

- **Banorte fully provisioned all regulatory facilities including those contingencies with Fobaproa.**
- **GFNorte accumulates profits for Ps1,190.3 million**

*Banorte creates provisions for all its contingencies with Fobaproa.*

During the quarter Banorte created provisions of Ps 1,937.7 million to cover all the contingencies with Fobaproa. The contingencies were charged against the Stockholders' Equity accounts. These provisions included: Ps 1,300.2 million for Loss Sharing, Ps 325.8 million for the Incentives Scheme, Ps 117.7 for the Repossessed Assets Program, and Ps 200.0 million for Loan Loss Provisions.

*GFNorte accumulates a profit of Ps 1,190.3 million in the first nine months of the year.*

GFNorte generated a profit of Ps 1,190.3 million in the first nine months of the year, a 29.5% increase over the profit accumulated during the same period of 1999, with Ps 1,015.6 million contributed by the Group's Banking Sector.

*GFNorte carries out a corporate financial re-structuring.*

With the purpose of strengthen Banorte's capital and be able to fully provision all Fobaproa-related contingencies as well to anticipate the accomplishment of the 2003 capitalization requirements, Bancen and the Brokerage House were split merging their split-off balances, that includes the ones of the traditional banking business with those of Banorte. The recovery banking business and the capital market activities were kept in Bancen and the Brokerage House, respectively, this way concentrating the banking business in Banorte. In this same re-structuring, the Afore business was transferred to Bancen.

*Banorte anticipates the capital rules for 2003.*

Banorte strengthened it's capital base and meets the capital rules for 2003, well ahead of time, with a capitalization ratio of 10.0% being, Tier 1 of 8.9% and Tier 2 of 1.1%.

*PDL stand at 4.9% and the reserve coverage above 100%.*

The Banking Sector of the Group decreased by 19.6% it's past due loans compared to 3Q99 and ended the quarter with a 4.9% past due loan ratio and a reserve coverage of 102.9%.

*Non Interest Expense decreases 17.6% vs. 1999.*

Accumulated Non Interest Expense of the Group decreased by 17.6% when compared to that accumulated in 1999 going from Ps 5,642 million to Ps 4,647 million as a result of the actions taken since 2H99 aimed to reduce expenses.

## I. Macroeconomic Environment

During the third quarter of the year, the Mexican markets were again influenced by international events. The adjustment of the stock market of the United States, which began in the second quarter, was emphasized in September, causing important stock losses in virtually all the stock markets of the world. Our stock market was dragged down by the international problems, although the fundamentals stayed solid during the quarter. During the period, the Mexican Stock Market totaled a loss of 8.80%.

In the fixed income securities market, once the presidential election of July the 2<sup>nd</sup> had passed without mayor setbacks, the interest rates returned to their previous levels. However, toward the end of the month of July, the evidence of heated-up economic growth, together with signs of inflationary pressures, led to a new increase of the "corto" by the Bank of Mexico. The largest restriction caused a turnaround in the Cete of 28 days and the levels of real interest rates remained high.

After the presidential election, the exchange rate quickly recovered to its levels of last May. Nevertheless, the uncertain situation on the international markets subjected the exchange rate to moderate pressures during the month of September. The drop in the world stock market, together with the fears raised by the high prices of oil, impacted the exchange rate for the peso. In general, the Mexican currency recovered 5.5% of its value during the quarter.

The decision to pay in advance the entire debt that Mexico had with the International Monetary Fund should be seen as an event that confirms the solidity of the macroeconomic fundamentals. More so, if it is taken into consideration that the international currency reserves were kept virtually intact, due in great measure to the surplus that the high price of the petroleum continues to generate.

The decreasing inflationary trend was sustained during the quarter. Measured as the inflation rate of the last twelve months, it decreased from 9.41% to 8.85% during the period. The factors behind the positive inflationary trend continue to be the strength of the monetary exchange and the restrictive monetary policy followed by the Bank of Mexico. Nevertheless, the high economic

growth, the strong growth of real wages and the evidence of a slight turnaround in prices to the producer, lead to infer that the fight against inflation, through a restrictive monetary policy, will continue for the next months.

During the third quarter, the cycle of the economic growth seemed to evidence a modest deceleration with regard to the first semester of the year. However, this deceleration was still incipient, and concentrated in the production sector. The general indicator of the economic activity grew 6.6% in July. This percentage growth is compared with a growth of 7.7% during the first half of the year. On the other hand, the industrial production advanced 6.9% in the July-August period, compared with the production of the first semester of 7.6%.

Regarding the international sector, exports continued to grow at accelerated rates. During the period July-August, these rates grew 23.5%, which is slightly below the 28% for the first semester. On the other hand, the imports grew 25.5% supported by the dynamics of consumption. Measured by different indicators of private consumption, the evidence continues to point to the strong growth of private consumption. All of the above-mentioned allows to anticipate growth during the quarter higher than 6%, and to anticipate growth near 7% for the whole current year.

The fundamentals of the Mexican economy stay healthy. Consumption, as well as investments and exports maintain their favorable growth trend. The Bank of Mexico has proposed an ambitious goal of inflation for the incoming year that, in order to be reached, will force it to maintain a restrictive monetary policy and with high probability, high real interest rates for the next months.

## II. Strategy

**Financial clean up.** - Banorte Financial Group, with the purpose of cleaning up its capital and fully provision its contingencies derived from the programs of the Fobaproa and to get ready in advance for the execution of the requirements for capitalization of 2003, created provisions for the Loss Sharing Program, the Incentives Scheme, the Repossessed Assets Program, and Loan Loss Reserves in the amount of US\$1,937.7 million against Stockholders' Equity accounts, with the special registration authorization of the CNByV. These changes

will help to transparent the banking operations.(See explanation detailed in Annex 2).

**Corporate restructuring of the Group** - Grupo Financiero Banorte continued with the corporate restructuring of its business, which began at the end of 1999 at which time it transferred the administration of the Mutual Funds from Casa de Bolsa to Bancen. On this occasion and during the quarter, several important changes were carried out that had as main purposes the consolidation of the bank business in Banorte and the utilization of the fiscal losses in Bancen. These changes are mentioned next:

- 1) With the purpose of channeling the banking functions in a single Institution and to be more transparent in the bank administration of the Group, Banco del Centro was divided, and the independent result (Centroban, S.A. de C.V.) was merged with Banco Mercantil del Norte, only leaving the assets related with debt recovery of that bank.
- 2) With the objective of consolidating the money market operations in Banorte, Casa de Bolsa Banorte was divided and it's split-off part (Transnorte, S.A of C.V.) was merged with Banco Mercantil del Norte, basically consisting of the capital markets business and the investment banking.

A summary of the Banorte capital movements is shown next, along with a breakdown of the provisions created:

(Millions of September'00 Ps)

Stockholders Equity before movements	5,258
+ Stockholders Equity-Centroban	1,217
+ Stockholders Equity-Transnorte	290
- Stockholders Equity-Afore	12
- Provisions created	<u>1,770</u>
= Stockholders Equity after movements	4,983

#### Fobaproa Contingencies Provisions

(Million as of September 1<sup>st</sup>, 2000)

Fobaproa-Loss sharing	1,300.2
Incentives scheme	325.8
Reposessed assets (Foba "70")	111.7
Additional loan loss provisions	<u>200.0</u>
Total Provisions	1,937.7

The Afore, subsidiary of Banco Mercantil del Norte, was sold to Banco del Centro and so became a subsidiary of the latter. The operation was carried out in September

29<sup>th</sup>. at June's 2000 book value thus generating a US\$12 million loss for Banorte due to the difference in those book values.

### III. Recent Events

#### Grupo Financiero Banorte

**Organizational changes.** - With the objective of facilitating the management of external and corporate activities for the CEO of the Group and to integrate the functions of commercialization under a single reporting structure, as well as to consolidate the areas of information, the organization was adapted, decreasing from 24 to 10 the divisions that report to the CEO. The new organization became effective on October 16, 2000.

The divisions that are reporting to CEO:

- *Banorte General Director* - Federico Valenzuela O.- the commercialization functions are integrated in this division.
- *Government Banking* - Rafael Castillo T.
- *Investor Relations* - Robert W. Chandler
- *Risk Management* - Luis R. Seyffert V.
- *Technology and Operations* - Gerardo Coindreau F.
- *Human and Material Resources* - Roberto Hiriart T.
- *Planning and Control* - Sergio Garcia R.
- *E-Business* - Alejandro Ramos L.
- *Long Term Savings* - Enrique Castillón V.
- *Recovery Bank* - Miguel Angel García P.

The Corporate General Director, Juan M. Quiroga, the Corporate Public Relations Director, Eduardo Sastré, and the Regular Corporate Examiner, Román Martínez were ratified. All of them depend on the Group's President.

**Advances in the Internet.** - On August 31, 2000, Grupo Financiero Banorte announced its Internet operational strategy. This operational strategy places GFNorte among the most advanced institutions in this matter in the country. Through [www.banorte.com.mx](http://www.banorte.com.mx) GFNorte will respond in an effective way to the most sophisticated needs in the market today, by means of the evolution and expansion of its range of on-line services. The new Portal de Banorte offers direct access to transactional applications, on-line product demand, support in Chat-format, location maps of branches and financial services simulators.

**Alliance with Asista.com.** – In September of 2000, Grupo Financiero Banorte and Asista.com, announced the signature of a strategic alliance for the development of diverse on-line payment mechanisms, as well as different solutions for electronic trade among businesses. Asista is the leader in the digital market of B2B in Latin America. The development of solutions for electronic payments to be offered to the customers will be finished by the end of the fourth quarter of this year. Additionally, Banorte will promote the different electronic trade services that Asista offers to its clients.

**Alliance with Zona Financiera.com.** - GFNorte and Zona Financiera.com announced a strategic alliance by means of which the users of this site will be able to have access to the wide range of services and financial products of the Group. This alliance represents a great advance in our strategy of extending our operations and services through the Internet and to give value-added resources to our clients in Mexico. Zona Financiera.com is the main site in the Internet specialized in personal finances for Spanish and Portuguese-speaking users.

**Purchase of the "Algo Suite" software.** – On September 15, 2000, Grupo Financiero Banorte, announced the purchase of the specialized software known as "Algo Suite" from the company Algorithmics in Canada with an investment of US\$3.5 million. This software will facilitate the calculation of credit and market risks.

<b>Banking Sector</b>
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**Split of Bancen and the Brokerage House and merging with Banorte.** - Banorte held its Extraordinary General Shareholders' Meeting on September 26<sup>th</sup>, 2000, where it was agreed that the company, as the merging entity, would merge the companies that will result from the division of Banco del Centro and the Brokerage House. It was also agreed that the stockholders' equity of Banorte would increase by \$1,507.4 million, an equivalent amount to the stockholder equity of these two vehicle companies (Administradora de Activos Centrobán, S.A. of C.V. and Transnorte, S.A. of C.V.).

**Award as the best Mexican bank in the magazine "The Banker".** – Banco Mercantil del Norte, recently received recognition by the prestigious British magazine

"The Banker", which named it as the best Mexican bank, in its first awards for the "Best Banks in the World", for its strategy of taking the bank from a regional level to a national level and for preparing the company to face a more competitive market.

**AHMSA.** - During the month of August, AHMSA and the committee of creditor banks reached an agreement in principle to capitalize US\$530 million and to restructure US\$1,140 million, being 65% of this amount to a term of 8 years with 2 years of grace, and the remaining 35% payable in the 8<sup>th</sup> year. This agreement is in the approval process by the creditor banks and still not official yet. In case of being approved, the effects for Banorte would be positive since in the future, when the execution of payments would be convincingly proven; it would be possible to release the provisions assigned to the debts of AHMSA. At the moment Banorte has reserved US\$14 million for credits of US\$24 million and a negative goodwill of US\$36 million in the US\$60 million Eurobonds invested.

#### IV. Highlights

**Grupo Financiero Banorte Consolidated with Subsidiaries (GFNorte)** Earned net profits of Ps551.7 million during the quarter, 186.8% higher than those of 2Q00, equivalent to earnings of Ps1.12 per share (fully diluted). Accumulated profits for the 3Q00 amounted Ps 1,190.3 million, 29.5% higher than those accumulated in 1999. Total Assets of GFNorte were Ps114,167 million and its Loan Portfolio was Ps82,746 million, been the first 7.0% lower and the later 2.9% lower to those of the previous quarter. The Stockholders Equity was \$7,593 million, 15.6% lower than in 2Q00.

**The Banking Sector (Banorte and Bancen)** generated earnings of Ps423.5 million during the quarter, 92.2% higher than those of 2Q00. Accumulated profits for the 3Q00 amounted Ps1,015.6 million, 36.0% higher than those accumulated in 1999. With contributions coming from Bancen Ps282.2 million and Banorte Ps141.3 million. The past due loan ratio at the close of the quarter was 4.9%, and the Reserve Coverage was 102.9%.

**The Brokerage Sector** (the Brokerage House) registered a profit of Ps50.9 million for the quarter vs. a loss of Ps10.4 million in the previous quarter. This increase was due to the recovery in the financial markets that negatively affected the 2Q00 results.

**Long-Term Savings Sector** - This sector reported profits for the quarter of Ps39.0 million vs. a Ps43.3 million loss in 2Q00, due mainly to the recovery of the financial markets that had a negative impact on the fixed income securities portfolio valuation in the Bancassurance and Annuities subsidiaries in 2Q00.

**Auxiliary Organizations Sector** - Accumulated earnings during the quarter in this Sector were Ps22.3 million, 35.2% higher than in 2Q00, with the largest contributor being the Factoring business, which accounted for roughly 50% of the sectors profits.

## VI. Grupo Financiero- Consolidated

### Grupo Financiero Banorte Earnings

(Millions as of September 00 Ps)

	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
G. F. Banorte [holding]	9.2	16.0	(1.8)	23.8
<b>Banking Sector</b>				
Banco Mercantil del Norte (1)	149.5	141.3	560.6	375.2
Banco del Centro (2)	70.9	282.2	185.9	640.4
	220.4	423.5	746.6	1,015.6
<b>Brokerage Sector</b>				
Brokerage House	(10.4)	50.9	113.5	58.4
<b>Long-Term Saving Sector</b>				
Pension Funds Afore	2.2	26.7	50.1	61.6
Bancassurance	(19.6)	14.6	(11.8)	(2.9)
Annuities	(25.9)	(2.3)	(20.8)	(19.1)
	(43.3)	39.0	17.5	39.6
<b>Auxiliary Organization Sector</b>				
Leasing	4.6	6.9	10.9	15.4
Factoring	8.7	11.0	25.0	28.6
Warehousing	0.7	2.1	2.5	3.3
Bonding	2.6	2.3	5.2	5.5
	16.5	22.3	43.6	52.9
<b>Total</b>	<b>192.4</b>	<b>551.7</b>	<b>919.4</b>	<b>1,190.3</b>

#### RATIOS

Net Income per Share (3)	0.42	1.19	1.99	2.57
Net Inc. per Share (diluted) (4)	0.39	1.12	1.86	2.41
Dividends per share (3)	-	-	-	-
Book Value per share(3) (5)(6)	16.87	13.96	16.45	13.96
Book Value per share (diluted) (4) (5)	16.71	13.97	16.39	13.97

1) 94.09% owned by GFNorte..

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

3) Per Share data, based on 462.9 million shares outstanding on September 30,2000.

4) Assumes a conversion of the Subordinated Convertible Debt. at a minimum conversion price of Ps12.57 per share (30.4 millions of shares) that results from using the conversion formula with the price of the last 30 days of operations.

5) Excluding Minority holdings.

6) Excluding Convertible Subordinated Debentures.

### GFNorte Ownership in Subsidiaries- 3Q00

(Percentages)	3Q00
Banco Mercantil del Norte (1)	95.41%
Banco del Centro	99.99%
Brokerage House	99.99%
Pension Funds Afore (2)	50.99%
Bancassurance	51.00%
Annuities	51.00%
Leasing	99.99%
Factoring	99.99%
Warehousing	99.99%
Bonding	99.99%

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

(2) Subsidiary of Banco del Centro.

### Capital Structure of the Holding Company

	Current Shares Outstanding as of September 30,2000
O Series	462,943,483

During the quarter the treasury of the Group re-purchased 9,378,000 shares.

### Banorte's Rating – 3Q00

Calificadoras	Opinion	Category	Date
Moody's Investor	D	Banorte's Financial Strength	Jun- 2000
Bankwatch	IC-C	Banorte's Financial Strength	Feb-2000
Standard & Poors	BB/Stable/B	Banorte's Financial Strength	Aug-2000
Duff & Phelps	AAA	Remittance-Baked Certificates (Banorte)	Jul-1999

### Relevant Numbers for Grupo Financiero

(Millions of September '00 Ps)	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
<b>Income Statement</b>				
Net Interest Income (NII)	1,563.0	1,435.0	5,954.5	4,768.4
+ REPOMO-Margin	(13.0)	(25.9)	732.2	(34.0)
= NII after Repomo	1,550.0	1,409.1	6,686.8	4,734.3
- Loan Loss Provisions	173.8	6.6	470.7	405.1
- Loss Sharing Provisions	35.8	79.0	285.3	155.5
=NII after Provisions	1,340.5	1,323.6	5,930.7	4,173.7
+ Non Interest Income	479.8	769.1	1,612.8	1,910.4
= Total Operating Income	1,820.3	2,092.7	7,543.5	6,084.1
- Non Interest Expense	1,632.1	1,689.7	5,642.2	4,885.1
= Net Operating Income	188.2	403.0	1,901.3	1,199.0
- Other Expense (Income)	68.3	198.7	(740.1)	208.5
= Pre-tax Income	256.5	601.7	1,161.2	1,407.6
- Income Tax & profit sharing	28.8	(50.1)	(115.2)	(57.5)
- Tax on asset	(4.5)	(5.6)	(26.1)	(15.5)
- Deff. Inc. Tax & profit sharing	(43.6)	13.7	13.8	(63.4)
= Net Income b/Subsidiaries	237.3	559.8	1,033.7	1,271.2
+ Undistrib. Earnings of Subs.	(33.1)	21.4	(31.0)	4.3
=Net Income-contin. Operation	204.2	581.2	1,002.7	1,275.5
+ Extraordinary Items, net	-	-	-	-
- Minority Income	(11.8)	(29.5)	(83.3)	(85.2)
=Total Net Income	192.4	551.7	919.4	1,190.3

<b>Balance Sheet</b>	3Q99	2Q00	3Q00
Total Assets	106,750	122,805	114,167
Loan Portfolio	83,249	85,222	82,746
Deposits	72,661	89,938	84,692
Equity	8,852	8,999	7,593
PDL	5,065	4,205	4,062
LLR	5,045	4,429	4,171

<b>Asset Quality Ratios</b>	3Q99	2Q00	3Q00
PDL to Total Loans	6.1%	4.9%	4.9%
LLR to PDL	99.6%	105.3%	102.7%

<b>Profability Ratios</b>	3Q99	2Q00	3Q00
ROA (1)	1.2%	1.0%	1.3%
ROE (2)	15.5%	15.4%	19.4%

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

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

**Grupo Financiero Banorte (GFNorte)** - generated Ps551.7 million in earnings for the quarter, 186.8% higher than 2Q00. Accumulated profits for the 3Q00 amounted Ps1,190.3 million, 29.5% higher than those accumulated in 1999. The Net Interest Income before Repomo was 8.2% lower when compared to the previous quarter principally due to Ps96 million added in 2Q00 derived from an adjustment in the Debtors Programs from

1997 to 1Q00, from which Ps31 million were reversed in 3Q00 thus decreasing the NII by this amount. Accumulated for the year, the Net Interest Income showed a 19.9% decrease vs. 1999 mainly due to lower interest rate levels and also to a decrease in the Fobaproa notes yield departing from December, 1999. During the quarter, Ps6.6 million in Loan Provisions were created as well as Ps79.0 million in Fobaproa loss sharing provisions through the Income Statement. Non Interest Income increased by 60.3% due mainly to the fee income related to Serfin loans collections for Ps204 million and, in a yearly basis there was a 18.5% increase mainly due to higher fee income from Serfin loans collections and also to higher fees from banking services. Non Interest Expense increased by 3.5% compared to the previous quarter and decreased by 13.4% accumulated for the year vs. 1999, due primarily to the cost efficiency and rationalization program started in second half of 1999.

