

GFNorte generates a net profit of Ps1,677.3 million for the year.

Net profits for GFNorte were 35.9% higher than in 1999

GFNorte generated profits of Ps1,677.3 million for the year, 35.9% higher than in 1999, with Ps1,463.9 million in the Banking Sector, an increase of the 47.5% over the previous year, excluding the Afore.

Performing loans grew by 16.2% in 2000.

Performing loans of the Banking Sector, excluding Fobaproa, showed an increase of 16.2% during the year, reflecting greater economic activity and the placement efforts undertaken.

The past-due portfolio ratio decreased to 5.1% during the year.

We were able to improve the quality of assets while reducing the past-due portfolio to 5.1% due to the "Punto Final" and "Banorte es Más que Punto Final" programs, and through the collection activities on the portfolio.

We finished the year with coverage reserves of 101.1%

Throughout the year we maintained a reserve coverage above the 100% level, ending the year with an index of 101.1% for this indicator.

Restructuring of the IPAB notes

On November 14th, GFNorte, restructured Ps35,249 million in debt with IPAB as a part of a financial restructuring of the Group. From this date forward, Bancen and Banpaís peso notes were recorded as loans to IPAB for a term of 10 years with a 4 year capital grace period, and contracted at a rate equal to the 28-day TIIE rate plus 0.85 percentual points.

GFNorte Subordinate Convertible Bonds were converted

On December 7th, the Subordinate Convertible Bonds a mandatory conversion into GFNorte 97 capital stock at a conversion price of Ps13.172 took place, leaving 487'123,948 outstanding shares in circulation on December 11,2000, corresponding to a dilution of 5.22% with respect to the shares in circulation on September 30th.

Fitch grants its highest rating to Banorte

The international ratings firm Fitch granted Banorte the "C/D" rating for individual strength, the highest rating for a banking institution in Mexico.

Banorte accomplished alliances with internationally recognized companies

Banorte accomplished business alliances with companies with international prestige, including: Bancaja, Orlandi Valuta, Bankinter, Daimler Chrysler, Zona Financiera and Invershop.

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I. Highlights

Financial Group

GFNORTE and its subsidiaries achieved profits of Ps1,677.3 million pesos, a figure 35.9% higher than in the year 1999 and Ps459.4 million pesos for the fourth quarter of 2000, 56.6% higher than for the same quarter in the previous year. With regard to the accumulated Profits for the year 2000, the Banking Sector of the Group represented 87.2% of the profits of the Financial Group, generating Ps1,463.9 pesos, 47.5% more than in the previous year. Meanwhile, the Brokerage Sector earned profits of Ps27.1 million pesos, the Auxiliary Organizations Sector reported Ps85.3 million, and the Long Term Savings Sector reported Ps40.0 million pesos in earnings.

Banking Sector

Deposits.-Non-interest bearing deposits in the Banking Sector received a major boost during the year, achieving a growth of 14% compared to 1999, while overall deposits increased by 9.5% during the same period. This made it possible to continue optimizing the cost of deposits in the Banking Sector.

Loans.-The year 2000 witnessed a strong reactivation of loans in the Banking Sector of GFNorte, excluding Fobaproa and Government Entities, registering a growth of 16.2% compared to 1999 in performing loans. The growth in this line item during the year stems essentially from the commercial and mortgage portfolios.

Asset Quality.- The Banking Sector ended the year with a past-due loan portfolio balance of Ps4,120 million pesos resulting in a past-due loan ratio of 5.1%, lower than the 5.8% in December 1999. This decrease was mainly due to the success of the "Punto Final" and "BANORTE es Más que Punto Final" mortgage programs, as well as the good results from the collections on the commercial portfolio. The loan coverage reserves for the past-due portfolio reached 101.1%.

Capitalization.- The strategy implemented by GFNorte during the third quarter of 2000, to carry out a financial restructuring of the Group, enabled Banorte to fully reserve for its entire regulatory requirements, including Fobaproa, and meet the strict capitalization criteria that will go into effect in the year 2003. Under these rules, the net capitalization index for Banorte reached a level of 12.8% for credit risk and 11.2% when including market risks. Bancentro, for its part, reached 24.9% and 21.1%, respectively.

Non Interest Expense.- The Non Interest Expense for the Banking Sector showed a considerable decline during the year, dropping 15.3% when compared to the year before. This decrease formed part of the expense rationalization efforts that were carried out by GFNorte.

During the year 2000, the Banking Sector of GFNorte experienced a period of consolidation including the following achievements: 1) An organizational restructuring, which enabled it to integrate specialized business directors and directors of territories under a single line of report. This also decreased the span of control of the General Directors of the Group. 2) The merger of Banpaís with Banco Mercantil del Norte and, 3) a strategy for improving efficiency. This strategy involved the startup of 3 major projects called Evolución, Transformación y Rentabilidad. The objectives of these 3 projects are geared toward the rationalization and control of the operation, optimizing the personnel, the reengineering of the loan process, and the implementation of a culture of profitability at all levels through the application of profitability systems for the business areas, the territories, the branches, the products, and the customer. These projects contributed significantly to the results achieved by GFNorte for the year and will enable it to improve its position in the market and raise the value of its franchise.

Recovery Bank.- As part of its strategy, GFNorte has continued to exploit its strength in the recovery business. At the end of the year 2000, it once again participated in a portfolio bidding process, achieving the

acquisition of a new packet of Serfin's mortgage portfolio worth Ps2,691 million pesos, comprised of 19,253 social interest loans with an outstanding active balance of 66% for which GFNorte paid Ps621 million pesos.

Ratings and Recognition.- The international rating firm Fitch granted the "C/D" rating to Banorte for individual strength, the highest rating granted to any Mexican banking institution, BBB- for the national currency, and BB+ for foreign currency, limited only by the prevailing risk ceiling. Likewise, in the third quarter of the year, Banorte received recognition from the prestigious English journal "The Banker" as the best Mexican Bank in its first award of prizes for the best banks in the world. This prize was awarded for its strategy to take the bank from a regional level to a national level and for its preparations to face a more competitive market.

e-Business.- GFNorte re-launched its new Internet service in August, 2000 and promoted it through special events carried out in the main cities in Mexico. During the year Banorte's portal was redesigned providing new capabilities for individuals through home banking (Banco en su Casa), launched a solution for internet for businesses (Banorte en su Empresa), developed a solution for credit card payments on e-commerce markets and launched to the market a new internet virtual card. New services were developed through internet for the acquisition and payments of Banorte-Generali insurance policies, as well as information inquiries for the Afore, the implementation of the on-line buy/sell of stocks and mutual funds in the Brokerage House. Also, the internet strategy will be a powerful productivity tool for the simplification of internal processes.

Alliances.- Banorte aware for participating on the financial business globalization, has developed some specific alliances with international prestigious firms, all of them oriented toward value generation, among them: Bancaja, for tourism spots development; Bankinter, where Banorte's clients will be granted with access to the Spanish bank services and vice versa; DaimlerChrysler, for automotive financing; Orlandi Valuta, the third largest US- Mexico money transfer corporation through which Banorte will participate in this market; Investshop, for the development of virtual stock investment simulator and Zona Financiera.com, where users of this site will be able to access GFNorte's financial products and services.

Brokerage Sector

The Brokerage Sector of the Group, which consists of the BANORTE BROKERAGE HOUSE, generated Ps27.1 million pesos in profits during the year. This figure is lower than the earnings accumulated in 1999 because at the end of the year the management of the investment companies was transferred to Bancentro as part of the financial restructuring initiatives of the Group, with these revenues now being reported under Bancentro. In the same way, the money market operations and their income passed to Banorte. For their part, the assets under management ended the year with a balance of Ps61,929.

Long Term Savings Sector

GFNORTE continued to increase its market participation in the pension management sector through the SÓLIDA BANORTE-GENERALI AFORE company, raising its market participation to 8.9% and gaining 1,581,460 affiliates with one of the lowest membership costs in the industry. The funds under management grew to Ps8,741 million pesos, 51.4% greater than the year before. The accumulated profit of this Sector was Ps40.0 million pesos, 37.0% higher than was earned in 1999.

Auxiliary Organizations Sector

Here we highlight the growth of the Banorte Factoring loan portfolio by 49.4% during the year, and the decline of the past-due loan ratio on the Banorte leasing company from 5.9% in 1999 to 3.5% in 2000.

II. Macroeconomic Environment

During the fourth quarter of the year, the situation abroad continued to hinder the evolution of Mexican markets. The stock market in the United States maintained a predominantly negative trend influenced by now more concrete evidence of an economic slowdown and the ensuing lower earnings expectations for companies. As was true throughout the year 2000, the Mexican stock market constantly felt the influence from abroad, particularly of the NASDAQ, and experienced a loss of 12.07%.

For the fixed yield market, the fourth quarter was a period punctuated by a clear increase in interest rates, a result of the restrictive monetary policy on the part of the Banco de México, as well as the negative effects of the uncertainty abroad. This pushed the interest rates up by 2.1%, ending the year at 17.59%.

The exchange rate experienced a decline of 1.8% during the quarter, moving from 9.41 to 9.57. This movement took place mainly toward the end of December, due to the emerging uncertainty about the economic future of the United States in the year 2001. Also, a correction in the price of petroleum started during the month of November, and experienced a cumulative loss of 6 dollars for the quarter. For the year as a whole, the Mexican currency depreciated by less than 1% in nominal terms.

The downward trend for inflation stagnated during the fourth quarter of the year. Inflation over the past twelve months went from 8.85% to 8.96% during the period. Nevertheless, the continued strong consumer activity, combined with the heightened expectations of exchange rate depreciation, leads us to expect that there are obvious risks for continuing to stop the rise in prices and, in such a case, the Banco de México will be forced to act by implementing a restrictive monetary policy.

During the fourth quarter, the growth rate of the economy, though a bit slower, still continued to show signs of strength, particularly with respect to consumer spending. The general indicator of economic activity grew 6.5% in October, compared with 7.5% during the first nine months of the year. In terms of industrial production the increase was 6.0% in the October-November two-month period, compared with 7.5% for production during the first nine months.

With respect to the foreign sector, exports continued to grow at a respectable rate, though less than during the first three quarters. The combination of lower petroleum prices and slower economic growth in the United States started to be felt in foreign trade, a trend that we expect to become more pronounced in the coming months. During the October-November period, this grew by 19.3%, a figure lower than the 23.5% seen for the first nine months of the year. For its part, imports, bolstered by strong consumer spending, grew by 22.42%, a figure slightly lower than the 24.1% for the first three quarters of the year.

Consumer spending, which represents around 60% of GDP, maintained its accelerated growth pace. The numbers from retail automobile sales, as well as general goods and automotive services, demonstrate the strength of consumer spending. All this, taken together, leads us to anticipate a growth slightly above 6% during the fourth quarter and a gain for the year of around 7.3%.

For the year 2001, the combination of a less favorable foreign environment with the need to continue to make headway against inflation and the fiscal deficit, points to a slower economic growth in the year 2001.

III. Strategy

The results achieved in the year 2000 were in line with the original expectations included in our business strategy. The forecast for the year under review included a reduction in the net interest income due to lower interest rate levels, as well as a decrease in the yields on the Fobaproa notes, and also to the increase in the contributions to IPAB.

Grupo Financiero Banorte managed to accomplish this successfully through a program of improvements in efficiency and cost rationalization, which enabled the banking group to reduce costs by 15.3% in comparison with 1999. Another factor was the acquisition of new business through its recovery banking sector, with the purchase of collection rights on approx. Ps25,000 million of Serfin loans and repossessed assets to IPAB.

IV. Recent Events

Grupo Financiero Banorte

Restructuring of the IPAB notes.- On November 14, 2000, GFNorte restructured Ps35,249 million in debt with IPAB as part of the financial restructuring of the Group. The term of the debt was increased from 6 to 10 years. Bancen´s and Banpais´ peso notes were recorded in Banorte as loans to IPAB at a rate equal to the 28 day TIE + 0.85 percentual points, a yield equivalent to what these notes earned in 2000, so the change in the formula for determining the interest rate do not affect the income earned on these notes. The restructured debt was that of the IPAB loans in national currency and the right of IPAB to prepay the loans is maintained as before. The advantages of this transaction are: 1) the term of the loan is extended from 6 to 10 years; 2) the period for cash interest payments is reduced from 90 to 28 days; 3) the return on the loans is disconnected from special formulas to establish reference rates based on market rates.

Conversion of Subordinate Convertible Bonds of GFNorte.- On December 7, Ps425 million in Subordinate Convertible Bonds of the Group (GFNorte 97) were converted at a conversion price of Ps13.72 per bond, resulting in 32,265,404 new shares in circulation on December 8, 2000, equivalent to a dilution of 5.22% compared to the outstanding shares on September 30th of the year. This conversion was achieved through a modified conversion formula that established that, if the average price during the last 15 trading sessions was lower than the book value, the average market price was used instead. This modification was approved in the General Extraordinary Stockholders Meeting, and the General Bondholders Meeting held on November 21, 2000.

Purchase of Ps2,691 million of the IPAB mortgage portfolio.- On December 6, 2000, GFNorte won the auction tender for the purchase of Ps2,691 million of the IPAB mortgage portfolio for which it will pay Ps621 million. This portfolio is integrated with medium level and residential loans. This operation was carried out through the Banorte subsidiary Sólida Asesoría y Servicios Corporativos, S.A. de C.V, which will manage the collection of these loans. Mexican and prestigious well-known foreign companies also participated in this bidding process.

Increase in the stock repurchase Fund.- In the Ordinary General Stockholders Meeting held on November 21, 2000, an increase in the stock repurchase fund was approved, setting a new limit of Ps400 million. This increase was requested with the purpose of having more resources to support the stability of GFNorte share price.

FITCH grants its highest rating to Banorte.- The prestigious international ratings firm FITCH gave the "C/D" rating to Banco Mercantil for individual strength. the highest rating ever granted to a Mexican Banking Institution. It also gave the rating "BBB-" for national currency and "BB+" for foreign currency, the latter being limited only by the prevailing risk ceiling. In accordance with this rating, the outlook for Banorte is "positive." This was stated in its communication of January 8, 2001.

Banking Sector

New loan restructuring program.- Since the beginning of the quarter, Banorte has launched a program called "Ahora, Banorte está Contigo" through which it will restructure mortgage and consumer loans. This program is designed to offer definitive alternatives to resolve delinquent debt and decrease the past-due portfolio of Banorte through settlement incentives and loan restructuring through discounts and preferential fixed rates.

