According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GFNorte reports Net Income of Ps $1.5 billion in 4Q09 and Ps $5.9 billion for 2009.

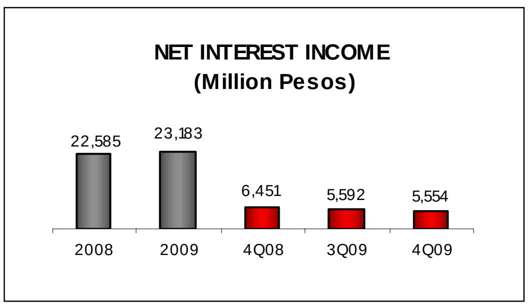
OPERATING RESULTS *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Net Interest Income	6,451	5,592	**5,554**	(1%)	(14%)	22,585	**23,183**	3%
Non Interest Income	2,360	2,460	**2,719**	11%	15%	8,284	**9,177**	11%
Total Income	8,811	8,052	**8,273**	3%	(6%)	30,869	**32,360**	5%
Non Interest Expense	4,369	4,073	**4,604**	13%	5%	15,808	**17,024**	8%
Operating Income	1,458	1,825	**1,887**	3%	29%	8,166	**7,050**	(14%)
Net Income	1,272	1,428	**1,502**	5%	18%	7,014	**5,854**	(17%)

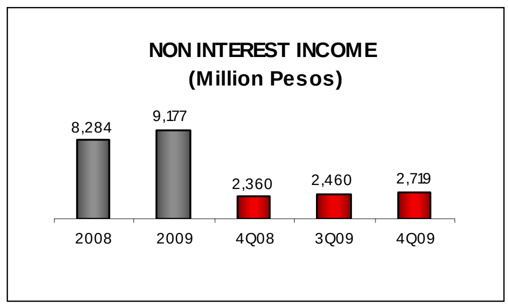
- **Net Interest Income (NII)**

In 2009, *Net Interest Income* reached Ps 23.18 billion, a 3% YoY growth, driven by a reduction in the cost of funding due to growth in demand deposits. Compared to 3Q09, net interest income remained practically at the same level.

- **Non Interest Income**

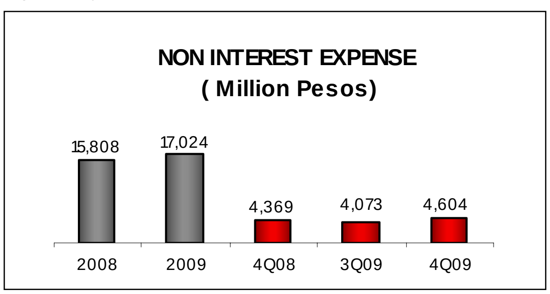
Rose to Ps 9.18 billion for 2009, an 11% YoY and QoQ increase. The annual gain was due to increased FX revenues, as well as the reclassification of recoveries on proprietary loans previously written off to "Other Revenues (Expenses)", the new Non Interest Income account created as a consequence of changes in accounting criteria effective as of 2Q09 (the new criteria is presented in the annexes). The quarterly increase is explained by more fees driven by higher transactionality, increased recoveries of written off loans and more intermediation revenues.

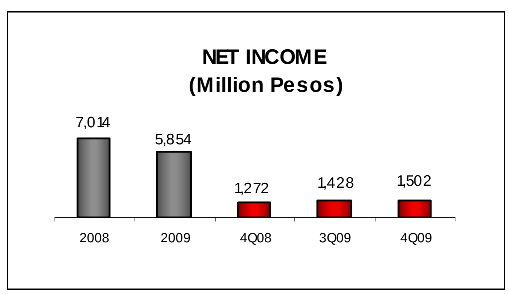




- **Non Interest Expense**

Non Interest Expenses totaled Ps 17.02 billion, increasing by 8% YoY and 13% QoQ, although the annual figures are not fully comparable due to a reclassification of employee profit sharing (PTU) in accordance with the new accounting criteria which became effective as of 2Q09. The annual increase was also a result of more professional fees, increased IPAB contributions linked to more deposits, and more rent, depreciation and amortizations. The quarterly increase was as a result of more personnel, administration and promotional expenses. The Efficiency Ratio grew from 51.2% to 52.6% between 2008 and 2009, but decreased to 50.5% in 2009 on a comparable basis. On a quarterly basis rose from 50.6% in 3Q09 to 55.7% in 4Q09.





- **Net Income**

GFNorte's *Net Income* was Ps 5.85 billion for 2009, (17%) lower than in 2008, and (12%) when excluding the extraordinary revenues from the sale of VISA and INDEVAL shares in their respective IPOs in 2008. The reduction in the annual recurrent net income is mainly due to a more adverse economic environment, especially during the first half of the year, as well as a sharp reduction in market interest rates and higher credit costs. However, profits grew 18% YoY vs. 4Q08 and 5% QoQ vs. 3Q09 due to increased services fees and recoveries and intermediation, as well as a reduction in loan loss provisions.

Contacts: David Ricardo Suárez (México, D.F.) +52 (55) 5268 16 80 email: *investor@banorte.com*
Gabriela Renovato (Monterrey, N.L.) +52 (81) 8318 50 65 web page: *www.banorte.com*/ri

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

INCOME STATEMENT AND BALANCE SHEET HIGHLIGHTS – *GFNorte* *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Income Statement								
Net Interest Income	6,451	5,592	**5,554**	(1%)	(14%)	22,585	**23,183**	3%
Non Interest Income	2,360	2,460	**2,719**	11%	15%	8,284	**9,177**	11%
Total Income	8,811	8,052	**8,273**	3%	(6%)	30,869	**32,360**	5%
Non Interest Expense	4,369	4,073	**4,604**	13%	5%	15,808	**17,024**	8%
Provisions	2,983	2,154	**1,782**	(17%)	(40%)	6,896	**8,286**	20%
Operating Income	1,458	1,825	**1,887**	3%	29%	8,166	**7,050**	(14%)
Non Operating Income (Expense)	413	138	**152**	10%	(63%)	2,346	**872**	(63%)
Taxes and Profit Sharing	592	545	**496**	(9%)	(16%)	3,400	**2,045**	(40%)
Subsidiaries & Minority Interest	(7)	10	**(41)**	(510%)	486%	(96)	**(24)**	(75%)
Net Income	1,272	1,428	**1,502**	5%	18%	7,014	**5,854**	(17%)
Balance Sheet								
Assets Under Management	590,039	635,060	**649,607**	2%	10%	590,039	**649,607**	10%
Total Assets	577,025	570,347	**567,138**	(1%)	(2%)	577,025	**567,138**	(2%)
Perfoming Loans (a)	240,298	235,429	**238,954**	1%	(1%)	240,298	**238,954**	(1%)
Past Due Loans (b)	4,948	6,103	**6,154**	1%	24%	4,948	**6,154**	24%
Total Loans (a+b)	245,246	241,532	**245,108**	1%	-%	245,246	**245,108**	-%
Total Loans (Net) (d)	238,556	233,985	**237,573**	2%	-%	238,556	**237,573**	-%
Acquired Collection Rights (e)	3,049	2,705	**2,548**	(6%)	(16%)	3,049	**2,548**	(16%)
Total Loans (d+e)	241,605	236,690	**240,121**	1%	(1%)	241,605	**240,121**	(1%)
Total Liabilities	537,280	528,559	**522,164**	(1%)	(3%)	537,280	**522,164**	(3%)
Demand Deposits	128,350	122,312	**137,581**	12%	7%	128,350	**137,581**	7%
Time Deposits	132,419	147,447	**137,327**	(7%)	4%	132,419	**137,327**	4%
Equity	39,746	41,789	**44,974**	8%	13%	39,746	**44,974**	13%

FINANCIAL RATIOS - *GFNorte*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Profitability (1):								
NIM (2)	6.1%	4.2%	**4.2%**	- pp	(1.9 pp)	6.8%	**4.3%**	(2.5 pp)
NIM after Provisions (3)	3.3%	2.6%	**2.8%**	0.2 pp	(0.5 pp)	4.7%	**2.8%**	(1.9 pp)
ROE (4)	13.6%	14.5%	**14.8%**	0.3 pp	1.2 pp	19.7%	**14.9%**	(4.9 pp)
ROA (5)	1.1%	1.0%	**1.1%**	0.1 pp	- pp	1.9%	**1.0%**	(0.9 pp)
Operation:								
Efficiency Ratio (6)	49.6%	50.6%	**55.7%**	5.1 pp	6.1 pp	51.2%	**52.6%**	1.4 pp
Operating Efficiency Ratio (7)	3.8%	2.8%	**3.2%**	0.4 pp	(0.6 pp)	4.3%	**3.0%**	(1.3 pp)
Liquidity Ratio (8)	47.1%	60.4%	**63.2%**	2.8 pp	16.1 pp	47.1%	**63.2%**	16.1 pp
Asset Quality:								
Past Due Loan Ratio	2.0%	2.5%	**2.5%**	- pp	0.5 pp	2.0%	**2.5%**	0.5 pp
Coverage Ratio	135.2%	123.7%	**122.4%**	(1.2 pp)	(12.8 pp)	135.2%	**122.4%**	(12.8 pp)

1) The 4Q08 and 2009 NIM and ROA indicators are not fully comparable to previous periods as a result of recording repos as on balance sheet assets.
2) NIM= Annualized Net Interest Margin / Average Earnings Assets.
3) NIM= Annualized Net Interest Margin adjusted by Loan Loss Provisions / Average Earnings Assets.
4) Annualized earnings as a percentage of the average quarterly equity over the period.
5) Annualized earnings as a percentage of the average quarterly assets over the period.
6) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions)
7) Annualized Non Interest Expense / Average Total Assets.
8) Liquid Assets / Liquid Liabilities (Liquid Assets = Cash and due from Banks + Negotiable Instruments + Securities held for sale) / (Liquid Liabilities = Demand Deposits + Loans from banks and other organizations with immediate call option + Short term loans from banks).

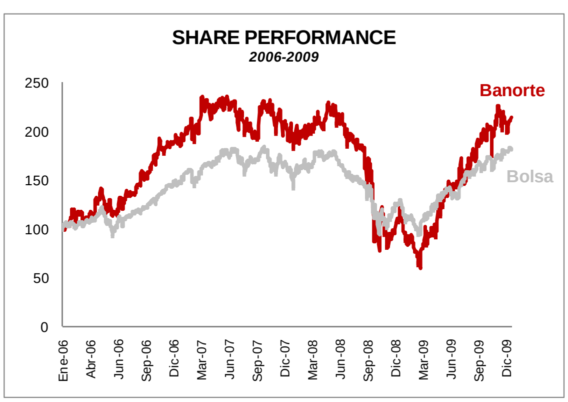
According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

SUBSIDIARIES NET INCOME *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Bank	1,215	1,199	**1,136**	(5%)	(6%)	6,257	**4,786**	(24%)
Banco Mercantil del Norte (1)	1,215	1,199	**1,136**	(5%)	(6%)	6,257	**4,786**	(24%)
Broker Dealer	(89)	42	**88**	109%	N.A.	183	**203**	11%
Long Term Savings	100	88	**113**	28%	13%	354	**380**	8%
Retirement Funds (Afore)	32	38	**52**	37%	62%	94	**141**	50%
Insurance	70	43	**60**	40%	(14%)	243	**224**	(8%)
Annuities	(3)	7	**1**	(89%)	N.A.	17	**16**	(7%)
Other Finance Companies	121	97	**114**	17%	(5%)	336	**425**	27%
Leasing & Factoring (2)	115	91	**111**	22%	(3%)	313	**403**	29%
Warehousing	6	6	**3**	(49%)	(46%)	23	**22**	(2%)
Microlending (Pronegocio)	(80)	3	**-**	N.A.	N.A.	(120)	**15**	N.A.
G.F. Banorte (Holding Company)	6	(1)	**50**	N.A.	742%	5	**45**	873%
Total Net Income	1,272	1,428	**1,502**	5%	18%	7,014	**5,854**	(17%)

1) Considering a participation of 97.06% in 3Q06. 97.07% in 3Q09. and 92.72% in 4Q09 This figure reflects the investment by the IFC in Banco Mercantil del Norte since the operation was completed on 4Q09. N.A. = Not Applicable.
2) The merger of Leasing and Factoring became effective as of January 31, 2008
3) The merger of Pronegocio became effective as of August 31, 2009

SHARE DATA	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Earnings per Share (Pesos)	0.63	0.71	**0.74**	5%	18%	3.48	**2.90**	(17%)
Dividends per Share (Pesos)	0.47	-	**0.18 (2)**	N.A.	(62%)	0.47	**0.52**	11%
Dividend Payout (Recurring net income)	15%	-	**15%**	N.A.	-%	15%	**15%**	-%
Book Value per Share (1) (Pesos)	18.77	19.86	**20.50**	3%	9%	18.77	**20.50**	9%
Total Shares Outstanding (million shares)	2,014.0	2,018.3	**2,017.8**	-%	-%	2,014.0	**2,017.8**	-%
Stock Price *(Pesos)*	24.88	45.19	**47.84**	6%	92%	24.88	**47.84**	92%
P/BV *(Times)*	1.33	2.28	**2.33**	2%	75%	1.33	**2.33**	75%
Market *Capitalization (Million Dollars)*	3,650	6,755	**7,390**	9%	102%	3,650	**7,390**	102%
Market *Capitalization (Million Pesos)*	50,108	91,207	**96,532**	6%	93%	50,108	**96,532**	93%

1) Excluding Minority Interest.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

RECENT EVENTS

- **S&P ratified its ratings for Banco Mercantil del Norte**

On January 12th, 2010, Standard and Poor's ratified the BBB-/ A3 risk rating and CD ratings of Banorte, with a stable outlook. In its report, S&P mentions that a good market positioning and appropriate financial performance support the ratings. The stable outlook also reflects their expectation that the bank's financial profile will be adequate for 2010 in spite of an economic environment that could affect it.

- **Banorte named "Bank of the Year" by The Banker magazine**

In December 2009, the Financial Times Group, through its specialized publication "The Banker", recognized BANORTE as "Bank of the Year in Mexico 2009", a distinction which had already been awarded to Banorte in 2000, 2005, 2006 and 2008. The publication highlighted BANORTE's innovation, client service, prudent risk policies and adequate management.

- **IFC Investment**

The IFC's investment in Banco Mercantil del Norte, a bank subsidiary of Banorte Financial Group, was completed in 4Q09. On November 12th 2009, IFC invested US 150 million dollars, which represents 4.48% of Banco Mercantil del Norte's equity. The transaction was approved by the Board of Directors in the session held in July 2009, while the increase in capital of the bank subsidiary was authorized by the Shareholders Assembly in October of 2009. Currently, the IFC and Banorte are working on several initiatives, including a social responsibility plan for the bank, which will help to strengthen this long term relationship.

- **Afore Banorte-Generali acquires Afore Argos' assets.**

Grupo Financiero Banorte informed on December 21st, 2009 that after receiving authorization from the Board of Directors of the Retirement Savings Commission and the Antitrust Commission, its subsidiary Banorte-Generali, S.A. of C.V., AFORE, acquired a portfolio of over 22,000 clients and assets for approximately Ps 600 million from Afore Argos. With this transaction, Banorte-Generali reaffirms its importance in the retirement savings system, positioning itself as the 4th largest Afore in Mexico in terms of number of affiliates. New clients will have access to the high quality service of Banorte-Generali, through a wide network of offices and the support of Banorte.

- **Impact of tax modifications approved for 2010 on Grupo Financiero Banorte.**

On December 7th, 2009, the Official Gazette published the Fiscal Reforms approved by Congress, which went into effect on January 1st, 2010. In compliance with the sock market legal framework applicable to GFNorte, investor community were informed that the new dispositions regarding fiscal consolidation will not have any impact on Banorte since Financial Groups cannot consolidate fiscally. The 30% increase in the Income Tax Rate rate will impact Grupo Financiero Banorte's tax payments because the bank pays the highest marginal rate of taxes.

- **Alfredo Thorne is named Chief Corporate Officer.**

On November 2009, Alfredo Thorne was named Chief Corporate Officer. Mr. Thorne has an extensive and successful professional trajectory of more than 20 years, having occupied diverse management positions in international financial institutions and multilateral organizations.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GRUPO FINANCIERO BANORTE

NET INTEREST INCOME *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Interest Income	14,061	10,269	**10,105**	(2%)	(28%)	49,864	**44,873**	(10%)
Interest Expense	7,766	4,803	**4,681**	(3%)	(40%)	27,789	**22,235**	(20%)
Loan Origination Fees	156	137	**149**	9%	(4%)	510	**578**	13%
Fees Paid	-	11	**19**	81%	100%	-	**33**	100%
Net Interest Income	6,451	5,592	**5,554**	(1%)	(14%)	22,585	**23,183**	3%
Average Interest Earning Assets	424,890	538,613	**530,470**	(2%)	25%	332,942	**537,603**	61%
Net Interest Margin (1)	6.1%	4.2%	**4.2%**	- pp	(1.9 pp)	6.8%	**4.3%**	(2.5 pp)

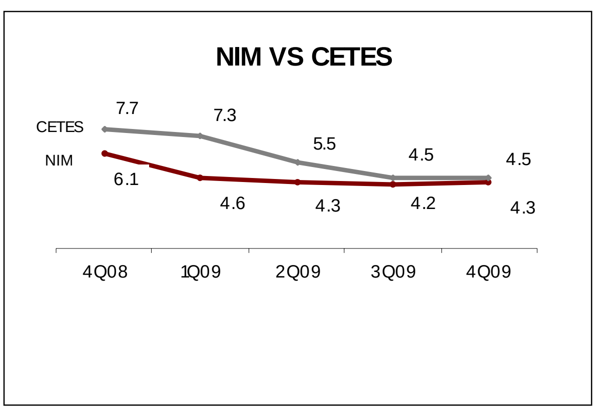
Note: In accordance with the accounting criteria B-3 "Repos" issued last October 14, as well as the authorization given by the Banking and Securities Commission (CNBV), credit institutions were allowed to classify debt instruments, regardless of their category, as Investments in Securities considering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

- **Net Interest Income**

In 2009, *Net Interest Income* and loan loss reserves increased by 3% YoY as a result of lower funding costs arising from 9% annual growth in retail core deposits. Lower funding costs, together with a sharp decline in market interest rates produced a (20%) annual reduction in interest expenses, which offset the (10%) decrease in interest revenues resulting from the drop in interest rates and lower loan origination. On a quarterly basis, NII declined (1%) from 3Q09, affected by the decline in market interest rates which took place in the first three quarters of the year and the contraction of several segments in the loan portfolio. Also, lower loan origination resulted in a (4%) YoY vs 4Q08 decline in loan origination fees, while fees paid increased.

The average *Net Interest Margin (NIM)* was 4.3% in 2009, a decline of 2.5 percentage points (pp) compared to the 6.8% average NIM registered in 2008, affected by a 2.2 pp decline in the average market interest rates, as well as the important growth of productive assets at the end of the 4Q08 as a result of the accounting criteria issued by CNBV for the reclassification of repos. When excluding the impact of this reclassification, the average NIM was 6.9% for 2009, 0.8 percentage points less than the 7.7%average of 2008. On a quarterly basis, in spite of a slight decrease in NII, NIM remains at the same level compared to 3Q09 due to a (2%) decline in Average Productive Assets.

The average NIM adjusted for Credit Risk in 2009 declined to 2.8%, lower by 1.9 percentage points compared to 2008. This decrease is due to the impact of lower interest rates and the reclassification of repos, as well as increased credit costs from the deterioration in asset quality. On a quarterly basis, it increased from 2.6% in 3Q09 to 2.8% in 4Q09 as a result of a (17%) reduction in provisions. In this respect, provisions represented 32.1% of NII in 4Q09, lower than the 38.5% registered in 3Q09 and the 46.2% in 4Q08.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

NON INTEREST INCOME *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Fees charged on Services	**2,138**	**2,052**	**2,408**	**17%**	**13%**	**8,452**	**8,291**	**(2%)**
Fund Transfers	63	63	64	1%	3%	222	248	12%
Account Management Fees	253	233	246	6%	(3%)	998	946	(5%)
Fiduciary	72	62	74	20%	3%	295	254	(14%)
Income from Real Estate Portfolios	204	229	287	25%	40%	734	818	11%
Electronic Banking Services	269	253	271	7%	1%	1,009	1,030	2%
Credit Card Fees	655	571	629	10%	(4%)	2,533	2,310	(9%)
Fees from IPAB (1)	1	-	-	(54%)	(78%)	1	1	(3%)
Fees charged by Afore	230	282	311	10%	35%	989	1,070	8%
Other Fees Charged (2)	391	359	525	46%	34%	1,671	1,613	(3%)
Fees Paid on Services	**337**	**343**	**359**	**5%**	**7%**	**1,208**	**1,339**	**11%**
Fund transfers	5	5	5	13%	9%	19	21	12%
Other Fees Paid	332	338	354	5%	7%	1,189	1,317	11%
Expenses from Real Estate Portfolios	-	-	-	-	-	-	-	-
Net Fees	**1,801**	**1,709**	**2,048**	**20%**	**14%**	**7,244**	**6,953**	**(4%)**
Trading Income	**559**	**411**	**421**	**3%**	**(25%)**	**1,040**	**1,244**	**20%**
Other Operating Income (Expenses) (3)	**-**	**340**	**250**	**(27%)**	**N.A.**	**-**	**980**	**N.A.**
Non Interest Income	**2,360**	**2,460**	**2,719**	**11%**	**15%**	**8,284**	**9,177**	**11%**

1) Includes Fees received by Recovery Banking and by the Bank.
2) It includes fees from letters of credit, from transactions with pension funds, wharehousing services, financial advisory services and securities trading by the Brokerage House, among others.
3) As of April 2009, the CNBV issued changes to the main accoutnign criteria that require recording this ítem under Non Interest Income.

- **Non Interest Income**

In 2009, Non Interest Income grew 11% YoY driven by the positive impact of reclassifying revenues from portfolio recoveries to "Other Operating Revenues and Expenses" in accordance with the new accounting criteria, as well as increased intermediation revenues. Non Interest Income grew 11% QoQ due to increased service fees and recoveries and income from investment portfolios.

NON INTEREST INCOME *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Services	1,596	1,480	**1,761**	19%	10%	6,509	**6,134**	(6%)
Recovery	205	229	**287**	25%	40%	735	**819**	11%
Trading	559	411	**421**	3%	(25%)	1,040	**1,244**	**20%**
Other Operating Income (Expense)	-	340	**250**	(27%)	N.A.	-	**980**	**N.A.**
Non Interest Income	2,360	2,460	**2,719**	**11%**	**15%**	8,284	**9,177**	**11%**

- **Service Fees**

In 2009, accumulated service fees reached Ps 6.13 billion, (6%) less YoY due to a (9%) contraction in credit card and (5%) in account management fees as a result of lower volumes due to the adverse environment and regulation requiring the elimination of some specific commissions. Fiduciary Revenues also declined (14%) due to lower business activity. The 19% QoQ growth is due to an increase in most fee items, especially Other Commissions derived from investment banking transactions, Credit Card fees from reactivating campaigns for deferred purchases with fixed payments that translated into a 6% QoQ increase in average quarterly billing, Fiduciary fees from higher business activity and fees charged by the Afore pension fund derived from a 5% growth in AUMs.

- **Recovery**

Non Interest Income from *Recoveries* rose 11% YoY in 2009 due to a 17% increase in revenues from investment projects, especially during the second half of the year resulting from an improved economic environment. On a quarterly basis they are 25% higher due to 9% growth in recoveries of real estate portfolios and 30% in revenues from investment projects. At closing of 4Q09 the total amount invested in these projects reached Ps 4.26 billion, a 38% YoY increase and 37% vs. 3Q09; the portfolio continues to show an adequate geographical diversification of projects, partners and industries.