The Group's stockholders' Equity decreased by Ps1,406 million vs 2Q00 mainly because of a Ps1,937.7 million in provisions charged to capital to fully provision for Fobaproa contingencies.

### No of Employees & Distribution Network

EMPLOYEES	3Q99	2Q00	3Q00
Banking Sector	9,177	8,935	8,938
Other Sectors	2,052	2,192	2,203
<b>Total Group</b>	<b>11,229</b>	<b>11,127</b>	<b>11,141</b>

DISTRIBUTION NETWORK	3Q99	2Q00	3Q00
Branches (*)	472	453	452
ATM	1,301	1,345	1,365

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

The quarter ended with an annual personnel reduction of 239 employees from the Banking Sector of the Group, equivalent to 2.6% when compared to September, 1999, as a result of the program of cost reduction and rationalization of spending initiated in the second half of 1999.

With regard to other sectors of the Group, the number increased by 151 compared to September, 1999, due mainly to the hiring of sales representatives for the Afore and the Annuities business, to support the sales efforts and to look for increasing our market share in these businesses.

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

We ended the quarter with 452 branches and 1,365 ATMS.

## VI. Information by Sectors (See Annex I)

### 1. Banking Sector

(Millions of September 00 Ps)

Income Statement	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
<b>Net Interest Income</b>	<b>1,484.8</b>	<b>1,329.2</b>	<b>5,544.7</b>	<b>4,477.2</b>
+ REPOMO-Margin	(3.0)	(16.2)	787.2	5.6
<b>= NII after Repomo</b>	<b>1,481.9</b>	<b>1,312.7</b>	<b>6,331.9</b>	<b>4,482.8</b>
- Loan Loss Provisions	173.1	6.3	462.1	401.5
- Loss Sharing Provisions	35.8	79.0	285.3	155.5
<b>=NII after Provisions</b>	<b>1,273.0</b>	<b>1,227.4</b>	<b>5,584.5</b>	<b>3,925.7</b>
+ Non Interest Income	358.3	502.0	1,090.7	1,305.7
<b>= Total Operating Income</b>	<b>1,631.3</b>	<b>1,729.4</b>	<b>6,675.2</b>	<b>5,231.5</b>
- Non Interest Expense	1,429.1	1,448.9	5,111.0	4,255.9
<b>= Net Operating Income</b>	<b>202.2</b>	<b>280.5</b>	<b>1,564.2</b>	<b>975.6</b>
+ Other Expense (Income)	66.7	180.9	(734.6)	193.0
<b>= Pre-tax Income</b>	<b>269.0</b>	<b>461.4</b>	<b>829.6</b>	<b>1,168.6</b>
- Income Tax & profit sharing	-	(6.2)	(8.7)	(6.2)
- Tax on asset	(4.5)	(5.6)	(25.4)	(15.5)
- Deferred Inc. Tax & profit sharing	(38.5)	(23.7)	(14.6)	(113.6)
<b>= Net Income b/Subsidiaries</b>	<b>226.0</b>	<b>426.1</b>	<b>780.9</b>	<b>1,033.4</b>
+ Undistrib. Earnings of Subs.	6.1	27.8	51.1	67.5
<b>= Net Income-continu. Operation</b>	<b>232.1</b>	<b>453.8</b>	<b>832.0</b>	<b>1,100.9</b>
+ Extraordinary Items, net	-	-	-	-
Minoritary Income	-	-	(35.2)	(3.1)
<b>=Total Net Income</b>	<b>232.1</b>	<b>453.8</b>	<b>796.8</b>	<b>1,097.7</b>

Balance Sheet	3Q99	2Q00	3Q00
Total Assets	103,629	118,408	111,837
Loan Portfolio	83,120	85,408	82,529
Deposits	72,949	90,229	84,867
Equity	6,988	7,300	6,214
PDL	5,019	4,176	4,034
LLR	5,029	4,410	4,153

Asset Quality Ratios	3Q99	2Q00	3Q00
PDL to Total Loans	6.0%	4.9%	4.9%
LLR to PDL	100.2%	105.6%	102.9%
NPDL to Equity	-0.1%	-3.2%	-1.9%

Profability Ratios	3Q99	2Q00	3Q00
ROA (1)	1.0%	1.0%	1.1%
ROE (2)	15.4%	17.9%	20.6%

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

Profits from the Banking Sector totaled Ps453.8 million during the quarter, 95.5% higher than the previous quarter. Accumulated profits for the 3Q00 amounted Ps1,097.7 million, 37.8% higher than those accumulated in 1999. During the quarter, loan loss provisions for Ps6.3 million, and Ps79.0 million for Fobaproa loss sharing provisions were charged through the Income Statement. Net Interest Income before Repomo decreased by 10.5% with respect to 2Q00. Non Interest Income for the quarter was Ps502.0 million, vs. Ps358.3 million of the previous quarter, an increase of 40.1%, with the main factor being a higher fee income received from the Serfin loans collections. Non Interest Expense was Ps1,448.9 for the quarter, 1.4% higher than in 2Q00 due primarily to the increase in Promotion and Administrative Expenses.

### Net Interest Income

(Millions as of September .00 Ps)

	2Q00		3Q00	
	BN	BC	BN	BC
Int. Inc.- loans & securit.	3,744.7	981.9	3,514.3	1,000.0
Int. Inc.- repo agreement.	608.6	5.9	1,033.2	994.2
Foreign exch. Valuation	3.5	-	(4.3)	-
UDI valuation	-	-	-	-
Valoriz. Inst. Indizados	-	-	-	-
<b>Interest Income</b>	<b>4,356.7</b>	<b>987.8</b>	<b>4,543.2</b>	<b>1,994.3</b>
Loan Fees	134.2	9.5	132.8	5.8
Int. Exp.-dep.& funding	2,763.7	629.7	2,714.7	526.8
Int. exp.- repo agreement	587.5	10.3	1,026.7	1,066.6
Foreign exch. Valuation	-	(0.1)	-	(0.1)
UDI valuation	-	-	-	-
Valoriz. Inst. Indizados	7.0	1.5	8.4	-
<b>- Interest Expense</b>	<b>3,358.2</b>	<b>641.4</b>	<b>3,749.8</b>	<b>1,593.3</b>
Fees paid	3.3	0.5	3.4	0.4
<b>= NII</b>	<b>1,129.4</b>	<b>355.5</b>	<b>922.9</b>	<b>406.3</b>
Ave. earn. Assets	104,340.9	23,650.0	100,676.4	22,072.8
<b>% NIM (1)</b>	<b>4.3%</b>	<b>6.0%</b>	<b>3.7%</b>	<b>7.4%</b>

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

NII= Net Interest Income

BN=Banorte & BC=Bancan

During the quarter part of the adjustment for Debtor Programs made in 2Q00 was reversed. Two accounting movements were made that decreased the Interest Income from loans and securities and also the Loan Loss Provisions by Ps 31 million stemming from a calculation

adjustment in the accounting of the debtors programs from 1997 through 1Q00 in favor of Banorte and Bancen.

Net Interest Income before Repomo for the Banking Sector was Ps1,329.2 million, 10.5% lower than for the second quarter of 2000. This decrease was due primarily to the accounting effect for Ps96.0 million from an adjustment in the Debtors Programs in the 2Q00 that increase the NII of that period and the reversal of Ps 31 million for the same concept in 3Q00. This explains 82% of the variation. Without this effect there was a 2.1% decrease vs. 2Q00. When comparing the accumulated net interest income before Repomo for the year, it was down 19.3% compared to 1999, due primarily to lower interest rate levels and to the reduction in the yield of the Fobaproa Notes since December 1999.

### Non Interest Income

(Millions as of September '00 Ps)

	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
<b>Fees on purchased services:</b>				
+ Fund Transfers	8.1	7.6	23.2	23.8
+ Account Manag. Fees	56.3	66.8	134.0	177.6
+ Fiduciary	39.0	222.7	43.8	469.7
+ Credit Card	5.2	7.6	13.0	18.5
+ From Fobaproa	219.9	133.3	710.2	438.1
+ Other Fees	<u>39.3</u>	<u>51.4</u>	<u>130.7</u>	<u>173.8</u>
	<b>367.8</b>	<b>489.3</b>	<b>1,055.0</b>	<b>1,301.5</b>
<b>Fees on payed services:</b>				
+ Fund Transfers	-	-	0.3	-
+ Other Fees	<u>86.7</u>	<u>82.3</u>	<u>220.1</u>	<u>254.5</u>
	<b>86.7</b>	<b>82.3</b>	<b>220.4</b>	<b>254.5</b>
<b>=Net Fees</b>	<b>281.1</b>	<b>407.0</b>	<b>834.6</b>	<b>1,047.0</b>
<b>= Trading Income</b>				
+ Foreign Exchange	46.7	48.1	171.2	147.1
+ Sec.- Realized gains	7.2	(1.2)	80.0	17.3
+ Sec.- Unrealized gains	<u>23.4</u>	<u>48.2</u>	<u>4.9</u>	<u>94.4</u>
	<b>77.2</b>	<b>95.1</b>	<b>256.1</b>	<b>258.8</b>
<b>= Non Interest Income</b>	<b>358.3</b>	<b>502.0</b>	<b>1,090.7</b>	<b>1,305.7</b>

Non-Interest Income for the quarter was 40.1% higher than that of the second quarter of 2000, due mainly to Ps204 million of fee income from collections of the Serfin portfolio, stemming from the fiduciary account, as a result of better recoveries in the period. On the other hand, fees from Fobaproa collections decreased by 39.4% due to the fact that in 2000 fees were charged for the management of repossessed assets awarded from the onset until 1999 for Ps116 millions in addition to normal

fees from collections. Trading Income increased by 23.2% in the quarter due to a recovery in the financial market conditions after the July, 2 presidential elections which caused high volatility in the 2Q00 that impacted negatively the fix income security position. In accumulated form, Non Interest Income for the 3Q00 was 19.7% higher than during the same period in 1999, due mainly to income stemming from collections on the Serfin portfolio reported in the Fiduciary account, to fees received from Fobaproa loan collections, and to higher fees from banking services that increased by Ps 49.0 millions including Account Management Fees as well as Credit Card fees.

### Non Interest Expense

(Millions as of September '00 Ps)

	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
Personnel Expenses	610.7	580.1	1,877.8	1,774.1
+Fees Paid	78.9	60.3	304.8	212.1
+Operation & Adminis. Expenses	368.8	435.5	1,764.5	1,177.4
+Rent,Depreciation& Amortization	148.5	165.0	568.1	491.6
+Tax other than income tax	121.8	117.5	390.4	329.5
+Contributions to IPAB	100.4	90.5	205.4	271.1
- Corporate Expense Recoveries	-	-	-	-
<b>= Non Interest Expense</b>	<b>1,429.1</b>	<b>1,448.9</b>	<b>5,111.0</b>	<b>4,255.9</b>

Non-interest expense for the quarter increased by 1.4% compared to the second quarter of 2000, due mainly to an increase in advertising expenses of Ps 47 million as a result of advertising campaign for the new Internet portal, advertising during the olympic games and for deposit products. All of this was reflected in Operation & Administration Expenses. Rents Depreciation & Amortizations increase by Ps16.5 million because of new software rented. Personnel Expenses decrease by Ps 30.6 million despite a 12% salary increase for unionized employees in July, due mainly to lower provisions because of an overprovisioning in previous months for Ps20.8 million, also due to Ps6.4 million in savings in the new medical services and to lower severance charges in the quarter. In accumulated form, Non Interest expense for the 3Q00 decreased by Ps 855.1 millions, equivalent to 16.7% lower than during the same period in 1999, this is due to the positive effects of the program to reduce spending, the rationalization efforts started in the second half of last year.



### Other Expenses (Revenues)

(Millions as of September '00 Ps)

	QUARTER		ACUM.	
	2000	3Q00	3Q99	3Q00
+Other Revenues	135.7	145.1	151.6	387.9
+Foreign Exchange	-	-	-	0.4
+Recoveries	10.4	198.1	259.5	226.2
+Repomo-other	-	-	-	16.7
<b>=Other Revenues</b>	<b>146.1</b>	<b>343.2</b>	<b>411.1</b>	<b>631.1</b>
-Other Expenses	(40.0)	(129.6)	(262.7)	(224.0)
-Foreign Exchange	-	-	-	(21.1)
-Repomo-other	(39.3)	(32.7)	(883.0)	(193.0)
<b>=Other Expenses</b>	<b>(79.3)</b>	<b>(162.3)</b>	<b>(1,145.7)</b>	<b>(438.1)</b>
<b>= Other Expenses(Revenues)</b>	<b>66.7</b>	<b>180.9</b>	<b>(734.6)</b>	<b>193.0</b>

The net results from other products and expenses were Ps180.9 million versus Ps66.7 million in the previous quarter, an increase of 171.2%, due to a increase of Ps197 million in other Revenues stemming from important Recoveries income from loans as well as from taxes (VAT) and other concepts. Other Expenses increased by \$83.0 million mainly due to the Ps60.0 million in diverse provisions, frauds, and sundry debtors (>90 days). Besides Ps11.0 million from credit cards were charged off. In annualized form, the net result from other expenses and revenues increased by Ps927.6 million vs. 1999, 76.3% of which is explained by the decrease in the Repomo- other and, also by the important revenues derived from the Mutual Funds administration since 3Q99 that used to be allocated in the Brokerage House.

### Loan Portfolio

(Millions as of September '00 Ps)

	3Q99	2Q00	3Q00
<b>Performing Loans</b>			
Commercial	15,025	15,507	16,082
Financial Intermediaries	1,785	4,932	3,665
Consumer	558	586	594
Mortgages	3,537	4,158	4,049
Government Entities	3,131	3,170	2,640
Fobaproa	54,065	52,879	51,465
<b>Total</b>	<b>78,101</b>	<b>81,231</b>	<b>78,495</b>
<b>PDL</b>			
Commercial	1,994	1,915	1,731
Financial Intermediaries	-	6	1
Consumer	647	593	581
Mortgages	2,378	1,663	1,721
Government Entities	-	-	-

Total	5,019	4,176	4,034
Total Proprietary Loans	83,120	85,408	82,529
% PDL	6.0%	4.9%	4.9%

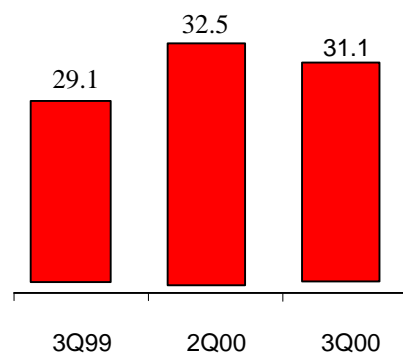
PDL= Past Due Loans

Don't exists Mortgages Rents Esquem

The quarter ended with a decrease in the loan portfolio of 3.4% compared to the previous quarter to end with a balance of Ps 82,529 million. This reduction was reflected mostly in Loans to Financial Intermediaries for Ps 1,267 million because of important corporate loans that were not renewed, and also to Government Entities loans for Ps 530 million due to the reclassification of the Fobaproa Repossessed Assets that were allocated as Fobaproa loans as dictated by bulletin 1455 of CNBV.

The past due portfolio decreased by 3.4% compared to the second quarter of 2000, due mainly to the collection efforts. The commercial portfolio decreased by 9.6%. The past due loan ratio at the end of the third quarter of 2000 was 4.9%, very similar to the second quarter of 2000 level.

Loan Portfolio without Fobaproa  
Billions of pesos



### Classified Loans

(Millions of September '00 Pesos)

Category	2000		3Q00	
	Loans	%	Loans	%
A	17,867	62.7%	20,033	66.0%
B	5,105	17.9%	5,147	17.0%
C	1,746	6.1%	1,507	5.0%
D	3,032	10.6%	2,964	9.8%
E (*)	766	2.7%	699	2.3%
<b>Total</b>	<b>28,516</b>	<b>100.0%</b>	<b>30,351</b>	<b>100.0%</b>
<b>Excepted</b>	<b>53,047</b>	<b>64.9%</b>	<b>53,848</b>	<b>63.6%</b>
<b>Not Classified</b>	<b>185</b>	<b>0.2%</b>	<b>271</b>	<b>0.3%</b>
	<b>81,748</b>	<b>65.1%</b>	<b>84,469</b>	<b>64.1%</b>

(\*) Net of Charges offs  
Note : Consolidated with UDIS

(\*\*) Assessed with March'00 peso figures, except the credit card, which uses the numbers from June 30, 2000, per application of Report 1449 of the CNByV (the National Banking and Securities Commission).

(\*\*\*) Assessed with June '00 peso figures, except the credit card and mortgage, which use the numbers from September 30, 2000, per application of Report 1449 and 1460 of the CNByV, respectively.

### Fully Provisioning of Fobaproa-IPAB Contingencies

Dated September 1<sup>st</sup> 2000, Banorte fully provisioned all Fobaproa-IPAB contingencies, including: loss sharing, incentives scheme, and repossessed assets (Foba 70), assuming the most conservative scenarios. Besides loan loss provisions were created for other contingencies and as a preventive measure for the application of the new classification rules for the commercial loans in 2001. The total amount of these provisions was Ps 1,937.7 million. With the CNBV authorization these provisions were charged to Stockholders Equity accounts. This action was taken as a part of the corporate process to clean and strengthen the Banorte financial position.

The summary of these provisions is presented in the following table:

(Million as of September 1<sup>st</sup>, 200)

Fobaproa-Loss sharing	1,300.2
Incentives scheme	325.8
Repossessed assets (Foba "70")	111.7
Additional loan loss provisions	<u>200.0</u>
Total	1,937.7

The accounting of these provisions was made as follows: all provisions for Fobaproa contingencies including loss sharing, incentives scheme and repossessed assets (Foba 70) were registered in the Reserves for Fobaproa Notes account which is subtracted from Fobaproa notes along with the Fobaproa checking accounts balance. Regarding the Additional loan loss provisions they were registered in the Preventive loan loss reserves account.

