

***GFNorte generates a net profit of Ps 1,504.0 million for the year.***

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***GFNorte's accumulated earnings totaled Ps 1,504.0 million.***

GFNorte earnings in the year totaled Ps 1,504.0 million, with a Ps 1,271.9 million contribution by the Banking Sector (excluding the Afore), which were 14.6% and 17.3% lower, respectively, than those of the previous year as a result of a dramatic reduction in interest rates and also to important loan loss provisioning.

***GFNorte reached a 17.2% ROE in the year.***

GFNorte reached an annual 17.2% ROE, 1.5 times the 28-day Cete average in the year, thereby retaining one of the highest profitability rates of the Financial Groups in Mexico.

***Ps 970.2 million in Loan Loss Provisions were generated in the year .***

During 2001 Ps 970.2 million in Loan Loss Provisions were created, 40.5% greater than in 2000, due to Ps 760 million in write offs during the year and also to some corporate loans the became non-performing. This provisioning reduced the profit of the year.

***Banorte increases its loan portfolio by 11.0%.***

During the year Banorte increased it's traditional banking loan portfolio by 11.0% (excluding Fobaproa-IPAB), impeled mainly by a 69.0% growth in Consumer and Mortgage Loans, as a result of the promotional efforts carried out and to the new fixed rate products. The Commercial portfolio grew by 9.4%.

***Total Deposits increased by 12.4%.***

Total Deposits increased by 12.4%, with respect to December, and the contribution of low-cost Deposits improved, due to promotional efforts and Banorte's image as a sound institution.

***Banorte covered the last payment on the purchase of Bancrecer.***

On December 4, 2001, Banorte paid Ps 1,237.5 million, plus Ps 16.0 million of interests, in keeping with the agreement held between Banorte and the Instituto para la Protección del Ahorro Bancario (IPAB) for the purchase of Bancrecer.

***Banorte takes over administrative control of Bancrecer.***

As of January 8, 2002, GFNorte took over the administrative control of Bancrecer, after last January,2 the IPAB had transferred 100% of Bancrecer's shares to Banorte. Federico Valenzuela Ochoa was appointed CEO of Bancrecer and Carlos Septién Michel was designated Assistant CEO.

***Fitch raises Banorte Rates.***

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On January 15, 2002, the prestigious international rating company, Fitch, rose Banorte rates to BBB- and F3 for its long and short-term foreign currency debt, respectively. The long term rate is the same that was granted to the country risk after rising it to investment grade the same day.

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## I. Highlights

**Monterrey, N.L., January 30, 2002.** GRUPO FINANCIERO BANORTE (GFNorte) announced today its 2001 fourth-quarter earnings, Ps 250.3 million for GFNorte and its subsidiaries. The accumulated yearly profit up to last December equals Ps 1,504.0 million, 14.6% lower than in 2000. This was due mainly to the plummeting interest rates and the greater loan loss provisions in the Banking Sector during the year, allowing for an average 17.2% Return on Equity (ROE) in the year.

The **Banking Sector** accounted for 85% of GFNorte's annual profit, generating Ps 1,271.9 million, 17.3% less than the previous year, and a 17.4% Return on Equity (ROE). In the fourth quarter alone, the Banking Sector profit totaled Ps 194.7 million (excluding the Afore). On the other hand, the Brokerage Sector earned Ps 31.3 million; the Long Term Saving Sector showed a Ps 89.8 million profit; and Ps 69.4 million was the total profit of the Auxiliary Organization Sector.

The Traditional Banking Business performed favorably, as reflected in the Total Deposit increase, in the consumer loan growth and the small and medium business, as well as in the Non Interest Income, which contributed to face the adverse scenario for the Banks in Mexico in 2001. On one hand, the yearly average of the nearly 400 basis-points drop in interest rates, which was partially compensated by the factors mentioned above. On the other hand, the economic deceleration in the United States, underscored by the terrorist attacks of last September, took their toll on Mexico. Consequently, Ps 970.2 million in loan loss risk provisions were set up, 40.5% greater than those of 2000.

The December 2001 Banking Sector Demand Deposits increased by 8.2% as compared to the previous year, keeping the non-interest Demand Deposits per branch at the head of the Mexican banking market. On the other hand, Total Deposits increased by 12.4% in the same period due to greater money market volumes.

The GFNorte Assets under Management at the closing of 2001, which contemplates Deposits, On Behalf of Third-Party Deposits and Mutual Funds of the Banking Sector, the Brokerage House's Assets under Management and the funds managed by the Afore, totaled Ps 234,026 million.

The Traditional Banking loan portfolio (excluding Fobaproa/ IPAB) totaled Ps 30,170 million as of December, 11.0% higher than that of 2000. The commercial portfolio showed a 9.4% increase from December 2000 to December 2001. The Consumer and the Mortgage loans together increased by 69.0% in the same period. This growth responded to an income-generating strategy through these types of loans to compensate for the negative impact of the reduced interest rates. As part of this strategy, Banorte maintains an aggressive 17.9% fixed rate program for its mortgage and automotive products, and 25% for credit cards without affecting the additional benefits this product has to offer.

As to the quality of the assets, the Banking Sector closed December with a balance of Ps 4,472 million in the past-due loans portfolio, which represents 5.5% of the overall portfolio. The past-due loan portfolio reserve coverage was 100% in 2001.

The non interest income associated to the banking activity including Fund Transfers, Account Management Fees and Credit Card, grew sharply by 26% during the year, mainly because of the greater transactionality and fees adjustment.

Up until December 2001, the Banking Sector operating expenses, maintained a similar level with respect to the same period in 2000. Personnel expenses rose by 2.3% in the same period as there was a greater expense on severance expenses which resulted from the implementation of the Evolution Project and the consequent re-dimensioning in an attempt to increase the efficiency and control of our operating system. Moreover, early in the year, personnel were transferred from the Brokerage House to the Bank as a result of the former's spin off late last year. The control over operating expenses is a priority for GFNorte in order to

reach international standards, and the synergy of integrating Bancrecer will, beyond any doubt, be the key to achieve such a status.

The capitalization ratio, reached 12.6% for Banorte, considering only the loan risk, and 11.0% after adding the market risk. These ratios include the investment in the Bancrecer acquisition. Bancentro, on the other hand, made 18.0% and 14.1%, respectively, enabling the GFNorte Banking Sector to reach a 13.4% capitalization ratio with loan risk, and 11.5% after including market risk. These levels are higher than the minimum established by the authorities, and set the foundation for a sound growth platform for the GFNorte Banking Sector.

On January 15, 2002, the prestigious international rating firm, Fitch, raised its rating of Banorte's foreign currency debt for the long and short-term to "BBB-" and "F3", respectively.

The Group's **Brokerage Sector**, which includes the Banorte Brokerage House, generated an accumulated yearly profit of Ps 31.3 million in 2001. This 9.8% increase over the previous year was due to the optimization of its securities position with the reduction in the interest rates and the increase in the client portfolio. Up to December, the Brokerage House is overall Assets under Management totaled Ps 96,000 million, 48% higher than in the same period of the previous year.

GFNorte continued increasing its number of affiliates in the **Long Term Savings Sector** through Banorte-Generali AFORE, to 2,400,764 affiliates. Worth mentioning is the fact that 573,287 new affiliates were received in July which came from the central account, according to the rules on the distribution of those individuals who had not chosen a specific Afore. Banorte-Generali AFORE still had one of the lowest affiliation costs in the industry, and has a 9.05% market share. The funds thereof rose to Ps 14,092 million, 53.5% higher than in the same period the previous year. In the Insurance business, the total assets rose by 11.6% during 2001. The Annuities company, on the other hand, showed a remarkable 57.3% increase as compared to the previous year. The Long Term Saving Sector showed an accumulated profit of Ps 89.8 million in the year, 113.8% greater than that of the previous year an achievement that was due to the promotion efforts and the positive impact of the mark to market valuation in the Insurance and Annuities companies.

In the **Auxiliary Organizations Sector** the accumulated yearly profit was Ps 69.4 million. The Leasing company's performance from December 2000 to December 2001 is noteworthy, a 33.7% growth in its portfolio, and a reduction from 3.5% to 2.8% in its past-due loans portfolio. Banorte Factoring, in turn, experienced a 15.8% growth in its portfolio in the same period.

## **INTEGRATION OF BANCRECER**

Secretaría de Hacienda y Crédito Público authorized Banorte's purchase of Bancrecer. Consequently, on December 4, Banorte covered the remaining Ps 1,237.5 million of the total Ps 1,650 million and Ps 16.0 million of interests. The IPAB handed over 100% of the Bancrecer shares to Banorte on January 2, 2002 and, on January 8, lifted its Cautionary Administration of the institution and Banorte took over the administrative control. A stockholders' meeting was held on January 4 to appoint a new Board of Directors as well as the new Bancrecer CEO, Federico Valenzuela Ochoa. January 8, when the Bancrecer shares were handed over to Banorte, marked the beginning of in-depth adjustments intended to increase the institution's profitability and promote a sound and expedient integration process.

In December 2001, taking advantage of the Ps 850 million negative goodwill originated by the purchase of Bancrecer at a price lower than the shareholder's equity, an Ps 828 million reserve was created to cover integration expenses, which will avoid charges to both institutions' income statements for this concept in 2002.

As to personnel expenses, the corporate structure rationalization process began, taking advantage of the synergy with Banorte.

Given the importance of defining a common technological platform and operating model for the integrated bank, the alternatives have been under study from the outset of this first stage, and should be settled on by the first quarter of 2002. The main corporate buildings of Banorte and Bancrecer were connected with voice, data and e-mail networks since last December. Moreover, the computer centers of both institutions will be integrated into Bancrecer's site located in Tlalpan, Distrito Federal, thereby reducing telecommunications and software license expenses.

Additionally, an inter-operational project in the branches is scheduled to get underway by next March. This program will enable the clients of both banks to use the branches of either bank indistinctly for the more common transactions, such as deposits or cashing checks. The Bancrecer branch façade image change will also begin in the first quarter of 2002.

An in-depth study of the branch networks of both institutions was made, addressing profitability and market, and the conclusion reached was to start closing down 105 branches nationwide out of the 1,207 branches of Banorte and Bancrecer, 96 from Bancrecer and 9 from Banorte, as of February.

## **II. Macroeconomic Environment**

The international stock markets did well in the fourth quarter of the year which, in part, was a reaction to the positive economic reports in the United States. In 4Q01, Dow Jones rose by 13.27% and closed the year with a 7.11% drop; NASDAQ increased by 30% although it closed the year with a 21% loss, and the Mexican Stock Exchange took an important 13.27% upturn, closing 2001 with an earning of 12.74%.

The interest rates in the fourth quarter were the lowest of the year, and even in December a 6.03% all-time low in the Cete at 28 days was reached. The 28-day Cete closed the year at 6.29%, which is 11 percentage points lower than the 17.89% rate in January.

The exchange rate at the close of December was \$9.14 per dollar – a total 5.4% appreciation in 2001. The factors that influenced the exchange rate stability include fiscal and monetary discipline and considerable foreign investment inflows.

In Mexico, the 4.4% inflation at the closing of 2001, the lowest price increase in the last thirty years, greatly surpassed the analysts' expectations. The downward trend in inflation during 2001 is attributed to several factors. On the one hand, economic activity deceleration, as prices drop when demand decreases. A second factor was the fall of agricultural and livestock prices this year. Finally, the appreciation of the exchange rate favored marketable goods.

Economic activity in the fourth quarter continued deteriorating albeit not as intensely. Industrial production dropped an average of 4% during the October-November period, which compares positively to the 4.7% drop in the third quarter. However, it is still too soon to talk about an industrial production reactivation, because the import-export sectors –such as manufacturing- are still falling a higher rates than industry as a whole.

Private spending has improved slightly: in October retail sales fell by 0.4%, whereas the drop in the third quarter was 0.6%. We estimate that growth in the last quarter of 2001 could be around –1.2%, and the GNP would, therefore, close with a negative rate of –0.2%.

The external sector is still suffering from the deceleration in the United States. In October-November total exports fell an average of 12.3%, while imports fell by 9.7%, which only serves to prove that the economic cycles of Mexico are closely tied to those of the United States.

The most relevant topic, not only in the last quarter but throughout the year, was the fiscal reform approval. Finally, Congress approved a set of new fiscal measures that would raise Ps 70 billion in additional funds for government spending. Although the reform was a far cry from the original proposal, it was perceived by

the markets –especially foreign markets- as a positive measure. Once the news of the approval was published, the interest rate and exchange rate stabilized and the Stock Exchange reacted with an upward trend.

### III. Recent Events

#### GRUPO

**Banorte's Capital Increase.-** In order to fund the Banco Mercantil del Norte purchase of Bancreecer, the Group's Holding (Grupo Financiero Banorte, S.A. de C.V.) put up capital for Ps500 million in December 2001. Part Ps 200 million of these funds remained as Cash in the Group's Treasury and Ps 300 million from the dividends that several of Group's subsidiaries paid to the holding company during the quarter.

#### Banking Sector

**Acquisition of Bancreecer.-** The final payment of Ps 1,237.5 million, plus Ps 16.0 million of interest ,was covered on December 4, 2001 to the IPAB. The overall purchase price was Ps 1,650 million (\$174 million dollars), equal to 0.66 times the book value.

As of January 8, 2002, GFNorte took over the administrative control of Bancreecer after the IPAB had transferred 100% of its shares to the Banorte account in Indeval on January 2 this year. Federico Valenzuela Ochoa was appointed C.E.O of Bancreecer and Carlos Septién Michel was designate Assistant C.E.O. reporting to the President of the Group.

Four stages were defined for the Bancreecer integration process:

**First Stage: Transitory Administration.-** It started with the signing of the contract and ended when the shares were handed over to Banorte on January 2, 2002. Eleven Banorte delegates participated in this stage starting in the diagnostics and follow-up of Bancreecer's administration.

**Second Stage: Banorte Administration.-** A one-month long stage which started when Bancreecer's shares were handed over. It consists of taking over the bank's administration, rationalization of the corporate structures, the function integration of Bancreecer to Banorte and defining the branches to close.

**Third Stage: Administrative Integration.-** Estimated to last two months, it includes defining the technological platform and operative model, unifying the computer centers of both institutions, defining the unique organizational structure to achieve a significant rationalization, inter-operating of the both banks' main transactions, and closing branches.

**Fourth Stage: Operative Integration.-** Expected to last 9 months, it will include the technological integration and implementation of the new operative model throughout the branch network, and changing the Bancreecer branch image. Estimated completion: December 2002. The rebranding of Bancreecer's branches will start on February with the goal of ending this process in the largest cities by April.

The integration process is estimated to take one year, nevertheless there are plans to merge both institution in the first quarter of 2002. In the course of January 260 job positions in Bancreecer were eliminated.

**Bancen Dividend.-** At the Extraordinary Stockholders Meeting held last October 26, 2001, Banco del Centro decreed a cash Dividend for Ps 240 million to GFNorte (Holding) for the purchase of Bancreecer.

**Fitch raises Banorte's rate.-** On January 15, 2002 Fitch modified Banorte's international rate after Mexico was granted the investment grade. While the International scores in local currency for the long and short

terms were ratified at BBB- and F3, respectively, those on foreign currency debts were raised from BB+ to BBB- and from B to F3, respectively.

**Goldman Sachs Portfolio Purchase.-** In October a Ps 3,191.2 million purchase of Goldman Sachs mortgage portfolio was made, at a purchasing price of Ps 648.6 million which will be managed by Sólida Administradora de Portafolios, S.A. de C.V., a Banorte Subsidiary.

### Auxiliary Organization Sector

**Leasing and Factoring Dividends.-** During the quarter, Factor Banorte decreed cash dividends for Ps 40 million, and Leasing allotted Ps 20 million to the Group's Holding in an effort to support the funding efforts for the Bancrecer acquisition.

## IV. Grupo Financiero- Consolidated

The Financial statements of the Group do not consolidate Bancrecer at the end of December, 2001 due to the fact that it's shares were transferred to Banorte until beginning January, 2002.

### Grupo Financiero Banorte Earnings

(Millions of Pesos)	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
G. F. Banorte [holding]	38.4	10.4	14.0	64.0	41.6
<b>Banking Sector</b>					
Banco Mercantil del Norte (1)	266.8	122.2	74.4	675.5	456.2
Banco del Centro (2)	178.7	194.1	120.3	862.0	815.7
	445.5	316.4	194.7	1,537.4	1,271.9
<b>Brokerage Sector</b>					
Brokerage House	(32.7)	1.0	17.1	28.5	31.3
<b>Long-Term Saving Sector</b>					
Pension Funds Afore	5.1	35.7	15.2	71.7	88.3
Insurance	7.8	(0.3)	(0.6)	4.8	7.1
Annuities	(14.4)	(14.7)	(4.2)	(34.5)	(5.6)
	(1.4)	20.8	10.5	42.0	89.8
<b>Auxiliary Organization Sector</b>					
Leasing	7.3	6.6	6.0	24.3	26.2
Factoring	13.8	3.3	4.2	44.5	27.6
Warehousing	10.7	2.1	2.2	14.3	8.7
Bonding	0.7	2.0	1.6	6.5	6.9
	32.6	13.9	14.1	89.7	69.4
<b>Total</b>	<b>482.4</b>	<b>362.5</b>	<b>250.3</b>	<b>1,761.6</b>	<b>1,504.0</b>
<b>RATIOS</b>					
Net Income per Share (3)	0.96	0.72	0.50	3.52	3.01
Dividends per share (3)	-	-	-	-	-
Book Value per share(3) (4)	15.76	17.99	18.12	15.76	18.12

1) 96.11% owned by GFNorte. Includes Banpaís until 4Q00.

- 2) Includes the Bank's Subsidiaries. Excludes the AFORE  
 3) Per Share data, based on 500.1 million shares outstanding on December 31, 2001.  
 4) Excluding Minority holdings.

**Grupo Financiero Banorte** consolidated accumulated a net income of Ps 1,504.0 million throughout the year, 14.6% lower to that of 2000, equivalent to 3.01 pesos per share. The Book Value at the close of 4Q01 was 18.12 pesos per share, 15.0% higher than the previous year.

### Relevant Numbers for Grupo Financiero

(Millions of Pesos)	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>Income Statement</b>					
<b>Net Interest Income (NII)</b>	<b>1,522.1</b>	<b>1,540.1</b>	<b>1,369.3</b>	<b>6,724.2</b>	<b>6,409.7</b>
+ REPOMO-Margin	13.8	19.4	19.9	(22.0)	55.3
<b>= NET Interest Income after Repomo</b>	<b>1,535.8</b>	<b>1,559.5</b>	<b>1,389.2</b>	<b>6,702.2</b>	<b>6,465.0</b>
- Loan Loss Provisions	269.4	167.2	189.3	694.9	977.6
- Loss Sharing Provisions	-	24.8	16.5	167.1	169.6
<b>=Net Interest Income after Provisions</b>	<b>1,266.5</b>	<b>1,367.5</b>	<b>1,183.4</b>	<b>5,840.2</b>	<b>5,317.8</b>
+ Non Interest Income	801.3	628.6	713.8	2,727.4	2,873.1
<b>= Total Operating Income</b>	<b>2,067.8</b>	<b>1,996.2</b>	<b>1,897.1</b>	<b>8,567.6</b>	<b>8,190.9</b>
- Non Interest Expense	1,806.8	1,772.8	1,893.5	7,009.9	7,102.7
<b>= Net Operating Income</b>	<b>260.9</b>	<b>223.3</b>	<b>3.6</b>	<b>1,557.7</b>	<b>1,088.2</b>
+ Non Operating Income (Expense) Net	172.6	238.3	303.4	426.0	791.0
<b>= Pre-tax Income</b>	<b>433.5</b>	<b>461.6</b>	<b>307.0</b>	<b>1,983.7</b>	<b>1,879.2</b>
- Income Tax & profit sharing	(24.5)	1.6	(29.1)	(86.1)	(95.2)
- Tax on asset	(0.5)	(26.2)	(6.5)	(17.1)	(39.8)
- Deferred Income Tax & profit sharing	77.5	(30.9)	0.6	(25.9)	(196.4)
<b>= Net Income before Subsidiaries</b>	<b>486.0</b>	<b>406.1</b>	<b>272.1</b>	<b>1,854.6</b>	<b>1,547.9</b>
+ Undistributed Earnings of Subsidiaries	11.6	(3.9)	(5.4)	11.0	59.3
<b>=Net Income-contin. Operation</b>	<b>497.6</b>	<b>402.2</b>	<b>266.7</b>	<b>1,865.6</b>	<b>1,607.1</b>
+ Extraordinary Items, net	-	-	-	-	-
- Minority Income	(15.2)	(39.7)	(16.3)	(104.0)	(103.2)
<b>=Total Net Income</b>	<b>482.4</b>	<b>362.5</b>	<b>250.3</b>	<b>1,761.6</b>	<b>1,504.0</b>
<b>Profability Ratios</b>					
ROA (1)	1.7%	1.4%	1.0%	1.4%	1.4%
ROE (2)	25.3%	16.1%	11.0%	20.7%	17.2%
Efficiency Ratio (3)	71.4%	69.7%	83.1%	68.3%	70.1%
<b>Balance Sheet</b>					
	<b>4Q00</b>	<b>3Q01</b>	<b>4Q01</b>		
Total Assets	108,292	102,285	105,408		
Loan Portfolio	84,107	81,577	83,703		
Performing loans excl. Fobaproa and Governm. Ent.	29,974	29,279	33,949		
Deposits	71,065	71,666	75,555		
Assets under Management (4)	183,883	223,727	234,026		
Equity	8,633	9,821	9,859		
Past Due Loans	4,354	4,502	4,518		
Loan Loss Reserves	4,393	4,496	4,494		
<b>Asset Quality Ratios</b>					
Past Due Loans to Total Loans	5.2%	5.5%	5.4%		
Loan Loss Reserves to Past Due Loans	100.9%	99.9%	99.5%		

(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.

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

- (3) (Non Interest Expense – Contributions to IPAB - Depreciation) / (Total Operating Income – Repomo Margin – Provisions-Trading Income)  
 (4) Includes Deposits, On behalf of Third Parties Deposits and Mutual Funds of the Banking Sector, Assets under management of the Brokerage Sector and those of the Afore.

