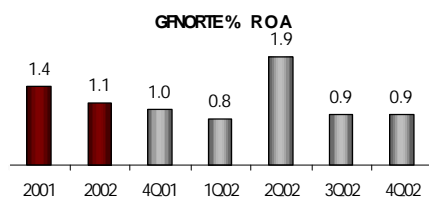
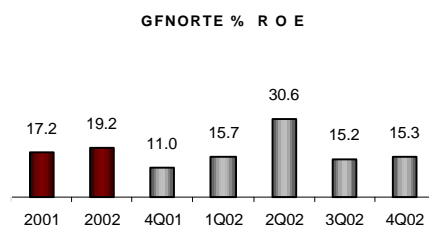
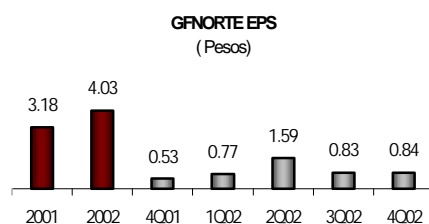
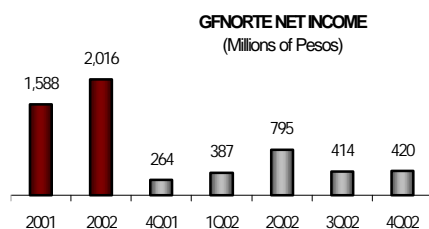


GFNorte generates an accumulated net profit of Ps 2,016 million for the year.

GRUPO FINANCIERO BANORTE



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- GFNorte accumulated a **net income** of Ps 2,015.9 million in the year, 27% higher than in 2001, with a contribution of Ps 1,700.3 million in the Banking Sector (excluding the Pension Funds Afore).
- GFNorte reached an annualized 19.2% **ROE**. This was reached despite the significant reduction in interest rates in comparison to last year, maintaining one of the highest profitability rates among Financial Institutions in Mexico.
- GFNorte and Banco Popular Español** signed an agreement on November 27, 2002, to the effect that Banorte could serve the Spanish Bank's clients in Mexico and they, in turn, would do the same for Banorte's clients in Spain, as well as in France and Portugal were they also have branches.

BANKING SECTOR

- Total Loans w/o Fobaproa/IPAB** grew by 25.8% compared to the previous quarter, in accordance to our strategy, due to the continual growth of consumer and commercial loans, associated with the Christmas season demand.
- During the quarter **Ps 708 million IPAB loan portfolio was purchased in two packages** that include Mortgage, Commercial and Consumer loans, which will be managed by the Recovery Banking area. Banorte will continue to participate in the loan auctions organized by the Institute.
- On November 28, 2002, Banorte **placed Non-Convertible Subordinate Notes**, at a 10-year term for an amount equal to Ps 1,136 million. The funds from this placement serve for funding long-term operations and also helped improving Banorte's capitalization ratio.

OTHER SECTORS

- The **non-banking subsidiaries' profits** increased 62.6% compared to 2001, among which the Pension Fund Afore contributed with 6.2% to the Group's profits; and on all subsidiaries together generated 16.2% of the 2002 Group's profits.

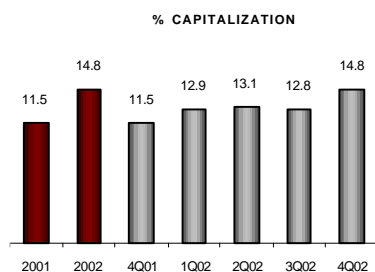
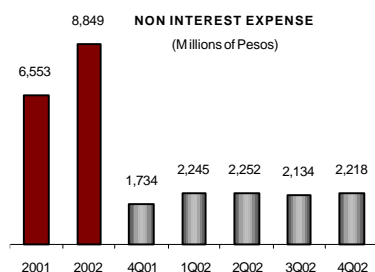
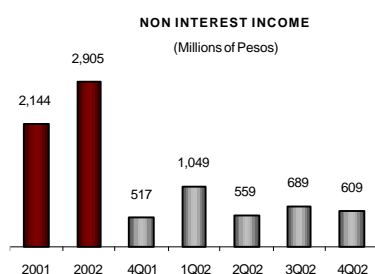
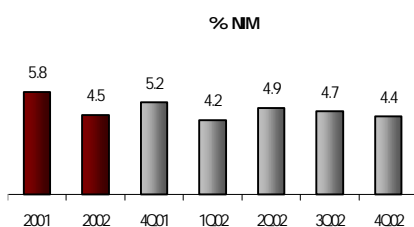
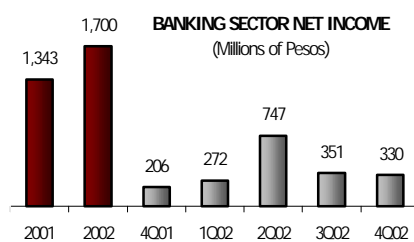
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Highlights



BANKING SECTOR

Net Profit

The accumulated profit of the year was Ps 1,700.3 million (w/o Afore), 26.6% higher than the accumulated profit in 2001, due to Bancrecer incorporation, to Assicurazioni Generali extraordinary income of Ps 410.8 million net in 2Q02, and to higher transaction volumes.

Net Interest Margin

The Net Interest Margin before Repomo decreased from 5.8% in 2001 to 4.5% in 2002 mainly due to a strong decrease in interest rates and to the incorporation of Bancrecer that has assets generating lower net interest margins than Banorte.

Non Interest Income

Accrued Non Interest Income in the year was 35.5% higher to those in the same period last year due to Bancrecer's contributions as of 2002, to new service charges implemented in February 2002, and to a higher transaction volume.

Non Interest Expense

Accrued Non Interest Expense accumulated in the year increased by 35.0% in comparison to last year, mainly due to the effect of the Bancrecer merger in 1Q02. However, there have already been significant benefits from the synergies of this integration, reflecting savings equivalent to annualized Ps 867 million, as planned.

Capitalization

The year closed with a capitalization ratio of 14.8% vs. 11.5% del 4T01. The index was strengthened by profit generation throughout the year and by placing Non-Convertible Subordinate Notes for Ps 1,136 million in November 2002.

Loan Portfolio

At the close of December 2002, the Banking Sector loan portfolio had a book balance recorded of Ps 153,082 million, a 78.0% growth vs. December 2001 that can be explained by Bancrecer's incorporation and Banorte's placement strategy. Outstanding are the Mortgage and Consumer loans at 203.6%, Corporate loans at 53.2% and Commercial loans at 46.4% as part of the Traditional Banking.

Asset Quality

The Banking Sector closed the year with a past due loan balance of Ps 4,737 million, resulting in a total past due loan to total loans ratio of 3.1%. The loan reserve coverage for past due loans was 118.0%.

Executive Summary

GRUPO FINANCIERO BANORTE

GFNorte communicated its fourth quarter 2002 operating results. GFNorte and its subsidiaries net income was Ps 420 million during the fourth quarter of the year 1.5%, higher than that of the previous quarter, accumulating a profit of Ps 2,016 million, 27% more than that of last year. These profits represented a 19.2% return on equity (ROE) for the year.

Excluding the extraordinary net income received from Generali, GFNorte's accumulated net annual income is 2% higher than that of last year, despite the 429-basis points drop in the interest rates from one year to the next, which impacted net interest margins of the banks in Mexico.

The Banking Sector generated Ps 330 million during the fourth quarter (excluding the Afore business), 6% less than the previous quarter, for an accumulated sum of Ps 1,700 million in 2002, 27% higher than last year and a return on equity of 19.1%. This Sector contributed with 84% of the total profits gained by GFNORTE during the year.

The Brokerage Sector accumulated annual profits of Ps 80 million, 142% higher than those of 2001. The Long Term Savings Sector obtained Ps 165 million in the same period, 74% higher over the previous year, and the Auxiliary Organizations Sector also showed a 12% increase in the same period, showing yearly profits of Ps 82 million.

Service fees of the traditional business rose 96% in the year, driven by the increased client transactions and the incorporation of the Bancrecer network.

As a part of our strategy for improving operating efficiency, the non interest expense of the Banking Sector reflected the efforts in expense reduction as well as the results of the synergy following Bancrecer's integration. Non interest expense dropped by 13% in the year, using as the 2001 basis Bancrecer's annualized expense in December plus GFNorte's Banking Sector's yearly expense. Moreover, the expense per branch, which rose to Ps 14.4 million last year, dropped by 43% to Ps 8.3 million this year.

Total Deposits ended the year with a balance of Ps 214,532 million, 6% higher than last quarter and 66% higher vs. last year, due to the acquisition of Bancrecer and also to the commercial network effort in this period.

The loan portfolio growth is a fundamental part of Banorte's strategy, taking advantage of our new expanded nation wide distribution network for selling all the Group's loan products and services. The Banking Sector's loan portfolio at the close December, amounted to Ps 153,082 million. Additionally, total loans without Fobaproa/IPAB continues with significant growth, ending the year with a balance of Ps 67,783 million, 26% higher than the previous quarter and 77% higher than last year. Commercial loans reached a balance of Ps 19,136 million, growing by 15% in the quarter and 46% more than in 2001, the credit card portfolio closed with a balance of Ps 1,664 million, an 8% increase of the quarter and 91% annual. The mortgage portfolio closed with a balance of Ps 10,430 million, 5% higher in the quarter and 286% in the year; whereas car loans reached Ps 2,973 million, a 14% quarterly growth and 118% increase vs. last year. It is worth stating that for the tenth quarter in a row, both mortgages as well as auto loans were able to record increases. Annual growths are influenced by the incorporation of Bancrecer's portfolio and the aggressive promotional campaign during the year.

With respect to the asset quality, the Banking Sector ended December with past due loans balance of Ps 4,737 million, resulting in a past due loan ratio of 3.1%. The reserve coverage was 118% at the close of 2002.

BANCRECER INTEGRATION.-

Without a doubt, the Grupo Financiero Banorte's most important project in 2002 was the Bancrecer integration, which showed significant progress. At the beginning of the year, the legal and accounting merger of Bancrecer and Banorte was made, the expense rationing process started by taking advantage of the synergies of both banks. Basically, Bancrecer's corporate areas disappeared and were integrated to Banorte's business areas, thereby downsizing personnel by over 2,000 employees -30% of the acquired institution's personnel. Additionally, 121 branches were closed to wind up with the 1,069 -branch network at the end of the year. Cost savings ran up to Ps 867 million when annualizing the saving of the last months, surpassing the Ps 806 million projected savings. Savings came, Ps 594 million from personnel reduction and Ps 273 million from operating expenses due to closing of branches and synergies, between the two banks.

At present, all of Banorte's products are sold in all the Bancrecer branches and Banorte's corporate image extends throughout the entire network. Back office has yet to be unified in the second half of 2003. By the third quarter of 2002, the Banorte products promotion had started in the converted branches, which will be reflected in a larger loan portfolio and deposits in 2003, which in addition to the growth started in 2002, will lead to an expected increase in market share.

Grupo Financiero Banorte

Grupo Financiero Banorte Earnings (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
G. F. Banorte [holding]	14.8	(3.8)	(1.5)	43.9	(11.6)
Banco Mercantil del Norte (1)	78.6	276.0	308.0	481.6	1,412.7
Banco del Centro	127.0	75.3	22.0	861.2	287.6
Banking Sector	205.6	351.3	330.1	1,342.8	1,700.3
Brokerage Sector (Brokerage House)	18.0	5.7	20.4	33.1	80.1
Afore	16.1	42.6	24.3	93.2	124.8
Insurance	(0.6)	(0.3)	12.6	7.5	40.4
Annuities	(4.5)	(1.7)	6.9	(5.9)	0.0
Long-Term Saving Sector	11.0	40.6	43.8	94.8	165.2
Leasing	6.4	9.6	8.7	27.6	30.8
Factoring	4.4	6.9	9.0	29.1	29.2
Warehousing	2.3	2.8	6.7	9.2	14.1
Bonding	1.7	0.9	3.0	7.3	7.8
Auxiliary Organization Sector	14.9	20.1	27.4	73.3	81.9
Total	264.3	414.0	420.1	1,587.9	2,015.9

1) 96.11% owned by GFNorte.

2) 2001 numbers do not include those of Bancrecer.

GFNorte Income Statement (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Net Interest Income (NII)	1,447.3	2,157.1	2,160.1	6,765.2	8,448.1
+ REPOMO-Margin	21.0	(22.7)	32.1	58.4	77.1
= NET Interest Income after Repomo	1,468.3	2,134.4	2,192.3	6,823.6	8,525.2
- Loan Loss Provisions	199.9	177.4	247.2	1,032.1	787.8
- Loss Sharing Provisions	17.4	7.5	14.5	179.1	35.9
=Net Interest Income after Provisions	1,251.0	1,949.5	1,930.6	5,612.4	7,701.4
+ Non Interest Income	752.9	1,049.1	892.0	3,041.6	4,170.6
= Total Operating Income	2,003.8	2,998.6	2,822.6	8,654.0	11,872.1
- Non Interest Expense	1,994.0	2,407.9	2,506.6	7,477.9	9,948.7
= Net Operating Income	9.8	590.7	315.9	1,176.1	1,923.4
+ Non Operating Income (Expense) Net	314.3	(12.9)	(2.0)	808.0	41.7
= Pre-tax Income	324.1	577.8	314.0	1,984.1	1,965.1
- Income Tax & profit sharing	30.8	90.6	26.2	100.5	229.8
- Tax on asset	6.8	27.1	36.0	42.1	111.4
- Deferred Income Tax & profit sharing	(0.7)	21.9	(102.6)	207.3	7.2
= Net Income before Subsidiaries	287.2	438.2	354.3	1,634.2	1,616.7
+ Undistributed Earnings of Subsidiaries	(5.7)	25.4	104.0	62.6	165.4
=Net Income-contin. Operation	281.5	463.6	458.3	1,696.8	1,782.1
+ Extraordinary Items, net	-	2.5	(2.4)	-	410.8
- Minority Income	17.2	52.1	35.8	108.9	177.1
=Total Net Income	264.3	414.0	420.1	1,587.9	2,015.9

2001 numbers do not include those of Bancrecer.