- **Intermediation**

Intermediation Revenues registered a 20% YoY increase in 2009, mainly due to favorable dynamics in FX transactions as a consequence of the market volatility during this period and, to a lesser degree, from higher securities trading revenues. On a quarterly basis, the 3% increase is attributed to favorable securities' trading results.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

Non Interest Expense *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
+ Personnel	1,558	1,704	**1,817**	7%	17%	6,156	**6,763**	10%
+ Professional Fees	437	307	**483**	57%	10%	1,192	**1,465**	23%
+ Administrative and Promotional	1,288	1,101	**1,090**	(1%)	(15%)	4,941	**4,452**	(10%)
+ Rents, Depreciation & Amortization	436	404	**436**	8%	-%	1,687	**1,727**	2%
+ Taxes other than income tax	391	149	**335**	125%	(14%)	894	**865**	(3%)
+ Contributions to IPAB	259	271	**270**	(1%)	4%	938	**1,073**	14%
+ Employee Profit Sharing (PTU)	-	136	**174**	28%	N.A.	-	**679**	N.A.
= Non Interest Expense	4,369	4,073	**4,604**	**13%**	**5%**	15,808	**17,024**	**8%**

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

- **Non Interest Expense**

Non Interest Expenses during 2009 increased 8% YoY, mainly due to the reclassification of Employee Profit Sharing (PTU) as an operating expense since 2Q09 resulting from the new accounting criteria which went into effect in April 2009, as well as a 10% increase in Personnel Expenses resulting from the expansion in the commercial network, a larger sales force in some business areas and the strengthening of back and middle offices. Expenses also grew due to the 23% increase in Professional Fees Paid from greater advisory services linked to the business, the booking of micro-lending (Pronegocio) expenses as part of the merger of this unit with the bank, growth in pay and number of employees hired under this regime, and a larger volume of professional fees for extra-judicial recovery of portfolios. IPAB contributions increased 14% YoY as a result of the important growth in deposits during the last 12 months, while Rents, Depreciations and Amortizations rose 2% YoY due to the merger of the real estate companies and Pronegocio, as well as rental of properties for business activities, the inflationary impact on rents, and network leasing and software rentals related to the business. Administration and Advertising expenses diminished (10%) during 2009 mainly due to the deferment of expenses linked to loan originations and lower credit card sells related expenses. Non interest expenses rose only 2% on a fully comparable basis when profit sharing is added to 2008 expenses.

Compared with 3Q09, expenses grew 13% QoQ mainly due to a 57% increase in Professional Fees Paid for consulting services linked to the business, technological projects and professional services related to credit reports and portfolio recoveries, and 8% in Rents, Depreciations and Amortizations from the accelerated amortization of installation expenses related to branch closings and relocations and the amortization of projects related to securities' intermediation. Other Taxes grew by 125% due to an increase in non-deductibles from fines imposed by the Ministry of Finanace and Public Credit related to witholding taxes not made to foreign counterparties on derivatives' transactions carried out from 2004 to 2009, as well as an increase in Value Added Tax (IVA) payments resulting from a larger volume of expenditures.

The efficiency ratio was 52.6% in 2009, 1.4 percentage points higher than the 51.2% registered for 2008 impacted mainly by the reclassification of profit sharing as a non interest expense. Excluding this impact the efficiency ratio decreased to 50.5% on 2009.

- **Provisions**

Provisions charged to results during 2009 reached Ps 8.29 billion, a 20% YoY increase derived mainly from higher requirements in credit card and commercial loans, and to a lesser degree in mortgages and payroll loans. On a quarterly basis, there is a (17%) reduction compared to 3Q09 due to lower requirements in the mortgage, credit card, payroll and SME portfolios.

Loan provisions represented 2.9% of average loans during 4Q09, a drop of 0.7 percentage points compared to 3Q09. They represented 3.4% of average loans during 2009.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

NON OPERATING INCOME (EXPENSE) NET *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Non Operting Income	1,497	442	**658**	49%	(56%)	3,789	**2,438**	(36%)
Other Revenues	273	125	**233**	86%	(15%)	1,367	**939**	(31%)
Foreign Exchange	-	-	**-**	-%	-%	-	**-**	-
Recoveries	727	152	**83**	(45%)	(89%)	1,806	**525**	(71%)
Repomo - Other Revenues	-		**-**	-	-	-	**-**	-
Warehousing	497	164	**342**	109%	(31%)	617	**975**	58%
Non Operating Expense	(1,084)	(304)	**(506)**	67%	(53%)	(1,444)	**(1,566)**	9%
Other Expenses	(589)	(143)	**(171)**	20%	(71%)	(833)	**(608)**	(27%)
Foreign Exchange	-	-	**-**	-%	-%	-	**-**	-%
Repomo - Other Expenses	-	-	**-**	-%	-%	-	**-**	-%
Warehousing	(495)	(161)	**(335)**	108%	(32%)	(611)	**(958)**	57%
Non Operating Income (Expense), net	**413**	138	**152**	10%	(63%)	2,346	**872**	(63%)

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

In 2009, "Other Income and Expenses, Net" reached Ps 872 million, a (63%) YoY drop due to a reclassification of recoveries of proprietary loan portfolios as Non Interest Income as of 2Q09, a reduction in Income Tax recoveries due to the reclassification of acquired loan portfolios and lower release of reserves in various items, as well as a (31%) reduction in Other Revenues due to non recurring revenues from the sale of VISA and INDEVAL shares booked during the first two quarters of 2008. Other Expenses increased 9% annually due to greater provisions from losses in FOVI guarantees and to increased expenses related to the commercialization of Warehouse inventories, which in turn translated into more revenues.

The 10% QoQ rise compared to 3Q09 is due to an 86% increase in Other Revenues as a result of more cancellations of other liabilities, as well as a 109% increase in the commercialization of Warehouse inventories.

- **Taxes**

Taxes in 2009 totaled Ps 2.045 billion, a (40%) YoY decline due to lower profits in 2009, and a (9%) QoQ decline due to more deferred taxes that offset increase in cash taxes caused by the quarterly growth in profits. The effective tax and profit sharing rate for 4Q09 was 30.3%, lower than the 31.6% registered in 4Q08 and the 32.4% of 3Q09. During 2009, the tax rate was 31.7%, lower than the 32.3% registered in 2008.

- **Subsidiaries and Minority Interest**

During 2009, subsidiaries and minority interest registered a (Ps 24) million loss – which compares favorably with the loss of (Ps 96) million booked during 2008. The lower losses derives from favorable results by the subsidiaries - mainly the good performance of the Insurance company, mutual funds and retirement funds (Siefores) which offset a negative impact of (Ps 201) million in minority interest from AFORE (Banorte owns 51%) and Banco Mercantil del Norte (GFNORTE owns 92.72% of Banorte after the recent IFC investment). On a quarterly basis, this item recorded a loss of (Ps 41) million, a lower level from the Ps 10 million profit recorded in 3Q09, affected mainly by growth in the AFORE's minority interest and the recognition of minority interest related to the investment by the IFC in the Banco Mercantil del Norte subsidiary.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

Capitalization *(Million Pesos)*	4Q08	1Q09	2Q09	3Q09	4Q09	QoQ	YoY
Tier 1 Capital	28,300	29,358	31,598	31,844	**35,380**	11%	25%
Tier 2 capital	17,076	14,840	14,351	15,054	**14,277**	(5%)	(16%)
Net Capital	45,376	44,198	45,949	46,898	**49,657**	6%	9%
Credit Risk assets	204,884	203,501	206,135	202,525	**203,305**	-%	(1%)
Net Capital/ Credit Risk Assets	22.1%	21.7%	22.3%	23.2%	**24.4%**	1.3 pp	2.3 pp
Total Risk Assets (1)	302,279	301,905	294,272	291,262	**296,046**	2%	(2%)
Tier 1	9.4%	9.7%	10.7%	10.9%	**12.0%**	1.0 pp	2.6 pp
Tier 2	5.6%	4.9%	4.9%	5.2%	**4.8%**	0.3 pp	(0.8 pp)
Capitalization Ratio	15.0%	14.6%	15.6%	16.1%	**16.8%**	0.7 pp	1.8 pp

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

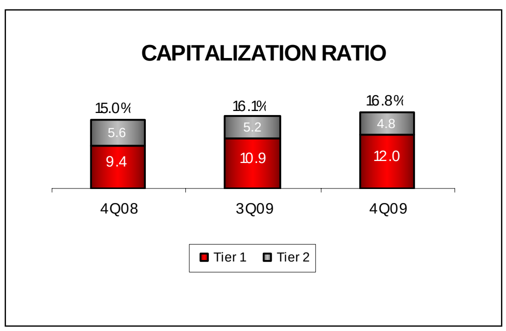
- **Capitalization**

At closing of 4Q09, the Capitalization Ratio (CR) was 16.8% considering credit, market and operational risks, and 24.4% considering only credit risks. The Tier 1 capitalization ratio was 12.0% and 4.8% for Tier 2. The QoQ increase of 0.7 percentage points (pp) is mainly due to:

1) Positive effect of reinvesting the profits generated during 4Q09, - CR effect +0.4 pp.
2) Valuation of securities and hedging instruments – CR effect +0.1 pp.
3) The IFC investment in Banco Mercantil del Norte - CR effect + 0.7 pp
4) Increase in Risk Assets –CR effect -0.3pp
5) Dividend payment – CR effect – 0.1pp
6) Revalorization of dollar denominated obligations from a lower exchange rate – CR effect – 0.1pp.

The Capitalization Ratio for 4Q09 was higher YoY due to the reinvestment of profits generated over the last 12 months, the IFC investment in Banco Mercantil del Norte, and the (2%) reduction in Total Risk Assets, which offset the amortization of subordinated debt in Feb-09, and diverse impacts on capital due to regulatory and market related issues.

In 2008, the authorities determined that 100% of the required capital for operational risk must be constituted during a 3 year period in proportional monthly allotments. At closing of 4Q09, the period of March 2008 to December 2009 was covered (22/36 months), having an impact of 1.42 basis points on the capitalization ratio.



According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

DEPOSITS *(Million Pesos)*	**4Q08**	**3Q09**	**4Q09**	**QoQ**	**YoY**
Non Interest Bearing Demand Deposits	57,876	56,968	**61,611**	8%	6%
Interest Bearing Demand Deposits (1)	70,481	65,458	**75,977**	16%	8%
Total Demand Deposits (2)	**128,357**	**122,425**	**137,588**	12%	7%
Time Deposits – Retail	75,085	83,832	**84,808**	1%	13%
Core Deposits	**203,442**	**206,257**	**222,396**	8%	9%
Money Market (3)	57,454	63,768	**52,646**	(17%)	(8%)
Total Bank Deposits	**260,896**	**270,026**	**275,042**	2%	5%
GFNorte's Total Deposits (4)	**260,755**	**269,739**	**274,888**	2%	5%
Third Party Deposits	**144,916**	**155,296**	**156,864**	1%	8%
Total Assets Under Management	**405,812**	**425,322**	**431,906**	2%	6%

1) Includes Debit Cards.
2) Excludes IPAB cash management checking accounts for loan portfolios managed from Banpaís and Bancen. The balances of these accounts in 4Q08, 3Q09 and 4Q09 were Ps $14 million, Ps $20 million and Ps $20 million, respectively.
3) Includes Bank Bonds (Customers and Financial intermediaries).
4) Includes the eliminations between the subsidiaries (4Q08=142 millions, 3Q09=287 milllons and 4Q09=154 millions).

- **Total Deposits**

At closing of 4Q09, *Total Deposits* reached Ps 274.9 billion, a 5% YoY increase, driven mainly by growth of 7% YoY in Demand Deposits and 13% in retail Time Deposits. Total Deposits grew 2% QoQ driven by a 12% increase in Demand Deposits.

- **Demand and Time Deposits**

Demand Deposits grew by 7% YoY at closing of 4Q09, driven by a 6% YoY growth in Non-Interest bearing Demand Deposits as a result of increased balances mainly in Mujer Banorte and Enlace Global personal accounts, as well as an 8% growth in Interest Bearing Demand Deposits due to higher balances in Banorte Fácil, Sumanómina, Suma, Inversión Vista, Individual Enlace and Inversión Global corporate accounts. Demand deposits rose 12% QoQ, driven by an 8% QoQ growth in Non Interest Bearing Demand Deposits from higher balances managed in Enlace Global Individual and Corporate, Cuenta Fuerte and Mujer Banorte accounts and a 16% QoQ increase in Interest Bearing Demand Deposits from higher balances in Sumanomina, Suma and Enlace Corporate accounts.

Retail Time Deposits grew by 13% YoY and 1% QoQ during 4Q09, as a result of the successful campaign to sell promissory notes through the branches and an increase in time deposits at InterNational Bank resulting from referral programs of Banorte clients.

As a result of efforts to increase deposits, during the year there were net openings of 862.2 thousand individual accounts and 10.6 thousand of corporate accounts. Additionally, Banorte has been able to significantly increase its market share in core deposits in the last 12 months, becoming the third most important bank in the financial system measured by deposits.

Commercial and corporate clients had the largest increase in account balances during 2009

- **Money Market Deposits**

The (8%) YoY decline is explained by a decrease in balances managed by commercial, municipal and broker dealer clients. The (17%) QoQ variation is due to reduced deposits by commercial, business, state and broker dealer clients.

- **Third Party Deposits**

Registered growth of 8% YoY due to the increase in clients' securities received in custody, and they remained at these same level compared to 3Q09.

- **Assets Under Management**

At closing of 4Q09, AUMs totaled $431.9 billion, a 6% YoY increase, driven by higher core and third party deposits. The 2% QoQ increase was mainly due to growth in core deposits.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

PERFORMING LOAN PORTFOLIO *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY
Commercial	92,521	85,342	84,118	(1%)	(9%)
Consumer	74,868	74,281	74,932	1%	-%
Corporate	45,127	41,374	40,245	(3%)	(11%)
Government	26,989	33,738	38,993	16%	44%
Sub Total	**239,505**	**234,735**	**238,288**	**2%**	**(1%)**
Recovery Banking	794	695	666	(4%)	(16%)
Total	**240,298**	**235,429**	**238,954**	**1%**	**(1%)**

PERFORMING CONSUMER LOAN PORTFOLIO *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY
Mortgages	45,499	48,105	49,221	2%	8%
Car Loans	7,594	7,297	7,424	2%	(2%)
Credit Cards	15,067	12,397	11,801	(5%)	(22%)
Payroll	6,707	6,483	6,487	-%	(3%)
Consumer Loans	**74,868**	**74,281**	**74,932**	**1%**	**-%**

(Million Pesos)	4Q08	3Q09	4Q09	QoQ	YoY
IPAB Loans	-	-	-	-	-
Past Due Loans	4,948	6,103	6,154	1%	24%
Loan Loss Reserves	6,690	7,547	7,535	-%	13%
Acquired Rights	3,049	2,705	2,548	(6%)	(16%)

- **Total Performing Loans**

Total Performing Loans declined slightly YoY, from Ps 239.5 billion at closing of 4Q08 to Ps 238.2 billion in 4Q09 excluding the portfolio managed by the Recovery Bank. This decline was mainly reflected in the Commercial, Corporate and Credit card portfolios and was offset by growth in the Government portfolio. Total Performing Loans grew by 2% QoQ mainly due to the growth in the Government, Mortgage and Automobile portfolios.

The contraction in the loan portfolio balance throughout the year is due to pre-payments from Commercial and Corporate clients and reduced loan demand due to the difficult economic situation, as well as more restrictive origination policies implemented by most of the financial institutions in certain sectors.

Banorte tried to offset the lower loan volumes industry-wide with greater penetration in sectors that represented adequated risk adjusted profitability and lower capital consumption, such as government loans and mortgages. The bank also tried to take advantage of market opportunities in various segments as a result of less competition.

Loan Portfolio growth by segment:

I. Loans to Individuals

- **Consumer + Mortgage:** Remained unchanged compared to 4Q08 and grew 1% QoQ. The annual growth in the mortgage portfolio was offset by a reduction in other consumer segments. The quarterly growth was due to an increase in mortgage and car loans.

  - ***Mortgages***: Grew 8% YoY and 2% QoQ, driven by an increase in loans originated through the program established with Pemex and a higher average value for new loans. In spite of growth in the portfolio balance, the number of new loans sold declined by (31%) annually due to lower loan demand, adjustments to credit evaluation criteria and restrictions to originate certain types of mortgages. In the last 12 months, 11,746 new loans were placed, a (41%) YoY decline, and 3,262 in 4Q09, 8% higher QoQ.

  - ***Credit Card:*** Registered a (22%) YoY and (5%) QoQ decline at closing of 4Q09, as result of a (39%) annual and (5%) quarterly reduction in new cards issued due to more stringent origination policies and less demand for this product. On a quarterly basis, net total billings grew by 6% due to promotional campaigns for more credit card usage and deferred purchases with fixed payments. Banorte had 1.09 million accounts at the end of 4Q09, (13%) less than in the same period of 2008.

- ***Payroll and Personal Loans:*** At closing of 4Q09, the portfolio declined (3%) YoY, as a result of amortization of the personal loan book due to more risk aversion in this segment, as well as lower loan demand caused by rising unemployment, especially in the first half of the year. After isolating the impact of the amortizations in personal loans, the payroll portfolio shows an 11% increase and the production of new loans increased by 20% annualy when compared to 2008. On a quarterly basis, the combined portfolio for both products remained in the same level compared to 3Q09, even though the Payroll loan portfolio increased by 3% QoQ.

- ***Car Loans:*** The portfolio declined (2%) YoY due to a significant reduction in car sales in the domestic market as a result of an adverse economic environment and less availability of financing. The portfolio grew 2% QoQ as a result of year-end promotional campaigns and increased car sales in the last months of the year due to improving economic conditions.

II. Loans to Institutions

- **Commercial:** Declined by (9%) YoY in 4Q09 due to a decline in the business portfolio originated by the bank and the leasing company resulting from lower loan demand during the year, and pre-payments received from some clients, as well as a decline in the balance of the SME portfolio as a result of reduced origination of the Crediactivo commercial and business SME product. The balance of commercial loans declines (1%) QoQ due to a contraction in the business loan book originated through the bank and Crediactivo product,

- **Corporate**: Declined (11%) YoY and (3%) QoQ in 4Q09, mainly due to pre-payments received as part of the bank's strategy to reduce the size of some large exposures in this segment, as well as lower loan demand as a result of this year's difficult economic enviornment. It is important to emphasize that Banorte's loan portfolio is diversified by sectors and regions, with a low concentration. The bank's 20 most important corporate exposures represent only 14% of the bank's total loan portfolio (16% in 3Q09 and 19% in 4Q08). The largest loan represents 1.4% of the total portfolio (1.6% in 3Q09 and 2.1% in 4Q08), while the 20th largest represents only 0.5% (unchanged vs 3Q09 and 0.4% vs 4Q08).

- **Government:** Grew 44% YoY and 16% QoQ in 4Q09 as a result of strengthening the area created for government banking through offering comprehensive solutions according to their financial needs, which has enabled the establishment of relationships with important state and municipal governments, resulting in direct and structured loans to finance the investment needs of these entities.

- **Past Due Loans**

At closing of 4Q09, past due loans grew by 24% YoY resulting from deterioration in the consumer, commercial and mortgage portfolios. The 1% QoQ increase is a result of growth in commercial PDLs mainly due to the deterioration in Inter National Bank's loan portfolio.

As of 4Q09, the Past Due Loan Ratio was 2.5%, 0.5 percentage points higher than 4Q08, but it remains at the same level compared to 3Q09. All portfolio items showed a stable or improved PDL Ratio except the commercial sector. At closing of 4Q09, the PDL Ratio for credit cards was 12.0% which compares favorably against the 12.7% registered in 3Q09 and the 12.4% of 4Q08, this improvement was achieved despite a decline in the total portfolio. On the other hand, the PDL Ratio for car loans was 2.0% (vs. 2.7% in 3Q09 and 2.2% in 4Q08), Payroll loans was 2.8% (vs. 2.8% in 3Q09 and 4Q08), Mortgages was 2.0% (vs. 2.0% in 3Q09 and 1.6% in 4Q08), Commercial loans was 4.1% (vs. 3.6% in 3Q09 and 2.0% in 4Q08), and Corporate loans was 0.1% (vs. 0.1% in 3Q09 and 0% in 4Q08), while the Government portfolio remained at 0% throughout the entire year.

PAST DUE LOAN VARIATIONS *(Million Pesos)*		
Balance as of September 2009		**6,103**
	Transfer from Performing Loans to Past Due Loans	4,258
	Renewals	(59)
	Cash Collections	(812)
	Discounts	(38)
	Charge Offs	(1,494)
	Foreclosures	(86)
	Transfer from Past Due Loans to Performing Loans	(1,698)
	Foreign Exchange Adjustments	(20)
Balance as of December 2009		**6,154**

During 4Q09, 66% of new NPLs corresponded to credit cards, while 52% of the required reserves and 60% of write-offs corresponded to this segment.

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

		LOAN LOSS RESERVES			
CATEGORY	LOANS	COMMERCIAL	CONSUMER	MORTGAGES	TOTAL
A	58,169	-	63	159	222
A1	106,990	495	-	-	495
A2	57,118	520	-	-	520
B	6,269	-	102	184	286
B1	5,700	74	266	-	340
B2	8,249	84	509	-	593
B3	2,579	269	-	-	269
C	2,494	-	795	131	927
C1	1,404	301	-	-	301
C2	803	380	-	-	380
D	2,592	245	1,356	264	1,865
E	1,272	1,008	272	-	1,281
Total	253,640				
Not Classified	(35)				
Exempt	56				
Total	253,658	3,377	3,363	739	7,479
Reserves					7,535
Excess (Deficit)					57

Notes:
1.- The ratings of loans and reserves created correspond to the last day referred in the Balance Sheet at December 31st, 2009.
2.- The loan portfolio is rated according to the rules issued by the Ministry of Finance and Public Credit (SHCP), the methodology established by the CNBV and internal methodologies approved by the CNBV. For Mortgage and Consumer loans, Banorte uses the regulation described in the Official Gazette published on December 2, 2005, and for Commercial loans it uses internal methodologies approved by the CNBV.
3. On August 12th, 2009 the National Banking and Securities Commission (CNBV) issued a resolution that modifies the applicable general regulatory dispositions for credit institutions and in accordance with Section I of the second transitory article in September 2009 against results of previous fiscal years, the financial effect resulting from the initial implementation of the new methodology after the end of September is the credit card portfolio according to the new provisions recognizing an initial effect on stockholders' equity of Ps $ 1,136 million.
4.- The excess in preventive reserves, follow the rules issued by the CNBV, to regulate support programs, that were constituted mainly in UDIS Trusts.
5.- The Ratings of Leasing and Factoring loans are dated as of September 2009 and Reserves, as of December, 2009.

LOAN LOSS RESERVES *(Million Pesos)*	**4Q09**
Previous Period Ending Balance	**7,547**
Provisions charged to results	1,751
Created with profitability margin	13
Other items	2
Charge offs and discounts:	(203)
Commercial Loans	(1,255)
Consumer Loans	(238)
Mortgage Loans	(57)
Foreclosed assets	(1,753)
Cost of debtors support programs	(11)
Valorization and Others	(14)
Loan Loss Reserves at Period End	**7,535**

- **Loan Loss Provisions**

At closing of 4Q09, loan loss provisions were Ps 7.53 billion, the same level as 3Q09. The creation of provisions charged against results was at the same level of write-offs waivers and discounts.

- **Requirements for Loan Loss Reserves**

Loan Loss provisions charged against results in 2009 rose to Ps 8.29 billion, equivalent to a 20% YoY increase, mainly due higher reserve requirements and growth in delinquencies in the consumer portfolio, especially credit cards, and to a lesser degree to the new regulations for credit card provisions. Loan loss reserves for 4Q09 were Ps 1.78 million, a (17%) QoQ decline due to a stabilization in asset quality indicators of the consumer portfolio.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANKING SECTOR

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS– Banking* *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Income Statement								
Net Interest Income	6,181	5,376	**5,388**	-%	(13%)	21,662	**22,307**	3%
Provisions	2,914	2,113	**1,757**	(17%)	(40%)	6,722	**8,164**	21%
Non Interest Income	1,978	1,955	**2,014**	3%	2%	6,512	**7,181**	10%
Non Interest Expense	3,945	3,633	**4,205**	16%	7%	14,191	**15,412**	9%
Non Operating Income (Expense), Net	540	137	**155**	13%	(71%)	2,487	**852**	(66%)
Pre-Tax Income	1,840	1,722	**1,596**	(7%)	(13%)	9,748	**6,763**	(31%)
Net Income	1,285	1,274	**1,266**	(1%)	(1%)	6,543	**5,117**	(22%)
Balance Sheet								
Performing Loans	231,400	225,716	**228,827**	1%	(1%)	231,400	**228,827**	(1%)
Deposits	260,911	270,046	**275,062**	2%	5%	260,911	**275,062**	5%

The results of the Banking Sector do not include Pronegocio (Micro-Lending) figures from January until August 2009 since the merger with Banco Mercantil del Norte was not effective during that period. Therefore, the banking subsidiary's results of the first three quarters of the year are fully comparable with previous periods, while 4Q09 is not comparable since the figures include the merged Pronegocio unit.