According to the Banking Institutions GAAP, these movements should have been accounted through the Income Statement affecting the Loss Sharing Provisions by Ps 1,737.7 million and the Loan Loss Provisions by Ps 200.0 million, respectively. However, with the special register CNBV authorization these affected directly to the Stockholders' Equity accounts, based on the bulletin 1448 of the CNBV, and being this a case of a financial cleaning up.

### Remaining Contingencies with Fobaproa

#### Loss Sharing

Begging Spetember, 2000, Banorte fully provisioned the 100% of the Fobaproa loss sharing remaining contingencies by creating provisions for Ps1,300.2 million, under the zero additional cash collections scenario.

#### Loss Sharing

(Millions of Pesos)

Gross Balance	8,459.0
-Checking account balance	<u>1,648.9</u>
<b>=Balance Net of Deposits</b>	6,810.2
- Collections	
Repossessed Assets	0
Loans	<u>0</u>
<b>=Promissory Note Net of Checking and Collections</b>	6,810.2

<b>Contingency before Reserves</b>	1,814.4
<b>-Reserves created on August 31,2000</b>	<u>514.2</u>
= Remaining contingencie with Fobaproa	1,300.2
<b>-Reserves created on September 1st, 2000</b>	1,300.2
<b>=Remaining Contingencie</b>	0

(1): The calculation was based on Ps1,600 million of loans of the first sale to Fobaproa with a 29% loss sharing, Ps2,000 of the second sale with a 25% loss sharing, and we took of Ps400 millions of the third sale with 0% loss sharing because doesn't have contingencie.

#### Incentive Scheme

Banorte created Ps 325.9 million in provisions in September to fully cover 100% of the banks contingencies of this program, under the zero additional cash collections scenario. The Incentive Scheme considers an additional contingency to that of the loss sharing program if the cash collections after the 10 year term represent less than 60% of the Gross Fobaproa Notes balance. This contingency goes to 100% when collection are below 20%. Using this rule and the more conservative scenario, Banorte's maximum contingency would be Ps 415.4 million, that was fully provisioned in the quarter.

#### Incentive Scheme

(Millions of Pesos)

Gross Balance	5,379.9
-Checking account balance	<u>1,321.1</u>
<b>=Balance Net of Deposits</b>	4,058.8
- Collections	
Repossessed Assets	0
Loans	<u>0</u>
<b>=Promissory Note Net of Checking and Collections</b>	4,058.8
<b>Contingency before Reserves (1)</b>	415.4
<b>-Reserves created on August 31,2000</b>	<u>89.6</u>
= Remaining contingencie with Fobaproa	325.8
<b>-Reserves created on September 1st, 2000</b>	325.8
<b>=Remaining Contingencie</b>	0

(1): The calculation was based on 100%

### Reposessed Assets (Foba-70)

In September, 2000, Banorte created Ps 111.7 million in provisions in order to attain 100% of the maximum additional contingency fully covered, considering the original market value of those assets without any adjustment by inflation. This means that any additional collection above the original market value will bring a provision surplus.

### Reposessed Assets (Foba-70)

(Millions of Pesos)

Gross Balance	823.3
-Checking account balance	<u>184.6</u>
=Balance Net of Deposits	638.7
- Collections	
Reposessed Assets	240.9
Loans	<u>0</u>
=Promissory Note Net of Checking and Collections	397.8
Contingency before Reserves	397.8
-Reserves created on August 31,2000	<u>286.1</u>
= Remaining contingency with Fobaproa	111.7
-Reserves created on September 1st, 2000	111.7
=Remaining Contingencie	<u>0</u>

### Additional Loan Loss Provisions

Banorte created Ps200.0 million in provisions during the quarter for other contingencies and as a preventive measure for the application of the new classification rules for commercial loans which will be effective from January 1, 2001.

### Accounting Registration

The way these movements were accounted were as follows: on the asset side were included Ps 1,737.7 million in Fobaproa contingency provisions which are neted out with the Fobaproa Notes; Ps 200 million that were registered in Loan Loss Provisions, and Ps 168 million in Deffered Taxes (a conservative amount which we think will be used in the future), for a total decrease of Ps 1,770 million in assets. On the other side of the Balance Sheet, this same amount was charged against Capital Reserves in the Stockholders' Equity.

In the case we had not had the CNBV special register authorization to charge against the Stockholders' Equity, these provisions would had had to flow through the Income Statement, increasing by Ps 1,737.7 million the Loss Sharing provisions and Ps 200.0 the Loan Loss Provisions accounts, a dictated by the Financial Institutions GAAP.

### Loan Loss Reserves (LLR)

(Millions as of September '00 Ps)

	3Q00		
	<u>BN</u>	<u>BC</u>	<u>Total</u>
Previous Period end-LLR	3,089	1,322	4,410
+ Provisions taken in the period	1,029	(822)	206
- Charge offs and discounts	134	106	240
-Special Fobaproa Notes Rsves	-	-	-
+ Valuation & Other	<u>(203)</u>	<u>(21)</u>	<u>(223)</u>
= LLR at period end	<b>3,781</b>	<b>372</b>	<b>4,153</b>

BN=Banorte & BC=Bancen

During the quarter, Ps6.6 million was set aside for provisions through the Income Statement and Ps 200 million against Capital. On the other hand, Ps240 million was reported in charge offs and discounts related to the collections and restructuring of the past due portfolio.

### Reserve Coverage as of 3Q00

(Millions as of September '00 Ps)

<u>BANORTE</u>	<u>PDL</u>	<u>LLR</u>	<u>LLR/PDL</u>
Commercial	1,606	1,606	100.0%
Financial Intermediaries	1	1	100.0%
Consumer	581	581	100.0%
Mortgage	1,603	1,593	99.4%
Government Entities	-	-	-
<b>Total</b>	<b>3,791</b>	<b>3,781</b>	<b>99.7%</b>

<u>BANCEN</u>			
Commercial	125	125	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	118	118	100.0%
Government Entities	-	-	-
Surplus	-	<u>129</u>	-
<b>Total</b>	<b>243</b>	<b>372</b>	<b>153.1%</b>
<b>Total</b>	<b>4,034</b>	<b>4,153</b>	<b>102.9%</b>

The Reserve Coverage of the banking sector of the Group was 102.9% at the end of 3Q00. Banorte had a 99.7% reserve coverage, with a 100.0% coverage in Commercial and Consumer loans and 99.4% in Mortgage; and Bancen showed a 153.1% reserve coverage with 100.0% coverage in all three types of loans with Ps129 million as a surplus to cover future contingencies.

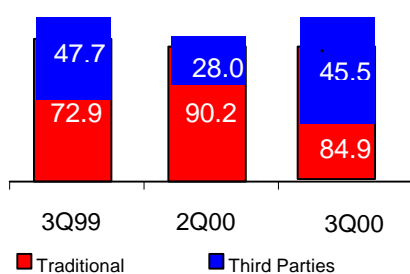
## Deposits

(Millions as of September '00 Ps)

	3Q99	2Q00	3Q00
Demand Deposits	23,018	22,872	23,307
Time Deposits	46,642	66,296	60,302
Bonds	3,289	1,061	1,259
<b>Total</b>	<b>72,949</b>	<b>90,229</b>	<b>84,867</b>
<b>On behalf of Third Parties Deposits</b>	<b>47,670</b>	<b>28,026</b>	<b>45,527</b>

During the quarter, there was a decrease of 5.9% in deposits, which was primarily reflected in time deposits. This decrease owes itself, mainly to lower need for funding because of lower levels of loans, and also to the maturity of treasury operations. Deposits on behalf of third parties had an important increase due to the fact that Banorte received the money desk operations from the Brokerage House as a result of the corporate re-structuring of the Group.

Traditional and Behalf of third Parties Deposits  
Billions of pesos



## Capitalization

(Millions as of September '00 Ps)

	2000 RULES		2003 RULES	
	BN	BC	BN	BC
Basic Capital	4,670	635	3,680	635
Supplemental Capital	469	-	464	-
<b>Net Capital (NC)</b>	<b>5,139</b>	<b>635</b>	<b>4,144</b>	<b>635</b>
Riskcredit assets(RCA)	39,676	2,727	38,321	1,461
NC / RCA	13.0%	23.3%	10.8%	43.5%
Total risks assets (1)	43,556	4,256	41,601	2,990
<b>Capitalization Ratio</b>				
Tier 1	10.7%	14.9%	8.9%	21.2%
Tier 2	1.1%	0.0%	1.1%	0.0%
<b>Total Capitaliz. Ratio</b>	<b>11.8%</b>	<b>14.9%</b>	<b>10.0%</b>	<b>21.2%</b>

(1) Includes Market Risks. Without inter-company eliminations  
BN=Banorte & BC=Bancen

Capitalization ratios of 3Q00 were affected by the corporate financial re-structuring of the Group and also by the provisions charged to Banorte's Capital.

In Banorte, Ps1,217 million were received from Bancen, through Centrobanc (the vehicle), and Ps290 million from the brokerage House through Transnorte, and its capital decreased by Ps12 million for the sale of the Afore to Bancen and for Ps 1,770 million of the creation of provisions for Fobaproa contingencies charged to capital.

In Bancen, Ps 1,217 million were transferred to Banorte, therefore decreasing its capital.

The Capitalization ratios, using 2003 rules, for each bank at the close of the the quarter were as follows: Banorte 10.0% and Bancen 21.2%.

## US Dollar Assets and Liabilities

(Millions of Dollars)

	2Q00		3Q00	
	BN	BC	BN	BC
<b>Liabilities</b>				
Retail Deposits	691.6	102.1	1,046.9	-
Market Deposits	400.8	-	402.1	-
Loans	433.5	0.3	424.2	-
Intergroup Funding	-	110.0	-	195.3
Development Banks	198.3	40.5	190.2	35.6
Cross Currency Swaps	150.0	-	150.0	-
Deferred payments	10.6	-	10.9	-
Loan Loss Reserves	31.7	18.3	53.6	-
Foreign Exchange Der	102.3	-	107.5	-
Other liabilities	-	4.9	-	2.9
<b>Total</b>	<b>2,018.9</b>	<b>276.1</b>	<b>2,385.2</b>	<b>233.8</b>
<b>Assets</b>				
Cash	8.8	1.1	11.9	-
Deposits on Foreign B	349.9	33.3	373.4	-
Intergroup Deposits	110.0	-	195.3	-
USCP	45.0	-	59.7	-
Investment portfolio	216.9	-	209.1	-
Loan portfolio	516.7	7.6	590.1	-
Fobaproa or IPAB Note(1)	632.9	234.1	824.0	233.8
Foreign Exchange Der	107.5	-	107.4	-
Other assets	31.3	-	14.2	-
<b>Total</b>	<b>2,218.9</b>	<b>276.1</b>	<b>2,385.2</b>	<b>233.8</b>

BN=Banorte &amp; BC=Bancen

(1) Net of cash collections.

During the quarter the dollar asset-liability position maintained a similar level to that of 2000. However, the re-

allocation of the traditional banking operations from Bancen to Banorte increased the inter-companies operations by USD 85.3 million in Bancen. Besides, there was 6.2% increase in Retail Deposits vs. 2Q00.

## 2.-Brokerage Sector

(Millions as of September '00 Ps)

	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
<b>Brokerage House</b>				
Net Income	(10.4)	50.9	113.5	58.4
Equity	525.1	181.1	486.1	181.1
Total Assets	3,149	559	2,026	559
Clients Assets U/ Management	57,783	65,464	70,549	65,464

The **Brokerage House** posted a Ps50.9 million profit during the third quarter of 2000, compared with the last quarter when it showed a loss of Ps10.4 million. This improvement was due to the financial markets recovery this quarter and also to higher income from treasury operations. Accumulated for the year, there was an important decrease in the net income mainly explained by the reallocation of the administration of the mutual funds to Bancen from 4Q99. Therefore, the brokerage house stop receiving this income. In September 26, 2000 the Stockholders Extraordinary General Assembly authorized Transnorte, S.A. de C.V. (the split off part of the brokerage house) to be merged to Banorte. This new vehicle had Ps290 million in Stockholders' Equity. On the other hand, the Brokerage House paid a cash dividen of Ps100 million to the holding company in September.

## 3.-Long Term Savings Sector

(Millions as of September '00 Ps)

	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
<b>Afore</b>				
Net Income	4.6	52.8	98.3	125.7
Equity	911.4	958.5	887.5	958.5
Total Assets	1,006.9	1,091.8	924.6	1,091.8
Assets under Management	6,914.4	7,760.7	4,999.6	7,760.7
<b>Bancassurance</b>				
Net Income	(38.4)	28.6	(23.1)	(5.7)
Equity	113.6	102.4	92.7	102.4
Total Assets	1,276.3	1,248.9	707.8	1,248.9
<b>Annuities</b>				
Net Income	(50.8)	(4.4)	(40.9)	(37.5)
Equity	92.2	87.8	102.4	87.8
Total Assets	1,600.8	1,847.1	871.8	1,847.1

The **Afore** had profits for Ps52.8 million in 3Q00 (51% for Banorte), vs. Ps. 4.6 million in 2Q00, an important increase was due mainly to the results emerged from the business cycle because bimonthly contributions from the companies that are received by the AFORE unevenly distributed throughtout the year receiving two contributions in 1st. and 3rd. quarters an just one contribution in 2nd and 4th quarters and also to a higher number of affiliates that reached 1,525,267 at the end of September. Accumulated for the year, earnings were 27.9% higher than in 1999 as a consequence of the 55% increase in assets under management. The market share in number of affiliates was 8.9% at the end of the quarter.

The **Bancassurance** business had a profit of Ps28.6 million vs. a Ps38.4 million loss in the previous quarter (51% for GFNorte). This major improvement was due to the recovery of the financial markets that had a negative impact of the valuation of marketable securities from the investment portfolio's position in the 2Q00. In total for 2000, the accumulated losses for the year were lower than those of the year before due to an increase in the volume of operations.

The **Annuities Company** showed a loss of Ps4.4 million, vs. a Ps50.8 million loss in the previous quarter (51% of which GFNorte). This significant improvement was due to the financial markets recovery that had a negative impact of the valuation of marketable securities from the investment portfolio's position in the 2Q00. In total for 2000, the accumulated losses for the year were lower than the year before due to an important increase in the volume of operations.

## 4.-Auxiliary Organizations Sector

(Millions as of September '00 Ps)

	QUARTER		ACUM.	
	2Q00	3Q00	3Q99	3Q00
<b>Leasing</b>				
Net Income	4.6	6.9	10.9	15.4
Equity	97.7	104.8	90.4	104.8
Loan Portfolio(*)	519.1	499.3	485.5	499.3
Past Due Loans	19.0	17.9	27.9	17.9
Loan Loss Reserves	8.7	8.3	4.2	8.3
Total Assets	521.3	502.5	497.0	502.5
<b>Factoring</b>				
Net Income	8.7	11.0	25.0	28.6
Equity	133.9	144.9	112.8	144.9
Loan Portfolio	1,423.1	1,471.4	832.6	1,471.4
Past Due Loans	9.9	9.7	18.0	9.7
Loan Loss Reserves	9.8	9.7	11.0	9.7

Total Assets	1,430.0	1,472.4	830.2	1,472.4
<b>Warehousing</b>				
Net Income	0.7	2.1	2.5	3.3
Equity	55.9	53.0	55.4	53.0
Inventories(**)	320.3	545.6	-	545.6
Total Assets	381.5	633.1	59.2	633.1
<b>Bonding</b>				
Net Income	2.6	2.3	5.2	5.5
Equity	57.4	59.6	54.5	59.6
Total Assets	117.4	124.0	114.1	124.0

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

(\*) Departing 2Q00 it includes operating lease.

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

The **Leasing Company** earned Ps6.9 million for the quarter, up from the Ps4.6 million earned in the second quarter of 2000, since the portfolio decreased by 3.8% with respect to the previous quarter due to prepayments of important clients. The accumulated earnings as of the third quarter of 2000 were 41.3% higher than the year before due to an important decrease in the past due portfolio, which went down by 35.8% and also to new operations with higher margins. Currently we are number 10 out of 33 leasing companies in the sector.

The **Factoring Company** generated Ps11.0 million in profits in the third quarter of 2000, 26.4% higher than in the second quarter of 2000 due to an increase in the average loan portfolio. Accumulated earnings for the 3Q00 were Ps 28.6 million, 14.4% greater than accumulated earnings for 1999 due to a strategy of working with larger companies that offer greater security. This was reflected in the 77% annual growth of the portfolio without increasing the past due portfolio. Currently, we are in first place among 12 factoring businesses.

The **Warehousing** posted third quarter 2000 earnings of Ps2.1 million, 200% higher than the previous quarter. In annual terms, this translates to a profit of Ps3.3 million as of 3Q00. At the close of the first half of 2000, we are starting a new service for marketing inventories for the industry, thereby achieving outstanding financial advantages for those companies who contract this service. In this way, the warehousing unit is not only generating more business, but also positioning itself as a new channel of placement for low risk loans for GFNorte and continues to stand out on a national level as an innovator in the warehousing environment. During the quarter, the first inventory

commercialization operations were agreed. As a consequence warehousing facilities were adapted and some material inventories were purchased to be sold later. New operations for Ps600 million using this mechanism were closed.

The **Bonding Company** generated Ps2.3 million in net profits for the quarter, 11.5% less than in the second quarter of 2000. In accumulated terms, earnings as of 3Q00 was \$5.5 millions, 5.8% higher than those in 1999.

## VII. Accounting Changes and Regulations

**Bank sector (Banorte and Bancen)** – The Comisión Nacional Bancaria y de Valores (CNBV) published on December 14 of 1999, its bulletin 1455 effective from July 1, 2000. The memo mainly presents changes in the formats for the classification of accounts for the presentation of the financial information of banking institutions. These changes are mainly reflected in the Interest Income from Loans and Securities in the Income Statement that now is grouped in the Securities Unrealized Gains in the Trading Income. On the Balance Sheet the Repossessed Assets Fobaproa Trust was moved from Loans to Government Entities to Loans to Fobaproa.

**Brokerage House.**- Bulletin 10240 of the CNBV, dated May 4,2000, provided new accounting rules for brokerage houses. The main changes are related to Repo operations that now reallocates part of its interest income from the Interest Income from Repo agreements to the Non Interest Income, therefore decreasing the first and increasing the latter.

**Registration of Eurobonds.** - Dated October 6th of 2000, Banorte received the special authorization of the CNBV, to continue to report Eurobonds in the Securities held to maturity account instead of it's original accounting, in accordance with bulletin 601-II-DGT-13807 of CNBV.

93% of the Eurobond portfolio is protected with interest rates swaps that until today has allowed Banorte to maintain a stable income in spite of the interest rate increases experienced in recent years.

Without the special authorization of CNByV, the amounts reported for the first 9 months of 2000, would have been the following:

*Income Statement*

Repomo.- The Repomo-Margin would have been positively affected for USD 17.0 million as a result of registering through the income statement, when considered as Securities Held for Sale

*Balance Sheet*

Assets.- Eurobonds would have been registered as Securities Held for Sale for USD 223.5 million along with USD 4.7 million in the Valuation of Securities Held for Sale account.

