2,946	10,746	11,646	9,195		
Operations w/ Derivatives & Securities	**5,153**	**6,566**	**4,969**	**203,330**	203,733	206,837		
Income Tax Payable	1,121	1,209	1,328	1,042	**141**	**122**		
Profit Sharing Payable	-	-	-	-	**285**	**369**		
Creditors for settlement of transactions	-	-	-	-	**6,832**	**1,709**		
Other Creditors & Accounts Payable	11,973	12,694	12,946	12,486	**10,180**	7,817		
Other Payable Accounts	**13,094**	**13,902**	**14,274**	**13,528**	**17,437**	**10,017**		
Subordinated Non Convertible Debt	14,561	16,932	17,923	20,613	**18,053**	17,783		
Deferred Taxes	-	-	-	-	**-**	-		
Deferred Credits	923	1,088	1,211	1,291	**1,275**	1,400		
TOTAL LIABILITIES	**258,727**	**277,650**	**295,272**	**526,908**	**527,402**	**527,617**		
STOCKHOLDER¨S EQUITY								
Paid-in Capital	10,955	**10,955**	**10,955**	**10,955**	**10,955**	10,955		
Share Subscription Premiums	856	856	856	853	**852**	850		
Subordinated Convertible Debentures	-	-	-	-	**-**	-		
Subscribed Capital	**11,811**	**11,811**	**11,811**	**11,808**	**11,807**	**11,805**		
Capital Reserves	3,390	4,005	4,005	4,005	**4,005**	4,659		
Retained Earnings	14,749	14,039	14,039	13,426	**19,988**	19,346		
Results from Valuation of Secs Available for Sale	392	749	(517)	(237)	**(999)**	(329)		
Results from Valuation of Hedging Secs	(833)	58	(318)	(1,626)	**(1,637)**	(1,383)		
Results from Conversions of Foreign Ops	(33)	(258)	67	1,123	**1,274**	(682)		
Surplus (Deficit) in Capital Restatement	-	-	-	-	**-**	-		
Results of Non Monetary Fixed Assets	-	-	-	-	**-**	-		
Results of Non Monetary –Investment Assets	86	71	80	87	**87**	-		
Adjustments in the Employee's Pensions	-	-	-	-	**-**	-		
Accumulated Effect of Deferred Liabilities	-	-	-	-	**-**	-		
Net Income	1,804	3,378	5,258	6,543	**1,418**	2,577		
Earned Capital	**19,554**	**22,042**	**22,614**	**23,320**	**24,135**	**24,188**		
Minority Interest	335	364	386	397	**415**	10		
Total Stockholder´s Equity	**31,700**	**34,216**	**34,811**	**35,526**	**36,356**	**36,003**		

***BANKING SECTOR* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Endorsement Guarantees Granted	-	-	-	-	-	-		
Contingent Assets & Liabilities	265	262	266	266	264	267		
Irrevocable Lines of Credit	2,846	2,530	2,580	2,793	3,129	2,503		
Trust	-	-	-	-	88,471	98,397		
Mandate	-	-	-	-	2,161	1,924		
Assets held in Trusts or Mandate	108,959	108,574	105,738	90,469	90,632	100,321		
Assets held in custody or in administration	98,070	127,528	146,036	128,137	146,493	157,269		
Investment banking transactions for third parties, net	101,754	109,570	94,858	84,615	91,943	87,165		
Uncharged accrued interest from past - due loans	105	99	104	136	180	220		
Collaterals Received	20,952	21,235	21,574	31,567	31,156	24,990		
Amounts committed to fobaproa operations	-	-	-	-	-	-		
Investment of retirement saving funds	-	-	-	-	-	2,999		
Integration of loan portfolio	-	-	-	-	-	-		
Amounts received in derivative instruments	-	-	-	-	-	-		
Fobaproa trusts	-	-	-	-	-	-		
Repurchase securities to be received	202,305	205,840	208,509	4,248	-	-		
	(202,496)	(206,363	(208,982)	(4,341)	-	-		
Debtors from repos	9,583	5,768	9,269	-	-	-		
	(9,595)	(5,764)	(9,273)	-	-	-		
	-	-	-	-	-	-		
	332,747	**369,279**	**370,680**	**337,890**	**363,798**	**375,735**		

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***BANORTE USA* – INCOME STATEMENT** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	2008	1Q09	2Q09	3Q09	4Q09	2009
Interest Income	299	293	298	363	1,253	379	340			719
Interest Expense	140	130	127	146	542	158	153			311
Loan Fees Charged	-	-	-	-	-	-	-			-
Fees Paid	-	-	-	-	-	-	-			-
Net Interest Income (NII)	**159**	**163**	**171**	**217**	**711**	**221**	**187**			**408**
Monetary Adjustment (Repomo) to margins	-	-	-	-	-	-	-			-
NII after Repomo	**159**	**163**	**171**	**217**	**711**	**221**	**187**			**408**
Preventive Provisions for Loan Losses	(7)	17	14	81	104	9	164			172
Loss Sharing Provisions	-	-	-	-	-	-	-			-
NII Adjusted for Credit Risk	**166**	**147**	**157**	**136**	**606**	**212**	**23**			**236**
Fund transfers	-	-	-	-	-	-	-			-
Account management	-	-	-	-	-	-	-			-
Fiduciary	-	-	-	-	-	-	-			-
Income from Loan Portfolios Acquired	-	-	-	-	-	-	-			-
Electronic Banking Services	-	-	-	-	-	-	-			-
Credit Card Fees	-	-	-	-	-	-	-			-
Fees Charged to IPAB	-	-	-	-	-	-	-			-
Other fees	24	24	32	67	147	38	31			69
Fees Charged on Services	**24**	**24**	**32**	**67**	**147**	**38**	**31**			**69**
Fund transfers	-	-	-	-	-	-	-			-
Other fees	-	-	-	-	-	-	-			-
Expenses from Loan Portfolios Acquired	-	-	-	-	-	-	-			-
Fees Paid on Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**
Foreign exchange	-	-	-	-	-	-	-			-
Securities –Realized gains	-	-	-	-	-	-	-			-
Securities- Unrealized gains	-	-	-	-	-	-	-			-
Market Related Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**
Total Non Interest Income	**24**	**24**	**32**	**67**	**147**	**38**	**31**			**69**
Total Operating Income	**190**	**170**	**189**	**204**	**753**	**251**	**54**			**305**
Personnel	57	60	57	72	245	71	64			135
Professional Fees Paid	7	7	7	11	32	11	13			24
Administrative and Promotional Expenses	70	75	75	106	326	111	116			227
Rents, depreciation and amortization	9	9	9	7	34	6	5			11
Taxes, other than income tax	-	-	-	-	-	-	-			-
Contributions to IPAB	-	-	-	-	-	-	-			-
Non-Interest Expense	**143**	**152**	**148**	**196**	**638**	**198**	**198**			**396**
Operating Income	**48**	**19**	**41**	**8**	**115**	**52**	**(144)**			**(92)**
Other Revenues	59	53	49	67	229	48	59			107
Foreign exchange	-	-	-	-	-	-	-			-
Recoveries	1	1	1	2	5	1	2			3
Repomo-other revenues	-	-	-	-	-	-	-			-
Non Operating Income	**60**	**55**	**50**	**69**	**234**	**49**	**61**			**110**
Other Expenses	-	-	-	-	-	-	-			-
Changes in Foreign Exchange Valuation	-	-	-	-	-	-	-			-
Repomo-other expenses (creditor balance)	-	-	-	-	-	-	-			-
Non Operating Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**
Non Operating Income (Expense), net	**60**	**55**	**50**	**69**	**234**	**49**	**61**			**110**
Pre-tax Income	**108**	**73**	**91**	**77**	**349**	**101**	**(83)**			**18**
Income Tax	(36)	(25)	(29)	(14)	(105)	(38)	(30)			(9)
Profit sharing	-	-	-	-	-	-	-			-
Tax on Assets	-	-	-	-	-	-	-			-
Deferred Income Tax and Profit sharing	-	-	-	-	-	-	-			-
	(36)	**(25)**	**(29)**	**(14)**	**(105)**	**(38)**	**30**			**(9)**
Net Income before subsidiaries	**71**	**48**	**62**	**63**	**245**	**62**	**(53)**			**10**
Subsidiaries' net income	-	-	-	-	-	-	-			-
Net Income from continuos operations	**71**	**48**	**62**	**63**	**245**	**62**	**(53)**			**10**
Extraordinary items, net	-	-	-	-	-	-	-			-
Minority Interest	(25)	(19)	(21)	(14)	(79)	(24)	24			-
TOTAL NET INCOME	**46**	**30**	**41**	**49**	**166**	**38**	**(29)**			**10**

