

GFNorte generates a net profit of Ps 1,239.6 million for the 3Q01.

GFNorte's accumulated income was Ps 1,239.6 millions.

In the first nine months of the year, GFNorte generated an income of \$1,239.6 million; \$1,065.8 million of which constituted the Banking Sector's contribution (not including Afore). These figures are 1.7% and 1.0% lower, respectively, than last year's accumulated income.

GFNorte reaches a 19.5% ROE in the first 9 months of the year.

GFNorte reached a 19.5% annualized ROE, 1.5 times of average of the 28 day Cetes rate. In the first nine months of 2000, thereby maintaining one of the highest profitability rates among the Financial Groups of Mexico.

Banorte wins the bidding for the purchase of Bancrecer for \$1,650 million.

Banco Mercantil del Norte (BANORTE) won the bidding for 100% of the representative stockholders' equity shares in Bancrecer, S.A. with an offer of Ps 1,650 million, equivalent to 0.66 times it's book value.

Banorte will increase its market share 13.1%.

The purchase of Bancrecer will increase overall market share to 13.1%, stepping up from 5th to 4rd place in the Mexican banking system for this concept, and 3th place in loans.

Banorte's network will increase by 754 branches.

Bancrecer will add 754 branches and 967 ATMs to Banorte's network, totaling 1,207 branches and 2,486 ATMs nation wide, ranking 4th place in the banking system.

Fitch, Moodys y S&P, ratify their rates for Banorte

After Bancrecer's acquisition the rating agencies Fitch, Moodys and Standard & Poors, ratified their rates for Banorte at the same previous level before the acquisition, confirming their confidence in our Institution.

Banorte lowers its credit card interest rate to a fixed rate of 25%.

Banorte reduced the interest rate on all its credit cards to a fixed rate of 25%, and has started an aggressive advertising campaign to attract new clients and maintain a competitive standing in the consumer credit market. This new lower rate is being offered without losing the benefits credit card holders already have.

Two Ps 2,964 million loan portfolios were purchased from the IPAB.

Two loan portfolios for a total of Ps 2,964 million were purchased from the IPAB this quarter, through Sólida Administradora de Portafolios, S.A. de C.V. at a purchasing price of Ps838 million for both. The Recovery Banking will manage these portfolios.

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Contacts:

Jorge Colin
Gabriela Renovato

(52) 8319 52 10
(52) 8319 52 19

E-mail: investor@banorte.com
Internet: <http://www.banorte.com.mx>

I. Highlights

Monterrey, N.L., October 25, 2001. GRUPO FINANCIERO BANORTE (GFNorte) announced its accumulated results up to and including the third quarter of 2001. GFNorte and its subsidiaries reported net earnings of Ps 357.6 million in the third quarter alone, 3% higher than last quarter's earnings. Up to September, the accumulated net earnings were Ps 1,239.6 million, 1.7% lower than those of the same period last year, despite the notable drop in interest rates during the year. The average ROE so far this year was 19.5%.

The Banking Sector accounted for 87% of GFNorte's total earnings in the third quarter, generating Ps 312.5 million. 17% higher than in the last quarter and Ps 1,065.8 million accumulated for the year, with a 20.1% ROE. On the other hand, the earnings in the different sectors for the third quarter are as follows: Brokerage, Ps 14.1 million; Long Term Savings, Ps 78.3 million; and Auxiliary Organizations, Ps 54.3 million.

The Banking Sector's profits were attributed to the continual improvement of its Traditional Banking Business performance, which had to face an adverse scenario of low interest rates that have reduced the financial margin, the economic recession in the United States with its negative impact on many Mexican companies, and lastly, the terrorist attacks against our neighbor to the north last September, which caused an upward trend in interest rates at the close of the quarter creating a negative impact on the Banks risk position market valuation. This result was due to increased deposits from the public as well as in consumer loans and those to small and medium-sized companies, the level of non interest income and more stringent control over operative expenses. This situation was partially compensated by the loan risk provisions of Ps 770.8 million taken during the year, as compared to the Ps 415.8 million of the same period last year.

The Recovery Banking contributed with 26% of the Banking Sector profits obtained in the year, in accordance to the established strategy of increasing the contribution of Traditional Banking, whereas in 2000 this proportion reached 29%.

As of September, 2001, the Banking Sector Demand Deposits grew by 4.6% over the same period last year, keeping Banorte's non-interest demand deposits per branch at the forefront of the Mexican banking market. On the other hand, total deposits increased 5.8% in the same period as a result of greater money market volumes.

The GFNorte assets under management at the close of September, which include deposits, on behalf of third party deposits, and mutual funds of the Banking Sector, the Brokerage House and the Afore totaled Ps 220,922 million

The Banking Sector's loan portfolio, up to September, totaled Ps 78,620 million. La commercial loans (excluding corporate loans), showed an 18.3% increase from September 2000 to September 2001. The automobile product's grew by 166.2% in the same period is noteworthy. This growth is the result of a strategy aimed to increase revenues in order to compensate for the impact of lower interest rates. As part of this strategy, Banorte maintains an aggressive 17.9% fixed rate program for new mortgages and automobile loans. Additionally, last September Banorte set a 25% fixed interest for credit cards, while keeping all the added benefits this product has to offer, as part of the "Rather than a light card, a strong credit card" advertising campaign. With this program Banorte expects to attract new clients for these products.

As for Asset Quality, the Banking Sector closed the quarter with a past-due portfolio balance of Ps 4,410 million and a total past-due portfolio ratio of 5.6%. The reserve coverage is 100% at the close of September.

The capitalization ratio, applying the rules that will be in effect in 2003, reached a level of 18.4% for Banorte, for credit risks, and 15.8% including market risks. Bancentro, on the other hand, reached 21.6% and 13.7% respectively. This enabled the GFNorte Banking Sector to end the period with a capitalization ratio of 18.9% using credit risk, and 15.4% considering credit and market risks. These figures are well above the established minimum, which allow for a sound growth position for GFNorte's Banking Sector.

Moreover, the 1Q01 Banking Sector's operating expenses, not including personnel expenses, dropped by 4.2% as compared to the same period last year. Personnel expenses rose 6.8% in this period due to higher expenses for severance pays under the Evolution Project seeking to enhance efficiency. Moreover, early in the year some personnel were transferred from the Brokerage House to the Bank because of the former's spin off late last year. Regardless of the above, overall expenses stayed the same as a year ago. This control over operating expenses is part of the efficiency efforts implemented in GFNorte in its endeavor to reach international standards.

During the quarter, two loan portfolios were purchased to IPAB during the quarter for a total of Ps 2,964 million. These purchases were made through Sólida Administradora de Portafolios, S.A. de C.V. and will be turned over to Banorte's Recovery Banking. The purchasing price paid for both portfolios was Ps 838 million. With these last acquisitions Ps13,882 millions of loans have been purchased since 1999, in addition to the Ps 23,230 million of rights for collecting Serfin loans.

The international rating firms, Fitch, Moody's, and Standard and Poor's ratified their marks to Banorte after the latter had announced the Bancrecer acquisition.

The Group's Brokerage Sector, which consists of Brokerage House Banorte, generated Ps 14.1 million in earnings up to September 2001. This figure is lower than the accumulated amount of the same period in 2000, as the Brokerage House risk position were transferred to Banco del Centro last August. Up to and including September, Brokerage House Banorte maintains total assets under management of Ps 86,413.5 million, 21% higher than in the same period last year.

GFNorte continued to increase the number of affiliates in the Afores sector through Banorte-Generali AFORE, totaling 2,359,861 affiliates. Last July, 600,595 affiliates were received from the transfer of those found in the CONSAR overall account, in accordance with the established rules for distributing the individuals who had not chosen an Afore in particular. Banorte-Generali AFORE has one of the lowest affiliation costs in the industry and holds a 9.0% market share. The assets under management totaled Ps 13,040.4 million, 58.6% higher than those of the same period last year. In the Insurance business, the total accumulated premiums sold grew by 10% in the last twelve months. The Annuities company showed an important asset increase of 60.8% in relation to 3Q00. The accumulated earning up to September 2001 for the Long Term Savings sector was Ps 78.3 million, 83% higher than that of the same period in 2000, due to the promotional efforts and the positive impact of the mark to market valuations in the Insurance and the Annuities companies.

In the Auxiliary Organizations Sector, the Leasing Company portfolio showed an outstanding 28.4% growth from September 2000 to the same period in 2001, and a reduction from 3.6% to 2.6% in its past-due portfolio. On the other hand, the Factor Banorte portfolio increased by 15.8% in the same period. The net annual earnings in this sector totaled Ps 54.3 million.

BANCRECER'S ACQUISITION

On september 24th 2001, the IPAB announced that Banco Mercantil del Norte (Banorte), a subsidiary of Grupo Financiero Banorte, was the winning institution in the bidding for the 100% of the Capital Stock of Bancrecer.

With this acquisition, Banorte's total deposits market share will increase to 13.1% moving up from 5th to 4th place in the mexican banking sytem, and to 3rd place in loans.

Bancrecer will add 754 branches and 967 ATM's to Banorte for a total of 1,207 branches and 2,486 ATM's, ranking 4th place in the system in terms of distribution channel network. By incorporating Bancrecer's branches, Banorte will have presence in 172 news cities. This will enhance Banorte's geographical coverage and strengthen it's presence in important cities and regions of the country.

The addition of Bancrecer will widen our client base to 4.2 million deposit accounts and will reach a Ps 131,500 million balance on total deposits.

II. Macroeconomic Environment

There were big changes in the third quarter this year. After the September 11th terrorist attacks on the United States, perception of the financial, economic and political milieu was radically different. The stock markets the world over suffered considerable losses; Dow Jones dropped by 16%, Nasdaq fell by 31% and the Mexican Stock Exchange was no exception with a 19% decline. Despite immediate action taken by the Government and the U.S. Central Bank reducing interest rates and proposing new tax cuts, these measures were not enough to encourage disheartened investors.

The fixed income market showed similar levels to those seen in June. The 28 days Cete closed the quarter at 9.32%, a slight recovery over last August's historically low average rate of 7.5%.

Given the prevailing air of uncertainty, the exchange rate experimented a considerable adjustment –falling from 9.19 pesos per dollar in July to 9.53ppd in September, which represents a 3.7% depreciation. The price of oil also underwent a marked drop and is now around 17 dollars per barrel, after having been priced over 20 dollars per barrel at the beginning of the third quarter.

Inflation's declining trend came to a stand still in the third quarter. Although inflation showed a negative variation in July, prices increased considerably in August and, especially, in September. However, the inflation rate for the last twelve months up to the close of the quarter was 6.14%.

The country's economic activity continued to deteriorate during this period. The most vulnerable sector to the American deceleration has been domestic industry, especially those sectors having to do with exports. Industrial production in July dropped by 3.3%, -its sixth fall in a row- and is at a virtual stand-still since the beginning of the year.

Early this quarter and for the first time this year, consumer spending fell by 0.4% in July. This reduced dynamism first started to show signs in April with moderate growth rates in retail sales.

The external sector has not been unscathed by the impact of the U.S. economy deceleration. Whereas Mexican exports have dropped, so have imports shown a significant reduction. Both fell 8% in July-August.

Despite the uncertainty world wide, our country's situation is stable. Though the true effects of the "war" are yet to be seen, expectations do not contemplate a breakdown of the fundamental aspects of Mexico's economy: an exchange rate without abrupt variations, controlled inflation, and stable interest rates.

III. Recent Events

Banking Sector

Bancrecer's Acquisition.- September 24th 2001, the IPAB announced that Banco Mercantil del Norte (Banorte), a subsidiary of Grupo Financiero Banorte, was the winning institution in the bidding for the 100% of the Capital Stock of Bancrecer. The price to be paid by Banorte is Ps 1,650 million, equivalent to USD 174 millions, which represents 0.66 times the book value of Bancrecer's Capital Stock at the date its shares are transferred to Banorte.

The acquisition of Bancrecer will be mainly funded with GFNorte's own resources, including current cash holdings and dividends obtained from subsidiaries, as well as through the use of the outstanding Non Convertible Subordinated debt and of additional Debt, as follows:

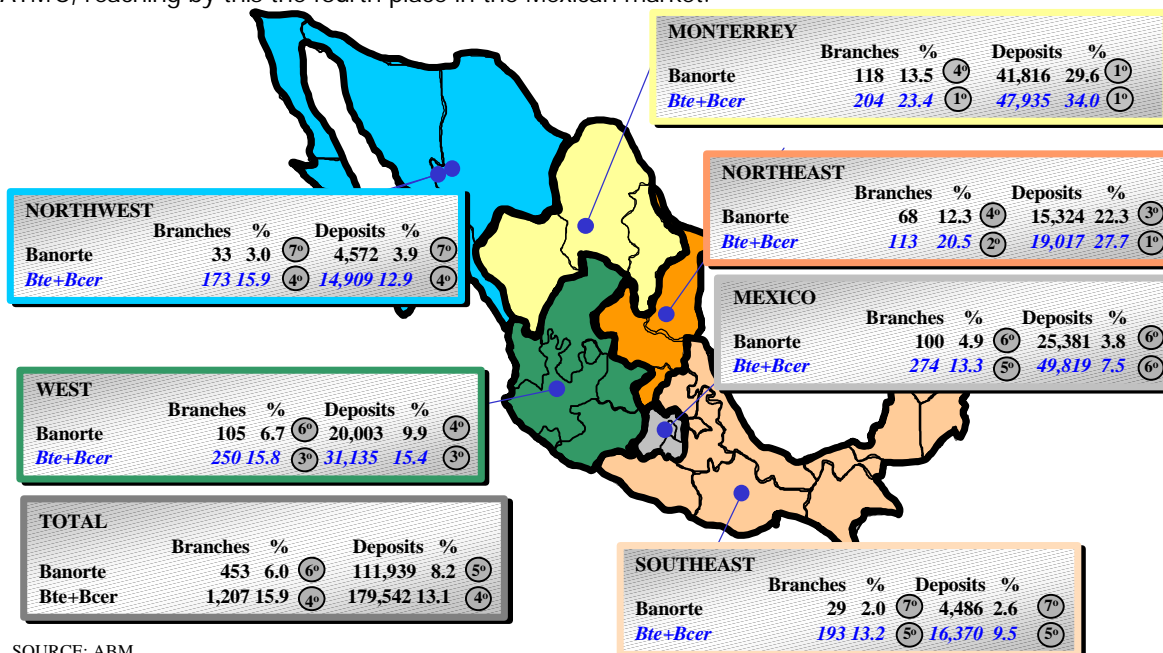
SOURCE	ESTIMATED AMOUNT (millions of pesos)
GFNorte's cash position	\$ 300
Dividends obtained from GFNorte's subsidiaries	\$ 300
Outstanding non convertible subordinated debt (1)	\$ 500
Debt (2)	\$ <u>550</u>
	\$ 1,650

(1): The issue took place on June 2001, for a amount of 436 millons of UDIS, equivalent to Ps 1,301 millions at the time of the operation.

(2): The amount could decrease in a important way with the payment from Generali for the use of the Bancrecer's network to sell the products and service of the Afore, Insurance and Annuities companies, where it has a 49% stake.

The expected time for the completion of the process is no earlier than 35 calendar days, and no longer than 135 calendar days from this date.

Bancrecer's distribution network is composed by 754 branches and 967 ATM's. When adding this network to that of Banorte's (as of June, 2001), it's position as a major national bank will be consolidated, gaining a significant market share in economically important locations and regions, resulting a network of 1,207 branches and 2,486 ATM'S, reaching by this the fourth place in the Mexican market.



SOURCE: ABM.
JUNE 2001. BANORTE INCLUDES MODULES. FIGURES IN MILLION PESOS.

In addition to the above mentioned advantages, the incorporation of Bancrecer branches to Banorte's network, will give the bank a position in 172 locations in which, up to now, Banorte had been absent.

The resulting institution will serve a broad client base, with almost 4.2 million deposit accounts for an amount of Ps 131.5 billions of pesos.

The integrated Banorte-Bancrecer branch network is being thoroughly reviewed and analyzed, to detect possible redundancies, branches that have to be definitely closed, and those that are to be relocated. The definition of the new branch network is expected to be ready during the second quarter of 2002.

In the short term, synergies will arise from a tight and strict schedule for the integration of Bancrecer to Banorte that will bring about significant reductions in non interest expense for the resulting institution. Cost reductions for Bancrecer are estimated in Ps 406 million for 2002 and Ps 807 million starting 2003, the latter representing 22% decline compared with the level observed in 2001 in Bancrecer.

The integration of the network will be in two stages to be completed in 18 months. The first stage is designed to be completed in 4 to 6 months, and contemplates the integration of the 10 most frequent transactions, which represent 83.5% of total transactions. Once the first stage is completed, it will be possible for customers of both banks to make banking transactions in branches of either bank indistinctively. The second stage includes the conversion of current Bancrecer's products to those of Banorte, as well as to physically and technically integrate both information systems. The expected period for this stage to be completed has been set in twelve months.

The necessary investments required by the merger have been estimated in Ps 1,076 million for the first two years, Ps 611 millions for 2002 and Ps 465 millions for 2003. Includes the costs of organizational restructuring, branch equipment and corporate image, deriving from the integration of Bancrecer to Banorte.

The most relevant indicators of Bancrecer as of July, 2001, in millions of pesos, are set to be:
(Jul/01)

FINANCIAL (Millions of pesos)		MARKET	
Stockholders' Equity	2,500	Number of Branches	754 branches
Total Assets	68,642	Number of ATM's	967 ATM'S
Total Loan Portfolio	55,256	Number of Accounts (Deposits)	1.6 million accounts
IPAB Note	45,940	Number of Loans Outstanding	71 thousand loans
Past Due Loans	128	Deposit Market Share	4.9%
Loan Loss Reserves	695	Loan Portfolio Market Share	7.3%
Deposits (checking account and low interest term deposits)	29,461		
Money Market Term Deposits	27,921		

New IPAB portfolio purchases.- Two IPAB loan portfolios were purchased during the quarter; one of them, a Ps 2,753 million portfolio consisting mainly of commercial loans, was purchased for Ps800. The other one made up of mortgage loans worth Ps 211 million, was purchased for Ps 38 million.