## V. Information by Sectors

### 1. Banking Sector

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>Income Statement</b>					
<b>Net Interest Income</b>	<b>1,486.2</b>	<b>1,438.2</b>	<b>1,279.3</b>	<b>6,375.5</b>	<b>5,983.5</b>
+ REPOMO-Margin	7.5	26.6	37.6	14.1	95.4
<b>= Net Interest Income after Repomo</b>	<b>1,493.7</b>	<b>1,464.8</b>	<b>1,316.8</b>	<b>6,389.6</b>	<b>6,079.0</b>
- Loan Loss Provisions	269.0	161.8	189.0	690.7	970.2
- Loss Sharing Provisions	-	24.8	16.5	167.1	169.6
<b>= Net Interest Income after Provisions</b>	<b>1,224.7</b>	<b>1,278.2</b>	<b>1,111.3</b>	<b>5,531.8</b>	<b>4,939.1</b>
+ Non Interest Income	647.4	381.1	490.7	1,922.4	2,022.8
<b>= Total Operating Income</b>	<b>1,872.2</b>	<b>1,659.4</b>	<b>1,602.0</b>	<b>7,454.2</b>	<b>6,962.0</b>
- Non Interest Expense	1,610.6	1,565.6	1,647.2	6,175.9	6,227.0
<b>= Net Operating Income</b>	<b>261.6</b>	<b>93.8</b>	<b>(45.2)</b>	<b>1,278.3</b>	<b>735.0</b>
+ Non Operating Income (Expense) Net	104.0	225.5	288.1	343.3	759.5
<b>= Pre-tax Income</b>	<b>365.6</b>	<b>319.3</b>	<b>242.9</b>	<b>1,621.6</b>	<b>1,494.5</b>
- Income Tax & profit sharing	(22.2)	3.2	47.9	(28.7)	(1.0)
- Tax on asset	(0.5)	(3.0)	(4.5)	(17.1)	(13.2)
- Deferred Income Tax & profit sharing	109.0	(0.6)	(75.0)	(10.3)	(190.5)
<b>= Net Income before Subsidiaries</b>	<b>451.9</b>	<b>319.0</b>	<b>211.3</b>	<b>1,565.6</b>	<b>1,289.8</b>
+ Undistributed Earnings of Subsidiaries	8.4	38.5	0.3	78.8	88.7
<b>= Net Income-continuous Operation</b>	<b>460.3</b>	<b>357.5</b>	<b>211.6</b>	<b>1,644.4</b>	<b>1,378.5</b>
+ Extraordinary Items, net	-	-	-	-	-
Minoritary Income	-	-	-	(3.3)	0.1
<b>=Total Net Income</b>	<b>460.3</b>	<b>357.5</b>	<b>211.7</b>	<b>1,641.1</b>	<b>1,378.6</b>
<b>Profability Ratios</b>					
ROA (1)	1.6%	1.3%	0.8%	1.2%	1.3%
ROE (2)	28.3%	17.1%	10.2%	22.3%	17.4%
Efficiency Ratio (3)	69.2%	72.9%	65.4%	68.3%	71.8%
<b>Balance Sheet</b>					
	<b>4Q00</b>	<b>3Q01</b>	<b>4Q01</b>		
Total Assets	105,948	99,004	101,560		
Loan Portfolio	84,279	79,736	81,455		
Deposits	71,236	71,997	75,728		
Equity	7,209	8,162	8,394		
Past Due Loans	4,326	4,473	4,472		
Loan Loss Reserves	4,375	4,473	4,472		
<b>Asset Quality Ratios</b>					
Past Due Loans to Total Loans	5.1%	5.6%	5.5%		
Loan Loss Reserves to Past Due Loans	101.1%	100.0%	100.0%		

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

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

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



The Banking Sector showed an accumulated profit of Ps1,378.6 million in 2001, 16.0% lower than in 2000. Important loan loss provisions were created for Ps 970.2 million due to the charge offs applied in the period and to new non performing corporate loans. Furthermore, Ps 169.6 million were charged to earnings as Fobaproa loss sharing provisions. The Net Interest Income, before Repomo, decreased by 6.2% as compared to 2000, due to the considerable drop in the 28-day Cetes rate. The yearly Non Interest Income closed at Ps 2,022.8 million, 5.2% higher than in 2000 mainly due to higher service fees. The Non Interest Expense rose to Ps 6,227.0 million at the close of 2000, a similar amount to that of 2000.

### Net Interest Income

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>BANKING SECTOR</b>					
Interest Income	10,201.3	4,584.6	4,157.5	29,455.8	21,854.5
Interest Expense	8,592.7	3,231.3	2,971.4	23,395.4	16,179.7
Loan Fees	(117.1)	90.3	102.7	331.9	331.7
Fees Paid	5.3	5.4	9.6	16.7	23.0
<b>Net Interest Income before Repomo</b>	<b>1,486.2</b>	<b>1,438.2</b>	<b>1,279.3</b>	<b>6,375.5</b>	<b>5,983.5</b>
Average Earning Assets	121,894	100,732	98,817	133,537	102,346
<b>% Net Interest Margin</b>	<b>4.9%</b>	<b>5.7%</b>	<b>5.2%</b>	<b>4.8%</b>	<b>5.8%</b>

<i>(Millions of Pesos)</i>	4Q00		3Q01		4Q01	
	BANORTE	BANCEN	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	4,165.0	577.1	2,768.1	1,058.7	2,327.0	1,028.6
Interest Income- repo agreement	2,694.0	2,766.8	58.7	699.6	123.2	678.3
Foreign exchange Valuation	(1.5)	-	-	(0.4)	-	0.4
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	=	=	=	=	=	=
<b>Interest Income</b>	<b>6,857.5</b>	<b>3,343.9</b>	<b>2,826.8</b>	<b>1,757.8</b>	<b>2,450.2</b>	<b>1,707.3</b>
Loan Fees	(118.0)	0.9	90.1	0.2	102.6	0.2
Interest Expenses-dep.& funding	3,031.3	165.9	1,537.7	(7.9)	1,293.1	23.0
Interest expenses- repo agreement	2,457.5	2,922.8	991.9	696.4	885.4	743.8
Foreign exchange Valuation	-	0.1	4.1	-	10.7	-
UDI valuation	-	-	-	-	-	-
Valorization Inst. Indizados	<u>12.8</u>	<u>2.3</u>	<u>(0.1)</u>	<u>9.2</u>	<u>2.2</u>	<u>13.2</u>
<b>- Interest Expense</b>	<b>5,501.6</b>	<b>3,091.1</b>	<b>2,533.6</b>	<b>697.7</b>	<b>2,191.4</b>	<b>779.0</b>
Fees paid	5.3	-	5.4	-	8.5	1.1
<b>= Net Interest Income</b>	<b>1,232.5</b>	<b>253.7</b>	<b>377.8</b>	<b>1,060.4</b>	<b>352.9</b>	<b>926.4</b>

The Banking Sector's Net Interest Margin before Repomo, accumulated Ps 5,983.5 million during the year, 6.2% lower than that of 2000 mainly due to the considerable drop in the interest rates as compared to those of the previous year. The 28-day Cetes rates averaged 11.37% in 2001, a significant difference as compared to the 15.26% average of 2000. This negative impact was partially compensated by the extraordinary earnings obtained in Money Market and Treasury in the 2Q01, when trading margins were temporary increased as a result of pronounced interest rates drop. Another contributing factor was the Deposit mix improvement and changes in minimum balances of Deposit accounts.

The Net Interest Margin of the quarter fell by 11.0% with respect to 3Q01. This was due to the continual downturn in interest rates; the 28-day Cete averaged 7.45% in 4Q01 vs. 8.62% in 3Q01 equivalent to a 13.6% decrease in the level of interest rates. Additionally, the interest rate reductions that took place in 2H01 as a result of new fixed rates on Mortgage, Car and Credit Card loans reduced their margins even though this speeded up this type of loans growth.

## Non Interest Income

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>Fees on purchased services:</b>					
+ Fund Transfers	8.9	14.0	15.8	34.4	50.1
+ Account Management Fees	80.7	76.6	59.2	271.5	289.7
+ Fiduciary	143.0	423.3	195.7	637.6	977.2
+ Credit Card	9.4	83.9	93.4	29.4	343.4
+ From Fobaproa	108.9	62.3	42.0	573.9	266.6
+ Other Fees	<u>329.6</u>	<u>109.8</u>	<u>189.7</u>	<u>521.3</u>	<u>444.5</u>
	<b>680.5</b>	<b>769.8</b>	<b>595.8</b>	<b>2,068.0</b>	<b>2,371.6</b>
<b>Fees paid:</b>					
+ Fund Transfers	-	-	-	-	-
+ Other Fees	<u>87.8</u>	<u>317.2</u>	<u>172.7</u>	<u>361.3</u>	<u>659.7</u>
	<b>87.8</b>	<b>317.2</b>	<b>172.7</b>	<b>361.3</b>	<b>659.7</b>
<b>= Net Fees</b>	<b>592.7</b>	<b>452.6</b>	<b>423.1</b>	<b>1,706.7</b>	<b>1,711.9</b>
<b>Trading Income</b>					
+ Foreign Exchange	47.2	46.3	48.1	205.2	193.8
+ Securities- Realized gains	(0.6)	(23.3)	(19.8)	18.0	72.7
+ Securities- Unrealized gains	<u>8.1</u>	<u>(94.6)</u>	<u>39.2</u>	<u>(7.6)</u>	<u>44.5</u>
	<b>54.7</b>	<b>(71.5)</b>	<b>67.5</b>	<b>215.7</b>	<b>311.0</b>
<b>= Non Interest Income</b>	<b>647.4</b>	<b>381.1</b>	<b>490.7</b>	<b>1,922.4</b>	<b>2,022.8</b>

The Non Interest Income in 2001 totaled Ps 2,022.8 million; 5.2% higher than in 2000. This was due to a combination of some favorable and unfavorable aspects seen during the year, which are mentioned below:

1.- The implementation of new service fees and an upward revision of the minimum balances for deposit accounts influenced an increase in revenues from Fund Transfers, Account Management fees and Credit Card by 26.0%.

2.- The Security Realized Gains showed an annual increase of 44.2%, due to the increased Money Market and Treasury transactions volume and also to the positive effect of the mark to market valuation on the Fixed Income Securities position at the close of the year.

3.- The Commissions Charged to Fobaproa for handling and collecting the Bancen and Banpaís accounts fell by 53.6% as the remaining portfolio is harder to collect, a fact made apparent after 4 years of work on these account.

The Credit Card Commissions underwent a reclassification as of 4Q00, the results of which were reflected, at the end of 2000, in the Other Fees Collected account. Adding Ps 206.6 million for this concept to

the Ps 29.4 million registered in Credit Card during 2000, and comparing the sum to the Income under this concept in 2001, the variation was 45.5% positive as a result of an important reactivation in the use of credit cards as a means for payment, an specially in the second half of the year with the introduction of the 25% fixed rate scheme.

Departing 3Q01, the Serfin portfolio collecting fees were no longer presented under Fiduciary as a net figure and said Trust was consolidated in Banorte. This affected the presentation because said Trust's income and expenses are now distributed differently among different accounts in the Income Statement. Gathering all these accounts we obtain a net figure comparable to that included in the Fiduciary line in 2000 which gives a 12.9% negative variation stemming from the fact that in 2000 these fees included from September, 1999 to December, 2000, a total of 16 months.

<i>(Millions of Pesos)</i>	2000	2001
Fees from Fiduciary	N.A.	888.7
- Interest Expense	N.A.	(78.8)
- Other Fees Paid	N.A.	(319.8)
- Other Accounts	N.A.	(18.1)
<b>= Net</b>	<b>542.0</b>	<b>472.0</b>

N.A. = Not Applicable

On a quarterly basis, the Non Interest Income totaled Ps 490.7 million, 28.8% greater than in 3Q01, as a result of higher Trading Income that increased Ps 139 million compared to the previous quarter, coming mainly from the mark to market valuation.

## Non Interest Expense

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
Personnel Expenses	689.3	684.4	619.2	2,594.6	2,653.7
+ Fees Paid	81.7	84.5	89.5	309.6	329.5
+ Operation & Administration Expenses	401.4	419.0	480.6	1,665.6	1,693.5
+ Rent, Depreciation & Amortization	155.3	188.6	174.7	678.3	689.7
+ Tax other than income tax	186.7	100.9	193.7	540.6	503.4
+ Contributions to IPAB	96.0	88.1	89.5	387.1	357.2
- Corporate Expense Recoveries	=	=	=	=	=
<b>= Non Interest Expense</b>	<b>1,610.6</b>	<b>1,565.6</b>	<b>1,647.2</b>	<b>6,175.9</b>	<b>6,227.0</b>

The accumulated 2001 Non Interest Expenses were similar to those of 2000. Personnel Expense increased by 2.3% compared to 2000 due a number of factors, such as a 10% raise since mid year and improvements in some benefits, severance pay of personnel dismissed in 1Q01, and the Brokerage House personnel transfer to Banorte in 3Q00 in the corporate restructuring process. Quarterly, the Non Interest Expenses increased by 5.2% principally because there was a considerable increase of Ps 92.8 million in the Other Taxes concept which stemmed mostly from the Value Added Tax for investment made during the year and various re-possessed assets that also generate a tax expense.

## Non Operating Income (Expense) Net

<i>(Millions of Pesos)</i>	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
+Other Revenues	207.8	116.6	194.3	655.4	540.4
+Foreign Exchange	-	-	-	0.4	-
+Recoveries	92.8	84.7	147.1	337.3	508.2
+Repomo-other revenues	-	41.5	(59.2)	17.5	27.7
<b>=Non Operating Income</b>	<b>300.6</b>	<b>242.8</b>	<b>282.3</b>	<b>1,010.5</b>	<b>1,076.3</b>
-Other Expenses	(153.7)	(3.4)	33.3	(394.4)	(251.1)
-Foreign Exchange	-	-	-	(22.7)	-
-Repomo-other expenses	(42.9)	(13.8)	(27.5)	(250.2)	(52.7)
<b>=Non Operating Expense</b>	<b>(196.6)</b>	<b>(17.2)</b>	<b>5.9</b>	<b>(667.3)</b>	<b>(316.8)</b>
<b>= Non Operating Income (Expense) Net</b>	<b>104.0</b>	<b>225.5</b>	<b>288.1</b>	<b>343.3</b>	<b>759.5</b>

The net accumulated result of the year for Non Operating Income (Expense) was Ps 759.5 million, 121.2% higher than that of 2000, mainly due to a 50.7% Recoveries increase, to a 33.0% Other Expenses decrease derived from a Ps 81.0 million due to lower Foba-70 provisions and other provisions, and to a close to Ps 200 million decrease in Repomo-other expenses as a result of the application of the D4 bulletin issued by the Institute of Mexican Accountants. In the quarter, there was a 27.8% positive variation coming from a 73.7% Recoveries increase and also to a 66.6% increase in Other Revenues derived mostly from a Ps 81 million Sundry Creditors cancellation in the quarter.

## Loan Portfolio

<i>(Millions of Pesos)</i>	Local Currency			Foreign Currency			Total		
	4Q00	3Q01	4Q01	4Q00	3Q01	4Q01	4Q00	3Q01	4Q01
<b>Performing Loans</b>									
Commercial	15,510	12,948	15,720	4,677	4,448	4,785	20,186	17,396	20,505
Financial Intermediaries	1,654	236	399	1,062	359	191	2,716	595	589
Consumer	654	1,654	2,293	-	1	1	654	1,655	2,294
Mortgages	4,271	4,395	4,693	-	-	-	4,271	4,395	4,693
Government Entities	39,651	39,327	39,039	-	14	10	39,651	39,341	39,049
Fobaproa	6,075	6,072	5,191	6,398	5,808	4,662	12,473	11,880	9,853
<b>Total</b>	<b>67,815</b>	<b>64,632</b>	<b>67,335</b>	<b>12,137</b>	<b>10,631</b>	<b>9,648</b>	<b>79,952</b>	<b>75,263</b>	<b>76,983</b>
<b>Past Due Loans</b>									
Commercial	1,211	1,358	1,377	597	1,049	1,078	1,808	2,406	2,454
Financial Intermediaries	-	-	-	-	-	-	-	-	-
Consumer	625	313	316	-	-	-	625	313	316
Mortgages	1,893	1,754	1,701	-	-	-	1,893	1,754	1,701
Government Entities	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,729</b>	<b>3,424</b>	<b>3,394</b>	<b>597</b>	<b>1,049</b>	<b>1,078</b>	<b>4,326</b>	<b>4,473</b>	<b>4,472</b>
<b>Total Proprietary Loans</b>	<b>71,544</b>	<b>68,057</b>	<b>70,729</b>	<b>12,734</b>	<b>11,679</b>	<b>10,726</b>	<b>84,279</b>	<b>79,736</b>	<b>81,455</b>
<b>% Past Due Loans</b>	<b>5.2</b>	<b>5.0</b>	<b>4.8</b>	<b>4.7</b>	<b>9.0</b>	<b>10.0</b>	<b>5.1</b>	<b>5.6</b>	<b>5.5</b>
<b>Total Loans w/o Fobaproa/IPAB</b>	<b>28,164</b>	<b>26,068</b>	<b>30,155</b>	<b>6,336</b>	<b>5,871</b>	<b>6,064</b>	<b>34,502</b>	<b>31,936</b>	<b>36,219</b>
<b>FOBAPROA (**)</b>	<b>37,305</b>	<b>35,917</b>	<b>35,383</b>	-	-	-	<b>37,305</b>	<b>35,917</b>	<b>35,383</b>

(\*) Includes valued UDIS

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

(\*\*\*) Includes Fobaproa promissory notes.

Note: There is no scheme for Mortgage Earnings.

The year closed with a Ps 30,170 million Traditional Banking Loan Portfolio (without Fobaproa / IPAB), 11.0% greater than at the closing of the previous year. The main reason behind this is a 69.0% increase in the Consumer and Mortgage portfolios, as a result of the promotional activities carried out and the fixed-rate program, and 9.4% of commercial loans –mainly corporate- granted to companies selling consumer goods and offering direct credit to their clients.

The Fobaproa notes showed an important reduction in 2001 mainly as a result of USD 100 million in amortizations of Banpaís notes throughout the year, to Ps 509 million of the Foba-70 program termination in the 4Q01, and to Ps 394 million of the dollar exchange valuation (exchange rates: Dec/2000=9.6098 vs Dec/2001= 9.1695).

Quarterly, the portfolio without Fobaproa / IPAB experienced a considerable growth of 13.4%, which showed mainly in the Commercial Loans because of new loans granted to companies tied to the consumer sector. Likewise, the Consumer and Mortgage Portfolios rose by 32.6% and 4.0%, respectively, due to the new fixed-rates programs' success.

The past-due loans increased by 3.4% over the closing of 2000, as a result of the negative impact of reduced economic activity in the United States and a slow-down in Mexican industrial activity which has affected some domestic companies. The past-due loans ratio closed the year at 5.5%.

### Loan Portfolio Breakdown

(Millions of Pesos)

	TRADITIONAL BANKING		RECOVERY BANKING		FOBAPROA		TOTAL	
	4Q00	4Q01	4Q00	4Q01	4Q00	4Q01	4Q00	4Q01
<b>Commercial</b>	<b>19,237</b>	<b>21,049</b>	<b>2,298</b>	<b>1,910</b>	-	-	<b>21,534</b>	<b>22,959</b>
Corporate	7,682	8,668	52	48	-	-	7,734	8,716
Commercial	11,466	12,205	2,243	1,860	-	-	13,709	14,065
Other	89	176	2	3	-	-	91	178
<b>Financial Entities</b>	<b>2,716</b>	<b>589</b>	-	-	-	-	<b>2,716</b>	<b>589</b>
<b>Consumer</b>	<b>1,133</b>	<b>2,318</b>	<b>607</b>	<b>293</b>	-	-	<b>1,740</b>	<b>2,610</b>
Credit Card	535	823	388	134	-	-	924	957
Auto	447	1,292	15	17	-	-	461	1,309
Other	151	204	204	141	-	-	355	345
<b>Mortgages</b>	<b>1,757</b>	<b>2,558</b>	<b>4,408</b>	<b>3,836</b>	-	-	<b>6,165</b>	<b>6,394</b>
<b>Government Entities</b>	<b>2,347</b>	<b>3,656</b>	-	<b>10</b>	<b>37,305</b>	<b>35,383</b>	<b>39,652</b>	<b>39,049</b>
Government Entities	2,347	3,656	-	10	-	-	2,347	3,666
IPAB	-	-	-	-	37,305	35,383	37,305	35,383
<b>Fobaproa</b>	-	-	-	-	<b>12,473</b>	<b>9,853</b>	<b>12,473</b>	<b>9,853</b>
<b>Total</b>	<b>27,190</b>	<b>30,170</b>	<b>7,313</b>	<b>6,049</b>	<b>49,778</b>	<b>45,236</b>	<b>84,281</b>	<b>81,455</b>
<b>Total Loans w/o Fobaproa/ IPAB</b>							<b>34,502</b>	<b>36,219</b>

## Classified Loans

(Millions of Pesos)

Grade	COMMERCIAL (*)			MORTGAGES			CONSUMER			TOTAL		
	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve
A	20,585	80.4	164	3,078	48.1	16	2,014	76.3	10	25,676	74.2	-
B	1,464	5.7	223	1,427	22.3	78	261	9.9	26	3,152	9.1	32
C	1,073	4.2	387	428	6.7	135	43	1.6	19	1,544	4.5	309
D	76	0.3	56	1,461	22.9	1,023	36	1.4	26	1,573	4.5	943
E	1,780	7.0	1,754	-	-	-	287	10.9	286	2,067	6.0	2,067
Not Classified	1,421	2.4	-	-	-	-	-	-	-	1,421	1.8	-
<b>Total</b>	<b>25,592</b>	<b>100</b>	<b>2,584</b>	<b>6,394</b>	<b>100</b>	<b>1,252</b>	<b>2,640</b>	<b>100</b>	<b>367</b>	<b>34,626</b>	<b>100</b>	<b>3,350</b>
Excepted	-	-	-	-	-	-	-	-	-	48,435	-	-
<b>Total</b>	<b>25,592</b>	<b>100.0</b>	<b>2,584</b>	<b>6,394</b>	<b>100.0</b>	<b>1,252</b>	<b>2,640</b>	<b>100.0</b>	<b>367</b>	<b>83,061</b>	<b>100.0</b>	<b>3,350</b>

Note : Consolidated with UDIS. With December'01, per application of Report 1449,1460,1480 Y 14 of the CNByV (the National Banking and Securities Commission).

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

## Fobaproa-IPAB

(Million of Pesos)

	REMAINING CONTINGENCIES	
	LOSS(1) SHARING	INCENTIVE(1) SCHEME
Gross Fobaproa notes balance	9,914	5,946(2)
- Cash recoveries	2,290	1,441(2)
- Repossessed assets	=	=
= Balance net of recoveries	7,624	4,505
Contingency before reserves	2,031	339
- Reserves	<u>2,031</u>	<u>339</u>
<b>= Remaining contingencies</b>	<b>-</b>	<b>-</b>

1) Includes only cash recoveries.

2) Included in Loss Sharing program.