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BANORTE USA – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and due from Banks	347	459	332	480	492	1,426		
Negotiable Instruments	-	-	-	-	-	-		
Securities available for sale	5,312	5,487	5,249	6,227	6,484	6,411		
Securities held to maturity	10	10	10	13	13	12		
Investment in Securities	5,322	5,497	5,259	6,240	6,498	6,423		
Non-assigned securities pending Settlement	-	-	-	-	-	-		
Debtor Balance in Repo Trans, net	-	-	-	-	-	-		
Repo Transactions with Collateral	-	-	-	-	-	-		
Secs to be received in Repo Trans, net	-	-	-	-	-	-		
Transactions with derivatives	-	-	-	-	-	-		
Operations w/ Derivatives & Securities	-	-	-	-	-	-		
Commercial Loans	9,063	8,834	10,004	12,845	13,495	11,866		
Financial Intermediaries' Loans	-	-	-	-	-	-		
Consumer Loans	180	166	186	249	239	199		
Mortgage Loans	1,641	1,683	1,950	2,532	2,732	2,690		
Goverment Entities' Loans	-	-	-	-	-	-		
IPAB Loans	-	-	-	-	-	-		
Fiduciary Collection Rights	-	-	-	-	-	-		
Performing Loans	10,884	10,683	12,140	15,625	16,466	14,755		
Commercial PDL's	120	57	96	183	172	411		
Financial Intermediaries' PDL's	-	-	-	-	-			
Consumer PDL's	1	1	1	1	-	1		
Mortgage PDL's	16	21	19	41	30	35		
Goverment Entities PDL's	-	-	-	-	-	-		
Past Due Loans	137	79	117	225	202	447		
Gross Loan Portfolio	11,021	10,762	12,256	15,850	16,668	15,201		
Preventive loan loss reserves	119	128	149	259	266	327		
Net Loan Portfolio	10,902	10,634	12,107	15,591	16,402	14,874		
Credit Assets Portfolio	-	-	-	-	-	-		
Sundry debtors and other accs rec,net	-	-	-	89	643	602		
Foreclosed assets, net	152	313	326	484	452	409		
Real Estate, Furniture & Equipment, net	580	572	606	753	760	695		
Investments in subsidiaries	7	7	7	9	9	9		
Deferred taxes, net	-	-	-	18	-	21		
Risk Coverage for Mortgage	-	-	-	-	-	-		
GoodWill	2,512	2,431	2,590	3,263	3,345	3,117		
Intangible	126	114	112	133	131	117		
Otros Assets	485	685	666	680	269	225		
Other Assets	3,123	3,229	3,368	4,076	3,746	3,460		
TOTAL ASSETS	20,434	20,712	22,005	27,740	29,001	27,919		

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BANORTE USA – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	7,9	7,2	7,3	8,5	9,348	9,613		
Time Deposits	7,3	7,3	8,2	10,	12,814	12,696		
Bank Bonds	-	-	-	-	-	-		
Deposits	15,280	14,618	15,517	19,065	22,162	22,309		
Immediate Redemption Loans	-	845	824	1,2	-	-		
Short term	768	1,0	1,1	1,6	814	5		
Long term	77	71	73	89	88	79		
Due to banks and correspondents	844	1,9	1,9	2,9	903	84		
Non-assigned securities pending settlement	-	-	-	-	-	-		
Cerditor Balance in Repo Trans, net	-	-	-	-	-	-		
Repo transactions with collateral	-	-	-	-	-	-		
Securities to be received in Repo Trans, net	-	-	-	-	-	-		
Transactions with derivatives, net	-	-	-	-	-	-		
Operations w/ Derivatives & Securities	-	-	-	-	-	-		
Income Tax & Profit Sharing Payable	2	-	2	-	-	-		
Other creditors & accounts payable	141	141	137	168	179	212		
Other payable accounts	143	141	139	168	179	212		
Subordinated non Convertible Debenture	220	213	226	285	292	272		
Deferred Taxes	44	52	-	-	9	-		
Deferred credits	33	34	38	52	48	41		
TOTAL LIABILITIES	16,564	17,014	17,919	22,538	23,592	22,917		
STOCKHOLDER´S EQUITY								
Paid-in Capital	3,3	3,3	3,3	3,3	3,346	4,266		
Share subscription premiums	-	-	-	-	-	-		
Subordinated Convertible Debentures	-	-	-	-	-	-		
Subscribed Capital	3,344	3,346	3,346	3,346	3,346	4,266		
Capital Reserves	-	-	-	-	-	-		
Retained Earnings	122	122	122	122	284	284		
Results from Valuation of Secs Available for Sale	105	(2)	82	98	122	59		
Results from Conversions of Foreign Ops	(81)	(199)	43	1,082	1,213	383		
Surplus (Deficit) in capital restatement	-	-	-	-	-	-		
Results of Non Monetary fixed assets	-	-	-	-	-	-		
Results on non monetary - investment assets	-	-	-	-	-	-		
Adjustment in employees' pensions	-	-	-	-	-	-		
Accumulated effect of Deferred Liabilities	-	-	-	-	-	-		
Net Income	46	76	117	166	38	10		
Earned Capital	192	(3)	365	1,4	1,657	736		
Minority Holdings	334	354	376	387	405	-		
Total Stockholder´s Equity	3,870	3,698	4,087	5,202	5,409	5,002		
TOTAL LIABILITIES & STOCKHOLDER´S CAPITAL	20,434	20,712	22,005	27,740	29,001	27,919		

***BANORTE USA* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q07	2Q07	3Q07	4Q07	1Q09	2Q09	3Q09	4Q09
Endorsement guarantees granted	-	-	-	-	-	-		
Other contingent obligations	-	-	-	-	-	-		
Credit commitments	23	26	33	36	42	29		
Irrevocable lines of credit	-	-	-	-	-	-		
Assets held in trusts or mandate	-	-	-	-	-	-		
Assets held in custody or in administration	-	-	-	-	-	-		
Investment banking transactions for third parties, net	-	-	-	-	-	-		
Amounts committed to fobaproa operations	-	-	-	-	-	-		
Investment of retirement saving funds	-	-	-	-	-	-		
Integration of loan portfolio	-	-	-	-	-	-		
Amounts received in derivative instruments	-	-	-	-	-	-		
Fobaproa trusts	-	-	-	-	-	-		
Repurchase securities to be received	-	-	-	-	-	-		
(Less) creditors from repos	-	-	-	-	-	-		
Debitors from repos	-	-	-	-	-	-		
(Less) Repurchase securities to be delivered	-	-	-	-	-	-		
Other control accounts	-	-	-	-	-	-		
Endorsement guarantees granted	18	21	14	14	42	42		

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

- **Information by Segments**

GFNORTE – INCOME STATEMENT 2Q09
(Million Pesos)

	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Pronegocio	Total	Eliminations	Final Balance
Interest Income	3	23,618	1,199	864	1	46	25,731	(1,231)	24,499
Interest Expense	-	12,331	1,160	426	1	9	13,927	(1,173)	12,754
Loan Fees	-	286	-	-	-	6	292	-	292
Net Interest Income (NII)	**3**	**11,574**	**39**	**437**	**1**	**42**	**12,096**	**(59)**	**12,037**
Repomo-Margin	-	-	-	-	-	-	-	-	-
NII after Repomo	**3**	**11,574**	**39**	**437**	**1**	**42**	**12,096**	**(59)**	**12,037**
Loan Loss & Loss Sharing Provisions	-	4,294	-	41	-	15	4,350	-	4,350
NII after Provisions	**3**	**7,279**	**39**	**396**	**1**	**28**	**7,746**	**-**	**7,687**
Fees on services,	-	3,554	241	7	32	5	3,840	(14)	3,826
Fees paid,	-	597	-	8	-	2	606	(1)	605
Market-related Income	-	313	85	-	-	-	398	-	398
Other Operating Income (Expenses)	-	374	(1)	-	-	-	373	-	373
Total Non Interest Income	**-**	**3,644**	**326**	**-**	**32**	**3**	**4,005**	**(13)**	**3,992**
Total Operating Income	**3**	**10,924**	**365**	**396**	**33**	**30**	**11,751**	**(72)**	**11,680**
Non-Interest Expense	**4**	**7,931**	**285**	**206**	**23**	**21**	**8,471**	**(93)**	**8,378**
Operating Income	**(1)**	**2,993**	**80**	**190**	**10**	**9**	**3,280**	**21**	**3,302**
Non Operating Income	2	896	22	11	471	8	1,410	(28)	1,382
Non Operating Expense	-	304	3	1	463	-	771	(6)	764
Non Operating Income (Expense)NET	**2**	**592**	**19**	**10**	**8**	**8**	**639**	**(21)**	**618**
Pre-tax Income	**-**	**3,585**	**100**	**200**	**18**	**17**	**3,919**	**-**	**3,919**
Tax and Profit sharing	**5**	**963**	**27**	**-**	**4**	**5**	**1,004**	**-**	**1,004**
Net Income before subsidiaries	**(4)**	**2,622**	**73**	**200**	**14**	**12**	**2,916**	**-**	**2,916**
Subsidiaries´ net income	2,928	5	-	-	-	-	2,933	(2,800)	134
Net Inc. from continuos operations	**2,923**	**2,627**	**73**	**200**	**14**	**12**	**5,849**	**(2,800)**	**3,049**
Extraodinary items, net	-	-	-	-	-	-	-	-	-
Minority Interest	-	(50)	-	-	-	-	(50)	(76)	(126)
TOTAL NET INCOME	**2,923**	**2,577**	**73**	**200**	**14**	**12**	**5,799**	**(2,875)**	**2,923**