LONG TERM SAVING SECTOR

Afore.- On July 1, 2001, Afore Banorte Generali received funds from the distribution of the CONSAR (National Commission for the Retirement Savings Fund) overall account. These funds were distributed among the different Afores in the system. Both the Afore Assets, which closed the quarter with an 18.0% increase, and Income benefited. The funds were transferred along with 556,518 Afore affiliates, for a total of 2,359,861.

IV. Grupo Financiero- Consolidated

Grupo Financiero Banorte Earnings

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
G. F. Banorte [holding]	17.0	11.3	10.3	25.3	27.2
<u>Banking Sector</u>					
Banco Mercantil del Norte (1)	150.7	3.8	119.2	402.9	373.4
Banco del Centro (2)	<u>293.8</u>	<u>262.8</u>	<u>193.2</u>	<u>673.7</u>	<u>692.4</u>
	444.5	266.7	312.5	1,076.6	1,065.8
<u>Brokerage Sector</u>					
Brokerage House	52.2	0.9	0.9	60.3	14.1
<u>Long-Term Saving Sector</u>					
Pension Funds Afore	28.4	4.8	35.2	65.7	72.0
Insurance	15.1	27.3	(0.3)	(3.0)	7.6
Annuities	<u>(2.3)</u>	<u>18.3</u>	<u>(14.7)</u>	<u>(19.8)</u>	<u>(1.4)</u>
	41.2	50.4	20.3	42.8	78.3
<u>Auxiliary Organization Sector</u>					
Leasing	7.5	6.4	6.3	16.7	19.5
Factoring	11.6	7.2	3.2	30.3	23.1
Warehousing	2.3	2.4	2.0	3.6	6.4
Bonding	<u>2.3</u>	<u>1.9</u>	<u>2.0</u>	<u>5.7</u>	<u>5.3</u>
	23.7	17.9	13.6	56.3	54.3
Total	578.6	347.1	357.6	1,261.2	1,239.6
RATIOS					
Net Income per Share (3)	1.16	0.70	0.72	2.54	2.49
Dividends per share (3)	-	-	-	-	-
Book Value per share(3) (4)	14.68	17.59	17.84	14.68	17.84

- 1) 95.79% owned by GFNorte. Includes Banpais until 4Q00.
- 2) Includes the Bank's Subsidiaries. Excludes the AFORE
- 3) Per Share data, based on 497.1 million shares outstanding on September 30,2001.
- 4) Excluding Minority holdings.

Grupo Financiero Banorte accumulated earnings (income) for Ps 1,239.6 million in the first 9 months of the year, 1.7% less than last year equivalent to Ps2.49 per share. The book value at the close of 3Q01 was Ps 17.84 per share, a 21.5% higher than last year.

Relevant Numbers for Grupo Financiero
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(Millions of Pesos)	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
Income Statement					
Net Interest Income (NII)	1,568.5	1,804.7	1,518.1	5,129.3	4,970.6
+ REPOMO-Margin	(27.3)	8.8	19.2	(35.3)	34.9
= NET Interest Income after Repomo	1,541.2	1,813.6	1,537.2	5,094.0	5,005.5
- Loan Loss Provisions	6.8	436.0	164.7	419.6	777.7
- Loss Sharing Provisions	83.7	51.6	24.4	164.7	151.0
=Net Interest Income after Provisions	1,450.7	1,326.0	1,348.1	4,509.7	4,076.8
+ Non Interest Income	750.1	614.2	622.3	1,899.1	2,136.3
= Total Operating Income	2,200.8	1,940.2	1,970.4	6,408.9	6,213.1
- Non Interest Expense	1,752.6	1,727.1	1,749.8	5,130.2	5,140.6
= Net Operating Income	448.3	213.1	220.5	1,278.7	1,072.5
- Other Revenues and Expenses	221.6	178.8	234.8	249.9	480.1
= Pre-tax Income	669.9	391.9	455.3	1,528.5	1,552.6
- Income Tax & profit sharing	(52.9)	(47.3)	1.2	(60.7)	(65.5)
- Tax on asset	(5.9)	(5.1)	(25.9)	(16.4)	(32.9)
- Deferred Income Tax & profit sharing	(22.4)	(57.9)	(30.5)	(102.0)	(194.2)
= Net Income before Subsidiaries	588.7	281.6	400.2	1,349.4	1,260.0
+ Undistributed Earnings of Subsidiaries	21.4	70.3	(3.5)	(0.6)	65.2
=Net Income-contin. Operation	610.0	351.9	396.7	1,348.8	1,325.1
+ Extraordinary Items, net	-	-	-	-	-
- Minority Income	(31.4)	(4.7)	(39.1)	(87.6)	(85.5)
=Total Net Income	578.6	347.1	357.6	1,261.2	1,239.6
Profability Ratios					
ROA (1)	1.8%	1.3%	1.4%	1.3%	1.6%
ROE (2)	27.6%	16.2%	16.1%	19.4%	19.5%
Efficiency Ratio (3)	70.9%	66.3%	69.6%	67.3%	66.4%
Balance Sheet					
	3Q00	2Q01	3Q01		
Total Assets	120,950	102,282	100,853		
Loan Portfolio	87,662	79,190	80,435		
Performing loans excl. Fobaproa and Governm. Ent.	30,127	27,727	28,867		
Deposits	89,725	75,315	70,663		
Assets under Management (4)	193,734	215,312	220,922		
Equity	8,044	9,523	9,683		
Past Due Loans	4,303	4,246	4,439		
Loan Loss Reserves	4,419	4,237	4,433		
Asset Quality Ratios					
Past Due Loans to Total Loans	4.9%	5.4%	5.5%		
Loan Loss Reserves to Past Due Loans	102.7%	99.8%	99.9%		

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

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

(3) (Non Interest Expense – Contributions to IPAB - Depreciation) / (Total Operating Income – Repomo Margin – Provisions-Trading Income)

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

V. Information by Sectors

1. Banking Sector

(Millions of Pesos)	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
Income Statement					
Net Interest Income	1,456.4	1,667.0	1,417.6	4,820.9	4,639.1
+ REPOMO-Margin	(17.5)	17.3	26.2	6.4	57.1
= Net Interest Income after Repomo	1,438.9	1,684.3	1,443.8	4,827.4	4,696.2
- Loan Loss Provisions	6.5	434.8	159.4	415.8	770.8
- Loss Sharing Provisions	83.7	51.6	24.4	164.7	151.0
= Net Interest Income after Provisions	1,348.7	1,197.9	1,260.0	4,246.8	3,774.4
+ Non Interest Income	466.7	470.7	378.1	1,257.1	1,517.4
= Total Operating Income	1,815.4	1,668.6	1,638.1	5,503.9	5,291.9
- Non Interest Expense	1,533.4	1,494.3	1,545.2	4,501.4	4,519.2
= Net Operating Income	282.0	174.3	93.0	1,002.5	772.7
+ Other Revenues and Expenses	203.1	173.9	222.2	235.9	464.1
= Pre-tax Income	485.1	348.2	315.2	1,238.4	1,236.8
- Income Tax & profit sharing	(6.4)	(36.4)	2.8	(6.4)	(48.6)
- Tax on asset	(5.9)	(3.8)	(2.9)	(16.4)	(8.7)
- Deferred Income Tax & profit sharing	(24.5)	(46.8)	(0.6)	(117.6)	(113.8)
= Net Income before Subsidiaries	448.3	261.1	314.4	1,098.1	1,065.7
+ Undistributed Earnings of Subsidiaries	28.5	10.4	38.5	69.4	88.4
= Net Income-continuous Operation	476.8	271.6	352.9	1,167.5	1,154.1
+ Extraordinary Items, net	-	-	-	-	-
Minoritary Income	-	0.1	-	(3.3)	0.1
=Total Net Income	476.8	271.6	352.9	1,164.3	1,154.2
Profability Ratios					
ROA (1)	1.4%	1.1%	1.3%	1.1%	1.4%
ROE (2)	25.8%	14.5%	17.1%	20.6%	20.1%
Efficiency Ratio (3)	72.6%	65.9%	72.9%	68.3%	67.8%
Balance Sheet					
Total Assets	118,483	98,408	97,618		
Loan Portfolio	87,433	78,279	78,620		
Deposits	89,910	74,692	70,989		
Equity	6,584	7,797	8,047		
Past Due Loans	4,274	4,219	4,410		
Loan Loss Reserves	4,400	4,219	4,410		
Asset Quality Ratios					
Past Due Loans to Total Loans	4.9%	5.4%	5.6%		
Loan Loss Reserves to Past Due Loans	102.9%	100.0%	100.0%		

Note: It does not consolidate the Afore which net results are shown in the Undistributed Earnings of Subsidiaries line, using the participation method.

- 1) Annualized earnings as a percentage of the average of month-end assets over the period.
- 2) Annualized earnings as a percentage of the average of month-end equity over the period.
- 3) (Non Interest Expense – Contributions to IPAB- Depreciation) / (Total Operating Income – Repomo Margin – Provisions-Trading Income)

The Ps 352.9 million earnings of the Banking Sector during the quarter were 29.9% greater than those in the previous quarter. The net accumulated profit was Ps 1,154.2 million –0.9% lower than that of the same

period in 2000. Loan loss provisions during the quarter dropped by Ps 275.4 million; and Ps 24.4 million were charged to earnings for the Fobaproa loss sharing provisions. The Net Interest Income before Repomo fell 15%, as compared to 2Q01, due to the Money Market's extraordinary earnings in 2Q01 and a pronounced drop in the 28-day Cetes level. Non Interest Income for the quarter was Ps 378.1 million vs. Ps 470.7 million in the last quarter – a 19.7% drop due mainly to the negative impact of the security unrealized gains because of the volatile rates in the period. The quarter's Ps 1,545.2 Non Interest Expense – 3.4% greater than that of 2Q01 was basically due to the operative personnel salary raise in July.

Net Interest Income

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
BANKING SECTOR					
Interest Income	6,991.6	4,499.0	4,521.9	18,985.0	17,451.6
Interest Expense	5,678.1	2,897.3	3,188.1	14,595.5	13,025.0
Loan Fees	146.8	69.4	89.1	442.7	225.7
Fees Paid	4.0	4.1	5.3	11.2	13.2
Net Interest Income before Repomo	1,456.4	1,667.0	1,417.6	4,820.9	4,639.1
Average Earning Assets	132,247	102,413	99,324	135,498	102,095
% Net Interest Margin	4.4%	6.5%	5.7%	4.7%	6.0%

<i>(Millions of Pesos)</i>	3Q00		2Q01		3Q01	
	BANORTE	BANCEN	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	3,751.9	968.0	4,048.8	1,401.0	2,730.3	1,044.0
Interest Income- repo agreement	1,132.6	1,143.7	(818.3)	(132.4)	57.9	689.8
Foreign exchange Valuation	(4.5)	-	-	-	-	-
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	-	-	-	-	-	-
Interest Income	4,880.0	2,111.7	3,230.5	1,268.5	2,788.1	1,733.8
Loan Fees	140.7	6.1	69.1	0.2	88.8	0.2
Interest Expenses-dep. & funding	2,876.0	575.5	2,172.0	54.2	1,516.2	(6.2)
Interest expenses- repo agreement	1,087.7	1,130.0	564.1	107.4	978.1	686.7
Foreign exchange Valuation	-	(0.1)	(2.3)	(0.3)	4.0	0.4
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	8.9	-	1.1	1.1	(0.1)	9.0
- Interest Expense	3,972.7	1,705.4	2,734.9	162.4	2,498.2	689.9
Fees paid	3.6	0.4	4.1	-	5.4	-
= Net Interest Income	1,044.5	412.0	560.7	1,106.4	373.4	1,044.1

The Net Interest Income before Repomo of the Banking Sector was Ps 1,417.6 million in the quarter, 15% lower than that of 2Q01 because of the reduction of interest rates during the quarter (the 28-day Cete averaged 12.39% during 2Q01 vs. 8.26% in 3Q01), and to the extraordinary income obtained in 2Q00 from Money Market operations as well as in Treasury repo transactions.

The accumulated Net Interest Income before Repomo fell by 3.8%, as compared to the same period in 2000, due mainly to 2 reasons: 1) A drop in the 28-day Cetes average from 14.75% to 12.68%; and 2) a reduction in loans fees, as in 2000 commissions were included only to be later regrouped in Non Interest Income from charges for ATM usage and sales point terminals to other banks.

Non Interest Income

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
Fees on purchased services:					
+ Fund Transfers	8.1	10.9	13.8	25.2	33.8
+ Account Management Fees	70.7	78.4	75.5	188.1	227.2
+ Fiduciary	231.0	115.4	423.0	487.7	780.5
+ Credit Card	8.0	84.3	82.7	19.6	246.5
+ From Fobaproa	142.5	81.9	61.4	458.5	221.5
+ Other Fees	<u>53.1</u>	<u>72.5</u>	<u>108.2</u>	<u>189.0</u>	<u>251.3</u>
	513.4	443.3	764.7	1,368.0	1,760.9
Fees paid:					
+ Fund Transfers	-	-	-	-	-
+ Other Fees	<u>87.2</u>	<u>84.2</u>	<u>316.0</u>	<u>269.6</u>	<u>483.5</u>
	87.2	84.2	316.0	269.6	483.5
= Net Fees	426.2	359.1	448.7	1,098.4	1,277.4
Trading Income					
+ Foreign Exchange	50.9	43.4	45.7	155.9	143.6
+ Securities- Realized gains	(1.3)	83.2	(22.9)	18.3	91.2
+ Securities- Unrealized gains	<u>(9.2)</u>	<u>(15.1)</u>	<u>(93.2)</u>	<u>(15.5)</u>	<u>5.3</u>
	40.5	111.6	(70.5)	158.7	240.1
= Non Interest Income	466.7	470.7	378.1	1,257.1	1,517.4

Non Interest Income for the quarter totaled Ps 378.1 millions 19.7% lower than that of 2Q01 especially because of the negative impact of the security unrealized gains due to volatile interest rates which took a turn in mid-quarter. The Fiduciary income and Other Fees paid were affected by the consolidation of the Trust which manages the Serfin portfolio collecting, beginning this quarter. Said commissions increased by Ps 402 million and Ps 234 million, respectively. These commissions, the Ps 70 million Trust Paid Interest (included in the Net Interest Income) and the Ps 5.9 million now included in the Operation & Administration Expenses rendered a net quarterly net earning of Ps 92 million (which compares to the Ps 115.4 million in 2Q01). The yearly accumulated Non Interest Income was 20.7% higher than that of the same period in 2000, mainly reflected in Credit Card Commissions due to the reclassification of the commissions charged to other banks for the usage of ATMs and sales point terminals since 4Q00, to the 20.8% increase in the Account Management Fees and to the 398% raise in Securities – Realized gains.

Non Interest Expense

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
Personnel Expenses	614.6	648.9	674.9	1,878.6	2,006.0
+ Fees Paid	63.9	70.6	83.3	224.6	236.7
+ Operation & Administration Expenses	461.4	429.5	413.2	1,246.5	1,196.0
+ Rent, Depreciation & Amortization	173.1	157.6	187.4	515.6	511.1
+ Tax other than income tax	124.5	102.7	99.5	349.0	305.4

+ Contributions to IPAB	95.8	84.9	86.9	287.0	264.0
- Corporate Expense Recoveries	=	=	=	=	=
= Non Interest Expense	1,533.4	1,494.3	1,545.2	4,501.4	4,519.2

The Non Interest Expense for the quarter was 3.4% higher than that in 2Q01 due principally to the annual 10% salary raise for operative personnel (which represent approximately 41% of the total payroll), as of July, that appears under the concept of Personnel Expenses. In the quarter, Ps 5.9 million were included in the Operation & Administrative Expense line as a result of the consolidation of the Trust where Serfin loans are collected. The yearly accumulated Non Interest Expense stayed almost the same as compared to last year, which had shown a 6.8% increase in Personnel Expenses due to severance paid to the 531 employees laid off in 1Q01, that was compensated with a reduction in Administration and Promotion Expenses, Contribution to the IPAB and Other Taxes.

Other Revenues and Expenses

(Millions of Pesos)	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
+Other Revenues	164.6	133.4	114.9	441.3	341.2
+Foreign Exchange	-	-	-	0.4	-
+Recoveries	210.5	169.1	83.3	241.0	355.4
+Repomo-other	=	<u>61.9</u>	<u>40.9</u>	<u>17.3</u>	<u>85.7</u>
=Other Revenues	375.0	364.3	239.2	700.0	782.3
-Other Expenses	(137.3)	(183.1)	(3.3)	(237.3)	(293.3)
-Foreign Exchange	-	-	-	(22.4)	-
-Repomo-other	<u>(34.6)</u>	<u>(7.4)</u>	<u>(13.6)</u>	<u>(204.4)</u>	<u>(24.9)</u>
=Other Expenses	(171.9)	(190.5)	(17.0)	(464.1)	(318.2)
= Other Revenues and Expenses	203.1	173.9	222.2	235.9	464.1

The net earning for Other Products and Expenses was Ps 222.2 million; 27.8% higher than that of the last quarter. This was due mainly to a lower Recoveries in the quarter, the cancellation of the preventive provisions for Ps 70.0 million created in 2Q01 for the securities position transferred from Banorte to Bancen, and the two write offs for a total of Ps 29.6 million in the last quarter (both concepts are included in Other Expenses). The accumulated net earning for Other Products and Expenses increased by Ps 228.2 million, accounted for by the increase in Recoveries and Other Expenses and to the drop in Repomo Others (Other Expenses).