- **Net Interest Income**

Net Interest Income increased 3% YoY due to a reduction in the cost of funding as a consequence of increased demand deposits. On a quarterly basis, NII remains at the same level compared to 3Q09 as a result of lower market interest rates and reduced loan growth.

- **Loan Loss Reserves**

Loan Loss Reserves were 21% greater YoY during 2009 mainly due to higher credit card, commercial and mortgage delinquencies. The (17%) QoQ decline is a result of an improvement in asset quality in most segments of the portfolio.

- **Non Interest Income**

Increased 10% YoY due to higher intermediation revenues and to the reclassification of revenues from previously written off loans to "Other Revenues and Expenses" according with the new accounting criteria effective as of April 2009. On a quarterly basis, non interest income increased 3% QoQ due to more revenues from service fees and recoveries.

- **Non Interest Expenses**

Grew 9% YoY due mainly to the reclassification of employee profit sharing (PTU) in accordance with the new accounting criteria which became effective as of 2Q09, as well as higher Personnel Expenses, more professional fees and IPAB contributions. The 16% QoQ growth from 3Q09 is due to more expenses in Personnel, Professional Fees, other taxes and rent, depreciation and amortization.

- **Non Operating Income**

Declined by (66%) YoY due to the non-recurring income realized in 2008 from the sale of VISA and INDEVAL shares, as well as the reclassification of income from recoveries of proprietary loans as "Other Revenues and Expenses" in the Non Interest Income line according to the new accounting criteria effective as of April 2009, a reduction in Income Tax recoveries due to the reclassification of acquired portfolios and a reduction in released reserves in various items. On a quarterly basis, the 13% QoQ increase is due to growth in revenues as a result of greater cancellation of other liabilities.

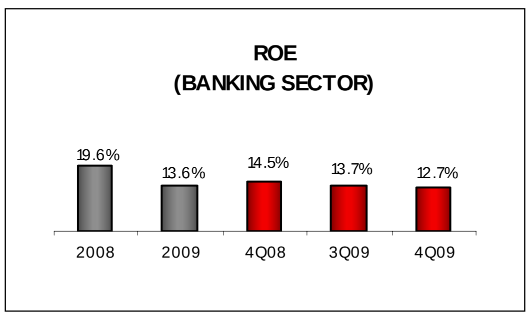
- **Net Income**

Accumulated net income of the Banking Sector (100%, including the AFORE by the participation method) reached Ps 5.1 billion in 2009, (22%) less than in 2008 due to an increase in loan loss reserves and higher non interest expenses resulting from accounting reclassifications, in addition to reduced NII growth as a consequence of lower market interest rates. The (1%) QoQ decline is due to an increase in non interest expenses, lower profits from Banorte USA and the impact in minority interest derived from the IFC investment.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

FINANCIAL RATIOS – *Banking Sector* *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Profitability								
NIM (1)	6.0%	4.1%	**4.2%**	0.1 pp	(1.8 pp)	6.7%	**4.2%**	(2.5 pp)
ROE (2)	14.5%	13.7%	**12.7%**	(1.0 pp)	(1.8 pp)	19.6%	**13.6%**	(6.0 pp)
ROA (3)	1.1%	0.9%	**0.9%**	- pp	(0.2 pp)	1.8%	**0.9%**	(0.9 pp)
Operation								
Efficiency Ratio (4)	48.4%	49.6%	**56.8%**	7.2 pp	8.4 pp	50.4%	**52.3%**	1.9 pp
Operating Efficiency Ratio (5)	3.5%	2.6%	**3.1%**	0.5 pp	(0.4 pp)	4.0%	**2.8%**	(1.2 pp)
Liquidity Ratio (6)	48.9%	62.0%	**63.6%**	1.6 pp	14.7 pp	48.9%	**63.6%**	14.7 pp
Asset Quality								
Past Due Loan Ratio	2.0%	2.6%	**2.6%**	- pp	0.6 pp	2.0%	**2.6%**	0.6 pp
Coverage Ratio	136.1%	123.1%	**121.6%**	(1.5 pp)	(14.5 pp)	136.1%	**121.6%**	(14.5 pp)
Growth (7)								
Performing Loans (8)	25%	1%	**(1%)**	(2.0 pp)	(26.0 pp)	25%	**(1%)**	(26.0 pp)
Core Deposits	16%	18%	**9%**	(9.0 pp)	(7.0 pp)	16%	**9%**	(7.0 pp)
Total Deposits	28%	12%	**5%**	(7.0 pp)	(23.0 pp)	28%	**5%**	(23.0 pp)
Capitalization								
Net Capital/ Credit Risk Assets	22.1%	23.2%	**24.4%**	1.3 pp	2.3 pp	22.1%	**24.4%**	2.3 pp
Total Capitalization Ratio	15.0%	16.1%	**16.8%**	0.7 pp	1.8 pp	15.0%	**16.8%**	1.8 pp

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



INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS– Banking Sector with Pronegocio Merged* *(Million Pesos)*	3Q09 w/o Merger	Pronegocio	3Q09 Merged	4Q09 Merged	2009 Merged
Income Statement					
Net Interest Income	**5,376**	50	**5,426**	**5,388**	**22,357**
Provisions	**2,113**	17	**2,130**	**1,757**	**8,181**
Non Interest Income	**1,955**	3	**1,958**	**2,014**	**7,184**
Non Interest Expense	**3,633**	25	**3,658**	**4,205**	**15,437**
Non Operating Income (Expense), Net	**137**	9	**147**	**155**	**861**
Pre-Tax Income	**1,722**	21	**1,742**	**1,596**	**6,784**
Net Income	**1,274**	15	**1,289**	**1,266**	**5,132**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANORTE USA

I. Banorte USA

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS – Banorte USA* *Figures in MEX GAAP (Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Income Statement								
Net Interest Income	217	218	**199**	(9%)	(8%)	711	**825**	16%
Non Interest Income	67	30	**56**	88%	(16%)	147	**155**	6%
Total Income	285	248	**256**	3%	(10%)	857	**981**	14%
Non Interest Expense	196	153	**205**	34%	5%	638	**755**	18%
Loan Loss Reserves	81	115	**91**	(21%)	12%	104	**378**	262%
Operating Income	8	(20)	**(40)**	(97%)	(599%)	115	**(152)**	(232%)
Non Operating Income (Expense)	69	41	**49**	20%	(29%)	234	**199**	(15%)
Taxes and Profit Sharing	14	5	**0**	(101%)	(100%)	105	**14**	(87%)
Subsidiaries & Minority Interest	14	0	**0**	0%	(100%)	79	**0**	(100%)
Net Income	49	15	**9**	(40%)	(82%)	166	**34**	(80%)

Under Mexican GAAP (MX GAAP), Banorte USA's net income (subsidiary that owns 100% of Inter National Bank, as well as 100% of Uniteller and Motran, both remittance companies) was Ps 34 million in 2009, declining (80%) compared to the same period in 2008. This decline was driven by an annual increase of Ps 274 million in INB's loan loss provisions due to asset quality deterioration as a result of the difficult economic environment in the United States and stricter regulation.

II. InterNational Bank (US GAAP)

INCOME STATEMENT & BALANCE SHEET *HIGHLIGHTS - InterNational Bank* *Figures in US GAAP (Millon Dollars)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Income Statement								
Net Interest Income	17.3	15.3	**15.8**	3.3%	(9.0%)	65.9	**60.2**	(8.6%)
Non Interest Income	4.0	4.1	**4.5**	11.2%	12.6%	15.5	**15.8**	2.1%
Total Income	21.3	19.3	**20.3**	5.0%	(4.9%)	81.4	**76.0**	(6.6%)
Non Interest Expense	9.4	9.2	**11.6**	26.1%	23.6%	34.8	**39.0**	12.0%
Loan Loss Reserves	1.1	3.0	**7.1**	134.9%	552.2%	5.3	**24.0**	351.1%
Operating Income	10.9	7.1	**1.5**	(78.3%)	(85.9%)	41.3	**13.1**	(68.3%)
Net Income	7.1	4.7	**1.1**	(77.2%)	(85.2%)	27.2	**8.9**	(67.4%)
Balance Sheet								
Investments in Securities	449.2	560.7	**504.3**	(10.0%)	12.3%	449.2	**504.3**	12.3%
Performing Loans	1,108.1	1,072.6	**1,042.2**	(2.8%)	(5.9%)	1,108.1	**1042.2**	(5.9%)
Past Due Loans	22.7	88.9	**107.1**	20.4%	372.6%	22.7	**107.1**	372.6%
Demand Deposits	617.2	737.7	**687.4**	(6.8%)	11.4%	617.2	**687.4**	11.4%
Time Deposits	761.6	1,015.7	**1,027.6**	1.2%	34.9%	761.6	**1,027.6**	34.9%
Total Deposits	1,378.9	1,753.5	**1,715.0**	(2.2%)	24.4%	1,378.9	**1,715.0**	24.4%
Equity	149.4	404.7	**406.2**	0.4%	171.9%	149.4	**406.2**	171.9%

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

Financial Ratios *INB* *Figures in US GAAP*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Profitability:								
NIM	4.4%	3.5%	**3.6%**	0.1	(0.8)	4.3%	**3.6%**	(0.6)
ROE	19.7%	4.8%	**1.0%**	(3.8)	(18.7)	20.5%	**3.0%**	(17.5)
ROA	1.6%	0.9%	**0.2%**	(0.7)	(1.4)	1.6%	**0.4%**	(1.2)
Operational:								
Efficiency Ratio	44.0%	47.7%	57.2%	9.6	13.2	42.7%	51.3%	8.5
Asset Quality:								
Past Due Loan Ratio	2.0%	7.6%	9.3%	1.7	7.3	2.0%	9.3%	7.3
Coverage Ratio	61.1%	25.3%	22.2%	(3.1)	(39.0)	61.1%	22.2%	(39.0)
Capitalization:								
Leverage Ratio	8.0%	9.4%	9.4%	(0.0)	1.4	8.0%	9.4%	1.4
Capitalization Ratio	12.5%	17.1%	17.4%	0.3	4.9	12.5%	17.4%	4.9

Under US GAAP, net income of Inter National Bank (INB) was $8.9 million for 2009, (67%) less than for the same period last year, mainly as a result of increased loan loss reserves and higher non interest expenses resulting from an increase in the FDIC insurance premiums for all US banks. On a quarterly basis, net income declined (77%) QoQ due to an increase of $4.1 million in loan reserves.

INB's investment portfolio is mainly concentrated in mortgage backed securities (MBS), which declined 10% QoQ and grew 12.3% YoY. The underlying mortgages of these securities are rated AAA, and as of 4Q09 the portfolio presents unrealized valuation gains of US $14.6 million. The average weighted life of the portfolio is 4 years.

Total deposits increased 24% YoY mainly due to an increase in time deposits. Performing Loans declined (5.9%) YoY and (2.8%) QoQ, while Past Due Loans increased 372.6% YoY and 20.4% QoQ, as a result of greater delinquencies in real estate backed loans, due to the difficult environment in this sector. It is important to note that INB uses stricter criteria to classify past due loans (30+ days of delinquency vs. 60+ days in Mexico).

INB's capitalization and leverage indicators remained robust and well above the regulatory minimum. The capitalization ratio increased by 0.33 percentage points to 17.4%, while the Leverage Ratio remained at 9.4% in both quarters. Regarding Asset Quality indicators, the Past-Due Loan Ratio increased by 1.7 percentage points QoQ to 9.3%, while the Reserve Coverage dropped 3.1 pp QoQ to 22.2%.The Efficiency Ratio increased by 9.6 pp QoQ to 57.2%. ROE declined 3.8 pp QoQ to 1%, ROA contracted by 0.7 pp QoQ to 0.2%, while NIM increased 0.1 pp QoQ to 3.6%.

As a result of a revision by the OCC (Office of the Comptroller of the Currency) of Inter National Bank during April and May 2009, the bank signed a formal agreement on September 21st, 2009 with this regulator for banks with national licenses. This measure is a reflection of a much stricter regulatory environment as a consequence of the economic and financial crisis in the United States.

The formal agreement requires, among other things:

- Development and implementation of an action plan to improve management of the Bank's loan portfolio.
- Review of the models to calculate loan loss reserves and the establishment of a program to maintain an adequate level of reserves that guarantees a minimal level in compliance with regulation.
- Development of a program to diversify the loan portfolio in accordance with banking regulations, including a methodology to ensure compliance with this program.
- Adoption of a program to ensure a continuous and effective portfolio revision process.
- Development and fulfillment of a detailed 3 year strategic plan, including controls to monitor its fulfillment.

Since the formal agreement was signed, INB developed a corrective plan to comply with the observations by the OCC. On January 19th, 2010, the last pending requirement was met, thus fulfilling the deadlines established by the OCC.

RECOVERY BANKING

INCOME STATEMENT HIGHLIGHTS – Recovery Banking *(Million Pesos)*	2008	2009	YoY
Net Interest Income	**(204)**	**(197)**	(4%)
Loan Loss Provisions	**43**	**42**	(2%)
Non Interest Income	**1,302**	**1,594**	22%
Non Interest Expense	**884**	**922**	4%
Non Operating Income (Expense), net	**842**	**449**	(47%)
Pre-tax Income & Subsidiaries	**1,012**	**882**	(13%)
Income Tax & Profit Sharing	**311**	**242**	(22%)
Undistributed Earnings of Subsidiaries	**-**	**-**	-
Net Income	**701**	**640**	(9%)

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

ASSETS UNDER MANAGEMENT *(Million Pesos)*	4Q09	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Fobaproa-IPAB Portfolios:	**369**	Off balance trusts	Fees charged to Fobaproa and Fiduciary
Loans purchased:	**29,467**	Sólida Asset Management and Banorte	Non Interest Income and Other Revenues and Expenses (Banorte)
Investment Projects:	**4,260**	Sólida Asset Management	Non Interest Income
Banking Sector Portfolio:	**32,233**	Banorte's Portfolio and Repossessed assets	Net Interest Income and Other Revenues and Expenses
Total	**66,329**		

- At closing of 4Q09, acquired loan portfolios by the Recovery Bank totaled Ps 29.4 billion, divided as follows: 41% correspond to mortgages, 39% to corporate and commercial loans, 13% to real estate portfolios and 7% to foreclosed assets. Revenues generated by these portfolios in 2009 reached Ps 595 million, (27%) less YoY, while net income reached Ps 120 million, (46%) lower YoY. The recovery ratio was 57% for 2009, higher than the 46% registered in 2008. The Recovery Bank did not acquire any assets during 4Q09.

- The amount invested by Solida in investment projects at closing of 4Q09 reached Ps 4.3 billion, higher than the level reached in 4Q08. The investments cover 45 projects nationwide. Revenues generated by these projects during 2009 reached Ps 622 million, 14% more YoY, while net income was Ps257 million, 15% higher YoY.

- Banorte's proprietary assets managed by the Recovery Bank amounted to Ps 32.2 billion at closing of 4Q09, of which 33% correspond to credit cards, 25% to mortgages, 11% to corporate and commercial loans, 11% to Crediactivo SME loans, 9% to car loans, 8% to payroll and personal loans and 3% to other goods. Revenues generated by this portfolio reached Ps 836 million in 2009, an 8% YoY increase, while profits were Ps263 million, a 2% YoY increase. The percentage of total recovery was 85% during 2009, higher than the 79% registered in 2008.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BROKERAGE

Brokerage *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Brokerage								
Net Income	(89)	42	**88**	109%	199%	183	**203**	11%
Shareholder's Equity	1,143	1,323	**1,396**	6%	22%	1,143	**1,396**	22%
Assets Under Custody	119,286	131,603	**135,621**	3%	14%	119,286	**135,621**	14%
Total Assets	1,662	3,645	**5,273**	45%	217%	1,662	**5,273**	217%
ROE	(29.3%)	13.3%	**26.0%**	12.7 pp	55.2 pp	16.0%	**16.2%**	0.2 pp
Net Capital								
Net Capital	901	1,074	**1,153**	7%	28%	901	**1,153**	28%

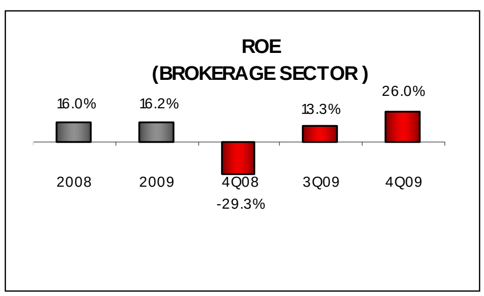
- **Broker-Dealer**

Net Income
The Broker Dealer reported net income of Ps 203 million for 2009, an 11% YoY increase resulting from greater revenues in private banking, investment banking and lower growth in expenses relative to revenues, all of which offset the negative impact of recognizing fiscal contingencies of previous exercises. Profits grew by 109% QoQ driven by greater investment banking and money market revenues, as well as the containment of general expenses.

Mutual Funds
Assets under management grew 33% in 2009 as a result of the efforts to improve the yields of the family of funds and to promote them among clients. Assets managed in fixed income funds rose to Ps 23.4 billion and variable income mutual funds to Ps 4.7 billion. Banorte's market share in mutual funds is currently 3%.

Assets Under Custody
At closing of 4Q09, assets under custody totaled Ps 135.6 billion, a 14% YoY increase driven by an increase in private banking deposits and higher AUM's in mutual funds. The 3% QoQ growth results from an increase in assets managed in private banking, mutual funds, money and capital markets and Banorte Securities.

The annual growth in the broker dealer's assets is due mainly to changes in the accounting of Repos.



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LONG TERM SAVINGS

LONG TERM SAVINGS *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Afore								
Net Income	65	77	**108**	41%	67%	189	**288**	52%
Equity	1,052	1,231	**1,340**	9%	27%	1,052	**1,340**	27%
Total Assets	1,218	1,427	**1,557**	9%	28%	1,218	**1,557**	28%
AUM (SIEFORE)	56,186	68,115	**71,616**	5%	27%	56,186	**71,616**	27%
ROE	24.3%	25.8%	**33.7%**	8.0 pp	9.5 pp	18.3%	**24.4%**	6.1 pp
Insurance								
Net Income	138	84	**118**	40%	(14%)	476	**438**	8%
Equity	2,130	2,250	**2,370**	5%	11%	2,130	**2,370**	11%
Total Assets	11,306	11,567	**12,257**	6%	8%	11,306	**12,257**	8%
Technical Reserves	7,356	7,303	**7,740**	6%	5%	7,356	**7,740**	5%
Premiums sold	1,604	1,420	**1,967**	39%	23%	8,268	**7,183**	(13%)
ROE	26.9%	14.6%	**20.4%**	5.9 pp	(6.5 pp)	24.1%	**19.2%**	(4.9 pp)
Annuities								
Net Income	(5)	14	**2**	(89%)	132%	33	**31**	(7%)
Equity	985	1,015	**1,016**	-%	3%	985	**1,016**	3%
Total Assets	14,833	16,949	**18,212**	7%	23%	14,833	**18,212**	23%
Technical Reserves	13,612	15,703	**16,938**	8%	24%	13,612	**16,938**	24%
Premiums sold	996	553	**1,184**	114%	19%	3,488	**3,199**	(8%)
ROE	(2.1%)	5.7%	**0.6%**	(5.0 pp)	2.7 pp	3.1%	**3.1%**	-pp

- **Afore**

During 2009, the AFORE reported net income of Ps 288 million (51% corresponds to Banorte), a 52% YoY and 41% QoQ increase. The annual change was due to a significant increase in financial products and containment of sales expenses, while the quarterly growth is due to greater operating revenues and financial products due to a recovery in the valuation of the funds managed and the acquisition of IXE and Ahorra Ahora Afores. At closing of 4Q09, the AFORE's AUMs grew by 27% YoY and 5% QoQ, reaching a value of Ps 71.6 billion.

Banorte has a 6.3% market share in AUM's, ranking 6th in market share at closing of 2009. It also ranks 6th in the industry in terms of growth of AUM's.

At closing of 4Q09, the AFORE had a total of 3,889,895 affiliates, with a 9.9% share of total affiliates in the system and 9.8% of certified accounts.

- **Insurance**

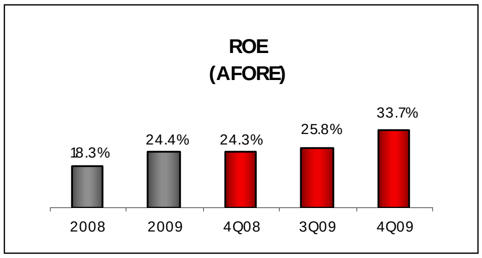
Profits were Ps 438 million in 2009 (51% corresponds to GFNorte), (8%) less YoY, due to higher provisions for fiscal contingencies, as well as lower deferred taxes. Net income increased 40% QoQ, as a result of growth in premiums issued, lower operating costs and containment of damage costs.

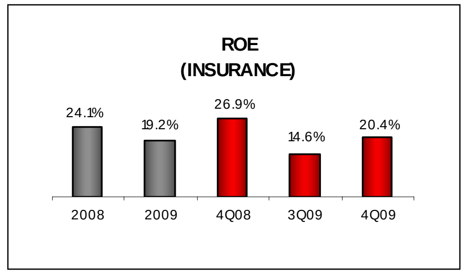
Issued premiums declined by (13%) YoY to Ps 7.18 billion due to lower sales of private banking products, while accrued premiums were Ps 5.62 billion at closing of 4Q09, a (30%) YoY decline for the same reasons. Technical reserves were Ps 7.74 billion, increasing 5% YoY and 6% QoQ.

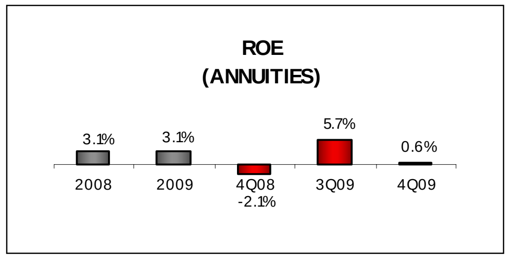
- **Annuities**

Annuities reported net income of Ps 31 million in 2009 (51% corresponds to GFNorte), declining (7%) YoY as a consequence of lower deductions derived from inflationary adjustments, as well as the reduction in deferred taxes. Profits declined (89%) QoQ, due to higher rents paid to pensioners and write-offs of securities in the investment portfolio.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.







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OTHER FINANCE COMPANIES

OTHER FINANCE COMPANIES (1) *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Leasing and Factoring								
Net Income	115	**91**	**111**	22%	(3%)	313	**403**	29%
Equity	1,184	**1,375**	**1,486**	8%	26%	1,184	**1,486**	26%
Loan Portfolio (1)	13,913	**13,226**	**13,461**	2%	(3%)	13,913	**13,461**	(3%)
Past Due Loans	74	**99**	**103**	4%	38%	74	**103**	38%
Loan Loss Reserves	79	**157**	**177**	13%	125%	79	**177**	125%
Total Assets	14,001	**13,242**	**13,434**	1%	(4%)	14,001	**13,434**	(4%)
ROE	38.8%	**26.5%**	**31.1%**	4.6 pp	(7.7 pp)	28.1%	**30.0%**	1.9 pp
Warehousing								
Net Income	6	**6**	**3**	(49%)	(46%)	23	**22**	(2%)
Equity	124	**141**	**144**	2%	16%	124	**144**	16%
Inventories	165	**427**	**119**	(72%)	(28%)	165	**119**	(28%)
Total Assets	321	**556**	**211**	(62%)	(34%)	321	**211**	(34%)
ROE	18.3%	**16.7%**	**8.3%**	(8.4 pp)	(10.0 pp)	20.5%	**16.7%**	(3.8 pp)

(1) Includes the portfolio of assets under pure leasing registered in property, plant and equipment.