Banorte provisioned Ps 16.5 million through the Income Statement during the quarter to keep 100% provisioned on FOBAPROA-IPAB Loss Sharing program and Incentive Scheme. Cash recoveries in the Loss Sharing program represented 23.1% of Banorte's Gross FOBAPROA-IPAB notes balance.

Banorte's Foba 70 program expired early in 4Q01. It had started with the exchange of repossessed assets to Banorte by Fobaproa-IPAB promissory note in 1995. As the program concluded, Ps 225 million in repossessed assets were received as well as Ps 243 million in the cash recovery balance, for a difference of Ps 509 million that was covered in its entirety with the special reserves created for just such a purpose.

**Fobaproa - IPAB Notes Integration 4Q01**

(Millions of Pesos)	BANORTE				BANCEN	BANPAIS		BANKING SECTOR
	LOSS SHARING LOCAL CURRENCY	LOSS SHARING DOLLARS	WITHOUT RISK	INCENTIVE SCHEME	LOCAL CURRENCY	LOCAL CURRENCY	DOLLARS	TOTAL
Gross Balance	9,730	184	1,229	(1)	-	-	4,881	16,024
- Checking account balance	2,065	225	145	(1)	249	940	177	3,801
- Reserves	2,030	-	-	339	-	-	-	2,369
<b>= Net Balance</b>	<b>5,635</b>	<b>(41)</b>	<b>1,084</b>	<b>(339)</b>	<b>(249)</b>	<b>(940)</b>	<b>4,704</b>	<b>9,853</b>
<b>Simple Credit(2)</b>								35,383
<b>Bancrecer(3)</b>								46,270
Interest Rate	CETES 91-1.35	LIBOR +5	CETES 91	N.A.	N.A.	N.A.	CPTDL+0.17	
Maturity	2005	2006	2006	2005/2006	N.A.	N.A.	2007	
Remaining Contingencies	-0-	-0-	N.A.	-0-	N.A.	N.A.	N.A.	

- 1) The figures of Ps 5,946 & Ps 1,441 are included in Loss Sharing.  
 2) Is included in Government Entities, has a rate of TIIE 28+0.86 and it's maturity is in 2010.  
 3) Interest rate of TIIE 28 days +0.40 and maturity in 2009, with a single capital payment at maturity.  
 N.A.- Not Applicable

**ORIGIN OF THE NOTES**

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

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

**SIGNIFICANCE IN BANORTE BALANCE**

	1997	1998	1999	2000	4T01	PROFORMA W/BANCRECER
<b>% Total Loans</b>	70.9%	64.6%	63.5%	58.7%	55.5%	66.4%
<b>% Total Assets</b>	60.6%	53.5%	43.7%	46.7%	44.5%	53.1%

**Loan Loss Reserves (LLR)**

(Millions of Pesos)

	4Q01		
	BANORTE	BANCEN	Total
<b>PREVIOUS PERIOD END BALANCE</b>	<b>4,070</b>	<b>403</b>	<b>4,473</b>
Provision taken in the period	170	-	170
UDI trusts transfers	1	17	17
Charges offs and discounts:			
Commercial Portfolio	(15)	(6)	(21)
Foreclosed assets	(2)	-	(2)
Consumer Portfolio	(1)	-	(1)

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

Mortgage Portfolio	(58)	(2)	(60)
	<b>(76)</b>	<b>(8)</b>	<b>(84)</b>
Cost of debtors support programs	(28)	(3)	(31)
Valuation and Others	(72)	-	(73)
<b>LOAN LOSS RESERVES AT PERIOD END</b>	<b>4,064</b>	<b>408</b>	<b>4,472</b>

(\*) It does not include UDI trusts eliminations.

During the quarter, Ps 170 million were provisioned through the Income Statement and Ps 84 million were taken out through Charge offs and discounts related to collections and the restructuring of past due loans, from which Ps 21 million came from the Commercial Portfolio, Ps 1 million from Consumer and Ps 60 million from Mortgages. The cost of debtor support programs of the quarter was Ps 31 million. On the other hand, the Valuation impact amounted Ps 72 million. The balance of Loan Loss Provisions at the close of 4Q01 was Ps 4,472 million. Charge offs created during 2001 amounted Ps 760 millions derived mainly from the Consumer and the Mortgage Portfolios.

### Reserve Coverage as of 4Q01

(Millions of Pesos)

<b>BANORTE</b>	<b>Past Due</b>	<b>Reserves</b>	<b>Reserves/Past Due</b>
Commercial	2,257	2,257	100.0%
Financial Intermediaries	-	-	-
Consumer	316	316	100.0%
Mortgage	1,578	1,491	94.5%
Government Entities	=	=	-
<b>Total</b>	<b>4,151</b>	<b>4,064</b>	<b>97.9%</b>
<b>BANCEN</b>			
Commercial	198	198	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	123	123	100.0%
Government Entities	-	87	-
Surplus	=	=	=
<b>Total</b>	<b>321</b>	<b>408</b>	<b>127.1%</b>
<b>Total</b>	<b>4,472</b>	<b>4,472</b>	<b>100.0%</b>

The Reserve Coverage of the Banking Sector was 100.0% at the end of 4Q01. In Banorte, the reserve coverage was 97.9%, with a 100% coverage of past due Commercial and Consumer loans, and 94.5% in Mortgage loans. In the case of Bancen, the reserve coverage was 127.1%, with individual coverage at 100.0%, leaving a surplus of Ps 87 million to cover future contingencies.

### Deposits

(Millions of Pesos)	<b>4Q00</b>	<b>3Q01</b>	<b>4Q01</b>
Demand Deposits	27,282	26,182	29,529
Time Deposits	42,579	44,462	44,898
Bonds	1,374	1,352	1,302
<b>Traditional Deposits</b>	<b>71,236</b>	<b>71,997</b>	<b>75,728</b>
<b>On behalf of Third Parties Deposits (*)</b>	<b>37,784</b>	<b>49,721</b>	<b>46,761</b>

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



**Total Deposits** **109,020 121,562 122,489**

(\*) Accounted in Memorandum Accounts.

Total Deposits grew by 12.4% when compared to the previous year. This was reflected in all lines except Bonds, as a result of the promotional activities carried out throughout the year, highlighting On Behalf of Third Parties Deposits with a 23.8% increase, followed by Demand Deposits which increase by 8.2%. The latter increased its Traditional Deposits proportion from 38% to 39% and are the lower cost type of Deposits. For the quarter, there was an important Deposit increase of 5.2% due basically to seasonal variables given that usually deposits increase at the end of the year.

## Risk Management

### Market Risk

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

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

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

Value at Risk  
(Millions of pesos)

	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
VaR 10 days	371	301	553	319	225

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

(Millions of Pesos)

	<b>VaR 10 days</b>
Banorte	98
Bancen	212
Banking Sector	225
Brokerage House	1
GFNorte	225

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

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

(Millios of pesos)

<b>RISK FACTOR</b>	<b>Total</b>
Domestic interest rate	200
Foreign interest rate	6

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

Exchange rate	43
Stock Exchange	23
Eurobonds Price	64

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

## Capitalization

	(Millions of Pesos)			
	RULES OF 2003			
	3Q01		4Q01	
	BANORTE	BANCEN	BANORTE	BANCEN
Basic Capital	5,051	1,520	3,432	1,403
Supplemental Capital	1,741	27	1,802	-
<b>Net Capital</b>	<b>6,792</b>	<b>1,548</b>	<b>5,234</b>	<b>1,403</b>
Credit risk assets	36,861	7,155	41,640	7,813
Net Capital / Risk Credit	18.4%	21.6%	12.6%	18.0%
Total risks assets (1)	42,911	11,307	47,695	9,948
<b>Capitalization Ratio</b>				
Tier 1	11.8%	13.5%	7.2%	14.1%
Tier 2	4.0%	0.2%	3.8%	0.0%
<b>Total Capitalization Ratio</b>	<b>15.8%</b>	<b>13.7%</b>	<b>11.0%</b>	<b>14.1%</b>

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

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

At the close of 4Q01 Banorte ended with a 12.6% capitalization ratio with respect to the credit risk assets and 11.0% considering also market risks. The capitalization ratio is divided into the Tier 1 capital ratio of 7.2% and 3.8% for the Tier 2 capital. Three elements impacted the capitalization ratio: 1) the Ps 1,650 million investment for the acquisition of Bancrecer that was subtracted even though this bank was not consolidated yet; 2) the Ps 293 million of Bancen write offs that were charged to Banorte's stockholders' Equity; and 3) the important loan growth, for Ps 4,283 will (excluding Fobaproa – IPAB), in the 4Q01, that showed a 12.4% increase in Credit Risk Assets. Bancen closed with a 18.0% ratio with respect to the credit risk assets and 14.1% considering market risk. It's Tier 1 capital ratio was 14.1% and zero for the Tier 2 capital ratio.

## US Dollar Assets and Liabilities

	3Q01		4Q01	
	BANORTE	BANCEN	BANORTE	BANCEN
<b>Liabilities</b>				
Retail Deposits	793.3	-	869.1	-
Market Issues	282.0	-	260.4	-
Loans	281.7	-	183.2	-
Intergroup Funding	-	-	-	-
Development Banks	133.2	30.7	99.7	29.7
Cross Currency Swaps	150.0	-	128.5	-
Deferred payments	37.1	-	51.3	-
Loan Loss Reserves	73.4	-	96.1	2.2
Foreign Exchange Der	114.1	-	61.1	-
Other liabilities	14.4	0.6	4.6	0.1
<b>Total</b>	<b>1,879.0</b>	<b>31.3</b>	<b>1,754.0</b>	<b>32.0</b>

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

**Assets**

Cash	13.9	-	18.2	-
Deposits on Foreign Banks	226.9	27.7	69.7	28.9
Intergroup Deposits	-	-	-	-
USCP	112.9	-	149.6	-
Remittances Securitization Trust	11.9	-	9.4	-
Investment portfolio	163.3	-	160.6	-
Loan portfolio	604.0	3.0	654.5	2.0
Fobaproa – IPAB Notes(1)	602.2	-	552.2	-
Foreign Exchange Der	111.8	-	102.4	-
Other assets	32.2	1.1	37.4	1.3
<b>Total</b>	<b>1,879.0</b>	<b>31.3</b>	<b>1,754.0</b>	<b>32.0</b>

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

During 4Q01, the dollar balance dropped by 6.5% as compared to the figures in 3Q01. The Deposits in Foreign Banks registered a USD 156 million reduction. The funds were distributed as follows: 1) USD 133.0 million in Bank Loan Payments and 2) maturity of Market Issues, which fell by USD 21.6 million. The USD 75.8 million increase in Retail Deposits was channeled to the Loans Portfolio (USD 49.5 million) and Investments in USCP.

## Recovery Banking

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

A breakdown of the Recovery Banking contribution to the earnings of said Sector is given below. The methodology was fine tuned in order to show more clearly this contribution therefore some numbers change with respect to those included in previous reports.

(Millions of Pesos)

<b>Income Statement</b>	<b>2000</b>	<b>2001</b>
Net Interest Income	333	(20)
+REPOMO-margin	=	=
<b>=Net Interest Income After REPOMO</b>	<b>333</b>	<b>(20)</b>
- Loan Loss Provisions	<u>572</u>	=
<b>= Net Interest Income After Provisions</b>	<b>(238)</b>	<b>(20)</b>
+ Fiduciary	542	472
+ Fobaproa Fees	587	267
+ Other Fees	<u>139</u>	<u>201</u>
Non Interest Income	1,268	939
<b>= Total Operating Income</b>	<b>1,030</b>	<b>920</b>
Non Interest Expense	<u>509</u>	<u>494</u>
<b>= Net Operating Income</b>	<b>521</b>	<b>426</b>
- Other Revenues and Expenses	=	=
<b>= Pre-tax Income</b>	<b>521</b>	<b>426</b>
- Income Tax & Profit Sharing	-	-
- Tax on Asset	-	-
- Deferred Income Tax & Profit Sharing	-	-
<b>= Net Income before Subsidiaries</b>	<b>521</b>	<b>426</b>
+ Undistributed Earnings of Subsidiaries	=	=
<b>= Net Income-continuous Operation</b>	<b>521</b>	<b>426</b>
+ Extraordinary Items, net	-	-
- Minority Income	-	-

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

= Total Net Income

521 |

426

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

## Assets under Management

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

<i>(Millions of Pesos)</i>	4Q01	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
<b>Fobaproa-IPAB Portfolios:</b>			
Banking Sector (1)	20,017	Out of balance trusts	Fees from FOBAPROA
Serfin	14,597	Serfin Trust	Fiduciary (3)
Reposessed assets	7,708	Out of balance trusts	Fobaproa fees and Fiduciary
	42,322		
<b>Loans purchased to IPAB(3):</b>	11,463	Sólida Administradora de Portafolios	Undistributed Earnings from Subsidiaries
<b>Banking Sector Portfolio:</b>	5,877		
Banking Sector (1)	1,191	Banorte's Portfolio	Net Interest Income
Reposessed assets	7,068	Banorte's Reposessed assets	Other Revenues and Expenses
<b>Total</b>	60,853		

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

(2) Includes 5 packages.

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

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

<i>(Millones de Pesos)</i>	ACCUMULATED	
	2000	2001
Traditional Banking Net Income	1,120	952
Recovery Bank Net Income	521	426
Banking Sector Net Income(*)	<b>1,641</b>	<b>1,378</b>
<b>=% of Contribution</b>	<b>31.7%</b>	<b>30.9%</b>

(\*) Banking Sector at 100%

During the year 2000, the Recovery Banking benefited with extraordinary fee income from IPAB as well as for the portfolio recovery programs called "Punto Final" and "Banorte es más que Punto Final", which contributed to increasing net interest margin. The bottom line in 2001 was diminished by the important Loan Loss provisions created in the year.

## 2.-Brokerage Sector

(Millions of Pesos)	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>Brokerage House</b>					
Net Income	(32.7)	1.0	17.1	28.5	31.3
Equity	150.4	222.6	238.0	150.4	238.0
Total Assets	383.2	333.2	420.3	383.2	420.3
Assets under Management	65,037.8	87,640.6	95,999.7	65,037.8	95,999.7

The **Brokerage House** showed a Ps 17.1 million profit in the fourth quarter of 2001, for a yearly accumulated profit of Ps 31.3 million. The earnings generated during the fourth quarter were far greater than those of the third due mainly to increased income from money market operation and substantial tax recovery. On the other hand, the year's profit was 9.8% higher than that of the previous year, because despite the events that took place in the year, the strategy of keeping high-risk position and developing an area of institutional and corporate promotion allowed for an 47.6% increase in Assets under Management during 2001.

As to income from stock market transactions, there was a 21% drop with respect to the previous year due to the uncertainty among the world financial markets and especially in the Mexican Stock Exchange, which up until the third quarter had lost 14.7% in a 12-month period –the strongest drop since August 1998-. However, there was a recovery in the last quarter of the year.

It's important to stress that our subsidiary abroad (Afin Securities), showed an important increase in profit as compared to the previous year, accumulating Ps 12.5 million at the close of 2001. This had a favorable impact on the Brokerage House results.

## 3.-Long Term Savings Sector

(Millions of Pesos)	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>Afore</b>					
Net Income	11.3	70.1	29.9	147.0	173.1
Equity	1,034.0	1,165.2	1,113.5	1,034.0	1,113.5
Total Assets	1,165.3	1,394.7	1,362.6	1,165.3	1,362.6
Assets under Management (SIEFORE)	9,180.0	13,225.2	14,092.1	9,180.0	14,092.1
<b>Insurance</b>					
Net Income	15.4	(0.6)	(1.1)	9.4	13.9
Equity	124.2	139.1	137.2	124.2	137.2
Total Assets	1,314.7	1,475.8	1,466.7	1,314.7	1,466.7
Technical Reserves	1,053.3	1,180.1	1,236.4	1,053.3	1,236.4
<b>Annuities</b>					
Net Income	(28.2)	(28.7)	(8.3)	(67.6)	(11.0)
Equity	88.6	128.5	119.7	88.6	119.7
Total Assets	2,257.3	3,190.9	3,550.3	2,257.3	3,550.3
Technical Reserves	2,156.8	3,049.5	3,415.8	2,156.8	3,415.8

The **Afore** totaled a net yearly profit of Ps 173.1 million (51% for Bancen), 17.8% higher than that of the same period in 2000. This was due mainly to an important 53.5% increase in managed assets as new affiliates were attracted by the promotion efforts and the transfer of 573,287 members from the CONSAR central account, in 3Q01. By the end of 4Q01, there was a total of 2,400,764 affiliates which represents a

9.1% market share. The profit variation with respect to the previous quarter is due to the business' cyclic nature as the employers' contributions are bimonthly, which means that two contributions are received in the 1<sup>st</sup> and 3<sup>rd</sup> quarters each year, whereas only one contribution is received in the 2<sup>nd</sup> and 4<sup>th</sup> quarters.

The **Insurance Company** totaled a Ps 13.9 million profit (51% for GFNorte) in 2001, 47% higher than in the previous year, because of the 9.3% increase in the premiums sold and important profits from the mark to market valuation. As to the quarterly variation, there was a Ps 1.1 million loss because greater technical reserves were created during the period.

The **Annuities** (Pensions) company accumulated a yearly loss of Ps 11.0 million (51% for GFNorte) which is an improvement over the Ps 67.6 million loss in the previous year. This variation is explained by the 20.6% annual increase in the premiums sold and the important earnings from mark to market valuation gains, which shows up in a 57.3% of the Total Asset. In comparison with the previous quarter, the positive variation was due mainly to the earnings on security unrealized gains. The company currently ranks 5<sup>th</sup> in the industry with a 9.7% share in premiums sold.

#### 4.-Auxiliary Organizations Sector

(Millions of Pesos)	QUARTER			ACCUMULATED	
	4Q00	3Q01	4Q01	2000	2001
<b>Leasing</b>					
Net Income	7.3	6.6	6.0	24.3	26.2
Equity	120.2	140.1	126.3	120.2	126.3
Loan Portfolio(*)	547.4	689.0	732.1	547.4	732.1
Past Due Loans	18.9	17.9	20.5	18.9	20.5
Loan Loss Reserves	8.7	13.1	13.1	8.7	13.1
Total Assets	552.3	699.3	735.1	552.3	735.1
<b>Factoring</b>					
Net Income	13.8	3.3	4.2	44.5	27.6
Equity	169.4	176.4	132.3	169.4	132.3
Loan Portfolio	1,934.9	1,830.6	2,240.5	1,934.9	2,240.5
Past Due Loans	9.2	11.1	26.2	9.2	26.2
Loan Loss Reserves	9.2	9.6	8.6	9.2	8.6
Total Assets	1,948.0	1,832.5	2,249.9	1,948.0	2,249.9
<b>Warehousing</b>					
Net Income	10.7	2.1	2.2	14.3	8.7
Equity	52.6	57.5	59.8	52.6	59.8
Inventories(**)	127.6	167.9	160.0	127.6	160.0
Total Assets	252.5	227.8	218.1	252.5	218.1
<b>Bonding</b>					
Net Income	0.7	2.0	1.6	6.5	6.9
Equity	64.1	69.2	70.7	64.1	70.7
Total Assets	126.4	144.8	145.1	126.4	145.1

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

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

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

The **Leasing** accumulated earnings of Ps 26.2 million in the year, 7.8% higher than the previous year. This was due mainly to the 33.7% increase in its Total Portfolio, which as grown as a result of the promotion efforts; and to a lesser degree to the reduction in the Past-Due Portfolio which fell from 3.4% in

2000 to 2.8% in 2001. The reserve coverage for the year closed at 64%. It currently ranks 7<sup>th</sup> among the 29 leasing companies in the sector.

The **Factoring** company generated a Ps 27.6 million profit in the year, 38.0% lower than in 2000. The lower margins caused by an interest rate which was lower than in 2000, and the fact that at the end of 2001 income taxes started to be paid, as previously there were fiscal losses, contributed to the reduced profit. The Total Portfolio grew by 15.8% over 2000 as a result of the promotions throughout the year. It is currently 1<sup>st</sup> in the 11 factoring company system.

The **Warehousing** obtained a net profit of Ps 8.7 million during 2001, 39% lower than in 2000, because of reduced foreign trade and steel market activities which were partially offset with a greater inventory marketing.

The **Bonding** generated a net yearly accumulated profit of Ps 6.9 million, 6.2% greater than in the previous year, despite such factors as fewer construction projects which caused a market contraction, and the situation that affected most of the bonding companies in Mexico which was that Pemex concentrated the bonds of the gas companies in the Insurgentes bonding company, when previously each gas company used to chose its own bonding company. Claims were reduced, and premiums sold increased by 4.7% as bonds were promoted among smaller clients.

## V. Accounting Changes and Regulations

### BANKING SECTOR

**Serfin's Trust Consolidation.-** Starting 3Q01, the trust where Serfin loans are collected (whose rights were acquired by Banorte in March 2000, is consolidated. This consolidation affects different accounts in Bancen's and the Banking Sector's Income Statements. The most important impacts are reflected in the following accounts: Interest Expense, Fee Income from Fiduciary and Other Fees paid.

**Record of the Bancrecer Purchase.-** As the Bancrecer share transfer to Banorte was made until early January 2002, even though the Institution was paid in full since December 2001, the transaction at the close of December 2001 was recorded in the Balance Sheet with the Ps 1,650 million investment, in the Negotiable Securities account, and was subtracted for the Capitalization ratio calculation. As of January 2002, it will be recorded in Investment in Subsidiaries.

**ANNEX 1- GRUPO FINANCIERO- GENERAL INFORMATION**
**GFNorte Ownership in Subsidiaries- 4Q01**

<i>(Percentages)</i>	<b>4Q01</b>
Banco Mercantil del Norte (1)	96.11%
Banco del Centro	99.99%
Brokerage House	99.99%
Pension Funds Afore (2)	51.00%
Insurance	51.00%
Annuities	51.00%
Leasing	99.99%
Factoring	99.99%
Warehousing	99.99%
Bonding	99.99%

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

(2) Subsidiary of Banco del Centro.