Loan Portfolio

(Millions of Pesos)	Local Currency			Foreign Currency			Total		
	3Q00	2Q01	3Q01	3Q00	2Q01	3Q01	3Q00	2Q01	3Q01
Performing Loans									
Commercial	12,477	12,120	12,767	4,560	4,300	4,386	17,038	16,420	17,153
Financial Intermediaries	3,207	700	233	676	545	354	3,883	1,245	587
Consumer	629	1,376	1,631	-	1	1	629	1,377	1,631
Mortgages	4,290	4,186	4,334	-	-	-	4,290	4,186	4,334
Government Entities	2,797	39,305	38,776	-	13	14	2,797	39,319	38,790
Fobaproa	45,873	5,929	5,987	8,650	5,585	5,727	54,523	11,514	11,714
Total	69,273	63,616	63,727	13,886	10,445	10,482	83,159	74,061	74,209

Past Due Loans										
Commercial	1,229	1,153	1,339	604	954	1,034	1,833	2,106	2,373	
Financial Intermediaries	1	-	-	-	-	-	1	-	-	
Consumer	616	307	308	-	-	-	616	307	308	
Mortgages	1,824	1,806	1,730	-	-	-	1,824	1,806	1,730	
Government Entities	-	-	-	-	-	-	-	-	-	
Total	3,670	3,265	3,376	604	954	1,034	4,274	4,219	4,410	
Total Proprietary Loans	72,943	66,881	67,104	14,490	11,399	11,516	87,433	78,279	78,620	
% Past Due Loans	5.0%	4.9%	5.0%	4.2%	8.4%	9.0%	4.9%	5.4%	5.6%	
Total Loans w/o Fobaproa/IPAB	27,070	25,249	25,702	5,840	5,814	5,789	32,910	31,062	31,491	
FOBAPROA (**)	-	35,703	35,415	-	-	-	-	35,703	35,415	

(*) Includes valued UDIS

(**) IPAB portfolio is included in the Loans to Government Agencies

(***) Includes Fobaproa promissory notes.

Note: There is no scheme for Mortgage Earnings.

The quarter closed with a Ps 78,620 million Loan Portfolio, 0.4% higher than in the last quarter, because of the 4.5% increase in the commercial portfolio and the placement of new car loans as a result of the promotional activities carried out during the quarter. Corporate loans held a level similar to that of the previous quarter.

There was a 10.1% total annual portfolio reduction due to the net effect of the following factors:

Decrease:

- 1) A 13.6% drop in the Fobaproa / IPAB portfolio, caused by scheduled amortization and other advancements during the debt renegotiation in 4Q00.
- 2) Reduction of the corporate portfolio caused by the negative impact of reduced economic activity in the United States over this sector.
- 3) Reduction in loans to Financial Intermediaries diminishing financing to the Group's Leasing and Factoring companies, and a lower demand from financial companies.

Increase:

- 1) Increase in commercial loan portfolio placement in medium and small business responding to the dynamism in the domestic consumer spending sector.
- 2) Increase in car loan placement given the fixed interest rate campaign.

The past-due loans showed an increase of 4.5% over 2Q01 as a result of the staggering reduction in industrial activity in Mexico that has affected some domestic companies. The past-due loan rate at the end of 2Q01 was 5.6%.

Loan Portfolio Breakdown

	TRADITIONAL BANKING		RECOVERY BANKING		FOBAPROA		TOTAL	
	3Q00	3Q01	3Q00	3Q01	3Q00	3Q01	3Q00	3Q01
<i>(Millions of Pesos)</i>								
Commercial	15,782	17,528	2,745	1,997	-	-	18,527	19,526
Corporate	7,822	6,852	52	50	-	-	7,874	6,902

Commercial	7,890	10,551	2,677	1,945	-	-	10,567	12,496
Other	70 (1)	125	17	2	-	-	87	128
Financial Entities	3,884	587	-	-	-	-	3,884	587
Consumer	976	1,654	612	285	-	-	1,588	1,939
Credit Card	504	562	402	135	-	-	906	697
Auto	343(1)	897	-	16	-	-	343	913
Other	129	195	210	134	-	-	338	329
Mortgages	1,490	2,099	4,624	3,964	-	-	6,114	6,064
Government Entities	2,797	3,361	-	14	-	35,415	2,797	38,790
Government Entities	2,797	3,361	-	14	-	-	2,797	3,375
IPAB	-	-	-	-	-	35,415	-	35,415
Fobaproa	-	-	-	-	54,523	11,714	54,523	11,714
Total	24,930	25,229	7,981	6,261	54,523	47,129	87,433	78,620
Total Loans w/o Fobaproa/ IPAB							32,910	31,491

(1) Automovile loans for Ps 343 million were regrouped from Other in Commercial Loans of Traditional Banking to Auto in Consumer Loans for comparison purposes. In 2000 these were included as a part of Commercial loans.

Classified Loans

(Millions of Pesos)

Grade	COMMERCIAL (*)			MORTGAGES			CONSUMER			TOTAL		
	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve
A	14,833	67.9	117	2,473	40.8	14	1,232	62.7	6	18,537	62.1	137
B	2,836	13.0	357	1,593	26.3	86	375	19.1	38	4,804	16.1	480
C	957	4.4	336	506	8.3	158	46	2.3	21	1,508	5.1	515
D	203	0.9	141	1,492	24.6	1,044	36	1.8	26	1,730	5.8	1,212
E	1,191	5.5	1,168	-	-	-	277	14.1	276	1,468	4.9	1,444
Not Classified	1,812	8.3	-	-	-	-	-	-	-	1,812	6.1	-
Total	21,831	100.0	2,119	6,063	100.0	1,302	1,965	100.0	366	29,859	100.0	3,788
Excepted	-	-	-	-	-	-	-	-	-	49,312	-	-
Total	21,831	100.0	2,119	6,063	100.0	1,302	1,965	100.0	366	79,171	100.0	3,788

Note : Consolidated with UDIS. Assessed with June'01 figures, except the Mortgage and Consumer, which uses the numbers from September 30, 2001, per application of Report 1480 of the CNByV (the National Banking and Securities Commission).

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

Fobaproa-IPAB

(Million of Pesos)

	REMAINING CONTINGENCIES		
	LOSS(1) SHARING	INCENTIVE(1) SCHEME	FOBA-70 (2)
Gross Fobaproa notes balance	9,742	5,846 (3)	977
- Cash recoveries	2,166	1,393 (3)	243

- Repossessed assets	=	=	<u>225</u>
= Balance net of recoveries	7,576	4,453	509
Contingency before reserves	2,019	334	509
- Reserves	<u>2,019</u>	<u>334</u>	<u>509</u>
= Remaining contingencies	0	0	0

- 1) Includes only cash recoveries.
- 2) Includes the historical value of repossessed assets without inflation updating.
- 3) Included in Loss Sharing program.

Banorte provisioned Ps 24.4 million through the Income Statement during the quarter to keep 100% provisioned on FOBAPROA-IPAB Loss Sharing program, Incentive Scheme, and FOBA-70 program. Cash recoveries in the Loss Sharing program represented 22.2% of Banorte's Gross FOBAPROA-IPAB notes balance. The provisioning for the repossessed assets in Foba 70 is carried out monthly and is calculated as the difference between the Fobaproa note balance and cash recoveries vs. their historical value.

Fobaproa - IPAB Notes Integration 3Q01

(Millions of Pesos)	BANORTE					BANCEN	BANPAIS		BANKING SECTOR
	LOSS SHARING LOCAL CURRENCY	LOSS SHARING DOLLARS	WITHOUT RISK	FOBA-70	INCENTIVE SCHEME	LOCAL CURRENCY	LOCAL CURRENCY	DOLLARS	TOTAL
Gross Balance	9,534	209	1,203	977	(1)	-	-	5,906	17,829
- Checking account balance	1,937	230	139	-	(1)	143	645	158	3,252
- Reserves	<u>2,019</u>	=	=	<u>509</u>	<u>334</u>	=	=	=	<u>2,862</u>
= Net Balance	5,578	(21)	1,064	468	(334)	(143)	(645)	5,748	11,714
Interest Rate	CETES 91 -.35	LIBOR +5	CETES 91	TIEE 28	N.A.	N.A.	N.A.	CPTDL+0.17	
Maturity	2005	2006	2006	2001	2005/2006	N.A.	N.A.	2007	

- 1) The figures of Ps 5,846 & Ps 1,393 are included in Loss Sharing.
- N.A.- Not Applicable

Loan Loss Reserves (LLR)

(Millions of Pesos)

	3Q01		
	BANORTE	BANCEN	Total
PREVIOUS PERIOD END BALANCE	3,809	410	4,219
Provision taken in the period	166	2	168
UDI trusts transfers	163	(5)	158
Charges offs and discounts:			
Commercial Portfolio	(9)	1	(8)
Foreclosed assets	(37)	-	(37)
Consumer Portfolio	(1)	(2)	(3)
Mortgage Portfolio	<u>(62)</u>	<u>(1)</u>	<u>(62)</u>
	(109)	(2)	(111)
Cost of debtors support programs	(22)	(6)	(28)
Valuation and Others	5	(2)	4
LOAN LOSS RESERVES AT PERIOD END	4,013	397	4,410

(*) It does not include UDI trusts eliminations.

During the quarter, Ps 168 million were provisioned through the Income Statement and Ps 111 million were taken out through Charge offs and discounts related to the recovery and restructuring of past due loans, from which Ps 8 million came from the Commercial Portfolio, Ps 3 million from Consumer and Ps 62 million from Mortgages. The cost of debtor support programs of the quarter was Ps 28 million. On the other hand, in the Valuation concept, there were Ps 4 million positive. The balance of Loan Loss Provisions at the close of 3Q01 was Ps 4,410 million.

Reserve Coverage as of 3Q01

(Millions of Pesos)

	<u>Past Due</u>	<u>Reserves</u>	<u>Reserves/Past Due</u>
BANORTE			
Commercial	2,152	2,152	100.0%
Financial Intermediaries	-	-	-
Consumer	308	308	100.0%
Mortgage	1,609	1,553	96.5%
Government Entities	=	=	-
Total	4,069	4,013	98.6%
BANCEN			
Commercial	220	220	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	121	121	100.0%
Government Entities	-	-	-
Surplus	=	56	=
Total	341	397	116.4%
Total	4,410	4,410	100.0%

The Reserve Coverage of the Banking Sector was 100.0% at the end of 3Q01. In Banorte, the reserve coverage was 98.6%, with a 100% coverage of past due Commercial and Consumer loans, and 96.5% in Mortgage loans. In the case of Bancen, the reserve coverage was 116.4%, with individual coverage at 100.0%, leaving a surplus of Ps 56 million to cover future contingencies.

Deposits

(Millions of Pesos)	<u>3Q00</u>	<u>2Q01</u>	<u>3Q01</u>
Demand Deposits	24,691	25,360	25,816
Time Deposits	63,885	48,017	43,840
Bonds	<u>1,333</u>	<u>1,315</u>	<u>1,333</u>
Total	89,910	74,692	70,989
On behalf of Third Parties Deposits (*)	23,479	45,056	49,026
Total Deposits	113,389	119,748	120,015

(*) Accounted in Memorandum Accounts.

The Total Deposits amount was similar to that of the previous quarter. The principal change took place in the Time Deposit which fell by 8.7% because they were replaced by Bank Loans. The Third-Parties Deposits increased by 8.8% as a result of the promotion campaigns carried out in the quarter. Compared to the 3Q00 balance, Total Deposits grew by 5.8% due to the implementation of new promotion strategies.

Risk Management

The market risk module was completed. It is part of the RiskWatch risk measurement system, by Algorithmics. This measures standardized the methodology used to calculate said risk for all the portfolios of Grupo Financiero Banorte.

In order to use the same methodology to calculate market risk to set and control internal limits, and to reveal it to the investing public and corresponding authorities, the Risk Policies Committee approved the use of Value at Risk by historical simulations as the methodology to apply. Consequently, the maximum risk limits for the different financial instruments operated by Grupo Financiero Banorte were updated, using the same methodology.

Moreover, the General Risk Management Department has continued with the processes related to updating and improving policies and procedures for risk management, especially in the case of liquidity risk by applying additional methods to calculate "gaps", and an enhanced and in-depth analysis of the composition of balance assets and liabilities, supplemented with the calculation of financial ratios. These actions intend to measure and monitor liquidity risks.

Market Risk

The methodology used to calculate market risk is the Value at Risk by historical simulation, which is determined by simulating 500 historical scenarios Grupo Financiero Banorte's current portfolios.

Said method is applied to all the Group's portfolios exposed to risk factor variations that have a direct effect on their appraisal (domestic interest rates, foreign interest rates, exchange rates, among other), using a 99% reliability rate and a 10-day portfolio tenure.

The average quarterly Value at Risk (VaR) of the financial instrument portfolios of the Group (Sectors, Banking and Brokerage) including bonds, shares, money market operations, interest rate swaps, forwards, futures, and others derived in and outside the balance, is as follows:

Value at Risk
(Millions of pesos)

	3Q00	4Q00	1Q01	2Q01	3Q01
VaR 10 days	294	367	298	547	316

The Value at Risk make up for the third quarter 2001, calculated under the aforementioned premises per Institution and Sector is as follows:

(Millions of Pesos)

	VaR 10 days
Banorte	116
Bancen	302
Banking Sector	316
Brokerage House	1
GFNorte	316

The consolidated Value at Risk both for the Banking Sector and for Grupo Financiero Banorte, considers the correlations of every risk factor involved in portfolio appraisal. Therefore, the mathematical sum of the Value at Risk per Institution may not match.

Additionally, the Value at Risk per risk factor of the instruments portfolio described for Grupo Financiero Banorte as a whole, was as follows for the third quarter of 2001:

(Millios of pesos)

RISK FACTOR	Total
Domestic interest rate	374
Foreign interest rate	2
Exchange rate	58
Stock Exchange	33
Eurobonds Price	78

The VaR for each of the risk factors presented is determined by simulating 500 historical scenarios of the variables that make up each one of said factors, while keeping the variables that affect the rest of the indicated risk factors constant.

Capitalization

(Millions of Pesos)

	RULES OF 2003			
	2Q01		3Q01	
	BANORTE	BANCEN	BANORTE	BANCEN
Basic Capital	4,751	1,345	4,980	1,499
Supplemental Capital	<u>1,735</u>	-	<u>1,717</u>	<u>27</u>
Net Capital	6,486	1,345	6,697	1,526
Credit risk assets	37,889	4,885	36,346	7,055
Net Capital / Risk Credit	17.1%	27.5%	18.4%	21.6%
Total risks assets (1)	41,500	8,701	42,311	11,149
Capitalization Ratio				
Tier 1	11.4%	15.5%	11.8%	13.5%
Tier 2	4.2%	-	4.0%	0.2%
Total Capitalization Ratio	15.6%	15.5%	15.8%	13.7%

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

Note.- The disclosure of capital and credit risk assets is included in the Notes to Banking Sector Financial Statements section.

At the close of 3Q01, Banorte ended up with a 18.4% capitalization ratio with respect to the credit risk assets and, 15.8% considering also market risks. The capitalization ratio is divided into the Tier 1 capital ratio of 11.8% and 4.0% for Tier 2 capital. Bancen, closed with a 21.6% ratio with respect to the credit risk assets and 13.7% considering market risks. Its Tier 1 capital ratio was 13.5% and 0.2% for the Tier 2 capital ratio.

US Dollar Assets and Liabilities

(Millions of Dollars)

	2Q01		3Q01	
	BANORTE	BANCEN	BANORTE	BANCEN
Liabilities				
Retail Deposits	846.7	-	793.3	-
Market Issues	319.9	-	282.0	-
Loans	295.4	-	281.7	-
Intergroup Funding	-	-	-	-
Development Banks	150.3	30.7	133.2	30.7
Cross Currency Swaps	150.0	-	150.0	-
Deferred payments	37.3	-	37.1	-
Loan Loss Reserves	53.0	-	73.4	-
Foreign Exchange Der	126.5	-	114.1	-
Other liabilities	12.9	0.8	14.4	0.6
Total	1,992.0	31.5	1,879.0	31.3

Figures are presented in constant pesos set at the close of September' 2001.

Assets				
Cash	11.2	-	13.9	-
Deposits on Foreign Banks	261.2	31.5	226.9	27.7
Intergroup Deposits	-	-	-	-
USCP	113.7	-	112.9	-
Remittances Securitization Trust	9.8	-	11.9	-
Investment portfolio	196.8	-	163.3	-
Loan portfolio	632.1	-	604.0	3.0
Fobaproa – IPAB Notes(1)	610.8	-	602.2	-
Foreign Exchange Der	130.9	-	111.8	-
Other assets	25.5	-	32.2	1.1
Total	1,992.0	31.5	1,879.0	31.3

(1) The balance is net of Fobaproa checking accounts.

During 3Q01, there was a 5.6% drop in the balance of dollars compared to figures of 2Q01. Most of the concepts of the dollar balance decreased mainly because of two factors: 1) reduced activity in international trade by import and export companies as a result of the diminished economic activity in the United States, and 2) a lack of interest by the public to invest in dollars due to the low interest rates prevailing in the quarter.

Recovery Banking

This section is intended to dimension the Recovery Banking business contribution to the Banking Sector. Recovery Banking has contributed substantially in the last years to the Banking Sector's earnings. However, it is important to mention that this contribution tends to be smaller as the Traditional GFNorte Banking Business is strengthened.