V. Grupo Financiero- Consolidated

Grupo Financiero Banorte Earnings
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(Millions as of December '00 Ps)	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
G. F. Banorte [holding]	3.6	16.4	36.6	1.8	61.0
<u>Banking Sector</u>					
Banco Mercantil del Norte (1)	166.0	145.5	254.1	739.6	643.2
Banco del Centro (2)	<u>62.8</u>	<u>238.8</u>	<u>170.1</u>	<u>253.1</u>	<u>820.7</u>
	228.8	429.3	424.2	992.7	1,463.9
<u>Brokerage Sector</u>					
Brokerage House	45.0	50.4	(31.1)	161.2	27.1
<u>Long-Term Saving Sector</u>					
Pension Funds Afore	8.2	27.4	4.9	59.5	68.3
Bancassurance	5.6	14.6	7.5	(6.4)	4.6
Annuities	<u>(2.5)</u>	<u>(2.3)</u>	<u>(13.7)</u>	<u>(23.8)</u>	<u>(32.8)</u>
	11.3	39.8	(1.4)	29.2	40.0
<u>Auxiliary Organization Sector</u>					
Leasing	0.1	7.2	7.0	11.3	23.1
Factoring	3.5	11.2	13.1	29.1	42.4
Warehousing	(0.0)	2.2	10.2	2.5	13.7
Bonding	<u>1.0</u>	<u>2.3</u>	<u>0.7</u>	<u>6.3</u>	<u>6.2</u>
	4.6	22.9	31.0	49.2	85.3
Total	293.4	558.8	459.4	1,234.0	1,677.3
RATIOS					
Net Income per Share (3)	0.59	1.13	0.93	2.50	3.40
Dividends per share (3)	-	-	-	-	-
Book Value per share(3) (4)	16.00	13.40	15.21	16.00	15.21

1) 95.79% owned by GFNorte. Includes Banpaís.

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

3) Per Share data, based on 493.2 million shares outstanding on December 31, 2000.

4) Excluding Minority holdings.

Grupo Financiero Banorte consolidated generated a net income of Ps1,677.3 million in the year, a 35.9% increase over that of 1999, equivalent to 3.40 pesos per share, that compares favorably with the 2.50 pesos per share obtained in 1999. During the quarter, GFNorte showed profits for Ps459.4 million, 56.6% higher than those of 4Q99, and equivalent to 0.93 pesos per share. Book value per share at the close of 2000 was 15.21, lower than that of the previous year due to charges against capital in Banorte in 3Q00 for an amount of Ps1,937.7 million, to fully reserve for Fobaproa contingencies.

Relevant Numbers for Grupo Financiero
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(Millions of December '00 Ps)

Income Statement	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
Net Interest Income (NII)	1,928.4	1,467.1	1,397.9	8,020.5	6,269.3
+ REPOMO-Margin	<u>114.0</u>	<u>(26.4)</u>	<u>13.1</u>	<u>863.1</u>	<u>(21.0)</u>
= NET Interest Income after Repomo	2,042.3	1,440.8	1,411.0	8,883.6	6,248.3
- Loan Loss Provisions	183.1	6.6	256.5	664.6	661.7
- Loss Sharing Provisions	<u>(11.3)</u>	<u>80.8</u>	=	<u>280.6</u>	<u>159.1</u>
=Net Interest Income after Provisions	1,870.5	1,353.4	1,154.5	7,938.3	5,427.6
+ Non Interest Income	<u>359.6</u>	<u>782.6</u>	<u>826.0</u>	<u>2,009.6</u>	<u>2,771.6</u>
= Total Operating Income	2,230.1	2,135.9	1,980.5	9,947.9	8,199.1
- Non Interest Expense	<u>1,900.1</u>	<u>1,692.5</u>	<u>1,720.5</u>	<u>7,673.4</u>	<u>6,674.8</u>
= Net Operating Income	329.2	443.5	260.1	2,274.5	1,524.3
- Other Expenses (Revenues)	<u>17.8</u>	<u>203.4</u>	<u>152.7</u>	<u>(739.5)</u>	<u>364.6</u>
= Pre-tax Income	347.0	646.9	412.8	1,535.0	1,888.9
- Income Tax & profit sharing	3.5	(51.1)	(23.3)	(114.4)	(82.0)
- Tax on asset	(16.5)	(5.7)	(0.5)	(43.2)	(16.3)
- Deferred Income Tax & profit sharing	<u>(59.3)</u>	<u>(21.6)</u>	<u>73.8</u>	<u>(45.2)</u>	<u>(24.6)</u>
= Net Income before Subsidiaries	274.6	568.5	462.8	1,332.2	1,766.0
+ Undistrib. Earnings of Subsidiaries	<u>39.7</u>	<u>20.6</u>	<u>11.0</u>	<u>8.0</u>	<u>10.4</u>
=Net Income-contin. Operation	314.3	589.1	473.8	1,340.2	1,776.4
+ Extraordinary Items, net	-	-	-	-	-
- Minority Income	<u>(20.9)</u>	<u>(30.3)</u>	<u>(14.5)</u>	<u>(106.1)</u>	<u>(99.0)</u>
=Total Net Income	293.4	558.8	459.4	1,234.0	1,677.3
Profability Ratios					
ROA (1)	1.0%	1.8%	1.7%	1.1%	1.4%
ROE (2)	14.1%	27.6%	25.3%	15.1%	20.7%

Balance Sheet

	4Q99	3Q00	4Q00
Total Assets	125,718	116,804	103,116
Loan Portfolio	84,979	84,657	80,086
Performing loans excl. Fobaproa and Govern. Ent.	22,883	25,130	27,290
Deposits	92,594	86,649	67,668
Total Deposits (3)	124,945	133,228	137,010
Equity	9,162	7,769	8,220
Past Due Loans	4,974	4,156	4,146
Loan Loss Reserves	4,984	4,268	4,183

Asset Quality Ratios

Past Due Loans to Total Loans	5.9%	4.9%	5.2%
Loan Loss Reserves to Past Due Loans	100.2%	102.7%	100.9%

- 1) Annualized earnings as a percentage of the average of end of the month assets over the period.
- 2) Annualized earnings as a percentage of the average of end of the month equity over the period.
- 3) Deposits + On behalf of Third Parties Deposits.

VI. Information by Sectors

1. Banking Sector

(Millions of December 00 Ps)

Income Statement	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
Net Interest Income	1,780.0	1,358.9	1,363.7	7,452.8	5,937.3
+ REPOMO-Margin	<u>138.0</u>	<u>(16.9)</u>	<u>7.2</u>	<u>943.4</u>	<u>13.4</u>
= Net Interest Income after Repomo	1,918.0	1,342.0	1,370.9	8,396.2	5,950.7
- Loan Loss Provisions	176.3	6.3	256.1	649.1	657.7
- Loss Sharing Provisions	(11.3)	80.8	-	280.6	159.1
= Net Interest Income after Provisions	1,752.9	1,254.9	1,114.7	7,466.5	5,133.9
+ Non Interest Income	<u>220.4</u>	<u>508.8</u>	<u>679.5</u>	<u>1,336.3</u>	<u>2,005.0</u>
= Total Operating Income	1,973.3	1,763.7	1,794.3	8,802.8	7,139.0
- Non Interest Expense	<u>1,712.7</u>	<u>1,480.8</u>	<u>1,533.6</u>	<u>6,941.8</u>	<u>5,880.7</u>
= Net Operating Income	260.6	282.8	260.7	1,861.0	1,258.3
+ Other Expenses (Revenues)	<u>23.2</u>	<u>185.6</u>	<u>87.4</u>	<u>(728.4)</u>	<u>285.8</u>
= Pre-tax Income	283.8	468.4	348.1	1,132.6	1,544.1
- Income Tax & profit sharing	4.9	(6.2)	(21.1)	(4.0)	(27.3)
- Tax on asset	(15.1)	(5.7)	(0.5)	(41.1)	(16.3)
- Deferred Income Tax & profit sharing	<u>(40.6)</u>	<u>(23.7)</u>	<u>103.8</u>	<u>(55.6)</u>	<u>(9.8)</u>
= Net Income before Subsidiaries	233.0	432.9	430.3	1,032.0	1,490.7
+ Undistrib. Earnings of Subs.	<u>16.9</u>	<u>27.5</u>	<u>8.0</u>	<u>69.2</u>	<u>75.0</u>
= Net Income-continuous Operation	249.9	460.4	438.3	1,101.1	1,565.8
+ Extraordinary Items, net	-	-	-	-	-
Minoritary Income	<u>(13.0)</u>	-	-	<u>(49.0)</u>	<u>(3.1)</u>
=Total Net Income	236.9	460.4	438.3	1,052.1	1,562.6
Profability Ratios					
ROA (1)	0.8%	1.4%	1.6%	0.9%	1.2%
ROE (2)	13.9%	25.8%	28.3%	15.1%	22.3%

Balance Sheet	4Q99	3Q00	4Q00
Total Assets	123,471	114,421	100,884
Loan Portfolio	84,841	84,436	80,250
Deposits	92,901	86,827	67,831
Equity	7,208	6,358	6,865
Past Due Loans	4,935	4,127	4,120
Loan Loss Reserves	4,967	4,249	4,166

Asset Quality Ratios

Past Due Loans to Total Loans	5.8%	4.9%	5.2%
Loan Loss Reserves to Past Due Loans	100.7%	102.9%	101.1%

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

Profits from the Banking Sector totaled Ps1,562.6 million during the year, 48.5% higher than the previous year, and Ps438.3 million in the quarter, 85.0% higher than those of 4Q99. During the year, Loan Loss Provisions for Ps657.7 million and Ps159.1 million for Fobaproa Loss Sharing Provisions were charged through the Income Statement. The first was similar to the amount of 1999 and the later was 43.3% lower when compared to the previous year due to the fully provisioning of Fobaproa contingencies carried out in 3Q00 against capital. Net Interest Income before Repomo decreased by 20.3% with respect to 1999 due to a lower level of interest rates and a decrease in the Fobaproa notes yield at the end of 1999. However, this

negative impact was partially offset by an improvement in the mix of deposits. Non Interest Income was Ps2,005.0 million vs. Ps1,336.3 million of the previous year, an increase of 50.0% been the main factor a higher fee income received from the Serfin loans collections. Non Interest Expense was Ps5,880.7 million, 15.3% lower than in 1999 due primarily to the success of the expense reduction program. Other Expenses (Revenues) went from Ps728.4 million negative in 1999 to Ps285.8 million in 2000 as a reflect of a lower inflation in the Repomo-Other account. In the 4Q00, Ps106 millones of previous years Deferred Taxes and Profit Sharing were canceled in the results on Banorte and taken against Retained Earnings in Capital accounts, due to the application of the D-4 bulletin of accounting principles.

Net Interest Income

(Millions as of December '00 Ps)	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
BANKING SECTOR					
Interest Income	6,426.1	6,704.3	9,662.3	27,316.9	27,914.3
Interest Expense	4,794.3	5,483.4	8,182.0	20,392.2	22,277.1
Loan Fees	152.5	141.8	(111.5)	554.5	316.0
Fees Paid	4.3	3.8	5.1	26.2	15.9
Net Interest Income before Repomo	1,780.0	1,358.9	1,363.7	7,452.8	5,937.3

(Millions as of December '00 Ps)	3Q00		4Q00	
	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	3,611.5	1,022.9	3,978.1	608.5
Interest Income- repo agreement	1,057.1	1,017.2	2,501.6	2,575.5
Foreign exchange Valuation	(4.4)	0.0	(1.4)	0.0
UDI valuation	0.0	0.0	0.0	0.0
Valorization Inst. Indizados	0.0	0.0	0.0	0.0
Interest Income	4,664.2	2,040.1	6,478.2	3,184.0
Loan Fees	135.9	5.9	(112.3)	0.8
	4,800.1	2,046.0	6,365.9	3,184.9
Interest Expenses-dep.& funding	2,777.4	555.8	2,886.4	158.0
Interest expenses- repo agreement	1,050.4	1,091.2	2,340.0	2,738.1
Foreign exchange Valuation	0.0	(0.1)	0.0	0.0
UDI valuation	8.6	0.0	12.2	2.2
Valorization Inst. Indizados	0.0	0.0	0.0	0.0
- Interest Expense	3,836.5	1,646.9	5,238.6	2,943.3
Fees paid	3.4	0.4	5.1	0.0
	3,839.9	1,647.3	5,243.7	2,943.3
= Net Interest Income	960.2	398.7	1,122.2	241.5
Average earnings Assets	103,003	22,583	105,317	11,321
% Net Interest Margin (1)	3.7%	7.1%	4.3%	8.5%

(1) Anualized Net Interest Income

Net interest income before Repomo of the Banking Sector was Ps5,937.3 million for the year, 20.0% less than in 1999, primarily due to the lower interest rates, as the 28 day CD (Cete) averaged 21.6% in 1999, while decreasing to an average of only 15.26% in 2000. This was also due to the negative impact of the reduction in the yield on the Fobaproa notes that Banorte held as of December 1999. Net income for the quarter was Ps1,363.7 million, an amount similar to the Ps1,358.9 million for the third quarter 2000, due to a reclassification of Ps206 million of commissions charged on credit cards, arising from charges to other banks for the use of Banorte's Automatic Teller Machines (ATMs) and Point of Sale Terminals (POS) during the year, which were posted to the account "other commissions" under the heading "other products and expenses".

Excluding this item, net income increased by 15.5% due to higher interest rates during the period and to the significant improvement in the mix of deposits.

During the year, several programs were implemented that were geared toward increasing the interest collected and toward decreasing the cost of deposits. These achieved good results, as we were able to grow the active portfolio, excluding Fobaproa and Government Institutions, by 16.2% and non-interest bearing checking deposits by 14%.

Non Interest Income

(Millions as of December '00 Ps)	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
Fees on purchased services:					
+ Fund Transfers	9.6	7.8	8.4	33.4	32.7
+ Account Management Fees	55.6	68.3	76.9	192.7	258.5
+ Fiduciary	17.4	223.1	136.2	62.2	607.5
+ Credit Card	5.6	7.8	9.0	18.9	28.0
+ From Fobaproa	144.3	137.6	103.0	870.9	546.5
+ Other Fees	<u>48.5</u>	<u>51.3</u>	<u>313.8</u>	<u>182.2</u>	<u>496.4</u>
	281.0	495.8	648.0	1,360.4	1,969.2
Fees on payed services:					
+ Fund Transfers	0.0	0.0	0.0	0.4	0.0
+ Other Fees	<u>105.6</u>	<u>84.2</u>	<u>83.6</u>	<u>330.8</u>	<u>344.0</u>
	105.7	84.2	83.6	331.2	344.0
=Net Fees	175.3	411.6	564.4	1,029.2	1,625.2
= Trading Income					
+ Foreign Exchange	5.7	49.2	44.9	180.9	195.4
+ Security- Realized gains	40.4	(1.2)	(0.5)	122.3	17.2
+ Security- Unrealized gains	<u>(1.1)</u>	<u>49.3</u>	<u>70.8</u>	<u>3.9</u>	<u>167.3</u>
	45.1	97.3	115.2	307.1	379.9
= Non Interest Income	220.4	508.8	679.5	1,336.3	2,005.0

Non interest income for the year reached Ps2,005.0 million, 50.0% higher than in 1999, mainly due to the income stemming from collections on the Serfin portfolio, which was included by way of the trust account since the first quarter of 2000, amounting to Ps607.5 million, almost 10 times more than the total recorded in 1999 for this account. On the other hand, Fobaproa commissions decreased by 37.3%, due to the fact that in 1999, we collected extraordinary commission income of about Ps300 million. Other commissions increased by 172.5% compared to 1999, due to the fact that we reclassified the commissions collected from other banks for the use of ATM machines and Point of Sale terminals amounting to Ps206 million in the fourth quarter of 2000. These had before been grouped with loans fees under the heading net interest income. Trading income increased by 23.7% due mainly to an important increase in Unrealized gains from securities that more than offset the drop in Realized gains.