**Capital Structure of the Holding Company**

<b>Number of Shares</b>	<b>SERIE O as of December 31,2001</b>
Number of shares issued	504,586.887
- Shares held on Treasury	<u>4,464,663</u>
<b>= Number of shares outstanding</b>	<b>500,122,224</b>

**Banorte's Rating – 4Q01**

<u>Calificadoras</u>	<u>Calificaded Entity</u>	<u>Opinion</u>	<u>Category</u>	<u>Date</u>
Moody's Investor	Banorte	POSITIVE Ba1 D+ NP	Outlook Foreign LT Bank Deposits Bank Financial Strength Short Term	Sept- 2001
Standard & Poors	Banorte	NEGATIVE BB BB B B	Outlook LT Foreign Issuer Credit LT Local Issuer Credit ST Foreign Issuer Credit ST Local Issuer Credit	Oct-2001
Fitch	Banorte	ESTABLE BBB- BBB- F3 F3	Outlook Foreign Currency LT Debt Local Currency LT Debt Foreign Currency ST Debt Local Currency ST Debt	Jan.-2002



<b>No of Employees &amp; Distribution Network</b>			
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<b>EMPLOYEES</b>	<b>4Q00</b>	<b>3Q01</b>	<b>4Q01</b>
Banking Sector	9,172	8,444	8,634
Other Sectors	<u>2,113</u>	<u>2,525</u>	<u>2,540</u>
<b>Total Group</b>	<b>11,285</b>	<b>10,969</b>	<b>11,174</b>
<b>DISTRIBUTION NETWORK</b>			
<b>Branches (*)</b>	452	462	459
<b>ATM</b>	1,434	1,549	1,610

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

## ANNEX 2- Grupo Financiero- Information by Segments

### Proforma consolidated data as of 4Q01

<i>(Millions of Pesos)</i>	<b>BANORTE (1)</b>	<b>BANCEN (3)</b>	<b>TOTAL SECTOR</b>
<b>Income Statement</b>			
Net Interest Income	352.9	926.4	1,279.3
Non Interest Income	371.8	118.8	490.7
Non Interest Expense	1,621.1	26.1	1,647.2
Other income (expense)	255.3	32.8	288.1
Extraordinary items, net	-	-	-
Net Income	(793.6)	1,005.3	211.7
<b>Balance Sheet</b>			
Assets	96,725	4,835	101,560
Loans	80,950	505	81,555
Deposits	75,728	-	75,728
Equity	6,408	1,985	8,394
Past Due Loans	4,151	321	4,472
Loan Loss Reserves	4,064	408	4,472
<b>Ratios</b>			
Non Interest Expense/ Total Assets	6.7%	2.2%	6.5%
% Past Due Loans	5.1%	63.6%	5.5%
Reserves / Past Due Loans	97.9%	127.1%	100.0%
% Capitalization (2)	11.0%	14.1%	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 2 banks (Banorte and Bancen) within the Financial Group, (together representing more than 90% each of the Shares, Deposits, and Profits of the Group), we have included their financial statements and combined indicators proforma together under the "Banking Sector" heading. The Banking Sector is defined as the 2 banks with their respective subsidiaries, except the Afore unit (a subsidiary of Bancen), which is not considered part of this Sector for management reasons (as of the end of 1998). We have also grouped companies corresponding to other Sectors, which are defined in accordance with the orientation of the companies. These Sectors are as follows: The Brokerage Sector which is made up of the Brokerage House; the Long-Term Savings Sector, made up of the Annuities, Insurance and Afore companies, and the Auxiliary Organizations Sector which includes the Leasing, the Brokerage, the Warehousing, and the Bonding companies. For purposes of the Reconciliation Table by Sector, these sectors are all put under the heading "Other Sectors" given that they each represent only a very small participation in the group. This segmentation was done on the basis of the International Accounting Normative (NIC 14) and the Statement of Financial and Accounting Standards N° 131 that refers to the rules for presenting financial information by segment.

## Inter-bank Eliminations Summary

<i>(Millions of Pesos)</i>	<b>BANORTE</b>	<b>BANCEN</b>	<b>INTERBANK ELIMINATIONS</b>
<b>Income Statement</b>			
Net Interest Income	(869.7)	869.7	-
Non Interest Income	-	-	-
Non Interest Expense	-	-	-
Other Income (expense)	-	-	-
Extraordinary items, net	-	-	-
<b>Balance Sheet</b>			
Assets	(2,540)	(595)	(3,135)
Cash and Due from Banks	(1,932)	(46)	(1,978)
Loans	(608)	(476)	(1,084)
Deposits	(46)	(249)	(295)
Due to Banks	-	(2,767)	(2,767)
Equity	-	-	-
Past Due Loans	-	-	-
Loan Loss Reserves	-	-	-

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

## Reconciliation of Segments Summary-4Q01

<i>(Millions of Pesos)</i>	<b>BANKING SECTOR</b>	<b>OTHER SECTORS</b>	<b>WITHOUT OT. SECT.</b>	<b>TOTAL GROUP</b>
<b>Income Statement</b>				
Net Interest Income	1,279.3	104.3	(14.3)	1,369.3
Non Interest Income	490.7	223.1	-	713.8
Non Interest Expense	1,647.2	262.3	(15.9)	1,893.5
Other Income (expense)	288.1	17.0	(1.7)	303.4
Extraordinary items, net	-	-	-	-
<b>Balance Sheet</b>				
Assets	101,560	13,500	(9,652)	105,408
Loans	81,455	2,833	(585)	83,703
Deposits	75,728	-	(173)	75,555
Equity	8,394	10,166	(8,700)	9,859
Past Due Loans	4,472	47	-	4,518
Loan Loss Reserves	4,472	22	-	4,494

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

**ANNEX 3- Bancrecer's Balance Sheet** December 31, 2001 Millions of Pesos

The Bancrecer Balance is shown for information purposes, as the Bancrecer shares weren't transferred to Banorte until January 2, 2002, it was not consolidated to the Bank.

ASSETS	BANCRECER
<b>Cash and due from Banks</b>	<b>8,782</b>
Negotiable Instruments	1,579
Securities held for sale	-
Securities held to maturity	2,369
<b>Financial Instruments:</b>	<b>3,948</b>
Repurchase agreements, net	16
Operations with collateral	-
Futures receivable, net	-
Options and derivatives, net	-
<b>Repos &amp; Derivatives :</b>	<b>16</b>
Commercial	2,905
Financial Intermediaries	-
Consumer	305
Mortgage	5,624
Government Entities	1,143
Fobaproa	46,270
Fiduciary collection rights	-
<b>Performing Loans</b>	<b>56,248</b>
Commercial	1
Financial Intermediaries	-
Consumer	1
Mortgage	38
Government Entities	-
<b>Past Due Loans</b>	<b>40</b>
<b>Total Loans</b>	<b>56,288</b>
Preventive loan loss reserves	637
<b>Net Loan Portfolio</b>	<b>55,651</b>
Sundry debtors and other assets.net	282
Foreclosed assets, net	-
Real Estate, Furniture & Equipment, net	2,045
Investments in subsidiaries	61
Deferred taxes	-
Goodwill	-
Deferred charges & Intangibles	-
UDIS Mortgage loans reserve coverage	-
<b>Other Assets</b>	<b>2,388</b>
<b>TOTAL ASSETS</b>	<b>70,785</b>

**BANCRECER-BALANCE SHEET** December 31, 2001 (Millions of Pesos)

<b>LIABILITIES</b>	<b>BANCRECER</b>
Demand Deposits	19,302
Time Deposits	37,401
Bonds	-
<b>Deposits</b>	<b>56,703</b>
Demand	3,501
Short term	1,703
Long term	4,599
<b>Due to banks and correspondents</b>	<b>9,803</b>
Repurchase agreements, net	-
Operations with collateral	-
Futures receivable, net	-
Options and derivatives, net	-
<b>Repos &amp; Derivatives:</b>	<b>-</b>
Income Tax & Profit Sharing	4
Other Payable accounts	2,525
<b>Other payable accounts</b>	<b>2,529</b>
Subordinated non Convertible Debenture	-
Deferred Taxes	44
Deferred credits	2
<b>TOTAL LIABILITIES</b>	<b>69,081</b>
<b>STOCKHOLDER'S EQUITY</b>	
Paid-in Capital	2,505
Share subscription premiums	-
Subordinated Convertible Debentures	-
<b>Subscribed Capital</b>	<b>2,505</b>
Reserves for Integration Expenses	(828)
Retained Earnings	-
Surplus (Deficit) from securities	-
Results of foreign operations exchange	-
Excess (Insuf.) in capital restatement	(10)
Non Mon assets results Fixed Assets	(1)
Non Mon assets results Investm subsidiaries	18
Adjustment in the employees pension funds	-
Accumulated Deferred tax effect	-
Net Income	20
Earned Capital	(801)
Minority Holdings	-
<b>Total Stockholder's Equity</b>	<b>1,704</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>	<b>70,785</b>

**MEMORANDUM ACCOUNTS OF BANCRECER** (Millions of Pesos)

	<b>BANCRECER</b>
Signature guarantees granted	14
Other contingent obligations	4,017
Irrevocable lines of credit	3
Assets held in trust and mandate	39,499
Assets held in custody or in administration	32,075
Investment banking transactions for third parties, net	2,256
Engaged amounts in fobaproa operations	46,270
Investment of retirement saving funds	-
Integration of loan portfolio	-
Received amounts in derivative instruments	-
Fobaproa trusts	-
Securities to be received	8,504
(Less) payable for reversal	(8,487)
Receivables for reversal	4,320
(Less) securities to be delivered	(4,322)
Other control accounts	254,638
	<b>378,787</b>

**BANCRECER-Consolidated Income Statement** (Millions of Pesos)

<b>NET INTEREST INCOME</b>	<b>DECEMBER</b>
Interest Income	537.5
Interest Expense	331.8
Loan Fees	15.8
Fees Paid	21.0
<b>Net Interest Income (NII)</b>	<b>200.5</b>
Repomo-Margin	5.1
<b>NII after Repomo</b>	<b>195.4</b>
Loan Loss Provisions	-
Loss Sharing Provisions	-
<b>NII after Provisions</b>	<b>195.4</b>
Fund transfers	-
Account management	29.2
Fiduciary	3.5
Credit Card	30.6
Fees from FOBAPROA	-
Other fees	15.8
<b>Fees on services,</b>	<b>79.1</b>
Fund transfers	-
Other fees	-
<b>Fees paid,</b>	<b>-</b>
Foreign exchange	19.5
Securities -Realized gains	-
Securities- Unrealized gains	9.5
<b>Market-related Income</b>	<b>29.0</b>
<b>Total Non Interest Income</b>	<b>108.1</b>
<b>Total Operating Income</b>	<b>303.5</b>
Personnel	126.7
Fees Paid	3.4
Operation & Administrative expenses	70.5
Rents, depreciation and amortization	41.0
Taxes, other than income tax	24.4
Contributions to IPAB	21.8
Corporate expenses Recoveries	-
<b>Non-Interest Expense</b>	<b>287.8</b>
<b>Operating Income</b>	<b>15.7</b>
Other Income	32.1
Foreign exchange	-
Recoveries	5.1
Repomo-other (Debtor balance)	7.4
<b>Non Operating Income</b>	<b>44.6</b>
Other Expense	39.7
Foreign exchange	-
Repomo-other (Creditor balance)	-
<b>Non Operating Expense</b>	<b>39.7</b>
<b>Non Operating Income (Expense), net</b>	<b>4.9</b>
<b>Pre-tax Income</b>	<b>20.6</b>
Income tax & Profit sharing	5.0
Tax on Assets	-
Deferred Inc. Tax and Profit sharing	(4.1)
	0.9
<b>Net income before subsidiaries</b>	<b>19.7</b>
Subsidiaries 'net income	0.5
<b>Net Income from continuous operations</b>	<b>20.2</b>
Extraordinary items, net	-
Minority Interest	-
<b>TOTAL NET INCOME</b>	<b>20.2</b>

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

**HOLDING - Balance Sheet** (Millions of Pesos)

<b>ASSETS</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
<b>Cash and due from Banks</b>	305	289	283	218	203	420	299	145
<b>Financial Instruments:</b>	-	-	-	-	-	-	-	-
Sundry debtors and other assets, net	7	8	6	34	45	2	-	34
Real Estate, Furniture & Equipment,	-	-	-	-	-	-	-	-
Investments in subsidiaries	8,649	8,559	7,114	7,629	7,999	8,447	8,710	8,902
Deferred taxes	-	-	-	-	-	-	1	-
Goodwill	259	-	-	-	-	-	-	-
Other Assets, Deferred charges,	-	-	-	-	1	1	1	-
<b>TOTAL ASSETS</b>	<b>9,219</b>	<b>8,856</b>	<b>7,403</b>	<b>7,880</b>	<b>8,247</b>	<b>8,869</b>	<b>9,011</b>	<b>9,082</b>
<b>LIABILITIES</b>								
<b>Due to banks and correspondents</b>	-	-	-	-	-	-	-	-
Income Tax & Profit Sharing	1	-	-	-	-	-	5	6
Other Payable accounts	-	-	-	-	5	-	11	-
<b>Other payable accounts</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>15</b>	<b>6</b>
Deferred taxes	-	-	-	-	-	-	-	12
<b>TOTAL LIABILITIES</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>15</b>	<b>18</b>
<b>STOCKHOLDER'S EQUITY</b>								
Paid-in Capital	4,743	4,742	4,708	4,819	4,817	4,857	4,833	4,844
Share subscription premiums	996	996	996	1,323	1,328	1,402	1,381	-
Subordinated Convertible Debentures	472	467	461	-	-	-	-	1,405
<b>Subscribed Capital</b>	<b>6,210</b>	<b>6,205</b>	<b>6,164</b>	<b>6,142</b>	<b>6,145</b>	<b>6,259</b>	<b>6,214</b>	<b>6,249</b>
Capital Reserves	647	707	621	779	772	965	884	929
Retained Earnings	6,865	6,545	6,545	6,366	8,128	8,042	8,042	8,042
Surplus (Deficit) from securities	-	-	-	-	-	-	-	-
Results of foreign operations	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital	(4,958)	(4,966)	(4,956)	(4,956)	(4,950)	(4,951)	(4,953)	(4,956)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	(27)	(327)	(2,251)	(2,212)	(2,393)	(2,337)	(2,446)	(2,703)
Adjustment in the employees	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	481	692	1,279	1,762	540	891	1,254	1,504
<b>Earned Capital</b>	<b>3,008</b>	<b>2,651</b>	<b>1,239</b>	<b>1,738</b>	<b>2,097</b>	<b>2,610</b>	<b>2,781</b>	<b>2,815</b>
<b>Total Stockholder's Equity</b>	<b>9,219</b>	<b>8,856</b>	<b>7,403</b>	<b>7,880</b>	<b>8,242</b>	<b>8,868</b>	<b>8,995</b>	<b>9,064</b>
<b>TOTAL LIABILITIES &amp;</b>	<b>9,219</b>	<b>8,856</b>	<b>7,403</b>	<b>7,880</b>	<b>8,247</b>	<b>8,869</b>	<b>9,011</b>	<b>9,082</b>

**MEMORANDUM ACCOUNTS OF HOLDING** (Millions of Pesos)

	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Client securities held in custody	13,773	2,703	2,658	2,876	2,838	2,799	2,781	2,915
Other trust account items	13,071	15,019	14,747	14,414	14,224	14,033	113	111
<b>Total</b>	<b>26,843</b>	<b>17,722</b>	<b>17,405</b>	<b>17,290</b>	<b>17,061</b>	<b>16,832</b>	<b>2,894</b>	<b>3,026</b>

**HOLDING-Consolidated Income Statement** (Millions of Pesos)

<b>MARGEN FINANCIERO NETO</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Income from Subsidiaries and Interest	518.3	233.4	602.1	470.8	543.7	348.2	361.2	240.3
Interest Expense	24.4	21.0	22.1	16.6	-	-	-	-
Trading Income	-	-	-	-	-	-	-	-
Fees & Tarifs	-	-	-	-	-	-	-	-
REPOMO	(9.2)	(4.5)	(4.5)	(6.0)	(3.3)	(3.4)	(3.4)	(4.2)
<b>Total Operating Income</b>	<b>484.7</b>	<b>207.9</b>	<b>575.5</b>	<b>448.3</b>	<b>540.4</b>	<b>344.9</b>	<b>357.8</b>	<b>236.1</b>
Operation & Administrative expenses	0.8	0.7	0.7	0.8	0.3	0.5	0.6	0.7
<b>Operating Income</b>	<b>484.0</b>	<b>207.3</b>	<b>574.8</b>	<b>447.5</b>	<b>540.1</b>	<b>344.3</b>	<b>357.3</b>	<b>235.4</b>
Non Operating Income	(2.7)	5.1	12.7	35.6	(0.1)	8.1	9.3	16.9
Non Operating Expense	-	-	-	-	-	-	-	-
<b>Non Operating Income (Expense), Net</b>	<b>(2.7)</b>	<b>5.1</b>	<b>12.7</b>	<b>35.6</b>	<b>(0.1)</b>	<b>8.1</b>	<b>9.3</b>	<b>16.9</b>
<b>Pre-tax Income</b>	<b>481.3</b>	<b>212.3</b>	<b>587.5</b>	<b>483.1</b>	<b>540.0</b>	<b>352.4</b>	<b>366.5</b>	<b>252.3</b>
Income Tax & Profit Sharing	(0.7)	(0.7)	(0.7)	(0.6)	-	-	-	-
Tax on Assets	-	-	-	-	-	(1.4)	(23.3)	(2.0)
Deferred Inc. Tax and Profit sharing	-	-	-	-	-	-	19.2	-
	(0.7)	(0.7)	(0.7)	(0.6)	-	(1.4)	(4.0)	(2.0)
<b>Net income from Continuos</b>	<b>480.6</b>	<b>211.6</b>	<b>586.8</b>	<b>482.4</b>	<b>540.0</b>	<b>351.1</b>	<b>362.5</b>	<b>250.3</b>
Extraordinary Items, net	-	-	-	-	-	-	-	-
<b>Total Net Income</b>	<b>480.6</b>	<b>211.6</b>	<b>586.8</b>	<b>482.4</b>	<b>540.0</b>	<b>351.1</b>	<b>362.5</b>	<b>250.3</b>

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

<b>ASSETS</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
<b>Cash and due from Banks</b>	<b>12,013</b>	<b>11,395</b>	<b>9,598</b>	<b>9,997</b>	<b>8,036</b>	<b>7,947</b>	<b>8,780</b>	<b>7,677</b>
Negotiable Instruments	26,411	19,094	15,530	4,351	6,435	6,159	2,066	2,396
Securities held for sale	52	50	172	178	1,820	1,623	1,260	1,056
Securities held to maturity	5,188	5,063	3,366	3,078	1,302	1,354	1,402	3,038
<b>Financial Instruments:</b>	<b>31,652</b>	<b>24,208</b>	<b>19,068</b>	<b>7,607</b>	<b>9,557</b>	<b>9,136</b>	<b>4,729</b>	<b>6,490</b>
Repurchase agreements, net	66	228	175	134	173	213	120	158
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	200	76	2	7	5	50	8	15
<b>Repos &amp; Derivatives :</b>	<b>266</b>	<b>304</b>	<b>177</b>	<b>141</b>	<b>178</b>	<b>263</b>	<b>127</b>	<b>173</b>
Commercial	18,653	18,611	19,259	22,513	20,625	18,705	19,635	23,132
Financial Intermediaries	1,427	3,423	2,143	172	66	60	113	89
Consumer	618	629	638	654	1,290	1,421	1,706	2,366
Mortgage	4,480	4,467	4,351	4,271	4,174	4,246	4,395	4,693
Government Entities	3,409	3,425	2,854	39,669	40,266	39,899	39,345	39,052
Fobaproa	56,844	56,817	55,297	12,473	12,339	11,678	11,880	9,853
Fiduciary collection rights	-	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>85,431</b>	<b>87,372</b>	<b>84,542</b>	<b>79,752</b>	<b>78,759</b>	<b>76,007</b>	<b>77,076</b>	<b>79,185</b>
Commercial	2,276	2,088	1,889	1,837	1,805	2,154	2,435	2,492
Financial Intermediaries	-	7	1	-	-	-	-	-
Consumer	642	637	624	625	645	320	313	326
Mortgage	1,862	1,786	1,850	1,893	1,940	1,832	1,754	1,701
Government Entities	-	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>4,781</b>	<b>4,519</b>	<b>4,364</b>	<b>4,354</b>	<b>4,390</b>	<b>4,306</b>	<b>4,502</b>	<b>4,518</b>
<b>Total Loans</b>	<b>90,212</b>	<b>91,891</b>	<b>88,907</b>	<b>84,107</b>	<b>83,149</b>	<b>80,314</b>	<b>81,577</b>	<b>83,703</b>
Preventive loan loss reserves	4,878	4,759	4,482	4,393	4,400	4,297	4,496	4,494
<b>Net Loan Portfolio</b>	<b>85,334</b>	<b>87,132</b>	<b>84,425</b>	<b>79,713</b>	<b>78,749</b>	<b>76,017</b>	<b>77,082</b>	<b>79,209</b>
Credit Assets Portfolio	-	-	-	-	-	-	2,409	2,554
Sundry debtors and other assets, net	1,907	1,533	1,808	2,894	2,358	2,461	1,134	1,267
Foreclosed assets, net	1,494	1,487	1,451	1,587	1,495	1,534	1,495	1,356
Real Estate, Furniture & Equipment, net	3,514	3,475	3,432	3,468	3,384	3,333	3,494	3,624
Investments in subsidiaries	890	908	876	892	955	979	993	991
Deferred taxes	423	17	153	652	632	657	673	711
Goodwill	259	-	-	-	-	-	-	-
Deferred charges & Intangibles	1,374	1,490	1,679	1,341	1,573	1,406	1,369	1,357
UDIS Mortgage loans reserve coverage	35	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>9,896</b>	<b>8,911</b>	<b>9,399</b>	<b>10,834</b>	<b>10,397</b>	<b>10,371</b>	<b>11,567</b>	<b>11,859</b>
<b>TOTAL ASSETS</b>	<b>139,161</b>	<b>131,950</b>	<b>122,668</b>	<b>108,292</b>	<b>106,917</b>	<b>103,733</b>	<b>102,285</b>	<b>105,408</b>