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

GFNORTE **– BALANCE SHEET AS OF 2Q09**

(Million Pesos)

ASSETS	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Pronegocio	Total	Eliminations	Final balance
Cash and due from Banks	**150**	**56,911**	**2**	**35**	**8**	**-**	**57,106**	**(188)**	**56,918**
Margin Accounts	-	12	4	-	-	-	17	-	**17**
Negotiable Instruments	-	21,375	4,297	-	-	-	25,672	-	**25,672**
Securities held for sale	-	12,074	173	-	-	-	12,247	(681)	**11,566**
Securities held to maturity	-	210,344	358	-	-	-	210,702	-	**210,702**
Financial Instruments:	**-**	**243,793**	**4,828**	**-**	**-**	**-**	**248,620**	**(681)**	**247,939**
Non-assigned securities to pay	-	-	-	-	-	-	-	-	**-**
Futures receivable, net	-	8	8	-	-	-	16	-	**16**
For trading purposes	-	5,525	-	-	-	-	5,525	-	**5,525**
For hedging purposes	-	1,142	-	-	-	-	1,142	-	**1,142**
Repos & Derivatives :	**-**	**6,676**	**8**	**-**	**-**	**-**	**6,684**	**-**	**6,684**
Commercial	-	108,861	-	11,655	-	100	120,616	-	**120,616**
Financial Intermediaries	-	11,224	-	51	-	-	11,275	(2,813)	**8,462**
Consumer	-	26,647	-	5	-	-	26,651	-	**26,651**
Mortgage	-	47,691	-	-	-	-	47,691	-	**47,691**
Goverment Entities	-	31,906	-	16	-	-	31,921	-	**31,921**
Fobaproa	-	-	-	-	-	-	-	-	**-**
Performing Loans	**-**	**226,328**	**-**	**11,726**	**-**	**100**	**238,154**	(2,813)	**235,342**
Commercial	-	2,666	-	117	-	13	2,796	-	**2,796**
Financial Intermediaries	-	-	-	-	-	-	-	-	**-**
Consumer	-	2,584	-	-	-	-	2,584	-	**2,584**
Mortgage	-	919	-	-	-	-	919	-	**919**
Goverment Entities	-	-	-	-	-	-	-	-	**-**
Past Due Loans	**-**	**6,169**	**-**	**117**	**-**	**13**	**6,299**	**-**	**6,299**
Total Credit	**-**	**232,496**	**-**	**11,844**	**-**	**114**	**244,454**	**(2,813)**	**241,641**
Preventive loan loss reserves	-	6,295	-	119	-	11	6,426	-	**6,426**
Net Loan Portfolio	**-**	**226,201**	**-**	**11,725**	**-**	**102**	**238,028**	**(2,813)**	**235,216**
Acquired collection rights	-	2,804	-	-	-	-	2,804	-	**2,804**
Total Loans	**-**	**229,005**	**-**	**11,725**	**-**	**102**	**240,832**	**(2,813)**	**238,020**
Benef.receivab.securitization	-	557	-	-	-	-	557	-	**557**
Sundry debtors and other	3	10,436	143	132	57	3	10,774	(3)	**10,770**
Merchandise Inventory	-	-	-	-	312	-	312	-	**312**
Foreclosed assets, net	-	800	-	-	-	-	800	-	**800**
Real Estate, Furniture & Equipment,	-	6,682	10	1,613	55	58	8,419	-	**8,419**
Investments in subsidiaries	39,455	1,161	19	-	-	-	40,635	(37,738)	**2,896**
Deferred taxes	1	152	-	-	-	29	182	(41)	**141**
GoodWill	31	3,117	-	-	-	-	3,147	-	**3,147**
Intangible	1	1,015	167	-	-	-	1,183	-	**1,183**
Otros Assets	-	4,001	90	17	6	4	4,119	-	**4,119**
Total Other Assets	**39,491**	**27,364**	**430**	**1,762**	**430**	**95**	**69,571**	**(37,783)**	**31,788**
TOTAL ASSETS	**39,640**	**564,318**	**5,271**	**13,521**	**439**	**197**	**622,830**	**(40,908)**	**581,922**

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

GFNORTE – BALANCE SHEET AS OF 2Q09

(Million Pesos)

LIABILITIES	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Prone-gocio	Total	Eliminations	Final balance
Demand Deposits	-	123,776	-	-	-	-	123,776	(21)	123,755
Time Deposits	-	141,760	-	-	-	-	141,760	(151)	141,608
Bonds	-	-	-	-	-	-	-	-	-
Deposits	**-**	**265,536**	**-**	**-**	**-**	**-**	**265,536**	**(173)**	**265,363**
Demand	-	501	-	-	-	-	501	-	501
Short term	-	18,289	-	9,175	276	130	27,870	(2,813)	25,057
Long term	-	7,253	-	2,474	-	-	9,727	-	9,727
Due to banks & corresp.	**-**	**26,043**	**-**	**11,649**	**276**	**130**	**38,098**	**(2,813)**	**35,285**
Assigned securities to pay	**-**	**540**	**-**	**-**	**-**	**-**	**540**	**-**	**540**
Futures receivable, net	-	197,102	3,831	-	-	-	200,933	-	200,933
For trading purposes	-	5,219	-	-	-	-	5,219	-	5,219
For hedging purposes	-	3,976	-	-	-	-	3,976	-	3,976
Repos & Derivatives:	**-**	**206,297**	**3,831**	**-**	**-**	**-**	**210,128**	**-**	**210,128**
Income Tax	-	170	-	-	1	-	170	-	170
Profit Sharing	-	369	2	-	-	-	371	-	371
Creditors for settlement of transactions	-	1,709	1	-	-	-	1,709	-	1,709
Other Creditors & Accounts Payable	1	7,903	183	427	18	4	8,535	(19)	8,516
Other payable accounts	**1**	**10,150**	**185**	**427**	**18**	**4**	**10,785**	**(20)**	**10,767**
Subordinated non Convertible Debenture	-	17,783	-	-	-	-	17,783	-	17,783
Deferred Taxes	-	-	32	-	9	-	41	(41)	-
Deferred credits	-	1,400	-	61	-	3	1,464	-	1,464
TOTAL LIABILITIES	**1**	**527,749**	**4,048**	**12,137**	**303**	**13 7**	**544,375**	**(3,045)**	**541,330**
STOCKHOLDER´S EQUITY									
Paid-in Capital	12,020	10,955	540	306	87	195	24,103	(12,158)	11,945
Share subscription premiums	1,853	850	-	-	-	-	2,703	(1,456)	1,247
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-	-
Subscribed Capital	**13,873**	**11,805**	**540**	**306**	**87**	**195**	**26,806**	**(13,614)**	**13,192**
Capital Reserves	3,173	4,659	72	195	17	-	8,116	(4,943)	3,173
Retained Earnings	23,459	19,346	446	683	17	(14 7)	43,804	(20,345)	23,459
Surplus (Deficit) from securities	(867)	(329)	75	-	-	-	(1,120)	253	(867)
Results from coverage securities valuation	(1,342)	(1,382)	-	-	-	-	(2,724)	1,382	(1,342)
Results of foreign operations exchange	(1,580)	(682)	17	-	-	-	(2,245)	665	(1,580)
Excess (Insuf.) in capital restatement	-	-	-	-	-	-	-	-	-
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-	-
Non Mon assets results Investm subsidiaries	-	-	-	-	-	-	-	-	-
Adjustment in the employees pension funds	-	-	-	-	-	-	-	-	-
Net Income	2,923	2,577	73	200	14	12	5,799	(2,875)	2,923
Earned Capital	**25,767**	**24,189**	**683**	**1,078**	**48**	**(13**	**51,629**	**(25,863)**	**25,767**
Minority Holdings	-	575	-	-	-	-	575	1,058	1,633
Total Stockholder´s Equity	**39,640**	**36,569**	**1,223**	**1,384**	**136**	**60**	**79,011**	**(38,419)**	**40,592**
TOT. LIAB. & STOCKHOL. EQUITY	**39,640**	**564,318**	**5,271**	**13,521**	**439**	**197**	**623,386**	**(41,465)**	**581,922**

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

ACCOUNTING CHANGES AND REGULATIONS

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

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

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

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

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

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

- **B-11 Bulletin.**

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

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

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

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

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

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

NEW ACCOUNTING CRITERIA

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

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

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

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

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

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

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

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

PREVIOUS ACCOUNTING CRITERIA
Repurchase or Resale Agreement Operations

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

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

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

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

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

a. Reclassification of Securities

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Main changes to accounting criteria**

On April 27 and May 28, 2009, the National Banking and Securities Commission issued changes in accounting criteria applicable to credit institutions and the financial groups' holdings companies, to make them consistent with financial reporting standards set out in Mexico and abroad, while at the same time facilitate the comparison of the information provided to authorities, public and the markets. Such changes were adopted and applied since April 2009. The most relevant changes are listed below:

Adjustments were made to the conceptual outline of the accounts, eliminating the concept of "rules of general application" and were substituted by "Standards and criteria for recognition."