A breakdown of the Recovery Banking contribution to the earnings of said Sector is given below:

<i>(Millions of Pesos)</i>		
Income Statement	3Q00	3Q01
Net Interest Income	343	30
+REPOMO-margin	(17)	(17)
=Net Interest Income After REPOMO	326	13
- Loan Loss Provisions	548	(12)
= Net Interest Income After Provisions	(222)	25
+ Fiduciary	438	379
+ Fobaproa Fees	459	221
+ Other Fees	22	40
Non Interest Income	919	640
= Total Operating Income	697	665
Non Interest Expense	355	367
= Net Operating Income	342	298
- Other Revenues and Expenses	=	=
= Pre-tax Income	342	298
- Income Tax & Profit Sharing	8	46
- Tax on Asset	-	-
- Deferred Income Tax & Profit Sharing	-	-
= Net Income before Subsidiaries	335	252
+ Undistributed Earnings of Subsidiaries	=	53
= Net Income-continuous Operation	335	305
+ Extraordinary Items, net	-	-
- Minority Income	-	-
= Total Net Income	335	305

The basis to calculate these figures were the assets managed by Recovery Banking which consist of: the loan portfolios ceded to Fobaproa by Bancen and Banpais before being sold, the purchase of collecting rights of the Serfin Portfolio for 4 years, and the portfolios bought from the IPAB. Additionally, it administrates own portfolio which, given its characteristics, have been transferred to be collected through the Recovery Banking.

Assets under Management

The following table shows the amounts of assets managed by the Recovery Bank and the concepts where these assets are found, as well as the items where the income from each portfolio are registered

<i>(Millions of Pesos)</i>	3Q01	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Fobaproa-IPAB Portfolios:			
Banking Sector (1)	22,401	Out of balance trusts	Fees from FOBAPROA
Serfin	16,232	Serfin Trust	Fiduciary (3)
Reposessed assets	7,687	Out of balance trusts	Fobaproa fees and Fiduciary
	46,320		
Loans purchased to IPAB(3):	7,986	Sólida Administradora de Portafolios	Undistributed Earnings from Subsidiaries
Banking Sector Portfolio:			
Banking Sector (1)	6,093	Banorte's Portfolio	Net Interest Income
Reposessed assets	1,313	Banorte's Reposessed assets	Other Revenues and Expenses
	7,409		
Total	61,712		

(1) Includes the loan portfolios sold to Fobaproa by Bancen and Banpais.

(2) Includes 4 packages.

(3) Departing 3Q01 this trust is consolidated and affects the following accounts: Interest Expenses, Fiduciary, Other Fees Paid, and Operation & Administration Expenses.

Following are the Recovery Banking earning as a percentage of the overall earnings of the Banking Sector:

<i>(Millones de Pesos)</i>	ACCUMULATED	
	2H00	1H01
Banking Sector Net Income(*)	1,164	1,154
Recovery Bank Net Income	335	305
=% of Contribution	28.8%	26.4%

(*) Banking Sector at 100%

During the year 2000, the Recovery Banking benefited with extraordinary fee income from IPAB as well as for the portfolio recovery programs called "Punto Final" and "Banorte es más que Punto Final", which contributed to increasing net interest margin.

2.-Brokerage Sector

(Millions of Pesos)

	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
Brokerage House					
Net Income	52.2	0.9	0.9	60.3	14.1
Equity	191.9	219.1	219.4	191.9	219.4
Total Assets	592.5	327.6	328.6	592.5	328.6

Figures are presented in constant pesos set at the close of September' 2001.

Assets under Management	71,461.1	83,085.2	86,413.5	71,461.1	86,413.5
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The **Brokerage House** showed a Ps 0.9 million profit during the third quarter of 2001, equal to the profit made in the last quarter, accumulating Ps 14.1 million earnings during the year. This profit was made despite the events that took place during the quarter in the United States which caused a 19% drop in the Mexican Stock Exchange (IPC). Especially notable is the fact that the money market income reached was higher than the goal set by the company. This countered the negative effect on stock trading income. There were savings in general expenses this quarter, thereby contributing to generate a profit.

The accumulated profit was Ps 14.1 million, compared to the Ps 60.3 million obtained in 2000. The causes: a drop in the stock trading income market, and the fact that as of August 2000 the risk position operation was transferred to Banco del Centro.

3.-Long Term Savings Sector

(Millions of Pesos)	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
<u>Afore</u>					
Net Income	56.3	9.4	69.1	133.8	141.2
Equity	1,015.4	1,082.6	1,148.9	1,015.4	1,148.9
Total Assets	1,156.7	1,274.3	1,375.2	1,156.7	1,375.2
Assets under Management (SIEFORE)	8,222.3	11,055.2	13,040.4	8,222.3	13,040.4
<u>Insurance</u>					
Net Income	29.6	53.5	(0.6)	(5.9)	14.9
Equity	108.5	137.6	137.1	108.5	137.1
Total Assets	1,323.1	1,449.2	1,455.2	1,323.1	1,455.2
Technical Reserves	1,047.9	1,146.5	1,163.6	1,047.9	1,163.6
<u>Annuities</u>					
Net Income	(4.6)	35.9	(28.7)	(38.9)	(2.7)
Equity	93.0	131.7	126.7	93.0	126.7
Total Assets	1,956.8	2,833.5	3,146.2	1,956.8	3,146.2
Technical Reserves	1,852.5	2,690.2	3,006.8	1,852.5	3,006.8

The **Afore** accumulated a net earning in the year for Ps 141.2 million (51% are from Bancen), a 5.5% increase over the same period last year. This increase was due mainly to a 58.6% income in assets, as new affiliates were attracted by the important promotion campaign held throughout the year and also to transfer of affiliates from CONSAR in 3Q01. In July, 600,595 affiliates were received from the transfer of affiliates found in the overall account which were distributed among all the Afores of the System. At the end of 3Q01 there were a total of 2,359,861 affiliates, reaching a 9.0% market share. The net income variation with respect to the previous quarter is due to the business' cyclic nature as the employer contributions are bimonthly, therefore two contributions are received in the 1st and 3rd quarters of the year, whereas there is only one contribution in the 2nd and 4th quarters.

The **Insurance** company accumulated earnings for Ps 14.9 million (51% are from GFNorte) up to September 2001 vs a Ps 5.9 million loss last year. This was due mostly to the fact that in 2000 there were considerable losses from security unrealized gains in 2Q00, while in 2Q01 there were important earnings in the same concept. As to the quarterly variation, a Ps 0.6 million loss was shown in the period due to a broadening of technical reserves for approximately Ps 17 million, which countered the benefits of the positive effect from security unrealized gains.

The **Annuities** showed an accumulated loss for Ps 2.7 million in the first 9 months of the year (51% are from GFNorte) which compares favorably to the last year's Ps38.9 million loss. The reason for this variation is the substantial loss in the security unrealized gains during 2Q00; while in 2Q01 there were

substantial earnings in the same concept. Another important factor favoring the results in 2001 was the 60.8% increase in its assets vs 3Q00. Compared to the last quarter, there was a negative variation due to the increase in technical reserves during the quarter.

4.-Auxiliary Organizations Sector

(Millions of Pesos)	QUARTER			ACCUMULATED	
	3Q00	2Q01	3Q01	3Q00	3Q01
Leasing					
Net Income	7.5	6.4	6.3	16.7	19.5
Equity	111.0	131.7	138.1	111.0	138.1
Loan Portfolio(*)	529.0	604.4	679.3	529.0	679.3
Past Due Loans	19.0	17.8	17.6	19.0	17.6
Loan Loss Reserves	8.8	8.7	12.9	8.8	12.9
Total Assets	532.4	608.5	689.5	532.4	689.5
Factoring					
Net Income	11.6	7.2	3.2	30.3	23.1
Equity	153.5	170.7	174.0	153.5	174.0
Loan Portfolio	1,558.8	1,610.6	1,805.0	1,558.8	1,805.0
Past Due Loans	10.3	9.2	10.9	10.3	10.9
Loan Loss Reserves	10.3	8.9	9.5	10.3	9.5
Total Assets	1,559.9	1,616.4	1,806.9	1,559.9	1,806.9
Warehousing					
Net Income	2.3	2.4	2.0	3.6	6.4
Equity	56.2	54.7	56.8	56.2	56.8
Inventories(**)	578.0	159.0	165.5	578.0	165.5
Total Assets	670.7	226.4	224.6	670.7	224.6
Bonding					
Net Income	2.3	1.9	2.0	5.7	5.3
Equity	63.1	66.1	68.3	63.1	68.3
Total Assets	131.3	136.4	142.8	131.3	142.8

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

(*) Departing 2Q00 it includes operating lease.

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

The **Leasing** company accumulated earnings in the year for Ps 19.5 million, 16.8% higher than last year's. This is mainly due to the 28.4% increase in its Loan Portfolio, which has grown as a result of the promotional efforts, and to a lesser degree, to the Past-Due Loans ratio falling from 3.6% in 3Q00 to 2.6% in 3Q01. During the quarter, a Ps 4.2 million credit reserve was created as part of the program to reach a 100% reserve coverage. The quarter closed with a 73.3% reserve coverage ratio. It presently ranks 9th among the 29 leasing companies in the sector.

The **Factoring** company generated Ps 23.1 million in earnings in the first 9 months of the year, 23.8% less than those in the same period in 2000. This is due to smaller trading margins caused by an interest rate lower than in 2000, and also to the fact that at the end of 2Q01, the company began paying income tax that it hadn't paid before due to fiscal losses. The Total Portfolio grew by 15.8%.

The **Warehousing** net accumulated profit was Ps 6.4 million, 77.8% higher than in the same period last year, in spite of the inventory commercialization service drop as a consequence of the deceleration of the United States economy, given that most products that are commercialized are tied to international activities. It is one of the most outstanding companies in its field nationwide because of its service and the variety of products it has to offer the market.

The **Bonding** generated a Ps 5.3 million net accumulated profit in the year, slightly lower than last year's, due mainly to the reduction in transaction margins because of greater competition. A specific situation that affected most of the sureties companies in Mexico was that Pemex concentrated the gas companies bonds in the Insurgentes bonding company, when in the past each gas company chose its own bonding company.

V. Accounting Changes and Regulations

Banking Sector (Banorte and Bancen)- Starting 3Q01, the trust where Serfin loans are collected (whose rights were acquired by Banorte in March), 2000, is consolidated. This consolidation affects the following accounts in Bancen's and the Banking Sector's Income Statements: Interest Expense, Fee Income from Fiduciary and Other Fees paid (both as part of the Non Interest Income), and Operation & Administration Expenses.

ANNEX 1- GRUPO FINANCIERO- GENERAL INFORMATION
GFNorte Ownership in Subsidiaries- 3Q01

<i>(Percentages)</i>	3Q01
Banco Mercantil del Norte (1)	95.79%
Banco del Centro	99.99%
Brokerage House	99.99%
Pension Funds Afore (2)	51.00%
Insurance	51.00%
Annuities	51.00%
Leasing	99.99%
Factoring	99.99%
Warehousing	99.99%
Bonding	99.99%

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

Capital Structure of the Holding Company

Number of Shares	SERIE O as of September 30,2001
Number of shares issued	504,586,887
- Shares held on Treasury	<u>7,521,263</u>
= Number of shares outstanding	497,065,624

Banorte's Rating – 3Q01

Calificadoras	Calificaded Entity	Opinion	Category	Date
Moody's Investor	Banorte	POS	Outlook	Sept- 2001
		Ba1	Foreign LT Bank Deposits	
		D+	Bank Financial Strength	
Standard & Poors	Banorte	NP	Short Term	Oct-2001
		NEG	Outlook	
		BB	LT Foreign Issuer Credit	
		BB	LT Local Issuer Credit	
		B	ST Foreign Issuer Credit	
Fitch	Banorte	B	ST Local Issuer Credit	Sep.-2001
		POS	Outlook	
		BB+	Foreign Currency LT Debt	
		BBB	Local Currency LT Debt	
		B	Foreign Currency ST Debt	
F3	Local Currency ST Debt			

No of Employees & Distribution Network

EMPLOYEES	3Q00	2Q01	3Q01
Banking Sector	8,938	8,552	8,444
Other Sectors	<u>2,203</u>	<u>2,444</u>	<u>2,525</u>
Total Group	11,141	10,996	10,969
DISTRIBUTION NETWORK			
Branches (*)	452	458	462
ATM	1,365	1,519	1,549

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

ANNEX 2- Grupo Financiero- Information by Segments

Proforma consolidated data as of 3Q01

<i>(Millions of Pesos)</i>	BANORTE (1)	BANCEN (3)	TOTAL SECTOR
Income Statement			
Net Interest Income	373.4	1,044.1	1,417.6
Non Interest Income	265.4	112.8	378.1
Non Interest Expense	1,526.4	18.6	1,545.2
Other income (expense)	95.8	126.4	222.2
Extraordinary items, net	-	-	-
Net Income	(947.0)	1,299.9	352.9
Balance Sheet			
Assets	92,748	4,871	97,618
Loans	78,065	554	78,620
Deposits	70,989	-	70,989
Equity	5,954	2,093	8,047
Past Due Loans	4,069	341	4,410
Loan Loss Reserves	4,013	397	4,410
Ratios			
Non Interest Expense/ Total Assets	6.6%	1.5%	6.3%
% Past Due Loans	5.2%	61.6%	5.6%
Reserves / Past Due Loans	98.6%	116.4%	100.0%
% Capitalization (2)	15.8%	13.7%	N.A.

1) Includes a 95.41% participation of the Group.

2) Includes Market Risks. Using 2003 rules.

3) Excludes the AFORE.

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

Inter-bank Eliminations Summary

<i>(Millions of Pesos)</i>	BANORTE	BANCEN	INTERBANK ELIMINATIONS
Income Statement			
Net Interest Income	(1,071.4)	1,071.4	-
Non Interest Income	-	-	-
Non Interest Expense	-	-	-
Other Income (expense)	-	-	-
Extraordinary items, net	-	-	-
Balance Sheet			
Assets	(1,213)	(143)	(1,356)
Cash and Due from Banks	(800)	-	(800)
Loans	(384)	-	(384)
Deposits	(29)	(143)	(173)
Due to Banks	-	(1,183)	(1,183)
Equity	-	-	-
Past Due Loans	-	-	-
Loan Loss Reserves	-	-	-

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

Reconciliation of Segments Summary-3Q01

<i>(Millions of Pesos)</i>	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
Income Statement				
Net Interest Income	1,417.6	110.2	(9.7)	1,518.1
Non Interest Income	378.1	244.2	-	622.3
Non Interest Expense	1,545.2	214.7	(10.0)	1,749.8
Other Income (expense)	222.2	12.9	(0.3)	234.8
Extraordinary items, net	-	-	-	-
Balance Sheet				
Assets	97,618	12,723	(9,488)	100,853
Loans	78,620	2,388	(572)	80,435
Deposits	70,989	-	(326)	70,663
Equity	8,047	10,021	(8,385)	9,683
Past Due Loans	4,410	29	-	4,439
Loan Loss Reserves	4,410	22	-	4,433

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 3- Bancrecer's Acquisition Balance Sheet
BANCRECER

Balance Sheet

July, 2001

(Millions of Pesos)

ASSETS	BANCRECER
Cash and due from Banks	8,333
Negotiable Instruments	19
Securities held for sale	-
Securities held to maturity	2,859
Financial Instruments:	2,878
Repurchase agreements, net	-
Operations with collateral	-
Futures receivable, net	-
Options and derivatives, net	23
Repos & Derivatives :	23
Commercial	1,966
Financial Intermediaries	-
Consumer	208
Mortgage	5,372
Government Entities	1,643
Fobaproa	45,940
Fiduciary collection rights	-
Performing Loans	55,129
Commercial	19
Financial Intermediaries	-
Consumer	4
Mortgage	105
Government Entities	-
Past Due Loans	128
Total Loans	55,257
Preventive loan loss reserves	695
Net Loan Portfolio	54,562
Sundry debtors and other assets, net	541
Foreclosed assets, net	-
Real Estate, Furniture & Equipment, net	1,130
Investments in subsidiaries	1,173
Deferred taxes	-
Goodwill	-
Deferred charges & Intangibles	2
UDIS Mortgage loans reserve coverage	-
Other Assets	2,846
TOTAL ASSETS	68,642

BANCRECER
Balance Sheet
July, 2001
(Millions of Pesos)

LIABILITIES	BANCRE
Demand Deposits	16,874
Time Deposits	40,508
Bonds	-
Deposits	57,382
Due to banks and correspondents	6,391
Repurchase agreements, net	-
Operations with collateral	-
Futures receivable, net	-
Options and derivatives, net	-
Repos & Derivatives:	-
Income Tax & Profit Sharing	-
Other Payable accounts	2,348
Other payable accounts	2,348
Subordinated non Convertible Debenture	-
Deferred Taxes	21
Deferred credits	-
TOTAL LIABILITIES	66,142
STOCKHOLDER'S EQUITY	
Paid-in Capital	2,500
Share subscription premiums	-
Subordinated Convertible Debentures	-
Subscribed Capital	2,500
Capital Reserves	-
Retained Earnings	-
Surplus (Deficit) from securities	-
Results of foreign operations exchange	-
Excess (Insuf.) in capital restatement	-
Non Mon assets results Fixed Assets	-
Non Mon assets results Investm subsidiaries	-
Adjustment in the employees pension funds	-
Accumulated Deferred tax effect	-
Net Income	-
Earned Capital	-
Minority Holdings	-
Total Stockholder's Equity	2,500
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	68,642

