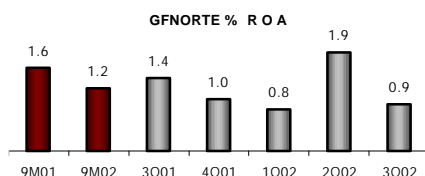
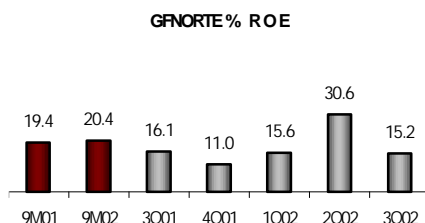
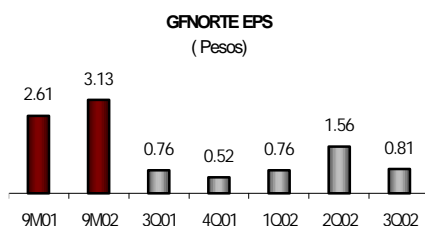
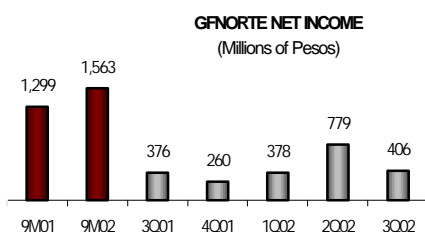


GFNorte generates an accumulated net profit of Ps 1,562.8 million as of 3Q02.

GRUPO FINANCIERO BANORTE



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- GFNorte accumulated a **net income** of Ps 1,562.8 million as of 3Q02, 20.3% higher than that earned in 3Q01, with a contribution of Ps 1,342.5 million from the Banking Sector. (excluding the Pension Funds Afore)
- GFNorte reached an annualized 20.4% **ROE**. This was reached despite the significant reduction in interest rates in comparison to the first nine months of last year.
- In General Ordinary Shareholders' Meeting held on September 30 of the current year, a **cash dividend was declared** of Ps 1.00 per share outstanding, equivalent to approximately Ps 500 million, affecting the Retained Earnings account from previous years. This was possible due to GFNorte good results and high capitalization levels.
- The **efficiency ratio** improved from 81.0% in 2Q02 to 75.3% in 3Q02, due to a higher volume of operations and also to an expense reduction, as a result of the efforts to improve efficiency.

BANKING SECTOR

- Total Loans w/o Fobaproa/IPAB** grew by 10.3% when compared to the previous quarter, highlighting increases in the Corporate and Automobile loans, as well as in Credit Cards.
- Non Interest Expense** decreased by 5.0% with respect to the previous quarter, reflected in all different expense lines. In September an Expense Control Committee was integrated.
- Bancreer Integration** advances have generated Expense savings that represented as of September an equivalent to annualized Ps 867 million.

OTHER SECTORS

- In August, Fitch Credit Rating Agency granted **Operadora de Fondos Banorte** (subsidiary of the Brokerage House) a grade of "**aa(mex)**" as a Mutual Fund Administrator.

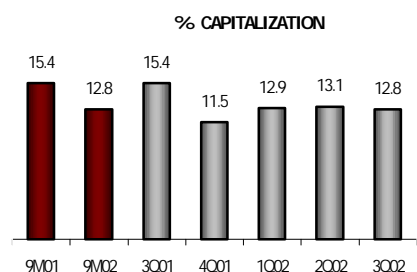
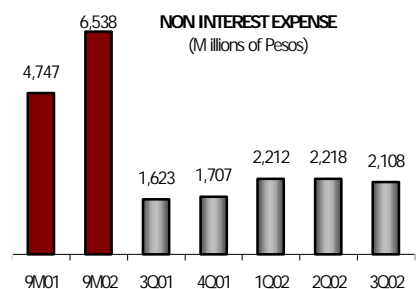
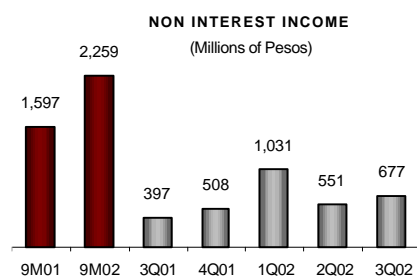
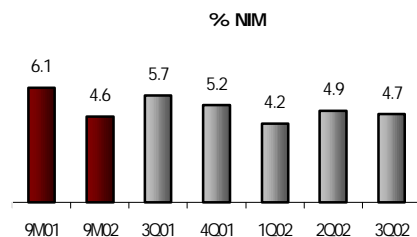
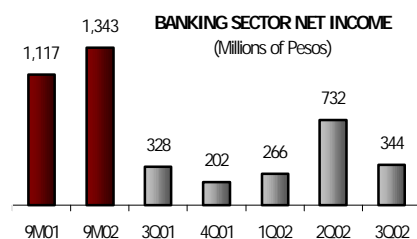
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Highlights



BANKING SECTOR

Net Profit

For the first 9 months of the year, net income was Ps 1,342.5 million (excluding Afore), 20.2% higher than that at 3Q01, due to Bancrecer incorporation, to Assicurazioni Generali extraordinary income of Ps 388 million net in 2Q02, and to higher transaction volumes.

Net Interest Margin

The Net Interest Margin before Repomo decreased from 6.1% at 3Q01 to 4.6% at 3Q02 mainly due to a strong decrease in interest rates and to the incorporation of Bancrecer that has assets generating lower net interest margins than Banorte.

Non Interest Income

Accrued Non Interest Income in the year was 41.5% higher to those in the same period last year due to Bancrecer's contributions as of 2002, to new service charges implemented in February 2002, and to a higher transaction volume.

Non Interest Expense

Accrued Non Interest Expense at 3Q02 increased 37.7% in comparison to last year, mainly due to the effect of the Bancrecer merger in 1Q02. However, there have already been significant benefits from the synergies of this integration, reflecting savings equivalent to annualized Ps 867 million.

Capitalization

The quarter ended with a capitalization ratio of 12.8% vs. 15.4% in 3Q01. This decrease in ratio was mainly due to the investment in the acquisition of Bancrecer in 4Q01.

Loan Portfolio

At September 2002 closing, the Banking Sector loan portfolio had a book balance recorded of Ps 141.9 billion, a 71.7% growth with respect to September 2001 that is mainly due to the incorporation of Bancrecer and to Banorte placement strategy. A 261.9% growth in Housing and Consumer can be highlighted and Corporate Loans grew 57.9%, from Traditional Banking.

Asset Quality

The Banking Sector ended the quarter with a past due loan balance of Ps 4,717 million, resulting in a total past due loan to total loans ratio of 3.3%. The loan reserve coverage for past due loans was 118.6%.

Executive Summary

GRUPO FINANCIERO BANORTE

GFNorte communicated its third quarter 2002 operating results. GFNorte and its subsidiaries net income was \$406 million in their third quarter of the year, 8% higher than the same quarter last year, accumulating a profit of Ps1,563 million in the year, 20% more than that of last year. These profits represented a 20.4% return on equity (ROE) for the year.

In the third quarter of the year, there was high market volatility both in equity and money markets. The strong interest rate increase at the third quarter closing caused a negative impact in the Non Interest Income in both Securities – realized gains and Securities – unrealized gains. Excluding the Ps 388 million extraordinary net income received from Generali, GFNorte's accumulated net income as of the third quarter is just 9.6% lower than that of the same period last year. The above, in spite of the 570 basis points interest rate fall between the first nine months in 2001 and the same period in 2002, which impacted net interest margins.

The Banking Sector represented 85% of the total profits obtained by GFNorte in the third quarter of the year, generating Ps 344 million, 5.0% higher than the third quarter in 2001 and a return on equity of 20.9%. Accumulated net profits as of the third quarter 2002 are Ps 1,343 million, 20% higher than those of the same period last year. On the other hand, the Brokerage Sector contributed with Ps 60.0 million to the net income of the year; the Long-Term Saving Sector with Ps 117.2 million; and the Auxiliary Organization Sector with Ps 53 million.

Assets under management by GFNorte at September 2002 closing, including deposits, third party deposits and the banking sector mutual funds, Brokerage House assets under management, and Afore pension funds, amounted to \$343 billion.

BANKING SECTOR

Total Deposits ended the quarter with a Ps 199 billion balance, 7% higher than last quarter due mainly to an increase in Term Deposits. Total Deposits increased 58.%with respect to September last year, due to the acquisition of Bancrecer and to the commercial network effort in this period.

The Banking Sector's loan portfolio at September closing, amounted to Ps 141.9 billion. Additionally, total loans without Fobaproa/IPAB continues with significant growth, ending the quarter with a balance of Ps 52.9 billion, 10% higher than last quarter. Commercial loans reached a balance of Ps 16,319 million, 13% higher than last quarter. The credit card portfolio ended the third quarter with a Ps 1,518 million balance, an increase of 25% with respect to the previous quarter supported by the "Lets card all Mexico" advertising campaign; mortgages ended the month of September with a Ps 9,742 million balance, which represented a 5% increase for the quarter. On the other hand, auto loans reached Ps 2,567 million, a 13% growth for the quarter. It is worth stating that for the ninth consecutive quarter, both mortgages as well as auto loans were able to record increases. Banorte's loan growth success is based on its fixed rates programs for its mortgages, auto loans and credit cards, as well as the proactive attitude and service quality of all its Group salesforce.

With respect to the asset quality, at September, the Banking Sector ended with past due loans of Ps 4,717 million, resulting in a past due loan ratio of 3.3%. In addition, the reserve coverage was 118.6%.

Non interest income, with respect to trading income, was negatively impacted for the second quarter in a row due to market volatility at the quarter closing. The influence of the above caused a 36% fall with regard to last year. However, revenues from fees charged from the traditional business grew 7% in the quarter, triggered by client transactions growth.

At September 2002, the non interest expense in the Banking Sector already shows the efforts carried out in expense reductions, as well as part of the benefits to be obtained from the synergy of integrating Bancrecer. Non Interest Expense decreased 5% versus the previous quarter and the Ps 10 million expense per branch recorded in Banorte for the first nine months of 2001 was reduced to Ps 6 million, a 40% decrease.

Capitalization ratio reached a 13.8% level for Banorte, considering both loan and market risks. Bancentro, on the other hand, reached a 9.0% ratio. This allowed the Group Banking Sector to reach a 12.8% capitalization ratio. This capitalization level allows GFNorte Banking Sector to have a solid growth platform.

It worth mentioning that Internet banking is becoming an important tool for our clients. The number of transactions

last September reached 2.6 million, double the volume of Sep'01. Visits to our portal Banorte.com increased from 42,000 to 142,000 per month in the same period.

Thanks to its good results, and solid financial position, last October 14, GFNorte paid Ps 500 million in dividends, declared in the General Ordinary Shareholders' Meeting held on September 30, 2002. The payment was equivalent to distributing \$1 Mexican peso per outstanding share. This dividend is a sample of GFNorte's current strength.

BROKERAGE SECTOR

The Group Brokerage Sector (Casa de Bolsa Banorte) generated a Ps 60.0 million accumulated net profit as of the third quarter 2002, considerably higher than that recorded in the same period last year, due to the increase in assets under management, and the relocation of the mutual fund administration that was previously located in Bancentro to Operadora de Fondos of Casa de Bolsa (Mutual Funds Operator). As of September, The Brokerage House assets under management amounted Ps 124 billion, 37% higher than those recorded in the same period in 2001.

In August, Fitch Credit Rating Agency granted Operadora de Fondos Banorte (subsidiary of the Brokerage House) a grading of "aa(mex)" as an Investment Financial Asset Administrator.

LONG TERM SAVING SECTOR

In the Long Term Savings Sector, Banorte-Generali AFORE continued increasing the number of its affiliates, accumulating 2,565,691; second place in new workers affiliation for the year. Banorte-Generali AFORE continues with one of the least affiliating costs of the industry and a certificate account market share of 9.7%. The funds administered amounted to Ps 17,908 million as of September 2002, 30.6% more than the same period last year. In the Insurance business, total assets grew 20.7% in this period. On the other hand, the Pensions company showed an important increase in assets of around 30.5% with respect to the same period. With an annual yield of 13.01%, Banorte-Generali AFORE had highest yield in the market for its customers as of September, 2002. Fees charged to our clients were reduced recently, making our Afore one of the best option in the market. Both the Bankassurance and the Annuities businesses showed an important asset annual growth of 21% and 31% respectively. GFNorte profits generated by the Long Term Savings Sector businesses in the first three quarters of the year were Ps 117 million, 43% higher than those obtained in the same period last year, mainly due to higher and better quality affiliation in the Afores company and to Insurance Banking sales growth

AUXILIARY ORGANIZATION SECTOR

The Auxiliary Organization Sector had accumulated profits at September 2002 of Ps 53 million, highlighting the annual Leasing loan growth of 17%.

BANCRECER INTEGRATION

The integration of Banorte-Bancrecer continues in accordance with the program established. One of the most important Integration stages began on October 1. Banorte products were then made available to the Bancrecer network. A new brand of checks named "Enlaces" was launched to the market for both Banorte and the Bancrecer network. Phase 2, the Interoperativity project was implemented, and the organizational structures as well as the processes of both networks were integrated in all branches.

As of today, Banorte has a 1,069 branches network and it is expected to conclude the front-end integration process by the end of the year, as planned. All branches will carry the same Banorte brand and will offer our customers the same range of products and services. We have already become just one entity and one organization offering the same opportunities and training to our employees.

Grupo Financiero Banorte

Grupo Financiero Banorte Earnings <i>(Millions of Pesos)</i>	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
G. F. Banorte [holding]	10.8	(4.4)	(3.7)	28.6	(10.0)
Banco Mercantil del Norte (1)	126.7	651.0	268.7	395.6	1,075.5
Banco del Centro	201.2	81.1	75.7	720.8	267.0
Banking Sector	327.9	732.1	344.4	1,116.5	1,342.5
Brokerage Sector (Brokerage House)	1.0	30.3	6.1	14.8	60.0
Afore	37.0	13.0	41.8	75.7	98.7
Insurance	(0.3)	(2.7)	(0.8)	7.9	25.3
Annuities	(15.2)	(8.2)	(1.6)	(1.4)	(6.8)
Long-Term Saving Sector	21.5	2.0	39.3	82.2	117.2
Leasing	6.8	6.9	9.2	20.9	21.1
Factoring	3.4	8.0	6.8	24.3	19.8
Warehousing	2.2	2.4	2.7	6.8	7.2
Bonding	2.1	1.4	0.9	5.5	4.9
Auxiliary Organization Sector	14.5	18.7	19.6	57.4	53.0
Total	375.7	778.7	405.6	1,299.4	1,562.8

1) 96.11% owned by GFNorte.

GFNorte Income Statement <i>(Millions of Pesos)</i>	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Net Interest Income (NII)	1,595.7	2,145.0	2,118.6	5,220.7	6,175.5
+ REPOMO-Margin	20.1	39.1	(22.3)	36.7	44.0
= NET Interest Income after Repomo	1,615.8	2,184.1	2,096.3	5,257.4	6,219.5
- Loan Loss Provisions	173.3	191.4	174.1	817.0	530.9
- Loss Sharing Provisions	25.7	11.7	7.4	158.7	21.0
=Net Interest Income after Provisions	1,416.8	1,981.1	1,914.9	4,281.7	5,667.7
+ Non Interest Income	653.2	834.2	1,031.8	2,246.9	3,227.0
= Total Operating Income	2,070.0	2,815.3	2,946.7	6,528.6	8,894.7
- Non Interest Expense	1,837.6	2,487.7	2,378.3	5,399.3	7,337.8
= Net Operating Income	232.5	327.6	568.4	1,129.3	1,556.9
+ Non Operating Income (Expense) Net	246.0	215.7	(2.3)	500.3	61.5
= Pre-tax Income	478.5	543.3	566.1	1,629.3	1,618.4
- Income Tax & profit sharing	(1.7)	72.4	89.0	68.5	199.9
- Tax on asset	27.2	25.8	26.6	34.6	74.0
- Deferred Income Tax & profit sharing	32.0	12.1	21.8	204.2	108.6
= Net Income before Subsidiaries	421.0	433.0	428.8	1,322.4	1,236.0
+ Undistributed Earnings of Subsidiaries	(4.1)	(18.8)	25.5	67.0	59.5
=Net Income-contin. Operation	416.9	414.3	454.3	1,389.4	1,295.5
+ Extraordinary Items, net	-	403.3	2.4	-	405.7
- Minority Income	41.1	38.8	51.0	90.0	138.4
=Total Net Income	375.7	778.7	405.6	1,299.4	1,562.8

Figures are presented in constant pesos set at the close of September' 2002.

Group's Balance Sheet Highlights			
<i>(Millions of Pesos)</i>	3Q01	2Q02	3Q02
Performing loans excluding Fobaproa – IPAB (1)	30,348	44,591	49,274
FOBAPROA Loans	49,541	91,987	89,010
Past Due Loans	4,666	4,756	4,751
Total Loans	84,555	141,334	143,036
Loan Loss Reserves	4,660	5,537	5,616
Total Assets	106,019	176,317	180,653
Deposits	74,282	120,761	129,460
Equity	10,179	11,432	11,090
Assets under Management (2)	231,887	319,533	342,873

1) Excludes Fobaproa-IPAB notes and loans to IPAB that are accounted in the Loans to Government Entities line.

2) 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.

GFNorte Share Data	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Net Income per Share <i>(Pesos)</i>	0.75	1.56	0.81	2.61	3.13
Dividends per Share <i>(Pesos)</i>	-	-	1.00	-	1.00
Book Value per Share (1) <i>(Pesos)</i>	18.76	21.03	20.29	18.76	20.29
Shares Outstanding <i>(Millions of Shares)</i>	497.1	500.7	499.9	497.1	499.9
Price <i>(Pesos)</i>	13.72	22.94	22.99	13.72	22.99
P/BV <i>(Times)</i>	0.73	1.09	1.13	0.73	1.13
Market Cap <i>(Millions of Dollars)</i>	726	1,154	1,127	726	1,127

1) Excluding Minority holdings.