With regard criteria B-2 "Investments in Securities" , the securities value impairment was extended in regards to their identification and treatment. As of now, it also includes securities available for sale and not just the securities held to maturity, as previously considered. The new criteria requires that in case that there is objective evidence of events subsequent to initial recognition, that have a negative impact on the expected cash flow, such deterioration must be booked in the value of that security.

The accrued interest from debt securities must be determined in accordance to the effective interest method regardless of the category in which these securities are registered. Previously, the straight line method was used to recognize such interests.

Regarding criteria B-5 "Derivatives and hedging transactions", the leasing contracts and the common buy-sell and supply of assets, on those underlyng derivative's financial instruments that institutions are allowed to trade mut be analyzed, with the aim of valuating whether it complies with the definition of embedded derivative and if it may have an impact of results. Also, the NIF C-10 substitution is eliminated.

The costs and expenses arising from initial loan placements are registered as deferred charges, and must be amortized against interest expense during the life of the loan.

The annual or renewal fees charged on credit cards will be registered as a deferred loan and will be amortized during a 12 month period.

As a result of the accounting criteria changes to the diverse Income Statement line items, the Income Statement has been adapted to these modifications, and the changes basically consist on the following:

The Balance Sheet includes new lines like: margin accounts, repo debtors, securities lending, hedging and trading derivatives' breakdown, adjustments to hedging securities mark to market, benefits to receive from securitizations, long term securities available for sale and mandates in securitization transactions, among others. In memo accounts, the received collaterals by entitity and the received and sold or delivered collaterals as guarantee by the entity are included in this line item.

In the Income Statement, the Profit Sharing line is included within the Administrative and Promotional Expenses. Also, the net interest income adjusted to credit risk and the trading income details are included, as well as other operating income (expenses) which includes among other things loan recoveries arising from the sale or disposal of the loan portfolio, the impairment loss or reversal of assets other than investments in securities and the mark to valuation results in awarded property.

- The D-4 criteria is reestructured and contemplates changes in substance between the State of Changes in Financial Position and the Cash Flow Statement. This was because the first one showed the changes in the financial structure of the entity, which may or may not identify the generation or application of resources in the period, while the second shows the cash flows that represent the creation or application of cash of the entity during the period

For purposes of comparison, financial information is presented for the first quarter of 2009, based on accounting criteria contained in the resolution amending the general provisions applicable to financial reporting by companies of financial groups subject to supervision of the National Banking and Securities Commission issued on May 28, 2009.

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

***GFNorte* – INCOME STATEMENT** *(Million Pesos)*	**1Q09 Previous Rules**	**Reclassifications**	**Current Rules**	**Adjustments to current rules**	**1Q09 reprocessed rules**	**2Q09**	**1H09 Reprocessed to current rules**
Interest Income	**13,141**	**-**	**13,141**	-	**13,141**	11,358	**24,499**
Interest Expense	**7,094**	**-**	**7,094**	3	**7,097**	5,656	**12,753**
Loan Fees	**153**	**-**	**153**	-	**153**	139	**292**
Fees Paid	**-**	**-**	**-**	-	**-**	4	**4**
NII before Repomo	**6,199**	**-**	**6,199**	**(3)**	**6,197**	**5,838**	**12,034**
Repomo – Margin	**-**	**-**	**-**	-	**-**	-	**-**
NII after Repomo	**6,199**	**-**	**6,199**	**(3)**	**6,197**	**5,838**	**12,034**
Preventive Provision for Loan Losses	**2,162**	**-**	**2,162**	-	**2,162**	2,188	**4,350**
Loan Loss Provisions Fobaproa	**-**	**-**	**-**	-	**-**	-	**-**
NII Adjusted for Credit Risk	**4,037**	**-**	**4,037**	**(3)**	**4,034**	**3,650**	**7,684**
Fund Trasnfers	**60**	**-**	**60**	-	60	61	**121**
Account Management	**230**	**-**	**230**	-	230	237	**467**
Fiduciary	**51**	**-**	**51**	-	51	68	**119**
Income from Real Estate Portfolios	**137**	**-**	**137**	-	137	164	**302**
Electronic Banking Services	**250**	**-**	**250**	-	250	256	**506**
Credit Card Fees	**590**	**-**	**590**	(56)	534	520	**1,054**
Fees Charged to IPAB	**-**	**-**	**-**	-	-	-	**-**
Other Fees	**596**	**-**	**596**	-	-	606	**1,202**
Fees Charged on Services	**1,914**	**-**	**1,914**	**(56)**	**1,858**	**1,912**	**3,770**
Fund Trasnfers	**6**	**-**	**6**	-	**6**	5	**11**
Other Fees	**305**	**-**	**305**	-	**305**	289	**594**
Real Estate Portfolios	**-**	**-**	**-**	-	**-**	-	**-**
Fees Paid on Services	**312**	**-**	**312**	**-**	**312**	**294**	**605**
FX	**356**	**-**	**356**	-	356	163	**518**
Securities –realized gains	**19**	**-**	**19**	17	36	79	**115**
Securities –unrealized gains	**(133)**	**-**	**(133)**	-	(133)	(85)	**(218)**
Market Related Income	**241**	**-**	**241**	**17**	**259**	**157**	**416**
Other Operating Income (expenses)	**-**	**226**	**226**	**-**	**226**	**147**	**373**
Non Interest Income	**1,844**	**226**	**2,070**	**(39)**	**2,032**	**1,922**	**3,954**
Total Operating Income	**5,881**	**226**	**6,107**	**(41)**	**6,066**	**5,572**	**11,638**
Personnel	**1,692**	**-**	**1,693**	-	1,693	1,523	**3,216**
Profit Sharing	**-**	**199**	**199**	-	199	169	**368**
Profesional Fees Paid	**334**	**-**	**334**	-	334	340	**675**
Admin. And Promotional Expenses	**1,186**	**-**	**1,186**	(36)	1,150	1,132	**2,282**
Rents, Depreciation and Amortization	**452**	**-**	**452**	-	452	435	**887**
Other Taxes	**209**	**-**	**209**	-	209	172	**381**
Contributions to IPAB	**267**	**-**	**267**	-	267	265	**532**
Non Interest Expense	**4,142**	**199**	**4,341**	**(36)**	**4,304**	**4,037**	**8,341**
Operating Income	**1,739**	**27**	**1,767**	**(5)**	**1,762**	**1,535**	**3,297**
Other Products	**502**	**(33)**	**469**	-	**469**	595	**1,064**
Changes in FX valuation	**-**	**-**	**-**	-	**-**	-	**-**
Recoveries	**403**	**(207)**	**196**	-	**196**	122	**318**
Repomo – ohters(creditor balance)	**-**	**-**	**-**	-	**-**	-	**-**
Non-Operating Income	**904**	**(240)**	**665**	**-**	**665**	**717**	**1,382**
Otros Expenses	**(253)**	**13**	**(240)**	-	**(240)**	(525)	**(764)**
Changes in FX valuation	**-**	**-**	**-**	-	**-**	-	**-**
Repomo - other (debtor balance)	**-**	**-**	**-**	-	**-**	-	**-**
Non-Operating Expenses	**(253)**	**13**	**(240)**	**-**	**(240)**	**(525)**	**(764)**
Non Operating Income (Expense), net	**652**	**(226)**	**425**	**-**	**425**	**193**	**618**
Pre-tax Income	**2,391**	**(199)**	**2,192**	**(5)**	**2,187**	**1,728**	**3,915**
Income tax	**258**	**-**	**258**	-	**258**	413	**670**
Profit Sharing	**199**	**-**	**-**	-	**-**	-	**-**
Tax on Assets	**-**	**-**	**-**	-	**-**	-	**-**
Deffered Income Tax	**317**	**-**	**317**	-	**317**	17	**334**
Taxes	**774**	**199**	**574**	**-**	**574**	**429**	**1,004**
Net Income before Subsidiaries	**1,617**	**-**	**1,617**	**(5)**	**1,613**	**1,298**	**2,911**
Subsidiaries' Net Income	**89**	**-**	**89**	-	**89**	45	**134**
Net Income from Continous Operations	**1,706**	**-**	**1,706**	**(5)**	**1,701**	**1,343**	**3,045**
Extraordinary items, net	**-**	**-**	**-**	-	**-**	-	**-**
Minority Interest	**95**	**-**	**95**	-	**95**	31	**126**
Net Income	**1,611**	**-**	**1,611**	**(5)**	**1,607**	**1,312**	**2,919**