Non Interest Expense

(Millions as of December '00 Ps)	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
Personnel Expenses	673.1	593.5	656.4	2,594.2	2,470.6
+ Fees Paid	92.5	61.7	77.8	404.4	294.8
+ Operation & Administration Expenses	327.1	445.6	382.2	2,132.3	1,586.0
+ Rent, Depreciation & Amortization	191.9	167.2	147.9	773.1	645.9
+ Tax other than income tax	338.8	120.3	177.8	738.2	514.8
+ Contributions to IPAB	89.3	92.6	91.4	299.5	368.6
- Corporate Expense Recoveries	=	=	=	=	=
= Non Interest Expense	1,712.7	1,480.8	1,533.6	6,941.8	5,880.7

The actions taken during the year to reduce costs yielded very positive results, as costs were decreased by 15.3%, compared to 1999. This was achieved through a program of strict cost control in all areas and processes of the banking sector. This reduction is reflected in the different cost items, except for the contributions to IPAB, the sum of which is tied to the level of deposits, which grew by 9.8%, and to the increase in fees charged by IPAB from 3 to 4 per thousand as of July 1999. Personnel expenses decreased by 4.8% in relation to the year before, mainly because the number of employees during the year was 3.1% lower than in 1999. Fees paid decreased by 27.1% because fewer consultants were hired. Administrative and Promotional Expenses decreased by 25.6% for the year, primarily as a result of lower marketing and technology spending and through the implementation of strict cost containment policies. The line item "other taxes", which mainly includes non-creditable VAT (Value Added Tax), fell by 30.3% as a result of a lower expense and investment levels compared to 1999.

Other Expenses (Revenues)

(Millions as of December '00 Ps)	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
+ Other Revenues	171.9	148.4	186.3	327.1	583.0
+ Foreign Exchange	-	-	-	-	0.4
+ Recoveries	27.5	203.3	88.4	293.0	321.2
+ Repomo-other	=	=	=	=	16.7
= Other Revenues	199.4	351.6	274.7	620.0	921.2
- Other Expenses	(17.0)	(132.6)	(146.3)	(285.7)	(375.5)
- Foreign Exchange	-	-	-	-	(21.6)
- Repomo-other	(159.3)	(33.4)	(40.9)	(1,062.7)	(238.3)
= Other Expenses	(176.3)	(166.0)	(187.2)	(1,348.5)	(635.4)
= Other Expenses(Revenues)	23.2	185.6	87.4	(728.4)	285.8

The net results from Other Products and Expenses for 2000 were Ps285.8 million vs. negative Ps728.4 million for the prior year, due mainly to a 77.6% decrease in the Repomo – other item under the heading Other Expenses equivalent to a Ps824.4 million decrease, as a result of a lower inflation rate of the year. The other important change was in the account "other products", which increased by 78.2% in annualized terms, due to income stemming from the administration of the Mutual Funds as of the third quarter of 1999, which had previously been managed by the Brokerage House of the Group. Income from recoveries was Ps321.2 million, 9.6% higher than the year before.

Loan Portfolio

(Millions as of December '00 Ps)	4Q99	3Q00	4Q00
Performing Loans			
Commercial	15,114	16,453	19,222
Financial Intermediaries	3,319	3,750	2,586
Consumer	565	607	623
Mortgages	3,804	4,143	4,067
Government Entities	3,193	2,701	37,755
Fobaproa	<u>53,911</u>	<u>52,654</u>	<u>11,877</u>
Total	79,906	80,308	76,130
Past Due Loans			
Commercial	2,198	1,771	1,722
Financial Intermediaries	-	1	-
Consumer	724	594	595
Mortgages	2,014	1,761	1,803
Government Entities	-	-	-
Total	4,935	4,127	4,120
Total Proprietary Loans	84,841	84,436	80,250
% Past Due Loans	5.8	4.9	5.1

The performing loan portfolio without Fobaproa and loans to Government Entities increased by 16.2% compared to December 1999, and 6.2% during the quarter due mainly to an increase in economic activity in the country, and also to the promotional efforts of the Group to make new loans. This growth was reflected primarily in the commercial, mortgage, and consumer portfolios. Total loans decreased by 5.4% in 2000 compared to 1999 because the Fobaproa notes of Banpais and Bancen did not capitalize interests. It was also due to the Fobaproa notes amortizations during the year for an amount of Ps5,813 million, and to the loss sharing provisions created during the 3Q00 for Ps1,334 million that are netted out with the Fobaproa notes. In November 2000, Ps35,249 million of peso notes were restructured with IPAB that now are shown in the Government Entities line, so the Loans to Fobaproa account includes only the dollar Fobaproa notes and those of Banorte.

The past-due portfolio decreased by 16.5% compared to the close of 1999 due, on one hand, to the restructuring programs of the mortgage portfolio, known as "Punto Final" and "Banorte es Más que Punto Final" which managed to lower the level of the past-due mortgage portfolio by 10.5%. Another important factor was the decrease in the past-due commercial portfolio by 21.7%, due to the collection and loan restructuring efforts. The past-due portfolio index went down from 5.8% in December 1999 to 5.1% at the close of 2000 as a result of the aforementioned programs and activities undertaken by Banorte.

Classified Loans

(Millions of December '00 Pesos)

Category	3Q00(**)		4Q00(***)	
	Loans	%	Loans	%
A	20,033	66.0%	20,644	68.5%
B	5,147	17.0%	4,085	13.6%
C	1,507	5.0%	1,979	6.6%
D	2,964	9.8%	2,644	8.8%
E (*)	<u>699</u>	2.3%	770	2.6%
Total	30,351	100.0%	30,122	100.0%
Excepted	53,848	63.7%	52,841	63.4%
Not Classified	271	0.3%	331	0.4%
Total	84,469	64.1%	83,294	63.8%

(*) Net of Charges offs

Note : Consolidated with UDIS

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

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

Fobaproa-IPAB

At the close of December 2000, the remaining contingencies were fully covered for FOBAPROA-IPAB through its programs of Loss Sharing, Incentive Scheme, and FOBA-70. Cash collections represent 21.0% of the balance of Banorte's FOBAPROA-IPAB loans.

(Million as Of December '00)

	REMAINING CONTINGENCIES			TOTAL
	LOSS(1) SHARING	INCENTIVE(1) SCHEME	FOBA-70 (2)	
Gross Fobaproa notes balance	8,924	5,380	873	5,177
- Cash recoveries	1,818	1,185	201	3,204
- Repossessed assets	=	=	<u>234</u>	<u>234</u>
= Balance net of recoveries	7,106	4,195	438	11,739
Contingency before reserves	1,894	310	438	2,642
- Reserves	<u>1,894</u>	<u>318</u>	<u>438</u>	<u>2,650</u>
= Remaining contingencies	0	(8)	0	(8)

Loan Loss Reserves (LLR)

(Millions as of December '00 Ps)

	4Q00		
	BANORTE	BANCEN	TOTAL
Previous Period end-Loan Loss	3,868	381	4,249
+ Provisions taken in the period	212	28	240
- Charge offs and discounts	144	12	157
-Special Fobaproa Notes Reserves	-	-	-
+ Valuation & Other	<u>(152)</u>	<u>(14)</u>	<u>(166)</u>
= Loan Loss Reserves at period end	3,784	382	4,166

During the quarter Ps240.0 million of loan loss provisions were created through the Income Statement. Also, Ps157 million of Charge Offs and discounts related to loan collections and restructurings were registered. The Valuation and Other account showed a negative impact of Ps166 million from which Ps113 million were transfers to UDI trusts and Ps54 million was the valuation effect on the US dollar loan portfolio. The Loan Loss Reserve balance at the end of 2000 was Ps4,166 million.

Reserve Coverage as of 4Q00

(Millions as of December '00 Ps)

BANORTE	Past Due	Reserves	Reserves/Past Due
Commercial	1,658	1,658	100.0%
Financial Intermediaries	-	-	-
Consumer	595	595	100.0%
Mortgage	1,669	1,531	91.7%
Government Entities	=	=	=
Total	3,922	3,784	96.5%

<u>BANCEN</u>			
Commercial	64	64	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	134	134	100.0%
Government Entities	-	-	-
Surplus	-	<u>184</u>	-
Total	198	382	192.9%
<hr/>			
Total	4,120	4,166	101.1%

The reserve coverage for the Banking Sector was at 101.1% during the 4Q00. In the case of Banorte the reserve coverage was 96.5%, with 100% coverage for the past due commercial and consumer portfolios and 91.7% for the mortgages. In the case of Bancen, the reserve coverage amounted to 192.9%, with individual coverages surpassing 100%, and a surplus of Ps184 million to cover future contingencies.

Deposits

<i>(Millions as of December '00 Ps)</i>	4Q99	3Q00	4Q00
Demand Deposits	25,005	23,845	25,958
Time Deposits	64,604	61,695	40,544
Bonds	<u>3,293</u>	<u>1,288</u>	<u>1,309</u>
Total	92,901	86,827	67,811
On behalf of Third Parties Deposits	32,351	46,579	69,342

The financial restructuring of the Group, undertaken in the third quarter of the year and the financial market conditions changed the deposit figures of the Banking Sector in the fourth quarter in an important way, mainly impacting them as follows:

- 1) In the third quarter of 2000 we transferred our cash position for third party accounts to the Stock Brokerage House, increasing this line item by approximately Ps30,000 million.
- 2) Financial Market conditions prevailing throughout the year, caused a change in the operating policies of the Banorte treasury, decreasing its position in fixed rate certificates which are funded with term deposits.

The program for obtaining deposits at low cost geared toward improving the mix of deposits yielded good results, as we were able to increase non-interest bearing checking deposits by 14% compared to December 1999. Total deposits (Deposits + On behalf of Third Parties Deposits) grew by 9.5% in 2000.

Risk Management

The average "Value at Risk" (or VaR) for the quarter of the portfolio of negotiable instruments of the Group (Banking and Brokerage Sectors) including bonds, stocks, money market operations, interest rate swaps, forward and futures contracts, and other derivatives on and off the balance sheet were calculated in two ways: the first by maintaining a holding period of 1 day with a confidence level of 95% and the second by maintaining a holding period of 10 days with a confidence level of 99%.

Value at Risk
(Millions of pesos)

	1T00	2T00	3T00	4T00
VaR 1 day	59	48	63	80
VaR 10 days	267	214	277	356

The average VaR during the quarter under the first definition was Ps80 million, equivalent to 0.97% of the capital of the Group, and under the second definition the average VaR was Ps356 million, equivalent to 4.33% of the capital of the Group.

Capitalization

(Millions as of December '00 Ps)

	2003 RULES	
	BANORTE	BANCEN
Basic Capital	4,541	800
Supplemental Capital	455	-
Net Capital	4,996	800
Riskcredit assets	38,906	3,211
Net Capital / Risk Credit Asset	12.84%	24.9%
Total risks assets (1)	44,482	3,790
Capitalization Ratio		
Tier 1	10.2%	21.1%
Tier 2	1.0%	-
Total Capitalization Ratio	11.2%	21.1%

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

The Banking Sector of the Group anticipated since 3Q00 the fulfillment of the 2003 capitalization requirements, and therefore, since the previous quarter, capitalization indexes are shown using 2003 rules.

At the end of 2000, Banorte close the year with a credit risk assets capitalization ratio of 12.8% and 11.2% including market risks, with 10.2% of Tier 1 and 1.0% of Tier 2. For Bancen, the credit risk assets capitalization ratio was 24.9% and 21.1% including market risks, with 21.1% of Tier1 and zero of Tier2.

US Dollar Assets and Liabilities

(Millions of Dollars)

	3Q00		4Q00	
	BANORTE	BANCEN	BANORTE	BANCEN
Liabilities				
Retail Deposits	853.4	0.0	824.2	0.0
Market Deposits	402.1	0.0	373.1	0.0
Loans	424.2	0.0	393.9	0.0
Intergroup Funding	0.0	195.3	0.0	0.0
Development Banks	190.2	35.6	174.1	34.4
Cross Currency Swaps	150.0	0.0	150.0	0.0
Deferred payments	10.9	0.0	23.0	0.0
Loan Loss Reserves	53.6	0.0	52.7	0.0
Foreign Exchange Der	107.5	0.0	65.3	0.0
Other liabilities	0.0	2.9	0.0	1.4
Total	2,191.7	233.8	2,056.3	35.8

<u>Assets</u>				
Cash	11.9	0.0	14.1	0.0
Deposits on Foreign B	373.4	0.0	493.3	35.4
Intergroup Deposits	195.3	0.0	0.0	0.0
USCP	59.7	0.0	19.9	0.0
Investment portfolio	209.1	0.0	179.9	0.0
Loan portfolio	590.1	0.0	621.1	0.0
Fobaproa or IPAB Note(1)	630.5	233.8	634.0	0.4
Foreign Exchange Der	107.4	0.0	65.5	0.0
Other assets	<u>14.2</u>	<u>0.0</u>	<u>28.5</u>	<u>0.0</u>
Total	2,191.7	233.8	2,056.3	35.8

The total sum of assets and liabilities in foreign currency of Bancen decreased by US\$198.0 million during the quarter, primarily due to the merge of Bancen's banking side with Banorte at the end of 3Q00. This also resulted in a decrease of US\$104.6 million in the funding requirements of Banorte that had previously been used to support Bancen. The combined position of both banks decreased by Ps333.4 million mainly explained by the cancellation of operations between both banks after the merge.

2.-Brokerage Sector

(Millions as of December '00 Ps)

	<u>QUARTER</u>			<u>ACCUMULATED</u>	
	<u>4Q99</u>	<u>3Q00</u>	<u>4Q00</u>	<u>1999</u>	<u>2000</u>
<u>Brokerage House</u>					
Net Income	45.0	50.4	(31.1)	161.2	27.1
Equity	526.2	185.3	143.2	526.2	143.2
Total Assets	1,106.9	572.2	364.9	1,106.9	364.9
Assets under Management	67,451	69,011	61,929	67,451	61,929

The **Brokerage House** obtained profits for Ps27.1 million during the year, 83.2% lower than in 1999. This decrease was due to the transfer of the Mutual Funds administration to Bancen at the end of 1999 and also to the relocation of the money market operations to Banorte in 3Q00, as a part of the financial corporate restructuring of the Group, thus the Brokerage House stop receiving this income. In the quarter, it showed losses of Ps31.1 million as a result of the volatility of the financial markets. At the end of the year Assets under Management amounted Ps61,929.0 million.