Group's Financial Ratios	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
ROA (1)	1.4%	1.9%	0.9%	1.6%	1.2%
ROE (2)	16.1%	30.6%	15.2%	19.4%	20.4%
Efficiency Ratio (3)	79.2%	81.0%	75.3%	74.8%	80.0%
Efficiency Ratio (w/o Depreciation & contributions to IPAB) (4)	69.6%	69.0%	64.9%	66.4%	68.5%
Past Due Loans to Total Loans	5.5%	3.4%	3.3%	5.5%	3.3%
Loan Loss Reserves to past Due Loans	99.9%	116.4%	118.2%	99.9%	118.2%

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

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

3) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions - Trading Income)

4) (Non Interest Expense – Contributions to IPAB - Depreciation) / (Total Operating Income – Repomo Margin + Loan Loss Provisions-Trading Income)

Banking Sector

Banking Sector's Financial Ratios	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
<u>Profitability</u>					
% Net Interest Margin	5.7%	4.9%	4.7%	6.1%	4.6%
ROA (1)	1.3%	1.8%	0.8%	1.4%	1.1%
ROE (2)	17.1%	34.7%	15.1%	20.0%	20.9%
<u>Operation</u>					
Efficiency Ratio (3)	82.8%	81.5%	76.9%	76.4%	81.4%
Efficiency Ratio (w/o Depreciation & contribution to IPAB) (4)	72.8%	69.2%	66.2%	67.8%	69.8%
<u>Assets Quality</u>					
% Past Due Loans w/o Fobaproa	14.0%	9.8%	8.9%	14.0%	8.9%
% Past Due Loans with Fobaproa	5.6%	3.4%	3.3%	5.6%	3.3%
Loan Loss Reserves to past Due Loans	100.0%	117.2%	118.6%	100.0%	118.6%
<u>Quarter Growths</u>					
Loans w/o Fobaproa	1.4%	3.0%	10.3%	(4.3)%	59.7%
Total Loans	0.4%	0.4%	1.4%	(10.1)%	71.7%
Traditional Deposits	(5.0)%	(8.3)%	7.2%	(21.0)%	73.7%
Total Deposits	0.2%	(5.9)%	6.5%	15.5%	58.0%
<u>Capitalization</u>					
% Tier 1 (5)	12.1%	10.6%	10.3%	12.1%	10.3%
% Total Capitalization Ratio (5)	15.4%	13.1%	12.8%	15.4%	12.8%

- 1) Annualized Net Income as a percentage of the average of end of the month assets over the period.
- 2) Annualized Net Income as a percentage of the average of end of the month equity over the period.
- 3) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions - Trading Income)
- 4) (Non Interest Expense – Contributions to IPAB - Depreciation) / (Total Operating Income – Repomo Margin + Loan Loss Provisions-Trading Income)
- 5) The Banking Sector Ratio is included for information purposes. A ratio for each bank is presented in the capitalization section.

Information by Sectors

1.- Banking Sector

Income Statement <i>(Millions of Pesos)</i>	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Net Interest Income	1,490.0	2,062.9	2,038.3	4,872.3	5,935.4
+ REPOMO-Margin	27.6	47.8	(11.2)	60.0	72.3
= Net Interest Income after Repomo	1,517.6	2,110.7	2,027.1	4,932.3	6,007.6
- Loan Loss Provisions	167.7	191.4	173.9	809.7	530.6
- Loss Sharing Provisions	25.7	11.7	7.4	158.7	21.0
= Net Interest Income after Provisions	1,324.3	1,907.7	1,845.8	3,963.9	5,456.0
+ Non Interest Income	396.7	550.8	677.0	1,596.8	2,258.6
= Total Operating Income	1,721.0	2,458.4	2,522.8	5,560.7	7,714.6
- Non Interest Expense	1,622.7	2,218.3	2,108.4	4,746.9	6,538.3
= Net Operating Income	98.2	240.1	414.4	813.8	1,176.3
+ Non Operating Income (Expense) Net	232.8	217.3	0.6	483.5	65.6
= Pre-tax Income	331.0	457.4	415.0	1,297.3	1,241.9
- Income Tax & profit sharing	(3.3)	35.6	27.0	50.7	62.6
- Tax on asset	3.1	25.8	26.6	9.1	74.0
- Deferred Income Tax & profit sharing	0.6	17.1	23.3	119.7	120.1
= Net Income before Subsidiaries	330.6	378.9	338.1	1,117.9	985.2
+ Undistributed Earnings of Subsidiaries	39.9	(10.8)	56.6	91.6	93.9
= Net Income-continuous Operation	370.5	368.2	394.7	1,209.5	1,079.1
+ Extraordinary Items, net	-	403.3	2.4	-	405.7
Minoritary Income	-	-	-	(0.1)	-
=Total Net Income	370.5	771.4	397.1	1,209.6	1,484.7
= Net Operating Income (W/O Trading)	172.3	350.2	442.3	560.3	1,012.7

The third quarter Banking Sector net income (at 100% and including pension funds Afore using the equity method) was Ps 397.1 million, 48.5% lower than in 2Q02 mainly because of the extraordinary net income of Ps 403.3 million from Assicurazioni Generali in 2Q02. Excluding the extraordinary income in 2Q02, Net Income increased 7.9%. Net Operating Income (excluding Non Interest Income) increased 26.3%. Accumulated Net Income for the year showed an amount of Ps 1,484.7 million, 22.7% higher than last year for the same period. Net Interest Margin before Repomo increased an accrued 21.8% as of 3Q02 with respect to the same period in 2002, mainly due to the Bancrecer merger and to a non-recurring income recorded in 2Q02 for an amount of Ps 178 million derived from the Agriculture and Stock-Raising Debtors Support Program. Loan Loss Provisions decreased 34.5% in the year in comparison to last year, ending with a reserve coverage of 118.6%. Non Interest Income for the first nine months of the year grew by 41.5% with respect to that of the same period in 2001, both from Bancrecer's contribution and Service Fees increase derived from new fees beginning February 2002 and an increase in the volume of transactions. Accrued Non Interest Expense in the year increased 37.7% mainly due to the merger with Bancrecer in 2002; however, there have been significant improvements as a consequence of the synergies reached between both Institutions, which included termination of 2,055 employees and the closing of 119 branches in 2002. Other Revenues and Expenses decreased 86.4% in comparison to last year, due to an important reduction in the Repomo-other revenues as well as in the Repomo-other expenses, lower Recoveries, and because in January 2002, the administration of the Mutual Funds returned to the Brokerage House.

Net Interest Income

Banking Sector Net Interest Income (Millions of Pesos)	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Interest Income	4,732.9	5,387.9	5,759.9	18,274.7	16,705.4
Interest Expense	3,329.2	3,523.6	3,866.7	13,618.2	11,225.7
Loan Fees	92.0	207.9	156.0	229.7	484.2
Fees Paid	5.6	9.4	10.9	13.9	28.5
Net Interest Income before Repomo	1,490.0	2,062.9	2,038.3	4,872.3	5,935.4
Average Earning Assets	104,406	168,092	172,265	107,318	172,273
% Net Interest Margin (1)	5.7%	4.9%	4.7%	6.1%	4.6%

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

Net Interest Income (Millions of Pesos)	3Q01		2Q02		3Q02	
	BANORTE	BANCEN	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	2,849.7	1,097.3	3,507.7	1,221.0	3,691.4	1,195.2
Interest Income- repo agreement	61.2	725.1	152.8	503.3	130.4	742.7
Foreign exchange Valuation	-	(0.4)	2.6	-	0.2	-
UDI valuation	-	-	0.5	-	0.1	-
Interest Income	2,910.9	1,822.0	3,663.7	1,724.3	3,822.0	1,937.9
Interest Expenses-dep. & funding	1,574.9	(8.2)	1,844.0	8.6	2,002.4	13.9
Interest expenses- repo agreement	1,027.1	721.8	1,017.9	638.3	1,197.0	638.6
Foreign exchange Valuation	4.2	-	-	1.5	-	0.5
UDI valuation	(0.1)	9.5	12.0	1.2	13.0	1.2
- Interest Expense	2,606.1	723.2	2,873.9	649.7	3,212.5	654.2
Loan Fees	91.7	0.3	207.8	0.2	155.8	0.2
Fees paid	5.6	-	9.4	-	10.9	-
= Net Interest Income	391.0	1,099.1	988.1	1,074.8	754.4	1,283.8

In the quarter, the Net Interest Income before Repomo increased 8.1% with respect to the last quarter (excluding non recurring income of Ps 178 million recorded in 2Q02 derived from the Agriculture and Stock-Raising Debtors Support Program), due to different factors that influenced its performance as follows:

Increases:

- Higher loans granted in the quarter, increasing 10.3%. This affected the Net Interest Income.
- The positive effect of the increase in the Exchange Rate from 9.96 per dollar to 10.23 pesos per dollar, from June to September 2002.
- An increase in market rates in the quarter, since the average 28-day Cetes rate increased from an average of 6.54% in 2Q02 to 7.10% in 3Q02, and the 28-day TIIIE increased from an average of 7.65% to 8.08% in the same period.

Accrued Net Interest Income before Repomo at 3Q02 (excluding the non recurring income), increased 18.2% from last year mainly because of the Bancrecer merger in 2002 and a mix of different factors as explained below:

- Significant decrease in the market interest rates, since the nine month average 28-day Cetes, in comparison to the same period in 2001, decreased from 12.68% to 7.00%, and the 28-day TIIIE decreased from 14.17% to 8.08% in the same period. This interest rate fall affected the Net Interest Income negatively.
- A 110.8% increase in loans fees proceeding from higher loan placing impacted the Net Interest Income favorably.

The Net Interest Margin for the quarter (excluding the 2Q02 non recurring Income) increased from 4.5% in 2Q02 to 4.7% in 3Q02. This indicator accrued in the year a decrease from 6.1% in 2001 to 4.6% in 2002, mainly due to the strong negative impact of lower interest rates and to the effect of the Bancrecer merger, which had a lower Net Interest Margin because of higher IPAB portfolio concentration in its total Average Earning Assets.

Non Interest Income

Non Interest Income (Millions of Pesos)	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
+ Fund Transfers	16.2	50.6	46.8	43.2	138.9
+ Account Management Fees	79.4	168.8	159.4	238.9	484.5
+ Fiduciary	438.7	237.7	188.1	810.0	615.3
+ Credit Card	86.9	148.9	144.2	259.1	416.4
+ Income From loan portfolios acquired	41.5	22.1	109.3	41.5	175.2
+ Electronic Banking Services	25.2	32.0	61.2	82.5	179.8
+ From Fobaproa	64.6	62.0	50.2	232.8	247.1
+ Other Fees	47.1	121.7	148.2	140.2	390.5
Fees on purchased services:	799.6	843.7	907.4	1,848.2	2,647.7
+ Fund Transfers	-	-	-	-	-
+ Other Fees	328.8	182.8	202.5	504.8	552.7
Fees Paid :	328.8	182.8	202.5	504.8	552.7
=Net Fees	470.8	660.9	704.9	1,343.4	2,095.0
+ Foreign Exchange	48.0	105.0	68.6	151.0	239.6
+ Securities- Realized gains	(24.1)	(170.3)	(87.2)	97.0	(14.5)
+ Securities- Unrealized gains	(98.0)	(44.8)	(9.4)	5.5	(61.5)
Trading Income	(74.1)	(110.1)	(27.9)	253.5	163.6
= Non Interest Income	396.7	550.8	677.0	1,596.8	2,258.6

Due to its increasing significance, two new accounts are broken down departing this report: one for Electronic Banking Services, which includes automatic tellers, Internet Banking, Point of Sale Terminals, and Telephone Banking; and the other for Income from loan portfolios acquired, which includes fees generated by three of the five packages purchased in the last 18 months that are administered by Bancen.

The Non Interest Income for the quarter increased 22.9% in comparison to the previous quarter. This variance is due to different factors explained below:

Service Fees

- Electronic Banking Fees increased 91.3% in the quarter, mainly due to the initial transactions for paying taxes through the Internet Banking beginning this quarter.
- The Income from loan portfolios acquired increased 394.6% due to the significant collections realized in the quarter.
- Fees from Fobaproa decreased 19.0% with respect to 2Q02, due to less portfolio collections in the quarter.

Net fees charged to IPAB for the Serfin portfolio collections totalled Ps 55.2 million, which with respect to the Ps 123.0 million from the previous quarter, meant a decrease of 55.1%. Accrued Net Fees of Serfin for the year decreased 47.2% with respect to last year, ending 3Q02 with an amount of Ps 252.6 million.

REVENUES FROM SERFIN PORTFOLIO (Millions of Pesos)	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Fee Income (Fiduciary)	196.2	200.3	146.3	713.0	476.3
- Fee Expense (Other Fees Paid)	<u>83.8</u>	<u>77.3</u>	<u>91.1</u>	<u>234.3</u>	<u>223.8</u>
= Net Fees	112.4	123.0	55.2	478.7	252.6

Trading Income

- Income from Foreign Exchange trading decreased by 34.7% when compared to the previous quarter due to Ps 27 million of non-recurrent income recorded in 2Q02 stemming from US dollar Treasury position coverage.
- Trading Income had a negative impact in the fixed income securities position as a consequence of the volatility in interest rates that recorded a sudden increase at the end of the quarter with the Cetes 28-day rate increasing from 6.99% to 8.60% in the last week of September, due to market nervousness and an increase in "corto" by the central bank, reflecting losses of Ps 87.2 million in Security Realized Gains and PS 9.4 million in Securities Unrealized Gains.

Accrued Non Interest Income for the first nine months of the year increased 41.5% with respect to the same period last year. This increase was due both to Bancrecer's contributions to the results of this Sector beginning in 2002 and to service fees, because in February fees began to be charged to clients for checks issued and the service charge rates were revised. Income from loan portfolios acquired increased 322.2% due to significant collections in 2002; charges to Fobaproa increasing 6.1% with respect to last year, and those from the Serfin portfolio collections decreasing 47.2%. Trading Income decreased 35.5% with respect to last year because of the negative impact of higher interest rates volatility in 2002.

Non Interest Expense

Non Interest Expense (Millions of Pesos)	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Personnel Expenses	709.4	936.8	882.7	2,108.7	2,800.9
+Professional Fees	87.6	100.8	107.7	248.8	293.9
+Operation & Administration Expenses	434.3	552.0	539.9	1,257.1	1,668.0
+Rent, Depreciation & Amortization	195.5	331.2	273.7	533.7	896.9
+Tax other than income tax	104.6	135.6	148.2	321.0	405.1
+Contributions to IPAB	91.3	161.8	156.1	277.5	473.3
- Corporate Expense Recoveries	-	-	-	-	-
= Non Interest Expense	1,622.7	2,218.3	2,108.4	4,746.9	6,538.3

Non Interest Expense for the quarter decreased 5.0% with respect to 2Q02, mainly due to reductions of a 5.8% in Personnel Expenses and 17.4% in Income, Depreciation and Amortization as a result of the synergies obtained with Bancrecer and the measures to control expenses. The decrease in Income, Depreciation and Amortization can be explained on the one hand by the early amortization of Ps 40.5 million from two Banorte system projects that were cancelled in 2Q02. In the quarter, an additional 22 branches were closed, thus accumulating 119 branches closed so far this year and eliminating 81 additional positions, for a total 2,055 accrued employee reduction in the year. In September, the Expense Control Committee was formed whose purpose is to coordinate efforts to obtain reductions in Operating Expenses, in addition to those initially foreseen with Bancrecer integration. This Committee will revise all the Banking areas looking for expense reductions, and will subsequently analyze the internal operating processes to make them more efficient. The Efficiency Ratio improved from 81.5% in 2Q02 to 76.9% at 3Q02 closing.

Accrued Non Interest Expense for the first nine months of the year increased 37.7% with respect to the same period last year basically due to the Bancrecer merger in 2002. However, significant Expense reductions have been reached as a result of the synergies reached with Bancrecer, since their annualized savings reached at third quarter closing amounts to an equivalent of \$867 million, exceeding the original goal of Ps 800 million established for 2003.

Non Operating Income (Expense) Net

Non Operating Income (Expense) <i>(Millions of Pesos)</i>	QUARTER			ACCUMULAATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
+Other Revenues	120.8	180.5	77.9	358.7	334.9
+Foreign Exchange	-	-	-	-	-
+Recoveries	87.8	69.6	140.4	374.3	268.5
+Repomo-other revenues	43.0	1.1	1.1	90.0	2.9
=Non Operating Income	251.6	251.2	219.5	823.0	606.2
-Other Expenses	(4.6)	(40.6)	(140.7)	(313.5)	(344.0)
-Foreign Exchange	-	(4.7)	(0.2)	-	(6.6)
-Repomo-other expenses	(14.3)	(69.8)	(78.0)	(26.1)	(190.1)
=Non Operating Expense	(18.9)	(33.9)	(218.8)	(339.6)	(540.6)
= Non Operating Income (Expense) Net	232.8	217.3	0.6	483.5	65.6

The net result in the quarter for Non Operating Income was Ps 0.6 million, compared to the Ps 217.3 million in 2Q02. This variance was due mainly to the write off of provisions for securities mark to market precautionary reserve of Ps 101.2 million (Other Expenses) and other items in the other Revenues for Ps 78.7 million in 2Q02, and to the Ps 70.8 million Recoveries increase in 3Q02.

In the first nine months of the year, accrued Non Operating Income decreased 86.4% with respect to the same period in 2001, mainly due to the 28.3% lower Recoveries; a 96.8% decrease in Repomo - Other Revenues; to a significant increase in the Repomo - Other Expenses of 628.4%; and to the transfer of the Mutual Funds administration to the Brokerage House in January 2002 which was reflected in Other Income, which decreased 6.6%.

Loan Portfolio

Loan Portfolio (Millions of Pesos)	TRADITIONAL BANKING		RECOVERY BANKING		FOBAPROA		TOTAL	
	2Q02	3Q02	2Q02	3Q02	2Q02	3Q02	2Q02	3Q02
	Commercial	24,185	27,689	1,808	1,760	-	-	25,992
Corporate	9,787	11,370	52	24	-	-	9,839	11,394
Commercial	14,111	15,994	1,755	1,734	-	-	15,865	17,728
Other	287	325	2	2	-	-	288	327
Financial Entities	1,247	1,496	-	-	-	-	1,247	1,496
Consumer	3,863	4,537	209	117	-	-	4,072	4,654
Credit Card	1,219	1,518	90	-	-	-	1,309	1,518
Automobile	2,268	2,567	18	18	-	-	2,286	2,585
Other	376	453	101	98	-	-	477	551
Mortgages	9,323	9,742	3,732	3,703	-	-	13,054	13,445
Government Entities	3,564	3,839	9	-	82,645	79,149	86,217	82,988
Government Entities	3,564	3,839	-	-	-	-	3,573	3,839
IPAB	-	-	-	-	82,645	79,149	82,645	79,149
Fobaproa	-	-	-	-	9,342	9,861	9,342	9,861
Total	42,182	47,303	5,758	5,580	91,987	89,010	139,925	141,893
Total Loans w/o Fobaproa/ IPAB							47,938	52,882
Fobaproa / IPAB loans							91,987	89,010
Past Due Loans							4,705	4,717

The significant promotion carried out by Banorte to increase loan placements was reflected in positive results, since the quarter ended with a Total Loan Portfolio balance without Fobaproa/IPAB of PS 52,882 million. This balance increased 10.3% in comparison to last quarter, with a 15.8% growth standing out in the Corporate Portfolio, 16.0% in Credit Cards, and 13.1% in Auto Loans. IPAB loans decreased 4.2% due to a prepayment of Ps 2,500 million from Bancen and Banpais Portfolios in the quarter, having notified one month in advance pursuant to the contract established with this Institute. Likewise, we were notified about a USD 520 million prepayment corresponding to the entirety of the US dollar Banpais Fobaproa note which was paid in October 28, 2002.