- **Leasing and Factoring**

As of February 2008, the Leasing and Factoring companies merged under a "Sociedad Financiera de Objeto Múltiple (SOFOM)", a regulated entity. This merger allows among other things, to optimize the use of capital, improve leverage capacity and the outlook for an improvement in the credit ratings of the new entity. Results of both companies are presented as of 1Q08 on a consolidated basis under the denomination "Arrendadora y Factor Banorte, S.A. de C.V."

Leasing and Factoring generated profits of Ps 403 million for 2009, 29% higher YoY due to an improvement in margins. Profits for 4Q09 are 22% higher QoQ as a result of higher margins and lower creation of reserves from rating the risk of the portfolio.

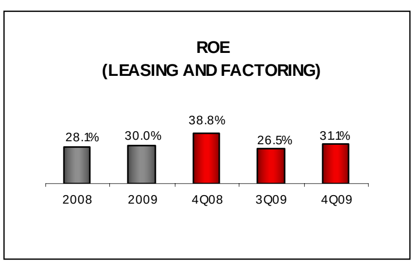
At the end of 4Q09, the PDL ratio closed at 0.8%, while the Capitalization Ratio was 11.06%, taking into consideration average risk assets of Ps 13.66 billion.

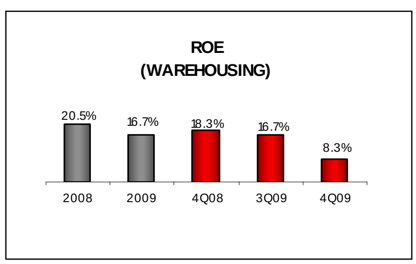
At closing of 4Q09, Arrendadora and Factor Banorte ranked 2nd in terms of portfolio size among the 42 companies of this sector.

- **Warehousing**

Net income for 2009 was Ps 22 million, (2%) lower with respect to 2008. Nonetheless, profits for 2008 were Ps 20.9 million when a depreciation adjustment of Ps 2.1 million is considered. On a comparable basis, net income grew 8% higher YoY during 2009, mainly as a result of more fitting of storage services and the commercialization of inventories. Net Income fell (49%) QoQ vs. 3Q09 as a consequence of a Ps 3 million preduential reserve for contingencies related to lost merchandise.

At closing of 4Q09, the Capitalization Ratio was 8.67% considering Ps 1.63 billion in total certificates at risk in circulation. The company ranks 4th among the 20 Warehousing Companies in terms of profits generated.





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PRONEGOCIO

MICROLENDING PRONEGOCIO *(Million Pesos)*	4Q08	3Q09	4Q09	QoQ	YoY	2008	2009	YoY
Net Income	(80)	3	-	N.A.	N.A.	(120)	**15**	N.A.
Equity	48	-	-	N.A.	N.A.	48	-	N.A.
Loan Portfolio	269	-	-	N.A.	N.A.	269	-	N.A.
Non Performing Loans	38	-	-	N.A.	N.A.	38	-	N.A.
Loan Loss Reserves	29	-	-	N.A.	N.A.	29	-	N.A.
Total Assets	433	-	-	N.A.	N.A.	433	-	N.A.
ROE	(646.0%)	37.3%	-	N.A.	N.A.	(195.2%)	-	N.A.

- **Pronegocio**

In the Board of Directors' Meeting held on January 29th, 2009, the merger of Banco Mercantil del Norte as the merging company, with Créditos Pronegocio, S.A. de C.V., as the merged entity, was approved. Since this resolution was passed, there has been a gradual transfer of expenses to the bank and the relocation of performing clientele of the SOFOM to other Banorte products. The final merger agreement was signed on August 31st, 2009, after receiving the necessary authorizations from the regulating authorities.

The merger process required a specific work plan to reduce the financial impact on Banorte of increasing this company's capitalization, as well as the absorption of recurring losses for several fiscal years.

The work plan concluded in December 2009, including among its objectives the closing of all branches and reduction of the financial impact. In accordance to this plan, all branches were closed at the end of September 2009 and the financial impact was reduced to almost Ps 265 million. This cost could decrease if the loan portfolio is further controlled and the recovery of existing portfolio balances continues.

As of January 2010, the Asset Recovery unit is in charge of monitoring the recovery of the remaining portfolio through third parties.

RATINGS

International Ratings				
Rating Agency	**Rated Institution**	**Rating**	**Category**	**Date**
Moody's	Banorte	Negative C- Stable Baa1 P-2 A3 P-2	**Outlook BFSR** **Modest Financial Strength** **Outlook GLC** **Foreign long - term bank deposits** **Foreign short- term bank deposits** **Local long - term bank deposits** **Local short - term bank deposits**	October, 2009
Moody's	Banorte	Baa1 Baa2 Baa1 Baa2	**Long term local currency subordinated debt (Tier 2)** **Long term local currency subordinated debt (Tier 1)** **Long term foreign currency subordinated debt (Tier 2)** **Long term foreign currency subordinated debt**	October, 2009
Moody's	Casa de Bolsa Banorte	Stable A3 P-2	**Outlook** **Issue Rating Long Term** **Issue Rating ShortTerm**	October, 2009
Standard & Poors	Banorte	Stable BBB- BBB- A-3 A-3	**Outlook** **Long term foreign issuer credit** **Long term local currency deposits** **Short term foreign issuer credit** **Short tem local issuer credit**	January, 2010
Fitch	Banorte Grupo Financiero Banorte	Stable BBB BBB F2 F2 C 2 5	**Outlook** **Long Term Foreign currency** **Long Term Local currency** **Short Term Local Currency** **Short Term Foreign Currency** **Individual - Foreign Currency** **Support Rating** **Support Rating**	February, 2009

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

Domestic Ratings				
Rating Agency	**Rated Institution**	**Rating**	**Category**	**Date**
Fitch	Banorte	F1 + (mex) AA +(mex) F1 + (mex) AA +(mex)	**Short term counterparty risk** **Long term counterparty risk** **Short term CD's and Term Deposits** **Long term CD's and Term Deposits**	February, 2009
	Arrendadora y Factor Banorte	AA + (mex) F1 + (mex)	**Medium and Long Term** **Short Term**	May, 2007
Moody's Domestic Scale	Banorte	Aaa.mx MX-1	**Long Term Deposits** **ShortTerm Deposits**	October, 2009
	Arrendadora Banorte	Aaa.mx MX-1	**Issue Rating in Domestic Scale Long Term** **Issue Rating in Domestic Scale ShortTerm**	October, 2009
	Factor Banorte	Aaa.mx MX-1	**Issue Rating in Domestic Scale Long Term** **Issue Rating in Domestic Scale ShortTerm**	October, 2009
	Banorte	Aa1.mx	**Long term Mexican National Scale junior subordinated debt**	October, 2009
Other Ratings				
Fitch	Banorte	AAFC1(mex)	**Financial Asset Administrator**	February, 2008
Fitch	Seguros Banorte Generali	AA (mex)	**Insurance Financial Strength**	November, 2008
Fitch	Casa de Bolsa Banorte	Stable F1 + (mex) AA +(mex)	**Outlook** **Short term counterparty risk** **Long term counterparty risk**	March, 2009
Moodys	Casa de Bolsa Banorte	Stable Aaa.mx MX-1	**Outlook** **Issue Rating Long Term** **Issue Rating ShortTerm**	October, 2009

INFRASTRUCTURE

INFRASTRUCTURE	4Q08	3Q09	4Q09
Employees	19,997	19,491	**19,311**
Banking (1)	15,223	15,180	**15,343**
Other	4,774	4,311	**3,968**
Branches (2)(3)	1,118	1,080	**1,089**
INB	20	20	20
Pronegocio	97	0	0
ATM's	4,136	4,330	**4,478**

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

- During 4Q09, 9 branches were opened and none were closed. At quarter's end, there were 4,478 ATMs, growing 8% annualy.
- The opening of 40 new branches and 10 relocations or expansions is contemplated for 2010, as well as the installation of 400 ATMs and 3,743 POSs.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

ANNEXES

1. GROUP'S GENERAL INFORMATION

2. SUMMARY OF RESULTS AND FINANCIAL STATEMENTS

3. ACCOUNTING CHANGES AND REGULATIONS

4. LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

5. NOTES TO THE GROUP'S FINANCIAL STATEMENTS

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GFNORTE'S GENERAL INFORMATION

GFNorte Ownership of Subsidiaries	4Q09
Banco Mercantil del Norte (1)	**92.72%**
Brokerage House	**99.99%**
Retirement Funds – Afore (2)	**51.00%**
Insurance	**51.00%**
Annuities	**51.00%**
Leasing and Factoring	**99.99%**
Warehouse	**99.99%**
Banorte USA (2)	**100.00%**

1) As a resukt of merging Pronegocio on August 31,2009. Reflects the IFC's investment in Banco Mercantil del Norte because the operation was concluded on 4Q09.
2) Subsidiary of Banco Mercantil del Norte. Banorte USA owns 100% of Uniteller and 100% of INB.

Holding Company Capital Structure	
Number of Shares	**SERIE O As of december 31, 2009**
Number of Shares Outstanding	2,017,847,548
Shares held in the bank's Treasury	500,000

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

SUMMARY OF RESULTS

Monterrey, N. L., January 28th, 2010. Grupo Financiero Banorte announced today its operating results at closing of 2009 (4Q09), reporting quarterly net income of Ps 1.5 billion, a 5% QoQ and 18% YoY increase compared to 4Q08. The bank contributed 76% of these profits, reaching Ps 1.14 billion. The return on annualized equity of GFNorte increased from 14.5% to 14.8% QoQ, and the return on assets improved from 1.0% to 1.1 % during the same period. Accumulated net income for the financial group reached Ps 5.85 million in 2009, with a contribution of 82% by the banking subsidiary.

Net Interest Income and Deposits
During 2009, net interest income increased by 3% YoY, reaching Ps 23.18 billion, in spite of a reduction of more than 200 basis points in average market interest rates. Core Deposits grew by 8% QoQ and 9% YoY, driven by Demand and Retail Time Deposits.

Loan Portfolio
At closing of 4Q09, Performing Loans grew 2% QoQ reaching a balance of Ps 238.2 billion. This growth is in spite of an adverse economic environment, and as a consequence of the bank's efforts to take advantage of market opportunities, as well as increase penetration in segments such as government. During 2009, the loan portfolio declined (1%) YoY.

The Government portfolio increased by 16% QoQ and 44% YoY to Ps 38.9 billion, being the main driver of loan growth during the year. Commercial loans totaled Ps 84.11 billion, (1%) lower QoQ and (9%) YoY. The corporate portfolio declined by (3%) QoQ and (11%) YoY to Ps 40.24 billion.

Consumer loans posted a slight 1% increase QoQ and remained at the same level YoY. Mortgages maintained an upward trend to end 4Q09 with a balance of Ps 49.22 billion, 2% greater compared to 3Q09 and 8% more in relation to 4Q08, thus consolidating Banorte as the number two mortgage bank in the country.

In 4Q09, the bank showed stable asset quality indicators, showing an improvement in several segments such as credit card. The PDL Ratio remained at 2.5%, one of the lowest in the banking system. Grupo Financiero Banorte ended 4Q09 with a past due loan balance of Ps 6.15 billion, 1% higher QoQ and 24% higher YoY. Loan loss reserve coverage for the Group was 122%, a slight QoQ decline.

Efficiency Ratio
The efficiency ratio was 53% during 2009, slightly higher than the average registered for 2008. Non interest expenses grew 8% in the year. However, the figures for 2009 are not comparable with the previous year due to the reclassification of caused and deferred employee profit sharing PTU in accordance with the new accounting criteria which became effective as of 2Q09. Non interest expenses rose only 2% on a comparable basis when profit sharing is added to 2008 expenses, reflecting the bank's efforts to contain expenses.

Other Subsidiaries
The contribution to profits from the Long Term Savings sector, which includes the AFORE, Insurance and Annuities companies, was Ps 113 million in 4Q09, 28% higher QoQ and Ps 380 million for 2009, an 8% YoY increase. During 4Q09, Other Finance Companies (Factoring & Leasing, and Warehousing), posted profits of Ps 114 million, 17% higher QoQ and Ps 425 million during 2009, translating to a 27% YoY increase.

In 4Q09, the Broker Dealer reported profits of Ps 88 million, 109% higher QoQ, and Ps 203 million for 2009, a YoY increase of 11%.

In 4Q09, Banorte continued its efforts to strengthen its fundamentals and emerge from this economic crisis as a more solid institution.

In this aspect, the main results were:

Quarterly Relevant Events

During 4Q09, Banorte continued the efforts carried out throughout the year in order to strengthen its fundamentals and come out of the crisis as a more solid institution. These efforts were reflected in the following achievements:

1. Capitalization of the bank increased to 16.8%, one of the highest ratios in the banking system.
2. Asset quality indicators remained stable, with certain sectors such as credit card and car loans showing an improvement.
3. Profitability improved, reflected in an increase of Return On Equity to 14.8%.

Other noteworthy events during 4Q09 were:

1. For a second consecutive year and the fourth time in the last five years, Banorte was awarded “Best Bank of the Year in Mexico" by the prestigious British magazine "The Banker."
2. Afore Banorte Generali continues to consolidate its presence in the retirement savings market by purchasing Afore Argos’ assets.
3. Standard and Poor's ratified the BBB-/ A3 risk rating of Banco Mercantil del Norte. The ratifying of Banorte’s investment grade rating was in spite of Mexico’s lower credit rating, as well as a downgrade to an important number of banks in the system.
4. Banorte initiated the operational phase as third party correspondent to Telecomm Telegrafos, becoming the only bank to manage savings accounts through the Telecomm facilities.

The banking system faced a complicated and adverse environment during 2009. The benchmark TIIE rate declined from 8.7% to 4.9% relative to 2008; the economy suffered a servere contraction of almost 7%; regulation by the Central Bank determined the elimination of some fees in credit cards, deposit products and ATM’s. Also, the CNBV determined the creation of additional reserves for credit cards. In spite of this complicated environment, Banorte consolidated its profitability, sustained its loan portfolio at the same levels of 2008, increased its capitalization and reverted the growing trend in the PDL ratio. These achievements are an indication that the most difficult phase for Banorte has passed.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

HOLDING

Holding – INCOME STATEMENT *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Income Subsidiaries & Other	1,930	1,806	2,007	1,266	**7,009**	1,613	1,315	1,429	1,452	**5,809**
Interest Income	3	3	3	3	**13**	1	2	2	2	**7**
Interest Expense	-	-	-	-	**-**	-	-	-	-	**-**
Fees & Tariffs	-	-	-	-	**-**	-	-	-	-	**-**
Trading Income	-	-	-	-	**-**	-	-	-	-	**-**
Monetary Position REPOMO	-	-	-	-	**-**	-	-	-	-	**-**
Total Operating Income	**1,933**	**1,809**	**2,010**	**1,269**	**7,022**	**1,614**	**1,317**	**1,431**	**1,454**	**5,815**
Admin & Promotion Expense	2	1	1	2	**6**	1	3	2	4	**11**
Operating Income	**1,932**	**1,808**	**2,009**	**1,268**	**7,016**	**1,612**	**1,314**	**1,429**	**1,450**	**5,805**
Non Operating Income	-	-	-	-	**-**	2	-	-	-	**-**
Non Operating Expense	-	-	-	-	**-**	-	-	-	-	**-**
Non Operating Income, net	-	-	-	-	**-**	2	-	-	-	**2**
Pre-tax Income	**1,932**	**1,808**	**2,009**	**1,268**	**7,016**	**1,614**	**1,314**	**1,429**	**1,450**	**5,806**
Income Tax & Profit Sharing	3	1	3	-	**7**	1	(1)	-	-	**-**
Tax on Assets	-	-	-	-	**-**	-	-	-	-	**-**
Deferred Income Tax & PS	-	1	(1)	(5)	**(5)**	2	3	-	(1)	**4**
	3	**1**	**2**	**(5)**	**2**	**3**	**2**	**-**	**(1)**	**4**
Profit from Cont Ops	**1,928**	**1,806**	**2,007**	**1,272**	**7,014**	**1,611**	**1,312**	**1,428**	**1,450**	**5,802**
Extraordinary Items, net	**-**	-	-	-	**-**	-	-	-	-	**-**
Total Net Income	**1,928**	**1,806**	**2,007**	**1,272**	**7,014**	**1,611**	**1,312**	**1,428**	**1,450**	**5,802**

Holding – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash & Due from Banks	131	204	157	**24**	63	150	254	**127**
Margin Accounts	-	-	-	**-**	-	-	-	**-**
Investment in Securities	-	-	-	**-**	-	-	-	**-**
Sundry Debtors & Other Accts Receivable, net	11	11	164	**12**	2	3	104	**9**
Real Estate, Furniture & Equipment, net	**-**	**-**	**-**	**-**	-	-	**-**	**-**
Investments in Subsidiaries	34,345	36,964	37,574	**38,184**	39,186	39,455	40,655	**42,156**
Deferred Taxes	-	-	-	**5**	3	1	1	**1**
Goodwill	36	35	33	**32**	34	31	31	**30**
Other Assets, Deferred Charges & Intangibles	-	-	-	**-**	-	-	-	**-**
TOTAL ASSETS	**34,524**	**37,214**	**37,929**	**38,257**	**39,288**	**39,640**	**41,044**	**42,323**
LIABILITIES								
Due to Banks & Correspondents	-	-	-	-	-	-	**-**	**-**
Income Tax & Profit Sharing	**-**	**-**	**-**	-	-	-	-	**-**
Other Accounts Payable	5	3	1	**1**	1	1	1	**5**
Deferred Taxes	**-**	**1**	**-**	**-**	-	-	**-**	**-**
TOTAL LIABILITIES	**5**	**3**	**1**	**1**	1	1	**1**	**5**
STOCKHOLDER´S EQUITY								
Paid-in Capital	12,018	12,020	12,014	12,	12,007	12,020	12,020	**12,018**
Premium of Share Subscription & Issuance	**1,8**	1,863	1,863	**1,860**	1,859	1,853	1,852	**2,246**
Subordinated Convertible Debt	**-**	**-**	**-**	-	-	-	-	**-**
Subscribed Capital	**13,881**	**13,882**	**13,877**	**13,865**	**13,866**	**13,873**	**13,871**	**14,263**
Capital Reserves	2,446	2,807	2,767	**2,720**	2,748	3,173	3,175	**3,154**
Retained Earnings	21,376	21,035	21,035	**16,935**	23,965	23,459	21,228	**20,681**
Surplus (Deficit) from Valuation of Securities	-	-	-	**(550)**	(1,315)	(867)	452	**428**
Mark To Market of Securities	-	-	-	**-**	-	(1,342)	(1,547)	**(1,369**
Results from Conversions of Foreign Ops	-	-	-	**1,094**	1,244	(1,580)	(488)	**(641)**
Surpluss (Deficit) in Capital Restatement	-	-	-	**-**	-	-	-	**-**
Results of Non Monetary Fixed Assets	-	-	-	**-**	-	-	-	**-**
Results of Non Monetary Investment Assets	(5,113)	(4,250)	(5,493)	**(2,821)**	(2,833)	-	-	**-**
Adjustmens in the Employees' Liabilities	-	-	-	**-**	-	-	-	**-**
Net Income	1,928	3,735	5,742	**7,014**	1,611	2,923	4,352	**5,802**
Earned Capital	**20,638**	**23,328**	**24,051**	**24,391**	**25,421**	**25,767**	**27,172**	**28,055**
Total Stockholder´s Equity	**34,519**	**37,210**	**37,928**	**38,256**	**39,287**	**39,640**	**41,043**	**42,318**
TOTAL LIABILITIES & EQUITY	**34,524**	**37,214**	**37,929**	**38,257**	**39,288**	**39,640**	**41,044**	**42,323**

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

BANORTE

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GRUPO FINANCIERO BANORTE

***GFNorte* – INCOME STATEMENT** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	Accum. 2008	1Q09	2Q09	3Q09	4Q09	Accum. 2009
Interest Income	11,307	11,676	12,820	14,061	49,864	13,141	11,358	10,269	10,105	44,873
Interest Expense	6,247	6,568	7,209	7,766	27,789	7,094	5,656	4,803	4,681	22,235
Loan Fees Charged	101	117	137	156	510	153	139	137	149	578
Fees Paid	-	-	-	-	-	-	4	11	19	33
Net Interest Income (NII)	5,161	5,225	5,748	6,451	22,585	6,199	5,838	5,592	5,554	23,183
Preventive Provisions for Loan Losses	1,005	1,255	1,653	2,983	6,896	2,162	2,188	2,154	1,782	8,286
Loan Loss Sharing Provisions Fobaproa	-	-	-	-	-	-	-	-	-	-
NII Adjusted for Credit Risk	4,156	3,971	4,095	3,467	15,689	4,037	3,650	3,438	3,772	14,897
Fund Transfers	52	55	53	63	222	60	61	63	64	248
Account Management	235	250	260	253	998	230	237	233	246	946
Fiduciary	69	76	79	72	295	51	68	62	74	254
Income from Real Estate Portfolios	190	117	223	204	734	137	164	229	287	818
Electronic Banking Services	234	249	256	269	1,009	250	256	253	271	1,030
Credit Card Fees	581	621	675	655	2,533	590	520	571	629	2,310
Fees Charged to IPAB	-	-	-	1	1	-	-	-	-	1
Other Fees	664	735	640	621	2,660	597	612	641	836	2,683
Fees Charged on Services	2,026	2,103	2,185	2,138	8,452	1,915	1,918	2,052	2,408	8,291
Fund Transfers	5	5	4	5	19	6	5	5	5	21
Other Fees	277	287	293	332	1,189	324	301	338	354	1,317
Expenses from Real Estate Portfolios	-	-	-	-	-	-	-	-	-	-
Fees Paid on Services	282	292	298	337	1,208	330	306	343	359	1,339
Foreign Exchange	128	135	165	351	779	360	162	199	155	875
Securities - Realized Gains	153	19	235	(131)	276	17	92	179	234	522
Securities - Unrealized Gains	(83)	6	(277)	339	(15)	(131)	(86)	32	32	(153)
Market Related Income	198	159	123	559	1,040	246	167	411	421	1,244
Other Operating Income (Expense)	-	-	-	-	-	235	154	340	250	980
Non-Interest Income	1,942	1,971	2,011	2,360	8,284	2,066	1,933	2,460	2,719	9,177
Total Operating Income	6,098	5,941	6,106	5,828	23,973	6,102	5,583	5,898	6,491	24,074
Personnel	1,504	1,522	1,572	1,558	6,156	1,699	1,544	1,704	1,817	6,763
Profit Sharing	-	-	-	-	-	199	169	136	174	679
Professional Fees Paid	227	236	293	437	1,192	334	340	307	483	1,465
Administrative and Promotional Expenses	1,255	1,304	1,093	1,288	4,941	1,163	1,099	1,102	1,090	4,452
Rents, Depreciation and Amortization	417	426	407	436	1,687	452	435	404	436	1,727
Other Taxes (other than Income tax)	183	187	133	391	894	209	172	149	335	865
Contributions to IPAB	213	228	238	259	938	267	265	271	270	1,073
Non-Interest Expense	3,799	3,903	3,736	4,369	15,808	4,324	4,024	4,073	4,604	17,024
Net Operating Income	2,299	2,038	2,370	1,458	8,166	1,778	1,559	1,825	1,887	7,050
Other Revenues	583	374	256	770	1,984	468	581	289	575	1,914
Changes in Foreign Exchange Valuation	-	-	-	-	-	-	-	-	-	-
Recoveries	267	367	445	727	1,806	181	108	152	83	525
Repomo - Other revenues	-	-	-	-	-	-	-	-	-	-
Non-Operating Income	850	741	701	1,497	3,789	649	690	442	658	2,438
Other Expenses	(112)	(165)	(83)	(1,084)	(1,444)	(235)	(521)	(304)	(506)	(1,566)
Foreign Exchange	-	-	-	-	-	-	-	-	-	-
Repomo - Other (creditor balance)	-	-	-	-	-	-	-	-	-	-
Non-Operating Expense	(112)	(165)	(83)	(1,084)	(1,444)	(235)	(521)	(304)	(506)	(1,566)
Non Operating Income (Expense), net	738	576	618	413	2,346	413	168	138	152	872
Pre-Tax Income	3,038	2,614	2,988	1,871	10,511	2,192	1,728	1,964	2,039	7,922
Income Tax	799	687	724	552	2,761	258	413	765	1,146	2,581
Profit Sharing	232	233	258	160	884	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Income Tax	44	(169)	-	(120)	(245)	317	17	(220)	(650)	(536)
Taxes	1,075	751	982	592	3,400	574	429	545	496	2,045
Net Income before Subsidiaries	1,963	1,863	2,006	1,279	7,111	1,617	1,298	1,418	1,543	5,877
Subsidiaries' Net Income	77	22	100	77	276	89	45	85	94	312
Net Income form Continuos Operations	2,040	1,885	2,106	1,356	7,386	1,706	1,343	1,503	1,637	6,190
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	111	79	99	84	372	95	31	75	135	336
TOTAL NET INCOME	1,928	1,806	2,007	1,272	7,014	1,611	1,312	1,428	1,502	5,854