3.-Long Term Savings Sector

(Millions as of December '00 Ps)

	<u>QUARTER</u>			<u>ACCUMULATED</u>	
	<u>4Q99</u>	<u>3Q00</u>	<u>4Q00</u>	<u>1999</u>	<u>2000</u>
<u>Afore</u>					
Net Income	16.1	54.3	10.7	116.6	140.0
Equity	920.6	980.6	984.5	920.6	984.5
Total Assets	962.8	1,117.1	1,109.6	962.8	1,109.6
Assets under Management	5,774.8	7,966.4	8,741.0	5,744.0	8,741.0
<u>Bancassurance</u>					
Net Income	11.0	28.6	14.6	(12.6)	8.9
Equity	110.9	104.7	118.3	110.9	118.3
Total Assets	1,194.7	1,277.7	1,251.9	1,194.7	1,251.9

Annuities

Net Income	(4.9)	(4.4)	(26.9)	(46.7)	(64.4)
Equity	100.9	89.8	84.4	100.9	84.4
Total Assets	1,122.2	1,889.8	2,149.4	1,122.2	2,149.4

The **Afore** business generated a net income of Ps140.0 million in 2000 (51% for Bancen), 20.0% higher than that of 1999. This increase was caused primarily by the 52.2% rise in Assets under Management throughout the year due to 230,082 new affiliates, that represents 43% of the active workers growth in the industry. The Afore ended the year with 1'581,460 affiliates that represent 8.9% of national market share. Our Afore has one of the lowest cost per affiliation in the industry.

The **Bancassurance** business showed profits of Ps8.9 million in the year vs. a Ps12.6 million loss in 1999 (51% for GFNorte). This improvement was due to a 15.1% increase in the number of life and insurance policies throughout the year. Total premiums sold were 36.6% higher than 1999 ending the year with a Ps772.4 million balance.

The **Annuities Company** business ended the year with a Ps64.4 million loss vs a Ps46.7 million loss in 1999 (51% for GFNorte). This result was due to an important volume increase that made technical reserves to rise by more than 100% that using the present Repomo formula, had a negative impact in the bottom line. The market share increased from 7.1% in 1999 to 9.5% in 2000.

4.-Auxiliary Organizations Sector

(Millions as of December '00 Ps)

	QUARTER			ACCUMULATED	
	4Q99	3Q00	4Q00	1999	2000
Leasing					
Net Income	0.1	7.2	7.0	11.3	23.1
Equity	94.0	107.2	114.5	94.0	114.5
Loan Portfolio(*)	494.7	510.9	521.3	494.7	521.3
Past Due Loans	29.2	18.3	18.0	29.2	18.0
Loan Loss Reserves	6.0	8.5	8.3	6.0	8.3
Total Assets	501.5	514.1	525.9	501.5	525.9
Factoring					
Net Income	3.5	11.2	13.1	29.1	42.4
Equity	119.0	148.2	161.3	119.0	161.3
Loan Portfolio	1,233.5	1,505.4	1,842.4	1,233.5	1,842.4
Past Due Loans	10.6	10.0	8.8	10.6	8.8
Loan Loss Reserves	10.6	10.0	8.8	10.6	8.8
Total Assets	1,231.3	1,506.4	1,854.9	1,231.5	1,854.9
Warehousing					
Net Income	(0.0)	2.2	10.2	2.5	13.7
Equity	56.0	54.3	50.1	56.0	50.1
Inventories(**)	-	558.2	121.5	-	121.5
Total Assets	57.5	647.7	240.4	57.5	240.4
Bonding					
Net Income	1.0	2.3	0.7	6.3	6.2
Equity	55.6	60.9	61.0	55.6	61.0
Total Assets	118.9	126.8	120.4	118.9	120.4

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

(*) Departing 2000 it includes operating lease.

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

The **Leasing Company** generated a net income of Ps23.1 million in the year, 104.2% higher than in 1999. The loan portfolio increased by 5.4% when compared to the previous year. The strategy to focus on the medium market with better margins brought positive effects because the operating margin improved significantly and there was also a 38.4% decrease in past due loans, so the past due loan ratio went from 5.9% in 1999 to 3.5% in 2000. Presently, we rank 8th place among 32 leasing companies in the industry.

The **Factoring Company** obtained profits of Ps42.4 million in 2000, 45.7% higher than in 1999 due to 49.4% increase in the loan portfolio throughout the year. This was as a result of following a strategy of focusing in big companies that have a lower default rate, giving as a result an improvement in the past due loan ratio that went from 0.9% in 1999 to 0.5% in 2000. This company ranks 1st. Place among 12 factoring companies in the industry.

The **Warehousing** showed a net income for the year of Ps13.7 million, a 448% rise versus the previous year. At the end of the 2Q00 we initiated a new inventory commercialization service that brought remarkable benefits for the users and very positive results for our business because it generated higher volumes of operations. Besides in the year our own facilities grew by 223%. With this strategy we started a new distribution channel for low risk credit granting for GFNorte. Our company continues to stand out as an innovator in the mexican industry.

The **Bonding Company** generated profits of Ps6.2 million in 2000, a similar level to that of 1999, due to charges for claims on contracts of previous administrations that had an impact on the results of this year.

VII. Accounting Changes and Regulations

Grupo Financiero Banorte – The accounting movements related to Deferred Taxes and Profit Sharing in the Income Statement and in the Balance Sheet, were affected by integral revision under the new accounting principales contained in bulletin D-4, and also by the effects of the provisions against capital reserves created in 3Q00 not recognized until the 4Q00.

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

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

ANNEX 1- GRUPO FINANCIERO- GENERAL INFORMATION

GFNorte Ownership in Subsidiaries- 4Q00

<i>(Percentages)</i>	4Q00
Banco Mercantil del Norte (1)	95.79%
Banco del Centro	99.99%
Brokerage House	99.99%
Pension Funds Afore (2)	51.00%
Bancassurance	51.00%
Annuities	51.00%
Leasing	99.99%
Factoring	99.99%
Warehousing	99.99%
Bonding	99.99%

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

Capital Structure of the Holding Company

Number of Shares	SERIE O as of December 31,2000
Number of shares before conversion	472´321,483
+ New shares from Convertible debentures (1)	32´265,404
- Shares held on Treasury	<u>11´413,000</u>
= Number of shares outstanding	493´173,887

- (1) Conversion of Subordinated Convertible Debentures on December 7,2000.

Banorte's Rating – 4Q00

<u>Calificadoras</u>	<u>Calificated Entity</u>	<u>Opinion</u>	<u>Category</u>	<u>Date</u>
Moody's Investor	Banorte	D	Banorte's Financial Strength	Jun- 2000
Standard & Poors	Banorte	BB/Stable/B	Banorte's Financial Strength	Aug-2000
Duff & Phelps	Banorte	AAA	Remittance-Baked Certificates (Banorte)	Jul-1999
Fitch	Banorye	BBB- BB+ C/D	Long Term-local money Long Term- Individual-	Dec.-2000

No of Employees & Distribution Network

EMPLOYEES	4Q99	3Q00	4Q00
Banking Sector	8,892	8,938	9,172
Other Sectors	<u>2,067</u>	<u>2,203</u>	<u>2,113</u>
Total Group	10,959	11,141	11,285

DISTRIBUTION NETWORK

Branches (*)	456	452	452
ATM	1,341	1,365	1,434

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

ANNEX 2- Grupo Financiero- Information by Segments

Proforma consolidated data as of 4Q00

<i>(Millions as of December '00 Ps)</i>	BANORTE (1)	BANCEN (3)	TOTAL SECTOR
Income Statement			
Net Interest Income	1,122.2	241.5	1,363.7
Non Interest Income	552.5	127.0	679.5
Non Interest Expense	1,468.9	64.7	1,533.6
Other income (expense)	18.8	68.7	87.5
Extraordinary items, net	-	-	-
Net Income	115.3	323.0	438.3
Balance Sheet			
Assets	98,225	2,659	100,884
Loans	79,685	565	80,250
Deposits	66,867	63	66,931
Equity	5,562	1,303	6,865
Past Due Loans	3,922	198	4,120
Loan Loss Reserves	3,784	382	4,166
Ratios			
% Net Interest Income	4.3%	8.5%	N.A.
Expense/ Total Assets	6.0%	29.2%	6.1%
% Past Due Loans	4.9%	35.0%	5.1%
Reserves / Past Due Loans	96.5%	193.3%	101.1%
% Capitalization (2)	11.2%	21.1%	N.A.

1) Includes a 95.41% participation of the Group.

2) Includes Market Risks. Using 2003 rules.

3) Excludes the AFORE.

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

Inter-bank Eliminations Summary

<i>(Millions as of Dec '00 Ps)</i>	BANORTE	BANCEN	INTERBANK ELIMINATIONS
Income Statement			
Net Interest Income	(145.5)	145.5	-
Non Interest Income	-	-	-
Non Interest Expense	(40.5)	-	(40.5)
Other Income (expense)	(0.1)	-	(0.1)
Extraordinary items, net	-	-	-
Balance Sheet			
Assets	(900)	-	(900)
Loans	-	-	-
Deposits	-	(900)	(900)
Equity	-	-	-
Past Due Loans	-	-	-
Loan Loss Reserves	-	-	-

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

Reconciliation of Segments Summary-4Q00

<i>(Millions as of December '00 Ps)</i>	BANKING SECTOR	OTHER SECTORS	WITHOUT OT. SECT.	TOTAL GROUP
Income Statement				
Net Interest Income	1,363.7	26.9	7.2	1,397.9
Non Interest Income	679.5	33.7	112.8	826.0
Non Interest Expense	1,533.6	101.2	85.7	1,720.5
Other Income (expense)	87.4	(3.8)	69.1	152.5
Extraordinary items, net	-	-	-	-
Balance Sheet				
Assets	100,884	11,583	(9,532)	103,116
Loans	80,250	2,293	(2,456)	80,086
Deposits	67,831	-	(163)	67,668
Equity	6,865	8,957	(7,602)	8,220
Past Due Loans	4,120	27	-	4,146
Loan Loss Reserves	4,166	17	-	4,183

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

HOLDING - Balance Sheet (Millions as of December '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	206	283	274	286	290	276	269	207
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities held for sale	-	-	-	-	-	-	-	-
Securities held to maturity	-	-	-	-	-	-	-	-
Financial Instruments:	-	-	-	-	-	-	-	-
Sundry debtors and other assets, net	4	5	4	4	6	8	6	32
Real Estate, Furniture & Equipment,	-	-	-	-	-	-	-	-
Investments in subsidiaries	7,530	7,522	7,729	7,817	8,235	8,149	6,774	7,264
Deferred taxes	-	-	-	-	-	-	-	-
Goodwill	286	273	264	254	247	-	-	-
Other Assets, Deferred charges,	2	2	-	-	-	-	-	-
	288	275	264	254	247	-	-	-
TOTAL ASSETS	8,028	8,085	8,271	8,362	8,779	8,433	7,049	7,504
LIABILITIES								
Due to banks and correspondents	-	-	-	-	-	-	-	-
Income Tax & Profit Sharing	-	-	-	-	1	-	-	-
Other Payable accounts	-	-	-	-	-	-	-	-
Other payable accounts	-	-	-	-	1	-	-	-
Deferred taxes	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
STOCKHOLDER'S EQUITY								
Paid-in Capital	4,500	4,516	4,517	4,516	4,516	4,516	4,483	4,588
Share subscription premiums	895	948	948	948	948	948	948	1,260
Subordinated Convertible Debentures	508	486	479	469	449	444	439	-
Subscribed Capital	5,903	5,951	5,944	5,933	5,914	5,908	5,869	5,849
Capital Reserves	412	651	651	651	616	673	592	741
Retained Earnings	5,908	5,366	5,354	5,354	6,537	6,232	6,232	6,062
Surplus (Deficit) from securities	-	-	-	-	-	-	-	-
Results of foreign operations	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital	(4,644)	(4,588)	(4,627)	(4,810)	(4,718)	(4,719)	(4,719)	(4,719)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	-	-	-	-	(25)	(311)	(2,143)	(2,106)
Adjustment in the employees	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	449	704	949	1,234	455	649	1,218	1,677
Earned Capital	2,125	2,134	2,327	2,429	2,864	2,525	1,180	1,655
Total Stockholder's Equity	8,028	8,085	8,271	8,362	8,778	8,433	7,049	7,504
TOTAL LIABILITIES &	8,028	8,085	8,271	8,362	8,779	8,433	7,049	7,504

MEMORANDUM ACCOUNTS OF HOLDING (Millions as of December '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Client securities held in custody	11,867	11,620	11,998	13,528	13,114	2,574	2,531	2,738
Other trust account items	11,297	13,421	13,162	12,838	12,446	14,301	14,042	13,725
Total	23,164	25,042	25,160	26,366	25,560	16,875	16,573	16,464

HOLDING-Consolidated Income Statement

(Millions as of December '00 Pesos)

MARGEN FINANCIERO NETO	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Income from Subsidiaries and Interest	471.1	292.7	291.1	349.4	467.0	213.8	581.2	475.5
Interest Expense	45.2	31.6	29.8	26.2	23.3	20.0	21.1	15.8
Fees & Tariffs	-	-	-	-	-	-	-	-
Trading Income	-	-	-	-	-	-	-	-
REPOMO	(4.1)	(5.8)	(5.5)	(12.7)	(8.7)	(4.2)	(4.3)	(5.7)
Total Operating Income	421.8	255.2	255.9	310.5	435.0	189.6	555.8	454.0
Operation & Administrative expenses	2.0	0.6	3.3	0.7	0.7	0.7	0.6	0.8
Operating Income	419.8	254.6	252.6	309.8	434.3	188.9	555.2	453.2
Other Income	-	-	-	-	(2.5)	4.8	12.1	33.9
Other Expense	(0.3)	(0.1)	(0.1)	(0.1)	-	-	-	-
Otros Expenses (Revenues), Net	(0.3)	(0.1)	(0.1)	(0.1)	(2.5)	4.8	12.1	33.9
Pre-tax Income	419.5	254.5	252.5	309.7	431.8	193.7	567.2	487.1
Income Tax & Profit Sharing	-	-	-	-	(0.6)	(0.6)	(0.6)	(0.6)
Tax on Assets	-	-	(0.7)	(1.5)	-	-	-	-
Deferred Inc. Tax and Profit sharing	-	-	(0.7)	(1.5)	(0.6)	(0.6)	(0.6)	(0.6)
Net income from Continuos	419.5	254.5	251.7	308.2	431.1	193.1	566.6	486.5
Extraordinary Items, net	-	-	-	-	-	-	-	-
Total Net Income	419.5	254.5	251.7	308.2	431.1	193.1	566.6	486.5

GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet (Millions as of December '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	11,010	11,459	12,439	14,208	11,439	10,851	9,139	9,519
Negotiable Instruments	1,587	2,747	2,676	16,888	25,149	18,181	14,788	4,143
Securities held for sale	366	357	349	312	50	48	164	170
Securities held to maturity	5,472	4,468	4,679	4,637	4,940	4,821	3,205	2,931
Financial Instruments:	7,424	7,573	7,704	21,837	30,139	23,051	18,157	7,243
Repurchase agreements, net	88	58	20	84	63	218	167	128
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	2	-	-	-	-	-
Options and derivatives, net	6	5	7	82	191	72	2	6
Repos & Derivatives :	94	62	29	166	253	290	169	134
Commercial	16,701	17,874	16,590	16,707	17,762	17,721	18,339	21,437
Financial Intermediaries	620	214	693	1,807	1,359	3,259	2,041	164
Consumer	643	545	571	565	588	599	607	623
Mortgage	3,856	3,637	3,619	3,804	4,266	4,254	4,143	4,067
Government Entities	3,011	3,094	3,203	3,211	3,246	3,261	2,717	37,773
Fobaproa	55,430	55,529	55,315	53,911	54,127	54,101	52,654	11,877
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	80,260	80,894	79,991	80,005	81,348	83,196	80,501	76,940
Commercial	2,572	2,547	2,088	2,237	2,167	1,988	1,799	1,749
Financial Intermediaries	-	-	-	-	-	7	1	-
Consumer	537	687	662	724	612	606	594	595
Mortgage	2,991	2,849	2,433	2,014	1,773	1,701	1,761	1,803
Government Entities	-	-	-	-	-	-	-	-
Past Due Loans	6,101	6,083	5,182	4,974	4,552	4,303	4,156	4,146
Total Loans	86,360	86,977	85,173	84,979	85,900	87,498	84,657	80,086
Preventive loan loss reserves	6,039	6,014	5,161	4,984	4,645	4,531	4,268	4,183
Net Loan Portfolio	80,321	80,963	80,012	79,996	81,255	82,967	80,389	75,903
Sundry debtors and other assets, net	1,925	1,778	1,798	1,565	1,816	1,460	1,722	2,756
Foreclosed assets, net	635	655	837	1,478	1,423	1,416	1,382	1,511
Real Estate, Furniture & Equipment, net	3,460	3,429	3,444	3,507	3,346	3,309	3,268	3,302
Investments in subsidiaries	483	518	591	741	847	865	834	849
Deferred taxes	638	623	606	571	403	16	146	621
Goodwill	288	273	264	254	247	-	-	-
Deferred charges & Intangibles	1,544	1,509	1,494	1,395	1,308	1,419	1,599	1,277
UDIS Mortgage loans reserve coverage	-	-	-	-	33	-	-	-
Other Assets	8,972	8,784	9,034	9,512	9,423	8,485	8,950	10,316
TOTAL ASSETS	107,822	108,841	109,217	125,718	132,509	125,643	116,804	103,116

GRUPO FINANCIERO BANORTE – Consolidated Balance Sheet (Millions as of December '00 Pesos)

LIABILITIES	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Demand Deposits	19,219	21,008	23,535	24,991	22,508	23,385	23,836	25,939
Time Deposits	51,379	50,099	47,440	64,310	77,545	67,546	61,525	40,420
Bonds	4,147	3,476	3,365	3,293	1,059	1,085	1,288	1,309
Deposits	74,745	74,583	74,340	92,594	101,113	92,016	86,649	67,668
Demand	-	-	-	-	389	2,601	306	3,877
Short term	-	-	-	-	7,108	7,266	9,813	10,151
Long term	-	-	-	-	9,753	9,465	9,673	10,160
Due to banks and correspondents	18,571	18,574	19,540	19,543	17,250	19,332	19,791	24,187
Repurchase agreements, net	14	23	2	43	16	237	75	123
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	1	-	2	-	-	-
Options and derivatives, net	-	-	1	100	337	446	55	37
Repos & Derivatives:	14	23	4	142	355	683	130	159
Income Tax & Profit Sharing	48	97	121	142	114	60	79	221
Other Payable accounts	3,877	4,997	4,434	2,758	3,743	4,206	2,285	2,561
Other payable accounts	3,926	5,094	4,555	2,899	3,857	4,266	2,364	2,781
Subordinated non Convertible Debenture	1,460	1,439	1,416	1,076	200	-	-	-
Deferred Taxes	189	164	165	200	14	38	-	-
Deferred credits	149	125	140	102	99	101	101	100
TOTAL LIABILITIES	99,055	100,001	100,161	116,556	122,888	116,436	109,035	94,896
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,500	4,516	4,517	4,516	4,516	4,516	4,483	4,588
Share subscription premiums	895	948	948	948	948	948	948	1,260
Subordinated Convertible Debentures	508	486	479	469	449	444	439	-
Subscribed Capital	5,903	5,951	5,944	5,933	5,914	5,908	5,869	5,849
Capital Reserves	412	651	651	651	616	673	592	741
Retained Earnings	5,908	5,366	5,354	5,354	6,537	6,232	6,232	6,062
Surplus (Deficit) from securities	-	-	-	-	-	-	-	-
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(4,637)	(4,582)	(4,619)	(4,810)	(4,721)	(4,729)	(4,719)	(4,719)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm subsidiaries	-	-	-	-	(25)	(311)	(2,143)	(2,106)
Adjustment in the employees pension funds	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	442	699	941	1,234	458	659	1,218	1,677
Earned Capital	2,125	2,134	2,327	2,429	2,864	2,525	1,180	1,655
Minority Holdings	740	754	785	800	843	774	720	716
Total Stockholder 's Equity	8,768	8,839	9,056	9,162	9,621	9,206	7,769	8,220
TOTAL LIABILITIES & STOCKHOLDER 'S	107,822	108,841	109,217	125,718	132,509	125,643	116,804	103,116

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED
(Millions as of December '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
ON BEHALF OF THIRD PARTY TRANSACTIONS								
Customers' banks	5	1	15	4	0	4	1	2
Dividends receivable from customers	-	-	-	-	-	-	-	-
Interest receivable from customers	-	-	-	-	-	-	-	-
Liquidation of customer transactions	420	(2,129)	(4,609)	(922)	(1,928)	165	3,144	3,548
Customer loans	-	-	-	-	-	-	-	-
Liquidation with foreign currencies of customers	-	-	-	-	-	-	-	-
Margin accounts in futures operations	-	-	-	-	-	-	-	-
Other current accounts	-	-	-	-	-	-	-	-
CUSTOMERS CURRENT ACCOUNT	425	(2,129)	(4,595)	(918)	(1,928)	170	3,145	3,551
Client securities held in custody	64,525	66,088	72,179	65,613	67,343	59,114	66,976	59,905
Securities and documents received in guarantee	1	1	-	1	4	4	-	-
Client securities abroad	-	-	-	-	-	-	-	-
CLIENT SECURITIES	64,526	66,088	72,179	65,614	67,347	59,118	66,976	59,906
Repurchase operations for customers	15,822	29,105	32,363	23,657	21,504	29,227	14,993	24,285
Clients securities loans	-	-	-	-	-	-	-	-
Purchase of Futures & forward contracts (nati.	-	-	-	-	-	-	-	-
Sale of futures and forward contracts (national	-	-	-	-	-	-	-	-
Purchasing operations (option price)	19	19	25	152	240	340	338	336
Sales operations (option price)	-	-	-	-	-	-	-	-
Purchase of derivative packages	-	-	-	-	-	-	-	-
Sale of derivative packages	-	-	-	-	-	-	-	-
Administration trusts	460	1,034	1,096	1,089	1,056	970	892	948
TRANSACTIONS ON BEHALF OF CLIENT	16,300	30,158	33,484	24,898	22,800	30,536	16,223	25,569
TOTAL ON BEHALF OF THIRD PARTY	81,251	94,117	101,068	89,594	88,219	89,823	86,345	89,025
Signature guarantees granted	95	4	3	3	3	3	3	3
Issuing of irrevocable letters of credit	946	679	477	571	557	444	653	496
Property in trust and guardianship	56,268	56,937	57,208	36,387	35,916	36,780	35,360	36,201
Assets held in custody or in administration	69,564	71,696	68,568	89,838	115,008	95,506	88,251	73,269
Amounts committed to operations with	8,498	10,104	10,423	8,511	8,991	9,392	8,353	3,605
In Transit drafts	-	-	-	-	-	-	-	-
Certificates of Deposit in circulation	-	420	283	116	137	469	404	429
Secured Credit Cards from the company	-	-	-	-	-	-	-	-
Securities given to the company in custody	13,257	13,624	13,785	14,107	1,971	2,600	53	29
Government securities in custody of the company	-	596	17	16	21	25	22	24
Securities given to the company on guarantee	-	-	-	-	2	-	-	-
Securities outside the country	-	-	-	-	19	20	-	-
Liquidations with foreign currencies abroad	-	-	-	-	-	-	-	-
Debits to the contingency fund	-	-	-	-	-	-	-	-
Other contingent obligations	-	-	-	-	17,145	18,194	20,723	19,936
Banking transactions on behalf of third-parties	45,534	52,021	48,771	32,351	25,188	28,674	46,579	69,342
Investments in funds for the retirem.saving	-	-	-	2,471	2,453	2,478	2,168	2,162
Integration of the credit portfolio	85,147	85,136	85,847	83,560	-	-	-	-
Amounts contracted in derivative instruments	2,716	2,451	2,349	2,473	2,360	2,510	2,557	2,650
Other trust account items	213,546	270,544	272,106	295,561	288,129	287,499	358,356	204,818
OWN ACCOUNT OPERATIONS	495,571	564,212	559,836	565,967	497,900	484,594	563,482	412,964
Repurchase agreements								
Securities to be received	29,337	45,931	50,154	38,491	34,494	43,069	62,736	91,242
(Less) Securities to be delivered	(29,249)	(45,874)	(50,137)	(38,407)	(34,431)	(43,195)	(62,842)	(91,280)
REPURCHASE TRANSACTIONS- RECEIVED	88	57	17	84	63	(126)	(106)	(37)
Securities to be received	5,405	18,624	18,359	11,336	13,350	19,060	32,057	54,690
(Less) securities to be delivered	(5,420)	(18,627)	(18,357)	(11,379)	(13,366)	(18,954)	(31,912)	(54,648)
REPURCHASE TRANSACTIONS- SOLD	(14)	(4)	2	(43)	(16)	106	144	43
TOTAL ON OWN ACCOUNT OPERATIONS	495,645	564,265	559,855	566,008	497,947	484,574	563,520	412,969

GRUPO FINANCIERO BANORTE-Consolidated Income Statement
(Millions as of December '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
NET INTEREST INCOME								
Interest Income	9,514.5	7,442.9	8,153.4	7,871.0	7,184.3	6,269.9	7,106.2	9,176.1
Interest Expense	7,439.1	5,630.3	6,335.7	6,093.5	5,515.8	4,819.0	5,780.0	7,664.3
Loan Fees	124.0	133.8	150.7	155.2	142.1	149.5	143.9	(109.0)
Fees Paid	3.8	8.2	10.1	4.3	3.1	3.6	3.0	4.9
Net Interest Income (NII)	2,195.6	1,938.3	1,958.3	1,928.4	1,807.5	1,596.8	1,467.1	1,397.9
Repomo-Margin	428.8	180.9	139.5	114.0	5.5	(13.2)	(26.4)	13.1
NII after Repomo	2,624.4	2,119.2	2,097.7	2,042.3	1,813.0	1,583.6	1,440.8	1,411.0
Loan Loss Provisions	228.9	174.1	78.6	183.1	224.8	173.8	6.6	256.5
Loss Sharing Provisions	57.9	103.3	130.7	(11.3)	41.7	36.6	80.8	-
NII after Provisions	2,337.6	1,841.8	1,888.4	1,870.5	1,546.5	1,373.2	1,353.4	1,154.5
Fund transfers	7.9	7.7	8.2	9.6	8.2	8.3	7.8	8.4
Account management	41.9	42.0	53.2	55.6	55.7	57.6	68.3	76.9
Fiduciary	9.9	18.1	16.8	17.4	208.5	39.4	223.1	136.2
Credit Card	4.8	2.3	6.3	5.6	5.9	5.3	7.8	9.0
Fees from FOBAPROA	147.7	87.1	491.9	144.3	86.8	218.3	137.6	103.7
Other fees	188.1	155.4	258.0	157.5	270.7	173.2	245.8	447.3
Fees on purchased services,	400.2	312.6	834.3	390.0	635.8	502.2	690.4	781.4
Fund transfers	0.2	0.1	-	-	-	-	-	-
Other fees	56.4	63.5	105.3	105.6	79.1	82.5	77.4	78.9
Fees on payed services,	56.6	63.6	105.3	105.7	79.2	82.5	77.4	78.9
Foreign exchange	68.1	63.2	43.5	3.8	53.5	47.8	49.2	44.9
Securities -Realized gains	60.7	51.3	57.5	36.4	36.8	32.3	8.2	10.7
Securities- Unrealized gains	17.0	(22.1)	(10.8)	35.0	25.4	(9.2)	112.3	67.8
Market-related Income	145.8	92.5	90.1	75.2	115.8	71.0	169.5	123.5
Total Non Interest Income	489.4	341.5	819.1	359.6	672.4	490.6	782.6	826.0
Total Operating Income	2,827.0	2,183.3	2,707.5	2,230.1	2,218.8	1,863.8	2,135.9	1,980.5
Personnel	695.8	708.1	816.6	798.6	714.7	752.4	721.5	759.0
Fees Paid	109.4	103.7	105.0	96.2	76.7	82.5	64.6	80.0
Operation & Administrative expenses	568.3	526.7	875.1	360.7	421.3	425.3	497.5	440.2
Rents, depreciation and amortization	248.3	198.9	199.9	214.6	205.3	176.2	192.8	168.9
Taxes, other than income tax	88.7	145.2	172.7	341.5	94.7	128.1	123.5	181.0
Contributions to IPAB	54.4	66.9	88.9	89.3	81.9	102.7	92.6	91.4
Corporate expenses Recoveries	-	-	-	-	-	-	-	-
Non-Interest Expense	1,764.9	1,749.4	2,258.2	1,900.9	1,594.6	1,667.2	1,692.5	1,720.5
Operating Income	1,062.1	433.9	449.3	329.2	624.2	196.6	443.5	260.1
Other Income	23.8	78.2	40.8	166.8	108.1	135.0	263.1	792.2
Foreign exchange	-	-	-	-	0.4	-	-	-
Recoveries	109.9	76.9	86.0	28.1	20.0	11.6	204.11	88.9
Repomo-other (Debtor balance)	-	-	-	-	14.1	4.8	12.0	33.9
Total Other Products	133.7	155.1	126.7	194.9	142.6	151.4	479.2	915.0
Other Expense	(120.4)	(78.0)	(70.5)	(17.0)	(55.6)	(40.9)	(241.3)	(722.3)
Foreign exchange	-	-	-	-	(21.6)	-	-	-
Repomo-other (Creditor balance)	(541.0)	(188.6)	(174.4)	(160.2)	(126.2)	(41.3)	(34.5)	(40.0)
Total Other Expense	(661.3)	(266.6)	(244.8)	(177.1)	(203.4)	(82.2)	(275.8)	(762.3)
Other expenses (Revenues), net	(527.6)	(111.6)	(118.1)	17.8	(60.8)	69.2	203.4	152.7
Pre-tax Income	534.5	322.3	331.2	347.0	563.4	265.8	646.9	412.8
Income tax	(31.6)	(41.1)	(17.3)	5.0	(28.7)	23.1	(41.6)	(21.5)
Profit sharing	(10.2)	(12.4)	(5.3)	(1.6)	(8.3)	6.4	(9.5)	(1.8)
Tax on Assets	(8.4)	(9.6)	(8.7)	(16.5)	(5.5)	(4.6)	(5.7)	(0.5)
Deferred Inc. Tax and Profit sharing	2.9	20.9	(9.6)	(59.3)	(33.1)	(43.7)	(21.6)	73.8
	(47.3)	(42.3)	(40.9)	(72.4)	(75.7)	(18.8)	(78.4)	50.0
Net income before subsidiaries	487.2	280.0	290.4	274.6	487.7	247.0	568.5	462.8
Subsidiaries' net income	(4.0)	(12.3)	(15.5)	39.7	11.9	(33.2)	20.6	11.0
Net Income from continuous operations	483.2	267.8	274.9	314.3	499.7	213.8	589.1	473.8
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	(40.8)	(11.0)	(33.5)	(20.9)	(42.0)	(12.3)	(30.3)	(14.5)
TOTAL NET INCOME	442.4	256.8	241.4	293.4	457.7	201.5	558.8	459.4