Group's Balance Sheet Highlights			
<i>(Millions of Pesos)</i>	4Q01	3Q02	4Q02
Performing loans excluding Fobaproa – IPAB (1)	35,843	50,199	64,660
FOBAPROA Loans	47,760	90,671	85,299
Past Due Loans	4,770	4,840	4,772
Total Loans	88,374	145,710	154,731
Loan Loss Reserves	4,745	5,721	5,609
Total Assets	111,290	184,031	199,521
Deposits	79,771	131,881	143,281
Equity	10,409	11,298	11,991
Assets under Management (2)	247,086	349,269	360,716

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

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

2001 numbers do not include those of Bancrecer.

GFNorte Share Data	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Net Income per Share <i>(Pesos)</i>	0.53	0.83	0.84	3.18	4.03
Dividends per Share <i>(Pesos)</i>	-	1.02	-	-	1.02
Book Value per Share (1) <i>(Pesos)</i>	19.14	20.67	22.35	19.14	22.35
Shares Outstanding <i>(Millions of Shares)</i>	500.1	499.9	499.9	500.1	499.9
Price <i>(Pesos)</i>	19.10	22.99	25.50	19.10	25.50
P/BV <i>(Times)</i>	0.99	1.11	1.14	0.99	1.14
Market Cap <i>(Millions of Dollars)</i>	1,036	1,127	1,224	1,036	1,224

1) Excluding Minority holdings.

2001 numbers do not include those of Bancrecer.

Group's Financial Ratios	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
ROA (1)	1.0%	0.9%	0.9%	1.4%	1.1%
ROE (2)	11.0%	15.2%	15.3%	17.2%	19.2%
Efficiency Ratio (3)	94.6%	74.9%	86.7%	79.1%	81.4%
Efficiency Ratio (4)	90.6%	75.1%	82.1%	76.3%	78.8%
Past Due Loans to Total Loans	5.4%	3.3%	3.1%	5.4%	3.1%
Loan Loss Reserves to past Due Loans	99.5%	118.2%	117.5%	99.5%	117.5%

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.

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

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

2001 numbers do not include those of Bancrecer.






Banking Sector

Banking Sector's Financial Ratios	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Profitability					
% Net Interest Margin	5.2%	4.7%	4.4%	5.8%	4.5%
ROA (1)	0.8%	0.8%	0.7%	1.3%	1.0%
ROE (2)	10.2%	15.1%	14.1%	17.4%	19.1%
Operation					
Efficiency Ratio (3)	96.4%	76.4%	87.5%	80.6%	82.7%
Efficiency Ratio (4)	92.8%	77.2%	83.1%	77.5%	80.4%
Assets Quality					
% Past Due Loans w/o Fobaproa	9.7%	8.9%	7.0%	9.7%	7.0%
% Past Due Loans with Fobaproa	5.5%	3.3%	3.1%	5.5%	3.1%
Loan Loss Reserves to past Due Loans	100.0%	118.6%	118.0%	100.0%	118.0%
Quarter Growths					
Loans w/o Fobaproa	13.4%	10.3%	25.8%	33.5%	77.3%
Total Loans	2.2%	1.4%	5.9%	(3.4)	78.0%
Traditional Deposits	5.2%	7.2%	8.5%	6.3%	79.2%
Total Deposits	4.4%	6.5%	5.7%	12.4%	65.9%
Capitalization					
% Tier 1 (5)	8.4%	10.3%	12.2%	8.4%	12.2%
% Total Capitalization Ratio (5)	11.5%	12.8%	14.8%	11.5%	14.8%

- 1) Annualized Net Income as a percentage of the average of end of the month assets over the period.
- 2) Annualized Net Income as a percentage of the average of end of the month equity over the period.
- 3) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions - Trading Income)
- 4) Non Interest Expense / (Total Operating Income – Repomo Margin + Loan Loss Provisions)
- 5) The Banking Sector Ratio is included for information purposes. A ratio for each bank is presented in the capitalization section. 2001 numbers do not include those of Bancrecer.

Banking Sector Efficiency Ratio

Grupo Financiero Banorte has supported its growth through the acquisition of other financial institutions, and has improved their performance to reach Banorte's standards and has made them profitable. The initial impact on the efficiency ratio of Banorte when acquiring other banks has been negative due to the high inefficiency of these banks at the moment of their acquisition, however, Banorte has demonstrated its capacity to improve this index, as shown in the following chart.

	1992	1996	1997	2001	DEC' 02
					
Efficiency Ratio *	55%	66%	93%	78%	87%
				105%	78%

(*) With Trading

When Bancen and Banpais were acquired in 1997, the efficiency ratio went from 66% to 93%, and for 2001 Banorte had been able to improve this index to 78%. With the acquisition of Bancrecer in 2001, this indicator went up again to 87% affected by the 105% efficiency ratio of Bancrecer. Thanks to the synergies with Banorte, as well as to additional efforts to lower expenses, this index ended at 78% on December, 2002, a similar level to that before this last acquisition.

Information by Sectors

1.- Banking Sector

Income Statement <i>(Millions of Pesos)</i>	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Net Interest Income	1,352.2	2,075.3	2,059.8	6,315.3	8,103.3
+ REPOMO-Margin	39.7	(11.3)	41.3	100.8	115.0
= Net Interest Income after Repomo	1,391.9	2,064.0	2,101.1	6,416.1	8,218.3
- Loan Loss Provisions	199.6	177.3	247.0	1,024.4	787.4
- Loss Sharing Provisions	17.4	7.5	14.5	179.1	35.9
= Net Interest Income after Provisions	1,174.9	1,879.1	1,839.6	5,212.6	7,395.0
+ Non Interest Income	517.3	688.6	609.0	2,143.9	2,905.0
= Total Operating Income	1,692.2	2,567.7	2,448.6	7,356.5	10,300.0
- Non Interest Expense	1,733.9	2,133.7	2,217.9	6,553.3	8,848.8
= Net Operating Income	(41.7)	434.0	230.7	803.1	1,451.2
+ Non Operating Income (Expense) Net	298.2	(10.0)	2.9	774.7	50.7
= Pre-tax Income	256.4	424.0	233.6	1,577.9	1,501.9
- Income Tax & profit sharing	(50.6)	27.5	31.5	1.1	95.2
- Tax on asset	4.7	27.1	36.0	14.0	111.4
- Deferred Income Tax & profit sharing	79.2	23.5	(111.8)	201.1	9.7
= Net Income before Subsidiaries	223.1	346.0	277.9	1,361.8	1,285.5
+ Undistributed Earnings of Subsidiaries	0.4	56.6	91.3	93.7	185.9
= Net Income-continuous Operation	223.5	402.6	369.2	1,455.4	1,471.5
+ Extraordinary Items, net	-	2.5	(2.4)	-	410.8
Minoritary Income	-	-	-	(0.1)	-
=Total Net Income	223.5	405.0	366.8	1,455.5	1,882.3

2001 numbers do not include those of Bancrecer.

The Banking Sector's profits (at 100%) of 4Q02 (including the Pension Fund Afore by the participation method), amounted to Ps 366.8 million, 9.4% lower than in 3Q02. The net accumulated profit was Ps 1,882.3 million, 29.3% higher than last year. The accumulated Net Interest Margin before Repomo rose 28.1% during 2002, mainly because of the Bancrecer merger as of 1Q02, and the non-recurrent income registered in 2Q02 for a sum of Ps 184 million derived from the Agriculture Sector Debtors' Support Program. The Preventive Provisions for Loan Risks (Loan Loss Provisions) fell by 23.1% in 2002 vs. 2001, ending up with a past due loan reserve coverage of 118.0%. The Non Interest Income for the year rose 35.5% compared to the previous year, because of Bancrecer's contribution and a Service Fees increase derived from new fees beginning February 2002 and increase in the volume transactions. The accumulated Non Interest Expenses of the year rose 35.0%, mainly because of the Bancrecer merger as of 2002. However, important improvements have been achieved as a result of the synergies between both institutions. Other Revenues and Expenses fell by 93.5% vs. the previous year because of the drop in the Repomos of Other Revenues and Other Expenses, lower Recoveries, and as of January 2002, the administration of Mutual Funds returned to the Group's Brokerage House

Net Interest Income

Banking Sector Net Interest Income (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Interest Income	4,373.1	5,867.3	6,266.9	22,988.1	23,278.0
Interest Expense	3,120.0	3,939.8	4,367.3	16,991.7	15,799.2
Loan Fees	106.3	158.9	170.7	340.3	663.9
Fees Paid	7.2	11.1	10.4	21.3	39.4
Net Interest Income before Repomo	1,352.2	2,075.3	2,059.8	6,315.3	8,103.3
Average Earning Assets	104,355.3	175,478.4	188,396.8	108,067.5	178,714.1
% Net Interest Margin (1)	5.2%	4.7%	4.4%	5.8%	4.5%

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

Net Interest Income (Millions of Pesos)	4Q01		3Q02		4Q02	
	BANORTE	BANCEN	BANORTE	BANCEN	BANORTE	BANCEN
Interest Income- loans & securities	2,440.3	1,086.0	3,760.5	1,217.4	4,102.7	1,232.8
Interest Income- repo agreement	130.3	716.1	132.8	756.5	46.1	885.2
Foreign exchange Valuation	-	0.4	-	-	-	-
UDI valuation	-	-	0.1	-	-	-
Interest Income	2,570.6	1,802.6	3,893.5	1,973.9	4,148.8	2,118.1
Interest Expenses-dep. & funding	1,348.9	24.2	2,040.9	14.1	2,394.0	15.8
Interest expenses- repo agreement	933.9	785.3	1,219.4	650.5	1,282.4	636.9
Foreign exchange Valuation	11.3	-	(0.2)	0.5	19.6	0.4
UDI valuation	2.3	13.9	13.3	1.2	21.3	(3.1)
- Interest Expense	2,296.5	823.5	3,273.4	666.4	3,717.3	650.0
Loan Fees	106.1	0.2	158.7	0.2	170.6	0.1
Fees paid	7.2	-	11.1	-	10.4	-
= Net Interest Income	373.0	979.2	767.7	1,307.6	591.7	1,468.1

2001 numbers do not include those of Bancrecer.

During the quarter the Net Interest Income before Repomo fell by 0.8% vs. the previous quarter, due to factors that influenced its performance as follows:

Increased due to:

- Greater loan placement in the quarter, as the Total Loans w/o Fobaproa/IPAB rose by 25.8%, even though a large part came toward the end of the quarter and the average was lower.
- Increased market rates in the quarter, as the average 28-day Cetes rate went up from 7.10% in 3Q02 to 7.51% in 4Q02 and the 28-day TIIE went from an 8.08% to 8.42% average in the same period.

Decreased due to:

- The USD 7,000 Monetary Regulation Deposit increase had a Ps 18 million negative impact.
- The pre-payment of the Banpaís Fobaproa notes for USD 520 million in October 2002 had a negative impact of Ps 23 million.
- Lower returns on IPAB loans due to the shift in the interest rate, as it is estimated based on the previous month's TIIE. The impact was Ps 38 million in the quarter.

The Banking Sector's Net Interest Income before Repomo in 2002 rose 28.3% compared to the previous year, mainly because of the Bancrecer merger as of 2002 and a combination of other factors as listed below:

Increased due to:

- Higher fees, 95.1%, from a greater loan placement impacted the Net Interest Income favorably.

- An important 65.4% growth in Average Earning Assets compared to 2001, because of the Bancrecer merger and the substantial loan growth during the year.

Decreased due to:

- Reduction in market interest rates, as the average annual 28-day Cete dropped from 11.37% in 2001 to 7.13% in 2002, and the 28-day TIIE fell from 12.90% to 8.16% in the same period; affecting the Net Interest Income negatively.

The quarterly Net Interest Margin percentage fell from 4.7% in 3Q02 to 4.4% in 4Q02. The annual accumulated percentage dropped from 5.8% in 2001 to 4.5% in 2002, mainly because of the strong negative impact of declining interest rates and the fact that Bancrecer had a lower Net Interest Margin because of the greater IPAB loan concentration in its total Earning Assets.

Non Interest Income

Non Interest Income (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
+ Fund Transfers	18.8	47.7	45.2	62.9	186.7
+ Account Management Fees	62.5	162.4	147.6	305.8	641.1
+ Fiduciary	206.6	188.9	174.2	1,031.7	792.1
+ Credit Card	98.7	146.9	144.6	362.6	568.8
+ Income From loan portfolios acquired (1)	66.1	265.6	(43.2)	112.2	395.5
+ Electronic Banking Services	29.4	62.8	60.3	113.4	244.9
+ From Fobaproa	44.3	51.1	115.4	281.5	367.0
+ Other Fees	114.8	149.6	127.2	257.6	522.2
Fees on purchased services:	641.3	1,075.0	771.3	2,527.7	3,718.4
+ Fund Transfers	-	-	-	-	-
+ Other Fees	185.2	204.6	272.8	699.4	831.6
+ Expenses From loan portfolios acquired (1)	10.0	153.4	25.8	13.8	284.7
Fees Paid :	195.3	358.0	298.6	713.3	1,116.3
=Net Fees	446.0	717.0	472.7	1,814.4	2,602.1
+ Foreign Exchange	50.8	69.9	83.5	204.6	327.6
+ Securities- Realized gains	(20.9)	(88.8)	36.8	77.9	22.0
+ Securities- Unrealized gains	41.4	(9.6)	16.0	47.0	(46.6)
Trading Income	71.3	(28.5)	136.3	329.5	303.0
= Non Interest Income	517.3	688.6	609.0	2,143.9	2,905.0

2001 numbers do not include those of Bancrecer.