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

***GFNORTE* – BALANCE SHEET** *(Millions Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and Due from Banks	**39,804**	**41,694**	**45,858**	**54,402**	**56,303**	**56,918**	**55,439**	**59,268**
Margin Accounts	-	-	-	-	**14**	**17**	**20**	**18**
Negotiable Instruments	7,909	10,697	10,993	6,075	5,172	25,672	18,439	**24,460**
Securities Available for Sale	15,329	14,803	14,955	11,480	11,870	11,566	13,268	**11,701**
Securities Held to Maturity	749	742	728	221,617	217,922	210,702	201,066	**190,332**
Investment in Securities	**23,987**	**26,242**	**26,676**	**239,172**	**234,965**	**247,940**	**232,774**	**226,493**
Non-assigned Securities for Settlement	-	-	-	-	-	-	-	-
Debtor Balance in Repo Trans, net	92	90	159	148	1,620	16	6	**4**
Securities lending	-	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	6,406	5,525	5,381	**4,824**
For hedging purposes					2,529	1,142	1,313	**1,056**
Transactions with Derivatives	2,368	4,525	2,587	8,168	**8,936**	6,667	6,694	**5,880**
Operations w/ Derivatives & Securities	**2,460**	**4,615**	**2,746**	**8,317**	**10,556**	**6,684**	**6,700**	**5,884**
Commercial Loans	101,040	107,097	114,752	126,798	122,563	120,617	118,508	**117,237**
Financial Intermediaries' Loans	13,592	14,531	15,853	10,860	10,229	8,462	8,214	**7,131**
Consumer Loans	28,642	30,380	31,413	29,369	27,775	26,651	26,177	**25,712**
Mortgage Loans	39,046	41,170	43,682	46,282	47,023	47,691	48,792	**49,881**
Government Entities' Loans	17,556	24,367	25,412	26,989	28,592	31,921	33,738	**38,993**
IPAB Loans	-	-	-	-	-	-	-	-
Performing Loans	**199,875**	**217,544**	**231,111**	**240,298**	**236,181**	**235,342**	**235,429**	**238,954**
Commercial PDL's	1,089	1,135	1,319	1,703	2,181	2,796	2,914	**3,163**
Financial Intermediaries PDL's	-	-	-	-	3	-	-	-
Consumer PDL's	1,208	1,471	1,956	2,499	2,541	2,584	2,195	**1,942**
Mortgage PDL's	893	619	704	746	825	919	994	**1,049**
Government Entities PDL's	-	-	-	-	-	-	-	-
Past Due Loans	**3,189**	**3,225**	**3,979**	**4,948**	**5,550**	**6,299**	**6,103**	**6,154**
Gross Loan Portfolio	**203,065**	**220,769**	**235,091**	**245,246**	**241,731**	**241,641**	**241,532**	**245,108**
Preventive Loan Loss Reserves	4,048	4,217	4,904	6,690	**6,051**	**6,426**	7,547	**7,535**
Net Loan Portfolio	**199,017**	**216,552**	**230,187**	**238,556**	**235,680**	**235,215**	**233,985**	**237,573**
Acquired Collection Rights	3,538	3,375	3,232	3,049	**2,923**	2,804	2,705	**2,548**
Total Credit Portfolio	**202,554**	**219,927**	**233,419**	**241,605**	**238,603**	**238,019**	**236,690**	**240,121**
Benef.receivab.securitization transactions	546	520	404	796	**699**	557	465	**433**
Sundry Debtors & Other Accs Rec, net	12,459	10,431	13,118	9,514	**13,769**	10,771	15,719	**11,324**
Inventories	61	77	571	165	**479**	312	427	**119**
Foreclosed Assets, net	506	653	682	863	**841**	800	870	**928**
Real Estate, Furniture & Equipment, net	7,959	8,058	8,192	8,429	**8,459**	8,419	8,535	**8,623**
Investments in Subsidiaries	2,685	2,632	2,491	2,559	**2,668**	2,896	2,940	**3,036**
Deferred Taxes, net	148	304	336	471	**147**	141	759	**1,411**
Goodwill and Intangibles	4,034	3,953	4,247	5,377	**5,799**	4,330	4,638	**4,214**
Other Assets Short and Long Term	238	219	209	275	**4,499**	4,119	4,371	**5,270**
Other Assets	4,085	4,286	4,255	5,079	**-**	-	-	**-**
	32,721	**31,132**	**34,505**	**33,529**	**37,361**	**32,345**	**38,724**	**35,356**
TOTAL ASSETS	**301,526**	**323,611**	**343,204**	**577,025**	**577,802**	**581,922**	**570,347**	**567,138**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

***GFNORTE* – BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	103,263	106,693	107,694	128,350	120,255	123,755	122,312	**137,581**
Time Deposits	93,830	114,557	133,799	132,419	134,964	141,608	147,447	**137,327**
Bank Bonds	-	-	-	-	-	-	-	**-**
Deposits	**197,092**	**221,250**	**241,492**	**260,769**	**255,219**	**265,363**	**269,759**	**274,908**
Immediate Redemption Loans	5,615	3,136	824	1,245	4,180	501	2,711	**21**
Short Term Loans	18,538	11,375	11,952	24,803	25,322	25,057	19,266	**13,385**
Long Term Loans	10,178	10,070	10,395	10,636	10,723	9,727	9,648	**7,562**
Due to Banks & Correspondents	**34,332**	**24,581**	**23,170**	**36,684**	**40,225**	**35,285**	**31,626**	**20,968**
Non-assigned Securities for Settlement	1,745	1,570	1,486	-	420	540	-	**159**
Creditor Balance in Repo Trans, net	291	605	632	192,727	191,479	200,933	185,203	**185,480**
Secs to be received in Repo Trans, net	-	-	-	-	-	-	-	**-**
Repo Transactions with Collateral	-	-	-	2	304	-	1	**2**
For trading purposes	-	-	-	-	6,300	5,219	5,079	**4,553**
For hedging purposes	-	-	-	-	5,345	3,976	4,446	**3,822**
Transactions with Derivatives	3,157	4,443	2,946	10,746	11,646	9,195	9,524	**8,376**
Operations w/ Derivatives & Securities	**5,192**	**6,619**	**5,064**	**203,475**	**203,849**	**210,668**	194,727	**194,017**
Income Tax Payable	1,197	1,340	1,512	1,272	211	170	496	**617**
Profit Sharing Payable	-	-	-	-	285	371	505	**675**
Creditors for settlement of transactions					6,832	1,709	2,264	**2,224**
Other Creditors & Accounts Payable	12,538	13,306	13,654	13,121	10,894	8,516	9,108	**8,968**
Other Payable Accounts	**13,734**	**14,646**	**15,166**	**14,393**	**18,222**	**10,767**	**12,373**	**12,485**
Subordinated Non Convertible Debt	14,561	16,932	17,923	20,613	18,053	17,783	18,505	**18,168**
Deferred Taxes	-	-	-	-	-	-	-	**-**
Deferred Credits	977	1,146	1,269	1,346	1,336	1,464	1,568	**1,619**
TOTAL LIABILITIES	**265,888**	**285,174**	**304,085**	**537,280**	**536,903**	**541,330**	**528,558**	**522,164**
EQUITY								
Paid-in Capital	11,965	11,968	11,951	11,941	11,932	11,945	11,945	**11,956**
Share Subscription Premiums	1,275	1,273	1,187	1,468	1,530	1,247	966	**1,526**
Subordinated Convertible Debentures	-	-	-	-	-	-	-	**-**
Subscribed Capital	**13,239**	**13,241**	**13,138**	**13,409**	**13,462**	**13,192**	**12,911**	**13,481**
Capital Reserves	2,446	2,807	2,767	2,720	2,748	3,173	3,175	**3,154**
Retained Earnings	21,376	21,035	21,035	16,935	23,965	23,459	21,228	**20,681**
Surplus (Deficit) of Secs Available for Sale	-	-	-	(550)	(1,315)	(866)	452	**206**
Results from Valuation of Hedging Secs	-	-	-	-	-	(1,342)	(1,547)	**(1,369)**
Results from Conversions	-	-	-	1,094	1,244	(1,580)	(488)	**(641)**
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	**-**
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	**-**
Results of Non Monetary –Investment Assets	(5,113)	(4,250)	(5,493)	(2,821)	(2,833)	-	-	**-**
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-	**-**
Accumulated Effect of Deferred Liabilities	-	-	-	-	-	-	-	**-**
Net Income	1,928	3,735	5,742	7,014	1,611	2,923	4,352	**5,854**
Earned Capital	**20,638**	**23,328**	**24,051**	**24,391**	**25,421**	**25,767**	**27,172**	**27,885**
Minority Interest	1,761	1,868	1,930	1,945	2,016	1,633	1,706	**3,608**
Total Equity	**35,638**	**38,437**	**39,119**	**39,746**	**40,899**	**40,592**	**41,789**	**44,974**
TOTAL LIABILITIES & EQUITY	**301,526**	**323,611**	**343,204**	**577,025**	**577,802**	**581,922**	**570,347**	**567,138**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

***GFNORTE* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
On behalf of Third Parties								
Customer's Banks	12	16	12	74	30	7	4	**4**
Dividends Receivable from Customers	-	-	-	-	-	-	-	**-**
Interest Receivable from Customers	-	-	-	-	-	-	-	**-**
Settlement of Customer Transactions	37	44	(98)	35	246	118	(196)	**(80)**
Customer Premiums	-	-	-	-	-	-	-	-
Settlement with Clients' Foreign Currency	-	-	-	-	-	-	-	-
Margin Accounts in Futures' Operations	-	-	-	-	-	-	-	-
Other Current Accounts	-	-	-	-	-	-	-	-
Customers' Current Account	**49**	**60**	**(86)**	**109**	**276**	**125**	**(192)**	**(75)**
Client Securities Received in Custody	185,033	185,766	164,891	118,537	97,315	113,978	130,648	**134,480**
Securities and Documents Received in Guarantee	-	-	-	-	-	-	-	**-**
Client Securities Abroad	-	-	-	-	-	-	-	**-**
Clients' Securities	**185,033**	**185,766**	**164,891**	**118,537**	**97,315**	**113,978**	**130,648**	**134,480**
Clients' Repurchase Operations	23,511	32,360	32,881	35,688	30,925	27,617	32,058	**35,680**
Clients' Repo Transactions w/ Securities	-	-	-	-	-	-	-	**-**
Purchase of Futures & Forward Contracts notional	-	-	-	-	-	-	-	-
Sale of Futures and Forward Contracts, notional	-	-	-	-	-	-	-	-
Clients' Option Purchase Operations	144	481	440	274	281	-	-	**-**
Clients' Option Sales Operations	-	-	-	-	-	-	-	**-**
Purchase of Derivatives' Packages	-	-	-	-	-	-	-	**-**
Sale of Derivatives' Packages	-	-	-	-	-	-	-	**-**
Trusts Ander Administration	2,360	2,602	1,897	2,377	2,244	3,422	3,702	**4,641**
Transactions On Behalf of Clients	**26,015**	**35,443**	**35,218**	**38,340**	**33,450**	**31,039**	**35,760**	**40,321**
TOTAL ON BEHALF OF THIRD PARTIES	**211,096**	**221,269**	**200,023**	**156,986**	**131,042**	**145,142**	**166,215**	**174,726**
Endorsement Guarantees Granted	-	-	-	-	-	-	-	**-**
Loan Obligations	2,846	2,530	2,580	2,793	3,129	2,503	2,135	**2,271**
Trusts	-	-	-	-	88,471	98,397	104,565	**110,795**
Mandates	-	-	-	-	2,161	1,924	2,107	**2,147**
Properties in Trusts and Warrant	108,959	108,574	105,738	90,469	90,632	100,321	106,673	**112,942**
Properties in Custody or Administration	101,841	131,306	149,820	131,886	150,235	161,005	169,018	**158,547**
Collaterals Received	20,952	21,235	21,574	31,567	31,156	24,990	31,716	**33,464**
Collaterals Received or sold	-	-	-	-	-	26,794	42,144	**43,165**
Amounts committed to Operations with Fobaproa	-	-	-	-	-	-	-	**-**
Drafts in Transit	-	-	-	-	-	-	-	**-**
Certificates of Deposits in Circulation	1,377	1,692	1,971	3,006	2,825	2,013	1,538	**1,632**
Letters of Credit to the Corporation as Guarantee	-	-	-	-	-	-	-	**-**
Securities to the Corporation for Custody	698	856	511	886	900	-	-	**-**
Government Secs of the Corp under Custody	56	88	641	101	100	-	-	**-**
Securities of the Corp given as Guarantee	-	-	-	-	-	-	-	-
Securities of the Corp Abroad	-	-	-	-	-	-	-	-
Settlement with FX of the Corp Abroad	-	-	-	-	-	-	-	-
Debts with the Contingency Fund	-	-	-	-	-	-	-	-
Contingent Assets & Liabilities	265	262	266	266	264	267	266	**273**
Investment bank Trans on Behalf of Third Parties	101,754	109,570	94,858	84,615	91,943	87,165	84,921	**74,646**
Uncollected Accrued Interest from Past Due Loans	111	104	109	137	181	220	203	**198**
Investments of Retirement Savings Funds	-	-	-	-	-	-	-	-
Integration of the Credit Portfolio	-	-	-	-	-	-	-	-
Amounts Contracted in Derivatives	-	-	-	-	-	-	-	-
Other Registration Accounts	-	-	-	-	-	-	-	-
Proprietary Transactions	**338,858**	**376,217**	**378,068**	**345,726**	**371,364**	**405,279**	**438,613**	**427,139**
Repo Securities to be Received	226,589	238,589	241,457	39,939	31,324	-	-	**-**
(Minus) Repurchase Creditors	(226,813)	(239,160)	(242,020)	(40,176)	(31,414)	-	-	**-**
Repurchase Transactions	**(224)**	**(571)**	**(563)**	**(237)**	**(90)**	**-**	**-**	**-**
Repurchase Debtors	23,194	36,249	40,263	35,054	27,757	-	-	**-**
(Minus) Repo Securities to be Delivered	(23,169)	(36,193)	(40,173)	(34,908)	(27,663)	-	-	**-**
Repurchase Transactions	25	56	90	146	93	**-**	**-**	**-**
TOTAL PROPRIETARY	**338,658**	**375,702**	**377,595**	**345,635**	**371,367**	**405,279**	**438,613**	**427,139**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GFNORTE - CONSOLIDATED STATEMENT OF CASH FLOW JANUARY 1, 2009 –DECEMBER 31, 2009 *(Million Pesos)*	
Cash Flow from Operating Activities	
Net Income	**5,854**
Items charged to results that do not generate or require use of resources	
Provisions for loan losses	8,286
Estimate for non recovery or difficult collection	182
Depreciation and amortization	954
Provisions for obligations	(1,786)
Effective and deffered taxes on profits	2,045
Profit sharing	1,738
	11,419
Change in items related to operations:	
Change in Margin Accounts	(11)
Change in Invesment in Securities	12,312
Change in repo debtors	144
Change in derivatives (assets)	501
Changesin Loan Portfolio	(8,167)
Change in purchased receivables	502
Change in benefits to receive from securitizations	364
Change in foreclosed assets	(94)
Change in other operating assets	(969)
Change in core deposits	15,344
Change in interbank loans and other entities	(15,644)
Change in repo creditors	(7,088)
Change in derivatives (liability)	(717)
Change in subordinated debt with characteristics of liabilities	(2,481)
Change in other operating liabilities	(2,417)
Change in hedging instruments (the related hedged transaction activities)	133
Net cash generated or used from operations	**8,985**
Investment Activities:	
Charges for disposal of property, furniture and equipment	259
Payments for acquisition of property, furnitute and equipment	(1,447)
Subsidiaries and associated acquisitions payment	(2,234)
Charges for other permanent investments	1
Payment s for purchase of other invesments	(1)
Charges for cash dividends	135
Net cash generated or used from investment activities	(3,287)
Financing Activities :	
Payments of cash dividends	(364)
Payments assopciated with the repurchase of proprietary shares	(399)
	(763)
Net Cash Increase (decrease)	**4,935**
Cash flow adjusmtents given exchage rate or inflation variations	**(63)**
Cash and cash equivalents at beginning of period	**54,396**
Cash and cash equivalents at end of period	**59,268**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GFNORTE – CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER´S EQUITY
JANUARY 1, 2009 – DECEMBER 31, 2009.
(Million Pesos)

	CONTRIBUTED CAPITAL	
	Fixed Paid-in Capital	Premium from sale of securities
Balance as of December 31,2008	**11,941**	**1,468**
Changes stemming from stockholder's decisions		
Stock repurchases	**15**	(328)
Capitalization of profits	**-**	**-**
Provisions Created	**-**	**-**
Increase in Capital	**-**	**-**
Total	**15**	**(328)**
Changes stemming from profits		
Total profits:		
Net Income	**-**	**-**
Effect of subsidiaries	**-**	**389**
Changes in accounting policies	**-**	**(4)**
Total	**-**	**385**
Balance as of December 31,2009	**11,956**	**1,525**

	EARNED CAPITAL								
	Capital Reser-ves	Retained earnings	Valuation Effects of Securities Available for	Results from val of instrum Cash flow hedges	Results from Conversions	Results from Non Monet. Assets (Investments)	Net Income	Minority Interest	Total Stockholders´ Equity
Balance as of December 31,2008	**2,720**	**16,935**	**(550)**	**-**	**1,095**	**(2,821)**	**7,014**	**1,944**	**39,746**
Changes stemming from stockholder's decisions									
Stock repurchases	83	-	(221)	-	-	-	52	-	(399)
Application of profits	-	7,014	-	-	-	-	(7,014)	-	-
Provisions created	351	(351)	-	-	-	-	-	-	-
Increase in Capital	-	(364)	-	-	-	-	-	-	(364)
Total	**434**	**6,299**	**(221)**	**-**	**-**	**-**	**(6,962)**	**-**	**(763)**
Changes stemming from profits									
Total profits:									
Net Income	-	-	-	-	-	-	(5,802)	-	**5,802**
Effect of subsidiaries	-	(913)	592	209	(1,752)	-	-	-	**(1,475)**
Changes in accounting policies	-	(1,640)	385	(1,578)	16	2,821	-	-	**-**
Total	**-**	**(2,553)**	**977**	**(1,369)**	**(1,736)**	**2,821**	**5,802**	**-**	**4,327**
Recognition of minority interest	-	-	-	-	-	-	-	1,664	**1,664**
Balance as of December 31,2009	**3,154**	**20,681**	**206**	**(1,369)**	**(641)**	**-**	**5,854**	**3,608**	**44,974**

BANORTE

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANKING SECTOR

BANKING SECTOR* - INCOME STATEMENT *(Million Pesos)*	**1Q08**	**2Q08**	**3Q08**	**4Q08**	**Accum. 2008**	**1Q09**	**2Q09**	**3Q09**	**4Q09**	**Accum. 2009**
Interest Income	10,772	11,250	12,446	13,559	**48,027**	12,688	10,899	9,920	**9,779**	43,286
Interest Expense	5,965	6,303	7,059	7,530	**26,857**	6,873	5,455	4,669	**4,521**	21,517
Loan Fees Charged	97	112	132	152	**493**	149	137	136	**149**	571
Fees Paid	-	-	-	-	**-**	-	4	11	**19**	33
Net Interest Income (NII)	**4,903**	**5,058**	**5,519**	**6,181**	**21,662**	**5,965**	**5,578**	**5,376**	**5,388**	**22,307**
Preventive Provisions for Loan Losses	987	1,234	1,587	2,914	**6,722**	2,144	2,151	2,113	**1,757**	**8,164**
Loan Loss Sharing Provisions Fobaproa	-	-	-	-	**-**	**-**	-	-	**-**	**-**
NII Adjusted for Credit Risk	**3,916**	**3,824**	**3,932**	**3,267**	**14,940**	**3,822**	**3,427**	**3,263**	**3,632**	**14,143**
Fund Transfers	52	55	53	63	**222**	60	61	63	**64**	**248**
Account Management	235	250	260	253	**998**	230	237	233	**246**	**946**
Fiduciary	69	76	79	72	**295**	51	68	62	**74**	**254**
Income from Real Estate Portfolios	190	117	223	204	**734**	137	164	229	**287**	**818**
Electronic Banking Services	234	249	256	269	**1,009**	250	256	253	**271**	**1,030**
Credit Cards Fees	581	621	675	655	**2,533**	590	520	571	**629**	**2,310**
Fees Charged to IPAB	-	-	-	1	**1**	-	-	-	**-**	**1**
Other Fees	236	248	245	264	**993**	225	226	195	**223**	**868**
Fees Charged on Services	**1,597**	**1,615**	**1,791**	**1,781**	**6,785**	**1,543**	**1,532**	**1,606**	**1,795**	**6,476**
Fund Transfers	5	5	4	5	**19**	6	5	5	**5**	**21**
Other Fees	261	275	279	317	**1,132**	293	282	310	**330**	**1,215**
Expenses from Real Estate Portfolios	-	-	-	-	**-**	-	-	-	**-**	**-**
Fees Paid on Services	**266**	**280**	**283**	**321**	**1,151**	**300**	**287**	**315**	**335**	**1,237**
Foreign Exchange	128	135	165	351	**779**	360	162	199	**155**	**875**
Securities - Realized Gains	158	(68)	197	(174)	**114**	(25)	36	94	**131**	**237**
Securities - Unrealized Gains	(85)	7	(277)	340	**(16)**	(133)	(73)	32	**16**	**(158)**
Market Related Income	**201**	**74**	**85**	**518**	**878**	**202**	**125**	**324**	**302**	**953**
Other Operating Income (Expenses)	**-**	**-**	**-**	**-**	**-**	**237**	**159**	**339**	**252**	**987**
Non-Interest Income	**1,532**	**1,410**	**1,592**	**1,978**	**6,512**	**1,683**	**1,529**	**1,955**	**2,014**	**7,181**
Total Operating Income	**5,449**	**5,234**	**5,524**	**5,245**	**21,452**	**5,504**	**4,956**	**5,218**	**5,645**	**21,323**
Personnel	1,457	1,472	1,466	1,417	**5,812**	1,571	1,376	1,544	**1,664**	**6,156**
Profit sharing	-	-	-	-	**-**	197	167	134	**170**	**668**
Professional Fees Paid	219	230	286	428	**1,163**	330	335	285	**474**	**1,425**
Administrative and Promotional Expenses	1,036	1,084	942	1,151	**4,213**	1,065	991	973	**976**	**4,005**
Rents, Depreciation and Amortization	332	328	304	321	**1,285**	355	337	299	**338**	**1,329**
Other Taxes (other than Income tax)	151	151	109	369	**780**	191	126	127	**313**	**756**
Contribuitons to IPAB	213	228	238	259	**938**	267	265	271	**270**	**1,073**
Non-Interest Expense	**3,408**	**3,494**	**3,344**	**3,945**	**14,191**	**3,976**	**3,597**	**3,633**	**4,205**	**15,412**
Net Operating Income	**2,041**	**1,740**	**2,180**	**1,300**	**7,261**	**1,528**	**1,359**	**1,585**	**1,440**	**5,912**
Other Revenues	576	302	250	276	**1,404**	393	186	130	**241**	**950**
Foreign Exchange	-	-	-	-	**-**	-	-	-	**-**	**-**
Recoveries	265	354	441	727	**1,786**	175	102	149	**83**	**509**
Repomo - other revenues	-	-	-	-	**-**	-	-	-	**-**	**-**
Non-Operating Income	**841**	**656**	**690**	**1,002**	**3,190**	**568**	**288**	**279**	**324**	**1,459**
Other Expenses	(74)	(108)	(58)	(462)	**(703)**	(156)	(141)	(142)	**(169)**	**(607)**
Changes in Foreign Exchange Valuation	-	-	-	-	**-**	-	-	-	-	**-**
Repomo - other expenses (creditor balance)	-	-	-	-	**-**	-	-	-	**-**	**-**
Non-Operating Expense	**(74)**	**(108)**	**(58)**	**(462)**	**(703)**	**(156)**	**(141)**	**(142)**	**(169)**	**(607)**
Non Operating Income (Expense), net	**767**	**548**	**633**	**540**	**2,487**	**412**	**147**	**137**	**155**	**852**
Pre-Tax Income	**2,808**	**2,288**	**2,813**	**1,840**	**9,748**	**1,940**	**1,506**	**1,722**	**1,596**	**6,763**
Income Tax	732	627	669	523	**2,551**	209	380	712	**1,049**	**2,350**
Profit Sharing	232	232	252	161	**877**	-	-	-	**-**	**-**
Tax on Assets	-	-	-	-	**-**	-	-	-	**-**	**-**
Deferred Income Tax and Profit Sharing	48	(157)	18	(107)	**(198)**	318	17	(222)	**(657)**	**(543)**
Taxes	**1,011**	**702**	**939**	**578**	**3,230**	**527**	**398**	**490**	**392**	**1,807**
Net Income before Subsidiaries	**1,796**	**1,586**	**1,874**	**1,262**	**6,518**	**1,413**	**1,108**	**1,232**	**1,204**	**4,956**
Subsidiaries' Net Income	34	14	28	37	**113**	29	27	42	**62**	**161**
Net Income form Continuos Operations	**1,830**	**1,600**	**1,901**	**1,299**	**6,631**	**1,442**	**1,135**	**1,274**	**1,266**	**5,117**
Extraordinary Items, net	-	-	-	-	**-**	**-**	-	-	**-**	**-**
Minority Interest	25	27	21	14	**88**	24	(24)	-	**-**	**-**
TOTAL NET INCOME	**1,804**	**1,573**	**1,880**	**1,285**	**6,543**	**1,418**	**1,159**	**1,274**	**1,266**	**5,117**