GRUPO CONSOLIDATED STATEMENT OF CASH FLOW
JANUARY 1, 2000 – DECEMBER 31, 2000
(Millions as of December '00 Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :

Net Income	1,677.3
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	7.1
Provisions for loan losses	819.9
Depreciation and amortization	342.0
Deffered Taxes	15.1
Provisions for Obligations	204.2
Minoritary Interest	99.0
Undistributed Earnings of Subsidiaries	<u>26.9</u>
	3,191.8

Cash Flows From Investing Activities:

Banks Deposits	(24,922.3)
Decrease (Increase) loan portfolio	3,269.4
Decrease (Increase) treasury operations	14,585.5
Decrease (Increase) financial instruments	48.7
Loans from banks and other entities	<u>4,645.1</u>

Net Resources provided by operations **(2,373.4)**

Financial Activities:

Subordinated Debentures	(43.8)
Subordinated Debentures amortization	(1,075.5)
Equity Variation	<u>394.1</u>

Net Resources provided by Investing activities **(725.3)**

CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds from issuance of common stock	(3,096.1)
Decrease (Increase) Deferred charges or credits	(139.6)
Decrease (Increase) Foreclosed assets	(32.4)
Decrease (Increase) in accounts receivable and payable	<u>(1,513.3)</u>

Net Cash provided by financing activities **(4,781.5)**

Decrease (increase) in cash and due from banks **(4,688.3)**

Cash and due from banks at the beginning of the year **14,206.9**

Cash and due from banks at the end of the year **9,518.6**

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
JANUARY 1, 2000- DECEMBER 31, 2000-**

(Millions as of December '00 Ps)	CONTRIBUTED CAPITAL		
	Capital Stock	Premium, Bonds & oth. Securities	Subordinated Conv. Debt. Issuance
Balance as of December 31,1999	4,516.2	948.0	468.8
<u>Stock Changes</u>			
Issuance of stock	(40.6)	-	-
Goodwill cancelation	-	-	-
Reserves Creations	-	-	-
New shares for Conver. Of Subord. Debentures	112.9	312.0	(425.0)
Profits transfers	-	-	-
Total	72.2	312.0	(425.0)
<u>Retained Earnings</u>			
Net Income	-	-	-
Interests on Convertible Subordinated Debentures	-	-	-
Total	-	-	-
<u>Effects of Accounting Changes</u>			
Securities valuation	-	-	-
Results of converting foreign operations	-	-	-
Stockholders' Equity restatement	-	-	(43.7)
Results of assets holdings	-	-	-
Adjustment in the employees pension fund	-	-	-
Minority Interest	-	-	-
Total	-	-	(43.7)
Balance as of December 31,2000	4,588.4	1,260.1	0.0

	EARNED CAPITAL						
	Capital Reserves	Retained earnings	Excess if Insuf. Capital	Resultado por Tenencia de Activos (val.	Net Income of the year	Minoritary Interest	Total Stockholders' Equity
Balance as of December 31,1999	611.3	5,302.7	(4,719.4)	-	1,234.0	800.0	9,161.9
<u>Stock Changes</u>							
Issuance of stock	(99.4)	-	-	-	-	-	(140.1)
Goodwill cancelation	-	(245.3)	-	-	-	-	245.3
Reserves Creations	229.4	(229.4)	-	-	-	-	0.0
New shares Conver. Of Subord. Deben.	-	-	-	-	-	-	0.0
Profits transfers	-	1,234.0	-	-	(1,234.0)	-	0.0
Total	130.0	759.1	-	-	(1,234.0)	-	(385.4)
<u>Retained Earnings</u>							
Net Income	-	-	-	-	1,677.3	-	1,677.3
Interests on Conv. Subord. Debentures	-	-	-	-	-	-	-
Total	0.0	0.0	0.0	0.0	1,677.3	-	1,677.2
<u>Effects of Accounting Changes</u>							
Securities valuation	-	-	-	-	-	-	0.0
Results of converting foreign operations	-	-	-	-	-	-	0.0
Stockholders' Equity restatement	-	-	-	-	-	-	(43.7)
Results of assets holdings	-	-	-	(2,106.3)	-	-	(2,106.3)
Adjustm. in the employees pension fund	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	(83.5)	(83.5)
Total	-	-	-	(2,106.3)	-	(83.5)	(2,233.6)
Balance as of December 31,2000	741.4	6,061.9	(4,719.4)	(2,106.3)	1,677.3	716.4	8,220.0

BANKING SECTOR- Balance Sheet (*)

(Millions as of December '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	11,002	11,451	12,427	14,202	11,423	10,846	8,909	9,258
Negotiable Instruments	109	104	845	16,237	23,131	15,455	14,670	4,052
Securities held for sale	366	357	349	312	50	48	164	170
Securities held to maturity	5,472	4,468	4,679	4,637	4,940	4,821	3,205	2,931
Financial Instruments:	5,947	4,930	5,873	21,186	28,121	20,325	18,040	7,152
Repurchase agreements, net	32	44	13	37	30	64	103	28
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	5	2	3	2	10	9	-	6
Repos & Derivatives :	37	46	16	39	40	73	103	34
Commercial	15,545	16,585	15,372	15,114	16,271	15,865	16,453	19,222
Financial Intermediaries	1,533	1,475	1,826	3,319	2,744	5,046	3,750	2,586
Credit Card & Consumer	643	545	571	565	588	599	607	623
Mortgage	3,856	3,637	3,619	3,804	4,266	4,254	4,143	4,067
Government Entities	3,011	3,094	3,203	3,193	3,229	3,243	2,701	37,755
Fobaproa	55,430	55,529	55,315	53,911	54,127	54,101	52,654	11,877
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	80,017	80,866	79,906	79,906	81,226	83,108	80,308	76,130
Commercial	2,429	2,412	2,041	2,198	2,137	1,959	1,771	1,722
Financial Intermediaries	-	-	-	-	-	7	1	-
Credit Card & Consumer	537	687	662	724	612	606	594	595
Mortgage	2,991	2,849	2,433	2,014	1,773	1,701	1,761	1,803
Government Entities	-	-	-	-	-	-	-	-
Past Due Loans	5,958	5,947	5,135	4,935	4,522	4,273	4,127	4,120
Total Loans	85,974	86,813	85,041	84,841	85,747	87,381	84,436	80,250
Preventive loan loss reserves	5,970	5,947	5,145	4,967	4,628	4,512	4,249	4,166
Net Loan Portfolio	80,005	80,866	79,896	79,874	81,119	82,869	80,187	76,084
Sundry debtors and other assets, net	1,870	1,745	1,693	1,368	1,562	1,417	1,444	1,678
Foreclosed assets, net	621	641	819	1,462	1,407	1,402	1,368	1,502
Real Estate, Furniture & Equipment, net	3,312	3,283	3,296	3,346	3,177	3,127	3,111	3,139
Investments in subsidiaries	566	585	616	726	810	746	785	830
Deferred taxes	638	623	606	571	328	16	128	730
Deferred charges & Intangibles	803	778	782	699	594	324	347	477
UDIS Mortgage loans reserve coverage	-	-	-	-	33	-	-	-
Other Assets	7,811	7,655	7,812	8,171	7,913	7,031	7,182	8,356
TOTAL ASSETS	104,801	104,947	106,024	123,471	128,617	121,144	114,421	100,884

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

LIABILITIES	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Demand Deposits	19,230	21,031	23,550	25,005	22,522	23,400	23,845	25,978
Time Deposits	51,587	50,386	47,720	64,604	77,841	67,828	61,695	40,544
Bonds	4,147	3,476	3,365	3,293	1,059	1,085	1,288	1,309
Deposits	74,964	74,893	74,635	92,901	101,422	92,314	86,827	67,831
Demand	1,231	9	8	1,198	389	2,601	306	3,877
Short term	4,288	6,839	7,379	6,762	7,104	6,991	9,270	9,377
Long term	12,818	11,726	12,153	11,583	9,753	9,465	9,593	10,141
Due to banks and correspondents	18,337	18,574	19,540	19,543	17,246	19,057	19,169	23,394
Repurchase agreements, net	4	14	1	21	5	64	24	34
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	67	55	32
Repos & Derivatives:	4	14	2	21	5	131	79	67
Income Tax & Profit Sharing	1	1	6	6	7	1	14	173
Other Payable accounts	2,719	2,779	2,991	2,455	2,086	2,048	1,869	2,438
Other payable accounts	2,720	2,779	2,997	2,461	2,093	2,049	1,883	2,611
Subordinated non Convertible Debenture	1,460	1,439	1,416	1,076	200	-	-	-
Deferred Taxes	140	137	145	161	-	19	-	-
Deferred credits	149	125	140	102	108	106	104	117
TOTAL LIABILITIES	97,774	97,961	98,874	116,264	121,074	113,675	108,063	94,019
STOCKHOLDER 'S EQUITY								
Paid-in Capital	3,986	3,986	3,986	4,217	4,311	4,312	4,114	4,289
Share subscription premiums	32	32	32	32	291	291	291	541
Subordinated Convertible Debentures	508	486	479	469	449	444	439	-
Subscribed Capital	4,526	4,504	4,497	4,717	5,051	5,047	4,843	4,830
Capital Reserves	2,376	2,518	2,527	2,522	2,523	2,835	1,606	1,435
Retained Earnings	1,620	1,361	1,349	1,103	2,226	1,766	1,650	1,712
Surplus (Deficit) from securities	(196)	(268)	(267)	(463)	(459)	(480)	(476)	(318)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(2,000)	(2,069)	(2,111)	(1,971)	(2,048)	(2,054)	(2,059)	(2,058)
Non Mon assets results fixed assets	-	-	-	-	(118)	-	-	-
Non Mon assets results Investm	-	-	-	-	47	(39)	(62)	(58)
Adjustment in the employees pension	-	-	-	(101)	(101)	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	(269)	(269)	(240)
Net Income	372	604	815	1,052	423	664	1,124	1,563
Earned Capital	2,172	2,146	2,313	2,141	2,492	2,422	1,515	2,035
Minority Holdings	329	337	340	349	-	-	-	-
Total Stockholder 's Equity	7,027	6,987	7,150	7,208	7,543	7,469	6,358	6,865
TOTAL LIABILITIES &	104,801	104,947	106,024	123,471	128,617	121,144	114,421	100,884

(*) Does not include Afore.

MEMORANDUM ACCOUNTS OF THE BANKING SECTOR

(Millions as of December '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	95	4	3	3	3	3	3	3
Other contingent obligations	7,552	9,273	9,316	10,495	8,271	8,931	10,199	9,286
Irrevocable lines of credit	946	679	477	571	557	444	653	496
Assets held in trust and mandate	56,268	56,937	57,208	36,387	35,916	36,780	35,360	36,201
Assets held in custody or in administration	68,941	70,842	67,682	88,563	100,757	91,469	84,210	68,687
Investment banking transactions for third	45,534	52,021	48,771	32,351	25,188	28,674	46,579	69,342
Engaged amounts in fobaproa operations	8,498	10,104	10,423	8,511	8,991	9,392	8,353	3,605
Investment of retirement saving funds	2,934	2,596	2,491	2,471	2,453	2,478	2,168	2,162
Integration of loan portfolio	85,147	85,136	85,847	83,560	-	-	-	-
Received amounts in derivative instruments	2,716	2,451	2,349	2,473	2,203	2,510	2,557	2,650
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	13,516	16,826	17,791	14,834	12,990	13,842	47,773	66,958
(Less) payable for reversal	(13,484)	(16,783)	(17,781)	(14,797)	(12,960)	(13,905)	(47,545)	(66,983)
Receivables for reversal	1,777	3,804	3,933	3,569	2,927	3,612	18,776	30,499
(Less) securities to be delivered	(1,781)	(3,817)	(3,932)	(3,589)	(2,931)	(3,549)	(18,608)	(30,481)
Other control accounts	193,043	250,255	251,978	274,179	275,476	273,058	344,177	190,959
	471,702	540,327	536,555	540,031	459,841	453,740	534,655	383,384