Stockholders Equity.- Both effects of Valuation for USD 4.7 million as well as the Repomo-Margin effect for USD 17.0 million would have negatively affected the Deficit from Securities Valuation for a total of USD 21.7 million .

## ANNEX 1.- Grupo Financiero-Information by Segments

**Proforma consolidated data as of 3Q00**

(Millions as of September '00 Ps)	(1) BANORTE	(3) BANCEN	TOTAL SECTOR
<b>Income Statement</b>			
NII	922.9	406.3	1,329.2
Non Interest Income	302.9	199.1	502.0
Non Interest Expense	1,274.2	174.7	1,448.9
Other income (expense)	133.4	47.6	180.9
Extraordinary items, net	-	-	-
Net Income	(19.6)	473.4	453.8
<b>Balance Sheet</b>			
Assets	91,808	23,923	111,837
Loans	64,130	18,399	82,529
Deposits	76,729	8,138	84,867
Equity	5,091	1,124	6,214
PDL	3,791	243	4,034
LLR	3,781	372	4,153
<b>Ratios</b>			
% NII	3.7%	7.4%	N.A.
Expense/ Total Assets	5.6%	3.5%	5.2%
% PDL	5.9%	1.3%	4.9%
Reserves / PDL	99.7%	153.3%	102.9%
% Capitalization (2)	10.0%	21.2%	N.A.

1) Includes a 95.41% participation of the Group.

2) Includes Market Risks. Using 2003 rules.

3) Excludes the AFORE.

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

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

**Inter-bank Eliminations Summary**

(Millions as of Sep '00 Ps)	BANORTE	BANCEN	INTERBANK ELIMINATIONS
<b>Income Statement</b>			
NII	(180.3)	180.3	-
Non Interest Income	-	-	-
Non Interest Expense	(52.4)	-	(52.4)
Other Income (expense)	(1.9)	-	(1.9)
Extraordinary items, net	-	-	-
<b>Balance Sheet</b>			
Assets	(10,361)	-	(10,361)
Loans	-	-	-
Deposits	-	(8,517)	(8,517)
Equity	-	-	-
PDL	-	-	-
LLR	-	-	-

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

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

**Reconciliation of Segments Summary-3Q00**

(Millions as of September '00 Ps)	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
<b>Income Statement</b>				
NII	1,329.2	97.9	7.9	1,435.0
Non Interest Income	502.0	189.3	77.7	769.1
Non Interest Expense	1,448.9	180.1	60.7	1,689.7
Other Income (expense)	180.9	(5.8)	23.6	198.7
Extraordinary items, net	-	-	-	-
<b>Balance Sheet</b>				
Assets	111,837	11,149	(8,819)	114,167
Loans	82,529	1,901	(1,684)	82,746
Deposits	84,867	-	(175)	84,692
Equity	6,214	8,332	(6,953)	7,593
PDL	4,034	28	-	4,062
LLR	4,153	18	-	4,171

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

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



**ANNEX 2.- FINANCIAL CLEAN UP****BANCO MERCANTIL DEL NORTE** (Millions as of August 31'00 Pesos)

ASSETS	BANORTE CONSOLIDATED	BANCEN 'S SPLIT OFF (ENTRO BAN)	BROKERAGE HOUSE SPLIT OFF (TRANORTE)	AFORE	FOBAPROA CONTINGENCIE S PROVISIONS	BANORTE AFTER MOVEMENTS
<b>Cash and due from Banks</b>	<b>12,124</b>	<b>3,333</b>	<b>224</b>	<b>400</b>	<b>-</b>	<b>16,080</b>
Negotiable Instruments	22,916	9,484	-	-	-	32,400
Securities held for sale	46	-	-	-	-	46
Securities held to maturity	4,069	-	-	-	-	4,069
<b>Financial Instruments:</b>	<b>27,031</b>	<b>9,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,516</b>
Repurchase agreements, net	20	-	-	-	-	20
Operations with collateral	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-
Options and derivatives, net	35	-	-	-	-	35
<b>Repos &amp; Derivatives :</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56</b>
Commercial	14,887	468	-	-	-	15,355
Financial Intermediaries	3,121	242	-	-	-	3,364
Consumer	592	16	-	-	-	609
Mortgage	2,840	925	-	-	-	3,765
Government Entities	2,257	368	-	-	-	2,625
Fobaproa	34,931	-	-	-	(1,738)	33,194
Fiduciary collection rights	-	-	-	-	-	-
<b>Performing Loans</b>	<b>58,628</b>	<b>2,020</b>	<b>-</b>	<b>-</b>	<b>(1,738)</b>	<b>58,911</b>
<b>Past Due Loans</b>	<b>3,302</b>	<b>220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,522</b>
<b>Total Loans</b>	<b>61,930</b>	<b>2,240</b>	<b>-</b>	<b>-</b>	<b>(1,738)</b>	<b>62,433</b>
Preventive loan loss reserves	2,919	830	-	-	200	3,949
<b>Net Loan Portfolio</b>	<b>59,011</b>	<b>1,411</b>	<b>-</b>	<b>-</b>	<b>(1,938)</b>	<b>58,484</b>
Sundry debtors and other assets, net	850	122	-	(4)	-	968
Foreclosed assets, net	620	720	-	-	-	1,341
Real Estate, Furniture & Equipment, net	2,595	412	48	(25)	-	3,031
Investments in subsidiaries	604	15	18	(358)	-	278
Deferred taxes	-	-	-	-	168	168
Goodwill	-	-	-	-	-	-
Other Assets, deferred charges & Intangibles	864	14	-	(585)	-	293
<b>TOTAL ASSETS</b>	<b>103,754</b>	<b>15,511</b>	<b>290</b>	<b>(572)</b>	<b>(1,770)</b>	<b>117,213</b>
<b>LIABILITIES</b>						
Demand Deposits	20,964	2,338	-	-	-	23,302
Time Deposits	52,189	7,970	-	-	-	60,158
Bonds	1,324	-	-	-	-	1,324
<b>Deposits</b>	<b>74,477</b>	<b>10,307</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,784</b>
<b>Due to banks and correspondents</b>	<b>21,756</b>	<b>3,728</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,485</b>
Repurchase agreements, net	-	-	-	-	-	-
Operations with collateral	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-
<b>Repos &amp; Derivatives:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income Tax & Profit Sharing	-	-	-	-	-	-
Other Payable accounts	1,690	246	-	(103)	-	1,833
<b>Other payable accounts</b>	<b>1,690</b>	<b>246</b>	<b>-</b>	<b>(103)</b>	<b>-</b>	<b>1,833</b>
Subordinated non Convertible Debenture	-	-	-	-	-	-
Deferred Taxes	24	-	-	-	-	24
Deferred credits	92	12	-	-	-	103
<b>TOTAL LIABILITIES</b>	<b>98,039</b>	<b>14,293</b>	<b>-</b>	<b>(103)</b>	<b>-</b>	<b>112,230</b>
<b>STOCKHOLDER'S EQUITY</b>						
Paid-in Capital	3,095	347	83	-	-	3,525
Share subscription premiums	282	-	-	-	-	282
Subordinated Convertible Debentures	428	-	-	-	-	428
<b>Subscribed Capital</b>	<b>3,806</b>	<b>347</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>4,235</b>
Capital Reserves	2,253	871	207	-	(1,770)	1,562
Retained Earnings	1,601	-	-	-	-	1,601
Surplus (Deficit) from securities	(444)	-	-	-	-	(444)
Results of foreign operations exchange	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(1,997)	-	-	-	-	(1,997)
Non Mon assets results	(38)	-	-	-	-	(38)
Adjustment in the employees pension funds	-	-	-	-	-	-
Accumulated deferred tax effect	(261)	-	-	-	-	(261)
Net Income	337	-	-	(12)	-	325
Minority Holdings	457	-	-	(457)	-	-
<b>Total Stockholder's Equity Consolidated</b>	<b>5,715</b>	<b>1,217</b>	<b>290</b>	<b>(469)</b>	<b>(1,770)</b>	<b>4,983</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>103,754</b>	<b>15,511</b>	<b>290</b>	<b>(572)</b>	<b>(1,770)</b>	<b>117,213</b>

**ANNEX 2.- FINANCIAL CLEAN UP**

BANCO DEL CENTRO (Millions as of August 31 '00 Pesos)

ASSETS	BANCEN CONSOLIDATED	BANCEN'S SPLIT OFF (CENTRO BAN)	AFORE	BANCEN AFTER MOVEMENTS
<b>Cash and due from Banks</b>	<b>4,256</b>	<b>(3,333)</b>	<b>(400)</b>	<b>524</b>
Neotiable Instruments	9,484	(9,484)	-	-
Securities held for sale	-	-	-	-
Securities held to maturity	467	-	-	467
<b>Financial Instruments:</b>	<b>9,952</b>	<b>(9,484)</b>	<b>-</b>	<b>467</b>
Repurchase agreements, net	2	-	-	2
Operations with collateral	-	-	-	-
Futures receivable, net	-	-	-	-
Options and derivatives, net	-	-	-	-
<b>Repos &amp; Derivatives :</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
Commercial	498	(468)	-	29
Financial Intermediaries	242	(242)	-	-
Consumer	16	(16)	-	-
Mortgage	1,269	(925)	-	344
Government Entities	368	(368)	-	-
Fobaproa	17,503	-	-	17,503
Fiduciary collection rights	-	-	-	-
<b>Performing Loans</b>	<b>19,897</b>	<b>(2,020)</b>	<b>-</b>	<b>17,877</b>
<b>Past Due Loans</b>	<b>891</b>	<b>(220)</b>	<b>-</b>	<b>671</b>
<b>Total Loans</b>	<b>20,788</b>	<b>(2,240)</b>	<b>-</b>	<b>18,547</b>
Preventive loan loss reserves	1274	(830)	-	444
<b>Net Loan Portfolio</b>	<b>19,513</b>	<b>(1,411)</b>	<b>-</b>	<b>18,103</b>
Sundry debtors and other assets, net	401	(122)	4	283
Foreclosed assets, net	720	(720)	-	-
Real Estate, Furniture & Equipment, net	412	(412)	25	25
Investments in subsidiaries	15	(15)	346	346
Deferred taxes	-	-	-	-
Goodwill	-	-	-	-
Other Assets, deferred charges & Intangibles	14	(14)	585	585
<b>TOTAL ASSETS</b>	<b>35,286</b>	<b>(15,511)</b>	<b>560</b>	<b>20,336</b>
<b>LIABILITIES</b>				
Demand Deposits	2,338	(2,338)	-	-
Time Deposits	24,540	(7,970)	-	16,570
Bonds	-	-	-	-
<b>Deposits</b>	<b>26,877</b>	<b>(10,307)</b>	<b>-</b>	<b>16,570</b>
<b>Due to banks and correspondents</b>	<b>5,977</b>	<b>(3,728)</b>	<b>-</b>	<b>2,249</b>
Repurchase agreements, net	3	-	-	3
Operations with collateral	-	-	-	-
Futures receivable, net	-	-	-	-
Options and derivatives, net	-	-	-	-
<b>Repos &amp; Derivatives:</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
Income Tax & Profit Sharing	-	-	-	-
Other Payable accounts	246	(246)	103	103
<b>Other payable accounts</b>	<b>246</b>	<b>(246)</b>	<b>103</b>	<b>103</b>
Subordinated non Convertible Debenture	-	-	-	-
Deferred Taxes	-	-	-	-
Deferred credits	12	(12)	-	-
<b>TOTAL LIABILITIES</b>	<b>33,115</b>	<b>(14,293)</b>	<b>103</b>	<b>18,924</b>
<b>STOCKHOLDER'S EQUITY</b>				
Paid-in Capital	1,087	(621)	-	466
Share subscription premiums	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-
<b>Subscribed Capital</b>	<b>1,087</b>	<b>(621)</b>	<b>-</b>	<b>466</b>
Capital Reserves	497	(497)	-	-
Retained Earnings	86	(86)	-	-
Surplus (Deficit) from securities	-	-	-	-
Results of foreign operations exchange	-	-	-	-
Excess (Insuf.) in capital restatement	13	(13)	-	-
Non Mon assets results	1	(1)	-	-
Adjustment in the employees pension funds	-	-	-	-
Accumulated deferred tax effect	-	-	-	-
Net Income	488	-	-	488
Minority Holdings	-	-	457	457
<b>Total Stockholder's Equity Consolidated</b>	<b>2,171</b>	<b>(1,217)</b>	<b>457</b>	<b>1,411</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>35,286</b>	<b>(15,511)</b>	<b>560</b>	<b>20,336</b>

**HOLDING - Balance Sheet** *(Millions as of September 00 Pesos)*

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
<b>Cash and due from Banks</b>	201	276	268	279	284	269	263	
Negotiable Instruments	-	-	-	-	-	-	-	
Securities held for sale	-	-	-	-	-	-	-	
Securities held to maturity	-	-	-	-	-	-	-	
<b>Financial Instruments:</b>	-	-	-	-	-	-	-	
Sundry debtors and other assets.net	4	5	4	4	6	7	6	
Real Estate, Furniture & Equipment, net	-	-	-	-	-	-	-	
Investments in subsidiaries	7,360	7,352	7,554	7,641	8,050	7,965	6,621	
Deferred taxes	-	-	-	-	-	-	-	
Goodwill	280	267	258	249	241	-	-	
Other Assets, Deferred charges, Intangibles	2	2	-	-	-	-	-	
	<b>281</b>	<b>269</b>	<b>258</b>	<b>249</b>	<b>241</b>	-	-	
<b>TOTAL ASSETS</b>	<b>7,847</b>	<b>7,902</b>	<b>8,084</b>	<b>8,173</b>	<b>8,581</b>	<b>8,242</b>	<b>6,890</b>	
<b>LIABILITIES</b>								
<b>Due to banks and correspondents</b>	-	-	-	-	-	-	-	
Income Tax & Profit Sharing	-	-	-	-	1	-	-	
Other Payable accounts	-	-	-	-	-	-	-	
<b>Other payable accounts</b>	-	-	-	-	<b>1</b>	-	-	
Deferred taxes	-	-	-	-	-	-	-	
<b>TOTAL LIABILITIES</b>	-	-	-	-	<b>1</b>	-	-	
<b>STOCKHOLDER'S EQUITY</b>								
Paid-in Capital	4,398	4,414	4,415	4,414	4,415	4,414	4,381	
Share subscription premiums	875	927	927	927	927	927	927	
Subordinated Convertible Debentures	497	475	468	458	439	434	429	
<b>Subscribed Capital</b>	<b>5,770</b>	<b>5,816</b>	<b>5,809</b>	<b>5,799</b>	<b>5,780</b>	<b>5,774</b>	<b>5,737</b>	
Capital Reserves	402	636	636	636	602	658	578	
Retained Earnings	5,775	5,245	5,233	5,233	6,389	6,091	6,091	
Surplus (Deficit) from securities	-	-	-	-	-	-	-	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(4,539)	(4,484)	(4,522)	(4,702)	(4,612)	(4,612)	(4,612)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm subsidiaries	-	-	-	-	(25)	(304)	(2,095)	
Adjustment in the employees pension funds	-	-	-	-	-	-	-	
Accumulated deferred tax effect	-	-	-	-	-	-	-	
Net Income	439	689	927	1,206	445	634	1,190	
<b>Earned Capital</b>	<b>2,077</b>	<b>2,086</b>	<b>2,275</b>	<b>2,374</b>	<b>2,800</b>	<b>2,468</b>	<b>1,153</b>	
<b>Total Stockholder's Equity</b>	<b>7,847</b>	<b>7,902</b>	<b>8,084</b>	<b>8,173</b>	<b>8,580</b>	<b>8,242</b>	<b>6,890</b>	
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>7,847</b>	<b>7,902</b>	<b>8,084</b>	<b>8,173</b>	<b>8,581</b>	<b>8,242</b>	<b>6,890</b>	

**MEMORANDUM ACCOUNTS OF HOLDING** *(Millions as of September 00 Pesos)*

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Client securities held in custody	11,599	11,358	11,727	13,222	12,819	2,516	2,474	
Other trust account items	11,041	13,118	12,865	12,548	12,165	13,978	13,725	
	<b>22,640</b>	<b>24,476</b>	<b>24,592</b>	<b>25,771</b>	<b>24,984</b>	<b>16,494</b>	<b>16,199</b>	

**HOLDING-Consolidated Income Statement** *(Millions as of September 00 Pesos)*

MARGEN FINANCIERO NETO	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Income from Subsidiaries and Interest	460.4	286.1	284.6	341.5	1466.2	213.1	580.5	
Interest Expense	44.2	30.9	29.1	25.6	22.7	19.5	20.6	
Fees & Tariffs	-	-	-	-	-	-	-	
Trading Income	-	-	-	-	-	-	-	
REPOMO	(4.0)	(5.7)	(5.3)	(12.4)	(8.5)	(4.1)	(4.2)	
<b>Total Operating Income</b>	<b>412.2</b>	<b>249.5</b>	<b>250.1</b>	<b>303.4</b>	<b>435.0</b>	<b>189.4</b>	<b>555.7</b>	
Operation & Administrative expenses	1.9	0.6	3.2	0.7	0.7	0.6	0.6	
<b>Operating Income</b>	<b>410.3</b>	<b>248.9</b>	<b>246.9</b>	<b>302.8</b>	<b>434.3</b>	<b>188.8</b>	<b>555.1</b>	
Other Income	-	-	-	-	(2.5)	4.7	11.8	
Other Expense	(0.3)	(0.1)	(0.1)	(0.1)	-	-	-	
<b>Otros Expenses (Revenues), Net</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(2.5)</b>	<b>4.7</b>	<b>11.8</b>	
<b>Pre-tax Income</b>	<b>410.1</b>	<b>248.8</b>	<b>246.8</b>	<b>302.7</b>	<b>431.8</b>	<b>193.5</b>	<b>566.9</b>	
Income Tax & Profit Sharing	-	-	-	-	(0.6)	(0.6)	(0.6)	
Tax on Assets	-	-	(0.7)	(1.4)	-	-	-	
Deferred Inc. Tax and Profit sharing	-	-	-	-	-	-	-	
	-	-	(0.7)	(1.4)	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.6)</b>	
<b>Net income from Continuous Operations</b>	<b>410.1</b>	<b>248.8</b>	<b>246.0</b>	<b>301.3</b>	<b>431.2</b>	<b>192.9</b>	<b>566.2</b>	
Extraordinary Items, net	-	-	-	-	-	-	-	
<b>Total Net Income</b>	<b>410.1</b>	<b>248.8</b>	<b>246.0</b>	<b>301.3</b>	<b>431.2</b>	<b>192.9</b>	<b>566.2</b>	

## GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet

(Millions as of September '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
<b>Cash and due from Banks</b>	<b>10,761</b>	<b>11,200</b>	<b>12,158</b>	<b>13,887</b>	<b>11,181</b>	<b>10,606</b>	<b>8,933</b>	
Negotiable Instruments	1,551	2,685	2,615	16,507	24,582	17,771	14,454	
Securities held for sale	357	349	341	305	49	47	161	
Securities held to maturity	5,348	4,367	4,573	4,532	4,829	4,712	3,133	
<b>Financial Instruments:</b>	<b>7,257</b>	<b>7,402</b>	<b>7,530</b>	<b>21,344</b>	<b>29,460</b>	<b>22,530</b>	<b>17,747</b>	
Rerurchase agreements, net	86	57	20	82	61	213	163	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	2	-	-	-	-	
Options and derivatives, net	6	4	7	80	186	71	2	
<b>Repos &amp; Derivatives :</b>	<b>92</b>	<b>61</b>	<b>28</b>	<b>162</b>	<b>247</b>	<b>283</b>	<b>165</b>	
Commercial	16,324	17,471	16,215	16,329	17,361	17,321	17,925	
Financial Intermediaries	606	209	677	1,766	1,328	3,186	1,995	
Consumer	628	532	558	552	575	586	594	
Mortgage	3,768	3,555	3,537	3,718	4,170	4,158	4,049	
Government Entities	2,943	3,024	3,131	3,139	3,172	3,187	2,656	
Fobaproa	54,178	54,275	54,065	52,693	52,907	52,879	51,465	
Fiduciary collection rights	-	-	-	-	-	-	-	
<b>Performing Loans</b>	<b>78,447</b>	<b>79,066</b>	<b>78,184</b>	<b>78,198</b>	<b>79,514</b>	<b>81,316</b>	<b>78,684</b>	
Commercial	2,514	2,490	2,040	2,187	2,119	1,943	1,758	
Financial Intermediaries	-	-	-	-	-	6	1	
Consumer	525	671	647	707	598	593	581	
Mortgage	2,924	2,785	2,378	1,968	1,733	1,663	1,721	
Government Entities	-	-	-	-	-	-	-	
<b>Past Due Loans</b>	<b>5,963</b>	<b>5,946</b>	<b>5,065</b>	<b>4,862</b>	<b>4,449</b>	<b>4,205</b>	<b>4,062</b>	
<b>Total Loans</b>	<b>84,410</b>	<b>85,012</b>	<b>83,249</b>	<b>83,060</b>	<b>83,963</b>	<b>85,522</b>	<b>82,746</b>	
Preventive loan loss reserves	5,903	5,878	5,045	4,871	4,540	4,429	4,171	
<b>Net Loan Portfolio</b>	<b>78,507</b>	<b>79,134</b>	<b>78,204</b>	<b>78,189</b>	<b>79,423</b>	<b>81,093</b>	<b>78,574</b>	
Sundry debtors and other assets, net	1,881	1,738	1,757	1,530	1,775	1,427	1,683	
Foreclosed assets, net	621	640	819	1,445	1,391	1,384	1,351	
Real Estate, Furniture & Equipment, net	3,382	3,351	3,366	3,428	3,271	3,234	3,194	
Investments in subsidiaries	472	506	577	724	828	845	815	
Deferred taxes	623	609	592	558	394	16	142	
Goodwill	281	267	258	249	241	-	-	
Deffered charges & Intangibles	1,509	1,475	1,460	1,364	1,278	1,386	1,563	
UDIS Mortgage loans reserve coverage	-	-	-	-	33	-	-	
<b>Other Assets</b>	<b>8,770</b>	<b>8,586</b>	<b>8,829</b>	<b>9,297</b>	<b>9,211</b>	<b>8,293</b>	<b>8,748</b>	
<b>TOTAL ASSETS</b>	<b>105,387</b>	<b>106,382</b>	<b>106,750</b>	<b>122,878</b>	<b>129,522</b>	<b>122,805</b>	<b>114,167</b>	

## GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet

(Millions as of September 00 Pesos)

LIABILITIES	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Demand Deposits	18,785	20,534	23,003	24,426	22,001	22,856	23,298	
Time Deposits	50,219	48,968	46,368	62,858	75,797	66,021	60,136	
Bonds	4,053	3,397	3,289	3,218	1,036	1,601	1,259	
<b>Deposits</b>	<b>73,057</b>	<b>72,899</b>	<b>72,661</b>	<b>90,502</b>	<b>98,834</b>	<b>89,938</b>	<b>84,692</b>	
Demand	-	-	-	-	380	2,542	299	
Short term	-	-	-	-	6,948	7,102	9,591	
Long term	-	-	-	-	9,533	9,251	9,454	
<b>Due to banks and correspondents</b>	<b>18,151</b>	<b>18,154</b>	<b>19,099</b>	<b>19,102</b>	<b>16,861</b>	<b>18,895</b>	<b>19,344</b>	
Repurchase agreements, net	14	22	2	42	16	232	74	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	1	-	2	-	-	
Options and derivatives, net	-	-	1	97	329	436	54	
<b>Repos &amp; Derivatives:</b>	<b>14</b>	<b>22</b>	<b>4</b>	<b>139</b>	<b>347</b>	<b>668</b>	<b>127</b>	
Income Tax & Profit Sharing	47	95	118	138	111	58	77	
Other Payable accounts	3,790	4,884	4,334	2,695	3,659	4,111	2,234	
<b>Other payable accounts</b>	<b>3,837</b>	<b>4,979</b>	<b>4,452</b>	<b>2,834</b>	<b>3,770</b>	<b>4,170</b>	<b>2,311</b>	
Subordinated non Convertible Debenture	1,427	1,406	1,384	1,051	195	-	-	
Deferred Taxes	185	161	162	195	14	37	-	
Deferred credits	146	122	137	100	97	99	99	
<b>TOTAL LIABILITIES</b>	<b>96,817</b>	<b>97,743</b>	<b>97,898</b>	<b>113,923</b>	<b>120,118</b>	<b>113,806</b>	<b>106,574</b>	
<b>STOCKHOLDER'S EQUITY</b>								
Paid-in Capital	4,398	4,414	4,415	4,414	4,415	4,414	4,381	
Share subscription premiums	875	927	927	927	927	927	927	
Subordinated Convertible Debentures	497	475	468	458	439	434	429	
<b>Subscribed Capital</b>	<b>5,770</b>	<b>5,816</b>	<b>5,809</b>	<b>5,799</b>	<b>5,780</b>	<b>5,774</b>	<b>5,737</b>	
Capital Reserves	402	636	636	636	602	658	578	
Retained Earnings	5,775	5,245	5,233	5,233	6,389	6,091	6,091	
Surplus (Deficit) from securities	-	-	-	-	-	-	-	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(4,532)	(4,479)	(4,514)	(4,702)	(4,613)	(4,616)	(4,612)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm subsidiaries	-	-	-	-	(25)	(304)	(2,095)	
Adjustment in the employees pension funds	-	-	-	-	-	-	-	
Accumulated deferred tax effect	-	-	-	-	-	-	-	
Net Income	432	683	919	1,206	446	639	1,190	
<b>Earned Capital</b>	<b>2,077</b>	<b>2,086</b>	<b>2,275</b>	<b>2,374</b>	<b>2,800</b>	<b>2,468</b>	<b>1,153</b>	
Minority Holdings	723	737	767	782	824	756	703	
<b>Total Stockholder's Equity</b>	<b>8,570</b>	<b>8,639</b>	<b>8,852</b>	<b>8,955</b>	<b>9,404</b>	<b>8,999</b>	<b>7,593</b>	
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>105,387</b>	<b>106,382</b>	<b>106,750</b>	<b>122,878</b>	<b>129,522</b>	<b>122,805</b>	<b>114,167</b>	

**MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED** (Millions as of September 00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
<b>ON BEHALF OF THIRD PARTY TRANSACTIONS</b>								
Customers' banks	5	1	15	4	-	4	1	
Dividends receivable from customers	-	-	-	-	-	-	-	
Interest receivable from customers	-	-	-	-	-	-	-	
Liquidation of customer transactions	410	(2,081)	(4,505)	(901)	(1,884)	161	3,073	
Customer loans	-	-	-	-	-	-	-	
Liquidation with foreign currencies of customers	-	-	-	-	-	-	-	
Margin accounts in futures operations	-	-	-	-	-	-	-	
Other current accounts	-	-	-	-	-	-	-	
<b>CUSTOMERS CURRENT ACCOUNT</b>	<b>415</b>	<b>(2,081)</b>	<b>(4,491)</b>	<b>(898)</b>	<b>(1,884)</b>	<b>166</b>	<b>3,074</b>	
Client securities held in custody	63,067	64,595	70,549	64,131	65,825	57,779	65,464	
Securities and documents received in guarantee	1	1	-	1	4	3	-	
Client securities abroad	-	-	-	-	-	-	-	
<b>CLIENT SECURITIES</b>	<b>63,068</b>	<b>64,596</b>	<b>70,549</b>	<b>64,132</b>	<b>65,829</b>	<b>57,782</b>	<b>65,464</b>	
Repurchase operations for customers	15,464	28,448	31,632	23,122	21,019	28,567	14,654	
Clients securities loans	-	-	-	-	-	-	-	
Purchase of Futures & forward contracts (nati. total)	-	-	-	-	-	-	-	
Sale of futures and forward contracts (national total)	-	-	-	-	-	-	-	
Purchasing operations (option price)	18	18	24	149	235	332	331	
Sales operations (option price)	-	-	-	-	-	-	-	
Purchase of derivative packages	-	-	-	-	-	-	-	
Sale of derivative packages	-	-	-	-	-	-	-	
Administration trusts	449	1,011	1,071	1,065	1,032	948	872	
<b>TRANSACTIONS ON BEHALF OF CLIENT</b>	<b>15,932</b>	<b>29,477</b>	<b>32,728</b>	<b>24,336</b>	<b>22,286</b>	<b>29,846</b>	<b>15,857</b>	
<b>TOTAL ON BEHALF OF THIRD PARTY</b>	<b>79,416</b>	<b>91,991</b>	<b>98,785</b>	<b>87,570</b>	<b>86,231</b>	<b>87,795</b>	<b>84,395</b>	
Signature guarantees granted	93	3	3	3	3	3	3	
Issuing of irrevocable letters of credit	924	664	466	558	545	434	638	
Property in trust and guardianship	54,997	55,651	55,915	35,565	35,106	35,949	34,561	
Assets held in custody or in administration	67,993	70,077	67,019	87,809	112,416	93,349	86,258	
Amounts committed to operations with FOBAPROA	8,306	9,875	10,187	8,319	8,788	9,180	8,164	
In Transit drafts	-	-	-	-	-	-	-	
Certificates of Deposit in circulation	-	410	276	114	133	459	395	
Secured Credit Cards from the company	-	-	-	-	-	-	-	
Securities given to the company in custody	12,958	13,316	13,473	13,789	1,927	2,541	52	
Government securities in custody of the company	-	583	17	15	20	24	22	
Securities given to the company on guarantee	-	-	-	-	2	-	-	
Securities outside the country	-	-	-	-	19	19	-	
Liquidations with foreign currencies abroad	-	-	-	-	-	-	-	
Debits to the contingency fund	-	-	-	-	-	-	-	
Other contingent obligations	-	-	-	-	16,758	17,783	20,256	
Banking transactions on behalf of third-parties	44,506	50,846	47,670	31,620	24,620	28,026	45,527	
Investments in funds for the retirem.saving system	-	-	-	2,415	2,398	2,422	2,119	
Integration of the credit portfolio	83,224	83,213	83,908	81,673	80,954	83,499	84,306	
Amounts contracted in derivative instruments	2,655	2,396	2,296	2,417	2,307	2,454	2,499	
Other trust account items	208,722	264,433	265,960	288,885	281,634	281,005	350,265	
<b>OWN ACCOUNT OPERATIONS</b>	<b>484,377</b>	<b>551,468</b>	<b>547,191</b>	<b>553,183</b>	<b>567,631</b>	<b>557,148</b>	<b>635,066</b>	
Repurchase agreements								
Securities to be received	28,675	44,893	49,022	37,621	33,716	42,096	61,320	
(Less) Securities to be delivered	(28,589)	(44,837)	(49,005)	(37,540)	(33,655)	(42,219)	(61,423)	
<b>REPURCHASE TRANSACTIONS- RECEIVED</b>	<b>86</b>	<b>56</b>	<b>17</b>	<b>82</b>	<b>61</b>	<b>(123)</b>	<b>(103)</b>	
Securities to be received	5,283	18,203	17,945	11,080	13,049	18,629	31,333	
(Less) securities to be delivered	(5,297)	(18,207)	(17,943)	(11,122)	(13,064)	(18,526)	(31,192)	
<b>REPURCHASE TRANSACTIONS- SOLD</b>	<b>(14)</b>	<b>(4)</b>	<b>2</b>	<b>(42)</b>	<b>(16)</b>	<b>104</b>	<b>141</b>	
<b>TOTAL ON OWN ACCOUNT OPERATIONS</b>	<b>484,449</b>	<b>551,520</b>	<b>547,209</b>	<b>553,223</b>	<b>567,677</b>	<b>557,128</b>	<b>635,103</b>	

## GRUPO FINANCIERO BANORTE-Consolidated Income Statement

(Millions as of September '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
<b>NET INTEREST INCOME</b>								
Interest Income	9,299.6	7,274.8	7,969.2	7,693.3	7,036.5	6,130.6	<b>7,084.5</b>	
Interest Expense	7,271.0	5,503.1	6,192.6	5,955.8	5,402.0	4,710.2	<b>5,787.3</b>	
Loan Fees	121.2	130.8	147.3	151.7	138.9	146.2	140.7	
Fees Paid	3.7	8.0	9.9	4.2	3.1	3.6	2.9	
<b>Net Interest Income (NII)</b>	<b>2,146.0</b>	<b>1,894.5</b>	<b>1,914.0</b>	<b>1,884.8</b>	<b>1,770.3</b>	<b>1,563.0</b>	<b>1,435.0</b>	
Repomo-Margin	419.1	176.8	136.3	111.4	4.8	(13.0)	(25.9)	
<b>NII after Repomo</b>	<b>2,565.1</b>	<b>2,071.3</b>	<b>2,050.4</b>	<b>1,996.2</b>	<b>1,775.2</b>	<b>1,550.0</b>	<b>1,409.1</b>	
Loan Loss Provisions	223.7	170.1	76.9	178.9	224.8	173.8	6.6	
Loss Sharing Provisions	56.6	101.0	127.8	(11.0)	40.8	35.8	79.0	
<b>NII after Provisions</b>	<b>2,284.8</b>	<b>1,800.2</b>	<b>1,845.7</b>	<b>1,828.3</b>	<b>1,509.6</b>	<b>1,340.5</b>	<b>1,323.6</b>	
Fund transfers	7.7	7.5	8.0	9.4	8.0	8.1	7.6	
Account management	41.0	41.1	52.0	54.4	54.5	56.3	66.8	
Fiduciary	9.6	17.7	16.5	17.0	208.1	39.0	222.7	
Credit Card	4.7	2.2	6.1	5.5	5.7	5.2	7.6	
Fees from FOBAPROA	144.3	85.1	480.7	141.0	84.9	219.9	133.3	
Other fees	183.9	151.9	252.1	154.0	264.5	162.3	240.8	
<b>Fees on purchased services,</b>	<b>391.2</b>	<b>305.6</b>	<b>815.5</b>	<b>381.2</b>	<b>625.7</b>	<b>490.8</b>	<b>678.8</b>	
Fund transfers	0.2	0.1	-	-	-	-	-	
Other fees	55.1	62.1	102.9	103.2	77.3	80.6	75.7	
<b>Fees on payed services,</b>	<b>55.3</b>	<b>62.2</b>	<b>103.0</b>	<b>103.3</b>	<b>77.4</b>	<b>80.6</b>	<b>75.7</b>	
Foreign exchange	66.5	61.8	42.5	3.7	52.3	46.7	48.1	
Securities -Realized gains	59.3	50.1	56.2	35.6	36.2	31.8	8.3	
Securities- Unrealized gains	16.6	(21.6)	(10.6)	34.2	24.7	(8.9)	109.6	
<b>Market-related Income</b>	<b>142.5</b>	<b>90.4</b>	<b>88.1</b>	<b>73.5</b>	<b>113.2</b>	<b>69.6</b>	<b>166.0</b>	
<b>Total Non Interest Income</b>	<b>478.4</b>	<b>333.8</b>	<b>800.6</b>	<b>351.4</b>	<b>661.6</b>	<b>479.8</b>	<b>769.1</b>	
<b>Total Operating Income</b>	<b>2,763.2</b>	<b>2,134.0</b>	<b>2,646.3</b>	<b>2,179.7</b>	<b>2,171.2</b>	<b>1,820.3</b>	<b>2,092.7</b>	
Personnel	680.1	692.1	798.1	780.6	699.4	735.3	705.1	
Fees Paid	106.9	101.4	102.6	94.0	75.1	80.6	63.1	
Operation & Administrative expenses	555.4	514.8	855.4	352.5	412.9	416.7	484.9	
Rents, depreciation and amortization	242.7	194.3	195.4	209.7	202.5	173.8	190.1	
Taxes, other than income tax	86.7	142.0	168.8	333.8	93.2	125.2	156.0	
Contributions to IPAB	53.2	65.4	86.9	87.3	80.3	100.4	90.5	
Corporate expenses Recoveries	-	-	-	-	-	-	-	
<b>Non-Interest Expense</b>	<b>1,725.1</b>	<b>1,709.9</b>	<b>2,207.2</b>	<b>1,858.0</b>	<b>1,563.3</b>	<b>1,632.1</b>	<b>1,689.7</b>	
<b>Operating Income</b>	<b>1,038.1</b>	<b>424.1</b>	<b>439.1</b>	<b>321.8</b>	<b>607.9</b>	<b>188.2</b>	<b>403.0</b>	
Other Income	23.3	76.4	39.9	163.0	106.6	133.1	257.5	
Foreign exchange	-	-	-	-	0.4	-	-	
Recoveries	107.4	75.1	84.0	27.5	19.2	10.9	199.0	
Repomo-other (Debtor balance)	-	-	-	-	14.2	4.7	11.8	
<b>Total Other Products</b>	<b>130.7</b>	<b>151.6</b>	<b>123.9</b>	<b>190.5</b>	<b>140.3</b>	<b>148.7</b>	<b>468.2</b>	
Other Expense	(117.6)	(76.3)	(68.9)	(16.6)	(54.4)	(40.0)	(235.9)	
Foreign exchange	-	-	-	-	(21.1)	-	-	
Repomo-other (Creditor balance)	(528.7)	(184.3)	(170.4)	(156.5)	(123.3)	(40.3)	(33.6)	
<b>Total Other Expense</b>	<b>(646.4)</b>	<b>(260.6)</b>	<b>(239.3)</b>	<b>(173.1)</b>	<b>(198.8)</b>	<b>(80.3)</b>	<b>(269.5)</b>	
<b>Other expenses (Revenues), net</b>	<b>(515.7)</b>	<b>(109.0)</b>	<b>(115.4)</b>	<b>17.4</b>	<b>(58.5)</b>	<b>68.3</b>	<b>198.7</b>	
<b>Pre-tax Income</b>	<b>522.4</b>	<b>315.0</b>	<b>323.7</b>	<b>339.2</b>	<b>549.3</b>	<b>256.5</b>	<b>601.7</b>	
Income tax	(30.9)	(40.2)	(16.9)	4.9	(28.0)	22.5	(40.8)	
Profit sharing	(9.9)	(12.1)	(5.1)	(1.5)	(8.2)	6.3	(9.3)	
Tax on Assets	(8.2)	(9.4)	(8.5)	(16.2)	(5.4)	(4.5)	(5.6)	
Deferred Inc. Tax and Profit sharing	2.8	20.4	(9.3)	(58.0)	(33.5)	(43.6)	13.7	
	(46.3)	(41.3)	(39.9)	(70.7)	(75.2)	(19.3)	(41.9)	
<b>Net income before subsidiaries</b>	<b>476.2</b>	<b>273.7</b>	<b>283.8</b>	<b>268.4</b>	<b>474.2</b>	<b>237.3</b>	<b>559.8</b>	
Subsidiaries net income	(3.9)	(12.0)	(15.1)	38.8	16.0	(33.1)	21.4	
<b>Net Income from continuous operations</b>	<b>472.3</b>	<b>261.7</b>	<b>268.7</b>	<b>307.2</b>	<b>490.2</b>	<b>204.2</b>	<b>581.2</b>	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	(39.9)	(10.7)	(32.7)	(20.4)	(44.0)	(11.8)	(29.5)	
<b>TOTAL NET INCOME</b>	<b>432.4</b>	<b>251.0</b>	<b>236.0</b>	<b>286.8</b>	<b>446.2</b>	<b>192.4</b>	<b>551.7</b>	