The U.S. dollar loan portfolio represented approximately 18% of the Total Loan Portfolio without Fobaproa / IPAB. Consequently, the increase in the U.S. dollar exchange rate (from 9.96 to 10.23 Mexican pesos/dollar) contributed with approximately Ps 245 million to the quarter increase in portfolio balance. This represents just 5% of the quarterly Loan Portfolio increase. The Ps 4,944 million growth in the Loan Portfolio without Fobaproa / IPAB was practically double the amount amortized by the IPAB in the 3Q02.

Past Due Loans remained practically the same as in 2Q02, with a balance of Ps 4,717 million and a past due loan ratio of 3.3%, slightly less than last quarter due to the portfolio growth in the quarter.

LOANS PORTFOLIO OF TRADITIONAL BANKING			
(Millions of Pesos)	3Q01	3Q02	% Growth
Commercial (1)	11,223	16,319	45.4%
Mortgage and Consumer	3,945	14,279	261.9%
Mortgage	2,206	9,742	341.5%
Credit Card	591	1,518	156.8%
Automobile	943	2,567	172.2%
Other	205	453	120.8%
Corporate	7,203	11,370	57.9%
Recovery Banking	6,581	5,580	(15.2)%

(1) Includes Other loans

When comparing the loan portfolio at the quarter closing to that at 3Q01, we can appreciate important increases due both to the Bancrecer merger and loan placements. The growth in Mortgage and Consumer loans was 261.9% and in Commercial Loans was 45.4%. These growths are the result of the important promotion carried out by Banorte for loan placements, and they also reflect that the Consumer Sector continues to be very dynamic and that there is a higher loan demand from businesses.

Classified Loans

Category	COMMERCIAL (*)			MORTGAGE			CONSUMER			TOTAL		
	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve
A	27,049	83.9	210	7,515	55.9	41	3,764	80.9	19	38,327	76.1	270
B	1,921	6.0	239	3,262	24.3	201	498	10.7	50	5,681	11.3	490
C	1,139	3.5	340	804	6.0	249	106	2.3	48	2,049	4.1	637
D	66	0.2	47	1,494	11.1	1,046	121	2.6	88	1,681	3.3	1,181
E	2,042	6.3	2,022	-	-	-	216	4.6	214	2,258	4.5	2,234
Not Classified	39	0.1	-	371	2.8	-	(51)	(1.1)	-	359	0.7	-
Total	32,256	100.0	2,859	13,445	100.0	1,536.7	4,654	100.0	419	50,355	100.0	4,814
Excepted	-	-	-	-	-	-	-	-	-	92,809	-	-
Total	32,256	100.0	2,859	13,445	100.0	1,536.7	4,654	100.0	419	143,164	100.0	4,814

Note : Consolidated with UDIS. With September '02, per application of Report 1449,1460,1480 Y 14 of the CNBYV (the National Banking and Securities Commission).
 (*) Includes Financial Intermediaries, Government Entities, Irrevocable Lines of Credit and Signatures Guarantees Granted.

Loans Loss Reserves (LLR)

Loan Loss Reserves (Millions of Pesos)	3Q02		
	BANORTE	BANCEN	Total
PREVIOUS PERIOD END BALANCE	5,086	430	5,516
Provision taken in the period	154	3	158
UDI trusts transfers	17	(8)	9
Charge offs and discounts:			
Commercial Portfolio	1	(3)	(2)
Foreclosed assets	(2)	-	(2)
Consumer Portfolio	(1)	-	(1)
Mortgage Portfolio	(43)	6	(37)
	(45)	3	(42)
Cost of debtors support programs	(33)	(3)	(36)
Valuation and Others	(9)	-	(9)
LOAN LOSS RESERVES AT PERIOD END	5,169	425	5,595

(*) It does not include UDI trusts eliminations.

During the quarter, Ps 158 million were provisioned through the Income Statement and Ps 42 million were taken out through Charge offs and discounts related to Collections and restructuring of loans, from which Ps 37 millions came from Mortgage loans, Ps 2 millions came from Commercial loans, Ps 2 millions from Foreclosed assets and Ps 1 million from Consumer loans. The Loan Loss Reserve balance at the end of 3Q02 was Ps 5,595 million.

Reserve Coverage

Reserve Coverage			
<i>(Millions of Pesos)</i>	Past Due Loans	Reserves	Reserves/Past Due Loans
BANORTE			
Commercial	2,372	2,372	100.0%
Financial Intermediaries	-	-	-
Consumer	321	321	100.0%
Mortgage	1,717	1,717	100.0%
Government Entities	-	-	-
Surplus	-	758	-
Total Banorte	4,411	5,169	117.2%
BANCEN			
Commercial	171	171	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	135	135	100.0%
Government Entities	-	-	-
Surplus	-	119	-
Total Bancen	306	425	138.9%
Total Banking Sector	4,717	5,595	118.6%

The Reserve Coverage of the Banking Sector at 3Q02 was 118.6%. For Banorte the reserve coverage was 117.2% and 138.9% for Bancen. Both Banks have individual coverages of 100.0% for each type loan portfolio, with surpluses of Ps 758 million in Banorte and Ps 119 million in Bancen.

Deposits

Deposits			
<i>(Millions of Pesos)</i>	3Q01	2Q02	3Q02
Demand Deposits	27,138	47,846	47,482
Time Deposits	46,085	71,779	80,809
Bonds	1,402	1,313	1,326
Traditional Deposits	74,625	120,938	129,618
On behalf of Third Parties Deposits (*)	51,534	66,240	69,701
Total Deposits	126,159	187,178	199,319

(*) Accounted in Memorandum Accounts.

The quarter ended with a Total Deposit balance of Ps 199.3 billion, 6.5% higher than last quarter, mainly due to Treasury operations to fund assets by temporary switching from Time Deposits to Loans from Banks in 2Q02, to take advantage of the lower cost. Traditional Deposits increased 7.2% with respect to 2Q02 as a result of the publicity to attract new clientele, specially through the Bancrecer network.

Capitalization

Capitalization (Millions of Pesos)	RULES OF 2003			
	2Q02		3Q02	
	BANORTE	BANCEN	BANORTE	BANCEN
Basic Capital	6,824	1,662	7,016.0	1,542.9
Supplemental Capital	2,007	2	2,042.0	1.5
Net Capital	8,831	1,664	9,058.0	1,544.4
Credit risk assets	56,342	8,003	58,785.4	3,980.5
Net Capital/ Credit Risk Assets	15.7%	20.8%	15.4%	38.8%
Total risk assets (1)	63,242	17,174	65,633.7	17,118.2
Tier 1	10.8%	9.7%	10.7%	9.0%
Tier 2	3.2%	-	3.1%	-
Total Capitalization Ratio	14.0%	9.7%	13.8%	9.0%

(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 3Q02, Banorte presented a credit risk capitalization ratio of 15.4%, and 13.8% considering also market risks, with 10.7% of Tier 1 and 3.1% of Tier 2. Bancen, on the other hand, closed with a 38.8% ratio with respect to the credit risk assets, and with 9.0% including market risks. Its Tier 1 ratio was 9.0% and zero as for Tier 2. The Net Capital of both banks increased basically for profits generated in the quarter and had a decreasing effect due to dividends declared at the end of September of Ps 192.2 million for Banorte and Ps 191.2 million for Bancen.

US Dollar Assets and Liabilities

US Dollar Assets and Liabilities (Millions of Dollars)	2Q02		3Q02	
	BANORTE	BANCEN	BANORTE	BANCEN
Liabilities				
Retail Deposits	1,126.9	-	1,104.7	-
Market Issues	231.5	-	57.9	-
Loans from Banks	108.9	-	236.9	-
Intergroup Funding	-	-	-	-
Development Banks	97.3	28.3	90.3	27.8
Cross Currency Swaps	125.2	-	448.7	-
Deferred payments	-	-	-	-
Loan Loss Reserves	140.0	1.8	143.4	1.7
Foreign Exchange Derivatives	117.8	-	100.1	-
Other liabilities	9.2	-	11.6	-
Total Liabilities	1,956.9	30.1	2,193.6	29.5
Assets				
Cash	25.9	-	31.7	-
Deposits on Foreign Banks	268.5	26.9	229.9	26.8
Intergroup Deposits	-	-	-	-
USCP	133.3	-	50.0	-
Remittances Securitization Trust	13.2	-	7.0	-
Investment portfolio	145.3	-	355.3	-
Loan portfolio	750.2	1.8	907.2	1.2
Fobaproa – IPAB Notes(1)	495.8	-	490.0	-
Foreign Exchange Derivatives	97.6	-	89.7	-
Other assets	27.1	1.4	32.9	1.6
Total Assets	1,956.9	30.1	2,193.6	29.5

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

The combined total of Banorte and Bancen 3Q02 total closing assets balance in U.S. dollars was \$ 2,223.1 million U.S. dollars, 11.9% more than at 2Q02. This increase was reflected mainly in the Investment Portfolio and Loan Portfolio items with increases of \$ 210.0 million U.S. dollars and \$ 156.4 million U.S. dollars, respectively, funded with Cross Currency Swaps and Banking Loans. Assets in U.S. dollars represented 12.8% of the Total Group Banking Sector Assets.

Recovery Banking

Recovery Banking Income Statement (Millones de Pesos)	ACCUMULATED	
	3Q01	3Q02
Net Interest Income	24	(5)
+ REPOMO-margin	-	-
= Net Interest Income After REPOMO	24	(5)
- Loan Loss Provisions	-	7
= Net Interest Income After Provisions	24	(12)
+ Fiduciary	479	253
+ Fobaproa Fees (1)	233	247
+ Other Fees	68	214
Non Interest Income	780	714
= Total Operating Income	804	702
Non Interest Expense	377	209 (2)
= Net Operating Income	427	493
- Other Revenues and Expenses	-	-
= Pre-tax Income	427	493
- Income Tax & Profit Sharing	-	45
- Tax on Asset	-	-
- Deferred Income Tax & Profit Sharing	-	-
= Net Income before Subsidiaries	427	448
+ Undistributed Earnings of Subsidiaries	-	(25) (2)
= Net Income-continuous Operation	427	423
+ Extraordinary Items, net	-	-
- Minority Income	-	-
= Total Net Income	427	423

(1) Net Figures.

(2) Non Interest Expense of Sólida was netted out in the Undistributed Earnings of Subsidiaries line where Sólida's Net Income is shown..

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

Assets Under Management (Millions of Pesos)	3Q02	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Fobaproa-IPAB: Portfolios			
Banking Sector (1)	19,409	Out of balance trusts	Fees from FOBAPROA
Serfin	13,466	Serfin Trust	Fiduciary (3)
Reposessed assets	11,625	Out of balance trusts	Fobaproa fees and Fiduciary
	44,500		
Loans purchased to IPAB(2):	10,722	Sólida Administradora de Portafolios Bancen	Undistributed Earnings from Subsidiaries (Sólida) and Non Interest Income (Bancen)
Banking Sector Portfolio:			
Banking Sector (1)	5,440	Banorte's Portfolio	Net Interest Income
Reposessed assets	1,254	Banorte's Reposessed assets	Other Revenues and Expenses
	6,694		
Total	61,916		

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

(2) Includes 5 packages.

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

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.

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, and the portfolios bought to the IPAB. Additionally, it administrates own portfolio which, given its characteristics, have been transferred to be collected through the Recovery Banking.

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

Recovery Banking Contribution <i>(Millions of Pesos)</i>	ACCUMULATED	
	3Q01	3Q02
Traditional Banking Net Income	783	659
Recovery Bank Net Income	427	423
Banking Sector Net Income(*)	1,210	1,082 ⁽¹⁾
= % of Contribution	35.3%	39.1%

(*) Banking Sector 100.0%

(1) Excludes Ps 403 millions of extraordinary income from Generali

The Recovery Banking contributed with Ps 423 million to the year profits of the Banking Sector, equivalent to a 39.1% participation.

2.- Brokerage Sector

Brokerage Sector (Millions of Pesos)	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Brokerage House					
Net Income	1.0	30.3	6.1	14.8	60.0
Equity	230.7	298.9	303.1	230.7	303.1
Total Assets	345.4	456.9	439.0	345.4	439.0
Assets under Management	90,839.5	113,530.7	124,055.8	90,839.5	124,055.8
ROE %	1.7%	40.8%	8.1%	9.8%	27.9%

The **Brokerage Sector** (Brokerage House) recorded a profit of Ps 6.1 million in the third quarter of 2002. Profits earned this period were lower than those recorded in the second quarter. However, accrued Net Income at third quarter 2002 amounted to a total of Ps 60.0 million, figure that is 305.4% higher than that for the same period in 2001. This was due, among other factors, to the revenues provided by money market operations, same that although practically equal to those provided in the same period last year, were 23% higher than the figures budgeted, basically due to the corporate loan portfolio growth.

In addition, Operadora de Fondos Banorte, S.A. de C.V., business in charge of administering the mutual funds promoted by the Institute, began operations as a subsidiary of the Brokerage House at the end of December 2001. It has contributed significantly to increase operating income of the Brokerage House this year. Until last year this income was reflected in Bancen.

The stock brokerage income reached Ps 14.7 million in the third quarter of the year, figure 29% lower than the Ps 20.8 million obtained in the second quarter. Thus, accumulated income for the year represented Ps 55.7 million, figure practically equal to that generated in the same period last year despite the decrease in the Brokerage transactions this year.

It is important to highlight that the Business has kept strict control of its expenses and consequently, these stayed 7.0% below those from the same period last year.

3.-Long Term Savings Sector

Long Term Savings Sector (Millions of pesos)	QUARTER			ACCUMULATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Afore					
Net Income	72.6	25.5	81.9	148.5	193.5
Equity	1,207.7	1,251.6	1,328.1	1,207.7	1,328.1
Total Assets	1,445.6	1,504.5	1,634.4	1,445.6	1,634.4
Assets under Management (SIEFORE)	13,707.6	16,772.9	17,907.6	13,707.6	17,907.6
ROE %	24.5%	8.2%	25.1%	17.3%	20.6%
Insurance					
Net Income	(0.6)	(5.4)	(1.6)	15.5	49.5
Equity	144.2	191.3	192.2	144.2	192.2
Total Assets	1,529.7	1,753.6	1,846.1	1,529.7	1,846.1
Technical Reserves	1,223.2	1,410.6	1,480.8	1,223.2	1,480.8
Premium sold	185.4	280.6	663.4	301.0	917.1
ROE %	(1.6)%	(10.6)%	(3.4)%	17.1%	34.9%
Annuities					
Net Income	(29.8)	(16.1)	(3.2)	(2.8)	(13.3)
Equity	124.0	114.2	111.1	124.0	111.1
Total Assets	3,307.3	4,259.0	4,317.0	3,307.3	4,317.0
Technical Reserves	3,160.8	4,132.4	4,195.7	3,160.8	4,195.7
ROE %	(93.6)%	(51.5)%	(11.3)%	(3.2)%	(14.3)%

The **Afore** showed a Net Income of Ps 81.9 million for the quarter (51% are from Bancen), 221.2% higher than in 2Q02. Accumulated Net Income increased 30.3% with respect to last year, mainly as a result of the significant 30.6% annual increase in the SIEFORE Assets under management derived from the publicity efforts carried out. It ranks

second place in affiliations in the year and has one of the lower costs per affiliate in the industry. At 3Q02 closing, there were a total of 2,565,691 affiliates and had a 9.7% certificate account market share. The Net Income variation with respect to last quarter is due mainly to the business cyclicality because the employee contributions are every two months and therefore, in the 1st and 3rd quarter of each year there are two contributions and in the 2nd and 4th quarters of each year there is only one contribution.

The **Insurance Company** had a Ps 1.6 million loss (51% from GFNorte) for the quarter due to the negative impact of the price vector in its investment portfolio, because of the Market interest rates volatility, and to a lesser degree, to the increase in claims from Hurricane Isidore havoc in the Southwest of the Country. Now there are sales of insurance at previous Bancrecer branches. Retained earnings for the year were Ps 49.5 million, 219% higher than last year. Insurance premiums issued increased 205% from last year.

The **Annuities** business had a Ps 3.2 million loss in the quarter (51% from GFNorte); lower than the 2Q02 Ps 16.1 million loss. The variance is due mainly to the significant negative impact of the interest rate volatility in the fixed income securities portfolio. The total loss for the year was Ps 13.3 million, higher than the Ps 2.8 million loss in 2001 due to a higher market volatility in 2002 in comparison to 2001, and to the significant decrease in technical reserves earnings from lower interest rates. Currently, it ranks 5th place in the industry, with a 9.8% market share in premiums sold.

Auxiliary Organizations Sector (Millions of pesos)	QUARTER			ACCUMULAATE	
	3Q01	2Q02	3Q02	3Q01	3Q02
Leasing					
Net Income	6.8	6.9	9.2	20.9	21.1
Equity	145.2	142.5	152.0	145.2	152.0
Loan Portfolio(*)	714.1	808.4	832.3	714.1	832.3
Past Due Loans	18.5	22.4	22.3	18.5	22.3
Loan Loss Reserves	13.5	12.9	12.6	13.5	12.6
Total Assets	724.8	815.0	841.2	724.8	841.2
ROE %	19.0%	19.8%	24.8%	20.4%	20.0%
Factoring					
Net Income	3.4	8.0	6.8	24.3	19.8
Equity	182.9	150.2	156.9	182.9	156.9
Loan Portfolio	1,897.4	1,981.0	1,962.3	1,897.4	1,962.3
Past Due Loans	11.5	28.1	12.6	11.5	12.6
Loan Loss Reserves	10.0	8.7	8.6	10.0	8.6
ROE %	1,899.4	1,981.3	1,960.5	1,899.4	1,960.5
Total Assets	7.5%	21.6%	17.5%	17.7%	17.9%
Warehousing					
Net Income	2.2	2.4	2.7	6.8	7.2
Equity	59.7	66.4	69.2	59.7	69.2
Inventories(**)	174.0	484.6	247.4	174.0	247.4
Total Assets	236.1	543.8	314.9	236.1	314.9
ROE %	14.6%	14.7%	15.9%	15.9%	14.7%
Bonding					
Net Income	2.1	1.4	0.9	5.5	4.9
Equity	71.8	77.3	78.1	71.8	78.1
Total Assets	150.1	162.9	172.5	150.1	172.5
ROE %	11.8%	7.0%	4.5%	10.6%	8.5%

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

(*) Departing 2Q00 it includes operating lease.

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

The **Leasing** company reported net income of Ps 9.2 million in the quarter, 33.3% higher than in 2Q02 mainly due to higher credit placements at fixed rates, to the increase in fees, and to sales of leased goods. Accumulated Net Income for the year was Ps 21.1 million, 1.0% higher than last year. Total loan portfolio grew 16.6% in comparison to September 2001 due to the efforts carried out to grow the loan portfolio. Past due loans were 2.7% less at 3Q02, and the quarter ended with a 57% reserve coverage ratio. Currently, it ranks the 7th place among the 28 leasing businesses in the sector.