BANORTE

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

GFNORTE – BALANCE SHEET *(Milliones Pesos)*	1Q09 previous rule	Reclasiffications	1Q09 current rule	Rule adjuistments	1Q09 reprocessed rule	2Q09
ASSETS						
Cash and Due from Banks	56,317	(14)	56,303	-	56,303	56,918
Margin Accounts	-	14	14	-	14	17
Negotiable Instruments	5,172	-	5,172	-	5,172	25,672
Securities Available for Sale	11,870	-	11,870	-	11,870	11,566
Securities Held to Maturity	217,922	-	217,922	-	217,922	210,702
Investment in Securitiees	234,965	-	234,965	-	234,965	247,940
Non-assigned Sec for Settlement	-	-	-	-	-	-
Debtor balance in repo trans, (net)	1,620	-	1,620	-	1,620	16
Securities Lending	-	-	-	-	-	-
For trading	-	6,406	6,406	-	6,406	5,525
For hedging	-	2,529	2,529	-	2,529	1,142
Derivatives	8,936	(8,936)	-	-	-	-
Operations w/ Derivatives & Securities	8,936	-	8,936	-	8,936	6,667
Commercial Loans	122,563	-	122,563	-	122,563	120,616
Financial INtermediaries' Loans	10,229	-	10,229	-	10,229	8,462
Consumer Loans	27,775	-	27,775	-	27,775	26,651
Mortgage Loans	47,023	-	47,023	-	47,023	47,691
Government Entities' Loans	28,592	-	28,592	-	28,592	31,921
IPAB Loans	-	-	-	-	-	-
Performing Loans	236,181	-	236,181	-	236,181	235,342
Commercial Loans	2,187	(6)	2,181	-	2,181	2,796
Financial Intermediaries' Loans	3	-	3	-	3	-
Consumer Loans	2,541	-	2,541	-	2,541	2,584
Mortgage Loans	825	-	825	-	825	919
Government Entities' Loans	-	-	-	-	-	-
Past due Loans	5,556	(6)	5,550	-	5,550	6,299
Gross Loan Portfolio	241,737	(6)	241,731	-	241,731	241,641
Preventive Loan Loss Reserves	6,051	-	6,051	-	6,051	6,426
Net Loan Portfolio	235,686	(6)	235,680	-	235,680	235,216
Acquired Collection Rights	2,923	-	2,923	-	2,923	2,804
Total Loan Portfolio	238,609	(6)	238,603	-	238,603	238,020
Benef.receivab.securitiz. transactions	699	-	699		699	557
Sundry Debtors & Other Accs Rec, net	13,764	6	13,769	-	13,769	10,770
Inventories	479	-	479	-	479	312
Foreclosed Assets, net	841	-	841	-	841	800
Real Estate, Furniture & Equipment, net	8,459	-	8,459	-	8,459	8,419
Investments in Subsidiaries	2,668	-	2,668	-	2,668	2,896
Deferred Taxes, net	147	-	147	-	147	141
Deferred charges,and intangibles	-	5,799	5,799	-	5,799	4,330
Other short and long term assets	-	4,499	4,499	35	4,534	4,119
Other assets	5,506	(5,506)	-	-	-	-
Intangibles	293	(293)	-	-	-	-
Other Assets	4,499	(4,499)	-	-	-	-
	10,298	-	10,298	35	10,333	32,345
Total Assets	577,802	-	577,802	35	577,837	581,922

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

GFNORTE – BALANCE SHEET (Millones Pesos)	1Q09 Rules Anterior	Reclassifications	1Q09 Current Rule	Rule Adjustmenst	1Q09 Reprocessed	2Q09
LIABILITIES						
Demand Deposits	120,255	-	120,255	-	120,255	123,755
Time Deposits	134,964	-	134,964	-	134,964	141,608
Bank Bonds	-	-	-	-	-	-
Deposits	255,219	-	255,219	-	255,219	265,363
Immediate Redemption Loans	4,180	-	4,180	-	4,180	501
Short Term Loans	25,322	-	25,322	-	25,322	25,057
Long Term Loans	10,723	-	10,723	-	10,723	9,727
Due to Banks & Correspondents	40,225	-	40,225	-	40,225	35,285
Assigned securities to settle	420	-	420	-	420	540
Creditor Balances in Repo Trans, net	191,479	-	191,479	-	191,479	200,933
Securities Lending	-	-	-	-	-	-
Repo Transactions with Collateral	304	-	304	-	304	-
Trading	-	6,300	6,300	(18)	6,282	5,219
Hedging	-	5,345	5,345	-	5,345	3,976
Transactions with Derivatives	11,646	(11,646)	-	-	-	
	11,646	-	11,646	(18)	11,628	9,195
Operations w/ derivatives and Securities	203,849	-	203,849	(18)	203,831	210,668
Income Tax payable	496	(285)	211	-	211	170
Profit Sharing .	-	285	285	-	285	371
Creditor for settlement of transactions	-	6,832	6,832	-	6,832	1,709
Other loans and accounts payable	17,726	(6,832)	10,894	-	10,894	8,516
Other Payable accounts	18,222	-	18,222	-	18,222	10,767
Subordinated Debentures	18,053	-	18,053	-	18,053	17,783
Deferred Taxes	-	-	-	-	-	-
Deferred Credits	1,336	-	1,336	58	1,393	1,464
TOTAL LIABILITIES	536,903	-	536,903	40	536,943	541,330
EQUITY						
Paid-in Capital	11,932	-	11,932	-	11,932	11,945
Share Subscription Premiums	1,530	-	1,530	-	1,530	1,247
Subordinated Convertible Debentures	-	-	-	-	-	-
Subscribed Capital	13,462	-	13,462	-	13,462	13,192
Capital Reserves	2,748	-	2,748	-	2,748	3,173
Retained earnings	23,965	-	23,965	-	23,965	23,459
Results from sec available for sale	(1,315)	-	(1,315)	-	(1,315)	(867)
Results from valuation of securities	-	-	-	-	-	(1,342)
Resuls from Conversion of Foreign Ops	1,244	-	1,244	-	1,244	(1,580)
Surplus (deficit) in capital restatement	-	-	-	-	-	-
Results of Non Monetary Fixed Assets	-	-	-	-	-	-
Results of Non Monetary Invesment Assets	(2,833)	-	(2,833)	-	(2,833)	-
Adjusments in the Employees' Pension	-	-	-	-	-	-
Accumulated Effect or Deferred Liabilites	-	-	-	-	-	-
Net Income	1,611	-	1,611	(5)	1,607	2,923
Minority Interest	2,016	-	2,016	-	2,016	1,633
Earned Capital	27,437	-	27,437	(5)	27,432	27,400
Total Equity	40,899	-	40,899	(5)	40,894	40,592
TOTAL LIABILITIES AND EQUITY	577,802	-	577,802	35	577,837	581,922

- **Special accounting treatment to various support programs implemented in response to the swine flu outbreak.**

As a result of the slowdown in economic activity due to the health measures undertaken by federal and local authorities to contain the swine flu outbreak, the bank took the decision to support the entities and economic sectors affected through the implementation of various support programs to the most vulnerable clients. These programs were implemented in two phases:

I. Emerging plan to support SME's, which consists of:

- Deferral of principal for 3 months for companies and businesses affected mainly in Mexico City, the State of Mexico and San Luis Potosí.
- Deferral of principal for 6 months, including a 3 month interest payment grace period for companies affected in the tourist zones of Riviera Maya, Nayarit, Jalisco y Baja California Sur.