(1) In accordance to the accounting principles, departing 4Q02, Income from loan portfolios acquired that used to be presented as a net number is now divided in two lines for income and expenses.

The Non Interest Income of the quarter fell by 11.6% vs. the previous quarter. This variation was due to a series of factors described below:

Service Fees

- The Income from loan portfolios acquired showed a Ps 43.2 million loss as Ps 100. million of Bancen's income from these portfolios was shared with Sólida Admistradora de Portfolios for collection services rendered on both loan packages that Bancen purchased since 2001 but whose recovery is managed by Sólida (Sólida profits are included in the Undistributed Earnings from Subsidiaries line in the Income Statement. The decrease was also due to lower collections.
- The Fees Charged to Fobaproa rose by Ps 64.3 million vs. 3Q02 given the greater loan recoveries in the quarter.
- The net fees collected from IPAB for collecting the Serfin portfolio, amounted to Ps 19.1 million negative which compare with the Ps 56.3 million positive of the previous quarter. This was due to the fact that during the quarter the amortization rose on the investment of Ps 2,500 million made in 1Q00 for the purchase of loan collecting rights, which is accounted for in Other Fees Paid.

REVENUES FROM SERFIN PORTFOLIO (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Fee Income (Fiduciary)	185.5	149.0	139.4	938.3	615.7
- Fee Expense (Other Fees Paid)	90.2	92.8	158.5	337.7	382.3
= Net Fees	95.3	56.3	(19.1)	600.7	233.5

Trading Income

- The Foreign Exchange rose by 19.5% compared to the previous quarter due to the greater volumes and margins in buying-selling of dollars associated with a more volatile exchange rate.
- The Trading Income (excluding Foreign Exchange Income) showed a positive result of Ps 52.8 million in the quarter vs. Ps 98.4 million negative in the previous quarter, despite persisting volatile market interest rates.

The accumulated Non Interest Income of the year rose by 35.5% compared to the previous year. This increase was due to Bancrecer's contribution to this sector's results as of 2002, and also to the increase in service fees –as of February new service fees went into effect for checks and service rates were revised. The Income from Loan Portfolios Acquired increased by 12.6% as more was collected in the year. Fees from Fobaproa increased by 30.4% vs. the previous year, and those from collecting the Serfin portfolio fell by 61.1% because of the lower loan recoveries in 2001 as well as to greater amortizations of the original investment. As to Trading Income, there was a drop of 8.0% compared to the same period of the previous year due to the negative impact of a highly volatile interest rates in 2002.

Non Interest Expense

Non Interest Expense (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Personnel Expenses	653.8	899.2	915.6	2,801.8	3,768.8
+Professional Fees	94.5	109.7	100.6	347.9	400.0
+Operation & Administration Expenses	502.2	538.5	575.7	1,766.9	2,254.0
+Rent, Depreciation & Amortization	184.5	276.3	270.4	728.1	1,175.5
+Tax other than income tax	204.5	151.0	185.1	531.5	597.8
+Contributions to IPAB	94.5	159.1	170.5	377.2	652.7
- Corporate Expense Recoveries	-	-	-	-	-
= Non Interest Expense	1,733.9	2,133.7	2,217.9	6,553.3	8,848.8

2001 numbers do not include those of Bancrecer.

The Non Interest Expense of the quarter rose by 3.9% vs. 3Q02 mainly due to a Ps 37.2 million increase in Administration and Promotion Expenses from which Ps12.7 million were associated with check book branding to the new "Enlace" product and software acquisition, and Ps 22.2 million for IT systems maintenance; and to Ps 34.1 million in Other Taxes, derived mainly from Value Added Tax for new Investments. On the other hand, personnel Expense rose 1.8% because of provision adjustments at the year's end.

The accumulated Non Interest Expense rose by 35.0% vs. the same period the previous year basically because of the Bancrecer merger in 2002, although there were substantial reductions in Expenses as a result of the synergies with Bancrecer. The annualized saving at the close of the year reached Ps 867 million, surpassing the original goal of Ps 806 million for 2003. December 2002 closed with a 77.8% Efficiency Rate.

The following chart shows the year's reduction in Non Interest Expense comparing 2001 figures (proforma with Bancrecer) vs. 2002.

Non Interest Expense	BAN- CRECER	BANKING SECTOR	BCR + BS ⁽¹⁾	BS		
<i>(Millions of Pesos)</i>	2001	2001	2001	2002	DIFF	% GROWTH
Personnel Expenses	1,605	2,802	4,407	3,769	(638)	(14.5)%
+Professional Fees	43	348	391	400	9	2.3%
+Operation & Administration Expenses	893	1,767	2,660	2,254	(406)	(15.3)%
+Rent, Depreciation & Amortization	519	728	1,248	1,176	(72)	(5.8)%
+Tax other than income tax	309	531	841	598	(243)	(28.9)%
+Contributions to IPAB	276	377	653	653	(1)	(0.1)%
- Corporate Expense Recoveries	-	-	-	-	-	-
= Non Interest Expense	3,646	6,553	10,200	8,849	(1,351)	(13.2)%

(1) Figures from Bancrecer's December, 2001 were annualized and added to those of the Banking Sector in 2001.

The Non Interest Expense dropped by 13.2%, including savings derived from the Bancrecer integration (Ps 867 million) as well as additional savings from tight policies on expense control.

Non Operating Income (Expense) Net

Non Operating Income (Expense)	QUARTER			ACCUMULAATE		
	<i>(Millions of Pesos)</i>	4Q01	3Q02	4Q01	4Q02	
+Other Revenues		205.0	79.4	171.0	570.3	511.6
+Foreign Exchange		-	-	-	-	-
+Recoveries		150.3	132.3	89.7	515.8	344.4
+Repomo-other revenues		(62.5)	1.2	10.7	29.2	13.6
=Non Operating Income		292.8	212.9	271.3	1,115.3	869.7
-Other Expenses		34.4	(143.2)	(128.9)	(284.9)	(479.1)
-Foreign Exchange		-	(0.2)	(0.2)	-	(6.9)
-Repomo-other expenses		(29.0)	(79.4)	(139.3)	(55.6)	(333.0)
=Non Operating Expense		5.3	(222.8)	(268.4)	(340.5)	(819.0)
= Non Operating Income (Expense) Net		298.2	(10.0)	2.9	774.7	50.7

4Q01 numbers do not include those of Bancrecer.

The net result in the quarter for Other Revenues and Expenses was Ps 2.9 million, compared to the Ps 10.0 million negative of 3Q02. This variation was caused by the cancellation of the Diverse Creditor Accounts for Ps 76.0 million (Other Income), to dividends received on loan life policies (Other Income), and to the increase in Repomo –Other Expenses, which amounted to Ps 50 million in the quarter.

The Other Revenues and Expenses accumulated over the year fell by 93.5% compared to 2001, because of a 33.2% drop in Recoveries, a 68.2% increase in Other Expenses, and an important 498.9% increase in the Repomo-Other Expenses, and the transfer of the Mutual Funds administration to the Brokerage House as of January 2002, which was reflected in the 10.3% drop in Other Income.

Loan Portfolio

Loan Portfolio (Millions of Pesos)	TRADITIONAL BANKING		RECOVERY BANKING		FOBAPROA		TOTAL	
	3Q02	4Q02	3Q02	4Q02	3Q02	4Q02	3Q02	4Q02
Commercial	28,206	33,161	1,793	1,555	-	-	29,999	34,716
Corporate	11,583	14,025	24	24	-	-	11,608	14,049
Commercial	16,292	18,760	1,767	1,529	-	-	18,059	20,288
Other	331	376	2	2	-	-	333	378
Financial Entities	1,524	7,857	-	-	-	-	1,524	7,857
Consumer	4,621	5,199	119	113	-	-	4,741	5,311
Credit Card	1,546	1,664	-	-	-	-	1,547	1,664
Automobile	2,614	2,973	19	19	-	-	2,633	2,992
Other	461	561	100	93	-	-	561	654
Mortgages	9,924	10,430	3,772	3,641	-	-	13,696	14,071
Government Entities	3,914	5,828	-	-	80,626	79,170	84,540	84,998
Government Entities	3,914	5,828	-	-	-	-	3,914	5,828
IPAB	-	-	-	-	80,626	79,170	80,626	79,170
Fobaproa	-	-	-	-	10,045	6,129	10,045	6,129
Total	48,189	62,475	5,684	5,308	90,671	85,299	144,546	153,082
Total Loans w/o Fobaproa/ IPAB							53,875	67,783
Fobaproa / IPAB loans							90,671	82,299
Past Due Loans							4,805	4,737

Banorte's important promotional efforts to increase loan placement has rendered very positive results. The quarter closed with a balance of Ps 67,783 million in Total Loans w/o Fobaproa/IPAB, a 25.8% increase compared to the previous quarter. This growth is explained below:

- Corporate loans rose 21.0% due to seasonality of business in the consumer sector, e.g. auto assembly.
- Credit Card loans rose 7.6% because of the Christmas season shopping.
- Auto loans rose 13.6% as 8,243 new loans were granted during the quarter. Auto sales usually picks up during the Christmas season.
- Commercial loans rose 12.3% because of the new loans granted to medium and small companies.
- Mortgage loans rose 2.7% as 757 new mortgage loans were granted.
- Financial Entities loans rose 415.6% as Ps 6,507 million in Short-Term loans were granted to Sociedad Hipotecaria Federal. This entity depends on the Secretaría de Hacienda y Crédito Público and is backed by the Federal Government.
- The FOBAPROA Notes balance fell by 39.0% because of a pre-payment of approximately US 520 million made in October of Banpais' notes in dollars.
- The dollar exchange rate impact, which went from 10.23 pesos/dollar to 10.44 pesos/dollar, was Ps 194 million.

The Past Due Loans fell by 1.4% compared to 3Q02, and closed with a Ps 4,737 million balance, and a 3.1% past due rate, which is slightly lower than that of the previous quarter.

LOANS PORTFOLIO OF TRADITIONAL BANKING (Millions of Pesos)	4Q01	3Q02	4Q02	%Quarterly Growth	%Annual Growth
Commercial (1)	13,072	16,623	19,136	15.1	46.4
Mortgage and Consumer	5,148	14,545	15,629	7.5	203.6
Mortgage	2,701	9,924	10,430	5.1	286.1
Credit Card	869	1,546	1,664	7.7	91.6
Automobile	1,364	2,614	2,973	13.7	118.0

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

Other	215	461	561	21.7	161.1
Corporate	9,152	11,583	14,025	21.1	53.2
Recovery Banking	6,386	5,684	5,308	(6.6)	(16.9)

(1) Includes Other loans

4Q01 numbers do not include those of Bancrecer.

When comparing the loan portfolio at the quarter closing to that at 4Q01, we can appreciate important increases due both to the Bancrecer merger and loan placements. The growth in Mortgage and Consumer loans was 203.6%, in Corporate loans was 53.2% and in Commercial Loans was 46.4%. These growths are the result of the important promotion carried out by Banorte for loan placements, and they also reflect that the Consumer Sector continues to be very dynamic and that there is a higher loan demand from businesses.

Classified Loans

Category	COMMERCIAL (*)			MORTGAGE			CONSUMER			TOTAL		
	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve	Loans	%	Reserve
A	32,995	88.2	262	7,564	53.8	39	4,297	80.9	21	44,855	79.0	322
B	1,320	3.5	159	3,863	27.5	213	605	11.4	61	5,788	10.2	433
C	1,085	2.9	324	791	5.6	248	120	2.3	54	1,995	3.5	626
D	63	0.2	46	1,497	10.6	1,048	145	2.7	107	1,706	3.0	1,201
E	1,906	5.1	1,887	-	-	-	193	3.6	191	2,100	3.7	2,078
Not Classified	31	0.1	-	357	2.5	-	(49)	(0.9)	-	339	0.6	-
Total	37,400	100.0	2,677	14,071	100.0	1,549	5,311	100.0	433	56,783	100.0	4,659
Excepted	-	-	-	-	-	-	-	-	-	97,538	-	-
Total	37,400	100.0	2,677	14,071	100.0	1,549	5,311	100.0	433	154,321	100.0	4,659

Note : Consolidated with UDIS. With December 02, per application of Report 1449,1460,1480 Y 14 of the CNByV (the National Banking and Securities Commission).

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

Includes Ps 841,112 millions of Irrevocable lines of credit

Loans Loss Reserves (LLR)

Loan Loss Reserves (Millions of Pesos)	4Q02		
	BANORTE	BANCEN	Total
PREVIOUS PERIOD END BALANCE	5,266	433	5,699
Provision taken in the period	205	3	208
UDI trusts transfers	20	3	23
Charge offs and discounts:			
Commercial Portfolio	(166)	-	(166)
Foreclosed assets	(4)	-	(4)
Consumer Portfolio	(49)	-	(49)
Mortgage Portfolio	(37)	(1)	(39)
	(256)	(1)	(258)
Cost of debtors support programs	(33)	(3)	(36)
Valuation and Others	(49)	-	(49)
LOAN LOSS RESERVES AT PERIOD END	5,153	435	5,588

(*) It does not include UDI trusts eliminations.

During the quarter, Ps 208 million were provisioned through the Income Statement and Ps 258 million were taken out through Charge offs and discounts related to Collections and restructuring of loans, from which Ps 166 millions came from Commercial loans, Ps 49 millions came from Consumer loans, Ps 39 millions from Mortgage loans and Ps 4 million from Foreclosed assets. The Loan Loss Reserve balance at the end of 4Q02 was Ps 5,588 million.