HOLDING - Balance Sheet (Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	300	285	279	215	200	414	295	
Negotiable Instruments	-	-	-	-	-	-	-	
Securities held for sale	-	-	-	-	-	-	-	
Securities held to maturity	-	-	-	-	-	-	-	
Financial Instruments:	-	-	-	-	-	-	-	
Sundry debtors and other assets, net	7	8	6	33	44	1	-	
Real Estate, Furniture & Equipment,	-	-	-	-	-	-	-	
Investments in subsidiaries	8,528	8,439	7,014	7,522	7,887	8,329	8,588	
Deferred taxes	-	-	-	-	-	-	1	
Goodwill	255	-	-	-	-	-	-	
Other Assets, Deferred charges,	-	-	-	-	1	1	1	
TOTAL ASSETS	9,090	8,732	7,299	7,770	8,132	8,745	8,884	
LIABILITIES								
Due to banks and correspondents	-	-	-	-	-	-	-	
Income Tax & Profit Sharing	1	-	-	-	-	-	5	
Other Payable accounts	-	-	-	-	5	-	10	
Other payable accounts	1	-	-	-	5	-	15	
Deferred taxes	-	-	-	-	-	-	-	
TOTAL LIABILITIES	1	-	-	-	5	-	15	
STOCKHOLDER'S EQUITY								
Paid-in Capital	4,677	4,676	4,642	4,751	4,750	4,789	4,766	
Share subscription premiums	982	982	982	1,305	1,310	1,382	1,362	
Subordinated Convertible Debentures	465	460	454	-	-	-	-	
Subscribed Capital	6,124	6,118	6,078	6,056	6,059	6,171	6,127	
Capital Reserves	638	697	613	768	761	951	872	
Retained Earnings	6,769	6,453	6,453	6,277	8,014	7,929	7,929	
Surplus (Deficit) from securities	-	-	-	-	-	-	-	
Results of foreign operations	-	-	-	-	-	-	-	
Excess (Insuf.) in capital	(4,888)	(4,897)	(4,886)	(4,887)	(4,883)	(4,885)	(4,887)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm	(26)	(322)	(2,219)	(2,181)	(2,359)	(2,304)	(2,412)	
Adjustment in the employees	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	-	-	-	-	-	-	
Net Income	474	683	1,261	1,737	535	882	1,240	
Earned Capital	2,966	2,614	1,222	1,714	2,068	2,573	2,742	
Total Stockholder's Equity	9,089	8,732	7,299	7,770	8,127	8,744	8,869	
TOTAL LIABILITIES &	9,090	8,732	7,299	7,770	8,132	8,745	8,884	

MEMORANDUM ACCOUNTS OF HOLDING (Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Client securities held in custody	13,580	2,665	2,621	2,835	2,798	2,760	2,742	
Other trust account items	12,888	14,809	14,541	14,213	14,025	13,837	111	
Total	26,468	17,474	17,162	17,048	16,822	16,597	2,853	

HOLDING-Consolidated Income Statement (Millions of Pesos)

MARGEN FINANCIERO NETO	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Income from Subsidiaries and Interest	511.1	230.1	593.7	464.3	538.5	344.3	356.3	
Interest Expense	24.1	20.7	21.8	16.3	-	-	-	
Trading Income	-	-	-	-	-	-	-	
Fees & Tarifs	-	-	-	-	-	-	-	
REPOMO	(9.0)	(4.4)	(4.4)	(5.9)	(3.2)	(3.3)	(3.3)	
Total Operating Income	477.9	205.0	567.5	442.0	535.3	341.0	353.0	
Operation & Administrative expenses	0.8	0.7	0.7	0.8	0.3	0.5	0.6	
Operating Income	477.2	204.4	566.8	441.2	535.0	340.5	352.4	
Other Income	(2.6)	5.0	12.5	35.1	(0.1)	8.0	9.1	
Other Expense	-	-	-	-	-	-	-	
Otros Expenses (Revenues), Net	(2.6)	5.0	12.5	35.1	(0.1)	8.0	9.1	
Pre-tax Income	474.5	209.3	579.3	476.3	534.9	348.5	361.6	
Income Tax & Profit Sharing	(0.6)	(0.7)	(0.7)	(0.6)	-	-	-	
Tax on Assets	-	-	-	-	-	(1.3)	(22.9)	
Deferred Inc. Tax and Profit sharing	-	-	-	-	-	-	18.9	
	(0.6)	(0.7)	(0.7)	(0.6)	-	(1.3)	(4.0)	
Net income from Continuos	473.9	208.7	578.6	475.7	534.9	347.1	357.6	
Extraordinary Items, net	-	-	-	-	-	-	-	
Total Net Income	473.9	208.7	578.6	475.7	534.9	347.1	357.6	

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

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	11,845	11,236	9,463	9,857	7,923	7,836	8,657	
Negotiable Instruments	26,042	18,827	15,313	4,290	6,345	6,073	2,037	
Securities held for sale	51	50	170	176	1,794	1,600	1,243	
Securities held to maturity	5,116	4,992	3,319	3,035	1,284	1,335	1,383	
Financial Instruments:	31,209	23,869	18,801	7,501	9,423	9,008	4,663	
Repurchase agreements, net	65	225	173	132	171	210	118	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	197	75	2	7	5	49	8	
Repos & Derivatives :	262	300	175	139	175	259	125	
Commercial	18,392	18,351	18,990	22,198	20,336	18,443	19,360	
Financial Intermediaries	1,407	3,375	2,113	169	65	59	112	
Consumer	609	621	629	645	1,272	1,401	1,682	
Mortgage	4,418	4,405	4,290	4,211	4,115	4,186	4,334	
Government Entities	3,361	3,377	2,814	39,114	39,702	39,341	38,794	
Fobaproa	56,049	56,022	54,523	12,299	12,167	11,514	11,714	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	84,235	86,149	83,359	78,636	77,657	74,944	75,996	
Commercial	2,244	2,059	1,863	1,811	1,780	2,124	2,401	
Financial Intermediaries	-	7	1	-	-	-	-	
Consumer	633	628	616	616	636	316	308	
Mortgage	1,836	1,761	1,824	1,867	1,913	1,806	1,730	
Government Entities	-	-	-	-	-	-	-	
Past Due Loans	4,714	4,455	4,303	4,294	4,329	4,246	4,439	
Total Loans	88,949	90,604	87,662	82,929	81,986	79,190	80,435	
Preventive loan loss reserves	4,810	4,692	4,419	4,332	4,339	4,237	4,433	
Net Loan Portfolio	84,139	85,912	83,243	78,598	77,647	74,954	76,002	
Credit Assets Portfolio	-	-	-	-	-	-	2,375	
Sundry debtors and other assets, net	1,880	1,512	1,783	2,854	2,325	2,427	1,118	
Foreclosed assets, net	1,473	1,467	1,431	1,564	1,474	1,513	1,475	
Real Estate, Furniture & Equipment, net	3,465	3,426	3,384	3,420	3,337	3,287	3,445	
Investments in subsidiaries	877	895	863	880	942	966	979	
Deferred taxes	417	17	151	643	623	647	664	
Goodwill	255	-	-	-	-	-	-	
Deferred charges & Intangibles	1,354	1,469	1,656	1,322	1,551	1,387	1,350	
UDIS Mortgage loans reserve coverage	34	-	-	-	-	-	-	
Other Assets	9,758	8,786	9,268	10,683	10,251	10,226	11,405	
TOTAL ASSETS	137,213	130,103	120,950	106,776	105,421	102,282	100,853	

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

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	23,307	24,215	24,682	26,860	24,763	25,332	25,784	
Time Deposits	80,298	69,944	63,709	41,855	45,002	48,668	43,545	
Bonds	1,097	1,124	1,333	1,355	1,366	1,315	1,333	
Deposits	104,702	95,283	89,725	70,070	71,131	75,315	70,663	
Demand	402	2,693	317	4,014	4,273	8	20	
Short term	7,360	7,524	10,161	10,511	9,008	4,184	7,486	
Long term	10,100	9,801	10,016	10,521	9,764	9,666	9,374	
Due to banks and correspondents	17,862	20,018	20,494	25,046	23,045	13,858	16,880	
Repurchase agreements, net	16	246	78	127	51	103	129	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	2	-	-	-	-	-	-	
Options and derivatives, net	349	461	57	38	20	2	39	
Repos & Derivatives:	367	707	135	165	71	104	168	
Income Tax & Profit Sharing	118	62	82	228	286	108	104	
Other Payable accounts	3,876	4,355	2,366	2,652	1,881	1,954	1,958	
Other payable accounts	3,994	4,417	2,448	2,880	2,167	2,061	2,062	
Subordinated non Convertible Debenture	207	-	-	-	-	1,316	1,343	
Deferred Taxes	15	39	-	-	-	-	-	
Deferred credits	103	104	104	104	106	104	54	
TOTAL LIABILITIES	127,251	120,570	112,906	98,264	96,520	92,759	91,170	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,677	4,676	4,642	4,751	4,750	4,789	4,766	
Share subscription premiums	982	982	982	1,305	1,310	1,382	1,362	
Subordinated Convertible Debentures	465	460	454	-	-	-	-	
Subscribed Capital	6,124	6,118	6,078	6,056	6,059	6,171	6,127	
Capital Reserves	638	697	613	768	761	951	872	
Retained Earnings	6,769	6,453	6,453	6,277	8,014	7,929	7,929	
Surplus (Deficit) from securities	-	-	-	-	-	-	-	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(4,888)	(4,897)	(4,886)	(4,887)	(4,883)	(4,885)	(4,887)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm subsidiaries	(26)	(322)	(2,219)	(2,181)	(2,359)	(2,304)	(2,412)	
Adjustment in the employees pension funds	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	-	-	-	-	-	-	
Net Income	474	683	1,261	1,737	535	882	1,240	
Earned Capital	2,966	2,614	1,222	1,714	2,068	2,573	2,742	
Minority Holdings	873	801	745	742	774	779	814	
Total Stockholder 's Equity	9,962	9,533	8,044	8,512	8,901	9,523	9,683	
TOTAL LIABILITIES & STOCKHOLDER 'S	137,213	130,103	120,950	106,776	105,421	102,282	100,853	

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED
(Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
ON BEHALF OF THIRD PARTY TRANSACTIONS								
Customers' banks	-	4	1	3	3	2	3	
Dividends receivable from customers	-	-	-	-	-	-	-	
Interest receivable from customers	-	-	-	-	-	-	-	
Liquidation of customer transactions	(1,996)	171	3,256	3,674	7,656	9,552	11,607	
Customer loans	-	-	-	-	-	-	-	
Liquidation with foreign currencies of customers	-	-	-	-	-	-	-	
Margin accounts in futures operations	-	-	-	-	-	-	-	
Other current accounts	-	-	-	-	-	-	-	
CUSTOMERS CURRENT ACCOUNT	(1,996)	176	3,257	3,677	7,659	9,554	11,610	
Client securities held in custody	69,734	61,213	69,353	62,032	70,228	81,778	85,220	
Securities and documents received in guarantee	4	4	-	-	-	-	1	
Client securities abroad	-	-	-	-	-	-	-	
CLIENT SECURITIES	69,738	61,216	69,353	62,032	70,228	81,778	85,222	
Repurchase operations for customers	22,267	30,265	15,525	25,147	19,694	20,517	21,499	
Clients securities loans	-	-	-	-	-	-	-	
Purchase of Futures & forward contracts (nati.	-	-	-	-	-	-	-	
Sale of futures and forward contracts (national	-	-	-	-	-	-	-	
Purchasing operations (option price)	249	352	350	348	343	40	84	
Sales operations (option price)	-	-	-	-	-	-	-	
Purchase of derivative packages	-	-	-	-	-	-	-	
Sale of derivative packages	-	-	-	-	-	-	-	
Administration trusts	1,094	1,004	924	981	1,068	821	1,006	
TRANSACTIONS ON BEHALF OF CLIENT	23,610	31,620	16,799	26,476	21,105	21,378	22,589	
TOTAL ON BEHALF OF THIRD PARTY	91,351	93,012	89,410	92,186	98,992	112,710	119,420	
Signature guarantees granted	3	3	3	3	3	3	3	
Issuing of irrevocable letters of credit	577	460	676	514	1,157	1,007	778	
Property in trust and guardianship	37,191	38,086	36,615	37,486	37,993	35,356	35,044	
Assets held in custody or in administration	119,091	98,897	91,384	75,870	78,957	80,834	76,350	
Amounts committed to operations with	9,310	9,726	8,649	3,733	3,893	4,032	4,175	
In Transit drafts	-	-	-	-	-	-	-	
Certificates of Deposit in circulation	141	486	418	444	155	112	93	
Secured Credit Cards from the company	-	-	-	-	-	-	-	
Securities given to the company in custody	2,041	2,692	55	30	23	21	44	
Government securities in custody of the company	21	25	23	25	27	34	42	
Securities given to the company on guarantee	2	-	-	-	-	-	-	
Securities outside the country	20	21	-	-	-	-	-	
Liquidations with foreign currencies abroad	-	-	-	-	-	-	-	
Debits to the contingency fund	-	-	-	-	-	-	-	
Other contingent obligations	17,753	18,840	21,459	20,644	16,430	16,593	10,083	
Banking transactions on behalf of third-parties	26,082	29,692	48,232	71,804	82,256	97,648	59,221	
Investments in funds for the retirem.saving	2,540	2,566	2,245	2,239	2,261	2,280	2,264	
Integration of the credit portfolio	-	-	-	-	-	-	-	
Amounts contracted in derivative instruments	2,444	2,599	2,648	2,744	2,639	2,389	2,619	
Other trust account items	298,357	297,705	371,078	212,089	251,123	251,462	176,121	
OWN ACCOUNT OPERATIONS	515,576	501,797	583,485	427,624	476,915	491,771	366,836	
Repurchase agreements								
Securities to be received	35,718	44,598	69,964	94,482	107,529	131,675	142,669	
(Less) Securities to be delivered	(35,653)	(44,728)	(65,073)	(94,520)	(107,378)	(131,479)	(142,776)	
REPURCHASE TRANSACTIONS- RECEIVED	65	(130)	(110)	(39)	151	196	(108)	
Securities to be received	13,824	19,737	33,195	56,632	59,033	93,014	103,460	
(Less) securities to be delivered	(13,840)	(19,627)	(33,045)	(56,588)	(59,064)	(93,103)	(103,363)	
REPURCHASE TRANSACTIONS- SOLD	(16)	110	149	44	(31)	(89)	97	
TOTAL ON OWN ACCOUNT OPERATIONS	515,624	501,777	583,525	427,629	477,035	491,878	366,826	

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

NET INTEREST INCOME	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Interest Income	7,433.9	6,533.7	7,407.7	9,555.1	8,468.8	4,637.9	4,622.6	
Interest Expense	5,711.7	4,990.1	5,985.2	7,936.4	6,884.7	2,898.4	3,188.2	
Loan Fees	147.1	154.8	149.0	(112.9)	67.3	69.4	89.1	
Fees Paid	3.2	3.8	3.1	5.1	3.7	4.1	5.3	
Net Interest Income (NII)	1,866.2	1,694.7	1,568.5	1,500.8	1,647.7	1,804.7	1,518.1	
Repomo-Margin	5.7	(13.7)	(27.3)	13.6	6.9	8.8	19.2	
NII after Repomo	1,871.9	1,681.0	1,541.2	1,514.3	1,654.7	1,813.6	1,537.2	
Loan Loss Provisions	232.8	180.0	6.8	265.6	177.0	436.0	164.7	
Loss Sharing Provisions	43.2	37.9	83.7	-	74.9	51.6	24.4	
NII after Provisions	1,595.9	1,463.1	1,450.7	1,248.7	1,402.7	1,326.0	1,348.1	
Fund transfers	8.5	8.6	8.1	8.7	9.2	10.9	13.8	
Account management	57.7	59.7	70.7	79.6	73.3	78.4	75.5	
Fiduciary	215.9	40.8	231.0	141.0	242.2	115.4	423.0	
Credit Card	6.1	5.5	8.0	9.3	79.5	84.3	82.7	
Fees from FOBAPROA	89.9	226.1	142.5	107.4	78.2	81.9	61.4	
Other fees	280.3	179.3	254.5	463.1	280.7	229.9	347.5	
Fees on services,	658.3	520.0	714.9	809.2	763.0	600.7	1,003.9	
Fund transfers	-	-	-	-	-	-	-	
Other fees	82.0	85.4	80.2	81.7	79.8	75.9	314.2	
Fees paid,	82.0	85.4	80.2	81.7	79.8	75.9	314.2	
Foreign exchange	55.4	49.5	50.9	46.5	54.5	43.4	45.7	
Securities -Realized gains	38.1	33.5	8.5	11.1	51.1	59.7	(15.3)	
Securities- Unrealized gains	22.8	(61.2)	56.0	5.0	111.0	(13.7)	(97.9)	
Market-related Income	116.3	21.8	115.4	62.6	216.6	89.4	(67.5)	
Total Non Interest Income	692.7	456.3	750.1	790.1	899.8	614.2	622.3	
Total Operating Income	2,288.6	1,919.4	2,200.8	2,038.8	2,302.5	1,940.2	1,970.4	
Personnel	740.1	779.1	747.1	786.0	740.9	728.4	746.5	
Fees Paid	79.4	85.4	66.9	82.8	84.3	71.6	84.7	
Operation & Administrative expenses	436.2	440.4	515.2	455.8	447.1	554.1	515.5	
Rents, depreciation and amortization	212.5	182.4	199.7	174.9	193.2	182.7	214.5	
Taxes, other than income tax	98.1	132.7	127.9	187.4	105.9	105.4	101.7	
Contributions to IPAB	84.8	106.4	95.8	94.7	92.2	84.9	86.9	
Corporate expenses Recoveries	-	-	-	-	-	-	-	
Non-Interest Expense	1,651.2	1,726.4	1,752.6	1,781.5	1,663.6	1,727.1	1,749.8	
Operating Income	637.4	193.0	448.3	257.3	638.9	213.1	220.5	
Other Income	121.0	150.4	283.3	832.4	153.7	312.7	260.0	
Foreign exchange	0.4	-	-	-	-	-	-	
Recoveries	20.7	12.0	211.4	92.0	104.6	170.6	84.0	
Repomo-other (Debtor balance)	14.6	5.0	12.5	35.1	(16.5)	69.9	50.4	
Total Other Products	156.7	167.4	507.2	959.5	241.7	553.1	394.4	
Other Expense	(57.6)	(42.4)	(249.9)	(748.0)	(171.3)	(367.0)	(146.0)	
Foreign exchange	(22.4)	-	-	-	-	-	-	
Repomo-other (Creditor balance)	(130.6)	(42.7)	(35.7)	(41.4)	(3.9)	(7.4)	(13.6)	
Total Other Expense	(210.6)	(85.1)	(285.6)	(789.4)	(175.2)	(374.3)	(159.6)	
Other revenues and expenses, net	(53.9)	82.2	221.6	170.2	66.5	178.8	234.8	
Pre-tax Income	583.4	275.2	669.9	427.5	705.4	391.9	455.3	
Income tax	(29.7)	23.9	(43.0)	(22.3)	(3.5)	(8.4)	(30.7)	
Profit sharing	(8.6)	6.6	(9.9)	(1.9)	(16.0)	(38.9)	31.9	
Tax on Assets	(5.7)	(4.7)	(5.9)	(0.5)	(1.9)	(5.1)	(25.9)	
Deferred Inc. Tax and Profit sharing	(34.3)	(45.3)	(22.4)	76.4	(105.9)	(57.9)	(30.5)	
	(78.4)	(19.5)	(81.2)	51.8	(127.2)	(110.3)	(55.1)	
Net income before subsidiaries	505.0	255.7	588.7	479.2	578.2	281.6	400.2	
Subsidiaries' net income	12.4	(34.4)	21.4	11.4	(1.6)	70.3	(3.5)	
Net Income from continuous operations	517.4	221.4	610.0	490.6	576.6	351.9	396.7	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	(43.5)	(12.7)	(31.4)	(15.0)	(41.7)	(4.7)	(39.1)	
TOTAL NET INCOME	473.9	208.7	578.6	475.7	534.9	347.1	357.6	