In light of this, the Banking and Securities Commission (CNBV) issued special accounting criteria through the bulletin number 100/014/2009, through which it authorized the defferal of principal and interest according to the Plan; they will not be considered as reestructured loans as established by pharagraph 24 of criteria B-6 "Loan Portfolio" and so that they remain as performing loans during the term established by the Plan. Also, these loans are contemplated as performing loans for determination of preventive reserves.

II. Support for mortgage, car, credit card and consumer loans consist of:

Mortgage Loans

- Deferral of principal and interest payments for up to 4 months.

Car and Consumer Loans

- Deferral of principal and interest payments for up to 3 months..

Credit Cards

- Deferral of mínimum payment for up to 3 months.

In this respect, the communique number 100/021/2009 issued on June 12, 2009 by the Banking and Securities Commission established special accounting criteria applicable as of the date of publication of the communication and for the duration of the support program, for mortgage, car, credit cards, personal and payroll loans granted or with payment sources located in the Riviera Maya, Riviera Nayarita, Mazatlán and los Cabos zones. This special criteria authorizes the insitution to:

a) Consider loans subject to renovations as performing at the moment of renewal, without applying the reqisite established in pharagraphs 52 and 53 of criteria B-6 "Loan Portfolio" consisting of the borrower paying total accrued interest on time as per the terms and conditions originally agreed upon and 25% of the original loan amount. This is applicable to loans that were performing until April 15, 2009 in accordance with pharagraph 8 of criteria B-6.

   This authorization is not applicable to loans that participate in the Debtor Support Programs for Banks established by the Federal Government and the banking industry.

b) Not consider as restructured loans those performing credits in which principal and interest deferrals is granted in accordance with pharagraph 24 of criteria B-6 and will continue as perfoming loans during the term that the deferral is granted. As a consequence, these loans are considered as performing for determination of preventive reserves.

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

If these special accounting changes had not been authorized, the balances that the Institution would be presenting in its balance sheet in June 30, 2009, would be:

PERFORMING LOANS	
Commercial Loans	
Business or commercial activity	$120,627,198,775
Financial Entities	8,462,341,894
Government Entities	31,921,357,953
Consumer Loans	26,651,227,961
Mortgage Loans	47,690,565,385
TOTAL PERFORMING LOANS	235,342,691,967
PAST DUE LOANS	
Commercial loans	
Business or comercial activity	2,796,281,560
Consumer Loans	2,583,927,144
Mortgage Loans	919,125,660
TOTAL PAST DUE LOANS	6,299,334,364
LOAN PORTFOLIO	241,642,026,332
(Minus) PREVENTIVE LOAN LOSS RESERVES	(6,426,278,991)
LOAN PORTFOLIO, net	235,215,747,341
ACQUIRED COLLECTION RIGHTS	2,803,982,473
TOTAL LOAN PORTFOLIO, net	238,019,729,814

Also, the net income of this period would be $2,922,720,839, as a result of booking an additional $730,128 of preventive loan loss reserves that would origínate if the support had not been granted to borrowers.

The amount of deferred payments derived from this Plan at the end of June 30, 2009 is as follows:

	Deferred Amount
Consumer Loans	$8,593
	$8,593

The amount of renewed loans according to the plans established is as follows:

	Amount Renewed
Commercial Loans	
Business or commercial activity	$163,995,503
Financial Entities	-
Government Entities	-
Consumer Loans	26,000
Mortgage Loans	-
TOTAL	$164,021,503

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

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

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

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

	Local Currency (2)			Foreign Currency (USD) (3)			Total		
(Millions of Nominal Pesos)	**Aug'02**	**Mar'09**	**Jun'09**	**Aug'02**	**Mar'09**	**Jun'09**	**Aug'02**	**Mar'09**	**Jun'09**
Performing Loans									
Commercial	5	-	-	5	-	-	10	-	-
Consumer	-	-	-	-	-	-	-	-	-
Mortgage	54	36	33	-	-	-	54	36	33
Total	**59**	**36**	**33**	**5**	**-**	**-**	**64**	**36**	**33**
Non Performing Loans									
Commercial	405	365	363	293	119	111	698	484	474
Consumer	81	72	72	-	-	-	81	72	72
Mortgage	1,112	379	368	-	-	-	1,112	379	368
Total	**1,598**	**816**	**803**	**293**	**119**	**111**	**1,891**	**935**	**914**
TOTAL LOANS	**1,657**	**852**	**836**	**298**	**119**	**111**	**1,955**	**971**	**947**
Loan Loss Reserves (1)									
Commercial	326	355	355	246	116	116	572	471	471
Consumer	77	72	72	-	-	-	77	72	72
Mortgage	669	369	369	-	-	-	669	369	369
Total	**1,072**	**796**	**796**	**246**	**116**	**116**	**1,318**	**912**	**912**

1) Reserve requirements using the same classification method used for the bank.
2) Includes UDIS.
3) The dollar portfolio and reserves are re-expressed in pesos.
Note 1.- There was a Reserve deficit of Ps 95 mllion as of June 2009.
Note 2.- Banorte has a 99.99% stake in Sólida.

In 2Q09 the Loan portfolio showed changes due to: collections for Ps $11 million, restructures for Ps $1.2 million, repossessed assets for Ps $1 millon and Ps $34 million in charge-offs and discounts. In the Loan loss provisions, there were charge-offs and discounts for Ps $8 million. There were transfers from performing loans to past due loans for Ps $2 million and transfers from past due loans to performing loans for Ps $1 million.

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

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

	Local Currency (1)		Foreign Currency (USD)(2)		Total	
(Millions of Nominal Pesos)	**Mar'09**	**Jun'09**	**Mar'09**	**Jun'09**	**Mar'09**	**Jun'09**
Performing Loans						
Commercial	128,548	130,218	14,277	12,895	142,825	143,113
Consumer	27,531	26,447	-	-	27,531	26,447
Mortgage	44,328	45,034	-	-	44,328	45,034
Fobaproa / IPAB	-	-	-	-	-	-
Performing Loans	**200,407**	**201,699**	**14,277**	**12,895**	**214,684**	**214,594**
Non Performing Loans						
Commercial	2,171	2,577	214	152	2,385	2,729
Consumer	2,612	2,655	-	-	2,612	2,655
Mortgage	1,175	1,252	-	-	1,175	1,252
Non Performing Loans	**5,958**	**6,484**	**214**	**152**	**6,172**	**6,636**
TOTAL LOANS	**206,365**	**208,183**	**14,491**	**13,047**	**220,856**	**221,230**
Loan Loss Reserves	**6,243**	**6,577**	**337**	**277**	**6,580**	**6,854**
Net Loan Portfolio	**200,122**	**201,606**	**14,154**	**12,770**	**214,276**	**214,376**
Loan Loss Reserves					**106.61%**	**103.29%**
% Past Due Loans					**2.79%**	**3.00%**

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

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

NOTES TO FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q09
(Million Pesos)

NEGOTIABLE INSTRUMENTS	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Goverment Securities	13,529	4	-	13,533
Unrestricted	111	-	-	111
Cetes	111	-	-	111
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	-	-	-	-
Restricted	13,418	4	-	13,422
Cetes	398	-	-	398
Bonds	11	-	(4)	8
Bondes	3,609	1	-	3,609
Bpas	9,400	3	4	9,407
Brems	-	-	-	-
UMS	-	-	-	-
Udibonds	-	-	-	-
Stock Certificates	-	-	-	-
Banking Securities	12,001	13	8	12,022
Unrestricted	7,737	12	7	7,756
Notes	7,737	12	7	7,756
Cedes	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Restricted	4,264	-	2	4,266
Notes	4,264	-	2	4,266
Private	52	-	-	52
Unrestricted	52	-	-	52
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	-	-	-	-
EUROBONDS	-	-	-	-
Stock Certificates	12	-	-	12
Subordinated paper	-	-	-	-
Other securities	40	-	-	40
Foreign Goverment				
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	-	-	-	-
Other securities	-	-	-	-
Shares listed in the SIC	-	-	-	-
Guarantee (collateral) for futures	-	-	-	-
Mutual Funds	65	-	-	65
Total	**25,646**	**17**	**9**	**25,672**

BANORTE

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

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 2Q09
(Million Pesos)