Reserve Coverage

Reserve Coverage <i>(Millions of Pesos)</i>	Past Due Loans	Reserves	Reserves/Past Due Loans
BANORTE			
Commercial	2,321	2,321	100.0%
Financial Intermediaries	-	-	-
Consumer	327	327	100.0%
Mortgage	1,784	1,784	100.0%
Government Entities	-	-	-
Surplus	-	722	-
Total Banorte	4,431	5,153	116.3%
BANCEN			
Commercial	169	169	100.0%
Financial Intermediaries	-	-	-
Consumer	-	-	-
Mortgage	136	136	100.0%
Government Entities	-	-	-
Surplus	-	130	-
Total Bancen	305	435	142.6%
Total Banking Sector	4,737	5,588	118.0%

The Reserve Coverage of the Banking Sector at 4Q02 was 118.0%. For Banorte the reserve coverage was 116.3% and 142.6% for Bancen. Both Banks have individual coverages of 100.0% for each type loan portfolio, with surpluses of Ps 722 million in Banorte and Ps 130 million in Bancen.

Deposits

Deposits <i>(Millions of Pesos)</i>	4Q01	3Q02	4Q02
Demand Deposits	31,176	48,370	52,678
Time Deposits	47,403	82,320	89,340
Bonds	1,374	1,351	1,295
Traditional Deposits	79,954	132,042	143,313
On behalf of Third Parties Deposits (*)	49,371	71,001	71,219
Total Deposits	129,325	203,043	214,532

(*) Accounted in Memorandum Accounts.

4Q01 numbers do not include those of Bancrecer.

Total Deposits closed the year with a Ps 214,532 million balance, 5.7% higher than the last quarter. The Demand Deposits grew by 8.9%, which reflects the December seasonality and the Term Deposits rose by 8.5% principally to fund the loan portfolio growth. Annually, Overall Deposit rose 65.9% because of the Bancrecer purchase and the promotional campaign to attract new customers.

Capitalization

Capitalization (Millions of Pesos)	RULES OF 2003			
	3Q02		4Q02	
	BANORTE	BANCEN	BANORTE	BANCEN
Tier 1 Capital	7,147	1,572	8,515	1,782
Tier 2 Capital	2,080	2	2,228	8,466
Net Capital	9,227	1,573	10,743	1,790
Credit risk assets	59,882	4,055	66,667	6,884
Net Capital/ Credit Risk Assets	15.4%	38.8%	16.1%	26.0%
Total risk assets (1)	66,961(2)	17,438	75,616	9,131
Tier 1	10.7%	9.0%	11.3%	19.5%
Tier 2	3.1%	-	2.9%	0.1%
Total Capitalization Ratio	13.8%	9.0%	14.2%	19.6%

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

(2) Increased by Ps 101 million vs the reported figure in 3Q02, as a correction took place.

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

At the close of 4Q02, Banorte presented a credit risk capitalization ratio of 16.1%, and 14.2% considering also market risks, with 11.3% of Tier 1 and 2.9% of Tier 2. Bancen, on the other hand, closed with a 26.0% ratio with respect to the credit risk assets, and with 19.6% including market risks. Its Tier 1 ratio was 19.5% and 0.1% for Tier 2. The Net Capital of both banks increased basically for profits generated in the quarter. Additionally, Banorte's Net Capital rose as a result of issuing Non Convertible Subordinate Notes amounting to Ps 1,136 million in November 2002, most of which was registered as Tier 1 capital.

US Dollar Assets and Liabilities

US Dollar Assets and Liabilities (Millions of Dollars)	3Q02		4Q02	
	BANORTE	BANCEN	BANORTE	BANCEN
Assets				
Cash	31.7	-	36.6	-
Deposits on Foreign Banks	229.9	26.8	432.3	25.6
Intergroup Deposits	-	-	-	-
USCP	50.0	-	51.5	-
Remittances Securitization Trust	7.0	-	10.4	-
Investment portfolio	355.3	-	505.6	-
Loan portfolio	907.2	1.2	922.6	1.2
Fobaproa – IPAB Notes(1)	490.0	-	(14.5)	-
Cross Currency Swaps	-	-	27.4	-
Foreign Exchange Derivatives	89.7	-	74.3	-
Other assets	32.9	1.6	46.4	1.8
Total Assets	2,193.6	29.5	2,092.5	28.6
Liabilities				
Retail Deposits	1,104.7	-	1,050.8	-
Market Issues	57.9	-	52.0	-
Loans from Banks	236.9	-	78.2	-
Intergroup Funding	-	-	-	-
Development Banks	90.3	27.8	77.7	26.9
Cross Currency Swaps	448.7	-	550.6	-
Deferred payments	-	-	-	-
Loan Loss Reserves	143.4	1.7	142.3	1.7
Foreign Exchange Derivatives	100.1	-	44.0	-
Other liabilities	11.6	-	97.0	-
Total Liabilities	2,193.6	29.5	2,092.5	28.6

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

The combined balance of the total assets of Banorte and Bancen in dollar at the close of 4Q02 was USD 2,121.1 million, 4.6% lower than in 3Q02. The drop was due mainly to a USD 520 million pre-payment from IPAB in October which was used to lower liabilities and the rest was distributed among Deposits in foreign Banks and Investments. Assets in dollars represent 11.3% of the Group's Banking Sector Total Assets.

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

Recovery Banking

Recovery Banking Income Statement (Millones de Pesos)	ACCUMULATED	
	4Q01	4Q02
Net Interest Income	(17)	8
+ REPOMO-margin	-	-
= Net Interest Income After REPOMO	(17)	8
- Loan Loss Provisions	-	1
= Net Interest Income After Provisions	(17)	(7)
+ Fiduciary	601	233
+ Fobaproa Fees (1)	282	367
+ Other Fees	134	175
Non Interest Income	1,017	775
= Total Operating Income	1,000	782
Non Interest Expense	540	249 (2)
= Net Operating Income	460	533
- Other Revenues and Expenses	-	-
= Pre-tax Income	460	533
- Income Tax & Profit Sharing	-	46
- Tax on Asset	-	-
- Deferred Income Tax & Profit Sharing	-	-
= Net Income before Subsidiaries	460	487
+ Undistributed Earnings of Subsidiaries	(2)	43
= Net Income-continuous Operation	458	530
+ Extraordinary Items, net	-	-
- Minority Income	-	-
= Total Net Income	458	530

(1) Net Figures.

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

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

Assets Under Management (Millions of Pesos)	4Q02	ACCOUNTING IN THE BALANCE SHEET	ACCOUNTING IN THE INCOME STATEMENT
Fobaproa-IPAB: Portfolios			
Banking Sector (1)	18,416	Out of balance trusts	Fees from FOBAPROA
Serfin	12,845	Serfin Trust	Fiduciary (3)
Reposessed assets	11,617	Out of balance trusts	Fobaproa fees and Fiduciary
	42,878		
Loans purchased to IPAB(2):	10,272	Sólida Administradora de Portafolios Bancen	Undistributed Earnings from Subsidiaries (Sólida) and Non Interest Income (Bancen)
Banking Sector Portfolio:			
Banking Sector (1)	5,534	Banorte's Portfolio	Net Interest Income
Reposessed assets	1,371	Banorte's Reposessed assets	Other Revenues and Expenses
	6,905		
Total	60,054		

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

(2) Includes 5 packages.

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

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

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

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

The Recovery Banking earnings as a percentage of the overall earnings of the Banking, excluding the extraordinary Income from Generali in 2002 are presented below:

Recovery Banking Contribution (Millions of Pesos)	ACCUMULATED	
	4Q01	4Q02
Traditional Banking Net Income	998	941
Recovery Bank Net Income	458	530
Banking Sector Net Income(*)	1,456	1,471⁽¹⁾
=% of Contribution	31.5%	36.0%

(*) Banking Sector 100.0%

(1) Excludes Ps 411 millions of extraordinary income from Generali

The Recovery Banking contributed with Ps 530 million to the year profits of the Banking Sector, equivalent to a 36.0% participation.

In the quarter two loan portfolios, amounting Ps 708 million, were acquired from IPAB, which include mortgage, commercial and consumer loans. One of them includes Ps 364 million of Banca Cremi mortgage loans, and the other one, Ps 344 million of Banca Quadrum commercial and consumer loans.

2.- Brokerage Sector

Brokerage Sector (Millions of Pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Brokerage House					
Net Income	18.0	5.7	20.4	33.1	80.1
Equity	251.3	308.7	325.9	251.3	325.9
Total Assets	443.8	447.2	457.0	443.8	457.0
Assets under Management	101,356.5	126,375.6	125,315.1	101,356.5	125,315.1
ROE %	28.9%	7.5%	25.4%	15.3%	26.7%

The **Brokerage Sector** (Brokerage House) recorded a profit of Ps 20.4 million during the fourth quarter of 2002, for an accumulated annual profit of Ps 80.1 million. The 4Q02 income was greater than that of 3Q02 mainly because of the revenues provided by money market operations. On the other hand, the year's revenues were 142.0% higher than last year's, because of a reduction in the Company's overall expenses, as operating income remained practically the same as in 2001.

Nonetheless, as forecast at the end of last year, money market deposits in 2003 rose from Ps 43,162 million to Ps 48,415 million, a 12% growth, which was achieved basically through business and government, which reached a 27% increase. This situation made it possible to maintain an income despite the interest rate volatility during the period.

As to stock market income, there was an 11% drop with respect to the previous year, as uncertainty prevailed among the international financial markets. However, the markets are expected to do better in 2003 as the macroeconomic, political and international relations gradually improve.

3.-Long Term Savings Sector

Long Term Savings Sector (Millions of pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Afore					
Net Income	31.5	83.5	47.6	182.8	244.7
Equity	1,175.6	1,353.0	1,016.3	1,175.6	1,016.3
Total Assets	1,438.6	1,664.9	1,298.9	1,438.6	1,298.9
Assets under Management (SIEFORE)	14,878.5	18,241.7	19,206.0	14,878.5	19,206.0
ROE %	10.3%	25.1%	19.0%	15.5%	20.3%
Insurance					
Net Income	(1.1)	(0.7)	24.7	14.6	79.2
Equity	144.9	195.7	226.7	144.9	226.7
Total Assets	1,548.5	1,880.6	1,986.3	1,548.5	1,986.3
Technical Reserves	1,305.4	1,508.4	1,591.5	1,305.4	1,591.5
Premium sold	231.0	307.8	340.8	951.7	1,289.7
ROE %	(3.8)%	(1.4)%	44.9%	11.9%	39.7%
Annuities					
Net Income	(8.7)	(3.2)	13.5	(11.6)	0.0
Equity	126.3	113.2	126.5	126.3	126.5
Total Assets	3,748.4	4,397.7	4,447.2	3,748.4	4,447.2
Technical Reserves	3,606.4	4,274.1	4,313.0	3,606.4	4,313.0
ROE %	(27.7)%	(11.3)%	43.8%	(9.6)%	0.0%

The **Afore** showed a Net Income of Ps \$47.6 million for the quarter (51% for Bancen), un 43.0% lower than 3Q02. Accumulated Net Income increased 33.9% with respect to last year, mainly as a result of the significant 29.1% annual increase in the SIEFORE Assets Under Management derived form the promotional efforts carried out. It ranks among the first in affiliations in the year with 250,000 new affiliates, which was achieved without impacting expenses and therefore maintaining one of the lowest costs per affiliate. Our Pension Fund, Afore, ranked 1st in SIEFORE yield in 2002 with a rate of 11.96%. At the close of 4Q02 there was a total of 2,610,791 affiliates and a 9.9% certificate account market share. The Net Income variation with respect to last quarter is due mainly to the business cyclicality because the employee contributions are every two months and therefore, in the 1st and 3rd quarter of each year there are two contributions and in the 2nd and 4th quarters of each year there is only one contribution.

The **Insurance Company** had a profit of Ps 24.7 million (51% for GFNorte) for the quarter, which compares favorably with the Ps 0.7 million loss in 3Q02, mainly due to the fixed income securities portfolio profits and fewer damage incidents. Now there are sales of insurance at previous Bancrecer branches. Accumulated earnings for the year were Ps \$79.2 million, 442.5% higher than last year due to increased transaction and stringent expense control. Insurance premiums issued increased 35.0% from last year.

The **Annuities** business showed a Ps 13.5 million profit in the quarter (51% for GFNorte), a break from the Ps 3.2 million loss in 3Q02. This variation stems from the fixed income securities portfolio profits and reduced expenses. The year accumulated a zero profit, which compares favorable with the Ps 11.6 million loss in 2001, despite the important reduction in technical reserves returns given the declining interest rates of the year. At present, the business ranks 5th in the industry with a 9.5% market share in premiums sold and 4th in the number of pensions placed in the year vs. 2001, with a 11.1% market share.

Auxiliary Organizations Sector (Millions of pesos)	QUARTER			ACCUMULATE	
	4Q01	3Q02	4Q02	4Q01	4Q02
Leasing					
Net Income	6.4	9.6	8.7	27.6	30.8
Equity	133.3	154.9	164.1	133.3	164.1
Loan Portfolio(*)	773.0	847.8	948.1	773.0	948.1
Past Due Loans	21.7	22.7	22.7	21.7	22.7
Loan Loss Reserves	13.8	12.9	12.5	13.8	12.5
Total Assets	776.1	856.9	966.4	776.1	966.4
ROE %	19.5%	25.4%	21.6%	20.2%	20.8%
Factoring					
Net Income	4.4	6.9	9.0	29.1	29.2
Equity	139.7	159.9	168.9	139.7	168.9
Loan Portfolio	2,365.5	1,999.0	2,230.4	2,365.5	2,230.4
Past Due Loans	27.6	12.8	12.4	27.6	12.4
Loan Loss Reserves	9.1	8.7	8.4	9.1	8.4
ROE %	2,375.5	1,997.2	2,240.7	2,375.5	2,240.7
Total Assets	12.6%	17.5%	21.8%	16.6%	18.9%
Warehousing					
Net Income	2.3	2.8	6.7	9.2	14.1
Equity	63.1	70.5	59.1	63.1	59.1
Inventories(**)	168.9	252.0	280.5	168.9	280.5
Total Assets	230.3	320.8	372.4	230.3	372.4
ROE %	15.6%	15.9%	39.6%	15.6%	21.0%
Bonding					
Net Income	1.7	0.9	3.0	7.3	7.8
Equity	74.6	79.6	82.2	74.6	82.2
Total Assets	153.2	175.7	195.8	153.2	195.8
ROE %	9.2%	4.3%	15.0%	10.3%	9.9%

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

(*) Departing 2Q00 it includes operating lease.