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANKING SECTOR – **BALANCE SHEET** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and Due from Banks	39,471	41,284	45,391	53,896	55,776	56,598	55,106	58,876
Margin Accounts	-	-	-	-	14	12	16	18
Negotiable Instruments	7,151	9,749	9,967	5,577	4,629	21,375	15,806	20,131
Securities Available for Sale	15,329	14,803	14,826	11,971	12,163	12,074	13,983	12,538
Securities Held to Maturity	749	742	728	221,268	217,573	210,345	200,703	189,964
Investment in Securities	23,229	25,294	25,520	238,636	234,365	243,793	230,492	222,633
Non-assigned Securities pending Settlement	-	-	-	-	-	-	-	-
Debtor Balance in Repo Trans, net	49	34	61	1	1,502	8	3	2
Securities lending	-	-	-	-	-	-	-	-
For trading purposes	-	-	-	-	6,406	5,525	5,381	4,824
For hedging purposes	-	-	-	-	2,529	1,142	1,313	1,056
Transactions with Derivatives	2,368	4,523	2,587	8,168	8,936	6,667	6,694	5,880
Operations w/ Derivatives & Securities	2,417	4,557	2,648	8,169	10,437	6,676	6,697	5,882
Commercial Loans	90,957	97,022	103,446	114,446	111,385	108,861	107,070	105,338
Financial Intermediaries' Loans	17,329	18,070	19,977	14,331	13,374	11,224	9,958	8,923
Consumer Loans	28,626	30,376	31,409	29,365	27,770	26,646	26,171	25,704
Mortgage Loans	39,046	41,170	43,682	46,282	47,023	47,691	48,792	49,881
Government Entities' Loans	17,556	24,366	25,401	26,977	28,574	31,906	33,725	38,982
IPAB Loans	-	-	-	-	-	-	-	-
Performing Loans	193,514	211,003	223,916	231,400	228,126	226,328	225,716	228,827
Commercial PDL's	944	973	1,180	1,591	2,065	2,666	2,815	3,060
Financial Intermediaries PDL's	-	-	-	-	3	-	-	-
Consumer PDL's	1,208	1,471	1,956	2,499	2,540	2,584	2,195	1,942
Mortgage PDL's	893	619	704	746	825	919	994	1,049
Government Entities PDL's	-	-	-	-	-	-	-	-
Past Due Loans	3,044	3,063	3,840	4,836	5,434	6,169	6,004	6,051
Gross Loan Portfolio	196,558	214,066	227,756	236,237	233,560	232,496	231,720	234,878
Preventive Loan Loss Reserves	3,976	4,153	4,791	6,582	5,942	6,295	7,390	7,358
Net Loan Portfolio	192,582	209,913	222,966	229,654	227,618	226,201	224,329	227,520
Acquired Collection Rights	3,538	3,375	3,232	3,049	2,923	2,804	2,705	2,548
Total Credit Portfolio	196,120	213,288	226,198	232,704	230,541	229,005	227,034	230,068
Benef.receivab.securitization transactions	546	520	404	796	699	557	465	433
Sundry Debtors & Other Accs Rec, net	12,132	9,992	12,520	9,074	13,361	10,385	15,268	11,005
Foreclosed Assets, net	506	653	682	863	841	801	870	928
Real Estate, Furniture & Equipment, net	6,344	6,339	6,406	6,575	6,654	6,610	6,780	7,083
Investments in Subsidiaries	871	839	866	931	977	1,128	1,169	1,230
Deferred Taxes, net	177	325	360	484	138	150	817	1,470
Goodwill and Intangibles	4,000	3,920	4,214	5,345	5,766	4,132	4,454	4,025
Other Assets Short and Long Term	238	217	208	275	4,190	3,775	3,985	4,909
Other Assets	4,376	4,638	4,666	4,686	-	-	-	-
	29,190	27,443	30,326	29,029	32,625	27,537	33,808	31,083
TOTAL ASSETS	290,428	311,867	330,083	562,433	563,758	563,620	553,153	548,560

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANKING SECTOR – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	103,274	106,725	107,710	128,371	120,269	123,778	122,445	**137,608**
Time Deposits	93,971	114,746	134,012	132,539	135,038	141,760	147,601	**137,454**
Bank Bonds	-	-	-	-	-	-	-	**-**
Deposits	**197,245**	**221,471**	**241,722**	**260,911**	**255,307**	**265,538**	**270,046**	**275,062**
Immediate Redemption Loans	5,615	3,136	824	1,245	4,180	501	2,711	**21**
Short Term	14,225	6,836	6,569	17,886	19,223	18,289	11,775	**6,207**
Long Term	7,912	7,718	7,780	8,105	8,193	7,253	7,150	**5,058**
Due to Banks & Correspondents	**27,752**	**17,691**	**15,173**	**27,236**	**31,596**	**26,043**	**21,637**	**11,286**
Non-assigned Securities for Settlement	1,745	1,570	1,486	-	420	540	-	**159**
Creditor Balance in Repo Trans, net	252	553	537	192,581	191,364	197,102	183,139	**181,959**
Repo Transactions with Collateral	-	-	-	2	304	1	1	**2**
Secs to be received in Repo Trans, net	-	-	-	-	-	-	-	**-**
For trading purposes	-	-	-	-	6,300	5,219	5,079	**4,553**
For hedging purposes	-	-	-	-	5,345	3,976	4,446	**3,822**
Transactions with Derivatives	3,156	4,443	2,946	10,746	11,646	9,195	9,524	**8,376**
Operations w/ Derivatives & Securities	**5,153**	**6,566**	**4,969**	**203,330**	**203,733**	**206,837**	**192,664**	**190,497**
Income Tax Payable	1,121	1,209	1,328	1,042	141	122	416	**473**
Profit Sharing Payable	-	-	-	-	285	369	502	**672**
Creditors for settlement of transactions	-	-	-	-	6,832	1,709	2,263	**2,223**
Other Creditors & Accounts Payable	11,973	12,694	12,946	12,486	10,180	7,817	8,360	**8,265**
Other Payable Accounts	**13,094**	**13,902**	**14,274**	**13,528**	**17,437**	**10,017**	**11,541**	**11,633**
Subordinated Non Convertible Debt	14,561	16,932	17,923	20,613	18,053	17,783	18,505	**18,168**
Deferred Taxes	-	-	-	-	-	-	-	**-**
Deferred Credits	923	1,088	1,211	1,291	1,275	1,400	1,508	**1,566**
TOTAL LIABILITIES	**258,727**	**277,650**	**295,272**	**526,908**	**527,402**	**527,617**	**515,901**	**508,212**
STOCKHOLDER¨S EQUITY								
Paid-in Capital	10,955	**10,955**	**10,955**	**10,955**	**10,955**	**10,955**	11,151	**11,488**
Share Subscription Premiums	856	856	856	853	852	850	848	**2,490**
Subordinated Convertible Debentures	-	-	-	-	-	-	-	**-**
Subscribed Capital	**11,811**	**11,811**	**11,811**	**11,808**	**11,807**	**11,805**	**11,998**	**13,977**
Capital Reserves	3,390	4,005	4,005	4,005	4,005	4,659	4,659	**4,659**
Retained Earnings	14,749	14,039	14,039	13,426	19,988	19,346	18,505	**18,339**
Results from Valuation of Secs Available for Sale	392	749	(517)	(237)	(999)	(329)	330	**315**
Results from Valuation of Hedging Secs	(833)	58	(318)	(1,626)	(1,637)	(1,383)	(1,594)	**(1,404)**
Results from Conversions of Foreign Ops	(33)	(258)	67	1,123	1,274	(682)	(522)	**(679)**
Surplus (Deficit) in Capital Restatement	-	-	-	-	-	-	-	**-**
Results of Non Monetary Fixed Assets	-	-	-	-	-	-	-	**-**
Results of Non Monetary –Investment Assets	86	71	80	87	87	-	-	**-**
Adjustments in the Employee's Pensions	-	-	-	-	-	-	-	**-**
Accumulated Effect of Deferred Liabilities	-	-	-	-	-	-	-	**-**
Net Income	1,804	3,378	5,258	6,543	1,418	2,577	3,866	**5,132**
Earned Capital	**19,554**	**22,042**	**22,614**	**23,320**	**24,135**	**24,188**	**25,244**	**26,361**
Minority Interest	335	364	386	397	415	10	10	**10**
Total Stockholder´s Equity	**31,700**	**34,216**	**34,811**	**35,526**	**36,356**	**36,003**	**37,252**	**40,348**
TOTAL LIABILITIES & STOCKHOLDER´S EQUITY	**290,428**	**311,867**	**330,083**	**562,433**	**563,758**	**563,620**	**553,153**	**548,560**

***BANKING SECTOR* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
Endorsement Guarantees Granted	-	-	-	-	-	-	-	**-**
Contingent Assets & Liabilities	265	262	266	266	264	267	266	**273**
Irrevocable Lines of Credit	2,846	2,530	2,580	2,793	3,129	2,503	2,135	**2,271**
Trust	-	-	-	-	88,471	98,397	104,565	**110,795**
Mandate	-	-	-	-	2,161	1,924	2,107	**2,147**
Assets held in Trusts or Mandate	108,959	108,574	105,738	90,469	90,632	100,321	106,673	**112,942**
Assets held in custody or in administration	98,070	127,528	146,036	128,137	146,493	157,269	165,302	**154,831**
Investment banking transactions for third parties, net	101,754	109,570	94,858	84,615	91,943	87,165	84,921	**74,646**
Uncharged accrued interest from past - due loans	105	99	104	136	180	220	203	**198**
Collaterals Received	20,952	21,235	21,574	31,567	31,156	24,990	31,716	**33,464**
Amounts committed to fobaproa operations	-	-	-	-	-	-	-	**-**
Collateral received or sold or delivered as guarantee by the entirty	-	-	-	-	-	2,999	9,520	**11,097**
Integration of loan portfolio	-	-	-	-	-	-	-	**-**
Amounts received in derivative instruments	-	-	-	-	-	-	-	**-**
Fobaproa trusts	-	-	-	-	-	-	-	**-**
Repurchase securities to be received	202,305	205,840	208,509	4,248	-	-	-	**-**
(Less) creditors from repos	(202,496)	(206,363	(208,982)	(4,341)	-	-	-	**-**
Debtors from repos	9,583	5,768	9,269	-	-	-	-	**-**
(Less) Repurchase securities to be delivered	(9,595)	(5,764)	(9,273)	-	-	-	-	**-**
Other control accounts	-	-	-	-	-	-	-	**-**
	332,747	**369,279**	**370,680**	**337,890**	**363,798**	**375,735**	**400,735**	**389,723**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANORTE USA

***BANORTE USA* – INCOME STATEMENT** *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	2008	1Q09	2Q09	3Q09	4Q09	2009
Interest Income	299	293	298	363	1,253	379	340	364	328	**1,411**
Interest Expense	140	130	127	146	542	158	153	145	129	**586**
Loan Fees Charged	-	-	-	-	-	-	-	-	-	**-**
Fees Paid	-	-	-	-	-	-	-	-	-	**-**
Net Interest Income (NII)	**159**	**163**	**171**	**217**	**711**	**221**	**187**	**218**	**199**	**825**
Preventive Provisions for Loan Losses	(7)	17	14	81	104	9	164	115	91	**378**
Loss Sharing Provisions	-	-	-	-	-	-	-	-	-	**-**
NII Adjusted for Credit Risk	**166**	**147**	**157**	**136**	**606**	**212**	**23**	**103**	**109**	**448**
Fund transfers	-	-	-	-	-	-	-	-	-	**-**
Account management	-	-	-	-	-	-	-	-	-	**-**
Fiduciary	-	-	-	-	-	-	-	-	-	**-**
Income from Loan Portfolios Acquired	-	-	-	-	-	-	-	-	-	**-**
Electronic Banking Services	-	-	-	-	-	-	-	-	-	**-**
Credit Card Fees	-	-	-	-	-	-	-	-	-	**-**
Fees Charged to IPAB	-	-	-	-	-	-	-	-	-	**-**
Other fees	24	24	32	67	147	34	32	34	32	**133**
Fees Charged on Services,	**24**	**24**	**32**	**67**	**147**	**34**	**32**	**34**	**32**	**133**
Fund transfers	-	-	-	-	-	-	-	-	-	**-**
Other fees	-	-	-	-	-	-	-	-	-	**-**
Expenses from Loan Portfolios Acquired	-	-	-	-	-	-	-	-	-	**-**
Fees Paid on Services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Foreign exchange	-	-	-	-	-	-	-	-	-	**-**
Securities –Realized gains	-	-	-	-	-	-	-	-	-	**-**
Securities- Unrealized gains	-	-	-	-	-	-	-	-	-	**-**
Market Related Income	**-**	**-**	**-**	**-**	**-**	**4**	**10**	**13**	**27**	**54**
Other Operating Income (Expenses)	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**(28)**	**(2)**	**(31)**
Total Non Interest Income	**24**	**24**	**32**	**67**	**147**	**38**	**42**	**19**	**56**	**155**
Total Operating Income	**190**	**170**	**189**	**204**	**753**	**250**	**66**	**122**	**165**	**603**
Personnel	57	60	57	72	245	71	64	65	65	**265**
Profit Sharing	-	-	-	-	-	-	-	-	-	**-**
Professional Fees Paid	7	7	7	11	32	11	13	13	18	**55**
Administrative and Promotional Expenses	70	75	75	106	326	111	116	70	117	**414**
Rents, depreciation and amortization	9	9	9	7	34	6	5	5	5	**21**
Taxes, other than income tax	-	-	-	-	-	-	-	-	-	**-**
Contributions to IPAB	-	-	-	-	-	-	-	-	-	**-**
Non-Interest Expense	**143**	**152**	**148**	**196**	**638**	**198**	**198**	**153**	**205**	**755**
Operating Income	**48**	**19**	**41**	**8**	**115**	**51**	**(132)**	**(31)**	**(40)**	**(152)**
Other Revenues	59	53	49	67	229	48	48	50	47	**193**
Foreign exchange	-	-	-	-	-	-	-	-	-	**-**
Recoveries	1	1	1	2	5	1	2	2	1	**6**
Repomo-other revenues	-	-	-	-	-	-	-	-	-	**-**
Non Operating Income	**60**	**55**	**50**	**69**	**234**	**50**	**50**	**52**	**49**	**199**
Other Expenses	-	-	-	-	-	-	-	-	-	**-**
Changes in Foreign Exchange Valuation	-	-	-	-	-	-	-	-	-	**-**
Repomo-other expenses (creditor balance)	-	-	-	-	-	-	-	-	-	**-**
Non Operating Expense	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non Operating Income (Expense), net	**60**	**55**	**50**	**69**	**234**	**50**	**50**	**52**	**49**	**199**
Pre-tax Income	**108**	**73**	**91**	**77**	**349**	**101**	**(83)**	**20**	**9**	**48**
Income Tax	(36)	(25)	(29)	(14)	(105)	(38)	30	(5)	-	**(14)**
Profit sharing	-	-	-	-	-	-	-	-	-	**-**
Tax on Assets	-	-	-	-	-	-	-	-	-	**-**
Deferred Income Tax and Profit sharing	-	-	-	-	-	-	-	-	-	**-**
	(36)	**(25)**	**(29)**	**(14)**	**(105)**	**(38)**	**30**	**(5)**	**-**	**(14)**
Net Income before subsidiaries	**71**	**48**	**62**	**63**	**245**	**62**	**(53)**	**15**	**9**	**34**
Subsidiaries' net income	-	-	-	-	-	-	-	-	-	**-**
Net Income from continuos operations	**71**	**48**	**62**	**63**	**245**	**62**	**(53)**	**15**	**9**	**34**
Extraodinary items, net	-	-	-	-	-	-	-	-	-	**-**
Minority Interest	(25)	(19)	(21)	(14)	(79)	(24)	24	-	-	**-**
TOTAL NET INCOME	**46**	**30**	**41**	**49**	**166**	**38**	**(29)**	**15**	**9**	**34**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANORTE USA – BALANCE SHEET *(Million Pesos)*	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
ASSETS								
Cash and due from Banks	347	459	332	**480**	492	1,426	**1,407**	**1,538**
Negotiable Instruments	-	-	-	**-**	-	-	-	-
Securities available for sale	5,312	5,487	5,249	**6,227**	6,484	6,411	7,583	6,603
Securities held to maturity	10	10	10	**13**	13	12	13	12
Investment in Securities	**5,322**	**5,497**	**5,259**	**6,240**	**6,498**	**6,423**	**7,596**	**6,616**
Non-assigned securities pending Settlement	-	-	-	**-**	-	-	-	-
Debtor Balance in Repo Trans, net	-	-	-	**-**	-	-	-	-
Repo Transactions with Collateral	-	-	-	**-**	-	-	-	-
Secs to be received in Repo Trans, net	-	-	-	**-**	-	-	-	-
Transactions with derivatives	-	-	-	**-**	-	-	-	-
Operations w/ Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Loans	9,063	8,834	10,004	**12,845**	13,495	11,866	12,269	11,391
Financial Intermediaries' Loans	-	-	-	**-**	-	-	-	-
Consumer Loans	180	166	186	**249**	239	199	195	179
Mortgage Loans	1,641	1,683	1,950	**2,532**	2,732	2,690	2,755	2,530
Goverment Entities' Loans	-	-	-	**-**	-	-	-	-
IPAB Loans	-	-	-	**-**	-	-	-	-
Fiduciary Collection Rights	-	-	-	**-**	-	-	-	-
Performing Loans	**10,884**	**10,683**	**12,140**	**15,625**	**16,466**	**14,755**	**15,219**	**14,100**
Commercial PDL's	120	57	96	**183**	172	411	498	798
Financial Intermediaries' PDL's	-	-	-	**-**	-		-	-
Consumer PDL's	1	1	1	**1**	-	1	1	1
Mortgage PDL's	16	21	19	**41**	30	35	104	248
Goverment Entities PDL's	-	-	-	**-**	-	-	-	-
Past Due Loans	**137**	**79**	**117**	**225**	**202**	**447**	**603**	**1,047**
Gross Loan Portfolio	**11,021**	**10,762**	**12,256**	**15,850**	**16,668**	**15,201**	**15,822**	**15,147**
Preventive loan loss reserves	119	128	149	**259**	266	327	426	416
Net Loan Portfolio	**10,902**	**10,634**	**12,107**	**15,591**	**16,402**	**14,874**	**15,397**	**14,731**
Credit Assets Portfolio	-	-	-	**-**	-	-	-	-
Sundry debtors and other accs rec,net	-	-	-	**89**	643	602	622	607
Foreclosed assets, net	152	313	326	**484**	452	409	471	527
Real Estate, Furniture & Equipment, net	580	572	606	**753**	760	695	705	684
Investments in subsidiaries	7	7	7	**9**	9	9	9	8
Deferred taxes, net	-	-	-	**18**	-	21	5	2
Risk Coverage for Mortgage	-	-	-	**-**	-	-	-	-
GoodWill	2,512	2,431	2,590	**3,263**	3,345	3,117	3,193	3,092
Intangible	126	114	112	**133**	131	117	115	107
Other Assets	485	685	666	**680**	269	225	319	508
Other Assets	**3,123**	**3,229**	**3,368**	**4,076**	**3,746**	**3,460**	**3,627**	**3,706**
TOTAL ASSETS	**20,434**	**20,712**	**22,005**	**27,740**	**29,001**	**27,919**	**29,838**	**28,420**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

BANORTE USA – BALANCE SHEET (Million Pesos)	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09
LIABILITIES								
Demand Deposits	7,909	7,269	7,313	**8,530**	9,348	9,613	9,947	8,971
Time Deposits	7,372	7,349	8,204	**10,535**	12,814	12,696	13,705	13,427
Bank Bonds	-	-	-	**-**	-	-	-	-
Deposits	**15,280**	**14,618**	**15,517**	**19,065**	**22,162**	**22,309**	**23,652**	**22,398**
Immediate Redemption Loans	-	845	824	**1,2**	-	-	-	-
Short term	768	1,0	1,1	**1,6**	814	5	-	-
Long term	77	71	73	**89**	88	79	78	73
Due to banks and correspondents	**844**	**1,956**	**1,998**	**2,968**	**903**	**84**	**78**	**73**
Non-assigned securities pending settlement	-	-	-	**-**	-	-	-	-
Cerditor Balance in Repo Trans, net	-	-	-	**-**	-	-	-	-
Repo transactions with collateral	-	-	-	**-**	-	-	-	-
Securities to be received in Repo Trans, net	-	-	-	**-**	-	-	-	-
Transactions with derivatives, net	-	-	-	**-**	-	-	-	-
Operations w/ Derivatives & Securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Income Tax & Profit Sharing Payable	2	-	2	**-**	-	-	-	-
Other creditors & accounts payable	141	141	137	**168**	179	212	214	217
Other payable accounts	**143**	**141**	**139**	**168**	**179**	**212**	**214**	**217**
Subordinated non Convertible Debenture	220	213	226	**285**	292	272	278	269
Deferred Taxes	44	52	-	**-**	9	-	-	-
Deferred credits	33	34	38	**52**	48	41	37	32
TOTAL LIABILITIES	**16,564**	**17,014**	**17,919**	**22,538**	**23,592**	**22,917**	**24,259**	**22,989**
STOCKHOLDER´S EQUITY								
Paid-in Capital	3,344	3,346	3,346	**3,346**	3,346	4,266	4,668	4,668
Share subscription premiums	-	-	-	**-**	-	-	-	-
Subordinated Convertible Debentures	-	-	-	**-**	-	-	-	-
Subscribed Capital	**3,344**	**3,346**	**3,346**	**3,346**	**3,346**	**4,266**	**4,668**	**4,668**
Capital Reserves	-	-	-	**-**	-	-	-	-
Retained Earnings	122	122	122	**122**	284	284	284	284
Results from Valuation of Secs Available for Sale	105	(2)	82	**98**	122	59	87	104
Results from Conversions of Foreign Ops	(81)	(199)	43	**1,082**	1,213	383	514	341
Surplus (Deficit) in capital restatement	-	-	-	**-**	-	-	-	-
Results of Non Monetary fixed assets	-	-	-	**-**	-	-	-	-
Results on non monetary - investment assets	-	-	-	**-**	-	-	-	-
Adjustment in employees' pensions	-	-	-	**-**	-	-	-	-
Accumulated effect of Deferred Liabilities	-	-	-	**-**	-	-	-	-
Net Income	46	76	117	**166**	38	10	25	34
Earned Capital	**192**	**(3)**	**365**	**1,4**	**1,657**	**736**	**911**	**763**
Minority Holdings	334	354	376	**387**	405	-	-	-
Total Stockholder´s Equity	**3,870**	**3,698**	**4,087**	**5,202**	**5,409**	**5,002**	**5,578**	**5,431**
TOTAL LIABILITIES & STOCKHOLDER´S CAPITAL	**20,434**	**20,712**	**22,005**	**27,740**	**29,001**	**27,919**	**29,838**	**28,420**