The **Factoring** business generated profits of Ps 6.8 million in the quarter, 15.0% less than those in 2Q02, and accumulated profits for the year of Ps 19.8 million, 18.5% lower than those of last year. Total Loan Portfolio grew 3.4% with respect to 3T01 as a result of new loan granting. Past due loans ended with a balance of Ps 12.6 million ; 55.2% less than 2Q02 thanks to significant recoveries achieved in the quarter, with a reserve coverage ratio of 68%. Currently, ranks in 1st place among the 11 factoring businesses.

The **Warehousing** had net income of Ps 2.7 million in 3Q02, 12.5% higher than that of the previous quarter. Accumulated profits for the year were Ps 7.2 million, 5.9% more than those accrued in 2001. This net income was achieved basically, thanks to Inventory Commercializing and to direct domestic storage, which have compensated the decrease in fiscal warehousing services that still resent the effect of the economic slowdown.

The **Bonding** generated Ps 0.9 million in net income in the quarter; 35.7% lower than that of last quarter, due to an increase in the level of claims. Accumulated profits for the year were Ps 4.9 million, 10.9% less than 2001, mainly as a consequence of the market contraction due to lesser construction projects. The business is still making efforts in publicity for lower level clientele and has a strict expense control.



ANNEXES

1. MACROECONOMIC ENVIRONMENT
2. GRUPO FINANCIERO – GENERAL INFORMATION
3. ACCOUNTING CHANGES AND REGULATIONS
4. FINANCIAL STATEMENTS
5. NOTES TO BANKING SECTOR FINANCIAL STATEMENTS

ANNEX 1. Macroeconomic Environment

Third Quarter, 2002 was distinguished by an environment of nervousness and uncertainty in the international financial markets and by a change in expectations that signals more moderate world economic activity evolving. In addition, several internal events occurred in the quarter – such as that related to a possible strike at PEMEX (Petróleos Mexicanos - Mexican Petroleum Institute) – that echoed in volatility of the financial market in our country. However, even with both of these adverse external and domestic factors, the Mexican economy absorbed the shocks in relative order without halting its course of recovery.

Learning of new corporate scandals and the lack of encouraging news with regard to the evolution of the U.S. economy, as well as uncertainty as to a possible war against Iraq, contributed to the Dow Jones 17.9% loss in the third quarter of the year. Aversion towards stock market risks also influenced the Mexican Stock Exchange, which contracted 11.34% this period.

In the third quarter, the Mexican peso recorded a devaluation of 2.6%, while in the previous quarter it was 9.7%. With respect to interest rates, 28-day Mexican Treasury Bills averaged 7.10% in the quarter to end with 8.60%

In the first nine months of the year, accumulated inflation was 3.94%. Among other pressure on prices we can find increases in domestic gas and energy. This, together with high agricultural prices in some months, has led to inflation expectations for this year of around a little over 5%. The quarter can be distinguished by its high annual inflation (5.51%, 5.29%, and 4.95% in July, August, and September, respectively).

On the economic activity side, the third quarter continued with slow export recovery, although at a rate slightly higher than the previous quarter. However, the dynamics observed in the external sector is not enough to reactivate industrial production significantly. In the month of August, the latter only grew 0.7% annually. Sales in the commercial sector, on the other hand, continued their growing path, albeit at a slightly slower rate than last quarter. Even though a better business climate is perceived with regard to last year, investments have shown signs of less recovery strength.

Although perspectives of evolution of the Mexican economic and financial markets have become moderate, in general, a stable panorama is perceived with continuous strength for next year.

ANNEX 2 .-Grupo Financiero- General Information

GFNorte Ownership in Subsidiaries

	2Q02
Banco Mercantil del Norte (1)	96.11%
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 Banpals in February, 2000.

(2) Subsidiary of Banco del Centro.

Holding Company Capital Structure

Number of Shares	SERIE O As of September 30, 2002
Number of shares issued	504,586,887
- Shares held on Treasury	4,660,763
= Number of shares outstanding	499,926,124

Banorte Ratings

Firm	Calificated Entity	Opinion	Category	Date
Moody's Investor	Banorte	POSITIVE	Outlook	August 2002
		Baa2	LT Foreign Currency Deposits	
		D+	Modest Bank Financial Strength	
Standard & Poors	Banorte	P-2	ST Foreign Currency Deposits	September 2002
		NEGATIVE	Outlook	
		BB	LT Foreign Issuer Credit	
		BB	LT Local Issuer Credit	
Fitch	Banorte	B	ST Foreign Issuer Credit	June 2002
		R	ST Local Issuer Credit	
		STABLE	Outlook	
		BBB-	Foreign Currency LT Debt	
		BBB-	Local Currency LT Debt	
		F3	Foreign Currency ST Debt	
		F3	Local Currency ST Debt	
C/D	Individual-Foreign Currency			
Fitch	Sólida	Average High (mex)	Financial Assets Administrator	June 2002

No. of Employees & Distribution Network

EMPLOYEES	3Q01	2Q02	3Q02
Banking Sector (*)	8,444	13,154	12,928
Other Sectors	<u>2,525</u>	<u>2,180</u>	<u>2,014</u>
Total Group	10,969	15,334	14,942
DISTRIBUTION NETWORK			
Branches (**)	462	1,091	1,069
ATM	1,549	2,527	2,497

(*) Includes Sólida Administradora de Portafolios.

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

ANNEX 3 .-Accounting Changes and Regulations

AHMSA.- In the second quarter of 2002, Banorte wrote off \$53.9 million U.S. dollars in Badwill of Available Securities for the Sale of AHMSA generated in fiscal years 1999, 2000, and 2001 to the Retained Earnings account from previous years, due to having cancelled negotiations between the Creditors' Committee and AHMSA shareholders.

In view of the financial problems that Grupo Acerero del Norte and its subsidiaries had in 1999, this entity declared suspension of payments. Likewise, AHMSA listing on the Bolsa Mexicana de Valores was suspended. Consequently, Banorte suspended bearing interest on these instruments in May 2002 and charged the deficit from valuation to equity, using the market price of these securities. In fiscal years 2000, 2001, and 2002, market value has reflected a permanent decrease.

Concluding from all the above, the charge to results from AHMSA's badwill share needed to be recognized in each of 1999, 2000 and 2001 fiscal years.

Terms and Particular Features of the Merger Process.

The Secretaría de Hacienda y Crédito Público authorized the Banorte – Bancrecer merger, in which the latter is the merging company and Banorte is the merged company. The merging party thereby changed its name to "Banco Mercantil del Norte, S.A., Institución de Banca Múltiple, Grupo Financiero Banorte".

This merger is a reorganization or transaction between companies under common control, pursuant to the Generally Accepted Accounting Principles of the United States of America, which were complementarily applied in accordance with the Accounting Criteria for Financial Institutions referred to in Circulars 1448 and 1488, issued by the National Banking and Securities Commission.

Up to February 28, 2002, both Institutions issued separate financial statements. As of March 2002, a single financial statement is drawn up for the merged entity.

For this purpose, Banorte's book balances of assets, liabilities and stockholders' equity were transferred to Bancrecer, thereby proceeding to eliminate the inter-company operations between both Institutions.

There were no changes made to the accounting policies applicable to Financial Institutions as a result of the reorganization in question.

The following table summarizes the merger process, indicating the effect on financial statements as well as detailing the inter-company transactions that were eliminated.

	Banorte	Bancrecer	Total	Intercompany Operations	Intercompany Operations	Balance of the Merged entity
	(before consolidation)			Debit	Credit	
Millions of pesos						
ASSETS	106,528	69,681	176,209		12,107	164,102
LIABILITIES	99,839	67,838	167,677	10,264		157,413
STOCKHOLDER'S EQUITY	6,689	1,843	8,532	1,843		6,689

As the above table shows, the remaining stockholders' equity is that of Banorte, as it is the Holder of Bancrecer shares. The stockholders' equity of the latter Institution is eliminated against Permanent Investment in shares that Banorte kept in its assets.

The stockholders' equity of the merged company totals Ps 2,273,482,963.00 (Two billion, two hundred seventy-three million, four hundred eighty two thousand, nine hundred and sixty three Mexican pesos 00/100) represented by 22,734,829,630 ordinary nominative shares of the "O" series, for a nominal value of Ps 0.10 (ten cents Mexican Currency).

Bancrecer, S.A., as a result of the merger, cancelled the shares it had deposited in the Company Treasury which had not been paid.

The nominal value of each stockholders' equity representative shares was modified from Ps 100.00 (one hundred Mexican pesos 00/100) to Ps 0.10 (ten cents Mexican Currency).

Interbank Eliminations in Balance lines		
(Millions of Pesos)	Debit	Credit
Stockholder's Equity	1,843	
Investments in Subsidiaries		1,843
Interbank loans	10,201	
Cash and due from banks		10,201
Deferred Taxes (Liabilities)	63	
Deferred Taxes (Assets)		63

(The last registers were reclassifications only, in accordance to CNBV and accounting criteria for presentation)

Interbank Eliminations in Income lines		
Interest Income – Expense		
(Millions of Pesos)	Debit	Credit
Interest Income.- Loans & Securities	39.1	
Interest Expense.- Deposits & funding		39.1
Interest Income.- Repo agreements	0.7	
Interest Expense.- Repo agreements		0.7
Earnings of Subsidiaries	84.6	
Net Interest Income before Repomo		645.4
REPOMO – margin	11.1	
Loan Loss Provisions	11.6	
Non Interest Income		283.8
Non Interest Expense	789.0	
Non Operating Income (Expense)	22.9	
Tax on Asset	11.8	
Deferred Income Tax & Profit Sharing		1.3
Earnings of Subsidiaries		0.5

For comparability purposes, Bancrecer's quarterly figures appear consolidated in the corresponding accounts of Banorte's (merged) earnings statements. Therefore, to avoid duplicating figures, the profit that, by means of the participation method Banorte had registered as subsidiaries profit, is eliminated.

Reserves for Integration Expenses.-

In Official Document number 60-II-105587, dated December 11, 2001, the National Banking and Securities Commission authorized the creation in December 2001 of a Reserve for Integration Expenses against Capital Reserves

for a total of Ps 678.1 million. Said provision contemplates the following concepts:

1. Reorganization

1.1 Restructuring Cost

The amount to cover the Bancrecer personnel severance pay to those laid off because of the organizational restructuring, product of the integration.

1.2 Outplacement Program

Fees to pay to specialized external advisors that will help the dismissed personnel to take on new productive activities on their own or to find new jobs.

1.3 Acquittance on loans made out to personnel laid off

Pursuant to internal policies, the Bank will grant an acquittance on the loans granted to the personnel subject to dismissal, 30% on commercial loans and 20% on mortgage loans.

2. Integration

2.1 Operative Integration

The necessary expenses to integrate all the branches into a single operative framework.

2.2 Re-branding

The necessary expenses to re-brand Bancrecer's branches, these expenses such concepts as indoor and outdoor painting, carpeting, sign make-over, and project coordination. Also included are the expenses needed to uniform signage and image inside the branches.

2.3 Amortization of Installation Expenses due to branch shutdowns

Installation expenses incurred at the Bancrecer branches that will soon close down according to Banorte's strategic plan.

3. After Retirement obligations (medical service)

The actuarial study of medical service benefits up to January 1, 2000, showed accumulated debts for retirement benefits for a total of Ps 132.3 million. Banorte does not have the corresponding detailed actuarial calculation; therefore, a conservative adjustment of Ps 80.7 million has been included.

The present actuarial calculation shows a need for Ps 49.8 million, which was reclassified as Obligations After Withdrawal. The surplus was canceled against Commercial Loans.

The amounts of each concept are:

(Millions of pesos)

	Initial Balance	September 2002 changes	September, 2002 Balance
1. Reorganization	368.1	(283.9)	84.2
2. Integration	229.2	(50.8)	178.4
3. After Retirement obligations (medical service)	80.7	(80.7)	-
Total	678.1	(347.3)	262.7

If these reserve had not been constituted by December 2002, the movements in the present business year associated with the Banorte-Bancrecer integration would have been in assets as a goodwill for the same amount as said reserves, as per Bulletin B-8 of the Generally Accepted Accounting Principles, paragraph 22, "Acquisition and sales of subsidiaries."

Deferred Taxes.-

Taxes are calculated on the fiscal income of the year, applying the fiscal regulation currently in effect. However, due to the temporary differences in acknowledging income and expense for accounting and fiscal purposes,

as well as the differences in the book and fiscal balance accounts, Banorte (already merged) has acknowledged a deferred tax in its favor for Ps 835,769, that is made up as follows:

(Pesos)	2002		
	Temporary	Deferred	
<u>CONCEPT</u>	<u>Differences</u>	<u>ISR</u>	<u>PTU</u>
Loan Loss Provisions (not deducted)	Ps 3,162,772	Ps 1,106,970	Ps 23,107
Tax loss carryforwards	10,326	3,614	-
Deficit from retirement obligations	601,449	210,507	60,145
Tax on assets	-	-	-
Excess of fiscal on account value of foreclosed assets	171,050	59,868	-
Total Assets	<u>Ps 3,945,597</u>	<u>Ps 1,380,959</u>	<u>Ps 83,252</u>

	2002		
	Temporary	Deferred	
<u>CONCEPT</u>	<u>Differences</u>	<u>ISR</u>	<u>PTU</u>
Excess of fiscal over account value of fixed assets and expenses, Intangible and Others	171,050	59,868	-
Accrued interest and inflationary effect on special CETES	Ps 1,560,845	546,296	42,320
Value market results	-	-	-
UDI trusts payable income tax	-	39,826	-
Total Liabilities	<u>Ps 1,560,845</u>	<u>Ps 586,122</u>	<u>Ps 42,320</u>
Accumulated Net Effect	<u>Ps 2,384,752</u>	<u>Ps 794,837</u>	<u>Ps 40,932</u>
DEFERRED TAX			<u>Ps 835,769</u>

As a result of the modifications to the Income Tax Law (ISR), published on January 1, 2002, the ISR rate (35%) will be reduced annually as of 2003 until the nominal rate of 32% is reached in 2005. Consequently, this gradual reduction in Income Tax, in turn, will reduce the assets from deferred taxes in the same years, thereby affecting the year's earnings.

Pursuant to paragraph 28 of Bulletin D-4 of the Generally Accepted Accounting Principles, issued by the Mexican Institute of Public Accountants, the administration has made financial and fiscal projections based on conservative economic condition scenarios. They will enable recovery of the deferred asset tax with future fiscal profit within the normal course of operations of Banorte (already merged). Additionally, as mentioned in item (b) of the aforementioned paragraph, the right to deferred tax generated by Bancrecer's fiscal loss, which totals Ps 1,596,350, will be considered when there is a greater likelihood of having sufficient future taxable profits, as contemplated in the paragraph cited above.

In regard to the updated fiscal accounts balance related to the Stockholder's Equity, based on Bulletin D-4 paragraph 75, it is convenient to highlight that the deferred tax movements of the current year were not created against Capital accounts, and that fiscal accounts (Net Income and Updated Capital Contributions) were calculated according to the current fiscal regulations.

Goodwill.-

As per Bulletin B-8 of the Generally Accepted Accounting Principles, paragraph 22 "Acquisition and sales of subsidiaries," an Asset Goodwill was created in 2Q02 for the amount of Ps 69.6 million, which mostly consists of:

- Interests shown in assets derived from the Agriculture, Livestock and Fishing Support Programs that were not acknowledged by the Federal Government, and
- Integration-associated expenses not covered by the Integration Reserve, as the latter is insufficient according to the new estimate of Ps 19.9 million.

Correction to 2Q02 quarterly report.-

In the Executive Summary section of the 2Q02 quarterly report it was referred that Sólida Administradora de Portafolios, S.A. de C.V. was a Bancen's subsidiary when it should had been referred it is a Banorte's Subsidiary.

ANNEX 4 .- Financial Statements

HOLDING –Income Statement (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Income from Subsidiaries and	564	361	374	249	1,548	383	786	412		1,581
Interest Expense	-	-	-	-	-	-	-	-	-	-
Trading Income	-	-	-	-	-	-	-	-	-	-
Fees & Tarifs	-	-	-	-	-	-	-	-	-	-
REPOMO	(3)	(3)	(3)	(4)	(15)	(2)	(3)	(3)		(8)
Total Operating Income	560	357	371	245	1,533	381	783	409		1,573
Operation & Administrative expenses	-	1	1	1	2	-	1	1		2
Operating Income	560	357	370	244	1,531	380	782	408		1,571
Non Operating Income	-	8	10	18	35	-		1		2
Non Operating Expense	-	-	-	-	-	-	-	-		-
Non Operating Income	-	8	10	18	35	-	1	1		2
Pre-tax Income	560	365	380	262	1,567	381	783	409		1,573
Income Tax & Profit Sharing	-	-	-	-	-	3	3	3		10
Tax on Assets	-	1	24	2	28	-	-	-		-
Deferred Inc. Tax and Profit sharing	-	-	(20)	-	(20)	(1)	1	-		-
	-	1	4	2	8	2	4	3		10
Net income from Continuos	560	364	376	259	1,559	378	779	406		1,563
Extraordinary Items, net	-	-	-	-	-	-	-	-		-
Total Net Income	560	364	376	259	1,559	378	779	406		1,563

HOLDING -BALANCE SHEET (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	210	435	310	151	162	158	134	
Financial Instruments:								
Sundry debtors and other assets,net	46	2	-	36	45	50	64	
Real Estate, Furniture & Equipment, net	-	-	-	-	-	-	-	
Investments in subsidiaries	8,291	8,755	9,028	9,277	9,669	10,347	10,477	
Deferred taxes	-	-	1	-	-	-	-	
Goodwill	-	-	-	-	-	-	-	
Other Assets, Deferred charges, intang	1	1	1	-	1	1	-	
TOTAL ASSETS	8,548	9,193	9,339	9,413	9,877	10,555	10,675	
LIABILITIES								
Due to banks and correspondents	-	-	5	6	9	8	10	
Income Tax & Profit Sharing	-	-	11	-	-	1	500	
Other Payable accounts	5	-	16	6	9	9	510	
Other payable accounts	5	-	16	6	9	9	510	
Deferred taxes	-	-	-	12	16	17	23	
TOTAL LIABILITIES	5	-	16	19	24	26	533	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,993	5,034	5,010	5,021	5,023	5,022	5,020	
Share subscription premiums	1,377	1,453	1,431	-	1,461	1,466	1,470	
Subordinated Convertible Debentures	-	-	-	1,456	-	-	-	
Subscribed Capital	6,370	6,487	6,441	6,477	6,484	6,489	6,490	
Capital Reserves	800	1,000	917	962	973	1,048	1,034	
Retained Earnings	8,424	8,335	8,336	8,335	9,894	9,817	9,317	
Surplus (Deficit) from securities	-	-	-	-	-	-	-	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(5,131)	(5,132)	(5,134)	(5,137)	(5,140)	(5,139)	(5,137)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm	(2,480)	(2,422)	(2,535)	(2,801)	(2,737)	(2,842)	(3,124)	
Adjustment in the employees pension	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	-	-	-	-	-	-	
Net Income	560	924	1,299	1,559	378	1,157	1,563	
Earned Capital	2,173	2,705	2,883	2,918	3,369	4,041	3,653	
Total Stockholder 's Equity	8,543	9,192	9,324	9,395	9,853	10,529	10,143	
TOTAL LIABILITIES & STOCKHOLDER 'S	8,548	9,193	9,339	9,413	9,877	10,555	10,675	