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

The **Leasing** company reported net income of Ps 8.7 million in the quarter, 9.4% lower than in 3Q02 due mainly to lower margins. Accumulated Net Income for the year was Ps 30.8 million, un 11.6% higher than last year due to increased fixed-rate loan placements, higher fees and sales of leased goods, as well as the sale of foreclosures. Total loan portfolio grew 22.7% with respect to 2001 due to the promotional efforts carried out to grow the loan portfolio. Past due loans dropped to 2.4% at the close of 4Q02. Currently, it ranks the 7th place among the 28 leasing businesses in the sector.

The **Factoring** business generated profits of Ps 9.0 million in the quarter, 30.4% higher than in 3Q02 and accumulated profits for the year of Ps \$29.2 million, similar to those of last year. Total Loan Portfolio grew 11.6% with respect to 3Q02 as a result of new loan granting. Past due loans ended with a balance of Ps 12.4 million, 55.1% lower than in 4Q01 thanks to significant recoveries achieved in the year. It currently ranks 1st in among the 11 factoring company system.

The **Warehousing** had net income of Ps 6.7 million during 4Q02, a 139.3% increase over that of the previous quarter. Accumulated profits for the year were Ps 14.1 million, 53.3% more than those accrued in 2001. This net income was

achieved basically, thanks to Inventory Commercializing and to direct domestic storage, which have compensated the decrease in fiscal warehousing services that still resent the effect of the economic slowdown.

The **Bonding** generated Ps 3.0 million in net income in the quarter, 233.3% above that of last quarter, due to the release of technical reserves of previous periods. Accumulated profits for the year were Ps 7.8 million, 6.9% higher than in 2001, as a result of attracting a new smaller clientele and a reduction in expenses, despite the market contraction due to fewer construction projects.



ANNEXES

1. MACROECONOMIC ENVIRONMENT
2. GRUPO FINANCIERO – GENERAL INFORMATION
3. ACCOUNTING CHANGES AND REGULATIONS
4. COMBINED BANORTE + BANCRECER BALANCE SHEET (PROFORM)
5. FINANCIAL STATEMENTS
6. NOTES TO BANKING SECTOR FINANCIAL STATEMENTS

ANNEX 1. Macroeconomic Environment

The fourth quarter of 2002 was more encouraging than the third. Toward the close of the year, both the economic activity as well as the financial markets again showed signs of a moderate recovery. The outstanding uncertainty factors of this period that affected Mexico's financial markets' performance were mainly external. The internal affairs, such as Congress' debate of the 2003 budget had a minimal effect as the prevailing objective was to reduce the fiscal deficit while maintaining discipline in public finances.

The pressure of the previous quarter started to ease up in late October given the expectation of the elections in Brazil. While Lula, the leftist candidate, was not who the market preferred, the uncertainty involved in the electoral process was dispelled. The Price and Quotes Index (IPC) of the Mexican Stock Exchange rose 6.96% in the quarter after having fallen 14.6%, and 11.3% in the second and third quarters, respectively. However, the prevailing distrust in the United States in the face of a possible war against Iraq, the concern over the current account deficit and the fiscal deficit affected the dollar's parity to the euro, which in turn brought on a continued depreciation of the peso vs. the US dollar –an affect that worsened toward the end of the year. Thus, the depreciation in the exchange rate for the quarter was 1.4%, closing the year at 10.31 pesos per dollar.

Inflation at the year's end was 5.7% -higher than the 4.5% official goal – which can be explained by the increases in the administrated and agreed prices giving the rise in agricultural products. As to the fiscal policy, the expected deficit for the end of the year is 1.25%, which is also higher than the 0.65% goal established in the 2002 Budget. The variation is due mainly to the cost of liquidating Banrural.

The expected GDP growth for the fourth quarter is 2.7%, giving an overall growth for 2002 of 1.2%. Industrial production rose 1.3% in October, while the service sector rose 3.2%. These two led to a 2.6% growth of the IGAE (Overall Economic Activity Indicator –a monthly approximation of the GDP). This recovery in these two sectors is expected to continue through the last two months of the year.

The year 2003 starts with great challenges and uncertainty as to the economy's performance, especially given the risks on the global scene and the lack of structural reforms on the domestic stage. The macroeconomic discipline that has so far prevailed is essential, even in such a volatile atmosphere, for Mexico to be able to absorb the external shocks.

ANNEX 2 .-Grupo Financiero- General Information

GFNorte Ownership in Subsidiaries

	4Q02
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.

Holding Company Capital Structure

Number of Shares	SERIE O As of December 31, 2002
Number of shares issued	504,586,887
- Shares held on Treasury	4,660,763
= Number of shares outstanding	499,926,124

Banorte Ratings

International Ratings				
Rating Agency	Rated Institution	Rating	Category	Date
Moody's Investor	Banorte	Stable	Outlook	August 2002
		D+	Modest Financial Strength	
		Baa2	Foreign long - term bank deposits	
Standard & Poors	Banorte	P-2	short- term bank deposits	September 2002
		NEGATIVE	Outlook	
		BB	Long Term foreign issuer credit	
		BB	Long Term local currency deposits	
Fitch	Banorte	B	Short term foreign issuer credit	June 2002
		B	Short tem local issuer credit	
		Stable	Outlook	
		BBB-	Long Term Local currency	
		BBB-	Short Term Local currency	
		F3	Short Term Local Currency	
		F3	Short Term Foreign Currency	
C/D	Individual - Foreign Currency			
4	Support Rating			

Banorte Ratings

Domestic Ratings				
Rating Agency	Rated Institution	Rating	Category	Date
Fitch	Banorte	F1 + (mex)	Riesgo Contraparte Corto Plazo	August 2002
		AA (mex)	Riesgo Contraparte Largo Plazo	
		F1 + (mex)	Certif. de Dep. y P.R.L.V. a Cto. Plazo	
		AA (mex)	Certif. de Dep. y P.R.L.V. a Largo Plazo	
		AA (mex)	Bonos Bancarios (1-00)	
		AA (mex)	Bonos Bancarios (2-00)	
Otras Calificaciones		AA - (mex)	Obligaciones Subordinadas N.S.C.C. (436,000 UDI'S)	
Fitch	Sólida	Average High (mex)	Financial Asset Administrator	June 2002
	Operadora de Fondos	AA (mex)	Investment Financial Assets Administrator	August 2002
	Seguros Banorte Generali	AA (mex)	Insurance Financial Strength	August 2002

No. of Employees & Distribution Network

EMPLOYEES	4Q01	3Q02	4Q02
Banking Sector (*)	8,515	12,928	12,778
Other Sectors	<u>2,540</u>	<u>2,086</u>	<u>2,090</u>
Total Group	11,055	15,014	14,868
DISTRIBUTION NETWORK			
Branches (**)	459	1,069	1,069
ATM	1,610	2,497	2,508

(*) Includes Sólida Administradora de Portafolios.

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

ANNEX 3 .-Accounting Changes and Regulations

Terms and Particular Features of the Merger Process.

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

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

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

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

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

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

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

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

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

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

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

Interbank Eliminations in Balance lines
(Millions of Nominal Pesos)

	Debit	Credit
--	--------------	---------------

Stockholder's Equity	1,843	
Investments in Subsidiaries		1,843
Interbank loans	10,201	
Cash and due from banks		10,201
Deferred Taxes (Liabilities)	63	
Deferred Taxes (Assets)		63

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

Interbank Eliminations in Income lines

Interest Income – Expense

(Millions of Nominal Pesos)

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

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

Reserves for Integration Expenses.-

In Official Document number 60-II-105587, dated December 11, 2001, the National Banking and Securities Commission authorized the creation in December 2001 of a Reserve for Integration Expenses against Capital Reserves for a total of Ps 678.1 million. Said provision contemplates the following concepts:

1. Reorganization

1.1 Restructuring Cost

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

1.2 Outplacement Program

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

1.3 Acquittance on loans made out to personnel laid off

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

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

2. Integration

2.1 Operative Integration

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

2.2 Re-branding

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

2.3 Amortization of Installation Expenses due to branch shutdowns

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

3. After Retirement obligations (medical service)

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

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

The amounts of each concept are:

(Millions of pesos)

	Inicial Balance	December 2002 changes	December, 2002 Balance
1. Reorganization	368.1	(341.5)	26.6
2. Integration	229.2	(123.0)	106.3
3. After Retirement obligations (medical service)	80.7	(80.7)	0.0
Total	678.0	(545.2)	132.9

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

Deferred Taxes.-

Taxes are calculated on the fiscal income of the year, applying the fiscal regulation currently in effect. However, due to the temporary differences in acknowledging income and expense for accounting and fiscal purposes, as well as the differences in the book and fiscal balance accounts, Banorte (already merged) has acknowledged a deferred tax in its favor for Ps 835,769, that is made up as follows:

(Millions of Nominal Pesos)

CONCEPT	2002		
	Temporary	Deferred	
	Differences	ISR	PTU
Loan Loss Provisions (not deducted)	Ps 3,162.8	Ps 1, 107.0	Ps 23.1
Tax loss carryforwards	10.3	3.6	-
Deficit from retirement obligations	601.4	210.5	60.1
Tax on assets	-	-	-
Excess of fiscal on account value of foreclosed assets	171.1	59.9	-
Total Assets	Ps 3,945.6	Ps 1,381.0	Ps 83.3

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

CONCEPT	2002		
	Temporary	Deferred	
	Differences	ISR	PTU
Excess of fiscal over account value of fixed assets and expenses, Intangible and Others	Ps 1,560.8	546.3	42.3
Accrued interest and inflationary effect on special CETES	-	-	-
Value market results	-	-	-
UDI trusts payable income tax	-	39.8	-
Total Liabilities	<u>Ps 1,560.8</u>	<u>Ps 586.1</u>	<u>Ps 42.3</u>
Accumulated Net Effect	<u>Ps 2,384.8</u>	<u>Ps 794.8</u>	<u>Ps 40.9</u>
DEFERRED TAX			<u>Ps 835.8</u>

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

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

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

Goodwill.-

As per Bulletin B-8 of the Generally Accepted Accounting Principles, paragraph 22 "Acquisition and sales of subsidiaries," an Asset Goodwill was created in 2002 for the amount of Ps 69.6 million, which mostly consists of:

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

As of December 2002, the Goodwill adds up to Ps 61.3 million.

**ANEXO 4 .- COMBINED BANORTE+BANCRECER BALANCE SHEET (PROFORM)
As of December 2001 (Millions of Pesos)**

The combined Banorte-Bancrecer Balance Sheet to December 31, 2001 is included, and shows each bank's figures separately and combined as per provision 601-I-DGSIF"A"-112901 of the CNBV dated August 23, 2003. The figures are expressed in pesos of December 2002. Bancrecer's information was presented in the 4Q02 report.

Assets	BANORTE	BANCRECER	BANORTE + BANCRECER
Cash , Financial Instrument and Repos & Derivatives	14,831	13,456	28,287
Commercial	21,316	3,067	24,383
Financial Intermediaries	1,504	-	1,504
Consumer	2,422	322	2,744
Mortgage	4,630	5,918	10,548
Government Entities	41,190	1,207	42,396
Fobaproa	10,665	48,852	59,517
Performing Loans	81,727	59,367	141,093
Past Due Loans	4,382	62,376	4,445
Total Loans	86,109	59,429	145,538
Preventive Loan Loss Reserves	4,291	831	5,122
Net Loan Portfolio	81,818	58,598	140,416
Foreclosed assets, net	1,410	-	1,410
Real Estate, Furniture & Equipment, net	3,557	2,159	5,716
Investments in Subsidiaries	408	65	473
Other Assets	2,780	298	3,078
TOTAL ASSETS	104,804	74,576	179,380
LIABILITIES AND & STOCKHOLDER'S EQUITY			
Deposits and Due to Banks and Correspondents	94,357	70,217	164,573
Other payable accounts, Repos & Derivatives and Deferred credits	2,272	2,560	4,832
Subordinated Convertible Debentures	1,410	-	1,410
Stockholder's Equity	6,766	1,799	8,565
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	104,804	74,576	179,380

Bancrecer's Financial Information is not included as this institution was purchased by Banorte as of December 2001 and its performance prior to its acquisition is not representative of the normal business operations. Bancrecer and Banorte were merged in March 2002.