GRUPO CONSOLIDATED STATEMENT OF CASH FLOW
JANUARY 1, 2001 – SEPTIEMBRE 30, 2001
(Millions of Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :

Net Income	1,239.6
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	(11.1)
Provisions for loan losses	928.7
Depreciation and amortization	292.5
Deffered Taxes	194.2
Provisions for Obligations	(333.7)
Minoritary Interest	(85.5)
Undistributed Earnings of Subsidiaries	=
	2,224.8

Cash Flows From Investing Activities:

Banks Deposits	589.4
Decrease (Increase) loan portfolio	1,670.3
Decrease (Increase) credit assets portfolio	(846.1)
Decrease (Increase) treasury operations	2,849.1
Decrease (Increase) financial instruments	16.5
Loans from banks and other entities	(8,167.6)
Net Resources provided by operations	<u>(3,888.4)</u>

Financial Activities:

Subordinated Debentures	1,343.3
Subordinated Debentures amortization	-
Shares Issue	89.8
Net Resources provided by Investing activities	1,433.1

CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds from issuance of common stock	(381.7)
Decrease (Increase) Deferred charges or credits	(185.2)
Decrease (Increase) Deferred taxes	(214.6)
Decrease (Increase) Foreclosed assets	89.9
Decrease (Increase) in accounts receivable and payable	(277.7)

Net Cash provided by financing activities **(969.3)**

Decrease (increase) in cash and due from banks	<u>(1,199.9)</u>
Cash and due from banks at the beginning of the year	<u>9,857.0</u>
Cash and due from banks at the end of the year	<u>8,657.1</u>

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
JANUARY 1, 2001- SEPTEMBER 30, 2000-**

(Millions of Pesos)	CONTRIBUTED CAPITAL		
	Fixed Paid-in Capital	Variable Paid-in Capital	Premium, Bonds & oth. Securities
Balance as of December 31,2000	2,856.0	1,895.6	1,304.9
Stock Changes			
Issuance of stock		14.0	56.6
Profits Capitalization			
Total	-	14.0	56.6
Total Income			
Total Income:			
Net Income			
Results of assets holdings			
Minority Interest			
Total	-	-	-
Balance as of September 30,2001	2,856.0	1,909.6	1,361.5

	EARNED CAPITAL						Total Stockholders' Equity
	Capital Reserves	Retained earnings	Excess if Insuf. Capital	Resultado por Tenencia de Activos (val.	Net Income of the year	Minoritary Interest	
Balance as of December 31,2000	767.8	6,277.4	(4,887.2)	(2,181.2)	1,737.0	742.0	8,512.3
Stock Changes							
Issuance of stock	19.2						89.8
Profits Capitalization		1,737.0			(1,737.0)		-
Provisioning	85.0	(85.0)					-
Total	104.3	1,651.9	-	-	(1,737.0)	-	89.8
Total Income							
Total Income:							
Net Income					1,239.6		1,239.6
Results of assets holdings				(230.3)			(230.3)
Minority Interest						71.8	71.8
Total	-	-	-	(230.3)	1,239.6	71.8	1,081.1
Balance as of September 30,2001	872.0	7,929.4	(4,887.2)	(2,411.6)	1,239.6	813.7	9,683.2

BANKING SECTOR- Balance Sheet (*)

(Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	11,829	11,231	9,225	9,586	7,536	7,539	8,275	
Negotiable Instruments	23,952	16,004	15,191	4,195	6,253	4,906	1,904	
Securities held for sale	51	50	170	176	1,794	1,600	1,243	
Securities held to maturity	5,116	4,992	3,319	3,035	1,284	1,335	1,383	
Financial Instruments:	29,119	21,046	18,680	7,405	9,331	7,841	4,529	
Repurchase agreements, net	31	66	107	29	131	153	70	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	11	10	-	6	5	49	-	
Repos & Derivatives :	42	75	107	35	136	202	70	
Commercial	16,849	16,429	17,038	19,904	18,395	16,420	17,153	
Financial Intermediaries	2,841	5,225	3,883	2,678	1,756	1,245	587	
Credit Card & Consumer	609	621	629	645	1,264	1,377	1,631	
Mortgage	4,418	4,405	4,290	4,211	4,115	4,186	4,334	
Government Entities	3,343	3,358	2,797	39,096	39,680	39,319	38,790	
Fobaproa	56,049	56,022	54,523	12,299	12,167	11,514	11,714	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	84,109	86,059	83,159	78,833	77,377	74,061	74,209	
Commercial	2,213	2,028	1,813	1,783	1,763	2,106	2,373	
Financial Intermediaries	-	7	1	-	-	-	-	
Credit Card & Consumer	633	628	616	616	627	307	308	
Mortgage	1,836	1,761	1,824	1,867	1,913	1,806	1,730	
Government Entities	-	-	-	-	-	-	-	
Past Due Loans	4,682	4,425	4,274	4,266	4,302	4,219	4,410	
Total Loans	88,792	90,483	87,433	83,099	81,679	78,279	78,620	
Preventive loan loss reserves	4,792	4,672	4,400	4,314	4,321	4,219	4,410	
Net Loan Portfolio	83,999	85,811	83,033	78,785	77,358	74,061	74,209	
Credit Assets Portfolio	-	-	-	-	-	-	2,375	
Sundry debtors and other assets, net	1,618	1,467	1,495	1,737	1,542	1,837	1,040	
Foreclosed assets, net	1,457	1,451	1,416	1,555	1,465	1,505	1,467	
Real Estate, Furniture & Equipment, net	3,290	3,238	3,222	3,250	3,164	3,106	3,251	
Investments in subsidiaries	839	772	813	859	967	936	983	
Deferred taxes	340	17	133	756	774	807	869	
Deferred charges & Intangibles	615	335	359	494	714	576	549	
UDIS Mortgage loans reserve coverage	34	-	-	-	-	-	-	
Other Assets	8,194	7,280	7,437	8,653	8,626	8,766	10,535	
TOTAL ASSETS	133,183	125,445	118,483	104,465	102,986	98,408	97,618	

Figures are presented in constant pesos set at the close of September' 2001.

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

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	23,322	24,231	24,691	26,900	24,786	25,360	25,816	
Time Deposits	80,604	70,236	63,885	41,983	45,116	48,017	43,840	
Bonds	1,097	1,124	1,333	1,355	1,366	1,315	1,333	
Deposits	105,023	95,591	89,910	70,239	71,268	74,692	70,989	
Demand	402	2,693	317	4,014	4,273	8	20	
Short term	7,357	7,239	9,599	9,709	8,162	3,054	5,880	
Lona term	10,100	9,801	9,934	10,501	9,610	9,424	9,235	
Due to banks and correspondents	17,859	19,733	19,850	24,225	22,045	12,485	15,135	
Repurchase agreements, net	5	66	25	35	19	54	87	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	69	57	34	17	1	30	
Repos & Derivatives:	5	135	82	69	36	56	117	
Income Tax & Profit Sharing	7	1	15	179	261	85	82	
Other Payable accounts	2,160	2,121	1,935	2,525	1,796	1,862	1,843	
Other payable accounts	2,167	2,122	1,950	2,704	2,056	1,947	1,925	
Subordinated non Convertible Debenture	207	-	-	-	-	1,316	1,343	
Deferred Taxes	-	19	-	-	-	-	-	
Deferred credits	112	110	107	121	120	115	62	
TOTAL LIABILITIES	125,372	117,710	111,899	97,357	95,525	90,611	89,571	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,464	4,465	4,260	4,441	4,913	4,913	4,913	
Share subscription premiums	301	301	301	560	560	560	560	
Subordinated Convertible Debentures	465	460	454	-	-	-	-	
Subscribed Capital	5,230	5,226	5,015	5,001	5,473	5,473	5,473	
Capital Reserves	2,613	2,935	1,663	1,486	2,213	2,287	2,287	
Retained Earnings	2,305	1,828	1,709	1,773	2,192	2,118	2,118	
Surplus (Deficit) from securities	(475)	(498)	(493)	(329)	(508)	(413)	(518)	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(2,121)	(2,127)	(2,133)	(2,131)	(2,127)	(2,130)	(2,131)	
Non Mon assets results fixed assets	(122)	-	-	-	-	-	-	
Non Mon assets results Investm	49	(40)	(64)	(60)	(63)	(91)	(87)	
Adjustment in the employees pension	(105)	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	(279)	(279)	(249)	(249)	(249)	(249)	
Net Income	438	687	1,164	1,618	530	801	1,154	
Earned Capital	2,581	2,508	1,569	2,107	1,988	2,324	2,574	
Minority Holdings	-	-	-	-	-	-	-	
Total Stockholder 's Equity	7,811	7,734	6,584	7,108	7,461	7,797	8,047	
TOTAL LIABILITIES &	133,183	125,445	118,483	104,465	102,986	98,408	97,618	

(*) Does not include Afore.

MEMORANDUM ACCOUNTS OF THE BANKING SECTOR

(Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Signature guarantees granted	3	3	3	3	3	3	3	
Other contingent obligations	8,565	9,248	10,561	9,615	9,876	9,812	10,083	
Irrevocable lines of credit	577	460	676	514	1,157	1,007	778	
Assets held in trust and mandate	37,191	38,086	36,615	37,486	37,993	35,356	35,044	
Assets held in custody or in administration	104,334	94,716	87,200	71,216	74,570	76,467	71,807	
Investment banking transactions for third	26,082	29,692	48,232	71,804	82,256	97,648	59,221	
Engaged amounts in fobaproa operations	9,310	9,726	8,649	3,733	3,893	4,032	4,175	
Investment of retirement saving funds	2,540	2,566	2,245	2,239	2,261	2,280	2,264	
Integration of loan portfolio	-	-	-	-	-	-	-	
Received amounts in derivative instruments	2,282	2,599	2,648	2,744	2,639	2,389	2,619	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	13,451	14,333	49,469	69,335	87,835	111,158	121,170	
(Less) payable for reversal	(13,420)	(14,399)	(49,233)	(69,361)	(87,704)	(111,005)	(121,257)	
Receivables for reversal	3,031	3,741	19,443	31,582	39,912	72,540	81,941	
(Less) securities to be delivered	(3,035)	(3,675)	(19,268)	(31,563)	(39,931)	(75,594)	(81,871)	
Other control accounts	285,255	282,752	356,395	197,738	234,422	234,766	167,260	
	476,165	469,848	553,635	396,995	449,181	463,858	353,237	

BANKING SECTOR - Income Statement (*)

(Millions of Pesos)

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
NET INTEREST INCOME								
Interest Income	6,292.5	5,700.8	6,991.6	10,058.5	8,430.6	4,499.0	4,521.9	
Interest Expense	4,680.3	4,237.2	5,678.1	8,472.4	6,939.7	2,897.3	3,188.1	
Loan Fees	143.6	152.2	146.8	(115.4)	67.3	69.4	89.1	
Fees Paid	3.2	4.0	4.0	5.3	3.7	4.1	5.3	
Net Interest Income (NII)	1,752.6	1,611.9	1,456.4	1,465.4	1,554.5	1,667.0	1,417.6	
Repomo-Margin	27.1	(3.1)	(17.5)	7.4	13.5	17.3	26.2	
NII after Repomo	1,779.7	1,608.7	1,438.9	1,472.8	1,568.1	1,684.3	1,443.8	
Loan Loss Provisions	230.0	179.2	6.5	265.2	176.6	434.8	159.4	
Loss Sharing Provisions	43.2	37.9	83.7	-	74.9	51.6	24.4	
NII after Provisions	1,506.5	1,391.6	1,348.7	1,207.6	1,316.5	1,197.9	1,260.0	
Fund transfers	8.5	8.6	8.1	8.7	9.2	10.9	13.8	
Account management	57.7	59.7	70.7	79.6	73.3	78.4	75.5	
Fiduciary	215.9	40.8	231.0	141.0	242.2	115.4	423.0	
Credit Card	6.1	5.5	8.0	9.3	79.5	84.3	82.7	
Fees from FOBAPROA	89.9	226.1	142.5	107.4	78.2	81.9	61.4	
Other fees	87.5	48.5	53.1	325.0	70.5	72.5	108.2	
Fees on services,	465.5	389.1	513.4	671.0	552.9	443.3	764.7	
Fund transfers	-	-	-	-	-	-	-	
Other fees	90.5	91.9	87.2	86.6	83.2	84.2	316.0	
Fees paid,	90.6	91.9	87.2	86.6	83.2	84.2	316.0	
Foreign exchange	55.4	49.5	50.9	46.5	54.5	43.4	45.7	
Securities -Realized gains	12.0	7.6	(1.3)	(0.6)	30.9	83.2	(22.9)	
Securities- Unrealized gains	20.6	(26.9)	(9.2)	8.0	113.6	(15.1)	(93.2)	
Market-related Income	88.1	30.2	40.5	54.0	199.0	111.6	(70.5)	
Total Non Interest Income	463.1	327.4	466.7	638.4	668.6	470.7	378.1	
Total Operating Income	1,969.6	1,719.0	1,815.4	1,846.0	1,985.2	1,668.6	1,638.1	
Personnel	617.1	647.0	614.6	679.7	682.3	648.9	674.9	
Fees Paid	77.2	83.5	63.9	80.6	82.8	70.6	83.3	
Operation & Administrative expenses	394.3	390.8	461.4	395.8	353.2	429.5	413.2	
Rents, depreciation and amortization	186.8	155.7	173.1	153.2	166.1	157.6	187.4	
Taxes, other than income tax	95.4	129.0	124.5	184.1	103.2	102.7	99.5	
Contributions to IPAB	84.8	106.4	95.8	94.7	92.2	84.9	86.9	
Corporate expenses Recoveries	-	-	-	-	-	-	-	
Non-Interest Expense	1,455.6	1,512.4	1,533.4	1,588.0	1,479.7	1,494.3	1,545.2	
Operating Income	514.0	206.6	282.0	257.9	505.4	174.3	93.0	
Other Income	122.5	154.3	164.6	204.9	92.9	133.4	114.9	
Foreign exchange	0.4	-	-	-	-	-	-	
Recoveries	19.1	11.5	210.5	91.5	103.0	169.1	83.3	
Repomo-other (Debtor balance)	17.3	-	-	-	(17.1)	61.9	40.9	
Total Other Products	159.2	165.7	375.0	296.4	178.8	364.3	239.2	
Other Expense	(57.6)	(42.4)	(137.3)	(151.5)	(106.9)	(183.1)	(3.3)	
Foreign exchange	(22.4)	-	-	-	(22.4)	-	-	
Repomo-other (Creditor balance)	(128.2)	(41.6)	(34.6)	(42.3)	(3.9)	(7.4)	(13.6)	
Total Other Expense	(208.1)	(84.0)	(171.9)	(193.9)	(110.8)	(190.5)	(17.0)	
Other revenues and expenses, net	(48.9)	81.7	203.1	102.6	68.1	173.9	222.2	
Pre-tax Income	465.0	288.3	485.1	360.5	573.5	348.2	315.2	
Income tax	-	-	(6.4)	(21.9)	-	(0.1)	(29.0)	
Profit sharing	-	-	-	-	(15.0)	(36.3)	31.8	
Tax on Assets	(5.7)	(4.7)	(5.9)	(0.5)	(1.9)	(3.8)	(2.9)	
Deferred Inc. Tax and Profit sharing	(53.2)	(39.9)	(24.5)	107.5	(66.4)	(46.8)	(0.6)	
	(58.9)	(44.6)	(36.8)	85.1	(83.3)	(87.0)	(0.7)	
Net income before subsidiaries	406.1	243.7	448.3	445.6	490.1	261.1	314.4	
Subsidiaries 'net income	34.7	6.3	28.5	8.2	39.5	10.4	38.5	
Net Income from continuous operations	440.8	249.9	476.8	453.8	529.6	271.6	352.9	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	(3.3)	-	-	-	-	0.1	-	
TOTAL NET INCOME	437.5	249.9	476.8	453.8	529.6	271.6	352.9	