Securities Held to Maturity	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Cetes	709	4	-	713
Affected papers as collateral	-	-	-	-
Fiduciary duties	-	-	-	-
Goverment Securities	155,654	15	-	155,668
Restricted	155,279	4	-	155,282
Cetes	-	-	-	-
Bonds	653	(10)	-	644
Bondes	33,035	7	-	33,043
Bpas	119,170	(59)	-	119,111
Brems	-	-	-	-
UMS	2,416	65	-	2,481
Udibonds	3	-	-	3
Stock Certificates	-	-	-	-
Unrestricted	375	11	-	386
Notes	1	-	-	1
Cedes	211	1	-	212
Bonds	141	-	-	141
Stock Certificates	23	10	-	33
Banking Securities	29,908	47	-	29,955
Restricted	17,346	14	-	17,359
Notes	-	-	-	-
Cedes	9,712	6	-	9,717
Bonds	-	-	-	-
Stock Certificates	7,634	8	-	7,642
Other Banking Securities	-	-	-	-
Unrestricted	12,563	33	-	12,596
Bonds	5,854	-	-	5,854
Stock Certificates	5,639	25	-	5,664
Other Banking Securities	1,070	8	-	1,078
Private	24,208	141	-	24,349
Restricted	18,223	119	-	18,342
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	5,075	108	-	5,183
EUROBONDS	-	-	-	-
Stock Certificates	13,147	11	-	13,158
Sructured Notes	-	-	-	-
Unrestricted	5,985	22	-	6,007
Stock Certificates	5,915	22	-	5,937
Sructured Notes	70	-	-	70
Other Unrestricted				
Other Debt Securities	-	-	-	-
U.S. Government Securities	12	-	-	12
Subordinated paper	4	-	-	4
Total	**210,495**	**207**	**-**	**210,702**

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

SECURITIES HELD FOR SALE 2Q09
(Million Pesos)

SECURITIES HELD FOR SALE	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Unrestricted	7,253	39	(80)	7,213
Goverment Securities	6,285	26	100	6,411
Mexican Government Securities (UMS)	65	2	1	68
Treasury Bonds	(38)	-	-	(38)
Private company bonds	2	-	107	109
Private company bonds	-	-	23	23
GFNorte's Stock	-	-	-	-
BMV's Stock	234	-	(63)	171
Bonds	-	-	-	-
Eurobonds	526	11	(220)	317
Bank Paper	-	-	-	-
Structured notes	-	-	-	-
PEMEX	158	1	(8)	150
Other	21	-	(19)	2
Restricted	4,647	64	4,353	(358)
Mexican Government Securities (UMS)	276	9	293	8
Treasury Bonds	38	-	-	39
Bonds	3,891	54	(400)	3,544
PEMEX	442	2	34	477
Total	**11,900**	**103**	**(438)**	**11,566**

SECURITIES ASSIGNED FOR SETTLEMENT 2Q09
(Million Pesos)

SECURITIES ASSIGNED FOR SETTLEMENT	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Government securities	540	-	(1)	540
Cetes	25	-	-	25
Bonds	11	-	-	11
Bondes	-	-	-	-
Bpas	504	-	(1)	504
Brems	-	-	-	-
UMS	-	-	-	-
UdiBonds	-	-	-	-
2U CBIC	-	-	-	-
Stock Certificates	-	-	-	-
Bank Paper	-	-	-	-
Private	-	-	-	-
Foreign Goverment	-	-	-	-
Total	**540**	**-**	**(1)**	**540**

REPURCHASE AGREEMENT OPERATIONS 2Q09
(Million Pesos)

SALES	MARKET VALUE		FINANCIAL STATEMENT		
				INDIVIDUAL COMPENSATION	
	RECEIVABLES ON REPURCHASE AGREEMENT	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	-	166,161	(166,161)	-	166,161
Banking Securities	-	21,613	21,613	-	21,613
Private Securities	-	13,159	13,159	-	13,159
Total	-	200,933	200,933	-	200,933

PURCHASES	MARKET VALUE		FINANCIAL STATEMENT		
				INDIVIDUAL COMPENSATION	
	RECEIVABLES ON REPURCHASE AGREEMENT	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	25,922	25,906	(16)	16	-
Banking Securities	883	883	-	-	-
Private Securities	-	-	-	-	-
Total	26,805	26,789	(16)	16	-
				16	200,933

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

DERIVATIVE FINANCIAL INSTRUMENTS OPERATIONS 2Q09

(Million Pesos)

INSTRUMENT	TO RECEIVE	TO DELIVER	NET	DEBTOR BALANCE	CREDITOR BALANCE
FUTURES					
Over Inflation (INPC)	-	-	-	-	-
					-
FORWARD FX CONTRACTS	AGREED PRICE	MARKET VALUE	VALUATION		
Negotiable					
Purchases	2,098	(2,317)	(219)		
Sells	(3,990)	4,481	491		
Total	(1,892)	2,163	272	351	79
					271
Hedging					
Purchases	-	-	-		
Sells	-	-	-		
Total	-	-	-	-	-
					-
SWAPS	TO RECEIVE	TO DELIVER	NET		
Negotiable					
Capital	15,310	(15,255)	55		
Interest rate	725	(710)	15		
Valuation	47,252	(47,364)	(111)		
Subtotal	63,288	(63,328)	(41)	5,026	5,067
					(41)
Hedging					
Capital	14,058	(15,333)	(1,275)		
Interest rate	137	(306)	(168)		
Valuation	6,331	(7,930)	(1,599)		
Subtotal	20,526	(23,569)	(3,043)	933	3,976
					(3,043)
OPTIONS					
Negociable-Assets					
Swaptions	-	-	-		
Rate Options	75	73	148		
Fx	4	(4)	-		
Index Options (ipc)	-	-	-		
Total	79	69	148	148	-
Hedging -Assets					
Swaptions	-	-	-		
Rate Options	209	-	209		
Index Options (ipc)	-	-	-		
Total	209	-	209	209	-
Negociable-Liability					
Swaptions	-	-	-		
FX	(5)	5	-		
Rate Options	(92)	19	(73)		
Index Options (ipc)	-	-	-		
Total	(96)	23	(73)	-	73
Debtor Balance				6,667	
Creditor Balance					9,195

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NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 2Q09
(Mililon Pesos)

PRODUCT	TYPE	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases	Exchange Rate (Dollar)	MXN	2,098
FX Forwards	Sales	Exchange Rate (Dollar)	MXN	3,990
FX Options	Purchases	Exchange Rate (Dollar)	MXN	105
FX Options	Sales	Exchange Rate (Dollar)	MXN	111
Interest Rate Options	Purchases	TIIE	MXN	32,464
Interest Rate Options	Sells	TIIE	MXN	9,963
Interest Rate Swaptions	USLI/IRS	TIIE	MXN	-
Interest Rate Swaptions	TIIE/IRS	TIIE	MXN	-
Interest Rate Swaps	USLI/IRS	LIBOR	MXN	7,896
Interest Rate Swaps	TIIE/IRS	TIIE	MXN	177,740
FX Swaps	CS EURMXN	FIX/FIX	MXN	1,004
FX Swaps	CS USDCETE	CETE	MXN	3,491
FX Swaps	CS USDMXN	FIX/FIX	MXN	24,874
Futures in MEXDER	Purchases	TIIE	MXN	-
Futures in MEXDER	Sales	TIIE	MXN	-
Futures in MEXDER	Purchases	CETE	MXN	-
Futures in MEXDER	Sales	CETE	MXN	-
Futures in MEXDER	Purchases	M10	MXN	-
Futures in MEXDER	Sales	M10	MXN	-

INVESTMENT IN NON GOVERNMENTAL FINANCIAL INSTRUMENTS THAT RESPRESENT MORE THAN 5% NET CAPITAL 2Q09
(Million Pesos)

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
BANCOMER	Banking Bond	10,971	24%
SANTANDER	Note payable at maturity	5,000	11%
INBURSA	Note payable at maturity	2,519	6%

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

LOAN PORTFOLIO
(Million Pesos)

	Local Currency		UDIS		Foreign Currency		Total	
	2Q08	2Q09	2Q08	2Q09	2Q08	2Q09	2Q08	2Q09
Performing Loans								
Commercial	82,603	93,551	291	296	24,204	26,770	107,097	120,616
Financial Intermediaries	14,000	8,362	-	-	530	100	14,531	8,462
Consumer	30,116	26,369	96	83	166	199	30,380	26,651
Mortgages	38,527	44,195	960	806	1,683	2,690	41,170	47,691
Goverment Entities	24,072	31,653	-	-	295	269	24,367	31,921
Fobaproa	-	-	-	-	-	-	-	-
Total	**189,320**	**204,129**	**1,346**	**1,185**	**26,878**	**30,028**	**217,544**	**235,342**
Past Due Loans								
Commercial	1,049	2,338	6	6	80	452	1,135	2,796
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	1,470	2,583	-	-	1	1	1,471	2,584
Mortgages	551	835	47	49	21	35	619	919
Goverment Entities	-	-	-	-	-	-	-	-
Total	**3,070**	**5,756**	**52**	**55**	**102**	**488**	**3,225**	**6,299**
Total Propietary Loans	**192,390**	**209,885**	**1,399**	**1,240**	**26,980**	**30,516**	**220,769**	**241,641**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 2Q09
()Million Pesos)

	TOTAL	
	PERIOD COST	BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	14.7	28.2
Mortgage FOVI	-	-
	14.7	**28.2**

Quarter ending balance of Ps 28.2 million pesos in debtors support programs with a cost for the period of Ps 14.7 million.