**GRUPO CONSOLIDATED STATEMENT OF CASH FLOW**  
**JANUARY 1, 2000 – SEPTEMBER 30, 2000**  
*(Millions as of September '00 Pesos)*

**CASH FLOW FROM OPERATING ACTIVITIES :**

<b>Net Income</b>	<b>1,190.3</b>
<b>Adjustments to Reconcile Net Income to Net Cash by Operating Activities</b>	
Mark to Market Valuation Results	34.7
Provisions for loan losses	559.7
Depreciation and amortization	248.0
Deferred Taxes	54.1
Provisions for Obligations	<u>88.3</u>
	<b>2,175.1</b>
<b>Cash Flows From Investing Activities:</b>	
Banks Deposits	(5,806.4)
Decrease (Increase) loan portfolio	(948.3)
Decrease (Increase) treasury operations	3,561.2
Decrease (Increase) financial instruments	(14.6)
Loans from banks and other entities	<u>243.6</u>
<b>Net Resources provided by operations</b>	<b>(2,964.5)</b>
<b>Financial Activities:</b>	
Subordinated Debentures	(29.5)
Subordinated Debentures amortization	(1,051.3)
Equity Variation	=
<b>Net Resources provided by Investing activities</b>	<b>(1,080.8)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	
Proceeds from issuance of common stock	(2,627.4)
Decrease (Increase) deferred charges or credits	214.3
Decrease (Increase) Foreclosed assets	94.2
Decrease (Increase) in accounts receivable and payable	<u>(764.4)</u>
<b>Net Cash provided by financing activities</b>	<b>(3,083.4)</b>
<b>Decrease (increase) in cash and due from banks</b>	<b>(4,953.6)</b>
<b>Cash and due from banks at the beginning of the year</b>	<b>13,886.1</b>
<b>Cash and due from banks at the end of the year</b>	<b>8,932.5</b>



**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
/ JANUARY 1, 2000- SEPTEMBER 30, 2000-**

(Millions as of September '00 Ps)	CONTRIBUTED CAPITAL		
	Capital Stock	Premium, Bonds & oth. Securities	Subordinated Conv. Debt. Issuance
Balance as of December 31,1999	4,414.1	926.6	430.5
<b><u>Stock Changes</u></b>			
Issuance of stock	(32.7)		
Net Income capitalization			
Reserves Creations			
Dividen Payment			
Profits transfers			
<b>Total</b>	<b>(32.7)</b>	-	-
<b><u>Retained Earnings</u></b>			
Net Income			
Interests on Convertible Sub. Debt.			(1.8)
<b>Total</b>	-	-	<b>(1.8)</b>
<b><u>Effects of Accounting Changes</u></b>			
Securities valuation			
Results of converting foreign operations			
Stockholders' Equity restatement			
Results of assets holdings			
Adjustment in the employees pension fund			
Minority Interest			
<b>Total</b>	-	-	-
Balance as of September 30,2000	<b>4,381.4</b>	<b>926.6</b>	<b>428.7</b>

	EARNED CAPITAL						
	Capital Reserves	Retained earnings	Excess if Insuf. Capital Restatement	Resultado por Tenencia de Activos (val. de	Net Income of the year	Minoritary Interest	Total Stockholders' Equity
Balance as of December 31,1999	597.5	5,183.0	(4,701.0)	-	1,206.1	768.9	8,825.9
<b><u>Stock Changes</u></b>							
Issuance of stock	(19.2)						(51.9)
Net Income capitalization							
Reserves Creations							
Dividen Payment							
Profits transfers		908.1			(1,206.1)		(298.1)
<b>Total</b>	<b>(19.2)</b>	<b>908.1</b>	-	-	<b>(1,206.1)</b>	-	<b>(350.0)</b>
<b><u>Retained Earnings</u></b>							
Net Income					1,190.3		1,190.3
Interests on Convertible Sub. Debt.							(1.8)
<b>Total</b>	-	-	-	-	<b>1,190.3</b>	-	<b>1,188.5</b>
<b><u>Effects of Accounting Changes</u></b>							
Securities valuation							
Results of converting foreign operations							
Stockholders' Equity restatement			88.9				88.9
Results of assets holdings				(2,094.6)			(2,094.6)
Adjustment in the employees pension fund							
Minority Interest						(65.5)	(65.5)
<b>Total</b>	-	-	88.9	(2,094.6)	-	(65.5)	<b>(2,071.2)</b>
Balance as of September 30,2000	<b>578.3</b>	<b>6,091.1</b>	<b>(4,612.1)</b>	<b>(2,094.6)</b>	<b>1,190.3</b>	<b>703.4</b>	<b>7,593.2</b>

**BANKING SECTOR- Balance Sheet (\*)**

(Millions as of September '00 Pesos)

<b>ASSETS</b>	<b>1Q99</b>	<b>2Q99</b>	<b>3Q99</b>	<b>4Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>
<b>Cash and due from Banks</b>	<b>10,753</b>	<b>11,192</b>	<b>12,146</b>	<b>13,881</b>	<b>11,166</b>	<b>10,601</b>	<b>8,707</b>	
Negotiable Instruments	107	102	826	15,870	22,609	15,106	14,339	
Securities held for sale	357	349	341	305	49	47	161	
Securities held to maturity	5,348	4,367	4,573	4,532	4,829	4,712	3,133	
<b>Financial Instruments:</b>	<b>5,812</b>	<b>4,818</b>	<b>5,740</b>	<b>20,707</b>	<b>27,487</b>	<b>19,865</b>	<b>17,632</b>	
Reurchase agreements, net	31	43	13	36	29	62	101	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	5	2	3	2	10	9	-	
<b>Repos &amp; Derivatives :</b>	<b>36</b>	<b>45</b>	<b>16</b>	<b>38</b>	<b>39</b>	<b>71</b>	<b>101</b>	
Commercial	15,194	16,211	15,025	14,773	15,905	15,507	16,082	
Financial Intermediaries	1,498	1,442	1,785	3,244	2,682	4,932	3,665	
Credit Card & Consumer	628	532	558	552	575	586	594	
Mortgage	3,768	3,555	3,537	3,718	4,170	4,158	4,049	
Government Entities	2,943	3,024	3,131	3,121	3,156	3,170	2,640	
Fobaproa	54,178	54,275	54,065	52,693	52,907	52,879	51,465	
Fiduciary collection rights	-	-	-	-	-	-	-	
<b>Performing Loans</b>	<b>78,209</b>	<b>79,040</b>	<b>78,101</b>	<b>78,101</b>	<b>79,395</b>	<b>81,231</b>	<b>78,495</b>	
Commercial	2,374	2,357	1,994	2,148	2,089	1,915	1,731	
Financial Intermediaries	-	-	-	-	-	6	1	
Credit Card & Consumer	525	671	647	707	598	593	581	
Mortgage	2,924	2,785	2,378	1,968	1,733	1,663	1,721	
Government Entities	-	-	-	-	-	-	-	
<b>Past Due Loans</b>	<b>5,823</b>	<b>5,813</b>	<b>5,019</b>	<b>4,823</b>	<b>4,420</b>	<b>4,176</b>	<b>4,034</b>	
<b>Total Loans</b>	<b>84,032</b>	<b>84,852</b>	<b>83,120</b>	<b>82,924</b>	<b>83,815</b>	<b>85,408</b>	<b>82,529</b>	
Preventive loan loss reserves	5,835	5,813	5,029	4,855	4,524	4,410	4,153	
<b>Net Loan Portfolio</b>	<b>78,197</b>	<b>79,040</b>	<b>78,091</b>	<b>78,070</b>	<b>79,291</b>	<b>80,997</b>	<b>78,376</b>	
Sundry debtors and other assets, net	1,828	1,705	1,655	1,337	1,527	1,385	1,411	
Foreclosed assets, net	607	627	800	1,429	1,376	1,370	1,337	
Real Estate, Furniture & Equipment, net	3,237	3,209	3,222	3,270	3,105	3,056	3,041	
Investments in subsidiaries	554	572	602	710	792	729	767	
Deferred taxes	623	609	592	558	321	16	125	
Deferred charges & Intangibles	785	760	764	683	581	316	339	
UDIS Mortgage loans reserve coverage	-	-	-	-	33	-	-	
<b>Other Assets</b>	<b>7,634</b>	<b>7,482</b>	<b>7,636</b>	<b>7,987</b>	<b>7,735</b>	<b>6,872</b>	<b>7,020</b>	
<b>TOTAL ASSETS</b>	<b>102,434</b>	<b>102,577</b>	<b>103,629</b>	<b>120,682</b>	<b>125,718</b>	<b>118,408</b>	<b>111,837</b>	

**BANKING SECTOR- Balance Sheet (\*)** (Millions as of September '00 Pesos)

LIABILITIES	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Demand Deposits	18,796	20,556	23,018	24,440	22,014	22,872	23,307	
Time Deposits	50,421	49,248	46,642	63,145	76,086	66,296	60,302	
Bonds	4,053	3,397	3,289	3,218	1,036	1,061	1,259	
<b>Deposits</b>	<b>73,270</b>	<b>73,202</b>	<b>72,949</b>	<b>90,803</b>	<b>99,136</b>	<b>90,229</b>	<b>84,867</b>	
Demand	1,204	9	8	1,171	380	2,542	299	
Short term	4,191	6,685	7,212	6,609	6,944	6,833	9,061	
Long term	12,528	11,461	11,878	11,321	9,533	9,251	9,377	
<b>Due to banks and correspondents</b>	<b>17,923</b>	<b>18,154</b>	<b>19,099</b>	<b>19,101</b>	<b>16,858</b>	<b>18,626</b>	<b>18,737</b>	
Repurchase agreements, net	4	13	1	20	4	62	24	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	-	-	-	-	65	54	
<b>Repos &amp; Derivatives:</b>	<b>4</b>	<b>13</b>	<b>2</b>	<b>20</b>	<b>4</b>	<b>128</b>	<b>78</b>	
Income Tax & Profit Sharing	1	1	6	6	6	1	14	
Other Payable accounts	2,658	2,716	2,923	2,399	2,039	2,002	1,827	
<b>Other payable accounts</b>	<b>2,658</b>	<b>2,717</b>	<b>2,929</b>	<b>2,405</b>	<b>2,045</b>	<b>2,003</b>	<b>1,841</b>	
Subordinated non Convertible Debenture	1,427	1,406	1,384	1,051	195	-	-	
Deferred Taxes	137	134	141	157	-	18	-	
Deferred credits	146	122	137	100	105	104	101	
<b>TOTAL LIABILITIES</b>	<b>95,566</b>	<b>95,748</b>	<b>96,641</b>	<b>113,638</b>	<b>118,344</b>	<b>111,107</b>	<b>105,623</b>	
<b>STOCKHOLDER'S EQUITY</b>								
Paid-in Capital	3,896	3,896	3,896	4,121	4,214	4,214	4,021	
Share subscription premiums	31	31	31	31	284	284	284	
Subordinated Convertible Debentures	497	475	468	458	439	434	429	
<b>Subscribed Capital</b>	<b>4,424</b>	<b>4,402</b>	<b>4,395</b>	<b>4,611</b>	<b>4,937</b>	<b>4,933</b>	<b>4,734</b>	
Capital Reserves	2,322	2,461	2,470	2,465	2,466	2,771	1,570	
Retained Earnings	1,583	1,330	1,319	1,078	2,176	1,726	1,613	
Surplus (Deficit) from securities	(191)	(262)	(261)	(453)	(449)	(470)	(465)	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(1,954)	(2,022)	(2,063)	(1,927)	(2,001)	(2,003)	(2,012)	
Non Mon assets results fixed assets	-	-	-	-	(116)	-	-	
Non Mon assets results Investm subsidiaries	-	-	-	-	46	(38)	(61)	
Adjustment in the employees pension funds	-	-	-	(99)	(99)	-	-	
Accumulated deferred tax effect	-	-	-	-	-	(263)	(263)	
Net Income	364	590	797	1,028	412	644	1,098	
<b>Earned Capital</b>	<b>2,123</b>	<b>2,097</b>	<b>2,261</b>	<b>2,093</b>	<b>2,436</b>	<b>2,367</b>	<b>1,481</b>	
Minority Holdings	321	330	332	341	-	-	-	
<b>Total Stockholder's Equity</b>	<b>6,868</b>	<b>6,829</b>	<b>6,988</b>	<b>7,045</b>	<b>7,373</b>	<b>7,300</b>	<b>6,214</b>	
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>102,434</b>	<b>102,577</b>	<b>103,629</b>	<b>120,682</b>	<b>125,718</b>	<b>118,408</b>	<b>111,837</b>	

(\*) Does not include Afore.

**MEMORANDUM ACCOUNTS OF THE BANKING SECTOR**

(Millions as of September '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	93	3	3	3	3	3	3	
Other contingent obligations	7,831	9,063	9,105	10,698	8,085	8,729	9,969	
Irrevocable lines of credit	924	664	466	558	545	434	638	
Assets held in trust and mandate	54,997	55,651	55,915	35,565	35,106	35,949	34,561	
Assets held in custody or in administration	67,384	69,241	66,153	86,563	98,486	89,403	82,309	
Investment banking transactions for third parties,	44,506	50,846	47,670	31,620	24,620	28,026	45,527	
Engaged amounts in fobaproa operations	8,306	9,875	10,187	8,319	8,788	9,180	8,164	
Investment of retirement saving funds	2,868	2,537	2,434	2,415	2,398	2,422	2,119	
Integration of loan portfolio	83,224	83,213	83,908	81,673	80,954	83,499	84,306	
Received amounts in derivative instruments	2,655	2,396	2,296	2,417	2,154	2,454	2,499	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	13,210	16,446	17,389	14,499	12,697	13,529	46,694	
(Less) payable for reversal	(13,179)	(16,404)	(17,379)	(14,463)	(12,668)	(13,591)	(46,471)	
Receivables for reversal	1,737	3,718	3,844	3,488	2,861	3,531	18,352	
(Less) securities to be delivered	(1,741)	(3,730)	(3,843)	(3,508)	(2,865)	(3,469)	(18,188)	
Other control accounts	188,682	244,602	246,287	267,986	269,266	266,891	336,406	
	<b>461,048</b>	<b>528,122</b>	<b>524,436</b>	<b>527,833</b>	<b>530,429</b>	<b>526,990</b>	<b>606,889</b>	