ANNEX 5 .- Financial Statements
HOLDING –Income Statement (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Income from Subsidiaries and	574	368	381	254	1,577	392	802	420	423	2,037
Interest Expense	-	-	-	-	-	-	-	-	-	-
Trading Income	-	-	-	-	-	-	-	-	-	-
Fees & Tarifs	-	-	-	-	-	-	-	-	-	-
REPOMO	(3)	(4)	(4)	(4)	(15)	(2)	(3)	(3)	(2)	(10)
Total Operating Income	571	364	378	249	1,562	390	799	418	420	2,026
Operation & Administrative expenses	-	1	1	1	2	-	1	1	1	2
Operating Income	570	364	377	249	1,560	389	798	417	420	2,024
Non Operating Income	-	9	10	18	36	-	-	-	4	5
Non Operating Expense	-	-	-	-	-	-	-	-	-	-
Non Operating Income	-	9	10	18	36	-	1	1	4	5
Pre-tax Income	570	372	387	266	1,596	390	799	417	423	2,029
Income Tax & Profit Sharing	-	-	-	-	-	3	3	3	3	13
Tax on Assets	-	1	25	2	28	-	-	-	-	-
Deferred Inc. Tax and Profit sharing	-	-	(20)	-	(20)	(1)	1	-	-	-
	-	1	4	2	8	2	4	3	3	13
Net income from Continuos	570	371	383	264	1,588	387	795	414	420	2,016
Extraordinary Items, net	-	-	-	-	-	-	-	-	-	-
Total Net Income	570	371	383	264	1,588	387	795	414	420	2,016

HOLDING -BALANCE SHEET (Millions of Pesos)

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	214	443	316	154	165	161	136	17
Financial Instruments:								
Sundry debtors and other assets,net	47	2	-	36	45	51	66	62
Real Estate, Furniture & Equipment, net	-	-	-	-	-	-	-	-
Investments in subsidiaries	8,445	8,918	9,196	9,399	9,849	10,540	10,673	11,131
Deferred taxes	-	-	1	-	-	-	-	-
Goodwill	-	-	-	-	-	-	-	-
Other Assets, Deferred charges, intang	1	1	1	-	-	-	-	-
TOTAL ASSETS	8,707	9,364	9,513	9,589				11,210
LIABILITIES								
Due to banks and correspondents	-	-	-	-	-	-	-	-
Income Tax & Profit Sharing	-	-	5	6	9	8	10	13
Other Payable accounts	5	-	11	-	-	-	-	-
Other payable accounts	5	-	16	6	-	-	-	13
Deferred taxes	-	-	-	13	-	-	-	22
TOTAL LIABILITIES	5	-	16	19				35
STOCKHOLDER 'S EQUITY								
Paid-in Capital	5,086	5,128	5,103	5,114	5,117	5,116	5,114	5,114
Share subscription premiums	1,402	1,480	1,458	-	1,489	1,493	1,497	-
Subordinated Convertible Debentures	-	-	-	1,483	-	-	-	1,496
Subscribed Capital	6,488	6,608	6,561	6,597				6,609
Capital Reserves	815	1,019	934	980	-	-	-	1,053
Retained Earnings	8,581	8,490	8,491	8,491	-	-	-	9,491
Surplus (Deficit) from securities	-	-	-	-	-	-	-	-
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(5,226)	(5,227)	(5,229)	(5,233)	-	-	-	(5,233)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	(2,526)	(2,467)	(2,582)	(2,854)	-	-	-	(2,761)
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	570	941	1,324	1,588	-	-	-	2,016
Earned Capital	2,214	2,756	2,936	2,972				4,566
Total Stockholder 's Equity	8,702	9,363	9,497	9,570				11,175
TOTAL LIABILITIES & STOCKHOLDER 'S	8,707	9,364	9,513	9,589				11,210

MEMORANDUM ACCOUNTS OF HOLDING (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Client securities held in custody	2,996	2,956	2,936	3,077	3,045	3,570	3,528	3,463
Other trust account items	15,017	14,816	119	117	116	114	113	111
	18,013	17,772	3,055	3,194	3,161	3,685	3,641	3,574

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

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	9,040	4,944	4,929	4,489	23,401	5,761	5,581	5,957	6,353	23,653
Interest Expense	7,342	3,081	3,391	3,141	16,955	3,929	3,599	3,948	4,354	15,830
Loan Fees	69	72	94	106	340	123	212	159	171	664
Fees Paid	4	4	6	7	21	8	10	11	10	39
Net Interest Income (NII)	1,762	1,930	1,625	1,447	6,765	1,947	2,184	2,157	2,160	8,448
Repomo-Margin	7	9	21	21	58	28	40	(23)	32	77
NII after Repomo	1,770	1,940	1,646	1,468	6,824	1,974	2,224	2,134	2,192	8,525
Loan Loss Provisions	189	466	177	200	1,032	168	195	177	247	788
Loss Sharing Provisions	80	55	26	17	179	2	12	8	15	36
NII after Provisions	1,500	1,418	1,443	1,251	5,612	1,804	2,017	1,949	1,931	7,701
Fund transfers	13	14	16	19	63	42	51	48	45	187
Account management	78	84	81	63	306	159	172	162	148	641
Fiduciary	256	122	447	207	1,032	191	238	189	174	792
Income from Loan Portfolios Acquired	-	-	46	66	112	109	64	266	(43)	396
Electronic Banking Services	28	30	26	29	113	89	33	63	60	245
Credit Card	85	90	89	99	363	126	152	147	145	569
Fees from FOBAPROA	84	88	66	44	281	137	63	51	115	367
Other fees	273	216	304	323	1,116	443	397	497	390	1,727
Fees on services,	817	644	1,074	850	3,386	1,297	1,170	1,422	1,034	4,923
Fund transfers	-	-	-	-	-	-	-	-	-	-
Other fees	85	81	333	180	680	177	190	213	278	858
Expenses from Loan Portfolios Acquired	-	-	4	10	14	65	41	153	26	285
Fees paid,	85	81	337	190	694	241	231	366	304	1,143
Foreign exchange	58	47	49	51	205	67	107	70	83	328
Securities –Realized gains	56	64	(17)	2	105	265	(152)	(64)	60	110
Securities- Unrealized gains	119	(15)	(105)	40	40	(4)	(49)	(13)	19	(47)
Market-related Income	233	96	(72)	93	349	328	(93)	(7)	162	390
Total Non Interest Income	965	659	665	753	3,042	1,383	846	1,049	892	4,171
Total Operating Income	2,465	2,077	2,109	2,004	8,654	3,187	2,863	2,999	2,823	11,872
Personnel	793	780	799	737	3,109	1,090	1,044	975	994	4,103
Professional Fees	90	77	91	96	354	89	104	111	104	408
Operation & Administrative expenses	474	588	547	630	2,238	710	699	690	724	2,824
Rents, depreciation and amortization	206	194	228	228	857	334	373	318	326	1,351
Taxes, other than income tax	113	113	109	208	543	127	140	155	188	610
Contributions to IPAB	99	91	93	95	377	158	165	159	170	653
Corporate expenses Recoveries	-	-	-	-	-	-	-	-	-	-
Non-Interest Expense	1,775	1,842	1,867	1,994	7,478	2,509	2,526	2,408	2,507	9,949
Operating Income	690	234	242	10	1,176	679	338	591	316	1,923
Other Revenues	165	335	278	411	1,189	259	478	742	593	2,072
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Recoveries	107	178	85	150	520	56	68	133	90	347
Repomo-other revenues	(18)	75	54	(43)	68	1	2	2	15	20
Non Operating Income	254	587	418	518	1,776	316	548	877	698	2,439
Other Expense	(186)	(394)	(157)	(175)	(913)	(429)	(254)	(809)	(559)	(2,051)
Foreign exchange	-	-	-	-	-	(2)	(5)	-	-	(7)
Repomo-other Expenses	(4)	(8)	(15)	(29)	(56)	(45)	(74)	(80)	(141)	(340)
Non Operating Expense	(191)	(402)	(172)	(204)	(968)	(475)	(332)	(890)	(700)	(2,398)
Non Operating Income (Expense), net	63	185	246	314	808	(160)	216	(13)	(2)	42
Pre-tax Income	753	419	487	324	1,984	519	554	578	314	1,965
Income Tax	4	9	32	52	97	37	34	63	(6)	129
Profit sharing	17	42	(34)	(21)	3	2	40	28	32	101
Tax on Assets	2	6	28	7	42	22	26	27	36	111
Deferred Inc. Tax and Profit sharing	113	62	33	(1)	207	76	12	22	(103)	7
Net Income before subsidiaries	136	118	59	37	350	137	112	140	(40)	348
Subsidiaries' net income	(2)	74	(4)	(6)	63	54	(18)	25	104	165
Net Income from continuous operations	615	376	425	282	1,697	437	424	464	458	1,782
Extraordinary items, net	-	-	-	-	-	-	411	2	(2)	411
Minority Interest	45	5	42	17	109	50	40	52	36	177
TOTAL NET INCOME	570	371	383	264	1,588	387	795	414	420	2,016

2001 numbers do not include those of Bancrecer.

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

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	8,484	8,390	9,270	8,105	17,510	17,819	19,904	23,525
Negotiable Instruments	6,794	6,502	2,182	2,530	3,827	3,301	2,378	2,984
Securities held for sale	1,921	1,713	1,331	1,115	957	1,071	857	1,309
Securities held to maturity	1,375	1,430	1,481	3,207	4,027	4,149	6,458	7,693
Financial Instruments:	10,090	9,645	4,993	6,852	8,812	8,521	9,693	11,986
Repurchase agreements, net	183	225	126	167	152	144	190	75
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	5	53	8	16	26	-	-	10
Repos & Derivatives :	188	277	134	183	179	144	190	85
Commercial	21,775	19,748	20,731	24,422	25,001	26,321	29,862	34,956
Financial Intermediaries	70	63	120	94	73	60	54	6,564
Consumer	1,362	1,500	1,802	2,498	3,341	3,980	4,556	5,159
Mortgage	4,406	4,482	4,641	4,955	11,015	11,425	11,809	12,152
Government Entities	42,512	42,125	41,541	41,231	41,978	87,828	84,543	85,000
Fobaproa	13,028	12,329	12,543	10,403	57,625	9,516	10,045	6,129
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	83,154	80,249	81,376	83,603	139,033	139,129	140,870	149,959
Commercial	1,906	2,274	2,571	2,631	2,571	2,677	2,616	2,516
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	681	338	330	344	374	293	337	336
Mortgage	2,048	1,934	1,852	1,796	1,898	1,873	1,887	1,920
Government Entities	-	-	-	-	-	2	-	-
Past Due Loans	4,635	4,546	4,753	4,770	4,843	4,845	4,840	4,772
Total Loans	87,789	84,795	86,129	88,374	143,876	143,973	145,710	154,731
Preventive loan loss reserves	4,646	4,536	4,747	4,745	5,575	5,641	5,721	5,609
Net Loan Portfolio	83,143	80,259	81,383	83,629	138,301	138,333	139,990	149,122
Credit Assets Portfolio	-	-	2,544	2,696	2,494	2,343	2,096	1,855
Sundry debtors and other assets, net	2,489	2,598	1,198	1,338	1,803	1,689	1,813	2,636
Foreclosed assets, net	1,578	1,620	1,579	1,432	1,397	1,337	1,286	1,216
Real Estate, Furniture & Equipment, net	3,573	3,519	3,689	3,826	5,804	5,743	5,732	5,722
Investments in subsidiaries	1,009	1,034	1,048	1,046	1,190	1,319	1,339	1,024
Deferred taxes	667	693	711	750	600	610	623	809
Goodwill	-	-	-	-	-	-	-	-
Deferred charges & Intangibles	1,661	1,485	1,445	1,433	1,499	1,751	1,367	1,539
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
Other Assets	10,997	10,950	12,213	12,521	14,787	14,793	14,256	14,802
TOTAL ASSETS	112,883	109,522	107,993	111,290	179,589	179,610	184,031	199,521

2001 numbers do not include those of Bancrecer.

GRUPO FINANCIERO BANORTE – CONSOLIDATED BALANCE SHEET*(Millions of Pesos)*

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	26,516	27,125	27,610	31,147	50,768	48,720	48,345	52,664
Time Deposits	48,187	52,113	46,627	47,250	81,984	72,959	82,184	89,323
Bonds	1,462	1,408	1,428	1,374	1,389	1,337	1,351	1,295
Deposits	76,166	80,646	75,665	79,771	134,140	123,017	131,881	143,281
Demand	4,576	8	21	2,653	1,494	12,013	627	13,467
Short term	9,645	4,480	8,016	5,211	14,352	15,022	23,008	13,453
Long term	10,455	10,350	10,038	9,197	13,095	12,738	10,908	10,642
Due to banks and correspondents	24,676	14,838	18,075	17,060	28,941	39,773	34,542	37,561
Repurchase agreements, net	54	110	138	113	69	166	243	32
Operations with collateral	-	-	-	-	-	-	-	817
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	22	2	42	10	-	85	525	-
Repos & Derivatives:	76	112	180	123	69	251	768	849
Income Tax & Profit Sharing	306	115	111	31	45	144	311	379
Other Payable accounts	2,014	2,092	2,097	2,431	3,969	3,357	3,781	2,851
Other payable accounts	2,320	2,207	2,208	2,462	4,014	3,501	4,092	3,229
Subordinated non Convertible Debenture	-	1,410	1,438	1,410	1,438	1,410	1,438	2,586
Deferred Taxes	-	-	-	-	-	-	-	-
Deferred credits	114	111	58	54	63	13	13	22
TOTAL LIABILITIES	103,352	99,324	97,624	100,881	168,666	167,964	172,734	187,530
STOCKHOLDER 'S EQUITY								
Paid-in Capital	5,086	5,128	5,103	5,114	5,117	5,116	5,114	5,114
Share subscription premiums	1,402	1,480	1,458	1,483	1,489	1,493	1,497	1,496
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	6,488	6,608	6,561	6,597	6,605	6,610	6,611	6,609
Capital Reserves	815	1,019	934	980	991	1,068	1,053	1,053
Retained Earnings	8,581	8,490	8,491	8,491	10,079	10,000	9,492	9,491
Surplus (Deficit) from securities	-	-	-	-	-	-	-	-
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(5,226)	(5,227)	(5,229)	(5,233)	(5,237)	(5,238)	(5,237)	(5,233)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	(2,526)	(2,467)	(2,582)	(2,854)	(2,788)	(2,895)	(3,183)	(2,761)
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	570	941	1,324	1,588	387	1,182	1,596	2,016
Earned Capital	2,214	2,756	2,936	2,972	3,431	4,116	3,721	4,566
Minority Holdings	829	834	871	839	887	919	965	815
Total Stockholder 's Equity	9,531	10,197	10,369	10,409	10,923	11,645	11,298	11,991
TOTAL LIABILITIES &	112,883	109,522	107,993	111,290	179,589	179,610	184,031	199,521

2001 numbers do not include those of Bancrecer.