MEMORANDUM ACCOUNTS OF HOLDING (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Client securities held in custody	2,941	2,902	2,882	3,021	2,989	3,505	3,463	
Other trust account items	14,743	14,545	117	115	114	112	111	
Total	17,684	17,447	2,999	3,136	3,103	3,617	3,574	

GRUPO FINANCIERO BANORTE—CONSOLIDATED INCOME STATEMENT (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	8,874	4,853	4,839	4,407	22,974	5,658	5,482	5,848		16,989
Interest Expense	7,208	3,024	3,329	3,084	16,645	3,859	3,536	3,875		11,269
Loan Fees	67	70	92	104	334	120	208	156		484
Fees Paid	4	4	6	7	21	8	9	11		28
Net Interest Income (NII)	1,730	1,895	1,596	1,421	6,642	1,912	2,145	2,119		6,175
Repomo-Margin	7	9	20	21	57	27	39	(22)		44
NII after Repomo	1,737	1,904	1,616	1,441	6,699	1,939	2,184	2,096		6,220
Loan Loss Provisions	186	458	173	196	1,013	165	191	174		531
Loss Sharing Provisions	79	54	26	17	176	2	12	7		21
NII after Provisions	1,473	1,392	1,417	1,228	5,510	1,772	1,981	1,915		5,668
Fund transfers	13	14	16	18	62	42	51	47		139
Account management	77	82	79	61	300	156	169	159		484
Fiduciary	251	120	439	203	1,013	190	238	188		615
Income from Loan Portfolios Acquired	-	-	41	55	97	44	22	109		175
Electronic Banking Services	27	30	25	29	111	87	32	61		180
Credit Card	84	89	87	97	356	123	149	144		416
Fees from FOBAPROA	82	86	65	44	276	135	62	50		247
Other fees	268	212	299	317	1,095	437	391	489		1,318
Fees on services,	802	633	1,051	824	3,310	1,213	1,113	1,249		3,575
Fund transfers	-	-	-	-	-	-	-	-		-
Other fees	84	80	327	177	667	175	188	210		573
Fees paid,	84	80	327	177	667	175	188	210		573
Foreign exchange	57	46	48	50	201	66	105	69		240
Securities –Realized gains	55	63	(16)	2	103	261	(148)	(63)		49
Securities- Unrealized gains	117	(14)	(103)	39	39	(4)	(48)	(12)		(64)
Market-related Income	229	94	(71)	91	343	323	(91)	(6)		225
Total Non Interest Income	947	647	653	739	2,986	1,361	834	1,032		3,227
Total Operating Income	2,420	2,039	2,070	1,967	8,496	3,133	2,815	2,947		8,895
Personnel	779	766	785	723	3,052	1,071	1,025	957		3,053
Professional Fees	89	75	89	95	347	87	102	109		299
Operation & Administrative expenses	470	582	542	624	2,218	703	691	689		2,083
Rents, depreciation and amortization	202	191	224	224	841	331	370	315		1,015
Taxes, other than income tax	111	111	107	204	533	124	138	152		414
Contributions to IPAB	97	89	91	93	370	155	162	156		473
Corporate expenses Recoveries	-	-	-	-	-	-	-	-		-
Non-Interest Expense	1,748	1,814	1,838	1,963	7,362	2,472	2,488	2,378		7,338
Operating Income	672	225	232	5	1,134	661	328	568		1,557
Other Revenues	162	329	273	404	1,168	254	470	729		1,453
Foreign exchange	-	-	-	-	-	-	-	-		-
Recoveries	110	180	89	152	531	59	70	141		270
Repomo-other revenues	(17)	73	53	(43)	66	1	2	2		5
Non Operating Income	254	582	415	514	1,764	315	542	871		1,728
Other Expense	(183)	(387)	(155)	(172)	(896)	(421)	(249)	(795)		(1,465)
Foreign exchange	-	-	-	-	-	(2)	(5)	-		(7)
Repomo-other Expenses	(4)	(8)	(14)	(28)	(55)	(44)	(73)	(79)		(195)
Non Operating Expense	(187)	(395)	(169)	(200)	(951)	(467)	(326)	(874)		(1,667)
Non Operating Income (Expense), net	67	187	246	314	814	(152)	216	(2)		62
Pre-tax Income	739	412	478	318	1,948	509	543	566		1,618
Income Tax	4	9	32	51	96	37	34	62		132
Profit sharing	17	41	(34)	(21)	3	2	39	27		68
Tax on Assets	2	5	27	7	41	22	26	27		74
Deferred Inc. Tax and Profit sharing	111	61	32	(1)	204	75	12	22		109
Net Income before subsidiaries	606	296	421	282	1,604	374	433	429		1,236
Subsidiaries' net income	(2)	73	(4)	(6)	61	53	(19)	25		60
Net Income from continuous operations	604	369	417	276	1,666	427	414	454		1,295
Extraordinary items, net	-	-	-	-	-	-	403	2		406
Minority Interest	44	5	41	17	107	48	39	51		138
TOTAL NET INCOME	560	364	376	259	1,559	378	779	406		1,563

Figures are presented in constant pesos set at the close of September' 2002.

GRUPO FINANCIERO BANORTE— CONSOLIDATED BALANCE SHEET (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	8,329	8,237	9,101	7,957	17,190	17,492	19,539	
Negotiable Instruments	6,670	6,384	2,142	2,484	3,757	3,241	2,334	
Securities held for sale	1,886	1,682	1,306	1,094	940	1,051	841	
Securities held to maturity	1,350	1,404	1,454	3,149	3,954	4,073	6,339	
Financial Instruments:	9,906	9,469	4,902	6,727	8,650	8,365	9,515	
Repurchase agreements, net	179	221	124	164	150	142	186	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	5	52	8	16	-	-	-	
Repos & Derivatives :	184	272	132	179	176	142	186	
Commercial	21,377	19,387	20,352	23,976	24,544	25,838	29,314	
Financial Intermediaries	69	62	118	92	72	59	53	
Consumer	1,337	1,473	1,769	2,453	3,280	3,907	4,473	
Mortgage	4,326	4,401	4,556	4,864	10,813	11,215	11,593	
Government Entities	41,735	41,355	40,781	40,478	41,211	86,218	82,991	
Fobaproa	12,790	12,104	12,314	10,213	56,572	9,341	9,861	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	81,634	78,782	79,889	82,075	136,491	136,578	138,284	
Commercial	1,871	2,233	2,524	2,583	2,524	2,628	2,568	
Financial Intermediaries	-	-	-	-	-	-	-	
Consumer	669	332	324	337	367	287	331	
Mortgage	2,011	1,898	1,818	1,763	1,863	1,839	1,852	
Government Entities	-	-	-	-	-	2	-	
Past Due Loans	4,550	4,463	4,666	4,683	4,755	4,756	4,751	
Total Loans	86,184	83,245	84,555	86,758	141,246	141,334	143,036	
Preventive loan loss reserves	4,561	4,453	4,660	4,658	5,473	5,537	5,616	
Net Loan Portfolio	81,624	78,792	79,895	82,100	135,772	135,797	137,420	
Credit Assets Portfolio	-	-	2,497	2,647	2,449	2,300	2,057	
Sundry debtors and other assets, net	2,444	2,551	1,176	1,313	1,770	1,658	1,780	
Foreclosed assets, net	1,549	1,590	1,550	1,406	1,372	1,313	1,262	
Real Estate, Furniture & Equipment, net	3,508	3,455	3,621	3,756	5,698	5,638	5,627	
Investments in subsidiaries	990	1,015	1,029	1,027	1,168	1,295	1,314	
Deferred taxes	655	681	698	737	589	599	612	
Goodwill	-	-	-	-	-	-	-	
Deferred charges & Intangibles	1,630	1,458	1,419	1,407	1,472	1,719	1,342	
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	
Other Assets	10,776	10,750	11,989	12,292	14,517	14,522	13,994	
TOTAL ASSETS	110,819	107,520	106,019	109,256	176,305	176,317	180,653	

GRUPO FINANCIERO BANORTE – CONSOLIDATED BALANCE SHEET

(Millions of Pesos)

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	26,031	26,629	27,105	30,578	49,840	47,827	47,458	
Time Deposits	47,306	51,160	45,775	46,386	80,485	71,622	80,676	
Bonds	1,436	1,382	1,402	1,349	1,364	1,313	1,326	
Deposits	74,773	79,172	74,282	78,313	131,688	120,761	129,460	
Demand	4,492	8	21	2,604	1,467	11,793	615	
Short term	9,469	4,398	7,869	5,116	14,090	14,747	22,585	
Long term	10,264	10,161	9,854	9,029	12,855	12,504	10,707	
Due to banks and correspondents	24,225	14,567	17,744	16,749	28,412	39,044	33,908	
Repurchase agreements, net	53	108	135	111	68	163	238	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	22	2	41	10	-	83	515	
Repos & Derivatives:	75	110	177	121	68	247	754	
Income Tax & Profit Sharing	301	113	109	31	44	142	305	
Other Payable accounts	1,977	2,054	2,059	2,386	3,897	3,295	3,711	
Other payable accounts	2,278	2,167	2,168	2,417	3,941	3,437	4,017	
Subordinated non Convertible Debenture	-	1,384	1,412	1,384	1,412	1,384	1,412	
Deferred Taxes	-	-	-	-	-	-	-	
Deferred credits	112	109	57	53	61	12	13	
TOTAL LIABILITIES	101,462	97,509	95,839	99,037	165,582	164,885	169,563	
STOCKHOLDER'S EQUITY								
Paid-in Capital	4,993	5,034	5,010	5,021	5,023	5,022	5,020	
Share subscription premiums	1,377	1,453	1,431	1,456	1,461	1,466	1,470	
Subordinated Convertible Debentures	-	-	-	-	-	-	-	
Subscribed Capital	6,370	6,487	6,441	6,477	6,484	6,489	6,490	
Capital Reserves	800	1,000	917	962	973	1,048	1,034	
Retained Earnings	8,424	8,335	8,336	8,335	9,894	9,817	9,317	
Surplus (Deficit) from securities	-	-	-	-	-	-	-	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(5,131)	(5,132)	(5,134)	(5,137)	(5,140)	(5,139)	(5,137)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm	(2,480)	(2,422)	(2,535)	(2,801)	(2,737)	(2,842)	(3,124)	
Adjustment in the employees pension	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	-	-	-	-	-	-	
Net Income	560	924	1,299	1,559	378	1,157	1,563	
Earned Capital	2,173	2,705	2,883	2,918	3,369	4,041	3,653	
Minority Holdings	814	819	855	824	870	903	948	
Total Stockholder's Equity	9,357	10,011	10,179	10,219	10,723	11,432	11,090	
TOTAL LIABILITIES &	110,819	107,520	106,019	109,256	176,305	176,317	180,653	

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED

(Millions of Pesos)	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
ONBEHALF OF THIRD PARTY								
Customers' banks	3	2	3	3	4	3	2	
Dividends receivable from customers	-	-	-	-	-	-	-	
Interest receivable from customers	-	-	-	-	-	-	-	
Liquidation of customer transactions	8,048	10,041	12,201	14,789	17,569	17,635	13,765	
Customer loans	-	-	-	-	-	-	-	
Liquidation with foreign currencies of	-	-	-	-	-	-	-	
Margin accounts in futures operations	-	-	-	-	-	-	-	
Other current accounts	-	-	-	-	-	-	-	
CUSTOMERS CURRENT ACCOUNT	8,051	10,043	12,204	14,792	17,573	17,638	13,767	
Client securities held in custody	73,824	85,965	89,585	98,153	106,632	112,283	122,532	
Securities and documents received in	-	-	1	24	-	1	-	
Client securities abroad	-	-	-	-	-	-	-	
CLIENT SECURITIES	73,824	85,965	89,586	98,177	106,632	112,284	122,532	
Repurchase operations for customers	20,703	21,568	22,600	26,478	25,471	25,429	23,702	
Clients securities loans	-	-	-	-	-	-	-	
Purchase of Futures & forward contracts	-	-	-	-	-	-	-	
Sale of futures and forward contracts	-	-	-	-	-	-	-	
Purchasing operations (option price)	360	42	89	38	46	26	70	
Sales operations (option price)	-	-	-	-	-	-	-	
Purchase of derivative packages	-	-	-	-	-	-	-	
Sale of derivative packages	-	-	-	-	-	-	-	
Administration trusts	1,123	863	1,058	1,023	1,076	1,066	1,242	
TRANSACTIONS ON BEHALF CLIENT	22,186	22,473	23,746	27,539	26,593	26,522	25,015	
TOTAL ON BEHALF OF THIRD PARTY	104,061	118,481	125,537	140,508	150,798	156,444	161,315	
Signature guarantees granted	3	3	3	3	14	-	-	
Issuing of irrevocable letters of credit	1,216	1,059	818	538	684	945	915	
Property in trust and guardianship	39,938	37,166	36,839	41,245	79,420	74,813	80,492	
Assets held in custody or in administration	83,000	84,973	80,260	82,365	123,750	116,103	124,722	
Amounts committed to operations with	4,092	4,239	4,389	4,898	53,392	52,629	5,655	
In Transit drafts	-	-	-	-	-	-	-	
Certificates of Deposit in circulation	163	117	98	95	85	84	180	
Secured Credit Cards from the company	-	-	-	-	-	-	-	
Securities given to the company in custody	24	22	47	111	86	122	140	
Government securities in custody of the	28	36	44	89	-	82	72	
Securities given to the company on	-	-	-	-	-	-	-	
Securities outside the country	-	-	-	-	-	-	-	
Liquidations with foreign currencies abroad	-	-	-	-	-	-	-	
Debits to the contingency fund	-	-	-	-	-	-	-	
Other contingent obligations	17,271	17,442	10,600	10,628	13,827	18,207	14,351	
Banking transactions on behalf of third-	84,468	102,648	62,254	106,971	110,223	142,463	151,157	
Investments in funds for the retirem.saving	2,377	2,397	2,380	2,388	2,398	2,410	2,379	
Integration of the credit portfolio	-	-	-	-	-	-	-	
Amounts contracted in derivative	2,775	2,511	2,753	3,405	4,125	3,116	2,549	
Other trust account items	263,982	264,337	185,141	184,894	348,064	348,949	319,831	
OWN ACCOUNT OPERATIONS	501,337	516,951	385,625	437,630	736,068	759,924	702,443	
Repurchase agreements								
Securities to be received	113,035	138,418	149,976	149,968	177,518	176,534	197,682	
(Less) Securities to be delivered	(112,877)	(138,211)	(150,089)	(149,810)	(177,475)	(176,673)	(197,900)	
REPURCHASE TRANSACTIONS-	159	206	(113)	158	43	(139)	(219)	
Securities to be received	62,056	97,777	108,759	95,776	117,201	129,026	135,541	
(Less) securities to be delivered	(62,088)	(97,870)	(108,657)	(95,881)	(117,162)	(128,908)	(135,374)	
REPURCHASE TRANSACTIONS- SOLD	(33)	(93)	102	(105)	39	118	166	
TOTAL ON OWN ACCOUNT	501,463	517,064	385,614	437,683	736,149	759,902	702,391	

GRUPO FINANCIERO BANORTE CONSOLIDATED STATEMENT OF CASH FLOW
 JANUARY 1, 2002 –SEPTEMBER 30,2002
 (Millions of Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :	
Net Income	1,562.8
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	59.0
Provisions for loan losses	551.9
Depreciation and amortization	568.0
Deferred Taxes	108.6
Provisions for Obligations	1,067.6
Minoritary Interest	(138.4)
Undistributed Earnings of Subsidiaries	-
	2,216.6
Cash Flows From Investing Activities:	
Banks Deposits	51,149.2
Decrease (Increase) loan portfolio	(55,873.6)
Decrease (Increase) credit assets portfolio	589.6
Decrease (Increase) treasury operations	(2,847.2)
Decrease (Increase) financial instruments	626.3
Loans from banks and other entities	17,159.8
Net Resources provided by operations	10,804.0
Financial Activities:	
Subordinated Debentures Interest	83.8
Payment of Subordinated Debentures Interest	(55.8)
Issuance of stock	8.2
Net Resources provided by Investing activities	36.1
CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issuance of common stock	(2,136.0)
Decrease (Increase) Deferred charges or credits	(235.3)
Decrease (Increase) Deferred taxes	(16.5)
Decrease (Increase) Foreclosed assets	(143.3)
Decrease (Increase) in accounts receivable and payable	(826.2)
Net Cash provided by financing activities	(3,037.8)
Decrease (increase) in cash and due from banks	11,581.7
Cash and due from banks at the beginning of the year	7,956.9
Cash and due from banks at the end of the year	19,538.5

GRUPO FINANCIERO BANORTE
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
JANUARY 1, 2002- SEPTEMBER 30, 2002-

(Millions of Pesos)

	CONTRIBUTED CAPITAL		
	Fixed Paid-in Capital	Paid-in Capital & Premium	oth. Securities
Balance as of December 31,2001	3,002.1	2,018.4	1,456.1
Stock Changes			
Issuance of stock	-	(0.6)	13.8
Profits Capitalization	-	-	-
Total	-	(0.6)	13.8
Total Income			
Total Income:			
Net Income	-	-	-
Results of assets holdings	-	-	-
Minority Interest	-	-	-
Total	-	-	-
Balance as of September 30,2002	3,002.1	2,017.8	1,469.9

	EARNED CAPITAL						Total Stockholder s' Equity
	Capital Reserve s	Retained earnings	Excess if Insuf. Capital Restatement	Non Monetary Assets Results (Investment)	Net Income of the year	Minorit ary Intere st	
Balance as of December 31,2001	962.4	8,335.1	(5,137.2)	(2,801.3)	1,558.8	824.0	10,218.4
Stock Changes							
Issuance of stock	(5.0)	-	-	-	-	-	8.2
Profits Capitalization	-	1,558.8	-	-	(1,558.8)	-	-
Provisions Created	76.5	(76.5)	-	-	-	-	-
Dividends Declared	-	(499.9)	-	-	-	-	(499.9)
Total	71.5	982.3	-	-	(1,558.8)	-	(491.8)
Total Income							
Total Income:							
Net Income	-	-	-	-	1,562.8	-	1,562.8
Results of assets holdings	-	-	-	(322.8)	-	-	(322.8)
Minority Interest	-	-	-	-	-	123.7	123.7
Total	-	-	-	(322.8)	1,562.8	123.7	1,363.6
Balance as of September 30,2002	1,033.9	9,317.4	(5,137.2)	(3,124.1)	1,562.8	947.7	11,090.3

Figures are presented in constant pesos set at the close of September' 2002.