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

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	7,919.6	6,072.5	6,426.8	6,281.0	5,959.1	5,344.5	6,537.5	
Interest Expense	6,038.7	4,446.9	4,760.0	4,686.0	4,428.5	3,999.5	5,343.1	
Loan Fees	118.9	128.7	145.3	149.1	135.6	143.7	138.6	
Fees Paid	3.7	7.9	9.8	4.2	3.1	3.8	3.7	
<b>Net Interest Income (NII)</b>	<b>1,996.1</b>	<b>1,746.4</b>	<b>1,802.3</b>	<b>1,739.8</b>	<b>1,663.1</b>	<b>1,484.8</b>	<b>1,329.2</b>	
Repomo-Margin	445.3	190.1	151.8	134.9	25.1	(3.0)	(16.5)	
<b>NII after Repomo</b>	<b>2,441.4</b>	<b>1,936.4</b>	<b>1,954.1</b>	<b>1,874.7</b>	<b>1,688.2</b>	<b>1,481.9</b>	<b>1,312.7</b>	
Loan Loss Provisions	220.2	169.5	72.3	172.4	222.1	173.1	6.3	
Loss Sharing Provisions	56.6	101.0	127.8	(11.0)	40.8	35.8	79.0	
<b>NII after Provisions</b>	<b>2,164.6</b>	<b>1,665.9</b>	<b>1,754.0</b>	<b>1,713.3</b>	<b>1,425.3</b>	<b>1,273.0</b>	<b>1,227.4</b>	
Fund transfers	7.7	7.5	8.0	9.4	8.0	8.1	7.6	
Account management	41.0	41.1	52.0	54.4	54.5	56.3	66.8	
Fiduciary	9.6	17.7	16.5	17.0	208.1	39.0	222.7	
Credit Card	4.7	2.2	6.1	5.5	5.7	5.2	7.6	
Fees from FOBAPROA	144.3	85.1	480.7	141.0	84.9	219.9	133.3	
Other fees	46.8	28.2	55.7	47.4	83.2	39.3	51.4	
<b>Fees on purchased services,</b>	<b>254.1</b>	<b>181.9</b>	<b>619.1</b>	<b>274.6</b>	<b>444.4</b>	<b>367.8</b>	<b>489.3</b>	
Fund transfers	0.2	0.1	-	-	-	-	-	
Other fees	55.1	62.1	102.9	103.2	85.5	86.7	82.3	
<b>Fees on payed services,</b>	<b>55.3</b>	<b>62.1</b>	<b>103.0</b>	<b>103.3</b>	<b>85.5</b>	<b>86.7</b>	<b>82.3</b>	
Foreign exchange	66.6	61.9	42.7	5.6	52.3	46.7	48.1	
Securities -Realized gains	26.6	16.4	37.0	39.5	11.3	7.2	(1.2)	
Securities- Unrealized gains	5.7	13.7	(14.6)	(1.1)	22.8	23.4	48.2	
<b>Market-related Income</b>	<b>98.9</b>	<b>92.0</b>	<b>65.1</b>	<b>44.0</b>	<b>86.5</b>	<b>77.2</b>	<b>95.1</b>	
<b>Total Non Interest Income</b>	<b>297.7</b>	<b>211.8</b>	<b>581.2</b>	<b>215.4</b>	<b>445.4</b>	<b>358.3</b>	<b>502.0</b>	
<b>Total Operating Income</b>	<b>2,462.3</b>	<b>1,877.7</b>	<b>2,335.2</b>	<b>1,928.7</b>	<b>1,870.8</b>	<b>1,631.3</b>	<b>1,729.4</b>	
Personnel	589.1	595.6	693.1	657.9	583.3	610.7	580.1	
Fees Paid	105.1	99.4	100.4	90.4	73.0	78.9	60.3	
Operation & Administrative expenses	505.5	463.6	795.4	319.7	373.1	368.8	435.5	
Rents, depreciation and amortization	223.0	172.9	172.1	187.5	178.1	148.5	165.0	
Taxes, other than income tax	84.6	139.5	166.3	331.1	90.2	121.8	117.5	
Contributions to IPAB	53.2	65.4	86.9	87.3	80.3	100.4	90.5	
Corporate expenses Recoveries	-	-	-	-	-	-	-	
<b>Non-Interest Expense</b>	<b>1,560.5</b>	<b>1,536.3</b>	<b>2,014.2</b>	<b>1,674.0</b>	<b>1,377.9</b>	<b>1,429.1</b>	<b>1,448.9</b>	
<b>Operating Income</b>	<b>901.8</b>	<b>341.4</b>	<b>321.1</b>	<b>254.8</b>	<b>492.8</b>	<b>202.2</b>	<b>280.5</b>	
Other Income	28.2	77.3	46.1	168.1	107.1	135.7	145.1	
Foreign exchange	-	-	-	-	0.4	-	-	
Recoveries	107.0	74.9	77.6	26.9	17.7	10.4	198.1	
Repomo-other (Debtor balance)	-	-	-	-	16.7	-	-	
<b>Total Other Products</b>	<b>135.3</b>	<b>152.1</b>	<b>123.7</b>	<b>194.9</b>	<b>141.8</b>	<b>146.1</b>	<b>343.2</b>	
Other Expense	(117.3)	(76.4)	(69.0)	(16.6)	(54.4)	(40.0)	(129.6)	
Foreign exchange	-	-	-	-	(21.1)	-	-	
Repomo-other (Creditor balance)	(528.5)	(184.2)	(170.3)	(155.7)	(121.0)	(39.3)	(32.7)	
<b>Total Other Expense</b>	<b>(645.8)</b>	<b>(260.7)</b>	<b>(239.3)</b>	<b>(172.3)</b>	<b>(196.5)</b>	<b>(79.3)</b>	<b>(162.3)</b>	
<b>Other expenses (Revenues), net</b>	<b>(510.5)</b>	<b>(108.5)</b>	<b>(115.6)</b>	<b>22.6</b>	<b>(54.6)</b>	<b>66.7</b>	<b>180.9</b>	
<b>Pre-tax Income</b>	<b>391.2</b>	<b>232.9</b>	<b>205.5</b>	<b>277.4</b>	<b>438.2</b>	<b>269.0</b>	<b>461.4</b>	
Income tax	(2.9)	(3.2)	(2.6)	4.8	-	-	(6.2)	
Profit sharing	-	-	-	-	-	-	-	
Tax on Assets	(8.2)	(9.4)	(7.8)	(14.7)	(5.4)	(4.5)	(5.6)	
Deferred Inc. Tax and Profit sharing	-	-	(14.6)	(39.7)	(51.3)	(38.5)	(23.7)	
	<b>(11.1)</b>	<b>(12.6)</b>	<b>(25.0)</b>	<b>(49.6)</b>	<b>(56.8)</b>	<b>(43.0)</b>	<b>(35.4)</b>	
<b>Net income before subsidiaries</b>	<b>380.1</b>	<b>220.3</b>	<b>180.5</b>	<b>227.8</b>	<b>381.4</b>	<b>226.0</b>	<b>426.1</b>	
Subsidiaries' net income	8.8	13.2	29.2	16.5	33.6	6.1	27.8	
<b>Net Income from continuous operations</b>	<b>388.9</b>	<b>233.5</b>	<b>209.6</b>	<b>244.3</b>	<b>414.9</b>	<b>232.1</b>	<b>453.8</b>	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	(25.2)	(6.8)	(3.2)	(12.7)	(3.1)	-	-	
<b>TOTAL NET INCOME</b>	<b>363.7</b>	<b>226.7</b>	<b>206.5</b>	<b>231.6</b>	<b>411.8</b>	<b>232.1</b>	<b>453.8</b>	

(\*) Does not include Afore.

## BANCO MERCANTIL DEL NORTE- Balance Sheet (\*)

(Millions as of September '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
<b>Cash and due from Banks</b>	<b>7,585</b>	<b>7,385</b>	<b>8,291</b>	<b>9,823</b>	<b>9,989</b>	<b>9,723</b>	<b>9,880</b>	
Negotiable Instruments	105	101	826	15,870	22,609	15,106	22,856	
Securities held for sale	357	349	341	305	49	47	46	
Securities held to maturity	4,093	3,649	3,847	3,824	4,245	4,258	2,854	
<b>Financial Instruments:</b>	<b>4,556</b>	<b>4,099</b>	<b>5,014</b>	<b>19,998</b>	<b>26,903</b>	<b>19,411</b>	<b>25,756</b>	
Repurchase agreements, net	29	42	12	32	29	62	68	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	5	2	3	2	10	9	-	
<b>Repos &amp; Derivatives :</b>	<b>34</b>	<b>45</b>	<b>14</b>	<b>34</b>	<b>39</b>	<b>71</b>	<b>68</b>	
Commercial	13,517	14,325	12,899	11,783	15,384	14,937	16,055	
Financial Intermediaries	1,324	1,350	1,623	3,048	2,663	4,501	3,665	
Credit Card & Consumer	507	410	437	439	567	572	594	
Mortgage	1,225	1,145	1,117	1,187	2,848	2,866	3,699	
Government Entities	2,689	2,684	2,713	2,665	2,812	2,810	2,640	
Fobaproa	6,225	6,900	6,832	6,933	34,853	34,694	33,685	
Fiduciary collection rights	-	-	-	-	-	-	-	
<b>Performing Loans</b>	<b>25,487</b>	<b>26,814</b>	<b>25,621</b>	<b>26,055</b>	<b>59,127</b>	<b>60,380</b>	<b>60,339</b>	
Commercial	1,886	1,996	1,837	1,587	1,669	1,555	1,606	
Financial Intermediaries	-	-	-	-	-	-	1	
Credit Card & Consumer	90	91	91	173	489	485	581	
Mortgage	952	916	824	737	1,390	1,321	1,603	
Government Entities	-	-	-	-	-	-	-	
<b>Past Due Loans</b>	<b>2,929</b>	<b>3,002</b>	<b>2,753</b>	<b>2,497</b>	<b>3,548</b>	<b>3,362</b>	<b>3,791</b>	
<b>Total Loans</b>	<b>28,416</b>	<b>29,816</b>	<b>28,374</b>	<b>28,552</b>	<b>62,675</b>	<b>63,741</b>	<b>64,130</b>	
Preventive loan loss reserves	2,022	2,039	2,007	1,876	3,177	3,089	3,781	
<b>Net Loan Portfolio</b>	<b>26,394</b>	<b>27,777</b>	<b>26,367</b>	<b>26,676</b>	<b>59,498</b>	<b>60,653</b>	<b>60,349</b>	
Sundry debtors and other assets, net	1,630	1,966	2,611	2,502	1,226	1,028	997	
Foreclosed assets, net	598	620	726	678	642	630	1,337	
Real Estate, Furniture & Equipment, net	1,774	1,754	1,754	1,829	2,711	2,663	3,041	
Investments in subsidiaries	1,548	1,603	1,684	1,872	594	627	279	
Deferred taxes	623	609	592	558	394	16	125	
Deferred charges & Intangibles	1,386	1,347	1,358	1,252	1,177	898	339	
UDIS Mortgage loans reserve coverage	-	-	-	-	33	-	-	
<b>Other Assets</b>	<b>7,560</b>	<b>7,898</b>	<b>8,725</b>	<b>8,690</b>	<b>6,776</b>	<b>5,863</b>	<b>6,117</b>	
<b>TOTAL ASSETS</b>	<b>46,129</b>	<b>47,205</b>	<b>48,411</b>	<b>65,220</b>	<b>103,204</b>	<b>95,721</b>	<b>102,170</b>	

**BANCO MERCANTIL DEL NORTE- Balance Sheet (\*)**

(Millions as of September '00 Pesos)

<b>LIABILITIES</b>	<b>1Q99</b>	<b>2Q99</b>	<b>3Q99</b>	<b>4Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>
Demand Deposits	13,566	14,518	15,652	17,483	19,718	20,500	23,307	
Time Deposits	13,358	14,591	16,052	30,732	60,252	50,511	52,164	
Bonds	-	-	-	-	1,036	1,061	1,259	
<b>Deposits</b>	<b>26,924</b>	<b>29,109</b>	<b>31,704</b>	<b>48,215</b>	<b>81,005</b>	<b>72,072</b>	<b>76,729</b>	
Demand	1,141	7	6	852	380	2,542	299	
Short term	3,290	4,001	1,724	1,717	5,758	5,496	10,905	
Long term	6,588	6,066	6,843	6,546	8,060	7,825	7,180	
<b>Due to banks and correspondents</b>	<b>11,019</b>	<b>10,074</b>	<b>8,573</b>	<b>9,114</b>	<b>14,198</b>	<b>15,862</b>	<b>18,384</b>	
Repurchase agreements, net	2	13	-	16	4	62	24	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	-	-	-	-	65	2	
<b>Repos &amp; Derivatives:</b>	<b>2</b>	<b>13</b>	<b>-</b>	<b>16</b>	<b>4</b>	<b>127</b>	<b>26</b>	
Income Tax & Profit Sharing	1	1	6	1	5	1	12	
Other Payable accounts	1,611	1,593	1,609	1,497	1,810	1,856	1,827	
<b>Other payable accounts</b>	<b>1,612</b>	<b>1,594</b>	<b>1,615</b>	<b>1,498</b>	<b>1,814</b>	<b>1,857</b>	<b>1,839</b>	
Subordinated non Convertible Debenture	1,036	1,015	993	856	195	-	-	
Deferred Taxes	-	-	-	-	-	18	-	
Deferred credits	110	73	74	74	96	93	101	
<b>TOTAL LIABILITIES</b>	<b>40,702</b>	<b>41,878</b>	<b>42,959</b>	<b>59,773</b>	<b>97,312</b>	<b>90,030</b>	<b>97,079</b>	
<b>STOCKHOLDER'S EQUITY</b>								
Paid-in Capital	3,044	3,044	3,044	3,026	3,119	3,119	3,551	
Share subscription premiums	31	31	31	31	284	284	284	
Subordinated Convertible Debentures	497	475	468	458	439	434	429	
<b>Subscribed Capital</b>	<b>3,571</b>	<b>3,550</b>	<b>3,543</b>	<b>3,516</b>	<b>3,842</b>	<b>3,838</b>	<b>4,264</b>	
Capital Reserves	2,077	2,191	2,200	2,195	2,195	2,270	1,570	
Retained Earnings	1,321	1,080	1,070	1,078	1,858	1,637	1,613	
Surplus (Deficit) from securities	(191)	(262)	(261)	(453)	(449)	(470)	(458)	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(2,050)	(2,103)	(2,145)	(2,012)	(2,082)	(2,088)	(2,012)	
Non Mon assets results fixed assets	-	-	-	-	(116)	-	-	
Non Mon assets results Investm subsidiaries	-	-	-	-	43	(39)	(71)	
Adjustment in the employees pension funds	-	-	-	(99)	(99)	-	-	
Accumulated deferred tax effect	-	-	-	-	-	(263)	(263)	
Net Income	297	463	611	781	193	359	446	
<b>Earned Capital</b>	<b>1,454</b>	<b>1,369</b>	<b>1,475</b>	<b>1,491</b>	<b>1,544</b>	<b>1,406</b>	<b>826</b>	
Minority Holdings	401	408	435	441	506	447	-	
<b>Total Stockholder's Equity</b>	<b>5,426</b>	<b>5,326</b>	<b>5,452</b>	<b>5,447</b>	<b>5,892</b>	<b>5,691</b>	<b>5,091</b>	
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>46,129</b>	<b>47,205</b>	<b>48,411</b>	<b>65,220</b>	<b>103,204</b>	<b>95,721</b>	<b>102,170</b>	

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

**MEMORANDUM ACCOUNTS OF BANCO MERCANTIL DEL NORTE (Banorte)** (Millions as of September '00 Pesos)

	<b>1Q99</b>	<b>2Q99</b>	<b>3Q99</b>	<b>4Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>
Signature guarantees granted	93	3	3	3	3	3	3	
Other contingent obligations	5,200	5,353	5,227	6,070	5,826	6,351	9,969	
Irrevocable lines of credit	874	611	423	508	524	414	638	
Assets held in trust and mandate	8,705	10,951	11,603	11,535	18,556	17,247	15,953	
Assets held in custody or in administration	18,175	20,851	18,886	34,675	71,850	59,501	82,309	
Investment banking transactions for third	43,782	49,251	45,700	28,779	24,373	27,800	45,527	
Engaged amounts in fobaproa operations	1,758	1,912	2,082	2,363	8,233	8,876	7,857	
Investment of retirement saving funds	1,445	1,398	2,434	2,415	2,398	2,422	2,119	
Integration of loan portfolio	29,557	28,780	29,836	28,171	60,892	62,646	84,306	
Received amounts in derivative instruments	2,427	2,396	2,296	2,417	2,154	2,454	2,499	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	12,797	15,746	16,824	13,800	12,572	13,416	23,866	
(Less) payable for reversal	(12,769)	(15,704)	(16,813)	(13,769)	(12,543)	(13,478)	(23,890)	
Receivables for reversal	1,269	3,018	3,278	2,794	2,736	3,417	7,644	
(Less) securities to be delivered	(1,270)	(3,031)	(3,278)	(2,810)	(2,740)	(3,355)	(7,576)	
Other control accounts	107,031	109,996	110,950	127,441	211,291	207,971	336,406	
	<b>219,075</b>	<b>231,533</b>	<b>229,502</b>	<b>244,393</b>	<b>406,125</b>	<b>395,685</b>	<b>587,630</b>	

## BANCO MERCANTIL DEL NORTE – Income Statement (\*)

(Millions as of September '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	3,416.7	2,605.3	3,067.3	2,984.4	4,182.1	4,386.4	4,732.2	
Interest Expense	2,561.7	1,963.5	2,390.5	2,140.0	3,234.8	3,364.0	3,757.4	
Loan Fees	81.4	102.6	108.4	115.0	120.5	134.2	132.8	
Fees Paid	1.9	7.4	9.4	3.9	1.9	3.3	3.4	
<b>Net Interest Income (NII)</b>	<b>934.5</b>	<b>737.0</b>	<b>775.7</b>	<b>919.4</b>	<b>1,065.9</b>	<b>1,153.2</b>	<b>1,104.2</b>	
Repomo-Margin	354.4	175.6	181.5	171.6	58.5	6.0	(8.5)	
<b>NII after Repomo</b>	<b>1,288.9</b>	<b>912.6</b>	<b>957.3</b>	<b>1,091.0</b>	<b>1,124.3</b>	<b>1,159.2</b>	<b>1,095.7</b>	
Loan Loss Provisions	221.6	149.4	26.9	156.8	26.0	111.9	(0.1)	
Loss Sharing Provisions	56.6	101.0	127.8	(11.0)	40.8	35.8	79.0	
<b>NII after Provisions</b>	<b>1,010.7</b>	<b>662.3</b>	<b>802.6</b>	<b>945.3</b>	<b>1,057.6</b>	<b>1,011.5</b>	<b>1,016.8</b>	
Fund transfers	6.0	5.7	6.2	7.4	7.1	7.6	7.3	
Account management	26.1	26.8	33.3	34.9	44.9	49.4	62.6	
Fiduciary	5.5	9.0	9.7	8.2	13.4	15.4	13.2	
Credit Card	4.0	1.5	4.8	4.0	5.1	4.8	7.3	
Fees from FOBAPROA	79.8	63.9	301.3	79.8	71.5	216.2	128.1	
Other fees	122.5	98.8	173.3	116.1	195.7	130.3	139.2	
<b>Fees on purchased services,</b>	<b>244.1</b>	<b>205.8</b>	<b>528.5</b>	<b>250.4</b>	<b>337.7</b>	<b>423.7</b>	<b>357.7</b>	
Fund transfers	0.1	-	-	-	-	-	-	
Other fees	53.3	60.7	100.7	99.5	76.3	79.9	78.2	
<b>Fees on payed services,</b>	<b>53.4</b>	<b>60.7</b>	<b>100.7</b>	<b>99.5</b>	<b>76.3</b>	<b>79.9</b>	<b>78.2</b>	
Foreign exchange	41.6	43.5	28.3	(16.2)	44.8	40.1	43.6	
Securities -Realized gains	27.2	16.4	36.3	39.5	11.3	7.2	(3.3)	
Securities- Unrealized gains	8.0	17.5	(10.3)	0.8	31.0	28.1	74.5	
<b>Market-related Income</b>	<b>76.9</b>	<b>77.4</b>	<b>54.4</b>	<b>24.1</b>	<b>87.1</b>	<b>75.4</b>	<b>114.8</b>	
<b>Total Non Interest Income</b>	<b>267.6</b>	<b>222.4</b>	<b>482.2</b>	<b>175.1</b>	<b>348.4</b>	<b>419.1</b>	<b>394.4</b>	
<b>Total Operating Income</b>	<b>1,278.3</b>	<b>884.7</b>	<b>1,284.8</b>	<b>1,120.3</b>	<b>1,406.0</b>	<b>1,430.6</b>	<b>1,411.2</b>	
Personnel	339.4	412.9	494.5	492.9	512.9	568.2	565.5	
Fees Paid	51.1	77.3	61.6	74.6	59.3	67.3	56.1	
Operation & Administrative expenses	340.2	294.6	489.9	316.5	314.9	350.6	432.9	
Rents, depreciation and amortization	150.1	99.7	116.1	148.9	162.2	149.9	161.6	
Taxes, other than income tax	50.4	88.8	88.0	100.0	67.8	98.9	102.8	
Contributions to IPAB	22.1	26.1	36.4	36.8	51.5	81.4	75.5	
Corporate expenses Recoveries	(246.3)	(265.3)	(293.8)	(333.2)	(63.7)	(90.8)	(50.5)	
<b>Non-Interest Expense</b>	<b>707.1</b>	<b>734.1</b>	<b>992.9</b>	<b>836.5</b>	<b>1,104.8</b>	<b>1,225.5</b>	<b>1,343.8</b>	
<b>Operating Income</b>	<b>571.2</b>	<b>150.5</b>	<b>291.9</b>	<b>283.8</b>	<b>301.3</b>	<b>205.1</b>	<b>67.4</b>	
Other Income	20.1	51.1	27.6	58.5	29.1	53.1	95.3	
Foreign exchange	-	-	-	-	-	-	-	
Recoveries	95.7	72.7	73.9	(3.3)	13.3	8.6	193.6	
Repomo-other (Debtor balance)	-	-	-	-	-	-	-	
<b>Total Other Products</b>	<b>115.8</b>	<b>123.8</b>	<b>101.5</b>	<b>55.2</b>	<b>42.4</b>	<b>61.7</b>	<b>288.9</b>	
Other Expense	(103.4)	0.7	(54.3)	(61.7)	(44.6)	(38.7)	(128.0)	
Foreign exchange	-	-	-	-	(21.1)	-	-	
Repomo-other (Creditor balance)	(372.1)	(136.9)	(169.7)	(154.9)	(91.5)	(28.0)	(25.7)	
Total Other Expense	(475.6)	(136.2)	(223.9)	(216.7)	(157.3)	(66.7)	(153.6)	
<b>Other expenses (Revenues), net</b>	<b>(359.7)</b>	<b>(12.4)</b>	<b>(122.4)</b>	<b>(161.4)</b>	<b>(114.9)</b>	<b>(4.9)</b>	<b>135.3</b>	
<b>Pre-tax Income</b>	<b>211.5</b>	<b>138.1</b>	<b>169.4</b>	<b>122.4</b>	<b>186.4</b>	<b>200.1</b>	<b>202.6</b>	
Income tax	(2.7)	(2.7)	(2.2)	6.6	-	-	(6.2)	
Profit sharing	-	-	-	-	-	-	-	
Tax on Assets	(3.1)	(3.0)	(3.2)	(6.5)	(4.1)	(2.6)	(3.4)	
Deferred Inc. Tax and Profit sharing	-	-	(4.8)	(20.4)	(41.8)	(38.5)	(23.7)	
	<b>(5.8)</b>	<b>(5.7)</b>	<b>(10.2)</b>	<b>(20.3)</b>	<b>(45.9)</b>	<b>(41.2)</b>	<b>(33.3)</b>	
<b>Net income before subsidiaries</b>	<b>205.7</b>	<b>132.4</b>	<b>159.2</b>	<b>102.1</b>	<b>140.4</b>	<b>159.0</b>	<b>169.3</b>	
Subsidiaries' net income	106.2	37.8	17.6	75.8	17.5	4.6	6.9	
<b>Net Income from continuous operations</b>	<b>311.9</b>	<b>170.2</b>	<b>176.8</b>	<b>177.9</b>	<b>157.9</b>	<b>163.5</b>	<b>176.2</b>	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	(14.8)	(3.9)	(29.5)	(7.7)	(33.5)	(2.3)	(15.4)	
<b>TOTAL NET INCOME</b>	<b>297.0</b>	<b>166.3</b>	<b>147.4</b>	<b>170.3</b>	<b>124.5</b>	<b>161.3</b>	<b>160.8</b>	

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

Note: Consolidates the Afore until August, 2000.