BANORTE

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

- **Distressed Portfolio**

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

(Million Pesos)	**Total**
Distressed Portfolio	947
Total Loans	241,641
Distressed Portfolio / Total Loans	**0.4%**

DEFERRED TAXES

(Million Pesos)

ASSETS	**INCOME TAX**	**PROFIT SHARING**	**NET**
Tax losses pending amortization	1	-	1
Provisions for possible loss in loans	100	-	100
Earnings per Society	-	-	-
Deferred compensation	-	-	-
Non deductible provisions and cumulative income	270	91	361
Net operating loss carryforward – Uniteller and Banorte USA corp.	37	-	37
Excess of preventive reserves accounts over the fiscal limit	332	119	451
State Tax on Assets Deferred	2	-	2
Excess of accounting value over fiscal value on Reposessed Assets	106	1	107
Diminishable profit sharing	222	79	301
Past-due loan reserves	27	-	27
Anticipated Income and Expenses	1	-	2
Installation expenses	10	-	10
Effects from valuation of instruments	-	-	-
Other	20	-	20
Total Assets	**1,128**	**291**	**1,419**
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	-	-	-
Pension Funds Contribution	(279)	(100)	(379)
Loan Portfolio Acquisitions	(601)	(106)	(707)
Projects to be capitalized	-	-	-
Income tax to pay on UDIS Trust funds	(40)	-	(40)
Book value depreciation	-	-	-
Dividends Federal Home Loan Bank	(2)	-	(2)
Intangibles' amortizations	(34)	-	(34)
Unrealized loss from Securities held for sale	(35)	-	(35)
Expenses paid in advance	(1)	-	(1)
Effects of other accounts	(1)	-	(1)
Effects from valuation of instruments	(53)	-	(53)
Reversal of Sale Costs	(4)	-	(4)
Organization and Recording Expenses & Installation Expenses	-	-	-
Unrealized capital gain from investments in Siefore	23	-	23
Total liabilities	**(1,072)**	**(206)**	**(1,278)**
Assets (Liabilities) Accumulated Net	**56**	**85**	**141**

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LONG TERM DEBT AS OF 2Q09
(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Pesos)	ORIGINAL AMOUNT (Million Ps, Dlls or UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
CD's- Banorte U01001	UDIs	Jan 11 '01	384	90	10 years	8.13%	Dec 30 '10	E/182 days
Step-Up Subordinated Callable Notes Due 2014	USD	Feb 17 '04	4,150	300	10 years	5.875%	Feb 17 '14	E/ 180 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	5,269	400	1 year	6.135%	Oct 13 '16	E/ 180 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	2,634	200	15 years	6.862%	Oct 13 '21	E/ 180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	Mar 11 '08	3,000	3,000	10 years	TIIE + 0.60%	Feb 27 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	Mar 11 '08	1,900	441	20 years	4.95%	Feb 27 '18	E/ 182 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	Jun 27 '08	2,750	2,750	10 years	TIIE + 0.77%	Jun 15 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	Mar 30 '09	1,814	1,814	10 years	TIIE + 2.00%	Mar 18 '19	E/ 28 days

BANK AND OTHER ENTITIES LOANS' AS OF 2Q09
(Million Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS	-	-	-	2,194	1.2896%	196	2,194
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY	-	-	-	892	L+0.9	928	892
LOANS FROM FOREIGN BANK GENERATED FROM CAYMAN	-	-	-	2,785	3.21%	489	2,785
LOANS FROM DEVELOPMENT BANKS	6,335	4.75%	530	2,086	3.38%	30	8,421
LOANS FROM PUBLIC FUNDS	5,888	7.26%	504	421	1.56%	442	6,309
CALL MONEY & LOANS FROM BANKS	16,930	5.56%	2.75	-	-	-	16,930
LOANS FROM FIDUCIARY FUNDS	494	5.36%	4,487	-	-	-	494
PROVISIONS FOR INTEREST	74	N.A.	N.A.	-	-	-	74
	29,721			**8,378**			**38,099**
Eliminations	2,813						2,813
Total	**26,908**						**35,285**

BANORTE

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

TRADING INCOME 2Q09 *(Million Pesos)*	
VALUATION EFFECTS	
Negotiable Instruments	(17)
Securities Held to Maturity	(156)
Repurchase Agreements	-
Derivative instruments	(45)
Futures	-
From repo trasactions	-
Range	-
Inflation Adjustment	-
Total	**(218)**
Dividends Received	**-**
RESULTS FORM BUYING AND SELLING	
Negotiable Instruments	84
Securities Held for Sell	(7)
Hedging Derivatives	-
Securities Held to Maturity	-
Inflation Adjustment	20
Total of Buying and Selling Instruments	**98**
FX Spot	390
FX Forwards	142
FX Futures	-
FX Futures TIIE	-
FX Hedging	-
Changes in FX Valuation	(17)
Intermediation of metals	3
Changes in valuation of Metals	-
Total Foreign Exchange	**518**
Inflation Adjustment	**-**
Total of Buying and Selling	**616**
TOTAL TRADING INCOME	**398**

- **Risk Management**

  - **Credit Risk**

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

The objectives of credit risk management at GFNorte are:

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

  - **Individual Credit Risk**

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

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

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

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

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

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

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

  - **Portfolio Credit Risk**

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

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

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

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

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

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

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

By June 30, 2009, the Banco Mercantil del Norte and Pronegocio total portfolio was Ps 220,397 million. The expected loss represents 2.8% and the unexpected loss is 4.0% with respect to the total portfolio. The average expected loss is 2.8% during the period between April and June 2009

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

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

Basic capital by March 31, 2008	$29,358
I. Financings whose individual amount represents more than 10% of the basic capital:	
Credit operations	
– Number of financings	3
– Total amount of financings	$10,532
– % vs. basic capital	36%
Money Market operations	
– Number of financings	2
– Total amount of financings	$6,995
– % vs. basic capital	24%
Transactions in overnight	
– Number of financings	3
– Amount of financings taken as a whole	$15,067
– % in relation to basic capital	51%

*Investments with Banks in checking accounts

II. Maximum amount of financing with the 3 major Common Risk debtors and groups	$32,493

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

Basic capital as of March 31, 2009	$54

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

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

Credit transactions

- Number of financings 0
- Amount of financings taken as a whole $0

% in relation to basic capital 0%

Money market transactions

- Number of financings 0
- Amount of financings taken as a whole $0*
- % in relation to basic capital 0%

*Investments with Banks in checking accounts

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

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

- **Market Risk**

- ***Value at Risk***

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

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

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

The average VaR for the April – June 2009 quarter for the portfolio is Ps 2,887 million.

Million Pesos	2Q08	3Q08	4Q08	1Q09	2Q09
Total Var *	2,298	2,210	2,447	2,376	**2,887**
Net Capital **	44,724	46,410	44,149	45,113	**46,933**
VaR/Net Capital	5.14%	4.76%	5.54%	5.27%	**6.15%**

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

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

Risk Factor	VaR
Domestic interest rate	3,103
Foreign interest rate	420
Exchange rate	1,339
Capitals	108
Total VaR of Bank and Brokerage House	2,887

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

- ***Backtesting Analysis***

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

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

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

- **Liquidity Risk and Balance**

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

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

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

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

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

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

- **Operational Risk**

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

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

Operating Losses Database

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

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

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

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

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

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

- ***Risk Management Model***

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

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

III. Required Capital Calculation

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

IV. Information and Reporting

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

- **Technology risk**

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

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

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

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

- **Legal risk**

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

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

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

- **Internal Control**

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

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

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

During 2Q09, SCI continued to work properly developing activities associated with strengthening risk control, assessment and management, establishing and monitoring controls, and insuring information quality.

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

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

- **Treasury Policy**

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

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

- **Internal and External Liquidity Sources**

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

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

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

- **Related Parties Loans**

At GFNorte, the amount of the loans performed with related individuals and companies, does not exceed the established limit of 50% of the Tier 1 capital. As of June 30, 2009 and March 31, 2009, the loans granted to related parties totaled Ps $8,318 million and Ps $8,990 million, respectively.

- **People in Charge**

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

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

Ing. Sergio García Robles Gil
Chief Financial Officer

C.P. Román Martínez Méndez
Managing Director Audit

Lic. Jorge Eduardo Vega Camargo
Executive Director Comptrollership

C.P. Nora Elia Cantú Suárez
Executive Director Accounting

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

- **Basis for submitting Financial Statements**

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

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

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

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

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