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

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	10,582	10,301	10,467	8,602	6,804	6,564	8,023	
Negotiable Instruments	23,952	16,004	24,214	5,127	7,244	5,973	1,904	
Securities held for sale	51	50	49	48	1,634	1,446	1,095	
Securities held to maturity	4,497	4,511	3,023	2,761	1,000	1,043	1,086	
Financial Instruments:	28,501	20,564	27,287	7,936	9,878	8,461	4,086	
Repurchase agreements, net	30	66	72	19	90	70	32	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	11	10	-	6	5	49	-	
Repos & Derivatives :	41	75	72	26	95	120	32	
Commercial	16,298	15,824	17,010	19,876	18,085	16,114	17,144	
Financial Intermediaries	2,821	4,769	3,883	2,678	1,756	1,245	971	
Credit Card & Consumer	600	606	629	645	1,264	1,377	1,631	
Mortgage	3,018	3,036	3,919	3,865	3,793	3,866	4,013	
Government Entities	2,979	2,977	2,797	39,090	39,668	39,302	38,764	
Fobaproa	36,922	36,755	35,687	12,299	12,257	11,636	11,857	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	62,638	63,968	63,924	78,452	76,824	73,540	74,380	
Commercial	1,768	1,647	1,701	1,717	1,710	2,054	2,152	
Financial Intermediaries	-	-	1	-	-	-	-	
Credit Card & Consumer	518	514	616	616	627	307	308	
Mortgage	1,472	1,400	1,699	1,728	1,768	1,675	1,609	
Government Entities	-	-	-	-	-	-	-	
Past Due Loans	3,759	3,561	4,017	4,061	4,105	4,035	4,069	
Total Loans	66,396	67,530	67,941	82,513	80,928	77,575	78,449	
Preventive loan loss reserves	3,366	3,272	4,005	3,918	3,908	3,809	4,013	
Net Loan Portfolio	63,031	64,257	63,935	78,595	77,020	73,766	74,436	
Credit Assets Portfolio	-	-	-	-	-	-	-	
Sundry debtors and other assets, net	1,299	1,089	1,056	1,178	765	978	958	
Foreclosed assets, net	680	667	1,416	1,470	1,381	1,421	1,371	
Real Estate, Furniture & Equipment, net	2,872	2,822	3,222	3,248	3,162	3,104	3,251	
Investments in subsidiaries	629	665	295	339	418	384	392	
Deferred taxes	417	17	133	756	774	807	869	
Deferred charges & Intangibles	1,247	952	359	493	711	574	543	
UDIS Mortgage loans reserve coverage	34	-	-	-	-	-	-	
Other Assets	7,178	6,212	6,480	7,485	7,211	7,268	7,384	
TOTAL ASSETS	109,332	101,410	108,241	102,644	101,008	96,179	93,961	

Figures are presented in constant pesos set at the close of September' 2001.

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	20,888	21,718	24,691	26,840	24,786	25,360	25,845	
Time Deposits	63,830	53,513	55,263	41,978	45,116	48,017	43,840	
Bonds	1,097	1,124	1,333	1,355	1,366	1,315	1,333	
Deposits	85,815	76,355	81,288	70,173	71,268	74,692	71,018	
Demand	402	2,693	317	4,014	4,273	78	20	
Short term	6,100	5,822	11,553	9,709	8,162	3,054	4,731	
Long term	8,538	8,290	7,607	10,156	9,292	9,134	8,908	
Due to banks and correspondents	15,041	16,805	19,477	23,880	21,728	12,266	13,659	
Repurchase agreements, net	4	66	25	-	9	50	20	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	69	2	34	17	1	30	
Repos & Derivatives:	4	135	27	34	26	51	50	
Income Tax & Profit Sharing	5	1	13	164	246	70	56	
Other Payable accounts	1,917	1,966	1,935	2,513	1,780	1,769	1,819	
Other payable accounts	1,922	1,967	1,948	2,677	2,026	1,839	1,874	
Subordinated non Convertible Debenture	207	-	-	-	-	1,316	1,343	
Deferred Taxes	-	19	-	-	-	-	-	
Deferred credits	101	99	107	120	120	115	62	
TOTAL LIABILITIES	103,091	95,381	102,847	96,884	95,168	90,279	88,007	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	3,304	3,304	3,762	3,944	3,944	3,944	3,944	
Share subscription premiums	301	301	301	560	560	560	560	
Subordinated Convertible Debentures	465	460	454	-	-	-	-	
Subscribed Capital	4,070	4,066	4,518	4,504	4,504	4,504	4,504	
Capital Reserves	2,325	2,405	1,663	1,486	2,062	2,135	2,135	
Retained Earnings	1,968	1,734	1,709	1,773	1,946	1,872	1,873	
Surplus (Deficit) from securities	(475)	(498)	(485)	(304)	(483)	(402)	(479)	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(2,134)	(2,140)	(2,137)	(2,131)	(2,133)	(2,132)	(2,131)	
Non Mon assets results fixed assets	(122)	-	-	-	-	-	-	
Non Mon assets results Investm	46	(41)	(75)	(67)	(68)	(94)	(89)	
Adjustment in the employees pension	(105)	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	(279)	(279)	(249)	(249)	(249)	(249)	
Net Income	133	308	479	749	261	265	390	
Earned Capital	1,636	1,490	875	1,256	1,336	1,395	1,450	
Minority Holdings	536	473	-	-	-	-	-	
Total Stockholder 's Equity	6,242	6,029	5,393	5,759	5,840	5,900	5,954	
TOTAL LIABILITIES &	109,332	101,410	108,241	102,644	101,008	96,179	93,961	

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

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

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Signature guarantees granted	3	3	3	3	3	3	3	
Other contingent obligations	6,172	6,729	10,561	6,925	8,112	8,041	8,414	
Irrevocable lines of credit	555	439	676	514	1,157	1,007	778	
Assets held in trust and mandate	19,658	18,272	16,901	18,463	19,567	18,008	17,796	
Assets held in custody or in administration	76,116	63,037	87,200	70,194	73,586	75,408	71,807	
Investment banking transactions for third	25,821	29,452	48,232	71,796	82,256	97,648	59,221	
Engaged amounts in fobaproa operations	8,722	9,404	8,324	3,669	3,803	3,910	4,032	
Investment of retirement saving funds	2,540	2,566	2,245	2,239	2,261	2,280	2,264	
Integration of loan portfolio	-	-	-	-	-	-	-	
Received amounts in derivative instruments	2,282	2,599	2,648	2,744	2,639	2,389	2,619	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	13,318	14,213	25,284	38,416	45,771	44,386	48,934	
(Less) payable for reversal	(13,288)	(14,279)	(25,309)	(38,406)	(45,681)	(44,315)	(48,953)	
Receivables for reversal	2,899	3,621	8,098	17,831	20,983	44,956	46,948	
(Less) securities to be delivered	(2,903)	(3,555)	(8,027)	(17,821)	(20,992)	(45,006)	(46,916)	
Other control accounts	223,837	220,331	356,395	165,761	189,946	193,346	125,945	
	365,733	352,831	533,231	342,327	383,410	402,061	292,890	

Figures are presented in constant pesos set at the close of September' 2001.

BANCO MERCANTIL DEL NORTE – Income Statement (*)

(Millions of Pesos)

NET INTEREST INCOME	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Interest Income	4,425.2	4,687.8	5,062.8	7,061.4	6,786.1	4,175.0	3,873.4	
Interest Expense	3,427.0	3,564.0	3,980.7	5,573.9	5,289.8	2,756.0	2,512.0	
Loan Fees	127.7	142.2	140.7	(116.3)	67.0	69.1	88.8	
Fees Paid	2.1	3.5	3.6	5.3	3.7	4.1	5.4	
Net Interest Income (NII)	1,123.8	1,262.5	1,219.2	1,365.9	1,559.6	1,484.0	1,444.9	
Repomo-Margin	62.0	6.3	(9.1)	12.8	18.7	19.9	19.7	
NII after Repomo	1,185.8	1,268.8	1,210.1	1,378.7	1,578.3	1,504.0	1,464.6	
Loan Loss Provisions	26.9	115.9	(0.1)	225.5	146.2	427.0	163.2	
Loss Sharing Provisions	43.2	37.9	83.7	-	74.9	51.6	24.4	
NII after Provisions	1,115.7	1,115.0	1,126.6	1,153.3	1,357.2	1,025.3	1,276.9	
Fund transfers	7.6	8.1	7.8	8.7	9.2	10.9	13.8	
Account management	47.5	52.3	66.3	79.6	73.3	78.4	75.5	
Fiduciary	14.2	16.3	14.0	12.6	18.3	19.1	15.9	
Credit Card	5.4	5.1	7.7	9.3	79.5	84.3	82.7	
Fees from FOBAPROA	75.8	222.1	136.9	104.1	73.5	79.2	59.6	
Other fees	208.1	145.5	146.7	325.1	70.5	72.5	68.8	
Fees on services,	358.5	449.4	379.4	539.4	324.3	344.4	316.4	
Fund transfers	-	-	-	-	-	-	-	
Other fees	80.9	84.7	82.9	81.6	72.5	71.5	72.5	
Fees paid,	80.9	84.7	82.9	81.6	72.5	71.5	72.5	
Foreign exchange	47.5	42.4	46.2	46.5	54.5	43.4	45.7	
Securities -Realized gains	12.0	7.6	(3.4)	(12.5)	12.4	75.6	(2.0)	
Securities- Unrealized gains	29.3	(21.8)	18.7	15.0	64.8	(44.2)	(22.2)	
Market-related Income	88.7	28.2	61.5	49.1	131.7	74.9	21.5	
Total Non Interest Income	366.4	392.8	358.0	506.9	383.5	347.8	265.4	
Total Operating Income	1,482.1	1,507.8	1,484.5	1,660.1	1,740.7	1,373.2	1,542.3	
Personnel	543.6	602.2	599.2	676.6	682.3	648.9	674.9	
Fees Paid	62.9	71.4	59.4	77.3	70.3	63.8	75.8	
Operation & Administrative expenses	333.7	371.5	458.8	394.9	350.6	428.0	406.1	
Rents, depreciation and amortization	170.6	157.4	169.7	152.9	166.1	157.6	184.9	
Taxes, other than income tax	71.8	104.7	108.9	172.0	93.9	98.8	95.4	
Contributions to IPAB	54.5	86.2	79.9	89.5	90.8	83.3	89.5	
Corporate expenses Recoveries	(67.5)	(96.2)	(53.5)	(41.9)	(30.7)	(10.1)	-	
Non-Interest Expense	1,169.5	1,297.3	1,422.5	1,521.1	1,423.3	1,470.1	1,526.5	
Operating Income	312.6	210.5	62.0	139.0	317.4	(97.0)	15.7	
Other Income	38.8	65.6	111.0	136.3	40.3	66.9	47.6	
Foreign exchange	-	-	-	-	-	-	-	
Recoveries	14.4	9.5	205.6	91.5	102.8	168.1	80.6	
Repomo-other (Debtor balance)	-	-	-	-	(17.1)	61.9	40.9	
Total Other Products	53.3	75.1	316.5	227.8	126.0	296.9	169.1	
Other Expense	(47.3)	(41.0)	(135.6)	(151.5)	(106.6)	(112.1)	(73.3)	
Foreign exchange	(22.4)	-	-	-	-	-	-	
Repomo-other (Creditor balance)	(97.0)	(29.6)	(27.2)	(44.8)	-	-	-	
Total Other Expense	(166.6)	(70.6)	(162.8)	(196.2)	(106.6)	(112.1)	(73.3)	
Other revenues and expenses, net	(113.3)	4.5	153.8	31.5	19.4	184.8	95.8	
Pre-tax Income	199.2	215.0	215.8	170.5	336.8	87.8	111.5	
Income tax	-	-	(6.4)	(7.4)	-	(0.1)	(17.9)	
Profit sharing	-	-	-	-	(15.0)	(36.3)	31.8	
Tax on Assets	(4.3)	(2.8)	(3.6)	(1.3)	(1.9)	(3.8)	(2.9)	
Deferred Inc. Tax and Profit sharing	(43.3)	(39.9)	(24.5)	107.5	(66.4)	(46.8)	(0.6)	
	(47.6)	(42.7)	(34.5)	98.8	(83.3)	(87.0)	10.3	
Net income before subsidiaries	151.6	172.3	181.2	269.3	253.4	0.8	121.9	
Subsidiaries net income	17.1	4.6	6.6	0.7	7.8	3.2	2.6	
Net Income from continuous operations	168.8	176.9	187.8	270.0	261.3	3.9	124.4	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	(35.6)	(2.4)	(16.4)	-	-	0.1	-	
TOTAL NET INCOME	133.1	174.5	171.4	270.0	261.3	4.0	124.4	

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

Note: Consolidates the Afore until August, 2000.

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

(Millions of Pesos)

ASSETS	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Cash and due from Banks	2,377	2,096	842	1,148	1,519	1,340	1,460	
Negotiable Instruments	-	-	-	-	1	-	-	
Securities held for sale	-	-	121	127	160	154	147	
Securities held to maturity	618	482	295	274	284	292	296	
Financial Instruments:	618	482	416	402	445	447	444	
Repurchase agreements, net	1	-	35	10	41	82	38	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	-	-	-	-	-	-	
Repos & Derivatives :	1	0	35	10	41	82	38	
Commercial	551	604	28	28	310	306	9	
Financial Intermediaries	21	456	-	-	-	-	-	
Credit Card & Consumer	9	14	-	-	-	-	-	
Mortgage	1,400	1,369	371	347	322	320	321	
Government Entities	364	381	-	6	12	16	27	
Fobaproa	19,127	19,266	18,836	-	-	-	-	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	21,471	22,091	19,235	381	643	642	356	
Commercial	444	381	132	66	53	53	220	
Financial Intermediaries	-	7	-	-	-	-	-	
Credit Card & Consumer	116	114	-	-	-	-	-	
Mortgage	364	361	125	139	145	131	121	
Government Entities	-	-	-	-	-	-	-	
Past Due Loans	924	863	257	205	197	184	341	
Total Loans	22,395	22,954	19,493	585	841	826	697	
Preventive loan loss reserves	1,427	1,400	395	396	413	410	397	
Net Loan Portfolio	20,969	21,554	19,098	190	427	416	300	
Credit Assets Portfolio	-	-	-	-	-	-	2,375	
Sundry debtors and other assets, net	367	382	444	564	785	877	126	
Foreclosed assets, net	777	784	-	85	84	83	96	
Real Estate, Furniture & Equipment, net	446	443	26	28	27	26	30	
Investments in subsidiaries	18	16	377	343	341	352	357	
Deferred taxes	-	-	-	-	-	-	-	
Deferred charges & Intangibles	19	17	619	614	601	588	577	
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	
Other Assets	1,628	1,642	1,466	1,634	1,839	1,926	3,562	
TOTAL ASSETS	25,592	25,774	21,858	3,382	4,271	4,211	5,803	

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

(Millions of Pesos)

LIABILITIES	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Demand Deposits	2,433	2,511	-	60	90	121	143	
Time Deposits	16,774	16,723	17,644	937	992	1,068	-	
Bonds	-	-	-	-	-	-	-	
Deposits	19,207	19,234	17,644	997	1,082	1,189	143	
Demand	-	-	-	-	511	-	800	
Short term	2,373	2,581	-	-	-	-	1,149	
Long term	1,561	1,511	2,327	345	317	290	710	
Due to banks and correspondents	3,934	4,092	2,327	345	828	290	2,659	
Repurchase agreements, net	1	-	-	35	9	5	67	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	-	55	-	-	-	-	
Repos & Derivatives:	1	0	55	35	9	5	67	
Income Tax & Profit Sharing	2	-	2	15	15	15	26	
Other Payable accounts	332	257	141	26	35	117	48	
Other payable accounts	334	257	143	41	50	132	74	
Subordinated non Convertible Debenture	-	-	-	-	-	-	-	
Deferred Taxes	-	-	-	115	152	168	203	
Deferred credits	10	11	-	-	-	-	-	
TOTAL LIABILITIES	23,486	23,595	20,170	1,534	2,122	1,783	3,147	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	1,160	1,160	497	497	969	969	969	
Share subscription premiums	-	-	-	-	-	-	-	
Subordinated Convertible Debentures	-	-	-	-	-	-	-	
Subscribed Capital	1,160	1,160	497	497	969	969	969	
Capital Reserves	287	530	-	-	152	152	152	
Retained Earnings	337	94	-	-	246	246	246	
Surplus (Deficit) from securities	-	-	(8)	(25)	(25)	(10)	(39)	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	14	13	5	-	5	3	-	
Non Mon assets results fixed assets	-	-	-	-	-	-	-	
Non Mon assets results Investm	3	1	11	8	5	3	2	
Adjustment in the employees pension	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	-	-	-	-	-	-	
Net Income	304	380	685	869	268	536	764	
Earned Capital	945	1,018	693	852	652	929	1,125	
Minority Holdings	-	-	498	500	528	530	563	
Total Stockholder 's Equity	2,105	2,178	1,688	1,848	2,149	2,428	2,656	
TOTAL LIABILITIES &	25,592	25,774	21,858	3,382	4,271	4,211	5,803	