***BANORTE USA* – MEMORANDUM ACCOUNTS** *(Million Pesos)*	1Q07	2Q07	3Q07	4Q07	1Q09	2Q09	3Q09	4Q09
Endorsement guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	-	-	-	-	-	-	-	-
Credit commitments	**23**	**26**	**33**	**36**	**42**	**29**	**33**	**31**
Irrevocable lines of credit	-	-	-	-	-	-	-	-
Assets held in trusts or mandate	-	-	-	-	-	-	-	-
Assets held in custody or in administration	-	-	-	-	-	-	-	-
Investment banking transactions for third parties, net	-	-	-	-	-	-	-	-
Amounts committed to fobaproa operations	-	-	-	-	-	-	-	-
Investment of retirement saving funds	-	-	-	-	-	-	-	-
Integration of loan portfolio	-	-	-	-	-	-	-	-
Amounts received in derivative instruments	-	-	-	-	-	-	-	-
Fobaproa trusts	-	-	-	-	-	-	-	-
Repurchase securities to be received	-	-	-	-	-	-	-	-
(Less) creditors from repos	-	-	-	-	-	-	-	-
Debitors from repos	-	-	-	-	-	-	-	-
(Less) Repurchase securities to be delivered	-	-	-	-	-	-	-	-
Other control accounts	-	-	-	-	-	-	-	-
Endorsement guarantees granted	**23**	**26**	**33**	**36**	**42**	**29**	**33**	**31**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

- **Information by Segments**

GFNORTE – INCOME STATEMENT 4Q09
(Million Pesos)

	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Total	Eliminations	Final Balance
Interest Income	7	43,378	1,965	1,647	2	46,998	(2,126)	44,872
Interest Expense	-	21,550	1,971	756	1	24,278	(2,010)	22,268
Loan Fees	-	578	-	-	-	578	-	578
Net Interest Income (NII)	**7**	**22,406**	**(6)**	**891**	**1**	**23,298**	**(116)**	**23,182**
Loan Loss & Loss Sharing Provisions	-	8,181	-	104	-	8,286	-	8,286
NII after Provisions	**7**	**14,225**	**(6)**	**787**	**1**	**15,013**	**(116)**	**14,897**
Fees on services,	-	7,552	657	33	52	8,294	(3)	8,291
Fees paid,	-	1,261	61	20	-	1,341	(3)	1,339
Market-related Income	-	953	291	-	-	1,244	-	1,244
Other Operating Income (Expenses)	-	987	(2)	6	(11)	980	-	980
Total Non Interest Income	**-**	**8,231**	**885**	**19**	**41**	**9,177**	**-**	**9,176**
Total Operating Income	**7**	**22,456**	**880**	**806**	**41**	**24,190**	**(116)**	**24,074**
Non-Interest Expense	**11**	**16,204**	**581**	**417**	**26**	**17,238**	**(214)**	**17,024**
Operating Income	**(4)**	**6,253**	**299**	**389**	**15**	**6,952**	**98**	**7,050**
Non Operating Income	2	1,469	25	20	977	2,492	(53)	2,438
Non Operating Expense	-	608	6	6	958	1,578	(11)	1,566
Non Operating Income	**2**	**861**	**19**	**14**	**19**	**914**	**(42)**	**872**
Pre-tax Income	**(2)**	**7,114**	**318**	**403**	**34**	**7,866**	**56**	**7,922**
Tax and Profit sharing	**4**	**1,914**	**115**	**-**	**11**	**2,045**	**-**	**2,045**
Net Income before subsidiaries	**(7)**	**5,200**	**203**	**403**	**22**	**5,821**	**56**	**5,877**
Subsidiaries´ net income	5,809	73	-	-	-	5,882	(5,56	312
Net Inc. from continuos	**5,802**	**5,272**	**203**	**403**	**22**	**11,703**	**(5,513)**	**6,190**
Extraodinary items, net	-	-	-	-	-	-	-	-
Minority Interest	-	(141)	-	-	-	(141)	(195)	(336)
TOTAL NET INCOME	**5,802**	**5,131**	**203**	**403**	**22**	**11,562**	**(5,708)**	**5,854**

BANORTE

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

***GFNORTE* – BALANCE SHEET AS OF 4Q09**

(Million Pesos)

ASSETS	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Total	Eliminations	Final balance
Cash and due from Banks	**127**	**59,262**	**3**	**48**	**4**	**59,444**	**(177)**	**59,268**
Margin Accounts	-	18	-	-	-	18	-	**18**
Negotiable Instruments	-	20,131	4,328	-	-	24,460	-	**24,460**
Securities held for sale	-	12,538	219	-	-	12,757	(1,056)	**11,701**
Securities held to maturity	-	189,964	368	-	-	190,332	-	**190,332**
Financial Instruments:	**-**	**222,633**	**4,916**	**-**	**-**	**227,549**	**(1,056)**	**226,493**
Non-assigned securities to pay	-	-	-	-	-	-	-	**-**
Futures receivable, net	-	2	2	-	-	4	-	**4**
For trading purposes	-	4,824	-	-	-	4,824	-	**4,824**
For hedging purposes	-	1,056	-	-	-	1,056	-	**1,056**
Repos & Derivatives :	**-**	**5,882**	**2**	**-**	**-**	**5,884**	**-**	**5,884**
Commercial	-	105,338	-	11,899	-	117,237	-	**117,237**
Financial Intermediaries	-	8,923	-	34	-	8,957	(1,826)	**7,131**
Consumer	-	25,704	-	8	-	25,712	-	**25,712**
Mortgage	-	49,881	-	-	-	49,881	-	**49,881**
Goverment Entities	-	38,982	-	11	-	38,993	-	**38,993**
Fobaproa	-	-	-	-	-	-	-	**-**
Performing Loans	**-**	**228,827**	**-**	**11,952**	**-**	**240,779**	(1,826)	**238,954**
Commercial	-	3,060	-	103	-	3,163	-	**3,163**
Financial Intermediaries	-	-	-	-	-	-	-	**-**
Consumer	-	1,942	-	-	-	1,942	-	**1,942**
Mortgage	-	1,049	-	-	-	1,049	-	**1,049**
Goverment Entities	-	-	-	-	-	-	-	**-**
Past Due Loans	**-**	**6,051**	**-**	**103**	**-**	**6,154**	**-**	**6,154**
Total Credit	**-**	**234,878**	**-**	**12,055**	**-**	**246,933**	**(1,826)**	**245,108**
Preventive loan loss reserves	-	7,358	-	177	-	7,535	-	**7,535**
Net Loan Portfolio	**-**	**227,520**	**-**	**11,878**	**-**	**239,398**	**(1,826)**	**237,573**
Acquired collection rights	-	2,548	-	-	-	2,548	-	**2,548**
Total Loans	**-**	**230,068**	**-**	**11,878**	**-**	**241,946**	**(1,826)**	**240,121**
Benef.receivab.securitization	-	433	-	-	-	433	-	**433**
Sundry debtors and other assets,net	9	11,123	70	85	27	11,315	9	**11,324**
Merchandise Inventory	-	-	-	-	119	119	-	**119**
Foreclosed assets, net	-	928	-	-	-	928	-	**928**
Real Estate, Furniture & Equipment,	-	7,153	9	1,407	54	8,623	-	**8,623**
Investments in subsidiaries	42,156	1,288	20	-	-	43,464	(40,428)	**3,036**
Deferred taxes	1	1,466	-	-	-	1,467	(56)	**1,411**
GoodWill	30	3,092	-	-	-	3,121	-	**3,121**
Intangible	-	933	159	-	-	1,092	-	**1,092**
Other Assets Short and Long Term	-	5,150	95	17	7	5,270	-	**5,270**
Total Other Assets	**42,196**	**31,566**	**353**	**1,509**	**207**	**75,832**	**(40,475)**	**35,356**
TOTAL ASSETS	**42,323**	**549,430**	**5,273**	**13,434**	**211**	**610,672**	**(43,534)**	**567,138**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

GFNORTE – BALANCE SHEET AS OF 4Q09
(Million Pesos)

LIABILITIES	Holding	Banorte	Brokerage	Leasing & Factoring	Warehouse	Total	Eliminations	Final balance
Demand Deposits	-	137,606	-	-	-	137,606	(25)	137,581
Time Deposits	-	137,454	-	-	-	137,454	(127)	137,327
Bonds	-	-	-	-	-	-	-	-
Deposits	**-**	**275,060**	**-**	**-**	**-**	**275,060**	**(152)**	**274,908**
Demand	-	21	-	-	-	21	-	21
Short term	-	6,207	-	8,965	39	15,211	(1,826)	13,385
Long term	-	5,058	-	2,504	-	7,562	-	7,562
Due to banks & corresp.	**-**	**11,286**	**-**	**11,469**	**39**	**22,794**	**(1,826)**	**20,968**
Assigned securities to pay	**-**	**159**	**-**	**-**	**-**	**159**	**-**	**159**
Futures receivable, net	-	181,959	3,521	-	-	185,480	-	185,480
Collateral sold	-	2	-	-	-	2	-	2
For trading purposes	-	4,553	-	-	-	4,553	-	4,553
For hedging purposes	-	3,822	-	-	-	3,822	-	3,822
Repos & Derivatives:	**-**	**190,337**	**3,521**	**-**	**-**	**193,858**	**-**	**193,858**
Income Tax	-	580	37	-	-	617	-	617
Profit Sharing	-	672	4	-	-	675	-	675
Creditors for settlement of transactions	-	2,223	-	-	-	2,224	-	2,224
Other Creditors & Accounts Payable	5	8,373	268	426	19	9,091	(123)	8,968
Other payable accounts	**5**	**11,848**	**309**	**426**	**19**	**12,608**	**(123)**	**12,485**
Subordinated non Convertible Debenture	-	18,168	-	-	-	18,168	-	18,168
Deferred Taxes	-	-	47	-	9	56	(56)	-
Deferred credits	-	1,566	-	53	-	1,619	-	1,619
TOTAL LIABILITIES	**5**	**508,425**	**3,877**	**11,948**	**66**	**524,322**	**(2,158)**	**522,164**
STOCKHOLDER´S EQUITY								
Paid-in Capital	12,018	11,488	540	306	87	24,439	(12,483)	11,956
Share subscription premiums	2,246	2,490	-	-	-	4,735	(3,210)	1,526
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	**14,263**	**13,977**	**540**	**306**	**87**	**29,174**	**(15,693)**	**13,481**
Capital Reserves	3,154	4,659	81	195	17	8,106	(4,952)	3,154
Retained Earnings	20,681	18,339	437	583	17	40,058	(19,376)	20,681
Surplus (Deficit) from securities	428	315	119	-	-	861	(655)	206
Results from coverage securities valuation	(1,369)	(1,404)	-	-	-	(2,774)	1,404	(1,369)
Results of foreign operations exchange	(641)	(679)	16	-	-	(1,304)	662	(641)
Excess (Insuf.) in capital restatement	-	-	-	-	-	-	-	-
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm subsidiaries	-	-	-	-	-	-	-	-
Adjustment in the employees pension funds	-	-	-	-	-	-	-	-
Net Income	5,802	5,132	203	403	22	11,562	(5,708)	5,854
Earned Capital	**28,055**	**26,361**	**856**	**1,180**	**57**	**56,510**	**(28,625)**	**27,885**
Minority Holdings	-	666	-	-	-	666	2,942	3,608
Total Stockholder´s Equity	**42,318**	**41,005**	**1,396**	**1,486**	**144**	**86,350**	**(41,376)**	**44,974**
TOT. LIAB. & STOCKHOL. EQUITY	**42,323**	**549,430**	**5,273**	**13,434**	**211**	**610,672**	**(43,534)**	**567,138**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

ACCOUNTING CHANGES AND REGULATIONS

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

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

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

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

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

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

- **B-11 Bulletin.**

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

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

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

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

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

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

NEW ACCOUNTING CRITERIA

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

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

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

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

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

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

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

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

PREVIOUS ACCOUNTING CRITERIA
Repurchase or Resale Agreement Operations

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

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

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

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

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

a. Reclassification of Securities

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

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

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

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

- **Main changes to accounting criteria**

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

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

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

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

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

Regarding criteria B-6 "Loan Portfolio", the costs and expenses arising from initial loan placements are registered as deferred charges, and must be amortized against interest expense during the life of the loan.

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

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

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

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

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

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

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

BANORTE

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

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

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

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

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

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

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

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

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

Credit Cards
- Deferral of minimum payment for up to 3 months.

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

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

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

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

If these special accounting changes had not been authorized, the balances that the Institution would be presenting in its balance sheet in December 31, 2009, would be:

PERFORMING LOANS (Pesos)	
Commercial Loans	
Business or commercial activity	$116,588,794,082
Financial Entities	7,131,411,221
Government Entities	38,992,974,185
Consumer Loans	25,711,466,421
Mortgage Loans	49,880,550,130
TOTAL PERFORMING LOANS	**238,305,196,039**
PAST DUE LOANS	
Commercial loans	
Business or comercial activity	3,866,699,799
Consumer Loans	1,942,858,932
Mortgage Loans	1,048,508,902
TOTAL PAST DUE LOANS	**6,858,067,633**
LOAN PORTFOLIO	**245,163,263,672**
(Minus) PREVENTIVE LOAN LOSS RESERVES	(7,749,961,712)
LOAN PORTFOLIO, net	**237,413,301,960**
ACQUIRED COLLECTION RIGHTS	**2,547,863,626**
TOTAL LOAN PORTFOLIO, net	**$239,961,165,586**

Also, the net income of this period would be $5,597,131,169, as a result of booking an additional $214,775,597 of preventive loan loss reserves and the reduction of $41,718,091 in interest income due to suspending accumulated interest as a consequence of classifying the loans as past due. These impacts would originate if relief had not been granted to borrowers.

The amount of deferred payments derived from this Plan at the end of December 31, 2009 is as follows:

(Pesos)	Deferred Amount
Consumer Loans	$18,948
	$18,948

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

(Pesos)	Amount Renewed
Commercial Loans	
Business or commercial activity	$703,819,005
Financial Entities	-
Government Entities	-
Consumer Loans	287,001
Mortgage Loans	-
TOTAL	$704,106,006

- Modification of the consumer portfolio rating methodology for credit card transactions.

On August 12th, 2009 the National Banking and Securities Commission (CNBV) issued a resolution that modifies the applicable general regulatory dispositions for credit institutions. This change consists of modifying the applicable rating methodology of revolving consumer portfolios, so that parameters used to estimate loan loss reserves reflect, based on the current environment, the expected 12 month losses for credit cards.

In accordance with the aforementioned change, the Institution opted to recognize on September 2009 an impact charged against results of previous fiscal years corresponding to the initial accumulated financial effect of the first application of these new dispositions in accordance with Section I of the second transitory article .

The accounting recognition of the aforementioned effect was Ps 1,135,732,953 charged to the equity account corresponding to "results of previous fiscal years" against a loan for the same amount to the "estimated loan loss reserves" account of the Balance Sheet. The corresponding deferred taxes were registered through a charge in the "deferred taxes" account in the Balance Sheet amounting to Ps 431,578,522 against a loan in "results of previous fiscal years " in equity.

Acknowledgement of the effect of the aforementioned and the amounts to be registered and presented in the balance sheet as well as the income statement, are:

Balance Sheet	Original figures	Effect	Presented figures
(Pesos)			
Loan Portfolio	234,878,476,487	-	234,878,476,487
(less) Provisions for loan losses	**7,358,157,592**	**-**	**7,358,157,592**
Loan Portfolio, net	**227,520,318,895**	**-**	**227,520,318,895**
Acquired collection rights	2,547,863,626	-	2,547,863,626
Total Loan Portfolio, net	**230,068,182,521**	**-**	**230,068,182,521**
Deferred Taxes	1,465,777,740	-	1,465,777,740
Total Assets	**$ 549,429,501,883**	**-**	**$ 549,429,501,883**
Equity			
Results from previous years	18,338,871,549	704,154,431	19,043,025,980
Majority Net Results	5,131,612,275	(704,154,431)	4,427,457,844
Total Equity	**41,004,772,289**	**-**	**41,004,772,289**
Total Liabilities plus Equity	**$ 549,429,501,883**	**-**	**$ 549,429,501,883**
Income Statement			
Net Interest Income	**22,405,907,245**		**22,405,907,245**
Provisions for loan losses	8,181,077,489	1,135,732,953	9,316,810,442
Net Interest Income adjusted for credit risks	**14,224,829,757**	**1,135,732,953**	**13,089,096,804**
Deferred Income Taxes (net)	(537,174,871)	(431,578,522)	(968,753,393)
Net Income	**$ 5,131,612,275**	**(704,154,431)**	**$ 4,427,457,844**

Results for asset accounts and items will not be affected by the changes in accounting regulations; however equity and income statements will suffer variations in relation to the figures presented at closing of 2009.

- **Changes in accounting rules**

On July 30 2009, the National Banking and Securities Commission (CNBV) issued changes to accounting criteria applicable, among others, to auxiliary credit institutions, financial companies of limited scope and regulated financial companies of multiple scope; also on August 31 2009, it issued changes in accounting criteria applicable to mutual funds. These changes were done to make them consistent with the financial information norms established in Mexico and abroad. They are similar to the changes recently implemented for Credit Institutions and Broker Dealers in 2Q09.

- **D-8 Bulletin: Stock based compensation**

Banorte grants GFNORTE shares to its executives through different structured payments plans based on those shares. These plans are managed by trusts that Banorte constitutes and gives the necessary resources so that at the beginning of each plan, they can purchase directly in the financial markets the shares needed to fulfill these stock based plans.

The Financial Norm D-8, Stock based Payments, which is effective for fiscal exercises that begin as of January 2009, requires those entities that grant stock based payment plans to recognize an expense for the services received by the executives that are beneficiaries of the plans.

When a subsidiary grants stock plans of its holding Company, the NIF D-8 establishes that the accounting recognition of the expenditure must be made as if the plan was settled in cash at reasonable value, each period that the financial information is presented along with the assumptions known at that date.

On the other hand, the Holding must recognize such expenditure as if the plan was to be settled with shares. Under this scheme, the plan is valued in the beginning at the Holding level and must be later revalued.

In the consolidated financial statements with the Group's subsidiaries, the items recognized in its banking subsidiary derived from the recognition and valuation of the share plans granted have been eliminated through consolidation movements of Ps 103 million. In this sense, an expense incurred by the Financial Group of up to Ps 52 million has been recognized, which results in a net positive effect in the financial statements of the holding Company of Ps 51 million.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

LOAN PORTFOLIO SALES TO SOLIDA ADMINISTRADORA DE PORTAFOLIOS

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

As instructed by the CNBV in the document 601-II-323110, we show the integration of the loan portfolio sold in 1Q03 by Banorte to its subsidiary Sólida Administradora de Portafolios, S.A. de C.V. The Purpose of this sale was to concentrate the portfolio in this specialized recovery unit as it had been managing the collections of this loans previously. This was a one time operation.

(Millions of Nominal Pesos)	Local Currency (2)			Foreign Currency (USD) (3)			Total		
	Aug'02	Sep'09	Dec'09	Aug'02	Sep'09	Dec'09	Aug'02	Sep'09	Dec'09
Performing Loans									
Commercial	5	-	-	5	-	-	10	-	-
Consumer	-	-	-	-	-	-	-	-	-
Mortgage	54	24	27	-	-	-	54	24	27
Total	**59**	**24**	**27**	**5**	**-**	**-**	**64**	**24**	**27**
Non Performing Loans									
Commercial	405	363	361	293	113	110	698	476	471
Consumer	81	72	72	-	-	-	81	72	72
Mortgage	1,112	366	350	-	-	-	1,112	366	350
Total	**1,598**	**801**	**783**	**293**	**113**	**110**	**1,891**	**914**	**893**
TOTAL LOANS	**1,657**	**825**	**810**	**298**	**113**	**110**	**1,955**	**938**	**920**
Loan Loss Reserves (1)									
Commercial	326	350	349	246	113	110	572	463	459
Consumer	77	72	72	-	-	-	77	72	72
Mortgage	669	346	336	-	-	-	669	346	336
Total	**1,072**	**768**	**757**	**246**	**113**	**110**	**1,318**	**881**	**867**

1) Reserve requirements using the same classification method used for the bank.
2) Includes UDIS.
3) The dollar portfolio and reserves are re-expressed in pesos.
Note 1.- There was a Reserve deficit of Ps 63 mllion as of December 2009.
Note 2.- Banorte has a 99.99% stake in Sólida.

In 4Q09 the Loan portfolio showed changes due to: collections for Ps $6 million, restructures for Ps $2 million, repossessed assets for Ps $0.5 millon and Ps $26 million in charge-offs and discounts. In the Loan loss provisions, there were charge-offs and discounts for Ps $7 million. There were transfers from performing loans to past due loans for Ps $1 million and transfers from past due loans to performing loans for Ps $7 millions.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

As instructed by the CNBV in the document 601-II-323110 for purposes of determining financial indicators and a general disclosure referred to regulations, we show the integration of the Banorte's portfolio including the portfolio which was sold to Sólida Administradora de Portafolios, S.A. de C.V..