BANKING SECTOR- INCOME STATEMENT (*) (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	8,834	4,707	4,733	4,293	22,568	5,558	5,388	5,760		16,705
Interest Expense	7,266	3,023	3,329	3,063	16,681	3,835	3,524	3,867		11,226
Loan Fees	67	70	92	104	334	120	208	156		484
Fees Paid	4	4	6	7	21	8	9	11		28
Net Interest Income (NII)	1,632	1,750	1,490	1,328	6,200	1,834	2,063	2,038		5,935
Repomo-Margin	14	18	28	39	99	36	48	(11)		72
NII after Repomo	1,646	1,768	1,518	1,366	6,299	1,870	2,111	2,027		6,008
Loan Loss Provisions	185	457	168	196	1,006	165	191	174		531
Loss Sharing Provisions	79	54	26	17	176	2	12	7		21
NII after Provisions	1,382	1,257	1,324	1,153	5,117	1,703	1,908	1,846		5,456
Fund transfers	13	14	16	18	62	42	51	47		139
Account management	77	82	79	61	300	156	169	159		484
Fiduciary	251	120	439	203	1,013	190	238	188		615
Income from Loan Portfolios Acquired	-	-	41	55	97	44	22	109		175
Electronic Banking Services	27	30	25	29	111	87	32	61		180
Credit Card	84	89	87	97	356	123	149	144		416
Fees from FOBAPROA	82	86	65	44	276	135	62	50		247
Other fees	47	46	47	113	253	121	122	148		390
Fees on services,	581	467	800	620	2,468	897	844	907		2,648
Fund transfers	-	-	-	-	-	-	-	-		-
Other fees	88	89	329	182	687	167	183	202		553
Fees paid,	88	89	329	182	687	167	183	202		553
Foreign exchange	57	46	48	50	201	66	105	69		240
Securities -Realized gains	34	87	(24)	(20)	76	243	(170)	(87)		(15)
Securities- Unrealized gains	119	(16)	(98)	41	46	(7)	(45)	(9)		(61)
Market-related Income	210	117	(74)	70	323	302	(110)	(28)		164
Total Non Interest Income	704	496	397	508	2,105	1,031	551	677		2,259
Total Operating Income	2,086	1,753	1,721	1,661	7,222	2,733	2,458	2,523		7,715
Personnel	717	682	709	642	2,751	981	937	883		2,801
Professional Fees	87	74	88	93	342	85	101	108		294
Operation & Administrative expenses	371	452	434	498	1,755	576	552	540		1,668
Rents, depreciation and amortization	174	165	196	181	715	292	331	274		897
Taxes, other than income tax	108	108	105	201	522	121	136	148		405
Contributions to IPAB	97	89	91	93	370	155	162	156		473
Corporate expenses Recoveries	-	-	-	-	-	-	-	-		-
Non-Interest Expense	1,555	1,570	1,623	1,707	6,454	2,212	2,218	2,108		6,538
Operating Income	532	184	98	(46)	768	522	240	414		1,176
Other Revenues	98	140	121	201	560	76	181	78		335
Foreign exchange	-	-	-	-	-	-	-	-		-
Recoveries	109	178	88	152	527	58	70	140		268
Repomo-other revenues	(18)	65	43	(61)	29	1	1	1		3
Non Operating Income	188	383	252	293	1,116	136	251	219		606
Other Expense	(115)	(194)	(5)	34	(280)	(244)	41	(141)		(344)
Foreign exchange	-	-	-	-	-	(2)	(5)	-		(7)
Repomo-other Expenses	(4)	(8)	(14)	(28)	(55)	(42)	(70)	(78)		(190)
Non Operating Expense	(119)	(201)	(19)	5	(334)	(288)	(34)	(219)		(541)
Non Operating Income (Expense), net	69	182	233	298	781	(152)	217	1		66
Pre-tax Income	601	366	331	252	1,549	369	457	415		1,242
Income Tax	-	-	30	(30)	-	-	-	-		-
Profit sharing	16	38	(33)	(19)	1	-	36	27		63
Tax on Assets	2	4	3	5	14	22	26	27		74
Deferred Inc. Tax and Profit sharing	70	49	1	78	197	80	17	23		120
	88	91	-	33	212	101	79	77		257
Net Income before subsidiaries	513	274	331	219	1,337	268	379	338		985
Subsidiaries' net income	41	11	40	-	92	48	(11)	57		94
Net Income from continuous operations	554	285	371	219	1,429	316	368	395		1,079
Extraordinary items, net	-	-	-	-	-	-	403	2		406
Minority Interest	-	-	-	-	-	-	-	-		-
TOTAL NET INCOME	554	285	371	219	1,429	316	771	397		1,485

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

BANKING SECTOR -BALANCE SHEET (*) (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	7,922	7,925	8,698	7,562	16,759	17,178	19,089	
Negotiable Instruments	6,573	5,157	2,001	2,230	3,610	3,035	2,120	
Securities held for sale	1,886	1,682	1,306	1,094	940	1,051	841	
Securities held to maturity	1,350	1,404	1,454	3,149	3,954	4,073	6,339	
Financial Instruments:	9,809	8,242	4,761	6,473	8,504	8,159	9,301	
Repurchase agreements, net	138	161	74	144	107	98	160	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	5	52	-	16	26	-	-	
Repos & Derivatives :	143	212	74	160	133	98	160	
Commercial	19,337	17,261	18,031	21,253	22,263	23,405	26,906	
Financial Intermediaries	1,846	1,309	617	611	617	1,247	1,496	
Consumer	1,329	1,447	1,715	2,378	3,208	3,794	4,332	
Mortgage	4,326	4,401	4,556	4,864	10,813	11,215	11,593	
Government Entities	41,712	41,332	40,777	40,474	41,208	86,214	82,988	
Fobaproa	12,790	12,104	12,314	10,213	56,572	9,341	9,861	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	81,339	77,853	78,010	79,793	134,681	135,217	137,176	
Commercial	1,853	2,214	2,494	2,544	2,475	2,587	2,543	
Financial Intermediaries	-	-	-	-	-	-	-	
Consumer	659	322	324	328	357	278	322	
Mortgage	2,011	1,898	1,818	1,763	1,863	1,839	1,852	
Government Entities	-	-	-	-	-	2	-	
Past Due Loans	4,522	4,435	4,636	4,635	4,696	4,705	4,717	
Total Loans	85,861	82,288	82,646	84,428	139,377	139,923	141,893	
Preventive loan loss reserves	4,543	4,435	4,636	4,635	5,451	5,516	5,595	
Net Loan Portfolio	81,319	77,853	78,010	79,792	133,925	134,407	136,298	
Credit Assets Portfolio	-	-	2,497	2,647	2,449	2,300	2,057	
Sundry debtors and other assets, net	1,621	1,931	1,093	1,151	1,628	1,480	1,577	
Foreclosed assets, net	1,540	1,582	1,542	1,398	1,364	1,306	1,256	
Real Estate, Furniture & Equipment, net	3,326	3,265	3,418	3,492	5,453	5,376	5,339	
Investments in subsidiaries	1,017	984	1,033	1,002	1,063	1,062	1,116	
Deferred taxes	814	848	914	920	770	741	753	
Deferred charges & Intangibles	750	606	577	670	648	685	566	
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	
Other Assets	9,067	9,215	11,074	11,280	13,375	12,950	12,664	
TOTAL ASSETS	108,260	103,447	102,618	105,267	172,697	172,792	177,512	

BANKING SECTOR-BALANCE SHEET (*) (Millions of Pesos)

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	26,055	26,659	27,138	30,606	49,877	47,846	47,482	
Time Deposits	47,426	50,476	46,085	46,537	80,646	71,779	80,809	
Bonds	1,436	1,382	1,402	1,349	1,364	1,313	1,326	
Deposits	74,917	78,516	74,625	78,492	131,887	120,938	129,618	
Demand	4,492	8	21	2,604	1,467	11,793	615	
Short term	8,580	3,210	6,181	3,037	12,457	13,329	21,669	
Long term	10,102	9,906	9,708	8,763	12,555	12,225	10,439	
Due to banks and correspondents	23,174	13,124	15,910	14,404	26,479	37,347	32,723	
Repurchase agreements, net	20	57	91	96	34	124	216	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	18	2	32	10	-	83	515	
Repos & Derivatives:	37	59	123	106	34	208	731	
Income Tax & Profit Sharing	274	89	86	5	10	96	117	
Other Payable accounts	1,888	1,957	1,937	2,104	3,721	3,057	3,036	
Other payable accounts	2,162	2,046	2,023	2,109	3,731	3,153	3,152	
Subordinated non Convertible Debenture	-	1,384	1,412	1,384	1,412	1,384	1,412	
Deferred Taxes	-	-	-	-	-	-	-	
Deferred credits	126	121	65	72	72	17	15	
TOTAL LIABILITIES	100,417	95,250	94,158	96,568	163,615	163,047	167,652	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	5,165	5,165	5,165	5,344	5,344	5,344	5,344	
Share subscription premiums	588	588	588	929	929	928	928	
Subordinated Convertible Debentures	-	-	-	-	-	-	-	
Subscribed Capital	5,753	5,753	5,753	6,272	6,273	6,272	6,272	
Capital Reserves	2,327	2,404	2,404	2,404	2,404	2,404	2,404	
Retained Earnings	2,304	2,227	2,227	1,779	3,208	2,613	2,221	
Surplus (Deficit) from securities	(534)	(434)	(544)	(578)	(550)	(41)	57	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(2,233)	(2,235)	(2,237)	(2,240)	(2,242)	(2,242)	(2,241)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	11	
Non Mon assets results Investm	(66)	(95)	(92)	(104)	(66)	(87)	(89)	
Adjustment in the employees pension	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	(262)	(262)	(262)	(262)	(262)	(262)	(262)	
Net Income	554	839	1,210	1,429	316	1,088	1,485	
Earned Capital	2,090	2,443	2,706	2,427	2,809	3,473	3,587	
Minority Holdings	-	-	-	-	-	-	-	
Total Stockholder 's Equity	7,843	8,197	8,460	8,700	9,082	9,745	9,860	
TOTAL LIABILITIES &	108,260	103,447	102,618	105,267	172,697	172,792	177,512	

MEMORANDUM ACCOUNTS OF BANKING SECTOR (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	3	3	3	3	14	-	-	
Other contingent obligations	10,382	10,314	10,600	10,628	13,827	18,207	14,351	
Irrevocable lines of credit	1,216	1,059	818	538	684	945	915	
Assets held in trust and mandate	39,938	37,166	36,839	41,245	79,420	74,813	80,492	
Assets held in custody or in administration	78,388	80,382	75,485	77,023	118,967	110,624	119,302	
Investment banking transactions for third	86,468	102,648	62,254	106,971	110,223	142,463	151,157	
Engaged amounts in fobaproa operations	4,092	4,239	4,389	4,898	53,392	52,629	5,655	
Investment of retirement saving funds	2,377	2,397	2,380	2,388	2,398	2,410	2,379	
Integration of loan portfolio	-	-	-	-	-	-	-	
Received amounts in derivative instruments	2,775	2,511	2,753	3,405	4,125	3,116	2,549	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	92,333	116,850	127,376	123,489	152,047	151,105	173,980	
(Less) payable for reversal	(92,195)	(116,689)	(127,468)	(123,345)	(152,011)	(151,229)	(174,195)	
Receivables for reversal	41,956	76,254	86,138	69,325	92,264	103,577	111,831	
(Less) securities to be delivered	(41,975)	(76,311)	(86,064)	(69,421)	(92,226)	(103,478)	(111,671)	
Other control accounts	246,426	246,786	175,827	172,821	336,360	337,622	308,139	
	472,183	487,609	371,329	419,968	719,483	742,804	684,883	

BANCO MERCANTIL DEL NORTE- INCOME STATEMENT (*) (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	7,106	4,367	4,052	3,437	18,962	4,900	4,700	5,073		14,763
Interest Expense	5,531	2,874	2,621	2,267	13,293	3,195	2,901	3,234		9,330
Loan Fees	67	70	92	104	333	120	208	156		484
Fees Paid	4	4	6	7	21	8	9	11		28
Net Interest Income (NII)	1,638	1,558	1,518	1,268	5,981	1,817	1,997	1,984		5,799
Repomo-Margin	20	21	21	37	98	25	41	(12)		55
NII after Repomo	1,657	1,579	1,539	1,304	6,079	1,843	2,039	1,972		5,854
Loan Loss Provisions	153	449	172	177	951	152	185	173		510
Loss Sharing Provisions	79	54	26	17	176	2	12	7		21
NII after Provisions	1,425	1,076	1,341	1,110	4,952	1,689	1,842	1,792		5,323
Fund transfers	13	14	16	18	62	42	51	47		139
Account management	77	82	79	61	300	156	169	159		484
Fiduciary	19	20	17	16	72	53	35	37		125
Income from Loan Portfolios Acquired	-	-	-	-	-	-	-	-		-
Electronic Banking Services	27	30	25	29	111	87	32	61		180
Credit Card	84	89	87	97	356	123	149	144		416
Fees from FOBAPROA	77	83	63	38	262	132	61	44		237
Other fees	47	46	47	108	248	120	122	147		389
Fees on services,	344	365	334	368	1,411	713	618	640		1,971
Fund transfers	-	-	-	-	-	-	-	-		-
Other fees	76	75	76	81	309	109	104	109		321
Fees paid,	76	75	76	81	309	109	104	109		321
Foreign exchange	57	46	48	50	201	66	105	69		240
Securities -Realized gains	14	79	(2)	28	119	136	(11)	15		140
Securities- Unrealized gains	68	(46)	(23)	22	20	5	(34)	(7)		(35)
Market-related Income	140	79	23	100	340	207	60	77		344
Total Non Interest Income	408	368	281	386	1,442	811	574	608		1,994
Total Operating Income	1,833	1,444	1,622	1,496	6,394	2,500	2,417	2,400		7,317
Personnel	717	682	709	642	2,751	981	937	883		2,801
Professional Fees	74	67	80	85	306	78	95	101		274
Operation & Administrative expenses	369	450	427	489	1,735	573	560	545		1,677
Rents, depreciation and amortization	174	165	193	181	712	292	331	274		897
Taxes, other than income tax	99	104	100	197	500	117	131	145		394
Contributions to IPAB	95	88	94	86	363	153	159	154		466
Corporate expenses Recoveries	(32)	(11)	-	-	(43)	(15)	(26)	(22)		(63)
Non-Interest Expense	1,495	1,544	1,603	1,680	6,323	2,178	2,187	2,080		6,445
Operating Income	337	(100)	19	(185)	71	321	230	321		872
Other Revenues	42	70	50	140	303	53	153	55		261
Foreign exchange	-	-	-	-	-	-	-	-		-
Recoveries	108	177	85	152	522	57	69	140		266
Repomo-other revenues	(18)	65	43	(61)	29	1	1	1		3
Non Operating Income	133	312	178	230	853	111	223	196		530
Other Expense	(115)	(119)	(78)	34	(278)	(167)	(35)	(134)		(336)
Foreign exchange	-	-	-	-	-	(2)	(5)	-		(7)
Repomo-other Expenses	-	-	-	-	-	(18)	(42)	(55)		(114)
Non Operating Expense	(115)	(119)	(78)	34	(278)	(186)	(82)	(189)		(457)
Non Operating Income (Expense), net	18	193	100	264	575	(75)	141	6		72
Pre-tax Income	355	93	118	79	646	247	370	327		944
Income tax	-	-	19	(19)	-	-	-	-		-
Profit sharing	16	38	(33)	(19)	1	-	36	27		63
Tax on Assets	2	4	3	5	14	22	26	27		74
Deferred Inc. Tax and Profit sharing	70	49	1	17	137	68	8	10		87
	88	91	(11)	(16)	152	90	70	64		223
Net income before subsidiaries	267	2	130	95	494	157	301	263		721
Subsidiaries' net income	8	3	3	(17)	(3)	5	(27)	14		(7)
Net Income from continuous operations	276	5	132	79	492	162	274	277		713
Extraordinary items, net	-	-	-	-	-	-	403	2		406
Minority Interest	-	-	-	-	-	-	-	-		-
TOTAL NET INCOME	276	5	132	79	492	162	677	280		1,119

(*) Consolidate Subsidiaries.

BANCO MERCANTIL DEL NORTE-BALANCE SHEET (*) (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	7,153	6,900	8,434	8,429	16,238	17,064	18,856	
Negotiable Instruments	7,615	6,279	2,001	2,229	3,344	3,961	2,923	
Securities held for sale	1,718	1,520	1,152	973	940	1,051	841	
Securities held to maturity	1,051	1,096	1,142	2,835	3,638	3,757	6,021	
Financial Instruments:	10,384	8,895	4,295	6,038	7,922	8,769	9,785	
Repurchase agreements, net	95	74	34	77	54	65	115	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	5	52	-	16	26	-	-	
Repos & Derivatives :	99	126	34	93	80	65	115	
Commercial	19,011	16,939	18,022	20,926	21,998	23,104	26,608	
Financial Intermediaries	1,846	1,309	1,020	1,477	722	1,247	1,496	
Consumer	1,329	1,447	1,715	2,378	3,208	3,794	4,332	
Mortgage	3,987	4,064	4,219	4,545	10,514	10,928	11,312	
Government Entities	41,700	41,315	40,749	40,437	41,166	86,205	82,975	
Fobaproa	12,885	12,231	12,465	10,470	56,836	9,623	10,217	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	80,758	77,305	78,190	80,233	134,44	134,90	136,94	
Commercial	1,798	2,159	2,263	2,339	2,285	2,399	2,372	
Financial Intermediaries	-	-	-	-	-	-	-	
Consumer	659	322	324	327	357	278	321	
Mortgage	1,858	1,761	1,691	1,636	1,723	1,704	1,717	
Government Entities	-	-	-	-	-	2	-	
Past Due Loans	4,315	4,242	4,277	4,302	4,365	4,381	4,411	
Total Loans	85,073	81,547	82,467	84,535	138,810	139,281	141,352	
Preventive loan loss reserves	4,108	4,004	4,219	4,213	5,020	5,086	5,169	
Net Loan Portfolio	80,964	77,543	78,248	80,322	133,78	134,19	136,18	
Credit Assets Portfolio	-	-	-	-	-	-	-	
Sundry debtors and other assets, net	804	1,028	1,007	1,068	1,552	1,384	1,526	
Foreclosed assets, net	1,452	1,494	1,441	1,384	1,345	1,286	1,237	
Real Estate, Furniture & Equipment, net	3,324	3,263	3,418	3,492	5,453	5,376	5,339	
Investments in subsidiaries	439	404	412	401	422	411	426	
Deferred taxes	814	848	914	996	857	837	862	
Deferred charges & Intangibles	748	603	571	665	643	683	564	
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	
Other Assets	7,580	7,641	7,762	8,006	10,273	9,978	9,954	
TOTAL ASSETS	106,181	101,103	98,773	102,888	168,303	170,071	174,892	

BANCO MERCANTIL DEL NORTE-BALANCE SHEET (*) (Millions of Pesos)

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	26,055	26,659	27,169	30,655	49,898	47,866	47,760	
Time Deposits	47,426	50,476	46,085	46,537	79,345	71,779	80,809	
Bonds	1,436	1,382	1,402	1,349	1,364	1,313	1,326	
Deposits	74,917	78,516	74,656	78,540	130,607	120,958	129,896	
Demand	4,492	82	21	2,604	954	11,793	625	
Short term	8,580	3,210	4,973	3,037	12,456	13,329	21,668	
Long term	9,768	9,601	9,364	8,451	12,267	11,912	10,128	
Due to banks and correspondents	22,840	12,894	14,359	14,092	25,678	37,034	32,422	
Repurchase agreements, net	10	52	21	54	34	40	87	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	18	2	32	10	-	83	515	
Repos & Derivatives:	28	54	52	64	34	123	602	
Income Tax & Profit Sharing	258	74	58	5	10	96	117	
Other Payable accounts	1,871	1,860	1,912	2,090	3,630	3,026	2,802	
Other payable accounts	2,130	1,933	1,970	2,095	3,641	3,122	2,919	
Subordinated non Convertible Debenture	-	1,384	1,412	1,384	1,412	1,384	1,412	
Deferred Taxes	-	-	-	-	-	-	-	
Deferred credits	126	121	65	71	72	17	15	
TOTAL LIABILITIES	100,041	94,902	92,514	96,246	161,442	162,639	167,265	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,146	4,146	4,146	4,325	4,326	4,325	4,325	
Share subscription premiums	588	588	588	929	929	928	928	
Subordinated Convertible Debentures	-	-	-	-	-	-	-	
Subscribed Capital	4,734	4,734	4,735	5,254	5,254	5,254	5,254	
Capital Reserves	2,167	2,244	2,244	2,244	2,244	2,244	2,244	
Retained Earnings	2,045	1,968	1,969	1,771	2,263	1,668	1,468	
Surplus (Deficit) from securities	(507)	(423)	(503)	(554)	(536)	(27)	70	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	(2,243)	(2,243)	(2,244)	(2,240)	(2,245)	(2,245)	(2,241)	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	11	
Non Mon assets results Investm	(72)	(99)	(93)	(63)	(20)	(39)	(37)	
Adjustment in the employees pension	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	(262)	(262)	(262)	(262)	(262)	(262)	(262)	
Net Income	276	281	413	492	162	839	1,119	
Earned Capital	1,405	1,467	1,524	1,388	1,606	2,179	2,373	
Minority Holdings	-	-	-	-	-	-	-	
Total Stockholder 's Equity	6,139	6,202	6,259	6,642	6,861	7,433	7,627	
	106,181	101,103	98,773	102,888	168,303	170,071	174,892	

(*) Consolidate Subsidiaries.