(*) Consolidate Afore

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

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Signature guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	2,392	2,519	-	2,690	1,765	1,771	1,670	
Irrevocable lines of credit	22	21	-	-	-	-	-	
Assets held in trust and mandate	17,533	19,814	19,714	19,023	18,426	17,348	17,248	
Assets held in custody or in administration	28,218	31,679	-	932	984	1,059	-	
Investment banking transactions for third	262	240	-	8	-	-	-	
Engaged amounts in fobaproa operations	588	322	326	64	90	122	144	
Investment of retirement saving funds	-	-	-	-	-	-	-	
Integration of loan portfolio	-	-	-	-	-	-	-	
Received amounts in derivative instruments	-	-	-	-	-	-	-	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	133	120	24,155	30,919	42,064	66,772	72,236	
(Less) payable for reversal	(132)	(120)	(24,210)	(30,955)	(42,023)	(66,690)	(72,304)	
Receivables for reversal	132	120	11,309	13,751	18,929	27,584	34,993	
(Less) securities to be delivered	(133)	(120)	(11,274)	(13,741)	(18,939)	(27,588)	(34,954)	
Other control accounts	61,418	62,421	-	31,977	44,475	41,420	41,315	
	110,433	117,016	20,020	54,668	65,772	61,797	60,347	

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

(Millions of Pesos)

NET INTEREST INCOME	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
Interest Income	1,302.5	1,050.8	2,120.6	3,453.4	2,295.8	1,300.9	1,756.6	
Interest Expense	791.7	710.7	1,887.1	3,347.8	2,290.7	1,106.9	1,775.1	
Loan Fees	11.4	10.1	6.1	0.9	0.3	0.2	0.2	
Fees Paid	1.1	0.5	0.4	-	-	-	-	
Net Interest Income (NII)	521.1	349.7	239.2	106.5	5.5	194.3	(18.3)	
Repomo-Margin	(10.5)	(9.4)	(7.7)	(3.4)	(5.8)	(4.3)	5.2	
NII after Repomo	510.7	340.3	231.5	103.1	(0.4)	190.1	(13.1)	
Loan Loss Provisions	202.2	63.3	6.7	39.8	30.4	7.8	(3.9)	
Loss Sharing Provisions	-	-	-	-	-	-	-	
NII after Provisions	308.5	277.0	224.9	63.3	(30.8)	182.3	(9.2)	
Fund transfers	0.6	0.5	0.3	-	-	-	-	
Account management	6.7	7.3	4.4	-	-	-	-	
Fiduciary	200.2	24.5	217.0	128.4	223.9	96.3	407.1	
Credit Card	0.3	0.4	0.3	-	-	-	-	
Fees from FOBAPROA	14.1	4.0	5.6	3.3	4.7	2.6	1.8	
Other fees	2.5	3.0	83.5	123.8	182.0	125.8	247.5	
Fees on services,	224.4	39.8	311.1	255.6	410.6	224.7	656.4	
Fund transfers	-	-	-	-	-	-	-	
Other fees	13.8	17.0	10.4	9.8	17.7	17.0	250.7	
Fees paid,	13.8	17.0	10.4	9.8	17.7	17.0	250.7	
Foreign exchange	8.0	7.0	4.7	-	-	-	-	
Securities -Realized gains	-	-	2.2	11.9	18.5	7.6	(21.0)	
Securities- Unrealized gains	-	-	(18.2)	(0.7)	48.8	29.1	(71.0)	
Market-related Income	8.0	7.1	(11.2)	11.2	67.3	36.7	(92.0)	
Total Non Interest Income	218.5	29.9	289.6	257.0	460.2	244.4	313.7	
Total Operating Income	527.0	306.9	514.4	320.3	429.5	426.7	304.4	
Personnel	81.7	92.5	64.8	37.7	1.5	3.0	1.5	
Fees Paid	10.7	13.7	7.1	4.7	13.6	7.4	8.4	
Operation & Administrative expenses	110.8	138.1	84.8	84.4	106.5	113.2	94.9	
Rents, depreciation and amortization	18.9	16.1	21.0	17.6	19.4	17.1	17.8	
Taxes, other than income tax	17.8	25.5	16.6	15.2	10.1	4.8	4.8	
Contributions to IPAB	22.1	20.1	15.9	5.2	1.3	1.7	(2.6)	
Corporate expenses Recoveries	-	-	-	-	-	-	-	
Non-Interest Expense	262.1	306.1	210.1	164.8	152.5	147.1	124.9	
Operating Income	264.9	0.8	304.3	155.5	277.0	279.5	179.6	
Other Income	79.7	87.5	55.6	68.8	52.6	66.5	67.4	
Foreign exchange	0.2	-	-	-	-	-	-	
Recoveries	1.8	2.0	4.9	-	0.3	0.9	2.7	
Repomo-other (Debtor balance)	-	-	-	-	-	-	-	
Total Other Products	81.7	89.5	60.5	68.8	52.8	67.4	70.1	
Other Expense	(9.6)	(1.4)	(1.7)	(0.1)	(0.3)	(71.0)	69.9	
Foreign exchange	-	-	-	-	-	-	-	
Repomo-other (Creditor balance)	(31.2)	(12.0)	(7.4)	2.4	(3.9)	(7.4)	(13.6)	
Total Other Expense	(40.8)	(13.4)	(9.1)	2.4	(4.2)	(78.3)	56.3	
Other revenues and expenses, net	40.9	76.1	51.4	71.1	48.7	(10.9)	126.4	
Pre-tax Income	305.9	76.8	355.7	226.6	325.6	268.7	305.9	
Income tax	-	-	-	(14.4)	-	-	(11.1)	
Profit sharing	-	-	-	-	-	-	-	
Tax on Assets	(1.5)	(1.9)	(2.2)	0.8	-	-	-	
Deferred Inc. Tax and Profit sharing	-	-	(37.5)	(33.5)	(38.9)	(17.5)	(36.4)	
	(1.5)	(1.9)	(39.8)	(47.2)	(38.9)	(17.5)	(47.5)	
Net income before subsidiaries	304.4	74.9	315.9	179.5	286.8	251.2	258.5	
Subsidiaries 'net income	(0.1)	0.5	0.7	9.8	12.3	21.1	3.9	
Net Income from continuous operations	304.3	75.4	316.6	189.3	299.0	272.2	262.3	
Extraordinary items, net	-	-	-	-	-	-	-	
Minority Interest	-	-	(11.1)	(5.4)	(30.7)	(4.6)	(33.9)	
TOTAL NET INCOME	304.3	75.4	305.5	183.8	268.3	267.6	228.5	

(*) Consolidate Afore

Notes to Banking Sector Financial Statements

Financial Instruments and Valuation Effects 3Q01

(Millions of Pesos)

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	25.6	25.5	(0.1)
Banking Securities	676.9	703.0	26.1
Private	103.6	102.7	(1.0)
Commercial Paper	1,073.7	1,072.8	(1.0)
Total	1,879.8	1,904.0	24.2
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Stock	177.0	147.2	(29.8)
Eurobonds	1,616.6	1,095.4	(521.2)
Total	1,793.6	1,242.6	(551.0)
SECURITIES HELD TO MATURITY			
Special Cetes	3,918.8	3,918.8	-
Trust Bonds	(2,678.3)	(2,678.3)	-
Fiduciary Rights	28.7	28.7	-
US Clearing Master Trust	113.6	113.6	-
Total	1,382.8	1,382.8	-
TOTAL	5,056.2	4,529.4	526.8

Repurchase Agreement Operations 3Q01

(Millions of Pesos)

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	87,934.9	(139.0)
Banking Securities	33,235.3	52
Total	121,170.2	(86.9)
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	66,677.5	(116.4)
Banking Securities	15,193.2	46.1
Total	81,870.7	(70.3)

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

Derivate Financial Instruments 3Q01
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(Millions of Pesos)

NEGOTIABLE INSTRUMENTS**FOREIGN CURRENCY FUTURES**

	BUY	SELL	NET
Market Value	-	-	-
Agreed Price	-	-	-
Total	-	-	-

FOREIGN CURRENCY FORWARDS

Market Value	1,071.8	(1,088.3)	(16.6)
Agreed Price	(1,080.0)	1,096.0	16.0
Total	(8.3)	7.7	(0.6)

DEBTOR BALANCE NOTE

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COVERAGE INSTRUMENTS**SWAPS**

	FLOW PAYABLE	FLOW RECEIVABLE	NET FLOWS
Cross Currency	(1,440.4)	1,412.2	(28.2)
Interest Rate	(4.9)	4.1	(0.8)
Total	(1,445.3)	1,416.3	(29.0)

FOREIGN CURRENCY OPTIONS

	OPENING PREMIUM	VALUED PREMIUM	VALUATION
Foreign Currency Options	(0.8)	0.1	(0.7)
Total	(0.8)	0.1	(0.7)

CREDIT BALANCE

(30.3)

Nongovernmental Financial Instruments above by 5% of Net Capital 3Q01
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(Millions of Pesos)

BANORTE

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
COPAMEX	Eurobonds	493.7	7.4%

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

Cost and Balances of FINAPE, FOPIME, Mortgage UDIS and Mortgage FOVI loan portfolios as of 3Q01

<i>(Million of Pesos)</i>	BANORTE		BANCEN		TOTAL	
	PERIOD COST	BALANCE LOAN PORTFOLIO	PERIOD COST	BALANCE LOAN PORTFOLIO	PERIOD COST	BALANCE LOAN PORTFOLIO
FINAPE	0.4	343.6	-	3.0	0.4	346.6
FOPYME	1.9	7.9	-	0.1	1.9	8.0
Mortgage UDIS	16.1	89.3	3.2	15.0	19.3	104.3
Mortgage FOVI	<u>3.3</u>	<u>10.3</u>	<u>3.1</u>	<u>8.6</u>	<u>6.4</u>	<u>18.9</u>
	21.8	451.1	6.3	26.7	28.0	477.8

The quarter ending with a balance of Ps 477.8 million pesos in debtors support programs with a cost of the period of Ps 28.0 million. The 94.4% of this portfolio are concentrated in Banorte.

Troubled Portfolio 3Q01

The National Banking and Securities Commission (CNByV) accepted the Proposal of the Bankers Association of Mexico (ABM), to consider as a Troubled Portfolio the D and E risk grades of the portfolio classification. The following table shows the troubled portfolio.

<i>(Millions of Pesos)</i>	TOTAL
Troubled Portfolio	3,198
Total Loans	78,620
Troubled Portfolio / Total Loans	4.1%

Deferred Taxes 3Q01

(Millions of Pesos)

ASSETS	ISR	PTU	NET
Allowance for loan losses (not deducted)	247	18	266
Tax loss carryforwards	1,115	-	1,115
Deficit from retirement obligations	182	52	235
Others	<u>34</u>	=	<u>34</u>
Total Assets	1,579	70	1,649
LIABILITIES			
Obligations FOBAPROA, Net	(275)	-	(275)
Accrued interest and inflationary component of del Fixed Assets, Foreclosed, Intangible & Others	(475)	(31)	(505)
	(750)	(31)	(780)
Total liabilities			
Assets (Liabilities) Accumulated Net	829	40	869

Long term debt as of 3Q01

TYPE OF DEBT	CURR ENCY	DATE OF ISSUE	AMOUNT (Millons Ps o DIs)	ORIGINAL AMOUNT (Millons Ps, Dis o UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
BANORTE								
Bonos Bancarios - Banorte 1-00	Ps	23-Mar-00		1,000	3 years	15.59%	1- May-03	E/189 days
Bonos Bancarios - Banorte 2-00	Ps	27-Jul-00		250	3 years	16.00%	4-Sep-03	E/189 days
Certificados-Banorte U01001	UDIs	11-Ene-01		90	10 years	8.13%	30-Dec-10	E/182 days
Certificados-Banorte U01002	Ps	29-May-01		20	3 years	TIIIE-0.25%	25-May-04	E/28 días
Non Convertible Subordinate Bonds-QBanorte 01U	UDIs	21-Jun-01		436	8 years	8.00%	21-Jun-09	E/182 días
Certificados Serie 1999-1	DIs	15-Jul-99	194.3	200	7 years	Libor+1.15%	15-Jul-06	Monthly
Certificados 1999-2A	DIs	15-Jul-99	55.8	75	5 years	8.94%	15-Jul-04	Monthly
Certificados Serie 1999-2B	DIs	15-Jul-99	24.4	25	7 years	9.49%	15-Jul-06	Monthly

BANCEN. does not present balance as of June 30, 2001.

Bank and Other entities loans as of 3Q01

(Millions of Pesos)	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS (*)	-	-	-	1,097.0	LIBOR+6.0	822.1	1,097.0
LOANS FROM LOCAL BANKS	1,141.0(**)	N.D.	N.D.	-	-	-	1,141.0
LOANS FROM FOREIGN BANK CONCERTED FROM THE COUNTRY	-	-	-	50.2	3.93	265.3	50.2
LOANS FROM FOREIGN BANK CONCERTED FROM CAYMAN	-	-	-	1,531.5	5.86	175.9	1,531.5
SECURITIZATION	-	-	-	2,610.0	5.94	850.7	2,610.0
LOANS FROM DEVELOPING BANKS	-	-	-	1,401.9	N.D.	N.D.	1,401.9
LOANS FROM PUBLIC FUNDS	-	-	-	173.6	N.D.	N.D.	173.6
CALL & LOANS FROM BANKS	2,091.7	10.46	3	-	-	-	2,091.7
LOANS FROM DEVELOPING BANKS	1,100.0	N.D.	N.D.	-	-	-	1,100.0
LOANS FROM PUBLIC FUNDS	2,181.3	N.D.	N.D.	-	-	-	2,181.3
LOANS FROM FIDUCIARY FUNDS	1,628.2	N.D.	N.D.	-	-	-	1,628.2
PROVISIONS FOR INTEREST	128.4	N.D.	N.D.	-	-	-	128.4
	8,270.6			6,864.2			15,134.7

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

(**) In UDIs.

Trading Income 3Q01

(Millions of Pesos)

	NET
VALUATION EFFECTS	
Negotiable Instruments	8.2
Repurchase	(3.4)
Futures	-
Foreign Currency Forwards	(1.6)
Options	(0.1)
Inflation Adjustment	1.2
Total	4.4

Figures are presented in constant pesos set at the close of September' 2001.

RESULTS FROM BUYING AND SELLING

Negotiable Instruments	88.2
Securities Held for Sell	1.1
Inflation Adjustment	-
Total of Buying and Selling Instruments	89.3

FX Spot	137.0
FX Forwards	1.4
FX Futures	1.7
FX Futures TIIE	0.3
Forwards	1.2
Total of Foreign Exchange	141.7

Inflation Adjustment	4.7
TOTAL INGRESOS POR INTERMEDIACION	235.6

240.1

Capitalization*(Millions of Pesos)*

	2003 RULES	
	<u>BANORTE</u>	<u>BANCEN</u>
Tier 1 Capital:		
Stockholders Equity	5,954	2,094
(+) Subordinated debt and Capitalization Instruments	-	-
(-) Investment in Subordinated debt	-	-
(-) Investment in Financial Institutions	36	5
(-) Investment in Non-Financial Institutions	-	-
(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	134	586
(-) Excess on deferred taxes	393	-
(-) Restructuring Charges and others intangibles	411	3
(-) Others Assets	-	-
Total Deductions	973	594
Total Tier 1	4,980	1,499
Tier 2 Capital :		
Capitalization Instruments	1,313	-
(+) General Preventive Reserves	404	27
(-) Subordinated Debt	-	-
Total Tier 2	1,717	27
Net Capital	6,697	1,526

	<u>BANORTE</u>			<u>BANCEN</u>		
	Total Assets	Weighted Assets	Required Capital	Total Assets	Weighted Assets	Required Capital
Credit Risk-Weighted						
Group 1 (risk weight 0%)	59,332	-	-	21,949	-	-
Group 2 (risk weight 20%)	7,002	1,400	112	16,486	3,297	264
Group 2bis (risk weight 10%)	5,727	573	41	404	40	3
Group 3 (risk weight 100%)	31,498	31,498	2,522	3,717	3,717	297

Figures are presented in constant pesos set at the close of September' 2001.

Group 3bis2 (risk weight 115%)	1,659	1,908	153	-	-	-
Group 3V (risk weight 150%)	645	967	77	-	-	-
Total Credit Risk-Weighted Assets	105,862	36,346	2,904	42,556	7,055	564

	BANORTE		BANCEN	
	Amount in equivalent positions in assets	Required Capital	Amount in equivalent positions in assets	Required Capital
Market risk-weighted assets:				
Peso Nominal interest rate operations	3,607	289	3,975	318
Peso or UDI real interest rate operations	1,514	121	99	8
Interest rate operations in foreign currency with nominal rate	753	61	11	1
Position in UDIS or with a return indexed to inflation	2	-	11	1
Positions in foreign currency or indexed to the FX rate	86	7	-	-
Positions in share or index to the price of securities	-	-	-	-
Total market risk weighted assets	5,965	477	4,095	328
Total credit and market risk-weighted assets	42,311	3,382	11,149	892

Risk Management

Loan Risk

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

The objectives of loan risk management at GFNorte are:

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

Individual Loan Risk

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

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

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

Portfolio Loan Risk

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

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

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

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

The results are risk measures such as the expected and unexpected loss at one year horizon. The expected loss is the credit portfolio's loss distribution average. The unexpected loss is the maximum loss at a specific confidence level (95% in this case) given the loss distribution.

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

Financial Statements basis for presentation.

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

The Banking Sector (Banorte and Bancen)-The new groupings contained in bulletin 1488 of October 30, 2000 of the CNByV that was effective from January 1, 2001 & The Presentation Rules from the bulletin 1455 from December 14, 1999 from CNBV used since July 1st, 2000. For all periods, figures are presented in constant pesos set at the close of the current reporting period. For this the UDI price at the end of each period was used. The information contained herein is based on unaudited information of each of the entities described herein. Results for any interim period are not necessarily indicative of results that may be achieved for a full fiscal year or any other interim period.

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

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

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