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

<b>LIABILITIES</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Demand Deposits	23,638	24,558	25,032	27,241	25,114	25,692	26,151	29,501
Time Deposits	81,438	70,937	64,614	42,449	45,640	49,359	44,163	44,753
Bonds	1,113	1,140	1,352	1,374	1,385	1,334	1,352	1,302
<b>Deposits</b>	<b>106,189</b>	<b>96,636</b>	<b>90,999</b>	<b>71,065</b>	<b>72,140</b>	<b>76,384</b>	<b>71,666</b>	<b>75,555</b>
Demand	408	2,732	321	4,071	4,334	8	20	2,512
Short term	7,465	7,631	10,305	10,660	9,135	4,244	7,592	4,935
Long term	10,243	9,940	10,158	10,670	9,903	9,803	9,507	8,711
<b>Due to banks and correspondents</b>	<b>18,116</b>	<b>20,303</b>	<b>20,785</b>	<b>25,402</b>	<b>23,372</b>	<b>14,054</b>	<b>17,119</b>	<b>16,159</b>
Repurchase agreements, net	17	249	79	129	51	104	131	107
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	2	-	-	-	-	-	-	-
Options and derivatives, net	354	468	58	38	21	2	40	10
<b>Repos &amp; Derivatives:</b>	<b>373</b>	<b>717</b>	<b>137</b>	<b>167</b>	<b>72</b>	<b>106</b>	<b>171</b>	<b>117</b>
Income Tax & Profit Sharing	119	63	83	232	290	109	106	30
Other Payable accounts	3,931	4,417	2,400	2,689	1,907	1,982	1,986	2,302
<b>Other payable accounts</b>	<b>4,051</b>	<b>4,480</b>	<b>2,483</b>	<b>2,921</b>	<b>2,198</b>	<b>2,091</b>	<b>2,092</b>	<b>2,332</b>
Subordinated non Convertible Debenture	210	-	-	-	-	1,335	1,362	1,335
Deferred Taxes	15	40	-	-	-	-	-	-
Deferred credits	104	106	106	105	108	105	55	52
<b>TOTAL LIABILITIES</b>	<b>129,057</b>	<b>122,281</b>	<b>114,509</b>	<b>99,659</b>	<b>97,889</b>	<b>94,075</b>	<b>92,465</b>	<b>95,549</b>
<b>STOCKHOLDER 'S EQUITY</b>								
Paid-in Capital	4,743	4,742	4,708	4,819	4,817	4,857	4,833	4,844
Share subscription premiums	996	996	996	1,323	1,328	1,402	1,381	1,405
Subordinated Convertible Debentures	472	467	461	-	-	-	-	-
<b>Subscribed Capital</b>	<b>6,210</b>	<b>6,205</b>	<b>6,164</b>	<b>6,142</b>	<b>6,145</b>	<b>6,259</b>	<b>6,214</b>	<b>6,249</b>
Capital Reserves	647	707	621	779	772	965	884	929
Retained Earnings	6,865	6,545	6,545	6,366	8,128	8,042	8,042	8,042
Surplus (Deficit) from securities	-	-	-	-	-	-	-	-
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(4,958)	(4,966)	(4,956)	(4,956)	(4,950)	(4,951)	(4,953)	(4,956)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm subsidiaries	(27)	(327)	(2,251)	(2,212)	(2,393)	(2,337)	(2,446)	(2,703)
Adjustment in the employees pension funds	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	481	692	1,279	1,762	540	891	1,254	1,504
<b>Earned Capital</b>	<b>3,008</b>	<b>2,651</b>	<b>1,239</b>	<b>1,738</b>	<b>2,097</b>	<b>2,610</b>	<b>2,781</b>	<b>2,815</b>
Minority Holdings	885	813	756	752	785	790	825	795
<b>Total Stockholder 's Equity</b>	<b>10,104</b>	<b>9,669</b>	<b>8,159</b>	<b>8,633</b>	<b>9,028</b>	<b>9,658</b>	<b>9,821</b>	<b>9,859</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDER 'S</b>	<b>139,161</b>	<b>131,950</b>	<b>122,668</b>	<b>108,292</b>	<b>106,917</b>	<b>103,733</b>	<b>102,285</b>	<b>105,408</b>

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

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
<b>ON BEHALF OF THIRD PARTY TRANSACTIONS</b>								
Customers' banks	-	5	1	3	3	2	3	3
Dividends receivable from customers	-	-	-	-	-	-	-	-
Interest receivable from customers	-	-	-	-	-	-	-	-
Liquidation of customer transactions	(2,025)	173	3,302	3,727	7,765	9,688	11,771	14,268
Customer loans	-	-	-	-	-	-	-	-
Liquidation with foreign currencies of customers	-	-	-	-	-	-	-	-
Margin accounts in futures operations	-	-	-	-	-	-	-	-
Other current accounts	-	-	-	-	-	-	-	-
<b>CUSTOMERS CURRENT ACCOUNT</b>	<b>(2,024)</b>	<b>178</b>	<b>3,303</b>	<b>3,729</b>	<b>7,768</b>	<b>9,690</b>	<b>11,775</b>	<b>14,271</b>
Client securities held in custody	70,723	62,082	70,338	62,912	71,224	82,938	86,430	94,697
Securities and documents received in guarantee	4	4	-	-	-	-	1	23
Client securities abroad	-	-	-	-	-	-	-	-
<b>CLIENT SECURITIES</b>	<b>70,728</b>	<b>62,086</b>	<b>70,338</b>	<b>62,913</b>	<b>71,224</b>	<b>82,938</b>	<b>86,432</b>	<b>94,720</b>
Repurchase operations for customers	22,583	30,694	15,745	25,504	19,974	20,808	21,804	25,546
Clients securities loans	-	-	-	-	-	-	-	-
Purchase of Futures & forward contracts (nati.	-	-	-	-	-	-	-	-
Sale of futures and forward contracts (national	-	-	-	-	-	-	-	-
Purchasing operations (option price)	252	357	355	353	347	41	85	37
Sales operations (option price)	-	-	-	-	-	-	-	-
Purchase of derivative packages	-	-	-	-	-	-	-	-
Sale of derivative packages	-	-	-	-	-	-	-	-
Administration trusts	1,109	1,018	937	995	1,083	832	1,020	987
<b>TRANSACTIONS ON BEHALF OF CLIENT</b>	<b>23,945</b>	<b>32,069</b>	<b>17,038</b>	<b>26,852</b>	<b>21,404</b>	<b>21,681</b>	<b>22,910</b>	<b>26,570</b>
<b>TOTAL ON BEHALF OF THIRD PARTY</b>	<b>92,648</b>	<b>94,333</b>	<b>90,679</b>	<b>93,494</b>	<b>100,397</b>	<b>114,309</b>	<b>121,116</b>	<b>135,561</b>
Signature guarantees granted	3	3	3	3	3	3	3	3
Issuing of irrevocable letters of credit	585	466	685	521	1,173	1,021	789	519
Property in trust and guardianship	37,719	38,626	37,135	38,018	38,532	35,858	35,542	39,792
Assets held in custody or in administration	120,782	100,301	92,681	76,947	80,077	81,981	77,434	79,465
Amounts committed to operations with	9,442	9,864	8,772	3,786	3,948	4,090	4,235	4,725
In Transit drafts	-	-	-	-	-	-	-	-
Certificates of Deposit in circulation	143	493	424	450	158	113	94	91
Secured Credit Cards from the company	-	-	-	-	-	-	-	-
Securities given to the company in custody	2,070	2,730	56	30	23	21	45	107
Government securities in custody of the company	22	26	24	25	27	35	43	86
Securities given to the company on guarantee	2	-	-	-	-	-	-	-
Securities outside the country	20	21	-	-	-	-	-	-
Liquidations with foreign currencies abroad	-	-	-	-	-	-	-	-
Debits to the contingency fund	-	-	-	-	-	-	-	-
Other contingent obligations	18,005	19,107	21,764	20,937	16,663	16,828	10,226	10,254
Banking transactions on behalf of third-parties	26,453	30,113	48,917	72,823	83,423	99,033	60,062	103,204
Investments in funds for the retirem.saving	2,576	2,602	2,276	2,271	2,293	2,312	2,296	2,304
Integration of the credit portfolio	-	-	-	-	-	-	-	-
Amounts contracted in derivative instruments	2,479	2,636	2,685	2,783	2,677	2,423	2,656	3,285
Other trust account items	302,593	301,932	376,346	215,100	254,686	255,029	178,622	178,383
<b>OWN ACCOUNT OPERATIONS</b>	<b>522,895</b>	<b>508,921</b>	<b>591,769</b>	<b>433,695</b>	<b>483,683</b>	<b>498,747</b>	<b>372,046</b>	<b>422,219</b>
Repurchase agreements								
Securities to be received	36,225	45,231	65,886	95,823	109,055	133,543	144,695	144,687
(Less) Securities to be delivered	(36,159)	(45,363)	(65,997)	(95,862)	(108,902)	(133,344)	(144,804)	(144,534)
<b>REPURCHASE TRANSACTIONS- RECEIVED</b>	<b>66</b>	<b>(132)</b>	<b>(111)</b>	<b>(39)</b>	<b>153</b>	<b>199</b>	<b>(109)</b>	<b>152</b>
Securities to be received	14,020	20,017	33,666	57,436	59,870	94,334	104,929	92,403
(Less) securities to be delivered	(14,037)	(19,905)	(33,514)	(57,391)	(59,902)	(94,424)	(104,831)	(92,504)
<b>REPURCHASE TRANSACTIONS- SOLD</b>	<b>(17)</b>	<b>111</b>	<b>151</b>	<b>45</b>	<b>(31)</b>	<b>(90)</b>	<b>98</b>	<b>(101)</b>
<b>TOTAL ON OWN ACCOUNT OPERATIONS</b>	<b>522,944</b>	<b>508,900</b>	<b>591,809</b>	<b>433,700</b>	<b>483,804</b>	<b>498,856</b>	<b>372,035</b>	<b>422,270</b>

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

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

<b>NET INTEREST INCOME</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Interest Income	7,539.4	6,626.4	7,512.9	9,690.7	8,588.6	4,703.2	4,686.7	4,267.5
Interest Expense	5,792.7	5,060.9	6,070.1	8,049.0	6,982.6	2,939.7	3,231.5	2,991.3
Loan Fees	149.2	157.0	151.1	(114.5)	68.2	70.4	90.3	102.7
Fees Paid	3.3	3.8	3.1	5.1	3.7	4.2	5.4	9.6
<b>Net Interest Income (NII)</b>	<b>1,892.6</b>	<b>1,718.7</b>	<b>1,590.8</b>	<b>1,522.1</b>	<b>1,670.6</b>	<b>1,829.7</b>	<b>1,540.1</b>	<b>1,369.3</b>
Repomo-Margin	5.8	(13.9)	(27.7)	13.8	7.0	8.9	19.4	19.9
<b>NII after Repomo</b>	<b>1,898.4</b>	<b>1,704.8</b>	<b>1,563.1</b>	<b>1,535.8</b>	<b>1,677.6</b>	<b>1,838.7</b>	<b>1,559.5</b>	<b>1,389.2</b>
Loan Loss Provisions	236.1	182.5	6.9	269.4	179.2	441.8	167.2	189.3
Loss Sharing Provisions	43.8	38.4	84.9	-	76.0	52.3	24.8	16.5
<b>NII after Provisions</b>	<b>1,618.5</b>	<b>1,483.9</b>	<b>1,471.3</b>	<b>1,266.5</b>	<b>1,422.3</b>	<b>1,344.5</b>	<b>1,367.5</b>	<b>1,183.4</b>
Fund transfers	8.6	8.7	8.2	8.9	9.3	11.0	14.0	15.8
Account management	58.5	60.5	71.7	80.7	74.4	79.5	76.6	59.2
Fiduciary	219.0	41.4	234.3	143.0	242.5	115.7	423.3	195.7
Credit Card	6.2	5.6	8.1	9.4	80.6	85.5	83.9	93.4
Fees from FOBAPROA	91.2	229.3	144.5	108.9	79.3	83.0	62.3	42.0
Other fees	284.3	181.9	258.2	469.7	284.6	233.1	352.4	387.3
<b>Fees on services,</b>	<b>667.7</b>	<b>527.4</b>	<b>725.0</b>	<b>820.7</b>	<b>770.7</b>	<b>607.9</b>	<b>1,012.5</b>	<b>793.4</b>
Fund transfers	-	-	-	-	-	-	-	-
Other fees	83.1	86.7	81.3	82.9	80.9	77.0	315.3	167.9
<b>Fees paid,</b>	<b>83.1</b>	<b>86.7</b>	<b>81.3</b>	<b>82.9</b>	<b>80.9</b>	<b>77.0</b>	<b>315.3</b>	<b>167.9</b>
Foreign exchange	56.2	50.2	51.7	47.2	55.3	44.1	46.3	48.1
Securities –Realized gains	38.7	34.0	8.6	11.3	51.6	60.4	(15.6)	2.1
Securities- Unrealized gains	23.1	(62.0)	56.8	5.0	112.6	(13.9)	(99.2)	28.0
<b>Market-related Income</b>	<b>118.0</b>	<b>22.1</b>	<b>117.1</b>	<b>63.5</b>	<b>219.5</b>	<b>90.5</b>	<b>(68.6)</b>	<b>88.3</b>
<b>Total Non Interest Income</b>	<b>702.5</b>	<b>462.8</b>	<b>760.8</b>	<b>801.3</b>	<b>909.3</b>	<b>621.5</b>	<b>628.6</b>	<b>713.8</b>
<b>Total Operating Income</b>	<b>2,321.1</b>	<b>1,946.7</b>	<b>2,232.1</b>	<b>2,067.8</b>	<b>2,331.6</b>	<b>1,966.0</b>	<b>1,996.2</b>	<b>1,897.1</b>
Personnel	750.6	790.2	757.7	797.1	751.3	738.6	757.0	697.8
Fees Paid	80.6	86.6	67.8	84.0	85.5	72.6	85.9	91.2
Operation & Administrative expenses	442.4	446.7	522.5	462.3	453.4	561.9	522.7	601.7
Rents, depreciation and amortization	215.6	185.0	202.5	177.3	194.9	184.1	216.0	216.4
Taxes, other than income tax	99.5	134.5	129.7	190.1	107.4	106.9	103.2	196.9
Contributions to IPAB	86.0	107.9	97.2	96.0	93.5	86.1	88.1	89.5
Corporate expenses Recoveries	-	-	-	-	-	-	-	-
<b>Non-Interest Expense</b>	<b>1,674.7</b>	<b>1,750.9</b>	<b>1,777.4</b>	<b>1,806.8</b>	<b>1,686.1</b>	<b>1,750.3</b>	<b>1,772.8</b>	<b>1,893.5</b>
<b>Operating Income</b>	<b>646.4</b>	<b>195.8</b>	<b>454.6</b>	<b>260.9</b>	<b>645.5</b>	<b>215.7</b>	<b>223.3</b>	<b>3.6</b>
Other Revenues	122.7	152.5	287.4	844.2	155.9	317.1	263.7	389.8
Foreign exchange	0.4	-	-	-	-	-	-	-
Recoveries	21.0	12.2	214.4	93.3	106.3	173.2	85.4	147.0
Repomo-other revenues	14.8	5.1	12.7	35.6	(16.9)	70.9	51.1	(41.2)
<b>Non Operating Income</b>	<b>158.9</b>	<b>169.7</b>	<b>514.4</b>	<b>973.2</b>	<b>245.3</b>	<b>561.2</b>	<b>400.2</b>	<b>495.6</b>
Other Expense	(58.4)	(43.0)	(253.5)	(758.6)	(173.7)	(372.2)	(148.1)	(164.7)
Foreign exchange	(22.7)	-	-	-	-	-	-	-
Repomo-other Expenses	(132.5)	(43.4)	(36.2)	(42.0)	(3.9)	(7.5)	(13.8)	(27.5)
<b>Non Operating Expense</b>	<b>(213.6)</b>	<b>(86.3)</b>	<b>(289.6)</b>	<b>(800.6)</b>	<b>(177.6)</b>	<b>(379.7)</b>	<b>(161.9)</b>	<b>(192.2)</b>
<b>Non Operating Income (Expense), net</b>	<b>(54.7)</b>	<b>83.4</b>	<b>224.7</b>	<b>172.6</b>	<b>67.7</b>	<b>181.5</b>	<b>238.3</b>	<b>303.4</b>
<b>Pre-tax Income</b>	<b>591.7</b>	<b>279.1</b>	<b>679.4</b>	<b>433.5</b>	<b>713.3</b>	<b>397.3</b>	<b>461.6</b>	<b>307.0</b>
Income tax	(30.1)	24.2	(43.7)	(22.6)	(3.6)	(8.5)	(30.7)	(49.4)
Profit sharing	(8.8)	6.7	(10.0)	(1.9)	(16.2)	(39.5)	32.4	20.3
Tax on Assets	(5.8)	(4.8)	(6.0)	(0.5)	(1.9)	(5.2)	(26.2)	(6.5)
Deferred Inc. Tax and Profit sharing	(34.8)	(45.9)	(22.7)	77.5	(107.4)	(58.7)	(30.9)	0.6
	<b>(79.5)</b>	<b>(19.8)</b>	<b>(82.4)</b>	<b>52.5</b>	<b>(129.0)</b>	<b>(111.9)</b>	<b>(55.5)</b>	<b>(35.0)</b>
<b>Net income before subsidiaries</b>	<b>512.2</b>	<b>259.4</b>	<b>597.0</b>	<b>486.0</b>	<b>584.2</b>	<b>285.4</b>	<b>406.1</b>	<b>272.1</b>
Subsidiaries' net income	12.5	(34.8)	21.7	11.6	(1.9)	70.5	(3.9)	(5.4)
<b>Net Income from continuous operations</b>	<b>524.7</b>	<b>224.5</b>	<b>618.7</b>	<b>497.6</b>	<b>582.4</b>	<b>355.9</b>	<b>402.2</b>	<b>266.7</b>
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	(44.1)	(12.9)	(31.8)	(15.2)	(42.3)	(4.8)	(39.7)	(16.3)
<b>TOTAL NET INCOME</b>	<b>480.6</b>	<b>211.6</b>	<b>586.8</b>	<b>482.4</b>	<b>540.0</b>	<b>351.1</b>	<b>362.5</b>	<b>250.3</b>

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

**GRUPO CONSOLIDATED STATEMENT OF CASH FLOW**  
**JANUARY 1, 2001 –DECEMBER 31,2001**  
*(Millions of Pesos)*

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**CASH FLOW FROM OPERATING ACTIVITIES :**

<b>Net Income</b>	<b>1,504.0</b>
<b>Adjustments to Reconcile Net Income to Net Cash by Operating Activities</b>	
Mark to Market Valuation Results	(51.6)
Provisions for loan losses	1,147.2
Depreciation and amortization	429.7
Deferred Taxes	196.4
Provisions for Obligations	(506.7)
Minoritary Interest	(103.2)
Undistributed Earnings of Subsidiaries	=
	<b>1,11.8</b>

**Cash Flows From Investing Activities:**

Banks Deposits	4,488.7
Decrease (Increase) loan portfolio	(641.0)
Decrease (Increase) credit assets portfolio	(1,002.6)
Decrease (Increase) treasury operations	1,169.0
Decrease (Increase) financial instruments	(82.9)
Loans from banks and other entities	(9,243.5)
<b>Net Resources provided by operations</b>	<b><u>(5,312.4)</u></b>

**Financial Activities:**

Subordinated Debentures	1,335.4
Issuance of stock	170.0

**Net Resources provided by Investing activities** **1,505.3**

**CASH FLOW FROM FINANCING ACTIVITIES :**

Proceeds from issuance of common stock	(851.5)
Decrease (Increase) Deferred charges or credits	(247.4)
Decrease (Increase) Deferred taxes	(254.8)
Decrease (Increase) Foreclosed assets	230.4
Decrease (Increase) in accounts receivable and payable	(5.4)

**Net Cash provided by financing activities** **(1,128.6)**

<b>Decrease (increase) in cash and due from banks</b>	<b><u>(2,319.9)</u></b>
<b>Cash and due from banks at the beginning of the year</b>	<b><u>9,996.8</u></b>
<b>Cash and due from banks at the end of the year</b>	<b><u>7,676.9</u></b>

**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
JANUARY 1, 2001- DECEMBER 31, 2001-**

(Millions of Pesos)	CONTRIBUTED CAPITAL		
	Fixed Paid-in Capital	Variable Paid-in Capital	Premium, Bonds & oth. Securities
Balance as of December 31,2000	2,896.5	1,2922.5	1,323.4
<b>Stock Changes</b>			
Issuance of stock		24.9	81.5
Profits Capitalization		24.9	81.5
<b>Total</b>	-	-	-
<b>Total Income</b>			
Total Income:			
Net Income			
Results of assets holdings			
Minority Interest			
<b>Total</b>	-	-	-
Balance as of December 31,2001	2,896.5	1,947.4	1,404.9

	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 31,2000	778.7	6,366.4	(4,956.4)	(2,212.1)	1,761.6	752.5	8,632.9
<b>Stock Changes</b>							
Issuance of stock	63.6						170.0
Profits Capitalization		1,761.6			(1,761.6)		-
Provisioning	86.2	(86.2)					-
<b>Total</b>	149.9	1,675.4	-	-	(1,761.6)	-	170.0
<b>Total Income</b>							
Total Income:							
Net Income							
Results of assets holdings					1,504.0		1,504.0
Minority Interest				(490.6)			(490.6)
<b>Total</b>	-	-	-	(490.6)	1,504.0	42.6	42.6
Balance as of December 31,2001	928.5	8,041.8	(4,956.4)	(2,702.7)	1,504.0	795.1	9,858.9

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

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

(Millions of Pesos)

<b>ASSETS</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
<b>Cash and due from Banks</b>	<b>11,997</b>	<b>11,391</b>	<b>9,356</b>	<b>9,723</b>	<b>7,643</b>	<b>7,646</b>	<b>8,392</b>	<b>7,296</b>
Negotiable Instruments	24,292	16,231	15,407	4,255	6,341	4,975	1,931	2,151
Securities held for sale	52	50	172	178	1,820	1,623	1,260	1,056
Securities held to maturity	5,188	5,063	3,366	3,078	1,302	1,354	1,402	3,038
<b>Financial Instruments:</b>	<b>29,533</b>	<b>21,345</b>	<b>18,945</b>	<b>7,511</b>	<b>9,463</b>	<b>7,952</b>	<b>4,594</b>	<b>6,245</b>
Repurchase agreements, net	32	67	108	29	133	155	71	139
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	11	10	-	7	5	50	-	15
<b>Repos &amp; Derivatives :</b>	<b>42</b>	<b>77</b>	<b>108</b>	<b>36</b>	<b>138</b>	<b>205</b>	<b>71</b>	<b>154</b>
Commercial	17,088	16,662	17,279	20,186	18,656	16,653	17,396	20,505
Financial Intermediaries	2,882	5,299	3,938	2,716	1,781	1,263	595	589
Credit Card & Consumer	618	629	638	654	1,282	1,396	1,655	2,294
Mortgage	4,480	4,467	4,351	4,271	4,174	4,246	4,395	4,693
Government Entities	3,391	3,406	2,837	39,651	40,243	39,876	39,341	39,049
Fobaproa	56,844	56,817	55,297	12,473	12,339	11,678	11,880	9,853
Fiduciary collection rights	-	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>85,303</b>	<b>87,281</b>	<b>84,340</b>	<b>79,952</b>	<b>78,475</b>	<b>75,111</b>	<b>75,263</b>	<b>76,983</b>
Commercial	2,244	2,057	1,859	1,808	1,788	2,136	2,406	2,454
Financial Intermediaries	-	7	1	-	-	-	-	-
Credit Card & Consumer	642	637	624	625	636	311	313	316
Mortgage	1,862	1,786	1,850	1,893	1,940	1,832	1,754	1,701
Government Entities	-	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>4,749</b>	<b>4,487</b>	<b>4,335</b>	<b>4,326</b>	<b>4,363</b>	<b>4,279</b>	<b>4,473</b>	<b>4,472</b>
<b>Total Loans</b>	<b>90,052</b>	<b>91,768</b>	<b>88,675</b>	<b>84,279</b>	<b>82,838</b>	<b>79,390</b>	<b>79,736</b>	<b>81,455</b>
Preventive loan loss reserves	4,860	4,739	4,462	4,375	4,383	4,279	4,473	4,472
<b>Net Loan Portfolio</b>	<b>85,192</b>	<b>87,029</b>	<b>84,212</b>	<b>79,903</b>	<b>78,455</b>	<b>75,111</b>	<b>75,263</b>	<b>76,982</b>
Credit Assets Portfolio	-	-	-	-	-	-	2,409	2,554
Sundry debtors and other assets, net	1,641	1,488	1,516	1,762	1,563	1,863	1,055	1,110
Foreclosed assets, net	1,478	1,472	1,436	1,578	1,486	1,526	1,488	1,349
Real Estate, Furniture & Equipment, net	3,337	3,284	3,267	3,297	3,209	3,150	3,297	3,369
Investments in subsidiaries	851	783	825	872	981	950	997	967
Deferred taxes	345	17	135	767	785	818	881	888
Deferred charges & Intangibles	624	340	364	501	724	585	557	647
UDIS Mortgage loans reserve coverage	35	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>8,310</b>	<b>7,384</b>	<b>7,543</b>	<b>8,776</b>	<b>8,748</b>	<b>8,891</b>	<b>10,684</b>	<b>10,883</b>
<b>TOTAL ASSETS</b>	<b>135,073</b>	<b>127,225</b>	<b>120,165</b>	<b>105,948</b>	<b>104,448</b>	<b>99,804</b>	<b>99,004</b>	<b>101,560</b>