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

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	8,102.6	6,212.8	6,575.4	6,426.1	6,082.1	5,465.7	6,704.3	9,662.3
Interest Expense	6,178.3	4,549.7	4,870.0	4,794.3	4,519.8	4,019.9	5,483.4	8,182.0
Loan Fees	121.6	131.7	148.6	152.5	138.7	147.0	141.8	(111.5)
Fees Paid	3.8	8.1	10.0	4.3	3.1	3.9	3.8	5.1
Net Interest Income (NII)	2,042.2	1,786.7	1,843.9	1,780.0	1,697.8	1,516.9	1,358.9	1,363.7
Repomo-Margin	455.6	194.4	155.3	138.0	26.2	(3.0)	(16.9)	7.2
NII after Repomo	2,497.8	1,981.2	1,999.3	1,918.0	1,724.0	1,513.8	1,342.0	1,370.9
Loan Loss Provisions	225.3	173.4	74.0	176.3	222.1	173.1	6.3	256.1
Loss Sharing Provisions	57.9	103.3	130.7	(11.3)	41.7	36.6	80.8	-
NII after Provisions	2,214.6	1,704.4	1,794.6	1,752.9	1,460.2	1,304.1	1,254.9	1,114.7
Fund transfers	7.9	7.7	8.2	9.6	8.2	8.3	7.8	8.4
Account management	41.9	42.0	53.2	55.6	55.7	57.6	68.3	76.9
Fiduciary	9.9	18.1	16.8	17.4	208.5	39.4	223.1	136.2
Credit Card	4.8	2.3	6.3	5.6	5.9	5.3	7.8	9.0
Fees from FOBAPROA	147.7	87.1	491.9	144.3	86.8	218.3	137.6	103.7
Other fees	47.9	28.8	57.0	48.5	84.5	46.8	51.3	313.8
Fees on purchased services,	259.9	186.1	633.4	281.0	449.6	375.8	495.8	648.0
Fund transfers	0.2	0.1	-	-	-	-	-	-
Other fees	56.4	63.5	105.3	105.6	87.4	88.7	84.2	83.6
Fees on payed services,	56.6	63.6	105.3	105.7	87.4	88.7	84.2	83.6
Foreign exchange	68.1	63.4	43.7	5.7	53.5	47.8	49.2	49.2
Securities -Realized gains	27.2	16.7	37.9	40.4	11.6	7.3	(1.2)	(0.5)
Securities- Unrealized gains	5.9	14.0	(14.9)	(1.1)	23.4	23.9	49.3	70.8
Market-related Income	101.2	94.2	66.6	45.1	88.5	79.0	97.3	115.2
Total Non Interest Income	304.6	216.7	594.6	220.4	450.6	366.1	508.8	679.5
Total Operating Income	2,519.2	1,921.1	2,389.2	1,973.3	1,910.8	1,670.2	1,763.7	1,794.3
Personnel	602.8	609.3	709.1	673.1	595.9	624.8	593.5	656.4
Fees Paid	107.5	101.7	102.7	92.5	74.5	80.7	61.7	77.8
Operation & Administrative expenses	517.2	474.3	813.8	327.1	380.8	377.4	445.6	382.2
Rents, depreciation and amortization	228.2	176.9	176.1	191.9	180.4	150.4	167.2	147.9
Taxes, other than income tax	86.6	142.7	170.1	338.8	92.2	124.6	120.3	177.8
Contributions to IPAB	54.4	66.9	88.9	89.3	81.9	102.7	92.6	91.4
Corporate expenses Recoveries	-	-	-	-	-	-	-	-
Non-Interest Expense	1,596.6	1,571.8	2,060.7	1,712.7	1,405.7	1,460.5	1,480.8	1,533.6
Operating Income	922.6	349.3	328.5	260.6	505.1	209.7	282.8	260.7
Other Income	28.9	79.1	47.1	171.9	109.6	138.8	148.4	186.3
Foreign exchange	-	-	-	-	0.4	-	-	-
Recoveries	109.5	76.6	79.4	27.5	18.4	11.1	203.3	88.4
Repomo-other (Debtor balance)	-	-	-	-	16.7	-	-	-
Total Other Products	138.4	155.7	126.6	199.4	145.0	149.9	351.6	274.7
Other Expense	(120.0)	(78.2)	(70.6)	(17.0)	(55.6)	(40.9)	(132.6)	(146.3)
Foreign exchange	-	-	-	-	(21.6)	-	-	-
Repomo-other (Creditor balance)	(540.7)	(188.5)	(174.3)	(159.3)	(123.8)	(40.2)	(33.4)	(40.9)
Total Other Expense	(660.7)	(266.7)	(244.8)	(176.3)	(201.0)	(81.2)	(166.0)	(187.2)
Other expenses (Revenues), net	(522.3)	(111.0)	(118.2)	23.2	(56.0)	68.7	185.6	87.4
Pre-tax Income	400.3	238.3	210.2	283.8	449.1	278.4	468.4	348.1
Income tax	(3.0)	(3.2)	(2.6)	4.9	-	-	(6.2)	(21.1)
Profit sharing	-	-	-	-	-	-	-	-
Tax on Assets	(8.4)	(9.6)	(8.0)	(15.1)	(5.5)	(4.6)	(5.7)	(0.5)
Deferred Inc. Tax and Profit sharing	-	-	(15.0)	(40.6)	(51.3)	(38.5)	(23.7)	103.8
	(11.4)	(12.9)	(25.6)	(50.8)	(56.9)	(43.1)	(35.5)	82.2
Net income before subsidiaries	388.9	225.4	184.7	233.0	392.2	235.3	432.9	430.3
Subsidiaries 'net income	9.0	13.5	29.8	16.9	33.5	6.1	27.5	8.0
Net Income from continuous operations	397.9	238.9	214.5	249.9	425.7	241.4	460.4	438.3
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	(25.8)	(7.0)	(3.3)	(13.0)	(3.1)	-	-	-
TOTAL NET INCOME	372.1	231.9	211.2	236.9	422.5	241.4	460.4	438.3

(*) Does not include Afore.

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions as of December '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	7,760	7,556	8,483	10,050	10,219	9,948	10,108	8,307
Negotiable Instruments	108	103	845	16,236	23,131	15,455	23,384	4,951
Securities held for sale	366	357	349	312	50	48	47	47
Securities held to maturity	4,188	3,734	3,936	3,912	4,343	4,356	2,920	2,666
Financial Instruments:	4,661	4,194	5,130	20,460	27,524	19,859	26,351	7,664
Repurchase agreements, net	29	43	12	32	29	63	69	19
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	5	2	3	2	10	9	-	6
Repos & Derivatives :	34	46	15	34	40	73	69	25
Commercial	13,829	14,656	13,197	12,055	15,739	15,282	16,426	19,195
Financial Intermediaries	1,355	1,381	1,660	3,118	2,724	4,605	3,750	2,586
Credit Card & Consumer	518	420	447	449	580	586	607	623
Mortgage	1,253	1,172	1,143	1,215	2,914	2,932	3,785	3,732
Government Entities	2,751	2,746	2,776	2,727	2,877	2,875	2,701	37,749
Fobaproa	6,369	7,060	6,990	7,093	35,656	35,495	34,463	11,877
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	26,076	27,433	26,213	26,657	60,490	61,775	61,732	75,763
Commercial	1,930	2,042	1,880	1,624	1,708	1,591	1,643	1,658
Financial Intermediaries	-	-	-	-	-	-	1	-
Credit Card & Consumer	93	93	94	177	500	497	594	595
Mortgage	974	937	843	754	1,422	1,352	1,640	1,669
Government Entities	-	-	-	-	-	-	-	-
Past Due Loans	2,997	3,072	2,817	2,555	3,630	3,439	3,879	3,922
Total Loans	29,072	30,505	29,030	29,211	64,120	65,215	65,611	79,685
Preventive loan loss reserves	2,069	2,086	2,054	1,919	3,250	3,160	3,868	3,784
Net Loan Portfolio	27,004	28,419	26,976	27,292	60,870	62,054	61,743	75,901
Sundry debtors and other assets, net	1,668	2,011	2,671	2,560	1,254	1,052	1,020	1,138
Foreclosed assets, net	612	634	743	694	657	645	1,368	1,420
Real Estate, Furniture & Equipment, net	1,815	1,795	1,794	1,871	2,774	2,725	3,111	3,137
Investments in subsidiaries	1,584	1,640	1,722	1,915	607	642	285	328
Deferred taxes	638	623	606	571	403	16	128	730
Deferred charges & Intangibles	1,418	1,378	1,389	1,281	1,205	919	347	476
UDIS Mortgage loans reserve coverage	-	-	-	-	33	-	-	-
Other Assets	7,735	8,081	8,926	8,891	6,932	5,999	6,258	7,228
TOTAL ASSETS	47,195	48,295	49,530	66,727	105,584	97,933	104,530	99,125

BANCO MERCANTIL DEL NORTE- Balance Sheet (*)

(Millions as of December '00 Pesos)

LIABILITIES	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Demand Deposits	13,879	14,854	16,014	17,887	20,172	20,974	23,845	25,920
Time Deposits	13,667	14,928	16,423	31,442	61,641	51,679	53,369	40,539
Bonds	-	-	-	-	1,059	1,085	1,288	1,309
Deposits	27,546	29,782	32,437	49,329	82,873	73,738	78,502	67,767
Demand	1,168	7	6	871	389	2,601	306	3,877
Short term	3,366	4,094	1,764	1,756	5,891	5,623	11,157	9,377
Long term	6,740	6,206	7,001	6,697	8,246	8,005	7,346	9,808
Due to banks and correspondents	11,273	10,307	8,771	9,325	14,525	16,229	18,809	23,061
Repurchase agreements, net	2	13	-	17	4	64	24	-
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	67	2	32
Repos & Derivatives:	2	13	-	17	4	130	26	32
Income Tax & Profit Sharing	1	1	6	1	5	1	12	158
Other Payable accounts	1,649	1,630	1,646	1,531	1,851	1,899	1,869	2,427
Other payable accounts	1,649	1,631	1,652	1,532	1,856	1,900	1,881	2,586
Subordinated non Convertible Debenture	1,060	1,039	1,015	876	200	-	-	-
Deferred Taxes	-	-	-	-	-	19	-	-
Deferred credits	113	75	76	76	98	96	104	116
TOTAL LIABILITIES	41,643	42,846	43,951	61,154	99,557	92,111	99,321	93,563
STOCKHOLDER 'S EQUITY								
Paid-in Capital	3,114	3,114	3,114	3,096	3,191	3,191	3,633	3,809
Share subscription premiums	32	32	32	32	291	291	291	541
Subordinated Convertible Debentures	508	486	479	469	449	444	439	-
Subscribed Capital	3,654	3,632	3,624	3,597	3,931	3,926	4,363	4,349
Capital Reserves	2,125	2,242	2,251	2,246	2,246	2,323	1,606	1,435
Retained Earnings	1,352	1,105	1,095	1,103	1,901	1,675	1,650	1,712
Surplus (Deficit) from securities	(196)	(268)	(267)	(463)	(459)	(480)	(468)	(294)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(2,097)	(2,152)	(2,194)	(2,058)	(2,061)	(2,066)	(2,064)	(2,058)
Non Mon assets results fixed assets	-	-	-	-	(118)	-	-	-
Non Mon assets results Investm	-	-	-	-	44	(40)	(73)	(65)
Adjustment in the employees pension	-	-	-	(101)	(101)	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	(269)	(269)	(240)
Net Income	304	474	625	799	129	297	463	723
Earned Capital	1,487	1,401	1,509	1,525	1,580	1,439	845	1,213
Minority Holdings	411	417	445	451	517	457	-	-
Total Stockholder 's Equity	5,552	5,450	5,578	5,573	6,028	5,822	5,208	5,562
TOTAL LIABILITIES &	47,195	48,295	49,530	66,727	105,584	97,933	104,530	99,125

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

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

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	95	4	3	3	3	3	3	3
Other contingent obligations	5,320	5,477	5,399	6,211	5,961	6,498	10,199	6,688
Irrevocable lines of credit	895	626	433	519	536	424	653	496
Assets held in trust and mandate	8,906	11,204	11,872	11,802	18,984	17,645	16,322	17,830
Assets held in custody or in administration	18,595	21,333	19,322	35,476	73,507	60,876	84,210	67,787
Investment banking transactions for third	44,794	50,389	46,756	29,444	24,935	28,442	46,579	69,335
Engaged amounts in fobaproa operations	1,799	1,957	2,130	2,418	8,423	9,081	8,038	3,543
Investment of retirement saving funds	1,478	1,430	2,491	2,471	2,453	2,478	2,168	2,162
Integration of loan portfolio	30,240	29,445	30,526	28,822	-	-	-	-
Received amounts in derivative instruments	2,483	2,451	2,349	2,473	2,203	2,510	2,557	2,650
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	13,093	16,110	17,213	14,119	12,862	13,726	24,417	37,099
(Less) payable for reversal	(13,064)	(16,067)	(17,201)	(14,087)	(12,832)	(13,790)	(24,441)	(37,089)
Receivables for reversal	1,298	3,088	3,354	2,858	2,799	3,496	7,821	17,220
(Less) securities to be delivered	(1,299)	(3,101)	(3,353)	(2,875)	(2,803)	(3,433)	(7,751)	(17,210)
Other control accounts	109,504	112,538	113,514	130,386	216,164	212,777	344,177	160,078
	224,137	236,884	234,806	250,041	353,194	340,735	514,951	330,591

BANCO MERCANTIL DEL NORTE – Income Statement (*)