MEMORANDUM ACCOUNTS OF GRUPO FINANCIERO BANORTE CONSOLIDATED

(Millions of Pesos)	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
ON BEHALF OF THIRD PARTY								
Customers' banks	3	2	3	3	4	3	2	2
Dividends receivable from customers	-	-	-	-	-	-	-	-
Interest receivable from customers	-	-	-	-	-	-	-	-
Liquidation of customer transactions	8,198	10,228	12,428	15,064	17,896	17,965	14,023	13,577
Customer loans	-	-	-	-	-	-	-	-
Liquidation with foreign currencies of	-	-	-	-	-	-	-	-
Margin accounts in futures operations	-	-	-	-	-	-	-	-
Other current accounts	-	-	-	-	-	-	-	-
CUSTOMERS CURRENT ACCOUNT	8,201	10,231	12,432	15,067	17,900	17,968	14,025	13,579
Client securities held in custody	75,199	87,566	91,253	99,981	108,618	114,380	124,824	125,103
Securities and documents received in	-	-	1	24	-	1	-	-
Client securities abroad	-	-	-	-	-	-	-	-
CLIENT SECURITIES	75,199	87,566	91,255	100,005	108,618	114,381	124,824	125,103
Repurchase operations for customers	21,088	21,969	23,021	26,971	25,945	25,904	24,145	25,611
Clients securities loans	-	-	-	-	-	-	-	-
Purchase of Futures & forward contracts	-	-	-	-	-	-	-	-
Sale of futures and forward contracts	-	-	-	-	-	-	-	-
Purchasing operations (option price)	367	43	90	39	47	27	72	55
Sales operations (option price)	-	-	-	-	-	-	-	-
Purchase of derivative packages	-	-	-	-	-	-	-	-
Sale of derivative packages	-	-	-	-	-	-	-	-
Administration trusts	1,144	879	1,077	1,042	1,096	1,086	1,266	1,515
TRANSACTIONS ON BEHALF CLIENT	22,599	22,891	24,188	28,052	27,088	27,017	25,483	27,181
TOTAL ON BEHALF OF THIRD PARTY	105,999	120,687	127,874	143,125	153,606	159,365	164,331	165,863
Signature guarantees granted	3	3	3	3	15	-	-	-
Issuing of irrevocable letters of credit	1,239	1,078	833	548	697	963	932	841
Property in trust and guardianship	40,682	37,858	37,525	42,013	80,899	76,210	81,997	81,662
Assets held in custody or in administration	84,546	86,555	81,755	83,899	126,055	118,271	127,054	127,568
Amounts committed to operations with	4,168	4,318	4,471	4,989	54,386	53,612	5,761	5,750
In Transit drafts	-	-	-	-	-	-	-	-
Certificates of Deposit in circulation	166	120	100	97	86	86	183	464
Secured Credit Cards from the company	-	-	-	-	-	-	-	-
Securities given to the company in custody	24	22	48	113	88	124	143	187
Government securities in custody of the	28	37	45	91	-	84	74	-
Securities given to the company on	-	-	-	-	-	-	-	-
Securities outside the country	-	-	-	-	-	-	-	-
Liquidations with foreign currencies abroad	-	-	-	-	-	-	-	-
Debits to the contingency fund	-	-	-	-	-	-	-	-
Other contingent obligations	17,593	17,767	10,797	10,826	14,085	18,547	14,619	14,178
Banking transactions on behalf of third-	88,078	104,559	63,413	108,963	112,275	145,123	153,983	73,532
Investments in funds for the retirem.saving	2,421	2,442	2,424	2,432	2,442	2,455	2,424	1,550
Integration of the credit portfolio	-	-	-	-	-	-	-	-
Amounts contracted in derivative	2,826	2,558	2,804	3,468	4,202	3,174	2,597	4,773
Other trust account items	268,898	269,259	188,589	188,337	354,546	355,465	325,812	413,295
OWN ACCOUNT OPERATIONS	510,672	526,577	392,806	445,779	749,776	774,114	715,579	723,799
Repurchase agreements	-	-	-	-	-	-	-	-
Securities to be received	115,140	140,995	152,769	152,760	180,824	179,831	201,378	206,570
(Less) Securities to be delivered	(114,978)	(140,785)	(152,884)	(152,599)	(180,780)	(179,973)	(201,601)	(206,534)
REPURCHASE TRANSACTIONS-	162	210	(115)	161	44	(142)	(223)	36
Securities to be received	63,211	99,598	110,784	97,559	119,384	131,436	138,075	141,290
(Less) securities to be delivered	(63,244)	(99,693)	(110,680)	(97,666)	(119,344)	(131,315)	(137,906)	(141,284)
REPURCHASE TRANSACTIONS- SOLD	(33)	(95)	104	(107)	39	120	169	7
TOTAL ON OWN ACCOUNT	510,801	526,692	392,794	445,833	749,859	774,092	715,526	723,842

2001 numbers do not include those of Bancrecer.

GRUPO FINANCIERO BANORTE CONSOLIDATED STATEMENT OF CASH FLOW
 JANUARY 1, 2002 –DECEMBER 31,2002
 (Millions of Pesos)

CASH FLOW FROM OPERATING ACTIVITIES :	
Net Income	2,015.9
Adjustments to Reconcile Net Income to Net Cash by Operating Activities	
Mark to Market Valuation Results	46.6
Provisions for loan losses	823.7
Depreciation and amortization	765.6
Deferred Taxes	7.2
Provisions for Obligations	707.5
Minoritary Interest	(177.1)
Undistributed Earnings of Subsidiaries	-
	2,173.5
Cash Flows From Investing Activities:	
Banks Deposits	63,509.9
Decrease (Increase) loan portfolio	(66,316.0)
Decrease (Increase) credit assets portfolio	840.7
Decrease (Increase) treasury operations	(5,180.9)
Decrease (Increase) financial instruments	823.9
Loans from banks and other entities	20,500.8
Decrease (Increase) Deferred taxes	(66.0)
Decrease (Increase) in accounts receivable and payable	(1,239.3)
Net Resources provided by operations	12,873.2
Financial Activities:	
Subordinated Debentures Issue and Interest	1,176.2
Dividends Declared	(509.3)
Issuance of stock	6.6
Net Resources provided by Investing activities	673.5
CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issuance of common stock	(2,044.5)
Decrease (Increase) Deferred charges or credits	(487.0)
Decrease (Increase) Foreclosed assets	215.4
Net Cash provided by financing activities	(2,316.1)
Decrease (increase) in cash and due from banks	15,420.0
Cash and due from banks at the beginning of the year	8,105.3
Cash and due from banks at the end of the year	23,525.3

GRUPO FINANCIERO BANORTE
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
JANUARY 1, 2002- DECEMBER 31, 2002-

(Millions of Pesos)

	CONTRIBUTED CAPITAL		
	Fixed Paid-in Capital	Paid-in Capital & Premium	oth. Securities
Balance as of December 31,2001	3,058.1	2,056.1	1,483.3
Stock Changes			
Issuance of stock	-	(0.6)	12.3
Profits Capitalization	-	-	-
Total	-	(0.6)	12.3
Total Income			
Total Income:			
Net Income	-	-	-
Results of assets holdings	-	-	-
Minority Interest	-	-	-
Total	-	-	-
Balance as of December 31,2002	3,058.1	2,055.4	1,495.6

	EARNED CAPITAL						Total Stockholder s' Equity
	Capital Reserve s	Retained earnings	Excess if Insuf. Capital Restatement	Non Monetary Assets Results (Investment)	Net Income of the year	Minorit ary Intere st	
Balance as of December 31,2001	980.3	8,490.6	(5,233.0)	(2,853.5)	1,587.9	839.4	10,409.1
Stock Changes							
Issuance of stock	(5.1)	-	-	-	-	-	6.6
Profits Capitalization	-	1,587.9	-	-	(1,587.9)	-	-
Provisions Created	78.0	(78.0)	-	-	-	-	-
Dividends Declared	-	(509.3)	-	-	-	-	(509.3)
Total	72.8	1,000.7	-	-	(1,587.9)	-	(502.7)
Total Income							
Total Income:							
Net Income	-	-	-	-	2,015.9	-	2,015.9
Results of assets holdings	-	-	-	92.6	-	-	92.6
Minority Interest	-	-	-	-	-	(24.0)	(24.0)
Total	-	-	-	92.6	2,015.9	(24.0)	2,084.5
Balance as of December 31,2002	1,053.2	9,491.2	5,233.0	2,760.9	2,015.9	815.4	11,990.9

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

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

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	8,999	4,795	4,821	4,373	22,988	5,658	5,485	5,867	6,267	23,278
Interest Expense	7,401	3,079	3,391	3,120	16,992	3,905	3,587	3,940	4,367	15,799
Loan Fees	69	72	94	106	340	123	212	159	171	664
Fees Paid	4	4	6	7	21	8	10	11	10	39
Net Interest Income (NII)	1,662	1,783	1,518	1,352	6,315	1,867	2,101	2,075	2,060	8,103
Repomo-Margin	14	19	28	40	101	36	49	(11)	41	115
NII after Repomo	1,677	1,801	1,546	1,392	6,416	1,904	2,149	2,064	2,101	8,218
Loan Loss Provisions	189	465	171	200	1,024	168	195	177	247	787
Loss Sharing Provisions	80	55	26	17	179	2	12	8	15	36
NII after Provisions	1,408	1,281	1,349	1,175	5,213	1,734	1,943	1,879	1,840	7,395
Fund transfers	13	14	16	19	63	42	51	48	45	187
Account management	78	84	81	63	306	159	172	162	148	641
Fiduciary	256	122	447	207	1,032	191	238	189	174	792
Income from Loan Portfolios Acquired	-	-	46	66	112	109	64	266	(43)	396
Electronic Banking Services	28	30	26	29	113	89	33	63	60	245
Credit Card	85	90	89	99	363	126	152	147	145	569
Fees from FOBAPROA	84	88	66	44	281	137	63	51	115	367
Other fees	48	47	48	115	258	122	124	150	127	522
Fees on services,	592	476	818	641	2,528	975	897	1,075	771	3,718
Fund transfers	-	-	-	-	-	-	-	-	-	-
Other fees	89	90	335	185	699	169	185	205	273	832
Expenses from Loan Portfolios Acquired	-	-	4	10	14	65	41	153	26	285
Fees paid,	89	90	339	195	713	234	226	358	299	1,116
Foreign exchange	58	47	49	51	205	67	107	70	83	328
Securities -Realized gains	34	89	(25)	(21)	78	247	(173)	(89)	37	22
Securities- Unrealized gains	122	(16)	(100)	41	47	(7)	(46)	(10)	16	(47)
Market-related Income	214	119	(75)	71	329	307	(112)	(28)	136	303
Total Non Interest Income	717	505	404	517	2,144	1,049	559	689	609	2,905
Total Operating Income	2,125	1,786	1,753	1,692	7,356	2,782	2,501	2,568	2,449	10,300
Personnel	731	695	723	654	2,802	1,000	954	899	916	3,769
Professional Fees	89	76	89	94	348	87	103	110	101	400
Operation & Administrative expenses	373	455	437	502	1,767	582	558	539	576	2,254
Rents, depreciation and amortization	177	168	199	184	728	295	334	276	270	1,176
Taxes, other than income tax	110	110	107	204	531	124	138	151	185	598
Contributions to IPAB	99	91	93	95	377	158	165	159	170	653
Corporate expenses Recoveries	-	-	-	-	-	-	-	-	-	-
Non-Interest Expense	1,578	1,593	1,648	1,734	6,553	2,245	2,252	2,134	2,218	8,849
Operating Income	547	193	105	(42)	803	537	249	434	231	1,451
Other Revenues	99	143	123	205	570	78	184	79	171	512
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Recoveries	105	176	84	150	516	55	67	132	90	344
Repomo-other revenues	(18)	66	44	(62)	29	1	1	1	11	14
Non Operating Income	186	385	251	293	1,115	133	252	213	271	870
Other Expense	(117)	(197)	(5)	34	(285)	(248)	41	(143)	(129)	(479)
Foreign exchange	-	-	-	-	-	(2)	(5)	-	-	(7)
Repomo-other Expenses	(4)	(8)	(15)	(29)	(56)	(43)	(71)	(79)	(139)	(333)
Non Operating Expense	(122)	(205)	(19)	5	(341)	(293)	(34)	(223)	(268)	(819)
Non Operating Income (Expense), net	65	180	232	298	775	(160)	218	(10)	3	51
Pre-tax Income	612	373	337	256	1,578	378	467	424	234	1,502
Income Tax	-	-	31	(31)	-	-	-	-	-	-
Profit sharing	16	39	(34)	(20)	1	-	36	28	31	95
Tax on Assets	2	4	3	5	14	22	26	27	36	111
Deferred Inc. Tax and Profit sharing	71	50	1	79	201	81	17	23	(112)	10
Net Income before subsidiaries	523	279	337	223	1,362	275	387	346	278	1,286
Subsidiaries' net income	42	11	41	-	94	49	(11)	57	91	186
Net Income from continuous operations	564	290	377	223	1,455	323	376	403	369	1,471
Extraordinary items, net	-	-	-	-	-	-	411	2	(2)	411
Minority Interest	-	-	-	-	-	-	-	-	-	-
TOTAL NET INCOME	564	290	377	223	1,456	323	787	405	367	1,882

(*)Afore is included in the Subsidiaries' net income.
2001 numbers do not include those of Bancreer.