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

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

<b>LIABILITIES</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Demand Deposits	23,653	24,575	25,042	27,282	25,138	25,720	26,182	29,529
Time Deposits	81,748	71,233	64,792	42,579	45,756	48,698	44,462	44,898
Bonds	1,113	1,140	1,352	1,374	1,385	1,334	1,352	1,302
<b>Deposits</b>	<b>106,514</b>	<b>96,948</b>	<b>91,186</b>	<b>71,236</b>	<b>72,279</b>	<b>75,751</b>	<b>71,997</b>	<b>75,728</b>
Demand	408	2,732	321	4,071	4,334	8	20	2,512
Short term	7,461	7,342	9,735	9,847	8,278	3,097	5,964	2,930
Long term	10,243	9,940	10,075	10,650	9,746	9,557	9,366	8,454
<b>Due to banks and correspondents</b>	<b>18,112</b>	<b>20,013</b>	<b>20,132</b>	<b>24,569</b>	<b>22,358</b>	<b>12,662</b>	<b>15,350</b>	<b>13,897</b>
Repurchase agreements, net	5	67	25	36	19	55	88	92
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	70	58	34	17	2	31	10
<b>Repos &amp; Derivatives:</b>	<b>5</b>	<b>137</b>	<b>83</b>	<b>70</b>	<b>36</b>	<b>57</b>	<b>119</b>	<b>102</b>
Income Tax & Profit Sharing	7	1	15	182	264	86	83	5
Other Payable accounts	2,191	2,151	1,963	2,561	1,821	1,888	1,869	2,030
<b>Other payable accounts</b>	<b>2,198</b>	<b>2,152</b>	<b>1,978</b>	<b>2,742</b>	<b>2,086</b>	<b>1,974</b>	<b>1,952</b>	<b>2,035</b>
Subordinated non Convertible Debenture	210	-	-	-	-	1,335	1,362	1,335
Deferred Taxes	-	20	-	-	-	-	-	-
Deferred credits	113	112	109	122	122	117	63	69
<b>TOTAL LIABILITIES</b>	<b>127,151</b>	<b>119,381</b>	<b>113,488</b>	<b>98,739</b>	<b>96,881</b>	<b>91,896</b>	<b>90,843</b>	<b>93,167</b>
<b>STOCKHOLDER 'S EQUITY</b>								
Paid-in Capital	4,528	4,528	4,320	4,504	4,983	4,983	4,983	5,156
Share subscription premiums	305	306	306	568	568	568	568	896
Subordinated Convertible Debentures	472	467	461	-	-	-	-	-
<b>Subscribed Capital</b>	<b>5,305</b>	<b>5,300</b>	<b>5,086</b>	<b>5,072</b>	<b>5,550</b>	<b>5,550</b>	<b>5,551</b>	<b>6,052</b>
Capital Reserves	2,650	2,977	1,687	1,507	2,245	2,319	2,319	2,319
Retained Earnings	2,337	1,854	1,733	1,798	2,223	2,148	2,149	1,716
Surplus (Deficit) from securities	(482)	(505)	(500)	(334)	(515)	(418)	(525)	(558)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(2,151)	(2,157)	(2,163)	(2,162)	(2,155)	(2,157)	(2,158)	(2,162)
Non Mon assets results fixed assets	(124)	-	-	-	-	-	-	-
Non Mon assets results Investm	50	(41)	(65)	(61)	(64)	(92)	(88)	(100)
Adjustment in the employees pension	(106)	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	(283)	(283)	(252)	(252)	(252)	(252)	(252)
Net Income	444	697	1,181	1,641	534	809	1,167	1,379
<b>Earned Capital</b>	<b>2,617</b>	<b>2,544</b>	<b>1,591</b>	<b>2,137</b>	<b>2,016</b>	<b>2,357</b>	<b>2,611</b>	<b>2,342</b>
Minority Holdings	-	-	-	-	-	-	-	-
<b>Total Stockholder 's Equity</b>	<b>7,922</b>	<b>7,844</b>	<b>6,677</b>	<b>7,209</b>	<b>7,567</b>	<b>7,908</b>	<b>8,162</b>	<b>8,394</b>
<b>TOTAL LIABILITIES &amp;</b>	<b>135,073</b>	<b>127,225</b>	<b>120,165</b>	<b>105,948</b>	<b>104,448</b>	<b>99,804</b>	<b>99,004</b>	<b>101,560</b>

(\*) Does not include Afore.

**MEMORANDUM ACCOUNTS OF THE BANKING SECTOR**

(Millions of Pesos)

	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Signature guarantees granted	3	3	3	3	3	3	3	3
Other contingent obligations	8,686	9,379	10,711	9,752	10,016	9,951	10,226	10,254
Irrevocable lines of credit	585	466	685	521	1,173	1,021	789	519
Assets held in trust and mandate	37,719	38,626	37,135	38,018	38,532	35,858	35,542	39,792
Assets held in custody or in administration	105,815	96,061	88,437	72,135	75,628	77,551	72,827	74,310
Investment banking transactions for third	26,453	30,113	48,917	72,823	83,423	99,033	60,062	103,204
Engaged amounts in fobaproa operations	9,442	9,864	8,772	3,786	3,948	4,090	4,235	4,725
Investment of retirement saving funds	2,576	2,602	2,276	2,271	2,293	2,312	2,296	2,304
Integration of loan portfolio	-	-	-	-	-	-	-	-
Received amounts in derivative instruments	2,314	2,636	2,685	2,783	2,677	2,423	2,656	3,285
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	13,642	14,537	50,171	70,319	89,081	112,735	122,891	119,141
(Less) payable for reversal	(13,610)	(14,604)	(49,932)	(70,345)	(88,948)	(112,580)	(122,979)	(119,002)
Receivables for reversal	3,074	3,794	19,719	32,030	40,478	73,569	83,105	66,884
(Less) securities to be delivered	(3,079)	(3,727)	(19,542)	(32,011)	(40,497)	(73,624)	(83,033)	(66,976)
Other control accounts	289,305	286,766	361,455	200,545	237,748	238,096	169,635	166,736
	<b>482,925</b>	<b>476,518</b>	<b>561,494</b>	<b>402,630</b>	<b>455,556</b>	<b>470,438</b>	<b>358,253</b>	<b>405,179</b>

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

**BANKING SECTOR - Income Statement (\*)***(Millions of Pesos)*

	1Q00	2Q00	3Q00	4Q00	1Q01	2Q01	3Q01	4Q01
<b>NET INTEREST INCOME</b>								
Interest Income	6,381.8	5,781.8	7,090.9	10,201.3	8,549.9	4,562.5	4,584.6	4,157.5
Interest Expense	4,746.7	4,297.3	5,758.7	8,592.7	7,038.4	2,938.6	3,231.3	2,971.4
Loan Fees	145.6	154.4	148.9	(117.1)	68.2	70.4	90.3	102.7
Fees Paid	3.3	4.1	4.0	5.3	3.7	4.2	5.4	9.6
<b>Net Interest Income (NII)</b>	<b>1,777.5</b>	<b>1,634.7</b>	<b>1,477.1</b>	<b>1,486.2</b>	<b>1,576.0</b>	<b>1,690.1</b>	<b>1,438.2</b>	<b>1,279.3</b>
Repomo-Margin	27.5	(3.2)	(17.8)	7.5	13.7	17.5	26.6	37.6
<b>NII after Repomo</b>	<b>1,805.0</b>	<b>1,631.6</b>	<b>1,459.4</b>	<b>1,493.7</b>	<b>1,589.8</b>	<b>1,707.6</b>	<b>1,464.8</b>	<b>1,316.8</b>
Loan Loss Provisions	233.3	181.8	6.6	269.0	178.8	440.6	161.8	189.0
Loss Sharing Provisions	43.8	38.4	84.9	-	76.0	52.3	24.8	16.5
<b>NII after Provisions</b>	<b>1,527.9</b>	<b>1,411.3</b>	<b>1,367.9</b>	<b>1,224.7</b>	<b>1,334.9</b>	<b>1,214.6</b>	<b>1,278.2</b>	<b>1,111.3</b>
Fund transfers	8.6	8.7	8.2	8.9	9.3	11.0	14.0	15.8
Account management	58.5	60.5	71.7	80.7	74.4	79.5	76.6	59.2
Fiduciary	219.0	41.4	234.3	143.0	242.5	115.7	423.3	195.7
Credit Card	6.2	5.6	8.1	9.4	80.6	85.5	83.9	93.4
Fees from FOBAPROA	91.2	229.3	144.5	108.9	79.3	83.0	62.3	42.0
Other fees	88.7	49.2	53.8	329.6	71.5	73.6	109.8	189.7
<b>Fees on services,</b>	<b>472.1</b>	<b>394.6</b>	<b>520.7</b>	<b>680.5</b>	<b>557.6</b>	<b>448.3</b>	<b>769.8</b>	<b>595.8</b>
Fund transfers	-	-	-	-	-	-	-	-
Other fees	91.8	93.2	88.5	87.8	84.4	85.4	317.2	172.7
<b>Fees paid,</b>	<b>91.8</b>	<b>93.2</b>	<b>88.5</b>	<b>87.8</b>	<b>84.4</b>	<b>85.4</b>	<b>317.2</b>	<b>172.7</b>
Foreign exchange	56.2	50.2	51.7	47.2	55.3	44.1	46.3	48.1
Securities -Realized gains	12.2	7.7	(1.3)	(0.6)	31.3	84.4	(23.3)	(19.8)
Securities- Unrealized gains	20.9	(27.3)	(9.3)	8.1	115.2	(15.3)	(9.6)	39.2
<b>Market-related Income</b>	<b>89.3</b>	<b>30.6</b>	<b>41.1</b>	<b>54.7</b>	<b>201.8</b>	<b>113.1</b>	<b>(71.5)</b>	<b>67.5</b>
<b>Total Non Interest Income</b>	<b>469.6</b>	<b>332.1</b>	<b>473.3</b>	<b>647.4</b>	<b>675.0</b>	<b>476.1</b>	<b>381.1</b>	<b>490.7</b>
<b>Total Operating Income</b>	<b>1,997.5</b>	<b>1,743.4</b>	<b>1,841.1</b>	<b>1,872.2</b>	<b>2,009.9</b>	<b>1,690.7</b>	<b>1,659.4</b>	<b>1,602.0</b>
Personnel	625.8	656.2	623.3	689.3	692.0	658.1	684.4	619.2
Fees Paid	78.3	84.7	64.8	81.7	84.0	71.6	84.5	89.5
Operation & Administrative expenses	399.9	396.3	468.0	401.4	358.2	435.6	419.0	480.6
Rents, depreciation and amortization	189.4	157.9	175.6	155.3	167.5	158.8	188.6	174.7
Taxes, other than income tax	96.8	130.9	126.3	186.7	104.6	104.2	100.9	193.7
Contributions to IPAB	86.0	107.9	97.2	96.0	93.5	86.1	88.1	89.5
Corporate expenses Recoveries	-	-	-	-	-	-	-	-
<b>Non-Interest Expense</b>	<b>1,476.3</b>	<b>1,533.8</b>	<b>1,555.2</b>	<b>1,610.6</b>	<b>1,499.8</b>	<b>1,514.4</b>	<b>1,565.6</b>	<b>1,647.2</b>
<b>Operating Income</b>	<b>521.3</b>	<b>209.5</b>	<b>286.0</b>	<b>261.6</b>	<b>510.2</b>	<b>176.3</b>	<b>93.8</b>	<b>(45.2)</b>
Other Revenues	124.2	156.4	166.9	207.8	94.2	135.3	116.6	194.3
Foreign exchange	0.4	-	-	-	-	-	-	-
Recoveries	19.4	11.7	213.5	92.8	104.7	171.7	84.7	147.1
Repomo-other revenues	17.5	-	-	-	(17.4)	62.8	41.5	(59.2)
<b>Non Operating Income</b>	<b>161.5</b>	<b>168.1</b>	<b>380.3</b>	<b>300.6</b>	<b>181.5</b>	<b>369.7</b>	<b>242.8</b>	<b>282.3</b>
Other Expense	(58.4)	(43.0)	(139.3)	(153.7)	(108.4)	(185.7)	(3.4)	33.3
Foreign exchange	(22.7)	-	-	-	-	-	-	-
Repomo-other Expenses	(130.0)	(42.2)	(35.1)	(42.9)	(3.9)	(7.5)	(13.8)	(27.5)
<b>Non Operating Expense</b>	<b>(211.1)</b>	<b>(85.2)</b>	<b>(174.4)</b>	<b>(196.6)</b>	<b>(112.2)</b>	<b>(193.2)</b>	<b>(17.2)</b>	<b>5.9</b>
<b>Non Operating Income (Expense), net</b>	<b>(49.6)</b>	<b>82.9</b>	<b>206.0</b>	<b>104.0</b>	<b>69.3</b>	<b>176.5</b>	<b>225.5</b>	<b>288.1</b>
<b>Pre-tax Income</b>	<b>471.7</b>	<b>292.4</b>	<b>492.0</b>	<b>365.6</b>	<b>579.5</b>	<b>352.8</b>	<b>319.3</b>	<b>242.9</b>
Income tax	-	-	(6.5)	(22.2)	-	(0.1)	(29.0)	29.1
Profit sharing	-	-	-	-	(15.2)	(36.8)	32.2	18.8
Tax on Assets	(5.8)	(4.8)	(6.0)	(0.5)	(1.9)	(3.9)	(3.0)	(4.5)
Deferred Inc. Tax and Profit sharing	(53.9)	(40.5)	(24.9)	109.0	(67.3)	(47.5)	(0.6)	(75.0)
	<b>(59.7)</b>	<b>(45.3)</b>	<b>(37.3)</b>	<b>86.3</b>	<b>(84.5)</b>	<b>(88.3)</b>	<b>(0.3)</b>	<b>(31.6)</b>
<b>Net income before subsidiaries</b>	<b>411.9</b>	<b>247.1</b>	<b>454.6</b>	<b>451.9</b>	<b>494.9</b>	<b>264.6</b>	<b>319.0</b>	<b>211.3</b>
Subsidiaries 'net income	35.2	6.4	28.9	8.4	39.4	10.4	38.5	0.3
<b>Net Income from continuous operations</b>	<b>447.1</b>	<b>253.5</b>	<b>483.6</b>	<b>460.3</b>	<b>534.4</b>	<b>275.0</b>	<b>357.5</b>	<b>211.6</b>
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	(3.3)	-	-	-	-	0.1	-	-
<b>TOTAL NET INCOME</b>	<b>443.8</b>	<b>253.5</b>	<b>483.6</b>	<b>460.3</b>	<b>534.4</b>	<b>275.1</b>	<b>357.5</b>	<b>211.7</b>

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



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

(Millions of Pesos)

<b>ASSETS</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
<b>Cash and due from Banks</b>	<b>10,732</b>	<b>10,447</b>	<b>10,615</b>	<b>8,724</b>	<b>6,901</b>	<b>6,657</b>	<b>8,137</b>	<b>8,132</b>
Negotiable Instruments	24,292	16,231	24,558	5,200	7,347	6,058	1,931	2,150
Securities held for sale	52	50	50	49	1,657	1,466	1,111	939
Securities held to maturity	4,561	4,575	3,066	2,800	1,014	1,058	1,102	2,735
<b>Financial Instruments:</b>	<b>28,905</b>	<b>20,856</b>	<b>27,674</b>	<b>8,049</b>	<b>10,018</b>	<b>8,581</b>	<b>4,144</b>	<b>5,825</b>
Repurchase agreements, net	31	67	73	20	91	71	33	74
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	11	10	-	7	5	50	-	15
<b>Repos &amp; Derivatives :</b>	<b>42</b>	<b>76</b>	<b>73</b>	<b>26</b>	<b>96</b>	<b>121</b>	<b>33</b>	<b>90</b>
Commercial	16,529	16,049	17,251	20,158	18,341	16,343	17,387	20,189
Financial Intermediaries	2,861	4,837	3,938	2,716	1,781	1,263	984	1,425
Credit Card & Consumer	609	615	638	654	1,282	1,396	1,655	2,294
Mortgage	3,060	3,079	3,975	3,919	3,847	3,921	4,070	4,385
Government Entities	3,021	3,019	2,837	39,644	40,231	39,860	39,314	39,013
Fobaproa	37,446	37,277	36,193	12,473	12,431	11,801	12,026	10,102
Fiduciary collection rights	-	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>63,527</b>	<b>64,876</b>	<b>64,831</b>	<b>79,566</b>	<b>77,914</b>	<b>74,583</b>	<b>75,436</b>	<b>77,407</b>
Commercial	1,794	1,670	1,725	1,742	1,734	2,083	2,183	2,257
Financial Intermediaries	-	-	1	-	-	-	-	-
Credit Card & Consumer	525	521	624	625	636	311	312	316
Mortgage	1,493	1,420	1,723	1,753	1,793	1,699	1,632	1,578
Government Entities	-	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>3,812</b>	<b>3,612</b>	<b>4,074</b>	<b>4,119</b>	<b>4,163</b>	<b>4,092</b>	<b>4,127</b>	<b>4,151</b>
<b>Total Loans</b>	<b>67,339</b>	<b>68,488</b>	<b>68,905</b>	<b>83,685</b>	<b>82,077</b>	<b>78,676</b>	<b>79,563</b>	<b>81,558</b>
Preventive loan loss reserves	3,414	3,319	4,062	3,974	3,963	3,863	4,070	4,064
<b>Net Loan Portfolio</b>	<b>63,925</b>	<b>65,170</b>	<b>64,843</b>	<b>79,711</b>	<b>78,113</b>	<b>74,812</b>	<b>75,493</b>	<b>77,494</b>
Credit Assets Portfolio	-	-	-	-	-	-	-	-
Sundry debtors and other assets, net	1,317	1,105	1,071	1,195	776	992	972	1,030
Foreclosed assets, net	690	677	1,436	1,491	1,400	1,442	1,390	1,335
Real Estate, Furniture & Equipment, net	2,913	2,862	3,267	3,294	3,207	3,148	3,297	3,369
Investments in subsidiaries	638	674	299	344	424	390	397	387
Deferred taxes	423	17	135	767	785	818	881	961
Deferred charges & Intangibles	1,265	965	364	500	721	582	551	641
UDIS Mortgage loans reserve coverage	35	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>7,280</b>	<b>6,300</b>	<b>6,572</b>	<b>7,591</b>	<b>7,313</b>	<b>7,371</b>	<b>7,489</b>	<b>7,724</b>
<b>TOTAL ASSETS</b>	<b>110,884</b>	<b>102,849</b>	<b>109,777</b>	<b>104,101</b>	<b>102,441</b>	<b>97,543</b>	<b>95,295</b>	<b>99,265</b>

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

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

(Millions of Pesos)