	Local Currency (1)		Foreign Currency (USD)(2)		Total	
(Millions of Nominal Pesos)	**Sep'09**	**Dec'09**	**Sep'09**	**Dec'09**	**Sep'09**	**Dec'09**
Performing Loans						
Commercial	128,561	133,823	12,302	11,316	140,863	145,139
Consumer	25,976	25,525	-	-	25,976	25,525
Mortgage	46,061	47,378	-	-	46,061	47,378
Fobaproa / IPAB	-	-	-	-	-	-
Performing Loans	**200,598**	**206,726**	**12,302**	**11,316**	**212,900**	**218,042**
Non Performing Loans						
Commercial	2,634	2,583	159	150	2,793	2,733
Consumer	2,266	2,014	-	-	2,266	2,014
Mortgage	1,256	1,151	-	-	1,256	1,151
Non Performing Loans	**6,156**	**5,748**	**159**	**150**	**6,315**	**5,898**
TOTAL LOANS	**206,754**	**212,474**	**12,461**	**11,466**	**219,215**	**223,940**
Loan Loss Reserves	**7,587**	**7,425**	**259**	**384**	**7,846**	**7,809**
Net Loan Portfolio	**199,167**	**205,049**	**12,202**	**11,082**	**211,369**	**216,131**
Loan Loss Reserves					**124.24%**	**132.40%**
% Past Due Loans					**2.88%**	**2.63%**

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

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

NOTES TO FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q09
(Million Pesos)

NEGOTIABLE INSTRUMENTS	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Goverment Securities	14,053	31	(6)	14,077
Unrestricted	109	-	1	110
Cetes	109	-	1	110
Bonds	-	-	-	-
Bondes	-	-	-	-
Bpas	1	-	-	1
Restricted	13,943	31	(7)	13,967
Cetes	817	-	-	817
Bonds	519	1	-	520
Bondes	3,136	2	(2)	3,136
Bpas	9,472	28	(5)	9,495
Brems	-	-	-	-
UMS	-	-	-	-
Udibonds	-	-	-	-
Stock Certificates	-	-	-	-
Banking Securities	9,990	-	4	9,993
Unrestricted	4,936	-	6	4,942
Notes	4,936	-	6	4,942
Cedes	-	-	-	-
Bonds	-	-	-	-
Stock Certificates	-	-	-	-
Other Banking Securities	-	-	-	-
Restricted	5,054	-	(2)	5,051
Notes	5,054	-	(2)	5,051
Private	259	1	-	259
Unrestricted	-	-	-	-
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	-	-	-	-
EUROBONDS	-	-	-	-
Stock Certificates	34	-	-	34
Subordinated paper	-	-	-	-
Other securities	-	-	-	-
Foreign Goverment	65	-	-	65
Treasury Bonds	-	-	-	-
Treasury Bill	-	-	-	-
Treasury Notes	65	-	-	65
Other securities	-	-	-	-
Shares listed in the SIC	-	-	-	-
Guarantee (collateral) for futures	-	-	-	-
Mutual Funds	65	-	-	64
Total	**24,431**	**31**	**(3)**	**24,460**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

FINANCIAL INSTRUMENTS AND VALUATION EFFECTS 4Q09
(Million Pesos)

Securities Held to Maturity	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Cetes	722	3	-	726
Affected papers as collateral	-	-	-	-
Fiduciary duties	-	-	-	-
Goverment Securities	139,374	643	-	140,016
Restricted	138,987	635	-	139,621
Cetes	-	-	-	-
Bonds	604	27	-	631
Bondes	33,067	49	-	33,116
Bpas	103,187	502	-	103,689
Brems	-	-	-	-
UMS	2,125	57	-	2,182
Udibonds	3	-	-	3
Stock Certificates	-	-	-	-
Unrestricted	387	8	-	395
Bonds	-	-	-	-
Bondes	11	-	-	11
Bpas	70	-	-	70
UMS	280	8	-	288
Stock Certificates	26	1	-	27
Banking Securities	25,911	93	-	26,004
Restricted	16,600	46	-	16,646
Notes	-	-	-	-
Cedes	9,002	21	-	9,023
Bonds	-	-	-	-
Stock Certificates	7,599	25	-	7,623
Other Banking Securities	-	-	-	-
Unrestricted	9,311	47	-	9,358
Bonds	2,550	-	-	2,550
Stock Certificates	5,607	28	-	5,635
Other Banking Securities	1,154	19	-	1,173
Private	23,406	167	-	23,573
Restricted	18,965	137	-	19,102
Commercial Paper Pesos	-	-	-	-
Commercial Paper U.S. Dollars	-	-	-	-
PEMEX	4,619	87	-	4,707
EUROBONDS	-	-	-	-
Stock Certificates	14,345	50	-	14,395
Sructured Notes	-	-	-	-
Unrestricted	4,442	30	-	4,471
Stock Certificates	4,164	23	-	4,187
Bonds	-	-	-	-
PEMEX	278	7	-	285
Sructured Notes	-	-	-	-
Other Unrestricted				
Other Debt Securities	-	-	-	-
U.S. Government Securities	12	-	-	12
Subordinated paper	-	-	-	-
Total	**189,425**	**907**	**-**	**190,332**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

SECURITIES HELD FOR SALE 4Q09

(Million Pesos)

SECURITIES HELD FOR SALE	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Unrestricted	8,957	69	187	9,213
Goverment Securities	6,387	26	190	6,603
Mexican Government Securities (UMS)	178	6	3	187
Treasury Bonds	-	-	-	-
Private company bonds	-	-	-	-
Private company bonds	-	-	35	35
GFNorte's Stock	-	-	-	-
BMV's Stock	234	-	(15)	219
Bonds	1,581	23	41	1,644
Eurobonds	518	13	(68)	463
Bank Paper	-	-	-	-
Structured notes	-	-	-	-
PEMEX	59	1	-	60
Other	-	-	-	-
Restricted	2,388	28	72	2,488
Mexican Government Securities (UMS)	162	6	5	173
Treasury Bonds	-	-	-	--
Bonds	1,042	11	19	1,073
Eurobonds	460	4	14	478
PEMEX	722	7	35	764
Total	**11,345**	**97**	**259**	**11,701**

SECURITIES ASSIGNED FOR SETTLEMENT 4Q09

(Million Pesos)

SECURITIES ASSIGNED FOR SETTLEMENT	BOOK VALUE	INTEREST	UNREALIZED GAIN (LOSS)	MARKET VALUE
Government securities	264	-	-	263
Cetes	(29)	-	-	(29)
Bonds	263	-	-	263
Bondes	30	-	-	30
Bpas	-	-	-	-
Brems	-	-	-	-
UMS	-	-	-	-
UdiBonds	-	-	-	-
2U CBIC	-	-	-	-
Stock Certificates	-	-	-	-
Bank Paper	-	-	-	-
Private	-	-	-	-
Foreign Goverment	(107)	(1)	4	(104)
Total	**157**	**(1)**	**4**	**159**

REPURCHASE AGREEMENT OPERATIONS 4Q09

(Million Pesos)

SALES	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
	RECEIVABLES ON REPURCHASE AGREEMENT	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	-	150,730	(150,730)	-	150,730
Banking Securities	-	21,718	(21,718)	-	21,718
Private Securities	-	13,032	(13,032)	-	13,032
Total	-	185,480	(185,480)	-	185,480

PURCHASES	MARKET VALUE			FINANCIAL STATEMENT INDIVIDUAL COMPENSATION	
	RECEIVABLES ON REPURCHASE AGREEMENT	SECURITIES TO BE DELIVERED	GLOBAL POSITION	ASSET BALANCE	LIABILITY BALANCE
Goverment Securities	9,318	9,316	(2)	4	2
Banking Securities	1,785	1,785	-	-	-
Private Securities	-	-	-	-	-
Total	11,102	11,101	(2)	4	2
				4	185,482

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

DERIVATIVE FINANCIAL INSTRUMENTS OPERATIONS 4Q09 (Million Pesos)					
INSTRUMENT	TO RECEIVE	TO DELIVER	NET	DEBTOR BALANCE	CREDITOR BALANCE
FUTURES					
Over Inflation (INPC)	-	-	-	-	-
					-
FORWARD FX CONTRACTS	AGREED PRICE	MARKET VALUE	VALUATION		
Negotiable					
Purchases	2,483	(2,615)	(133)		
Sells	(2,929)	3,286	358		
Total	(446)	671	225	313	88
					225
Hedging					
Purchases	-	-	-		
Sells	-	-	-		
Total	-	-	-	-	-
SWAPS	TO RECEIVE	TO DELIVER	NET		
Negotiable					
Capital	14,730	(14,676)	55		
Interest rate	718	(711)	7		
Valuation	53,119	(53,190)	(71)		
Subtotal	68,567	(68,576)	(9)	4,383	4,393
					(9)
Hedging					
Capital	13,616	(14,813)	(1,197)		
Interest rate	188	(390)	(202)		
Valuation	9,523	(11,079)	(1,556)		
Subtotal	23,327	(26,282)	(2,955)	868	3,822
					(2,955)
OPTIONS					
Negociable-Assets					
Swaptions	-	-	-		
Rate Options	93	33	126		
Fx	8	(6)	2		
Index Options (ipc)	-	-	-		
Total	101	27	128	128	-
Hedging -Assets					
Swaptions	-	-	-		
Rate Options	199	(11)	188		
Index Options (ipc)	-	-	-		
Total	199	(11)	188	188	-
Negociable-Liability					
Swaptions	(2)	-	(1)		
FX	(8)	6	(2)		
Rate Options	(106)	37	(69)		
Index Options (ipc)	-	-	-		
Total	(116)	43	(72)	-	72
Debtor Balance				5,880	
Creditor Balance					8,376

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

NOTIONAL PRINCIPAL AMOUNT IN DERIVATIVE OPERATIONS 4Q09
(Mililon Pesos)

PRODUCT	TYPE	UNDERLYING	CURRENCY	NOTIONAL
FX Forwards	Purchases	Exchange Rate (Dollar)	MXN	2,483
FX Forwards	Sales	Exchange Rate (Dollar)	MXN	2,929
FX Options	Purchases	Exchange Rate (Dollar)	MXN	283
FX Options	Sales	Exchange Rate (Dollar)	MXN	287
Interest Rate Options	Purchases	TIIE	MXN	32,685
Interest Rate Options	Sells	TIIE	MXN	8,918
Interest Rate Options	Swaption	TIIE	MXN	250
Interest Rate Swaps	USLI/IRS	LIBOR	MXN	10,357
Interest Rate Swaps	TIIE/IRS	TIIE	MXN	221,172
FX Swaps	CS EURMXN	FIX/FIX	MXN	1,009
FX Swaps	CS USDCETE	CETE	MXN	3,462
FX Swaps	CS USDMXN	FIX/FIX	MXN	23,874

INVESTMENT IN NON GOVERNMENTAL FINANCIAL INSTRUMENTS THAT RESPRESENT MORE THAN 5% NET CAPITAL 4Q09
(Million Pesos)

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
BANCOMER	Banking Bond	7,756	15.9%
INBURSA	Note payable at maturity	2,502	5.1%

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

LOAN PORTFOLIO
(Million Pesos)

	Local Currency		UDIS		Foreign Currency		Total	
	4Q08	4Q09	4Q08	4Q09	4Q08	4Q09	4Q08	4Q09
Performing Loans								
Commercial	96,170	93,145	297	295	30,330	23,797	126,798	117,237
Financial Intermediaries	10,530	6,854	-	-	330	277	10,860	7,131
Consumer	29,027	25,465	94	68	249	179	29,369	25,712
Mortgages	42,878	46,598	872	753	2,532	2,530	46,282	49,881
Goverment Entities	26,650	38,779	-	-	339	214	26,989	38,993
Fobaproa	-	-	-	-	-	-	-	-
Total	**205,255**	**210,840**	**1,263**	**1,117**	**33,780**	**26,997**	**240,298**	**238,954**
Past Due Loans								
Commercial	1,477	2,318	6	6	221	838	1,703	3,163
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	2,498	1,942	-	-	1	1	2,499	1,942
Mortgages	645	772	60	29	41	248	746	1,049
Goverment Entities	-	-	-	-	-	-	-	-
Total	**4,620**	**5,032**	**66**	**35**	**262**	**1,087**	**4,948**	**6,154**
Total Propietary Loans	**209,875**	**215,872**	**1,328**	**1,152**	**34,043**	**28,084**	**245,246**	**245,108**

COST OF BALANCES OF FINAPE, FOPIME, MORTGAGE UDIS AND MORTGAGE FOVI LOAN PORTFOLIOS AS OF 4Q09
()Million Pesos)

	TOTAL	
	PERIOD COST	BALANCE OF LOAN PORTFOLIO
FINAPE	-	-
FOPYME	-	-
Mortgage UDIS	28.0	55.9
Mortgage FOVI	-	-
	28.0	**55.9**

Quarter ending balance of Ps 55.9 million pesos in debtors support programs with a cost for the period of Ps 28.0 million.

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

- **Distressed Portfolio**

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

(Million Pesos)	**Total**
Distressed Portfolio	1,218
Total Loans	245,107
Distressed Portfolio / Total Loans	**0.5%**

DEFERRED TAXES 4Q09

(Million Pesos)

ASSETS	**INCOME TAX**	**PROFIT SHARING**	**NET**
Tax losses pending amortization	2	-	2
Provisions for possible loss in loans	110	-	110
Earnings per Society	39	-	39
Excess of preventive reserves accounts over the fiscal limit	1,332	476	1,808
Non deductible provisions and cumulative income	427	135	562
State Tax on Assets Deferred	2	-	2
Excess of accounting value over fiscal value on Reposessed Assets	350	53	403
Diminishable profit sharing	232	78	310
Past-due loan reserves	-	-	-
Anticipated Income and Expenses	-	-	-
Installation expenses	11	-	11
Effects from valuation of instruments	1	-	1
Other	20	-	20
Total Assets	**2,526**	**741**	**3,267**
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	(215)	(54)	(269)
Pension Funds Contribution	(420)	(150)	(570)
Loan Portfolio Acquisitions	(655)	(111)	(766)
Projects to be capitalized	-	-	-
Income tax to pay on UDIS Trust funds	(41)	-	(41)
Dividends Federal Home Loan Bank	(2)	-	(2)
Intangibles' amortizations	(30)	-	(30)
Unrealized loss from Securities held for sale	(67)	-	(67)
Effects from valuation of instruments	(2)	-	(2)
Effects of other accounts	(68)	-	(68)
Reversal of Sale Costs	(4)	-	(4)
Unrealized gains from investments in Siefore	(38)	-	(38)
Total liabilities	**(1,541)**	**(315)**	**(1,856)**
Assets (Liabilities) Accumulated Net	**986**	**426**	**1,411**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

LONG TERM DEBT AS OF 4Q09
(Million Pesos)

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Pesos)	ORIGINAL AMOUNT (Million Ps, Dlls or UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
CD's- Banorte U01001	UDIs	Jan 11 '01	393	90	10 years	8.13%	Dec 30 '10	E/182 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	5,226	400	10 years	6.135%	Oct 13 '16	E/ 180 days
Non Convertible Subordinated Bonds 2006	USD	Oct 13 '06	2,613	200	15 years	6.862%	Oct 13 '21	E/ 180 days
Non Convertible Subordinated Bonds Q Banorte 08	MXN	Mar 11 '08	3,000	3,000	10 years	TIIE + 0.60%	Feb 27 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 08U	UDIs	Mar 11 '08	1,941	447	20 years	4.95%	Feb 15 '28	E/ 182 days
Non Convertible Subordinated Bonds Q Banorte 08-2	MXN	Jun 27 '08	2,750	2,750	10 years	TIIE + 0.77%	Jun 15 '18	E/ 28 days
Non Convertible Subordinated Bonds Q Banorte 09	MXN	Mar 30 '09	2,200	2,200	10 years	TIIE + 2.00%	Mar 18 '19	E/ 28 days

BANK AND OTHER ENTITIES LOANS' AS OF 4Q09
(Million Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS	-	-	-	2,309	1.5961%	16	2,309
LOANS FROM FOREIGN BANKS GENERATED IN THE COUNTRY	-	-	-	1,317	1.6022%	528	1,317
LOANS FROM DEVELOPMENT BANKS	7,786	4.18%	478	1,912	3.38%	30	9,698
LOANS FROM PUBLIC FUNDS	5,588	5.98%	556	430	1.31%	388	6,018
CALL MONEY & LOANS FROM BANKS	2,945	4.93%	9	-	-	-	2,945
LOANS FROM FIDUCIARY FUNDS	450	7.75%	4,403	-	-	-	450
PROVISIONS FOR INTEREST	57	N.A.	N.A.	-	-	-	57
	16,826			**5,968**			**22,794**
Eliminations	(1,826)			-			(1,826)
Total	**15,000**			**5,968**			**20,968**

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

TRADING INCOME 4Q09 (Million Pesos)	
VALUATION EFFECTS	
Negotiable Instruments	(17)
Securities Held to Maturity	(156)
Repurchase Agreements	-
Derivative instruments	20
Futures	-
From repo trasactions	-
Range	-
Inflation Adjustment	-
Total	**(153)**
Dividends Received	**-**
RESULTS FORM BUYING AND SELLING	
Negotiable Instruments	318
Securities Held for Sell	23
Hedging Derivatives	-
Securities Held to Maturity	-
Derivative Operations	180
Inflation Adjustment	-
Total of Buying and Selling Instruments	**521**
FX Spot	731
FX Forwards	154
FX Futures	(1)
FX Futures TIIE	-
FX Hedging	-
Changes in FX Valuation	(20)
Intermediation of metals	4
Changes in valuation of Metals	8
Total Foreign Exchange	**876**
Inflation Adjustment	**-**
Total of Buying and Selling	**1,397**
TOTAL TRADING INCOME	**1,244**

- **Risk Management**

  - **Credit Risk**

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

The objectives of credit risk management at GFNorte are:

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

  - **Individual Credit Risk**

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

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

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

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

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

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

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

  - **Portfolio Credit Risk**

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

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

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

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

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

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

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

By December 31, 2009, the Banco Mercantil del Norte total portfolio was Ps 223,019 million. The expected loss represents 2.4% and the unexpected loss is 3.9% with respect to the total portfolio. The average expected loss is 2.5% during the period between October and December 2009.

The Brokerage House, the credit exposure of investments is Ps 3,936 milion and the expected loss represents 0.0297% of the exposure. The average expected loss is 0.0197% between October and December 2009.

- **Credit Risks of Financial Instruments**

To identify, measure, supervise and control loan risks of financial instruments there are defined policies for Origination, Analysis, Authorization and Administration.

Origination policies define the types of financial instruments, as well as the method of evaluating the credit risk of the different types of originators / issuers and counterparts. Credit risk is assigned by means of a rating obtained with an internal methodology, through evaluations of external rating agencies or a combination of both. Maximum parameters of operation are also defined depending on the type of originator / issuer or counterpart, rating and type of operation.

Analysis policies include the type of information and the variables considered to analyze operations with financial instruments when they are presented for authorization to the corresponding committee, including information on the originator or counterpart, financial instrument, destination of the operation inside the group and market information.

The Loan Committee authorizes operation lines with financial instruments in accordance with Authorization policies. The request for authorization is submitted to the business sector and other sectors involved in the operation, with all the relevant information for analysis by the Committee who, if considered appropriate, issues its authorization.

Administration policies for transactions with financial instruments consider procedures of Admission, Instrumentation, Compliance with Regulations, Review, Consumption Monitoring, Administration of Lines and Responsibility by the areas and organisms involved in the operation with financial instruments.

Credit risk is measured by the rating associated to the originator, issue or counterparty, which has been assigned a level of risk based on two factors:
1) The probability of non-fulfillment by the originator, issue or counterparty, is expressed as a percentage between 0% and 100% where the higher the rating, the less probability of non-fulfillment and vice versa.
2) The severity of the loss with respect to the total operation in the event of non-fulfillment, is expressed as a percentage between 0% and 100% where the better the guarantees or credit structures, the lower the severity of the loss and vice versa.

At year end, credit risk exposure of Investment Securities for Banco Mercantil del Norte is Ps 213.27 billion, of which 99.4% has a higher or similar rating to A-(mex) on a local level, placing them in investment grade and the 3 main originators other than the Federal Government, State and Financial National Institutions represent 23% of the Basic Capital to September 2009. Additionally, investment exposure with one originator other than the Federal Government represents 5% or more of the Net Capital to September 2009 with a rating higher or equal to AA+(mex) and is comprised of (in billions of pesos and average term considered): 3 month Bancomer stock exchange certificates for Ps 14.001 at 4.8%; 5 month Pemex stock exchange certificates and bonds for Ps 8.445 at 6.2%; 3 month Federal Mortgage deposit certificates for Ps 5.012 at 4.8%; 27 year stock exchange certificates for loans to State and Municipal Governments for Ps 4.321 at 5.3%; 4 month Banobras stock exchange certificates and bonds for Ps 4.043 at 4.8%; and Banco Inbursa promissory notes to 11 days for Ps 3.004 at 4.6%.

The exposure of Derivatives is Ps -2.669 billion, of which 99.9% has a rating higher or equal to A-(mex) on local level, placing them in investment grade and the 3 main counterparts other than then Federal or State Governments and National Financial Institutions represent 5% of the Basic Capital to September 2009.

Credit risk exposure of the Broker-Dealer, for Securities Investments is Ps 3.93 billion, with 100% rated higher or equal to A-(mex) on a local scale, placing them in investment grade, with 100% belonging to the Federal or State Governments or Financial National Institutions. Additionally, the exposure of investments with the same originator other than the Federal Government represents 5% or more of the Equity to September 2009 has a rating higher or equal to AA+(mex) and is a promissory note with Banco Inbursa with an average considered term of 24 days for Ps 2.386 billion at a considered average interest rate of 4.6%. There are no operations with Derivatives.

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

On December 2005, the CNBV issued "General Rules Applied to Credit Institutions in relation to Risk Diversification".

These guidelines state that the Banks must carry out an analysis of their borrowers and/or loans to determine the the amount of "Common Risk"; also, the Banks must have the necessary information and documentation to prove that the persono or group of persons represent common risk in accordance with the assumptions established in those rules.

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

Basic Capital by September 30, 2009	**31,844**
I. Loans whose individual expsoures represent more than 10% of the basic capital:	
Credit operations	
Number of Financings	1
Total amount of financings	4,532
% vs. basic capital	14%
Money Market Operations	
Number of Financings	1
Total amount of financings	4,321
% vs. basic capital	14%
Transactions in overnight	
Number of Financings	1
Total amount of financings	5,618
% vs. basic capital	18%
II. Maximum amount of financing with the 3 major Common Risk debtors and groups	**15,945**

- **Market Risk**

- ***Value at Risk***

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

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

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

The average VaR for the October – December 2009 quarter for the portfolio is Ps 2,616 million.

Million Pesos	4Q08	1Q09	2Q09	3Q09	4Q09
Total Var *	2,447	2,376	2,887	3,154	**2,616**
Net Capital **	44,149	45,113	46,933	47,972	**50,831**
VaR/Net Capital	5.54%	5.27%	6.15%	6.57%	**5.15%**

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

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

Risk Factor	VaR
Domestic interest rate	2,613
Foreign interest rate	648
Exchange rate	122
Capitals	131
Total VaR of Bank and Brokerage House	2,616

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

- ***Backtesting Analysis***

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

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

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

➢ **Liquidity Risk and Balance**

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

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

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

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

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

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

- **Operational Risk**

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

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

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

Pillars of Operational Risk Management

I. Policies, Objectives and Guidelines

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

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

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

II. Quantitative and Qualitative Measuring Tools

<u>Operating Losses Database</u>

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

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

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

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

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

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

- ***Risk Management Model***

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

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

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

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

- **Technology risk**

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

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

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

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

- **Legal risk**

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

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

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

- **Internal Control**

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

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

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

In 4Q09, activities related to strengthening control, risk evaluation and administration, establishment and monitoring of controls, and assurance of quality information continued to be developed; highlighting the following:

A. The Board of Directors ratified its authorization of the basic Internal Control System documents: Code of Conduct, Objectives and Internal Control and the General Policy Limitations for Human Resources and Materials, in accordance with what is stipulated in external regulations.
B. The various Corporate Governance Committees have had the required financial, economic, accounting and/or legal information for proper decision-making.
C. The policy and procedure manuals have been updated as per the changes in external regulations, new products, and changes in the Institution's processes or improvements to internal controls. Additionally, there has been continuous follow-up of the improvement actions regarding the observations made by the different members of the SCI.
D. The Supervisory Authorities' requirements have been addressed and the information required by the external regulations has been submitted.

- **Treasury Policy**

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

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

- **Internal and External Liquidity Sources**

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

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

Another alternative for getting resources is by issuing capital shares.

- **Dividend Policy**

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

- **Related Parties Loans**

At GFNorte, the amount of the loans performed with related individuals and companies, does not exceed the established limit of 50% of the Tier 1 capital. As of December 31, 2009 and September 30, 2009, the loans granted to related parties totaled Ps $7,362 million and Ps $6,940 million, respectively.

- **People in Charge**

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

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

Ing. Sergio García Robles Gil
Chief Financial Officer

C.P. Román Martínez Méndez
Managing Director Audit

Lic. Jorge Eduardo Vega Camargo
Executive Director Comptrollership

C.P. Nora Elia Cantú Suárez
Executive Director Accounting

According to the new criteria, effective as of January 2008, inflationary accounting no longer applies for re-expressing financial statements.

- **Basis for submitting Financial Statements**

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

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

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

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

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