MEMORANDUM ACCOUNTS OF BANORTE

(Millions of Pesos)	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	3	3	3	3	-	-	-	
Other contingent obligations	8,527	8,453	8,845	8,872	8,622	15,605	12,100	
Irrevocable lines of credit	1,216	1,059	818	538	681	945	915	
Assets held in trust and mandate	20,569	18,930	18,708	18,417	17,868	51,984	57,923	
Assets held in custody or in	77,354	79,269	75,485	77,023	78,180	109,418	118,321	
Investment banking transactions for	86,468	102,648	62,254	106,971	107,836	142,463	151,157	
Engaged amounts in fobaproa operations	3,997	4,110	4,238	4,640	5,652	52,351	5,299	
Investment of retirement saving funds	2,377	2,397	2,380	2,388	2,398	2,410	2,379	
Integration of loan portfolio	-	-	-	-	-	-	-	
Received amounts in derivative	2,775	2,511	2,753	3,405	4,125	3,116	2,549	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	48,115	46,658	51,440	46,555	47,147	62,013	72,858	
(Less) payable for reversal	(48,021)	(46,584)	(51,461)	(46,478)	(47,110)	(62,053)	(72,945)	
Receivables for reversal	22,057	47,258	49,353	45,458	45,820	62,068	72,962	
(Less) securities to be delivered	(22,067)	(47,310)	(49,319)	(45,512)	(45,844)	(62,003)	(72,847)	
Other control accounts	199,673	203,246	132,396	130,015	130,262	295,754	266,825	
	403,043	422,648	307,891	352,295	355,637	674,070	617,496	

BANCO DEL CENTRO (Bancen) - INCOME STATEMENT (*) (Millions of Pesos)

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	2,413	1,368	1,846	1,793	7,420	1,694	1,758	1,966	-	5,418
Interest Expense	2,408	1,164	1,865	1,722	7,158	1,669	1,686	1,905	-	5,260
Loan Fees	-	-	-	-	1	-	-	-	-	1
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income (NII)	6	204	(18)	71	263	25	72	62	-	158
Repomo-Margin	(6)	(4)	5	(9)	(14)	6	2	(3)	-	5
NII after Repomo	(1)	200	(13)	62	248	31	74	59	-	164
Loan Loss Provisions	32	8	(4)	19	55	13	7	1	-	21
Loss Sharing Provisions	-	-	-	-	-	-	-	-	-	-
NII after Provisions	(32)	192	(9)	43	193	18	67	58	-	143
Fund transfers	-	-	-	-	-	-	-	-	-	-
Account management	-	-	-	-	-	-	-	-	-	-
Fiduciary	232	100	422	187	941	137	202	151	-	490
Income from Loan Portfolios Acquired	-	-	41	55	97	44	22	109	-	175
Electronic Banking Services	-	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-	-
Fees from FOBAPROA	5	3	2	5	15	3	1	6	-	11
Other fees	191	132	219	153	695	223	159	246	-	627
Fees on services,	428	235	684	400	1,747	406	385	512	-	1,303
Fund transfers	-	-	-	-	-	-	-	-	-	-
Other fees	19	18	260	105	402	65	84	102	-	251
Fees paid,	19	18	260	105	402	65	84	102	-	251
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Securities -Realized gains	19	8	(22)	(48)	(43)	107	(159)	(102)	-	(154)
Securities- Unrealized gains	51	31	(75)	19	26	(13)	(11)	(3)	-	(26)
Market-related Income	71	39	(97)	(30)	(17)	95	(170)	(105)	-	(181)
Total Non Interest Income	481	256	327	265	1,328	436	130	306	-	872
Total Operating Income	448	447	318	308	1,522	453	198	364	-	1,014
Personnel	2	3	2	1	7	1	1	1	-	3
Professional Fees	14	8	9	8	39	9	6	8	-	22
Operation & Administrative expenses	112	119	100	98	428	111	111	103	-	326
Rents, depreciation and amortization	20	18	19	32	89	27	26	27	-	80
Taxes, other than income tax	11	5	5	6	27	5	5	4	-	14
Contributions to IPAB	1	2	(3)	7	8	3	2	2	-	8
Corporate expenses Recoveries	-	-	-	-	-	-	-	-	-	-
Non-Interest Expense	160	155	131	152	598	155	153	146	-	453
Operating Income	288	292	187	156	924	298	45	218	-	561
Other Revenues	55	70	71	62	258	23	28	23	-	74
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Recoveries	-	1	3	1	5	1	1	-	-	2
Repomo-other revenues	-	-	-	-	-	-	-	-	-	-
Non Operating Income	56	71	74	62	263	24	29	24	-	77
Other Expense	-	(75)	74	-	(2)	(77)	76	(7)	-	(8)
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Repomo-other Expenses	(4)	(8)	(14)	(28)	(54)	(25)	(28)	(23)	-	(76)
Non Operating Expense	(4)	(82)	59	(28)	(56)	(102)	48	(30)	-	(83)
Non Operating Income (Expense), net	51	(11)	133	34	207	(78)	77	(6)	-	(7)
Pre-tax Income	339	281	320	190	1,130	220	122	212	-	554
Income tax	-	-	11	67	78	25	16	52	-	93
Profit sharing	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Inc. Tax and Profit sharing	41	18	38	(14)	83	12	9	13	-	33
	41	18	50	53	162	37	25	65	-	127
Net income before subsidiaries	298	263	270	137	969	184	97	147	-	428
Subsidiaries' net income	12	22	4	18	56	13	9	11	-	33
Net Income from continuous operations	311	285	274	156	1,025	196	107	158	-	461
Extraordinary items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	32	5	36	15	88	42	12	40	-	95
TOTAL NET INCOME	278	280	238	140	937	154	94	117	-	366

(*) Consolidate Afore

BANCO DEL CENTRO (Bancen)-BALANCE SHEET *(Millions of Pesos)*

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	1,596	1,409	1,534	1,577	1,328	1,806	1,120	
Negotiable Instruments	1	-	-	1	266	281	178	
Securities held for sale	168	162	155	121	-	-	-	
Securities held to maturity	299	307	312	313	315	316	318	
Financial Instruments:	468	470	466	435	582	598	497	
Repurchase agreements, net	43	87	40	67	53	33	45	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	-	-	-	-	-	-	
Repos & Derivatives :	43	87	40	67	53	33	45	
Commercial	326	322	9	327	265	302	298	
Financial Intermediaries	-	-	-	-	-	-	-	
Consumer	-	-	-	-	-	-	-	
Mortgage	338	337	337	319	299	288	280	
Government Entities	12	17	28	37	42	9	13	
Fobaproa	-	-	-	-	-	-	-	
Fiduciary collection rights	-	-	-	-	-	-	-	
Performing Loans	676	675	374	683	605	599	592	
Commercial	55	55	232	205	190	188	171	
Financial Intermediaries	-	-	-	-	-	-	-	
Consumer	-	-	-	-	-	-	-	
Mortgage	152	138	127	127	-	-	135	
Government Entities	-	-	-	-	140	136	-	
Past Due Loans	207	193	359	333	331	324	306	
Total Loans	884	868	733	1,016	936	923	897	
Preventive loan loss reserves	434	431	418	423	431	430	425	
Net Loan Portfolio	449	437	315	593	506	493	472	
Credit Assets Portfolio	-	-	2,497	2,647	2,449	2,300	2,057	
Sundry debtors and other assets, net	825	922	132	150	101	148	115	
Foreclosed assets, net	89	88	101	14	19	19	19	
Real Estate, Furniture & Equipment, net	28	28	31	50	55	56	57	
Investments in subsidiaries	359	370	376	395	480	627	630	
Deferred taxes	-	-	-	-	-	-	-	
Deferred charges & Intangibles	632	618	607	525	494	473	449	
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	
Other Assets	1,933	2,025	3,744	3,780	3,598	3,624	3,327	
TOTAL ASSETS	4,489	4,427	6,100	6,452	6,066	6,553	5,460	

Figures are presented in constant pesos set at the close of September' 2002.

BANCO DEL CENTRO (Bancen)-BALANCE SHEET (Millions of Pesos)

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	95	128	151	258	264	282	356	
Time Deposits	1,043	1,122	-	-	1,301	1,207	981	
Bonds	-	-	-	-	-	-	-	
Deposits	1,138	1,250	151	258	1,565	1,489	1,337	
Demand	537	-	841	1,166	872	1,361	150	
Short term	-	-	1,208	1,467	-	-	-	
Long term	334	305	747	548	393	313	311	
Due to banks and correspondents	871	305	2,795	3,181	1,265	1,674	461	
Repurchase agreements, net	10	5	71	42	-	84	129	
Operations with collateral	-	-	-	-	-	-	-	
Futures receivable, net	-	-	-	-	-	-	-	
Options and derivatives, net	-	-	-	-	-	-	-	
Repos & Derivatives:	10	5	71	42	-	84	129	
Income Tax & Profit Sharing	16	16	27	-	-	-	137	
Other Payable accounts	37	123	50	105	158	151	275	
Other payable accounts	52	138	78	105	158	151	412	
Subordinated non Convertible Debenture	-	-	-	-	-	-	-	
Deferred Taxes	160	176	213	243	253	229	236	
Deferred credits	-	-	-	1	-	-	-	
TOTAL LIABILITIES	2,231	1,874	3,308	3,829	3,242	3,628	2,577	
STOCKHOLDER 'S EQUITY								
Paid-in Capital	1,018	1,018	1,019	1,018	1,019	1,018	1,018	
Share subscription premiums	-	-	-	-	-	-	-	
Subordinated Convertible Debentures	-	-	-	-	-	-	-	
Subscribed Capital	1,018	1,018	1,019	1,018	1,019	1,018	1,018	
Capital Reserves	159	159	160	159	160	159	159	
Retained Earnings	258	258	258	8	945	945	754	
Surplus (Deficit) from securities	(26)	(11)	(41)	(24)	(13)	(13)	(13)	
Results of foreign operations exchange	-	-	-	-	-	-	-	
Excess (Insuf.) in capital restatement	9	8	7	-	3	3	-	
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	
Non Mon assets results Investm	6	3	2	(41)	(46)	(49)	(51)	
Adjustment in the employees pension	-	-	-	-	-	-	-	
Accumulated Deferred tax effect	-	-	-	-	-	-	-	
Net Income	278	558	797	937	154	248	366	
Earned Capital	685	977	1,182	1,039	1,203	1,294	1,214	
Minority Holdings	555	558	592	566	603	613	651	
Total Stockholder 's Equity	2,259	2,553	2,792	2,623	2,824	2,926	2,883	
	4,489	4,427	6,100	6,452	6,066	6,553	5,460	

(*) Consolidate Afore

MEMORANDUM ACCOUNTS OF BANCEN

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	1,855	1,862	1,755	1,757	1,738	2,602	2,251	
Irrevocable lines of credit	-	-	-	-	-	-	-	
Assets held in trust and mandate	19,369	18,236	18,131	22,828	22,422	22,829	22,569	
Assets held in custody or in	1,034	1,113	-	-	1,298	1,206	981	
Investment banking transactions for	-	-	-	-	-	-	-	
Engaged amounts in fobaproa operations	95	128	151	258	264	279	356	
Investment of retirement saving funds	-	-	-	-	-	-	-	
Integration of loan portfolio	-	-	-	-	-	-	-	
Received amounts in derivative	-	-	-	-	-	-	-	
Fobaproa trusts	-	-	-	-	-	-	-	
Securities to be received	44,218	70,191	75,936	76,935	87,939	89,092	101,121	
(Less) payable for reversal	(44,175)	(70,105)	(76,007)	(76,868)	(87,929)	(89,176)	(101,250)	
Receivables for reversal	19,899	28,996	36,785	23,867	29,471	41,509	38,870	
(Less) securities to be delivered	(19,908)	(29,001)	(36,745)	(23,909)	(29,428)	(41,475)	(38,825)	
Other control accounts	46,753	43,540	43,431	42,806	42,418	41,868	41,314	
	69,140	64,961	63,438	67,673	68,193	68,734	67,387	

Annex 5. Notes to Banking Sector Financial Statements
Financial Instruments and Valuation Effects 3Q02

(Millions of Pesos)

BANORTE

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	667.9	662.4	(5.5)
Banking Securities	1,664.2	1,686.5	22.3
Private	62.3	62.7	0.4
Commercial Paper	511.3	511.2	-
Total	2,905.6	2,922.8	17.2
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Mexican Government Securities (UMS)	254.9	257.9	3.0
Eurobonds	1,219.3	583.3	(636.1)
Total	1,474.2	841.2	(633.0)
SECURITIES HELD TO MATURITY			
Special Cetes	3,125.6	3,125.6	-
Trust Bonds	30.6	30.6	-
Fiduciary Rights	24.1	24.1	-
Bonds	267.9	267.9	-
Mexican Government Securities (UMS)	2,347.2	2,347.2	-
Others	153.9	153.9	-
US Clearing Master Trust	71.6	71.6	-
Total	6,021.0	6,021.0	-
TOTAL	10,400.8	9,785.0	(615.8)

BANCEN

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	0.1	0.1	-
Banking Securities	0.4	0.4	-
Private	206.1	178.0	(28.1)
Commercial Paper	-	-	-
Total	206.6	178.5	(28.1)
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Mexican Government Securities (UMS)	-	-	-
Eurobonds	-	-	-
Total	-	-	-
SECURITIES HELD TO MATURITY			
Special Cetes	318.1	318.1	-
Trust Bonds	-	-	-
Fiduciary Rights	-	-	-
Bonds	-	-	-
Mexican Government Securities (UMS)	-	-	-
US Clearing Master Trust	-	-	-
Total	-	-	-
TOTAL	318.1	318.1	-
	524.7	496.6	(28.1)

Figures are presented in constant pesos set at the close of September' 2002.

BANKING SECTOR

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	667.9	662.5	(5.5)
Banking Securities	1,664.5	705.9	(958.7)
Private	268.5	240.7	(27.8)
Commercial Paper	511.3	511.2	-
Total	3,112.2	2,120.3	(991.9)
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Mexican Government Securities (UMS)	254.9	257.9	3.0
Eurobonds	1,219.3	583.3	(636.1)
Total	1,474.2	841.2	(633.0)
SECURITIES HELD TO MATURITY			
Special Cetes	3,443.7	3,443.7	-
Trust Bonds	30.6	30.6	-
Fiduciary Rights	24.1	24.1	-
Bonds	267.9	267.9	-
Mexican Government Securities (UMS)	2,347.2	2,347.2	-
Others	153.9	153.9	-
US Clearing Master Trust	71.6	71.6	-
Total	6,339.1	6,339.1	-
TOTAL	10,925.5	9,300.6	(1,624.9)

Repurchase Agreement Operations 3Q02

(Millions of Pesos)

BANORTE

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	59,596.3	(91.5)
Banking Securities	13,262.1	4.7
Total	72,858.3	(86.8)
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	59,584.4	(118.2)
Banking Securities	13,262.4	3.3
Total	72,846.7	(115.0)

1) RECEIVABLES ON REPURCHASE AGREEMENT

2) PAYABLES ON REPURCHASE AGREEMENT

BANCEN

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	79,660.3	(134.9)
Banking Securities	21,460.9	5.9
Total	101,121.3	(129.0)
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	38,689.9	(45.0)
Banking Securities	134.8	-
Total	38,824.7	(45.0)

• RECEIVABLES ON REPURCHASE AGREEMENT

1) PAYABLES ON REPURCHASE AGREEMENT

BANKING SECTOR

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	139,256.6	(226.4)
Banking Securities	34,723.0	10.5
Total	173,979.6	(215.9)
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	98,274.2	(163.2)
Banking Securities	13,397.2	3.3
Total	111,671.4	(159.9)

1) RECEIVABLES ON REPURCHASE AGREEMENT

2) PAYABLES ON REPURCHASE AGREEMENT

Derivate Financial Instruments 3Q02

(Millions of Pesos)

BANORTE

NEGOTIABLE INSTRUMENTS			
FOREIGN CURRENCY FUTURES	BUY	SELL	NET
Market Value	-	-	-
Agreed Price	-	-	-
Total	-	-	-
FOREIGN CURRENCY FORWARDS			
Market Value	919.5	(1,028.1)	(108.6)
Agreed Price	(913.1)	1019.6	106.5
Total	6.4	(8.6)	(2.1)
DEBTOR BALANCE NOTE			-

COVERAGE INSTRUMENTS	FLOW	FLOW RECEIVABLE	NET FLOWS
SWAPS	PAYABLE		
Cross Currency	(4,577.5)	4,068.4	(509.1)
Interest Rate	(10.2)	6.6	(3.6)
Total	(4,587.7)	4,075.0	(512.6)
FOREIGN CURRENCY OPTIONS	OPENING PREMIUM	VALUED PREMIUM	VALUATION
Foreign Currency Options	(0.2)	-	(0.2)
Total	(0.2)	-	(0.2)
BALANCE NOTE			515.0

Non-governmental Financial Instruments above by 5% of Net Capital 3Q02

(Millions of Pesos)

BANORTE

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
BANCEN	Term Deposits	671	6.3%

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

Loan Portfolio

(Million of Pesos)	LOCAL CURRENCY			FOREIGN CURRENCY			TOTAL		
	3Q01	2Q02	3Q02	3Q01	2Q02	3Q02	3Q01	2Q02	3Q02
Performing Loans									
Commercial	13,421	17,537	19,970	4,611	5,868	6,936	18,031	23,405	26,906
Financial Intermediaries	245	753	798	373	494	699	617	1,247	1,496
Consumer	1,714	3,790	4,324	1	4	8	1,715	3,794	4,332
Mortgages	4,556	11,215	11,593	-	-	-	4,556	11,215	11,593
Government Entities	40,762	86,207	82,552	15	8	436	40,777	86,214	82,988
Fobaproa	6,294	4,345	4,848	6,020	4,996	5,012	12,314	9,341	9,861
Total	66,991	123,847	124,085	11,019	11,370	13,091	78,010	135,217	137,176
Past Due Loans									
Commercial	1,407	1,375	1,328	1,087	1,212	1,215	2,494	2,587	2,543
Financial Intermediaries	-	-	-	-	-	-	-	-	-
Consumer	324	278	321	-	-	-	324	278	322
Mortgages	1,818	1,839	1,852	-	-	-	1,818	1,839	1,852
Government Entities	-	-	-	-	2	-	-	2	-
Total	3,549	3,492	3,501	1,087	1,213	1,215	4,636	4,705	4,717
Total Proprietary Loans	70,541	127,339	127,586	12,106	12,584	14,306	82,646	139,923	141,893
% Past Due Loans	5.0%	2.7%	2.7%	9.0%	9.6%	9.7%	5.6%	3.4%	3.3%

(*) Includes valued UDIS

(1) Excludes Fobaproa-IPAB notes and loan to IPAB that are accounted in the Loans to Government Entities line.