<b>LIABILITIES</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Demand Deposits	21,185	22,026	25,042	27,221	25,138	25,720	26,212	29,575
Time Deposits	64,736	54,273	56,048	42,574	45,756	48,698	44,462	44,898
Bonds	1,113	1,140	1,352	1,374	1,385	1,334	1,352	1,302
<b>Deposits</b>	<b>87,033</b>	<b>77,439</b>	<b>82,442</b>	<b>71,169</b>	<b>72,279</b>	<b>75,751</b>	<b>72,027</b>	<b>75,774</b>
Demand	408	2,732	321	4,071	4,334	79	20	2,512
Short term	6,187	5,905	11,717	9,847	8,278	3,097	4,798	2,930
Long term	8,660	8,407	7,715	10,300	9,424	9,263	9,035	8,153
<b>Due to banks and correspondents</b>	<b>15,255</b>	<b>17,044</b>	<b>19,753</b>	<b>24,219</b>	<b>22,036</b>	<b>12,440</b>	<b>13,853</b>	<b>13,596</b>
Repurchase agreements, net	4	67	25	-	10	51	20	52
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	70	2	34	17	2	31	10
<b>Repos &amp; Derivatives:</b>	<b>4</b>	<b>137</b>	<b>28</b>	<b>34</b>	<b>27</b>	<b>52</b>	<b>51</b>	<b>62</b>
Income Tax & Profit Sharing	5	1	13	166	249	71	56	5
Other Payable accounts	1,944	1,994	1,963	2,549	1,805	1,794	1,844	2,017
<b>Other payable accounts</b>	<b>1,949</b>	<b>1,995</b>	<b>1,976</b>	<b>2,715</b>	<b>2,055</b>	<b>1,865</b>	<b>1,901</b>	<b>2,022</b>
Subordinated non Convertible Debenture	210	-	-	-	-	1,335	1,362	1,335
Deferred Taxes	-	20	-	-	-	-	-	-
Deferred credits	103	100	109	122	122	116	63	68
<b>TOTAL LIABILITIES</b>	<b>104,554</b>	<b>96,735</b>	<b>104,307</b>	<b>98,260</b>	<b>96,518</b>	<b>91,560</b>	<b>89,256</b>	<b>92,857</b>
<b>STOCKHOLDER 'S EQUITY</b>								
Paid-in Capital	3,351	3,351	3,816	4,000	4,000	4,000	4,000	4,173
Share subscription premiums	305	306	306	568	568	568	568	896
Subordinated Convertible Debentures	472	467	461	-	-	-	-	-
<b>Subscribed Capital</b>	<b>4,128</b>	<b>4,123</b>	<b>4,582</b>	<b>4,568</b>	<b>4,568</b>	<b>4,568</b>	<b>4,568</b>	<b>5,069</b>
Capital Reserves	2,358	2,439	1,687	1,507	2,091	2,165	2,165	2,165
Retained Earnings	1,996	1,759	1,733	1,798	1,973	1,899	1,899	1,709
Surplus (Deficit) from securities	(482)	(505)	(492)	(309)	(490)	(408)	(485)	(535)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(2,165)	(2,170)	(2,168)	(2,162)	(2,164)	(2,164)	(2,165)	(2,162)
Non Mon assets results fixed assets	(124)	-	-	-	-	-	-	-
Non Mon assets results Investm	47	(42)	(76)	(68)	(69)	(95)	(90)	(61)
Adjustment in the employees pension	(106)	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	(283)	(283)	(252)	(252)	(252)	(252)	(252)
Net Income	135	312	486	760	266	271	398	475
<b>Earned Capital</b>	<b>1,659</b>	<b>1,511</b>	<b>888</b>	<b>1,273</b>	<b>1,355</b>	<b>1,415</b>	<b>1,470</b>	<b>1,339</b>
Minority Holdings	543	480	-	-	-	-	-	-
<b>Total Stockholder 's Equity</b>	<b>6,330</b>	<b>6,114</b>	<b>5,470</b>	<b>5,841</b>	<b>5,923</b>	<b>5,983</b>	<b>6,039</b>	<b>6,408</b>
<b>TOTAL LIABILITIES &amp;</b>	<b>110,884</b>	<b>102,849</b>	<b>109,777</b>	<b>104,101</b>	<b>102,441</b>	<b>97,543</b>	<b>95,295</b>	<b>99,265</b>

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

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

	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Signature guarantees granted	3	3	3	3	3	3	3	3
Other contingent obligations	6,260	6,824	10,711	7,024	8,227	8,155	8,533	8,559
Irrevocable lines of credit	563	445	685	521	1,173	1,021	789	519
Assets held in trust and mandate	19,937	18,531	17,141	18,725	19,844	18,264	18,049	17,769
Assets held in custody or in administration	77,197	63,932	88,437	71,190	74,630	76,478	72,827	74,310
Investment banking transactions for third	26,187	29,870	48,917	72,815	83,423	99,033	60,062	103,204
Engaged amounts in fobaproa operations	8,846	9,537	8,442	3,721	3,857	3,966	4,089	4,477
Investment of retirement saving funds	2,576	2,602	2,276	2,271	2,293	2,312	2,296	2,304
Integration of loan portfolio	-	-	-	-	-	-	-	-
Received amounts in derivative instruments	2,314	2,636	2,685	2,783	2,677	2,423	2,656	3,285
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	13,507	14,415	25,643	38,961	46,421	45,015	49,629	44,915
(Less) payable for reversal	(13,476)	(14,482)	(25,668)	(38,951)	(46,330)	(44,944)	(49,649)	(44,841)
Receivables for reversal	2,940	3,672	8,213	18,084	21,280	45,594	47,615	43,857
(Less) securities to be delivered	(2,944)	(3,605)	(8,141)	(18,074)	(21,290)	(45,644)	(47,583)	(43,909)
Other control accounts	227,015	223,459	361,455	168,114	192,642	196,089	127,734	125,437
	<b>370,925</b>	<b>357,840</b>	<b>540,801</b>	<b>347,186</b>	<b>388,850</b>	<b>407,764</b>	<b>297,049</b>	<b>339,889</b>

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

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

(Millions of Pesos)

<b>NET INTEREST INCOME</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Interest Income	4,488.0	4,754.3	5,134.6	7,161.7	6,882.1	4,233.7	3,928.0	3,331.5
Interest Expense	3,475.6	3,614.5	4,037.3	5,653.1	5,364.9	2,795.1	2,547.6	2,203.0
Loan Fees	129.5	144.2	142.7	(118.0)	67.9	70.1	90.1	102.6
Fees Paid	2.1	3.6	3.6	5.3	3.7	4.2	5.4	8.5
<b>Net Interest Income (NII)</b>	<b>1,139.8</b>	<b>1,280.4</b>	<b>1,236.5</b>	<b>1,385.3</b>	<b>1,581.3</b>	<b>1,504.6</b>	<b>1,465.0</b>	<b>1,222.6</b>
Repomo-Margin	62.8	6.4	(9.2)	13.0	19.0	20.2	20.0	35.4
<b>NII after Repomo</b>	<b>1,202.6</b>	<b>1,286.8</b>	<b>1,227.3</b>	<b>1,398.3</b>	<b>1,600.3</b>	<b>1,524.8</b>	<b>1,485.0</b>	<b>1,258.0</b>
Loan Loss Provisions	27.3	117.6	(0.1)	228.7	148.0	432.8	165.6	171.2
Loss Sharing Provisions	43.8	38.4	84.9	-	76.0	52.3	24.8	16.5
<b>NII after Provisions</b>	<b>1,131.5</b>	<b>1,130.8</b>	<b>1,142.5</b>	<b>1,169.6</b>	<b>1,376.2</b>	<b>1,039.6</b>	<b>1,294.6</b>	<b>1,070.3</b>
Fund transfers	7.7	8.2	7.9	8.9	9.3	11.0	14.0	15.8
Account management	48.2	53.1	67.2	80.7	74.4	79.5	76.6	59.2
Fiduciary	14.4	16.5	14.2	12.7	18.6	19.4	16.1	15.2
Credit Card	5.5	5.2	7.9	9.4	80.6	85.5	83.9	93.4
Fees from FOBAPROA	76.9	225.2	138.8	105.6	74.5	80.3	60.5	37.1
Other fees	211.0	147.6	148.8	329.7	71.5	73.6	69.8	131.9
<b>Fees on services,</b>	<b>363.6</b>	<b>455.8</b>	<b>384.8</b>	<b>547.1</b>	<b>328.9</b>	<b>349.3</b>	<b>320.8</b>	<b>352.6</b>
Fund transfers	-	-	-	-	-	-	-	-
Other fees	82.0	85.9	84.1	82.8	73.5	72.5	73.5	76.8
<b>Fees paid,</b>	<b>82.0</b>	<b>85.9</b>	<b>84.1</b>	<b>82.8</b>	<b>73.5</b>	<b>72.5</b>	<b>73.5</b>	<b>76.8</b>
Foreign exchange	48.1	43.0	46.8	47.2	55.3	44.1	46.3	48.1
Securities -Realized gains	12.1	7.7	(3.5)	(12.6)	12.6	76.7	(2.0)	26.7
Securities- Unrealized gains	29.7	(22.2)	19.0	15.2	65.7	(44.8)	(22.5)	21.3
<b>Market-related Income</b>	<b>90.0</b>	<b>28.6</b>	<b>62.3</b>	<b>49.8</b>	<b>133.5</b>	<b>75.9</b>	<b>21.8</b>	<b>96.1</b>
<b>Total Non Interest Income</b>	<b>371.6</b>	<b>398.4</b>	<b>363.1</b>	<b>514.1</b>	<b>388.9</b>	<b>352.8</b>	<b>269.1</b>	<b>371.8</b>
<b>Total Operating Income</b>	<b>1,503.1</b>	<b>1,529.3</b>	<b>1,505.6</b>	<b>1,683.7</b>	<b>1,765.2</b>	<b>1,392.4</b>	<b>1,563.8</b>	<b>1,442.2</b>
Personnel	551.3	610.8	607.7	686.2	692.0	658.1	684.4	619.2
Fees Paid	63.8	72.4	60.2	78.4	71.3	64.7	76.9	82.4
Operation & Administrative expenses	338.4	376.8	465.3	400.5	355.6	434.1	411.8	472.2
Rents, depreciation and amortization	173.0	159.7	172.1	155.0	167.5	158.7	186.2	174.7
Taxes, other than income tax	72.8	106.2	110.5	174.4	95.2	100.2	96.8	189.9
Contributions to IPAB	55.3	87.5	81.1	90.8	92.1	84.4	90.8	82.6
Corporate expenses Recoveries	(68.5)	(97.5)	(54.2)	(42.5)	(31.1)	(10.3)	-	-
<b>Non-Interest Expense</b>	<b>1,186.1</b>	<b>1,315.7</b>	<b>1,442.7</b>	<b>1,542.7</b>	<b>1,442.5</b>	<b>1,489.9</b>	<b>1,546.8</b>	<b>1,621.1</b>
<b>Operating Income</b>	<b>317.0</b>	<b>213.5</b>	<b>62.9</b>	<b>141.0</b>	<b>322.6</b>	<b>(97.5)</b>	<b>16.9</b>	<b>(178.9)</b>
Other Revenues	39.4	66.5	112.6	138.2	40.9	67.8	48.2	134.9
Foreign exchange	-	-	-	-	-	-	-	-
Recoveries	14.6	9.6	208.5	92.8	104.4	170.7	81.9	146.3
Repomo-other revenues	-	-	-	-	(17.4)	62.8	41.5	(59.2)
<b>Non Operating Income</b>	<b>54.0</b>	<b>76.2</b>	<b>321.0</b>	<b>231.0</b>	<b>127.9</b>	<b>301.3</b>	<b>171.7</b>	<b>222.0</b>
Other Expense	(47.9)	(41.6)	(137.5)	(153.6)	(108.1)	(113.7)	(74.3)	33.7
Foreign exchange	(22.7)	-	-	-	-	-	-	-
Repomo-other Expenses	(98.4)	(30.0)	(27.6)	(45.4)	0.1	-	-	(0.4)
<b>Non Operating Expense</b>	<b>(169.0)</b>	<b>(71.6)</b>	<b>(165.1)</b>	<b>(199.0)</b>	<b>(108.0)</b>	<b>(113.8)</b>	<b>(74.3)</b>	<b>33.3</b>
<b>Non Operating Income (Expense), net</b>	<b>(114.9)</b>	<b>4.5</b>	<b>155.9</b>	<b>32.0</b>	<b>19.9</b>	<b>187.6</b>	<b>97.4</b>	<b>255.3</b>
<b>Pre-tax Income</b>	<b>202.1</b>	<b>218.1</b>	<b>218.9</b>	<b>173.0</b>	<b>342.5</b>	<b>90.1</b>	<b>114.3</b>	<b>76.4</b>
Income tax	-	-	(6.5)	(7.5)	-	(0.1)	(17.9)	18.1
Profit sharing	-	-	-	-	(15.2)	(36.8)	32.2	18.8
Tax on Assets	(4.3)	(2.9)	(3.7)	(1.3)	(1.9)	(3.9)	(3.0)	(4.5)
Deferred Inc. Tax and Profit sharing	(43.9)	(40.5)	(24.9)	109.0	(67.3)	(47.5)	(0.6)	(16.7)
	<b>(48.3)</b>	<b>(43.3)</b>	<b>(35.0)</b>	<b>100.2</b>	<b>(84.5)</b>	<b>(88.3)</b>	<b>10.7</b>	<b>15.7</b>
<b>Net income before subsidiaries</b>	<b>153.8</b>	<b>174.7</b>	<b>183.8</b>	<b>273.1</b>	<b>258.0</b>	<b>1.8</b>	<b>125.0</b>	<b>92.1</b>
Subsidiaries net income	17.4	4.6	6.7	0.7	7.8	3.2	2.6	(16.0)
<b>Net Income from continuous operations</b>	<b>171.2</b>	<b>179.4</b>	<b>190.5</b>	<b>273.8</b>	<b>265.8</b>	<b>5.0</b>	<b>127.6</b>	<b>76.1</b>
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	(36.1)	(2.4)	(16.7)	-	-	0.1	-	-
<b>TOTAL NET INCOME</b>	<b>135.0</b>	<b>176.9</b>	<b>173.8</b>	<b>273.8</b>	<b>265.8</b>	<b>5.0</b>	<b>127.6</b>	<b>76.1</b>

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

Note: Consolidates the Afore until August, 2000.

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

(Millions of Pesos)

<b>ASSETS</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
<b>Cash and due from Banks</b>	<b>2,410</b>	<b>2,125</b>	<b>854</b>	<b>1,164</b>	<b>1,540</b>	<b>1,359</b>	<b>1,480</b>	<b>1,521</b>
Negotiable Instruments	-	-	-	-	1	-	-	1
Securities held for sale	-	-	123	129	162	156	149	117
Securities held to maturity	627	489	300	278	288	297	301	302
<b>Financial Instruments:</b>	<b>627</b>	<b>489</b>	<b>422</b>	<b>407</b>	<b>451</b>	<b>453</b>	<b>450</b>	<b>420</b>
Repurchase agreements, net	1	0	36	10	42	83	39	65
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	-	-
<b>Repos &amp; Derivatives :</b>	<b>1</b>	<b>-</b>	<b>36</b>	<b>10</b>	<b>42</b>	<b>83</b>	<b>39</b>	<b>65</b>
Commercial	559	613	28	28	314	310	9	315
Financial Intermediaries	21	463	-	-	-	-	-	-
Credit Card & Consumer	9	14	-	-	-	-	-	-
Mortgage	1,420	1,388	376	352	326	325	325	308
Government Entities	370	387	-	6	12	16	27	36
Fobaproa	19,398	19,540	19,104	-	-	-	-	-
Fiduciary collection rights	-	-	-	-	-	-	-	-
<b>Performing Loans</b>	<b>21,776</b>	<b>22,404</b>	<b>19,508</b>	<b>386</b>	<b>653</b>	<b>651</b>	<b>361</b>	<b>659</b>
Commercial	451	387	134	67	53	53	223	198
Financial Intermediaries	-	7	-	-	-	-	-	-
Credit Card & Consumer	117	116	-	-	-	-	-	-
Mortgage	369	367	127	141	147	133	122	123
Government Entities	-	-	-	-	-	-	-	-
<b>Past Due Loans</b>	<b>937</b>	<b>876</b>	<b>261</b>	<b>208</b>	<b>200</b>	<b>186</b>	<b>346</b>	<b>321</b>
<b>Total Loans</b>	<b>22,713</b>	<b>23,280</b>	<b>19,769</b>	<b>594</b>	<b>853</b>	<b>838</b>	<b>707</b>	<b>980</b>
Preventive loan loss reserves	1,447	1,420	400	402	419	416	403	408
<b>Net Loan Portfolio</b>	<b>21,266</b>	<b>21,860</b>	<b>19,369</b>	<b>192</b>	<b>434</b>	<b>422</b>	<b>304</b>	<b>572</b>
Credit Assets Portfolio	-	-	-	-	-	-	2,409	2,554
Sundry debtors and other assets, net	373	388	450	572	796	889	127	144
Foreclosed assets, net	788	795	-	87	86	85	97	13
Real Estate, Furniture & Equipment, net	452	450	26	28	27	27	30	48
Investments in subsidiaries	18	16	382	348	346	357	362	381
Deferred taxes	-	-	-	-	-	-	-	-
Deferred charges & Intangibles	20	17	628	622	610	596	586	506
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
<b>Other Assets</b>	<b>1,651</b>	<b>1,665</b>	<b>1,486</b>	<b>1,657</b>	<b>1,865</b>	<b>1,953</b>	<b>3,612</b>	<b>3,647</b>
<b>TOTAL ASSETS</b>	<b>25,955</b>	<b>26,139</b>	<b>22,168</b>	<b>3,430</b>	<b>4,331</b>	<b>4,271</b>	<b>5,886</b>	<b>6,225</b>

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

(Millions of Pesos)

<b>LIABILITIES</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Demand Deposits	2,467	2,547	-	61	92	123	145	249
Time Deposits	17,013	16,960	17,895	951	1,006	1,083	-	-
Bonds	-	-	-	-	-	-	-	-
<b>Deposits</b>	<b>19,480</b>	<b>19,507</b>	<b>17,895</b>	<b>1,012</b>	<b>1,098</b>	<b>1,206</b>	<b>145</b>	<b>249</b>
Demand	-	-	-	-	518	-	811	1,125
Short term	2,407	2,618	-	-	-	-	1,165	1,415
Long term	1,583	1,533	2,361	350	322	294	720	528
<b>Due to banks and correspondents</b>	<b>3,990</b>	<b>4,150</b>	<b>2,361</b>	<b>350</b>	<b>840</b>	<b>294</b>	<b>2,697</b>	<b>3,069</b>
Repurchase agreements, net	1	-	-	36	9	5	68	41
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	56	-	-	-	-	-
<b>Repos &amp; Derivatives:</b>	<b>1</b>	<b>0</b>	<b>56</b>	<b>36</b>	<b>9</b>	<b>5</b>	<b>68</b>	<b>41</b>
Income Tax & Profit Sharing	2	-	2	15	15	15	26	-
Other Payable accounts	337	261	143	26	35	118	49	101
<b>Other payable accounts</b>	<b>339</b>	<b>261</b>	<b>145</b>	<b>41</b>	<b>50</b>	<b>134</b>	<b>75</b>	<b>101</b>
Subordinated non Convertible Debenture	-	-	-	-	-	-	-	-
Deferred Taxes	-	-	-	117	155	170	206	235
Deferred credits	11	11	-	-	-	-	-	1
<b>TOTAL LIABILITIES</b>	<b>23,820</b>	<b>23,930</b>	<b>20,456</b>	<b>1,556</b>	<b>2,152</b>	<b>1,808</b>	<b>3,191</b>	<b>3,694</b>
<b>STOCKHOLDER 'S EQUITY</b>								
Paid-in Capital	1,177	1,177	504	504	983	983	983	983
Share subscription premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
<b>Subscribed Capital</b>	<b>1,177</b>	<b>1,177</b>	<b>504</b>	<b>504</b>	<b>983</b>	<b>983</b>	<b>983</b>	<b>983</b>
Capital Reserves	292	538	-	-	154	154	154	154
Retained Earnings	341	95	-	-	249	249	249	8
Surplus (Deficit) from securities	-	-	(8)	(26)	(25)	(11)	(40)	(23)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	14	13	5	-	9	8	7	-
Non Mon assets results fixed assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	3	1	11	8	5	3	2	(40)
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	309	385	695	881	269	539	768	904
<b>Earned Capital</b>	<b>958</b>	<b>1,033</b>	<b>703</b>	<b>864</b>	<b>661</b>	<b>942</b>	<b>1,141</b>	<b>1,003</b>
Minority Holdings	-	-	505	507	536	538	571	546
<b>Total Stockholder 's Equity</b>	<b>2,135</b>	<b>2,209</b>	<b>1,712</b>	<b>1,875</b>	<b>2,179</b>	<b>2,463</b>	<b>2,694</b>	<b>2,531</b>
<b>TOTAL LIABILITIES &amp;</b>	<b>25,955</b>	<b>26,139</b>	<b>22,168</b>	<b>3,430</b>	<b>4,331</b>	<b>4,271</b>	<b>5,886</b>	<b>6,225</b>

(\*) Consolidate Afore

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

	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Signature guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	2,426	2,555	-	2,728	1,790	1,796	1,693	1,695
Irrevocable lines of credit	23	21	-	-	-	-	-	-
Assets held in trust and mandate	17,782	20,095	19,994	19,293	18,687	17,594	17,493	22,024
Assets held in custody or in administration	28,618	32,129	-	945	998	1,074	-	-
Investment banking transactions for third	265	243	-	8	-	-	-	-
Engaged amounts in fobaproa operations	596	327	330	65	92	124	146	249
Investment of retirement saving funds	-	-	-	-	-	-	-	-
Integration of loan portfolio	-	-	-	-	-	-	-	-
Received amounts in derivative instruments	-	-	-	-	-	-	-	-
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	135	122	24,498	31,358	42,660	67,720	73,262	74,225
(Less) payable for reversal	(134)	(122)	(24,553)	(31,394)	(42,619)	(67,636)	(73,330)	(74,161)
Receivables for reversal	134	122	11,470	13,946	19,198	27,975	35,489	23,027
(Less) securities to be delivered	(135)	(122)	(11,434)	(13,936)	(19,207)	(27,980)	(35,451)	(23,067)
Other control accounts	62,289	63,307	-	32,431	45,107	42,007	41,901	41,299
	<b>112,000</b>	<b>118,677</b>	<b>20,304</b>	<b>55,444</b>	<b>66,705</b>	<b>62,673</b>	<b>61,204</b>	<b>65,290</b>

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

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

(Millions of Pesos)