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

<b>ASSETS</b>	<b>1Q99</b>	<b>2Q99</b>	<b>3Q99</b>	<b>4Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>
<b>Cash and due from Banks</b>	<b>2,322</b>	<b>2,487</b>	<b>2,423</b>	<b>2,627</b>	<b>2,243</b>	<b>1,978</b>	<b>795</b>	
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities held for sale	-	-	-	-	-	-	114	-
Securities held to maturity	989	488	469	522	584	455	279	-
<b>Financial Instruments:</b>	<b>989</b>	<b>488</b>	<b>469</b>	<b>522</b>	<b>584</b>	<b>455</b>	<b>393</b>	
Repurchase agreements, net	-	-	-	-	1	-	33	-
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	-	-
<b>Repos &amp; Derivatives :</b>					<b>1</b>		<b>33</b>	
Commercial	387	505	616	651	520	570	26	-
Financial Intermediaries	3	3	2	2	19	431	-	-
Credit Card & Consumer	1	1	1	2	8	13	-	-
Mortgage	1,246	1,199	1,181	1,211	1,322	1,292	350	-
Government Entities	235	277	311	324	344	360	-	-
Fobaproa	21,120	20,175	19,216	17,466	18,055	18,185	17,780	-
Fiduciary collection rights	-	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>22,992</b>	<b>22,159</b>	<b>21,327</b>	<b>19,656</b>	<b>20,268</b>	<b>20,851</b>	<b>18,156</b>	
Commercial	189	191	40	453	420	360	125	-
Financial Intermediaries	-	-	-	-	-	6	-	-
Credit Card & Consumer	133	130	117	113	109	108	-	-
Mortgage	698	639	536	425	343	341	118	-
Government Entities	-	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>1,021</b>	<b>960</b>	<b>693</b>	<b>992</b>	<b>872</b>	<b>815</b>	<b>243</b>	
<b>Total Loans</b>	<b>24,013</b>	<b>23,120</b>	<b>22,020</b>	<b>20,648</b>	<b>21,140</b>	<b>21,666</b>	<b>18,399</b>	
Preventive loan loss reserves	1,930	1,965	1,422	1,436	1,347	1,322	372	-
<b>Net Loan Portfolio</b>	<b>22,082</b>	<b>21,155</b>	<b>20,598</b>	<b>19,213</b>	<b>19,793</b>	<b>20,345</b>	<b>18,027</b>	
Sundry debtors and other assets, net	173	243	206	154	347	361	419	-
Foreclosed assets, net	9	7	74	747	734	740	-	-
Real Estate, Furniture & Equipment, net	450	438	438	429	421	418	24	-
Investments in subsidiaries	12	12	12	14	17	15	355	-
Deferred taxes	-	-	-	-	-	-	-	-
Deferred charges & Intangibles	39	42	30	32	18	16	584	-
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>683</b>	<b>742</b>	<b>759</b>	<b>1,375</b>	<b>1,536</b>	<b>1,550</b>	<b>1,383</b>	
<b>TOTAL ASSETS</b>	<b>26,076</b>	<b>24,871</b>	<b>24,249</b>	<b>23,737</b>	<b>24,157</b>	<b>24,328</b>	<b>20,632</b>	



**BANCO DEL CENTRO (BANCEN)- Balance Sheet (\*)***(Millions as of September 00 Pesos)*

<b>LIABILITIES</b>	<b>1Q99</b>	<b>2Q99</b>	<b>3Q99</b>	<b>4Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>
Demand Deposits	2,173	2,559	3,104	2,703	2,296	2,370	-	-
Time Deposits	14,991	14,108	11,803	11,890	15,834	15,785	16,655	-
Bonds	4,053	3,397	3,289	3,218	-	-	-	-
<b>Deposits</b>	<b>21,217</b>	<b>20,065</b>	<b>18,196</b>	<b>17,811</b>	<b>18,131</b>	<b>18,155</b>	<b>16,655</b>	-
Demand	61	-	-	-	-	-	-	-
Short term	883	955	2,042	2,018	2,240	2,436	-	-
Long term	1,823	1,754	1,609	1,538	1,474	1,426	2,197	-
<b>Due to banks and correspondents</b>	<b>2,767</b>	<b>2,710</b>	<b>3,651</b>	<b>3,555</b>	<b>3,714</b>	<b>3,863</b>	<b>2,197</b>	-
Repurchase agreements, net	-	-	-	-	1	-	-	-
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	52	-
<b>Repos &amp; Derivatives:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>52</b>	<b>-</b>
Income Tax & Profit Sharing	-	-	-	2	2	-	-	2
Other Payable accounts	563	504	752	659	313	243	133	-
<b>Other payable accounts</b>	<b>563</b>	<b>504</b>	<b>752</b>	<b>661</b>	<b>315</b>	<b>243</b>	<b>135</b>	<b>-</b>
Subordinated non Convertible Debenture	-	-	-	-	-	-	-	-
Deferred Taxes	-	-	-	-	-	-	-	-
Deferred credits	6	11	11	11	10	11	-	-
<b>TOTAL LIABILITIES</b>	<b>24,554</b>	<b>23,290</b>	<b>22,610</b>	<b>22,039</b>	<b>22,170</b>	<b>22,272</b>	<b>19,039</b>	<b>-</b>
<b>STOCKHOLDER'S EQUITY</b>								
Paid-in Capital	852	852	852	1,095	1,095	1,095	469	-
Share subscription premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>852</b>	<b>852</b>	<b>852</b>	<b>1,095</b>	<b>1,095</b>	<b>1,095</b>	<b>469</b>	<b>-</b>
Capital Reserves	246	270	270	270	271	500	-	-
Retained Earnings	262	251	249	-	318	89	-	-
Surplus (Deficit) from securities	-	-	-	-	-	-	-	(7)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	96	81	81	85	13	13	-	-
Non Mon assets results fixed assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm subsidiaries	-	-	-	-	3	1	10	-
Adjustment in the employees pension funds	-	-	-	-	-	-	-	-
Accumulated deferred tax effect	-	-	-	-	-	-	-	-
Net Income	67	127	186	247	287	358	651	-
<b>Earned Capital</b>	<b>669</b>	<b>728</b>	<b>786</b>	<b>602</b>	<b>892</b>	<b>961</b>	<b>654</b>	<b>-</b>
Minority Holdings	-	-	-	-	-	-	-	470
<b>Total Stockholder's Equity</b>	<b>1,522</b>	<b>1,581</b>	<b>1,638</b>	<b>1,697</b>	<b>1,987</b>	<b>2,056</b>	<b>1,593</b>	<b>-</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S</b>	<b>26,076</b>	<b>24,871</b>	<b>24,249</b>	<b>23,737</b>	<b>24,157</b>	<b>24,328</b>	<b>20,632</b>	<b>-</b>

(\*) Consolidate Afore

**MEMORANDUM ACCOUNTS OF BANCO DEL CENTRO (Bancen)** *(Millions as of September 00 Pesos)*

	<b>1Q99</b>	<b>2Q99</b>	<b>3Q99</b>	<b>4Q99</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>
Signature guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	1,880	1,836	1,900	2,285	2,258	2,378	-	-
Irrevocable lines of credit	15	18	15	25	21	20	-	-
Assets held in trust and mandate	18,222	17,483	17,812	17,483	16,550	18,702	18,608	-
Assets held in custody or in administration	26,591	25,348	24,081	23,677	26,636	29,902	-	-
Investment banking transactions for third parties,	329	254	17	63	247	226	-	-
Engaged amounts in fobaproa operations	2,669	3,040	3,258	3,429	555	304	307	-
Investment of retirement saving funds	-	-	-	-	-	-	-	-
Integration of loan portfolio	24,339	23,487	22,707	21,512	20,062	20,853	-	-
Received amounts in derivative instruments	-	-	-	-	-	-	-	-
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	122	14	17	43	125	113	22,800	-
(Less) payable for reversal	(122)	(14)	(17)	(43)	(125)	(113)	(22,852)	-
Receivables for reversal	122	14	17	43	125	113	10,675	-
(Less) securities to be delivered	(122)	(14)	(17)	(43)	(125)	(113)	(10,642)	-
Other control accounts	37,256	67,705	66,784	61,907	57,975	58,920	-	-
	<b>111,300</b>	<b>139,172</b>	<b>136,574</b>	<b>130,382</b>	<b>124,304</b>	<b>131,305</b>	<b>18,897</b>	<b>-</b>

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

(Millions as of September '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	1,970.4	1,463.3	1,442.0	1,203.7	1,230.9	993.7	2,002.7	
Interest Expense	1,643.4	1,141.5	1,057.4	884.1	747.3	670.8	1,781.3	
Loan Fees	13.3	13.8	14.8	12.9	10.8	9.5	5.8	
Fees Paid	0.1	0.5	0.3	0.3	1.0	0.5	0.4	
<b>Net Interest Income (NII)</b>	<b>340.2</b>	<b>335.1</b>	<b>399.0</b>	<b>332.3</b>	<b>493.3</b>	<b>331.9</b>	<b>226.8</b>	
Repomo-Margin	12.5	(17.5)	(9.7)	(9.7)	(9.9)	(8.8)	(7.3)	
<b>NII after Repomo</b>	<b>352.6</b>	<b>317.6</b>	<b>389.3</b>	<b>322.6</b>	<b>483.4</b>	<b>323.1</b>	<b>219.5</b>	
Loan Loss Provisions	(0.3)	12.1	20.0	20.3	195.2	61.2	6.4	
Loss Sharing Provisions	-	-	-	-	-	-	-	
<b>NII after Provisions</b>	<b>352.9</b>	<b>305.5</b>	<b>369.3</b>	<b>302.3</b>	<b>288.2</b>	<b>261.9</b>	<b>213.1</b>	
Fund transfers	0.4	0.5	0.5	0.5	0.5	0.5	0.3	
Account management	6.3	5.5	6.5	6.9	6.3	6.9	4.2	
Fiduciary	1.4	3.3	2.8	5.5	193.3	23.6	209.5	
Credit Card	0.2	0.3	0.4	0.5	0.3	0.4	0.3	
Fees from FOBAPROA	14.9	9.5	13.2	6.1	13.3	3.7	5.2	
Other fees	14.4	2.9	4.1	3.5	2.3	2.9	78.6	
<b>Fees on purchased services,</b>	<b>37.7</b>	<b>22.0</b>	<b>27.5</b>	<b>23.0</b>	<b>216.1</b>	<b>38.0</b>	<b>298.0</b>	
Fund transfers	-	-	-	-	-	-	-	
Other fees	0.2	0.2	0.2	2.5	13.0	16.0	9.8	
<b>Fees on payed services,</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>2.5</b>	<b>13.0</b>	<b>16.0</b>	<b>9.8</b>	
Foreign exchange	8.6	7.8	6.3	5.3	7.5	6.7	4.5	
Securities -Realized gains	-	-	-	-	-	-	2.1	
Securities- Unrealized gains	-	-	-	-	-	-	(17.1)	
<b>Market-related Income</b>	<b>8.6</b>	<b>7.8</b>	<b>6.4</b>	<b>5.4</b>	<b>7.5</b>	<b>6.7</b>	<b>(10.6)</b>	
<b>Total Non Interest Income</b>	<b>46.1</b>	<b>29.5</b>	<b>33.7</b>	<b>25.9</b>	<b>210.5</b>	<b>28.7</b>	<b>277.7</b>	
<b>Total Operating Income</b>	<b>399.0</b>	<b>335.1</b>	<b>403.0</b>	<b>328.1</b>	<b>498.7</b>	<b>290.6</b>	<b>490.7</b>	
Personnel	73.0	70.6	77.6	79.3	77.1	87.3	61.1	
Fees Paid	27.6	14.3	20.5	5.4	10.1	13.0	6.7	
Operation & Administrative expenses	121.8	131.1	169.5	110.0	104.6	130.4	80.0	
Rents, depreciation and amortization	22.7	21.3	15.3	19.3	18.1	15.3	19.9	
Taxes, other than income tax	10.3	18.0	28.4	78.3	16.8	24.0	51.0	
Contributions to IPAB	15.0	17.8	20.8	19.4	20.8	19.0	15.0	
Corporate expenses Recoveries	-	-	-	-	-	-	-	
<b>Non-Interest Expense</b>	<b>270.4</b>	<b>273.2</b>	<b>332.2</b>	<b>311.6</b>	<b>247.6</b>	<b>289.0</b>	<b>233.6</b>	
<b>Operating Income</b>	<b>128.6</b>	<b>61.8</b>	<b>70.8</b>	<b>16.5</b>	<b>251.1</b>	<b>1.6</b>	<b>257.1</b>	
Other Income	4.3	8.2	5.5	66.7	74.3	81.5	51.7	
Foreign exchange	-	-	-	-	0.1	-	-	
Recoveries	7.1	0.4	0.9	2.3	1.6	1.8	4.6	
Repomo-other (Debtor balance)	-	-	-	-	-	-	-	
<b>Total Other Products</b>	<b>11.4</b>	<b>8.5</b>	<b>6.4</b>	<b>69.0</b>	<b>76.1</b>	<b>83.2</b>	<b>56.2</b>	
Other Expense	(8.7)	(5.0)	(5.4)	(7.9)	(9.0)	(1.3)	(1.6)	
Foreign exchange	-	-	-	-	-	-	-	
Repomo-other (Creditor balance)	(62.9)	(5.0)	(11.2)	(14.0)	(29.4)	(11.4)	(7.0)	
Total Other Expense	(71.6)	(10.0)	(16.6)	(22.0)	(38.5)	(12.7)	(8.6)	
<b>Other expenses (revenues), net</b>	<b>(60.2)</b>	<b>(1.5)</b>	<b>(10.2)</b>	<b>47.0</b>	<b>37.6</b>	<b>70.6</b>	<b>47.6</b>	
<b>Pre-tax Income</b>	<b>68.4</b>	<b>60.4</b>	<b>60.5</b>	<b>63.5</b>	<b>288.7</b>	<b>72.1</b>	<b>304.7</b>	
Income tax	(0.2)	(0.5)	(0.3)	(1.8)	-	-	-	
Profit sharing	-	-	-	-	-	-	-	
Tax on Assets	(1.4)	(1.4)	(1.1)	(0.5)	(1.4)	(1.8)	(2.1)	
Deferred Inc. Tax and Profit sharing	-	-	-	(0.1)	-	-	-	
	(1.6)	(1.8)	(1.5)	(2.4)	(1.4)	(1.8)	(2.1)	
<b>Net income before) su)bsidiaries</b>	<b>66.7</b>	<b>58.6</b>	<b>59.1</b>	<b>61.1</b>	<b>287.3</b>	<b>70.3</b>	<b>302.6</b>	
Subsidiaries net income	(0.1)	1.8	-	0.2	-	0.5	1.0	
<b>Net Income from continuos operations</b>	<b>66.7</b>	<b>60.3</b>	<b>59.1</b>	<b>61.3</b>	<b>287.3</b>	<b>70.8</b>	<b>303.6</b>	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	-	-	-	-	-	-	(10.4)	
<b>TOTAL NET INCOME</b>	<b>66.7</b>	<b>60.3</b>	<b>59.1</b>	<b>61.3</b>	<b>287.3</b>	<b>70.8</b>	<b>293.1</b>	

(\*) Consolidate Afore

**Financial Statements basis for presentation.**

The **Grupo Financiero Banorte (GFNorte)**-Financial Statements of the Financial Group are presented in consolidated form with the figures from its respective subsidiaries as stipulated in regulations of the National Banking and Securities Commission (CNByV) and circular 1400 of March 31, 1998, and the "Accounting Criteria for Controlling Companies of Financial Groups" contained in Series D of circular 1456 of the National Banking and Securities Commission (CNByV) of December 22, 1999. In addition, the Financial Statements of the Banking Institutions were presented consolidated with UDIS and their respective Subsidiaries. The UDI price at the end of period and the inflationary factor that were used : 2.843452 & 9.4290. In May 25, 1999 "A and B Series" shares were exchanged for the new "O Series Shares"

The Banking Sector (Banorte and Bancen )-The new groupings contained in bulletin 1448 of October 14, 1999 of the CNByV & The Presentation Rules from the bulletin 1455 from December 14, 1999 from CNBV used since July 1st, 2000.. For all periods, figured are presented in constant pesos set at the close of the current reporting period. For this the UDI price at the end of each period was used. The information contained herein is based on unaudited information of each of the entities described herein. Results for any interim period are not necessarily indicative of results that may be achieved for a full fiscal year or any other interim period.

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

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