(Millions as of December '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	3,495.6	2,665.5	3,138.1	3,016.5	4,277.7	4,486.2	4,840.7	6,767.9
Interest Expense	2,620.9	2,008.8	2,445.8	2,189.5	3,309.5	3,441.8	3,844.3	5,382.8
Loan Fees	83.3	104.9	110.9	117.6	123.3	137.3	135.9	(112.3)
Fees Paid	1.9	7.5	9.6	3.9	2.0	3.4	3.4	5.1
Net Interest Income (NII)	956.1	754.1	793.7	940.7	1,089.6	1,178.3	1,128.9	1,267.6
Repomo-Margin	362.6	179.7	185.7	175.6	59.8	6.1	(8.7)	12.4
NII after Repomo	1,318.7	933.7	979.4	1,116.3	1,149.5	1,184.4	1,120.2	1,280.0
Loan Loss Provisions	226.8	152.8	27.5	160.4	26.0	111.9	(0.1)	217.7
Loss Sharing Provisions	57.9	103.3	130.7	(11.3)	41.7	36.6	80.8	-
NII after Provisions	1,034.1	677.6	821.1	967.1	1,081.8	1,035.9	1,039.5	1,062.3
Fund transfers	6.1	5.9	6.3	7.6	7.3	7.8	7.5	8.4
Account management	26.7	27.4	34.1	35.7	45.9	50.5	64.0	76.9
Fiduciary	5.6	9.2	9.9	8.4	13.7	15.7	13.5	12.1
Credit Card	4.1	1.5	4.9	4.1	5.2	4.9	7.5	9.0
Fees from FOBAPROA	81.7	65.3	308.2	81.7	73.2	214.4	132.2	100.5
Other fees	125.4	101.1	177.3	118.8	201.0	140.5	141.7	314.0
Fees on purchased services,	249.7	210.5	540.7	256.2	346.2	434.0	366.4	520.9
Fund transfers	0.1	-	-	-	-	-	-	-
Other fees	54.5	62.1	103.0	101.8	78.1	81.8	80.0	78.8
Fees on payed services,	54.6	62.1	103.0	101.8	78.1	81.8	80.0	78.8
Foreign exchange	42.6	44.5	29.0	(16.6)	45.8	41.0	44.6	44.9
Securities -Realized gains	27.9	16.7	37.1	40.4	11.6	7.3	(3.3)	(12.0)
Securities- Unrealized gains	8.2	17.9	(10.5)	0.8	31.7	28.8	76.2	77.6
Market-related Income	78.6	79.2	55.6	24.7	89.1	77.1	117.5	110.4
Total Non Interest Income	273.8	227.5	493.3	179.1	357.2	429.3	403.9	552.5
Total Operating Income	1,307.8	905.1	1,314.5	1,146.2	1,439.0	1,465.2	1,443.3	1,614.8
Personnel	347.2	422.4	506.0	504.3	525.0	581.6	578.7	653.4
Fees Paid	52.3	79.1	63.1	76.4	60.7	68.9	57.4	74.6
Operation & Administrative expenses	348.1	301.4	501.3	323.8	322.3	358.8	443.0	381.3
Rents, depreciation and amortization	153.6	102.0	118.8	152.4	164.7	152.0	163.9	147.6
Taxes, other than income tax	51.6	90.9	90.0	102.3	69.3	101.1	105.2	166.1
Contributions to IPAB	22.6	26.7	37.3	37.7	52.7	83.3	77.2	86.4
Corporate expenses Recoveries	(252.0)	(271.4)	(300.6)	(340.9)	(65.2)	(92.9)	(51.6)	(40.4)
Non-Interest Expense	723.4	751.1	1,015.9	855.8	1,129.4	1,252.8	1,373.7	1,469.0
Operating Income	584.4	154.0	298.6	290.4	309.6	212.3	69.6	145.8
Other Income	20.6	52.2	28.3	59.8	29.8	54.3	97.5	120.0
Foreign exchange	-	-	-	-	-	-	-	-
Recoveries	97.9	74.4	75.6	(3.3)	13.9	9.2	198.5	88.4
Repomo-other (Debtor balance)	-	-	-	-	-	-	-	-
Total Other Products	118.5	126.6	103.9	56.5	43.7	63.5	296.0	208.4
Other Expense	(105.8)	0.7	(55.5)	(63.2)	(45.6)	(39.6)	(130.9)	(146.3)
Foreign exchange	-	-	-	-	(21.6)	-	-	-
Repomo-other (Creditor balance)	(380.7)	(140.0)	(173.6)	(158.5)	(93.7)	(28.6)	(26.2)	(43.2)
Total Other Expense	(486.5)	(139.3)	(229.1)	(221.7)	(160.9)	(68.2)	(157.2)	(189.5)
Other expenses (Revenues), net	(368.0)	(12.7)	(125.2)	(165.2)	(117.2)	(4.7)	138.8	18.9
Pre-tax Income	216.4	141.3	173.4	125.2	192.4	207.6	208.4	164.7
Income tax	(2.8)	(2.8)	(2.3)	6.8	-	-	(6.2)	(7.2)
Profit sharing	-	-	-	-	-	-	-	-
Tax on Assets	(3.2)	(3.1)	(3.2)	(6.7)	(4.1)	(2.7)	(3.5)	(1.2)
Deferred Inc. Tax and Profit sharing	-	-	(4.9)	(20.8)	(41.8)	(38.5)	(23.7)	103.8
	(6.0)	(5.9)	(10.4)	(20.8)	(46.0)	(41.3)	(33.4)	95.4
Net income before subsidiaries	210.4	135.5	162.9	104.5	146.4	166.4	175.0	260.1
Subsidiaries net income	108.7	38.7	18.0	77.6	16.6	4.4	6.3	0.7
Net Income from continuous operations	319.1	174.2	180.9	182.1	163.0	170.8	181.4	260.7
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	(15.2)	(4.0)	(30.1)	(7.9)	(34.4)	(2.3)	(15.9)	-
TOTAL NET INCOME	303.9	170.2	150.8	174.2	128.6	168.5	165.5	260.7

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

Note: Consolidates the Afore until August, 2000.

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

(Millions as of December '00 Pesos)

ASSETS	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Cash and due from Banks	2,375	2,545	2,479	2,687	2,295	2,024	814	1,108
Negotiable Instruments	-	-	-	-	-	-	-	-
Securities held for sale	-	-	-	-	-	-	117	123
Securities held to maturity	1,012	499	480	534	597	465	285	265
Financial Instruments:	1,012	499	480	534	597	465	402	388
Repurchase agreements, net	-	-	-	-	1	-	34	9
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	-	-
Repos & Derivatives :	-	-	-	-	1	-	34	9
Commercial	396	517	630	666	532	584	27	27
Financial Intermediaries	3	3	2	2	20	440	-	-
Credit Card & Consumer	1	1	1	2	8	14	-	-
Mortgage	1,275	1,227	1,208	1,239	1,352	1,322	358	335
Government Entities	241	284	318	331	352	368	-	6
Fobaproa	21,608	20,641	19,660	17,870	18,471	18,606	18,190	-
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	23,523	22,671	21,820	20,111	20,735	21,333	18,576	368
Commercial	193	195	41	464	429	368	128	64
Financial Intermediaries	-	-	-	-	-	7	-	-
Credit Card & Consumer	136	133	120	116	112	110	-	-
Mortgage	715	654	548	435	351	349	121	134
Government Entities	-	-	-	-	-	-	-	-
Past Due Loans	1,044	983	709	1,015	892	834	248	198
Total Loans	24,567	23,654	22,529	21,126	21,627	22,167	18,824	565
Preventive loan loss reserves	1,975	2,011	1,455	1,469	1,378	1,352	381	382
Net Loan Portfolio	22,593	21,643	21,074	19,657	20,250	20,815	18,443	183
Sundry debtors and other assets, net	177	249	211	157	355	369	429	544
Foreclosed assets, net	9	7	75	764	751	757	-	83
Real Estate, Furniture & Equipment, net	461	448	448	438	431	428	25	27
Investments in subsidiaries	12	12	12	14	17	15	364	332
Deferred taxes	-	-	-	-	-	-	-	-
Deferred charges & Intangibles	40	42	31	32	19	16	598	593
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
Other Assets	698	759	777	1,407	1,572	1,586	1,415	1,578
TOTAL ASSETS	26,678	25,446	24,809	24,285	24,714	24,890	21,109	3,266

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

(Millions as of December '00 Pesos)

LIABILITIES	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Demand Deposits	2,224	2,618	3,176	2,765	2,349	2,425	-	58
Time Deposits	15,337	14,435	12,075	12,165	16,199	16,150	17,040	905
Bonds	4,147	3,476	3,365	3,293	-	-	-	-
Deposits	21,708	20,529	18,616	18,223	18,549	18,575	17,040	963
Demand	62	-	-	-	-	-	-	-
Short term	904	977	2,089	2,064	2,292	2,493	-	-
Long term	1,865	1,795	1,646	1,573	1,508	1,459	2,248	333
Due to banks and correspondents	2,831	2,772	3,735	3,637	3,799	3,952	2,248	333
Repurchase agreements, net	-	-	-	-	1	-	-	34
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	53	-
Repos & Derivatives:	-	-	-	-	1	-	53	34
Income Tax & Profit Sharing	-	-	-	2	2	-	2	14
Other Payable accounts	576	516	769	674	321	248	136	25
Other payable accounts	576	516	770	676	322	248	138	39
Subordinated non Convertible Debenture	-	-	-	-	-	-	-	-
Deferred Taxes	-	-	-	-	-	-	-	111
Deferred credits	7	12	11	12	10	11	-	-
TOTAL LIABILITIES	25,121	23,829	23,133	22,549	22,681	22,786	19,478	1,481
STOCKHOLDER 'S EQUITY								
Paid-in Capital	872	872	872	1,121	1,120	1,120	480	480
Share subscription premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	872	872	872	1,121	1,120	1,120	480	480
Capital Reserves	251	276	276	276	278	512	-	-
Retained Earnings	268	256	255	-	325	91	-	-
Surplus (Deficit) from securities	-	-	-	-	-	-	(7)	(24)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	98	83	83	87	13	13	4	-
Non Mon assets results fixed assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	-	-	-	-	3	1	11	7
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	68	130	190	253	294	367	662	839
Earned Capital	685	745	804	616	913	983	669	822
Minority Holdings	-	-	-	-	-	-	480	482
Total Stockholder 's Equity	1,557	1,617	1,676	1,737	2,033	2,104	1,630	1,785
TOTAL LIABILITIES &	26,678	25,446	24,809	24,285	24,714	24,890	21,109	3,266

(*) Consolidate Afore

MEMORANDUM ACCOUNTS OF BANCO DEL CENTRO (Bancen) (Millions as of December '00 Pesos)

	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Signature guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	1,923	1,879	1,944	2,338	2,310	2,433	-	2,598
Irrevocable lines of credit	15	19	16	26	22	20	-	-
Assets held in trust and mandate	18,643	17,887	18,223	17,887	16,932	19,135	19,038	18,371
Assets held in custody or in administration	27,205	25,934	24,638	24,225	27,250	30,593	-	900
Investment banking transactions for third	337	259	18	65	253	231	-	7
Engaged amounts in fobaproa operations	2,730	3,110	3,333	3,508	568	311	315	62
Investment of retirement saving funds	-	-	-	-	-	-	-	-
Integration of loan portfolio	24,901	24,030	23,231	22,009	-	-	-	-
Received amounts in derivative instruments	-	-	-	-	-	-	-	-
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	125	14	18	44	128	116	23,327	29,859
(Less) payable for reversal	(125)	(14)	(18)	(44)	(128)	(116)	(23,380)	(29,893)
Receivables for reversal	125	14	18	44	128	116	10,922	13,279
(Less) securities to be delivered	(125)	(14)	(18)	(44)	(128)	(116)	(10,888)	(13,270)
Other control accounts	38,117	69,270	68,327	63,337	59,312	60,281	-	30,881
	113,872	142,388	139,730	133,395	106,647	113,005	19,333	52,794

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

(Millions as of December '00 Pesos)

NET INTEREST INCOME	1Q99	2Q99	3Q99	4Q99	1Q00	2Q00	3Q00	4Q00
Interest Income	2,015.9	1,497.1	1,475.3	1,231.6	1,258.8	1,015.9	2,048.7	3,335.0
Interest Expense	1,681.4	1,167.9	1,081.9	904.5	764.6	686.3	1,822.4	3,233.0
Loan Fees	13.6	14.1	15.1	13.2	11.1	9.7	5.9	0.8
Fees Paid	0.1	0.6	0.4	0.3	1.1	0.5	0.4	0.0
Net Interest Income (NII)	348.0	342.8	408.2	340.0	504.2	338.9	231.8	102.9
Repomo-Margin	12.8	(17.9)	(9.9)	(10.0)	(10.1)	(9.0)	(7.4)	(3.3)
NII after Repomo	360.8	324.9	398.3	330.1	494.1	329.8	224.4	99.6
Loan Loss Provisions	(0.3)	12.4	20.5	20.8	195.2	61.2	6.4	38.4
Loss Sharing Provisions	-	-	-	-	-	-	-	-
NII after Provisions	361.1	312.6	377.8	309.3	298.9	268.7	218.0	61.2
Fund transfers	0.4	0.5	0.5	0.6	0.5	0.5	0.3	0.0
Account management	6.5	5.6	6.6	7.0	6.4	7.1	4.3	-
Fiduciary	1.4	3.4	2.8	5.6	193.4	23.6	209.6	124.0
Credit Card	0.2	0.3	0.4	0.5	0.3	0.4	0.3	-
Fees from FOBAPROA	15.3	9.7	13.5	6.3	13.6	3.9	5.4	3.2
Other fees	14.8	2.9	4.2	3.6	2.4	2.9	80.6	119.6
Fees on purchased services,	38.6	22.5	28.1	23.5	216.7	38.4	300.5	246.8
Fund transfers	-	-	-	-	-	-	-	-
Other fees	0.2	0.2	0.2	2.6	13.3	16.4	10.0	9.5
Fees on payed services,	0.2	0.2	0.2	2.6	13.3	16.4	10.0	9.5
Foreign exchange	8.8	7.9	6.5	5.4	7.7	6.8	4.6	-
Securities -Realized gains	-	-	-	-	-	-	2.1	11.5
Securities- Unrealized gains	-	-	-	-	-	-	(17.5)	(0.7)
Market-related Income	8.8	7.9	6.5	5.5	7.7	6.8	(10.8)	10.8
Total Non Interest Income	47.1	30.2	34.4	26.5	211.0	28.8	279.6	248.2
Total Operating Income	408.2	342.8	412.3	335.7	509.9	297.5	497.6	309.3
Personnel	74.7	72.3	79.4	81.1	78.9	89.4	62.5	36.4
Fees Paid	28.2	14.7	21.0	5.5	10.4	13.3	6.8	4.6
Operation & Administrative expenses	124.6	134.1	173.4	112.5	107.0	133.4	81.9	81.5
Rents, depreciation and amortization	23.2	21.8	15.7	19.8	18.3	15.6	20.3	17.0
Taxes, other than income tax	10.5	18.4	29.1	80.1	17.2	24.6	16.0	14.7
Contributions to IPAB	15.3	18.2	21.3	19.8	21.3	19.4	15.4	5.0
Corporate expenses Recoveries	-	-	-	-	-	-	-	-
Non-Interest Expense	276.6	279.5	339.9	318.8	253.1	295.6	202.9	159.2
Operating Income	131.5	63.3	72.4	16.9	256.8	1.9	294.7	150.2
Other Income	4.4	8.4	5.6	68.3	76.0	83.3	52.8	66.4
Foreign exchange	-	-	-	-	0.1	-	-	-
Recoveries	7.2	0.4	0.9	2.3	1.8	1.9	4.7	-
Repomo-other (Debtor balance)	-	-	-	-	-	-	-	-
Total Other Products	11.6	8.7	6.5	70.6	77.9	85.2	57.6	66.4
Other Expense	(8.9)	(5.1)	(5.6)	(8.1)	(9.3)	(1.3)	(1.6)	(0.1)
Foreign exchange	-	-	-	-	-	-	-	-
Repomo-other (Creditor balance)	(64.3)	(5.1)	(11.4)	(14.4)	(30.1)	(11.6)	(7.2)	2.3
Total Other Expense	(73.2)	(10.2)	(17.0)	(22.5)	(39.4)	(12.9)	(8.8)	2.3
Other expenses (revenues), net	(61.6)	(1.5)	(10.5)	48.1	38.6	72.3	48.8	68.7
Pre-tax Income	69.9	61.8	61.9	65.0	295.4	74.2	343.5	218.9
Income tax	(0.3)	(0.5)	(0.3)	(1.8)	-	-	-	(13.9)
Profit sharing	-	-	-	-	-	-	-	-
Tax on Assets	(1.4)	(1.4)	(1.2)	(0.6)	(1.4)	(1.8)	(2.2)	0.7
Deferred Inc. Tax and Profit sharing	-	-	-	(0.1)	-	-	(36.2)	(32.4)
	(1.4)	(1.9)	(1.5)	(2.5)	(1.4)	(1.8)	(38.4)	(45.6)
Net income before subsidiaries	68.3	59.9	60.4	62.5	294.0	72.4	305.1	173.3
Subsidiaries net income	(0.1)	1.8	0.0	0.2	(0.0)	0.5	0.7	9.5
Net Income from continuous operations	68.2	61.7	60.5	62.7	293.9	72.8	305.8	182.8
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	(10.7)	(5.3)
TOTAL NET INCOME	68.2	61.7	60.5	62.7	293.9	72.8	295.0	177.5

(*) Consolidate Afore

Financial Statements basis for presentation.

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

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

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

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