<b>NET INTEREST INCOME</b>	<b>1Q00</b>	<b>2Q00</b>	<b>3Q00</b>	<b>4Q00</b>	<b>1Q01</b>	<b>2Q01</b>	<b>3Q01</b>	<b>4Q01</b>
Interest Income	1,321.0	1,065.7	2,150.7	3,502.4	2,328.4	1,319.5	1,780.9	1,729.7
Interest Expense	803.0	720.7	1,913.9	3,395.3	2,323.3	1,122.8	1,798.9	1,661.3
Loan Fees	11.6	10.2	6.2	0.9	0.3	0.3	0.2	0.2
Fees Paid	1.1	0.5	0.4	-	-	-	-	1.1
<b>Net Interest Income (NII)</b>	<b>528.5</b>	<b>354.7</b>	<b>242.6</b>	<b>108.0</b>	<b>5.4</b>	<b>197.0</b>	<b>(17.7)</b>	<b>67.5</b>
Repomo-Margin	(10.6)	(9.5)	(7.8)	(3.5)	(5.9)	(4.3)	5.3	(9.0)
<b>NII after Repomo</b>	<b>517.9</b>	<b>345.2</b>	<b>234.8</b>	<b>104.6</b>	<b>(0.5)</b>	<b>192.7</b>	<b>(12.4)</b>	<b>58.5</b>
Loan Loss Provisions	205.0	64.2	6.8	40.3	30.8	7.8	(3.8)	17.9
Loss Sharing Provisions	-	-	-	-	-	-	-	-
<b>NII after Provisions</b>	<b>312.9</b>	<b>280.9</b>	<b>228.0</b>	<b>64.2</b>	<b>(31.3)</b>	<b>184.8</b>	<b>(8.6)</b>	<b>40.6</b>
Fund transfers	0.6	0.5	0.3	-	-	-	-	-
Account management	6.8	7.4	4.5	-	-	-	-	-
Fiduciary	203.1	24.8	220.1	130.3	223.9	96.3	407.1	180.5
Credit Card	0.3	0.4	0.3	-	-	-	-	-
Fees from FOBAPROA	14.3	4.1	5.6	3.4	4.8	2.7	1.8	4.9
Other fees	2.5	3.1	84.7	125.6	184.6	127.6	251.0	200.3
<b>Fees on services,</b>	<b>227.5</b>	<b>40.3</b>	<b>315.5</b>	<b>259.2</b>	<b>413.3</b>	<b>226.6</b>	<b>660.0</b>	<b>385.7</b>
Fund transfers	-	-	-	-	-	-	-	-
Other fees	14.0	17.2	10.5	10.0	17.9	17.2	251.0	100.5
<b>Fees paid,</b>	<b>14.0</b>	<b>17.2</b>	<b>10.5</b>	<b>10.0</b>	<b>17.9</b>	<b>17.2</b>	<b>251.0</b>	<b>100.5</b>
Foreign exchange	8.1	7.1	4.8	-	-	-	-	-
Securities -Realized gains	-	-	2.2	12.1	18.7	7.7	(21.2)	(46.5)
Securities- Unrealized gains	-	-	(18.4)	(0.7)	49.5	29.5	(72.0)	17.9
<b>Market-related Income</b>	<b>8.1</b>	<b>7.2</b>	<b>(11.4)</b>	<b>11.4</b>	<b>68.3</b>	<b>37.2</b>	<b>(93.3)</b>	<b>(28.5)</b>
<b>Total Non Interest Income</b>	<b>221.6</b>	<b>30.3</b>	<b>293.7</b>	<b>260.6</b>	<b>463.7</b>	<b>246.6</b>	<b>315.7</b>	<b>256.7</b>
<b>Total Operating Income</b>	<b>534.5</b>	<b>311.2</b>	<b>521.7</b>	<b>324.9</b>	<b>432.4</b>	<b>431.4</b>	<b>307.1</b>	<b>297.3</b>
Personnel	82.8	93.8	65.7	38.2	1.5	3.0	1.5	0.9
Fees Paid	10.9	13.9	7.2	4.8	13.8	7.5	8.6	7.7
Operation & Administrative expenses	112.4	140.1	86.0	85.6	108.0	114.8	96.2	94.2
Rents, depreciation and amortization	19.2	16.3	21.3	17.8	19.7	17.4	18.1	31.0
Taxes, other than income tax	18.1	25.8	16.8	15.4	10.3	4.9	4.9	5.9
Contributions to IPAB	22.4	20.4	16.1	5.3	1.4	1.7	(2.6)	6.9
Corporate expenses Recoveries	-	-	-	-	-	-	-	-
<b>Non-Interest Expense</b>	<b>265.8</b>	<b>310.4</b>	<b>213.1</b>	<b>167.2</b>	<b>154.7</b>	<b>149.2</b>	<b>126.6</b>	<b>146.6</b>
<b>Operating Income</b>	<b>268.7</b>	<b>0.8</b>	<b>308.6</b>	<b>157.7</b>	<b>277.7</b>	<b>282.2</b>	<b>180.6</b>	<b>150.7</b>
Other Revenues	80.8	88.7	56.4	69.7	53.3	67.4	68.4	59.4
Foreign exchange	0.2	-	-	-	-	-	-	-
Recoveries	1.9	2.0	5.0	-	0.3	1.0	2.7	0.8
Repomo-other revenues	-	-	-	-	-	-	-	-
<b>Non Operating Income</b>	<b>82.8</b>	<b>90.7</b>	<b>61.4</b>	<b>69.7</b>	<b>53.6</b>	<b>68.4</b>	<b>71.1</b>	<b>60.2</b>
Other Expense	(9.7)	(1.4)	(1.7)	(0.1)	(0.3)	(72.0)	70.9	(0.3)
Foreign exchange	-	-	-	-	-	-	-	-
Repomo-other Expenses	(31.6)	(12.2)	(7.5)	2.5	(4.0)	(7.5)	(13.8)	(27.1)
<b>Non Operating Expense</b>	<b>(41.3)</b>	<b>(13.6)</b>	<b>(9.3)</b>	<b>2.4</b>	<b>(4.2)</b>	<b>(79.4)</b>	<b>57.1</b>	<b>(27.4)</b>
<b>Non Operating Income (Expense), net</b>	<b>41.5</b>	<b>77.1</b>	<b>52.1</b>	<b>72.2</b>	<b>49.4</b>	<b>(11.0)</b>	<b>128.2</b>	<b>32.8</b>
<b>Pre-tax Income</b>	<b>310.2</b>	<b>77.9</b>	<b>360.7</b>	<b>229.9</b>	<b>327.1</b>	<b>271.2</b>	<b>308.8</b>	<b>183.5</b>
Income tax	-	-	-	(14.6)	-	-	(11.1)	(64.5)
Profit sharing	-	-	-	-	-	-	-	-
Tax on Assets	(1.5)	(1.9)	(2.3)	0.8	-	-	-	-
Deferred Inc. Tax and Profit sharing	-	-	(38.0)	(34.0)	(39.4)	(17.7)	(36.9)	13.5
	(1.5)	(1.9)	(40.3)	(47.8)	(39.4)	(17.7)	(48.0)	(51.0)
<b>Net income before subsidiaries</b>	<b>308.7</b>	<b>76.0</b>	<b>320.4</b>	<b>182.0</b>	<b>287.7</b>	<b>253.5</b>	<b>260.8</b>	<b>132.5</b>
Subsidiaries 'net income	(0.1)	0.5	0.7	10.0	12.0	21.3	3.4	17.7
<b>Net Income from continuos operations</b>	<b>308.7</b>	<b>76.5</b>	<b>321.1</b>	<b>192.0</b>	<b>299.7</b>	<b>274.7</b>	<b>264.2</b>	<b>150.2</b>
Extraordinary items, net	-	-	-	-	-	-	-	-
Minority Interest	-	-	(11.3)	(5.5)	(31.2)	(4.7)	(34.3)	(14.6)
<b>TOTAL NET INCOME</b>	<b>308.7</b>	<b>76.5</b>	<b>309.9</b>	<b>186.5</b>	<b>268.5</b>	<b>270.1</b>	<b>229.9</b>	<b>135.5</b>

(\*) Consolidate Afore

## Notes to Banking Sector Financial Statements

### Financial Instruments and Valuation Effects 4Q01

(Millions of Pesos)

**BANORTE**

	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>	<b>UNREALIZED GAIN (LOSS)</b>
<b>NEGOTIABLE INSTRUMENTS</b>			
Government Securities	35.6	35.8	0.2
Banking Securities	601.9	651.0	49.1
Private	91.9	91.7	(0.2)
Commercial Paper	1,372.6	1,371.9	(0.6)
<b>Total</b>	<b>2,101.9</b>	<b>2,150.4</b>	<b>48.5</b>
<b>SECURITIES HELD FOR SALE</b>			
Government Securities	-	-	-
Stock	-	-	-
Eurobonds	1,519.9	939.2	(580.7)
<b>Total</b>	<b>1,519.9</b>	<b>939.2</b>	<b>(580.7)</b>
<b>SECURITIES HELD TO MATURITY</b>			
Special Cetes	5,096.2	5,096.2	-
Trust Bonds	(2,475.2)	(2,475.2)	-
Fiduciary Rights	27.7	27.7	-
US Clearing Master Trust	86.7	86.7	-
<b>Total</b>	<b>2,735.4</b>	<b>2,735.4</b>	<b>-</b>
<b>TOTAL</b>	<b>6,357.2</b>	<b>5,825.0</b>	<b>(532.2)</b>

**BANCEN**

	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>	<b>UNREALIZED GAIN (LOSS)</b>
<b>NEGOTIABLE INSTRUMENTS</b>			
Government Securities	-	-	-
Banking Securities	0.6	0.6	-
Private	-	-	-
Commercial Paper	-	-	-
<b>Total</b>	<b>0.6</b>	<b>0.6</b>	<b>-</b>
<b>SECURITIES HELD FOR SALE</b>			
Government Securities	-	-	-
Stock	127.9	116.6	(11.3)
Eurobonds	-	-	-
<b>Total</b>	<b>127.9</b>	<b>116.6</b>	<b>(11.3)</b>
<b>SECURITIES HELD TO MATURITY</b>			
Special Cetes	358.4	358.4	-
Trust Bonds	(56.0)	(56.0)	-
Fiduciary Rights	-	-	-
US Clearing Master Trust	-	-	-
<b>Total</b>	<b>302.4</b>	<b>302.4</b>	<b>-</b>
<b>TOTAL</b>	<b>430.9</b>	<b>419.6</b>	<b>(11.3)</b>

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

**BANKING SECTOR**

	<b>BOOK VALUE</b>	<b>MARKET VALUE</b>	<b>UNREALIZED GAIN (LOSS)</b>
<b>NEGOTIABLE INSTRUMENTS</b>			
Government Securities	35.6	35.8	0.2
Banking Securities	602.5	651.6	49.1
Private	91.9	91.7	(0.2)
Commercial Paper	1,372.6	1,371.9	(0.6)
<b>Total</b>	<b>2,102.5</b>	<b>2,151.0</b>	<b>48.5</b>
<b>SECURITIES HELD FOR SALE</b>			
Government Securities	-	-	-
Stock	127.9	116.6	(11.3)
Eurobonds	1,519.9	939.2	(580.7)
<b>Total</b>	<b>1,647.8</b>	<b>1,055.8</b>	<b>(592.0)</b>
<b>SECURITIES HELD TO MATURITY</b>			
Special Cetes	5,454.6	5,454.6	-
Trust Bonds	(2,531.2)	(2,531.2)	-
Fiduciary Rights	27.7	27.7	-
US Clearing Master Trust	86.7	86.7	-
<b>Total</b>	<b>3,037.9</b>	<b>3,037.9</b>	<b>-</b>
<b>TOTAL</b>	<b>6,788.2</b>	<b>6,244.7</b>	<b>(543.5)</b>

**Repurchase Agreement Operations 4Q01***(Millions of Pesos)***BANORTE**

<b>REPURCHASE AGREEMENT DEBTORS</b>	<b>MARKET VALUE (1)</b>	<b>ASSET BALANCE</b>
Government Securities	35,998.5	74.5
Banking Securities	8,916.9	-
<b>Total</b>	<b>44,915.5</b>	<b>74.5</b>

  

<b>REPURCHASE AGREEMENT CREDITORS</b>	<b>MARKET VALUE (2)</b>	<b>LIABILITY BALANCE</b>
Government Securities	35,020.8	53.1
Banking Securities	8,888.3	(1.3)
<b>Total</b>	<b>43,909.1</b>	<b>51.8</b>

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

**BANCEN**

<b>REPURCHASE AGREEMENT DEBTORS</b>	<b>MARKET VALUE (1)</b>	<b>ASSET BALANCE</b>
Government Securities	55,114.4	64.1
Banking Securities	19,110.9	0.6
<b>Total</b>	<b>74,225.4</b>	<b>64.7</b>

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



<b>REPURCHASE AGREEMENT CREDITORS</b>	<b>MARKET VALUE (2)</b>	<b>LIABILITY BALANCE</b>
Government Securities	22,892.0	40.5
Banking Securities	175.3	-
Total	23,067.3	40.5

3) RECEIVABLES ON REPURCHASE AGREEMENT  
4) PAYABLES ON REPURCHASE AGREEMENT

**BANKING SECTOR**

<b>REPURCHASE AGREEMENT DEBTORS</b>	<b>MARKET VALUE (1)</b>	<b>ASSET BALANCE</b>
Government Securities	91,113.0	138.6
Banking Securities	28,027.9	0.5
Total	119,140.8	139.2

<b>REPURCHASE AGREEMENT CREDITORS</b>	<b>MARKET VALUE (2)</b>	<b>LIABILITY BALANCE</b>
Government Securities	57,912.8	93.6
Banking Securities	9,063.6	(1.3)
Total	66,976.4	92.4

5) RECEIVABLES ON REPURCHASE AGREEMENT  
PAYABLES ON REPURCHASE AGREEMENT

**Derivate Financial Instruments 3Q01***(Millions of Pesos)***BANORTE****NEGOTIABLE INSTRUMENTS**

<b>FOREIGN CURRENCY FUTURES</b>	<b>BUY</b>	<b>SELL</b>	<b>NET</b>
Market Value	-	-	-
Agreed Price	-	-	-
Total	-	-	-

**FOREIGN CURRENCY FORWARDS**

Market Value	943.5	(567.5)	376.0
Agreed Price	(955.4)	569.7	(385.6)
Total	(11.9)	2.2	(9.7)

DEBTOR BALANCE NOTE

-

**COVERAGE INSTRUMENTS****SWAPS**

	<b>FLOW PAYABLE</b>	<b>FLOW RECEIVABLE</b>	<b>NET FLOWS</b>
Cross Currency	(1,157.3)	1,175.2	17.9
Interest Rate	(6.5)	3.9	(2.7)
Total	(1,163.8)	1,179.1	15.3

**FOREIGN CURRENCY OPTIONS**

	<b>OPENING PREMIUM</b>	<b>VALUED PREMIUM</b>	<b>VALUATION</b>
Foreign Currency Options	(0.4)	0.3	(0.1)
Total	(0.4)	0.3	(0.1)

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

CREDIT BALANCE

(9.7)

**Nongovernmental Financial Instruments above by 5% of Net Capital 4Q01**

(Millions of Pesos)

**BANORTE**

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
COPAMEX	Eurobonds	374.1	7.1%

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

**Cost and Balances of FINAPE, FOPIME, Mortgage UDIS and Mortgage FOVI loan portfolios as of 4Q01**

(Million of Pesos)	BANORTE		BANCEN		TOTAL	
	PERIOD COST	BALANCE LOAN PORTFOLIO	PERIOD COST	BALANCE LOAN PORTFOLIO	PERIOD COST	BALANCE LOAN PORTFOLIO
	FINAPE	0.3	347.3	-	3.1	0.3
FOPYME	2.4	10.5	-	0.1	2.4	10.7
Mortgage UDIS	17.6	119.5	5.1	23.1	22.7	142.6
Mortgage FOVI	<u>2.7</u>	<u>15.8</u>	<u>3.2</u>	<u>9.7</u>	<u>5.9</u>	<u>25.4</u>
	<b>23.0</b>	<b>493.1</b>	<b>8.4</b>	<b>36.0</b>	<b>31.4</b>	<b>529.1</b>

The quarter ending with a balance of Ps 529.4 million pesos in debtors support programs with a cost of the period of Ps 31.4 million. The 99% of this portfolio are concentrated in Banorte.

**Past Due Loans Variations as of 4Q01**

BALANCE SEP'01	IN	OUT	BALANCE DEC'01
4,410	174	112	4,472

**Troubled Portfolio 4Q01**

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

(Millions of Pesos)	TOTAL
Troubled Portfolio	3,640
Total Loans	81,455
Troubled Portfolio / Total Loans	<b>4.5%</b>

<b>Deferred Taxes 4Q01</b>
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(Millions of Pesos)

<b>ASSETS</b>	<b>ISR</b>	<b>PTU</b>	<b>NET</b>
Allowance for loan losses (not deducted)	209	-	209
Tax loss carryforwards	1,203	-	1,203
Deficit from retirement obligations	203	58	261
Others	=	=	=
<b>Total Assets</b>	<b>1,615</b>	<b>58</b>	<b>1,673</b>
<b>LIABILITIES</b>			
Obligations FOBAPROA, Net	(287)	-	(287)
Accrued interest and inflationary component of del Fixed Assets, Foreclosed, Intangible & Others	(383)	(42)	(426)
<b>Total liabilities</b>	<b>(670)</b>	<b>(42)</b>	<b>(712)</b>
<b>Assets (Liabilities) Accumulated Net</b>	<b>945</b>	<b>16</b>	<b>961</b>

<b>Long term debt as of 4Q01</b>
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TYPE OF DEBT	CURR ENCY	DATE OF ISSUE	AMOUNT (Millons Ps o DIs)	ORIGINAL AMOUNT (Millons Ps, Dis o UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
<b>BANORTE</b>								
Bonos Bancarios - Banorte 1-00	Ps	23-Mar-00		1,000	3 years	15.59%	1- May-03	E/189 days
Bonos Bancarios - Banorte 2-00	Ps	27-Jul-00		250	3 years	16.00%	4-Sep-03	E/189 days
Certificados-Banorte U01001	UDIs	11-Ene-01		90	10 years	8.13%	30-Dec-10	E/182 days
Certificados-Banorte U01002	Ps	29-May-01		20	3 years	TIIIE-0.25%	25-May-04	E/28 days
Non Convertible Subordinate Bonds-QBanorte 01U	UDIs	21-Jun-01		436	8 years	8.00%	21-Jun-09	E/182 days
Certificates-Banorte M7001	Ps	30-Sep-97	16	16	7 years	17.65%	21-Sep-04	E/182 days
Note-Banorte U02102	UDIs	20-Jul-00	36	36	2 years	7.60%	12-Mar-02	At Maturity
Certificados Serie 1999-1	DIs	15-Jul-99	185.6	200	7 years	Libor+1.15%	15-Jul-06	Monthly
Certificados 1999-2A	DIs	15-Jul-99	51.4	75	5 years	8.94%	15-Jul-04	Monthly
Certificados Serie 1999-2B	DIs	15-Jul-99	23.3	25	7 years	9.49%	15-Jul-06	Monthly

BANCEN. does not present balance as of December 31, 2001.

<b>Bank and Other entities loans as of 4Q01</b>
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(Millions of Pesos)

	LOCAL CURRENCY	INTEREST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS (*)	-	-	-	26.8	LIBOR+6.00	835	26.8
LOANS FROM LOCAL BANKS	-(**)	8.70	92	-	-	-	-
LOANS FROM FOREIGN BANK CONCERTED FROM THE COUNTRY	-	-	-	1,626.8	2.98	234	1,626.8
LOANS FROM FOREIGN BANK CONCERTED FROM CAYMAN	-	-	-	27.6	3.50	267	27.6
SECURITIZATION	-	-	-	2,387.8	4.79	802	2,387.8
LOANS FROM DEVELOPING BANKS	-	-	-	1,017.8	N.D.	N.D.	1,017.8

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

LOANS FROM PUBLIC FUNDS	-	-	-	181.9	N.D.	N.D.	181.9
CALL & LOANS FROM BANKS	3,780.6	8.00	21.7	-	-	-	3,780.6
LOANS FROM DEVELOPING BANKS	884.7	N.D.	N.D.	-	-	-	884.7
LOANS FROM PUBLIC FUNDS	2,347.3	N.D.	N.D.	-	-	-	2,347.3
LOANS FROM FIDUCIARY FUNDS	1,573.9	N.D.	N.D.	-	-	-	1,573.9
PROVISIONS FOR INTEREST	42.2	N.D.	N.D.	-	-	-	42.2
	<b>8,628.7</b>			<b>5,268.7</b>			<b>13,897.2</b>

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

(\*\*) In UDIS.

### Trading Income 4Q01

(Millions of Pesos)

VALUATION EFFECTS	NET
Negotiable Instruments	32.5
Repurchase	20.0
Futures	-
Foreign Currency Forwards	(10.3)
Options	0.1
Inflation Adjustment	2.2
<b>Total</b>	<b>44.5</b>
<b>RESULTS FROM BUYING AND SELLING</b>	
Negotiable Instruments	66.4
Securities Held for Sell	3.1
Inflation Adjustment	-
<b>Total of Buying and Selling Instruments</b>	<b>69.5</b>
FX Spot	181.4
FX Forwards	4.34
FX Futures	1.7
FX Futures TIIE	0.3
Forwards	1.7
<b>Total of Foreign Exchange</b>	<b>189.6</b>
Inflation Adjustment	7.3
<b>Total of Buying and Selling</b>	<b>266.5</b>
<b>TOTAL INGRESOS POR INTERMEDIACION</b>	<b>311.0</b>

### Capitalization

(Millions of Pesos)

	2003 RULES	
	BANORTE	BANCEN
<b>Tier 1 Capital:</b>		
Stockholders Equity	6,408	1,985
(+) Subordinated debt and Capitalization Instruments	-	-
(-) Investment in Subordinated debt	-	-
(-) Investment in Financial Institutions	36	12
(-) Investment in Non-Financial Institutions	-	-

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

(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	1,788	568
(-) Excess on deferred taxes	677	-
(-) Restructuring Charges and others intangibles	475	3
(-) Others Assets	-	-
<b>Total Deductions</b>	<b>2,976</b>	<b>582</b>
<b>Total Tier 1</b>	<b>3,432</b>	<b>1,403</b>
<b>Tier 2 Capital :</b>		
Capitalization Instruments	1,332	-
(+) General Preventive Reserves	470	-
(-) Subordinated Debt	=	=
<b>Total Tier 2</b>	<b>1,802</b>	<b>=</b>
<b>Net Capital</b>	<b>5,234</b>	<b>1,403</b>

	BANORTE			BANCEN		
	Total Assets	Weighted Assets	Required Capital	Total Assets	Weighted Assets	Required Capital
<b>Credit Risk-Weighted</b>						
Group 1 (risk weight 0%)	58,795	-	-	25,713	-	-
Group 2 (risk weight 20%)	6,897	1,379	110	19,716	3,943	315
Group 2bis (risk weight 10%)	5,342	534	41	412	41	3
Group 3 (risk weight 100%)	38,161	37,742	3,022	3,829	3,829	306
Group 3bis2 (risk weight 115%)	788	906	72	-	-	-
Group 3V (risk weight 150%)	720	1,079	86	-	-	-
<b>Total Credit Risk-Weighted Assets</b>	<b>110,703</b>	<b>41,640</b>	<b>3,331</b>	<b>49,670</b>	<b>7,813</b>	<b>625</b>

	BANORTE		BANCEN	
	Amount in equivalent positions in assets	Required Capital	Amount in equivalent positions in assets	Required Capital
Market risk-weighted assets:				
Peso Nominal interest rate operations	3,922	314	2,115	169
Peso or UDI real interest rate operations	1,506	120	8	1
Interest rate operations in foreign currency with nominal rate	583	47	11	1
Position in UDIS or with a return indexed to inflation	3	-	-	-
Positions in foreign currency or indexed to the FX rate	40	3	-	-
Positions in share or index to the price of securities	-	-	-	-
<b>Total market risk weighted assets</b>	<b>6,055</b>	<b>484</b>	<b>2,134</b>	<b>171</b>
<b>Total credit and market risk-weighted assets</b>	<b>47,695</b>	<b>3,816</b>	<b>9,948</b>	<b>796</b>

### Risk Management

#### Loan Risk

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

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

The objectives of loan risk management at GFNorte are:

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

#### **Individual Loan Risk**

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

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

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

#### **Portfolio Loan Risk**

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

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

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

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

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

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

**Financial Statements basis for presentation.**

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

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

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

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

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