(2) Includes Fobaproa promissory notes and loans to IPAB registered in Government Entities.

Note: There is no scheme for Mortgage Earnings.

Cost and Balances of FINAPE, FOPIME, Mortgage UDIS and Mortgage FOVI loan portfolios as of 3Q02

(Millions of Pesos)	BANORTE		BANCEN		TOTAL	
	PERIOD	BALANCE	PERIOD	BALANCE	PERIOD	BALANCE
	COST	LOAN	COST	LOAN	COST	LOAN
	PORTFOLIO		PORTFOLIO		PORTFOLIO	
FINAPE	1.0	4.1	-	3.2	1.0	7.2
FOPYME	2.2	7.2	-	0.1	2.2	7.4
Mortgage UDIS	14.4	81.4	2.4	27.6	16.9	109.0
Mortgage tipo FOVI	12.1	49.0	3.9	9.7	16.0	58.6
	27.3	141.7	6.4	40.6	36.1	182.2

The quarter ending with a balance of Ps 182.2 million pesos in debtors support programs with a cost of the period of Ps 36.1 million. The 99% of this portfolio are concentrated in Banorte.

Past Due Loans Variations as of 3Q02

Past Due Loans	
Balance as of June 30, 02	4,649
Performing loans to Past due loans transfers	1,361
Renewals	(26)
Cash Collections	(696)
Charge Offs	(192)
Foreclosures	(1)
Reclasification	(439)
Exchange Adjustment	60
Balance as of September, 02	4,717

Figures are presented in constant pesos set at the close of September' 2002.

Troubled Portfolio 3Q02

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.

(Millions of Pesos)	TOTAL
Troubled Portfolio	3,939
Total Loans	141,893
Troubled Portfolio / Total Loans	2.8%

Fobaproa-IPAB

(Millions of Pesos)	REMAINING CONTINGENCIES	
	LOSS(1) SHARING	INCENTIVE(1) SCHEME
Gross Fobaproa notes balance	10,238	6,232
- Cash recoveries	2,698	1,697
- Repossessed assets	=	=
= Balance net of recoveries	7,685	4,535
Contingency before reserves	2,047	344
- Reserves	<u>2,047</u>	<u>344</u>
= Remaining contingencies	-	-

- 1) Includes only cash recoveries.
- 2) Included in Loss Sharing program.

Banorte provisioned Ps 7.4 million through the Income Statement during the quarter to keep 100% provisioned on the FOBAPROA-IPAB Loss Sharing program and Incentive Scheme. Cash recoveries in the Loss Sharing program represented 26% of Banorte's Gross FOBAPROA-IPAB notes balance.

Fobaproa - IPAB Notes Integration 3Q02

(Millions of Pesos)	BANORTE				BANCEN		BANPAIS		BANKING SECTOR
	LOSS SHARING	LOSS SHARING	WITHOUT RISK	INCENTIVE SCHEM	LOCAL CURRENCY	LOCAL CURRENCY	DOLLARS	TOTAL	
	LOCAL CURRENCY	DOLLARS							
Gross Balance	10,238	145	1,298	(1)	-	-	5,397	17,078	
- Checking account balance	2,434	270	154	(1)	356	1,353	259	4,826	
- Reserves	2,047	-	-	344	-	-	-	2,391	
= Net Balance	5,757	(125)	1,144	(344)	(356)	(1,353)	5,138	9,861	
Interest Rate	CETES 91-1.35	LIBOR +5	CETES 91	N.A.	N.A.	N.A.	CPT DOL+2		
Maturity	2005	2006	2006	2005/2006	N.A.	N.A.	2007		
Remaining Contingencies	-0-	-0-	No existe	-0-	No existe	No existe	No existe		

- 1) \$6,232 y \$1,697, Gross Balance and Checking account balance of Incentive Scheme are included in Loss Sharing.
 - 2) Is included in Government Entities, has a rate of TIIE 28+0.86 and it's maturity is in 2010.
 - 3) Interest rate of TIIE 28 days +0.40 and maturity in 2009, with a single capital payment at maturity.
- N.A.- Not Applicable

ORIGIN OF THE NOTES

The source of the Fobaproa-IPAB notes is different as each was given for different objectives, according to the following list:

FOBAPROA NOTES	YEAR	ORIGIN
BANORTE		
LOSS SHARING WITHOUT RISK	1995-1996	Sale of Loans to Fobaproa
BANPAIS	1996	Sale of Loans to Fobaproa
SIMPLE CREDIT	1996-1997	Reorganization
BANCRECER	2000	Reorganization
	1999	Reorganization

SIGNIFICANCE IN BANORTE BALANCE

	1997	1998	1999	2000	2001	3Q02
% Total Loans	70.9%	64.6%	63.5%	58.7%	55.5%	62.7%
% Total Assets	60.6%	53.5%	43.7%	46.7%	44.5%	50.1%

Deferred Taxes 3Q02

<i>(Millions of Pesos)</i>				
ASSETS	ISR	PTU	NET	
Allowance for loan losses (not deducted)	102	-	102	
Tax loss carryforwards	328	-	328	
Deficit from retirement obligations	224	64	288	
Obligations FOBAPROA, Net	714	-	714	
Others	=	=	=	
Total Assets	1,368	64	1,432	
LIABILITIES				
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	(642)	(38)	(679)	
Total liabilities	(642)	(38)	(679)	
Assets (Liabilities) Accumulated Net	726	26	753	

Long term debt as of 3Q02

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Millions Ps o Dls)	ORIGINAL AMOUNT (Millions Ps, Dls o UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
BANORTE								
Bank Bonds - Banorte 1-00	Ps	23-Mar-00	1,000	1,000	3 years	15.59%	1- May-03	E/189 days
Bank Bonds - Banorte 2-00	Ps	27-Jul-00	250	250	3 years	16.00%	4-Sep-03	E/189 days
CD's - Banorte U01001	UDIs	11-Ene-01	90	90	10 years	8.13%	30-Dic-10	E/182 days
CD's -Banorte U01002	Ps	29-May-01	20	20	3 years	TIIE-0.25%	25-May-04	E/28 days
Non Convertible Subordinate Bonds- Obanorte 01U	UDIs	21-Jun-01	436	436	8 years	8.00%	21-Jun-09	E/182 days
CD's -Banorte M7001	Ps	30-Sep-97	16	16	7 years	17.65%	21-Sep-04	E/182 days
CD's Serie 1999-1	Dls	15-Jul-99	0	200	7 years	Libor+1.15%	15-Jul-06	Prepago
CD's 1999-2A	Dls	15-Jul-99	37.7	75	5 years	8.94%	15-Jul-04	Monthly
CD's Serie 1999-2B	Dls	15-Jul-99	20.2	25	7 years	9.49%	15-Jul-06	Monthly
Cedes Bancrecer 00265	Ps	5-Oct-00	500	500	2 years	TIIE-0.30%	3-Oct-02	E/28 days

On July 15, 2002 a USD 169.8 million pre-payment was made of CD's series 1999-1. These CD's were issued on July 15, 1999 for a US dollar remittance securitization.

BANCEN. does not present balance as of September 30, 2002.

Bank and Other entities loans as of 3Q02

<i>(Millions of Pesos)</i>	LOCAL CURRENCY	INTERE ST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS	-	-	-	886.5	L + 6	671	886.5
LOANS FROM FOREIGN BANK CONCERNED FROM THE COUNTRY	-	-	-	-	-	-	-
LOANS FROM FOREIGN BANK CONCERNED FROM CAYMAN	-	-	-	1,536.8	2.35	84	1,536.8
SECURITIZATION	-	-	-	592.0	9.13	575	592.0
LOANS FROM DEVELOPING BANKS	414.6	14.93	753	1,017.1	3.91	1,038	1,431.7
LOANS FROM PUBLIC FUNDS	3,873.4	6.80	749	190.5	4.74	836	4,063.9
CALL & LOANS FROM BANKS	19,246.0	8.37	11	-	-	-	19,246.0
LOANS FROM FIDUCIARY FUNDS	4,879.4	N.D.	N.D.	-	-	-	4,879.4
PROVISIONS FOR INTEREST	86.9	N.D.	N.D.	-	-	-	86.9
	28,500.3			4,222.9			32,723.4

Trading Income 3Q02

(Millones de Pesos)

VALUATION EFFECTS	NET
Negotiable Instruments	(59.3)
Repurchase	(7.6)
Futures	-
Foreign Currency Forwards	6.3
Options	(0.3)
Inflation Adjustment	(0.8)
Total	(61.7)
RESULTS FROM BUYING AND SELLING	
Negotiable Instruments	(42.4)
Securities Held for Sell	22.8
Inflation Adjustment	-
Total of Buying and Selling Instruments	(19.6)
FX Spot	225.1
FX Forwards	(1.5)
FX Futures	-
FX Futures TIE	-
Forwards	0.7
Total of Foreign Exchange	224.3
Inflation Adjustment	8.8
Total of Buying and Selling	213.6
TOTAL TRADING INCOME	151.9

Capitalization

(Millions of Pesos)	BANORTE	BANCEN
Tier 1 Capital:		
Stockholders Equity	7,626.7	2,232.7
(+) Subordinated debt and Capitalization Instruments	-	-
(-) Investment in Subordinated debt	-	-
(-) Investment in Financial Institutions	66.9	12.4
(-) Investment in Non-Financial Institutions	-	-
(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	48.1	677.4
(-) Excess on deferred taxes	1,140.0	-
(-) Restructuring Charges and others intangibles	495.7	-
(-) Others Assets	1,140.0	-
Total Deductions	610.7	689.8
Total Tier 1	7,016.0	1,542.9
Tier 2 Capital :		
Capitalization Instruments	1,380.7	-
(+) General Preventive Reserves	661.3	1.5
(-) Subordinated Debt	-	-
Total Tier 2	2,042.0	1.5
Net Capital	9,058.0	1,544.4

	Total Assets	BANORTE Weighted Assets	Required Capital	Total Assets	BANCEN Weighted Assets	Required Capital
Credit Risk-Weighted Assets:	103,765.5	-	-	45,623.9	-	-
Group 1 (risk weight 0%)	7,443.9	1,488.8	119.1	2,464.0	492.8	39.4
Group 2 (risk weight 20%)	6,068.9	606.9	48.6	433.3	43.3	3.5
Group 2bis (risk weight 10%)	-	-	-	-	-	-
Group 2bis1 (risk weight 10%)	-	-	-	283.5	65.2	5.2
Group 2bis2	47,204.2	46,286.3	3,702.9	3,379.1	3,379.1	270.3
Group 3 (risk weight 100%)	2,184.7	1,092.4	87.4	-	-	-
Group 3bis (risk weight 50%)	1,581.0	1,818.2	145.5	-	-	-
Group 3bis2 (risk weight 115%)	1,076.3	1,614.4	129.2	-	-	-
Group 3V (risk weight 150%)	169,324.4	52,906.9	4,232.6	52,183.9	3,980.5	318.4
Total Credit Risk-Weighted Assets		5,878.5	470.3		-	-
Investment in Subsidiaries, fixed assets and deferred assets (8%)		58,785.4	4,702.8		3,980.5	318.4
		BANORTE	Required Capital		BANCEN	Required Capital
		Amount in equivalent positions in assets			Amount in equivalent positions in assets	
Market risk-weighted assets:						
Peso Nominal interest rate operations		4,958.1	396.6		12,649.5	1,012.0
Peso or UDI real interest rate operations		862.1	69.0		-	-
Interest rate operations in foreign currency with nominal rate		797.7	63.8		10.2	0.8
Position in UDIS or with a return indexed to inflation		(93.7)	(7.5)		-	-
Positions in foreign currency or indexed to the FX rate		324.2	25.9		-	-
Positions in share or index to the price of securities		-	-		478.0	38.2
Total market risk weighted assets		6,848.3	547.9		13,137.7	1,051.0
Total credit and market risk-weighted assets		65,333.7	5,250.7		17,118.2	1,369.5

Figures are presented in constant pesos set at the close of September' 2002.

Risk Management

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 of 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 others), 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)

	3Q01	4Q01	1Q02	2Q02	3Q02
VaR 10 days	331	233	231	133	140

The Value at Risk make up for the third quarter 2002, calculated under the aforementioned premises per Institution and Sector is as follows:

(Millions of Pesos)

	VaR 10 days
Banorte	107
Bancen	133
Banking Sector	139
Brokerage House	2
GFNorte	140

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 2002:

(Millios of pesos)

RISK FACTOR	Total
Domestic interest rate	115
Foreign interest rate	44
Exchange rate	58
Stock Exchange	25
Eurobonds Price	73

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.

Loan Risk

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

The objectives of 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,

Figures are presented in constant pesos set at the close of September' 2002.

Third Quarter Results 2002

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, per Target Markets and pursuant to the Risk Acceptance Criteria.

Regarding the commercial loans credit risk classification, departing 1Q01, this process carried out based on Circular 1480 of the CNBV, using Banorte's Risk Internatl Classification (RIC) in order to calculate debtor rank and circular 1480 to calculate credit ranking. For small credits, a parametric system is used. Mortgage loans, Consumer loans and Credit Cards are classified using their specific CNBV circulars.

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 a 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.

Information by Segments

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" as 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.

Proforma Consolidated Data-3Q02

<i>(Millions of pesos)</i>	BANORTE (1)	BANCEN (3)	TOTAL
Income Statement			
Net Interest Income	754.4	1,283.8	2,038.3
Non Interest Income	608.5	68.5	677.0
Non Interest Expense	2,079.5	28.9	2,108.4
Other income (expense)	6.5	(5.9)	0.6
Extraordinary items, net	2.4	-	2.4
Net Income	(950.1)	1,347.2	397.1
Balance Sheet			
Assets	173,751	3,760	177,512
Loans	141,352	541	141,893
Deposits	129,618	-	129,618
Equity	7,627	2,233	9,860
Past Due Loans	4,411	306	4,717
Loan Loss Reserves	5,169	425	5,595
Ratios			
Non Interest Expense/ Total Assets	1.2%	0.8%	1.2%
% Past Due Loans	3.1%	56.5%	3.3%
Reserves / Past Due Loans	117.2%	139.0%	118.6%
% Capitalization (2)	13.8%	9.0%	12.8%

1) Includes a 96.11% participation of the Group.

2) Includes Market Risks. Using 2003 rules.

3) Excludes the AFORE.

Inter-bank Eliminations Summary

(Millions of Pesos)	BANORTE	BANCEN	INTERBANK ELIMINATIONS
Income Statement			
Net Interest Income	(1,229.7)	1,229.7	-
Non Interest Income	-	-	-
Non Interest Expense	(21.6)	21.6	-
Other Income (expense)	-	-	-
Extraordinary items, net	-	-	-
Balance Sheet			
Assets	(1,141)	(743)	(1,884)
Cash and Due from Banks	(160)	(278)	(438)
Financial Instruments	(981)	-	(981)
Loans	-	(356)	(356)
Deposits	(278)	(1,337)	(1,615)
Due to Banks	-	(160)	(160)
Equity	-	-	-
Past Due Loans	-	-	-
Loan Loss Reserves	-	-	-
Investments in Subsidiaries	-	-	-
Deferred Taxes, (Liabilities) (*)	-	(109)	(109)
Deferred Taxes, (Assets) (*)	-	(109)	(109)

(*)Reclassifications, in accordance to CNBV and accounting criteria presentation

The aforementioned 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 per Segments Table

(Millions of Pesos)	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
Income Statement				
Net Interest Income	2,038.3	86.8	(6.4)	2,118.6
Non Interest Income	677.0	354.8	-	1,031.8
Non Interest Expense	2,108.4	276.6	(6.7)	2,378.3
Other Income (expense)	0.6	(2.6)	(0.3)	(2.3)
Extraordinary items, net	2.4	-	-	2.4
Balance Sheet				
Assets	177,512	15,865	(12,724)	180,653
Loans	141,893	2,629	(1,486)	143,036
Deposits	129,618	-	(158)	129,460
Equity	9,860	12,152	(10,921)	11,090
Past Due Loans	4,717	35	-	4,751
Loan Loss Reserves	5,595	21	-	5,616

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, as well as to the expenses for maintaining the corporate structure.

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 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. Therefore the UDI price at the end of each period was used. The information contained herein is based on non-audited 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) and the Banking Sector (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 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. Adding the stipulations 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 Banpais (was merged into Banorte in February, 2000) in their corresponding income statement accounts at the Banking Sector and Group levels. January results of Banpais 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 Banpais. While in the case of Banorte this amount can be seen clearly, this figure becomes 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.