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

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	8,070	8,073	8,860	7,703	17,071	17,499	19,446	23,275
Negotiable Instruments	6,695	5,253	2,039	2,271	3,678	3,092	2,160	2,795
Securities held for sale	1,921	1,713	1,331	1,115	957	1,071	857	1,309
Securities held to maturity	1,375	1,430	1,481	3,207	4,027	4,149	6,458	7,693
Financial Instruments:	9,991	8,396	4,850	6,593	8,662	8,312	9,475	11,797
Repurchase agreements, net	140	164	75	147	109	100	163	37
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	5	53	-	16	26	-	-	9
Repos & Derivatives :	145	216	75	163	136	100	163	46
Commercial	19,697	17,582	18,367	21,649	22,677	23,842	27,409	32,226
Financial Intermediaries	1,880	1,333	629	622	628	1,270	1,524	7,857
Consumer	1,354	1,474	1,747	2,422	3,268	3,865	4,413	4,984
Mortgage	4,406	4,482	4,641	4,955	11,015	11,425	11,809	12,152
Government Entities	42,489	42,101	41,536	41,227	41,975	87,824	84,540	84,998
Fobaproa	13,028	12,329	12,543	10,403	57,625	9,516	10,045	6,129
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	82,854	79,302	79,463	81,279	137,189	137,742	139,741	148,345
Commercial	1,888	2,256	2,540	2,591	2,521	2,635	2,590	2,490
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	671	328	330	334	364	283	328	327
Mortgage	2,048	1,934	1,852	1,796	1,898	1,873	1,887	1,920
Government Entities	-	-	-	-	-	2	-	-
Past Due Loans	4,607	4,518	4,723	4,721	4,783	4,793	4,805	4,737
Total Loans	87,460	83,820	84,185	86,000	141,972	142,536	144,546	153,082
Preventive loan loss reserves	4,627	4,518	4,723	4,722	5,553	5,619	5,699	5,588
Net Loan Portfolio	82,833	79,302	79,463	81,278	136,420	136,917	138,847	147,494
Credit Assets Portfolio	-	-	2,544	2,696	2,494	2,343	2,096	1,855
Sundry debtors and other assets, net	1,651	1,967	1,114	1,172	1,659	1,508	1,606	2,234
Foreclosed assets, net	1,569	1,611	1,571	1,424	1,389	1,330	1,280	1,211
Real Estate, Furniture & Equipment, net	3,388	3,325	3,481	3,557	5,555	5,476	5,438	5,355
Investments in subsidiaries	1,036	1,003	1,052	1,021	1,083	1,082	1,137	980
Deferred taxes	829	864	931	938	784	755	767	936
Deferred charges & Intangibles	764	617	588	683	660	698	577	741
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
Other Assets	9,236	9,387	11,280	11,490	13,624	13,191	12,901	13,313
TOTAL ASSETS	110,276	105,373	104,529	107,228	175,913	176,019	180,831	195,925

2001 numbers do not include those of Bancrecer.

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

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	26,540	27,155	27,643	31,176	50,806	48,740	48,370	52,678
Time Deposits	48,310	51,415	46,943	47,403	82,148	73,120	82,320	89,340
Bonds	1,462	1,408	1,428	1,374	1,389	1,337	1,351	1,295
Deposits	76,312	79,978	76,014	79,954	134,343	123,197	132,042	143,313
Demand	4,576	8	21	2,653	1,494	12,013	627	13,467
Short term	8,740	3,270	6,296	3,094	12,689	13,578	22,074	11,951
Long term	10,290	10,090	9,889	8,926	12,789	12,453	10,635	10,366
Due to banks and correspondents	23,605	13,369	16,206	14,673	26,972	38,045	33,335	35,783
Repurchase agreements, net	20	58	93	98	35	126	220	29
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	18	2	32	10	-	85	525	817
Repos & Derivatives:	38	60	125	108	35	211	744	847
Income Tax & Profit Sharing	279	91	87	5	10	98	119	166
Other Payable accounts	1,923	1,994	1,973	2,144	3,791	3,114	3,092	2,726
Other payable accounts	2,202	2,084	2,061	2,149	3,801	3,211	3,211	2,892
Subordinated non Convertible Debenture	-	1,410	1,438	1,410	1,438	1,410	1,438	2,586
Deferred Taxes	-	-	-	-	-	-	-	-
Deferred credits	129	123	67	73	74	18	16	37
TOTAL LIABILITIES	102,287	97,024	95,912	98,366	166,662	166,092	170,787	185,457
STOCKHOLDER'S EQUITY								
Paid-in Capital	5,261	5,261	5,261	5,443	5,444	5,443	5,444	5,443
Share subscription premiums	599	599	599	946	946	946	946	946
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	5,860	5,860	5,860	6,389	6,389	6,389	6,390	6,389
Capital Reserves	2,370	2,449	2,449	2,449	2,449	2,449	2,449	2,449
Retained Earnings	2,347	2,268	2,268	1,812	3,268	2,661	2,263	2,263
Surplus (Deficit) from securities	(543)	(442)	(554)	(589)	(560)	(41)	58	166
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(2,275)	(2,277)	(2,278)	(2,282)	(2,285)	(2,286)	(2,285)	(2,282)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	11	11
Non Mon assets results Investm	(67)	(97)	(93)	(106)	(67)	(89)	(90)	(144)
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)
Net Income	564	855	1,232	1,456	323	1,110	1,516	1,882
Earned Capital	2,129	2,489	2,757	2,472	2,861	3,537	3,654	4,078
Minority Holdings	-	-	-	-	-	-	-	-
Total Stockholder's Equity	7,989	8,349	8,617	8,862	9,251	9,927	10,044	10,468
TOTAL LIABILITIES &	110,276	105,373	104,529	107,228	175,913	176,019	180,831	195,925

2001 numbers do not include those of Bancrecer.

MEMORANDUM ACCOUNTS OF BANKING SECTOR (Millions of Pesos)

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	3	3	3	3	15	-	-	-
Other contingent obligations	10,575	10,506	10,797	10,826	14,085	18,547	14,619	14,178
Irrevocable lines of credit	1,239	1,078	833	548	697	963	932	841
Assets held in trust and mandate	40,682	37,858	37,525	42,013	80,899	76,210	81,997	81,662
Assets held in custody or in administration	79,848	81,879	76,890	78,457	121,182	112,690	121,533	121,863
Investment banking transactions for third	88,078	104,559	63,413	108,963	112,275	145,123	153,983	73,532
Engaged amounts in fobaproa operations	4,168	4,318	4,471	4,989	54,386	53,612	5,761	5,750
Investment of retirement saving funds	2,421	2,442	2,424	2,432	2,442	2,455	2,424	1,550
Integration of loan portfolio	-	-	-	-	-	-	-	-
Received amounts in derivative instruments	2,826	2,558	2,804	3,468	4,202	3,174	2,597	4,773
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	94,052	119,026	129,748	125,789	154,878	153,927	177,233	178,650
(Less) payable for reversal	(93,912)	(118,862)	(129,841)	(125,642)	(154,842)	(154,053)	(177,453)	(178,627)
Receivables for reversal	42,737	77,674	87,742	70,616	93,982	105,511	113,923	113,379
(Less) securities to be delivered	(42,757)	(77,732)	(87,666)	(70,714)	(93,944)	(105,411)	(113,760)	(113,394)
Other control accounts	251,015	251,382	179,101	176,039	342,625	343,927	313,901	400,112
	480,976	496,688	378,243	427,788	732,882	756,675	697,690	704,267

2001 numbers do not include those of Bancrecer.

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

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	7,238	4,448	4,128	3,501	19,315	4,989	4,785	5,168	5,600	20,542
Interest Expense	5,634	2,928	2,669	2,309	13,540	3,253	2,953	3,295	3,778	13,279
Loan Fees	68	71	93	106	339	122	212	159	171	663
Fees Paid	4	4	6	7	21	8	10	11	10	39
Net Interest Income (NII)	1,668	1,587	1,546	1,291	6,092	1,850	2,034	2,020	1,982	7,887
Repomo-Margin	20	21	21	37	100	26	42	(12)	44	99
NII after Repomo	1,688	1,608	1,567	1,329	6,192	1,876	2,076	2,008	2,026	7,987
Loan Loss Provisions	156	457	175	181	969	155	188	176	229	748
Loss Sharing Provisions	80	55	26	17	179	2	12	8	15	36
NII after Provisions	1,452	1,096	1,366	1,130	5,044	1,720	1,876	1,824	1,783	7,203
Fund transfers	13	14	16	19	63	42	51	48	45	187
Account management	78	84	81	63	306	159	172	162	148	641
Fiduciary	20	20	17	16	73	54	36	38	30	158
Income from Loan Portfolios Acquired	-	-	-	-	-	-	-	-	-	-
Electronic Banking Services	28	30	26	29	113	89	33	63	60	245
Credit Card	85	90	89	99	363	126	152	147	145	569
Fees from FOBAPROA	79	85	64	39	266	134	62	45	112	353
Other fees	48	47	48	110	253	122	124	150	127	522
Fees on services,	351	371	340	374	1,437	726	629	652	667	2,674
Fund transfers	-	-	-	-	-	-	-	-	-	-
Other fees	78	77	78	83	315	111	106	111	113	440
Expenses from Loan Portfolios Acquired	-	-	-	-	-	-	-	-	-	-
Fees paid,	78	77	78	83	315	111	106	111	113	440
Foreign exchange	58	47	49	51	205	67	107	70	83	328
Securities -Realized gains	14	81	(2)	28	121	138	(11)	15	9	151
Securities- Unrealized gains	69	(47)	(24)	22	21	5	(34)	(7)	5	(31)
Market-related Income	142	80	23	101	347	211	61	78	97	447
Total Non Interest Income	415	375	286	393	1,469	826	585	620	651	2,682
Total Operating Income	1,867	1,471	1,652	1,523	6,513	2,546	2,462	2,444	2,433	9,885
Personnel	731	695	723	654	2,802	1,000	954	899	916	3,769
Professional Fees	75	68	81	87	312	79	97	103	93	372
Operation & Administrative expenses	370	453	430	494	1,746	579	566	543	582	2,270
Rents, depreciation and amortization	177	168	197	184	725	295	334	276	270	1,176
Taxes, other than income tax	101	106	102	200	509	119	134	148	181	582
Contributions to IPAB	97	89	96	87	369	155	162	157	169	643
Corporate expenses Recoveries	(33)	(11)	-	-	(44)	(16)	(27)	(22)	(23)	(88)
Non-Interest Expense	1,518	1,568	1,628	1,706	6,420	2,211	2,221	2,104	2,188	8,723
Operating Income	349	(96)	24	(183)	94	335	241	340	246	1,161
Other Revenues	43	72	51	142	308	54	155	56	150	415
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Recoveries	105	175	82	149	511	54	67	132	43	295
Repomo-other revenues	(18)	66	44	(62)	29	1	1	1	11	14
Non Operating Income	130	313	176	229	848	109	223	189	203	724
Other Expense	(117)	(121)	(80)	35	(283)	(170)	(36)	(136)	(122)	(465)
Foreign exchange	-	-	-	-	-	(2)	(5)	-	-	(7)
Repomo-other Expenses	-	-	-	-	-	(18)	(43)	(56)	(109)	(225)
Non Operating Expense	(117)	(121)	(80)	34	(284)	(190)	(83)	(193)	(232)	(697)
Non Operating Income (Expense), net	13	191	97	264	564	(81)	140	(4)	(28)	26
Pre-tax Income	362	95	121	81	658	254	380	336	218	1,188
Income tax	-	-	19	(19)	-	-	-	-	-	-
Profit sharing	16	39	(34)	(20)	1	-	36	28	31	95
Tax on Assets	2	4	3	5	14	22	26	27	36	111
Deferred Inc. Tax and Profit sharing	71	50	1	18	139	69	8	11	(108)	(20)
Net income before subsidiaries	272	2	132	97	504	163	310	271	258	1,001
Subsidiaries' net income	8	3	3	(17)	(3)	6	(26)	14	65	58
Net Income from continuous operations	281	5	135	80	501	168	283	285	323	1,059
Extraordinary items, net	-	-	-	-	-	-	411	2	(2)	411
Minority Interest	-	-	-	-	-	-	-	-	-	-
TOTAL NET INCOME	281	5	135	80	501	168	694	287	320	1,470

(*) Consolidate Subsidiaries.

2001 numbers do not include those of Bancrecer.

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

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	7,286	7,028	8,591	8,586	16,541	17,383	19,209	22,944
Negotiable Instruments	7,757	6,396	2,039	2,270	3,406	4,035	2,977	3,356
Securities held for sale	1,750	1,548	1,173	992	957	1,071	857	1,309
Securities held to maturity	1,070	1,117	1,163	2,888	3,706	3,827	6,134	7,379
Financial Instruments:	10,577	9,060	4,375	6,150	8,070	8,933	9,968	12,044
Repurchase agreements, net	96	75	34	79	55	66	117	37
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	5	53	-	16	26	-	-	9
Repos & Derivatives :	101	128	34	95	82	66	117	46
Commercial	19,365	17,254	18,357	21,316	22,408	23,535	27,106	31,904
Financial Intermediaries	1,880	1,333	1,039	1,504	735	1,270	1,524	7,857
Consumer	1,354	1,474	1,747	2,422	3,268	3,865	4,413	4,984
Mortgage	4,062	4,140	4,297	4,630	10,710	11,132	11,524	11,872
Government Entities	42,476	42,084	41,508	41,190	41,933	87,814	84,527	84,984
Fobaproa	13,125	12,459	12,697	10,665	57,894	9,803	10,408	6,527
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	82,261	78,745	79,646	81,727	136,949	137,419	139,502	148,129
Commercial	1,831	2,199	2,305	2,383	2,327	2,443	2,416	2,321
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	671	328	330	334	364	283	327	327
Mortgage	1,893	1,794	1,723	1,666	1,755	1,735	1,750	1,784
Government Entities	-	-	-	-	-	2	-	-
Past Due Loans	4,395	4,321	4,357	4,382	4,446	4,463	4,493	4,431
Total Loans	86,657	83,066	84,003	86,109	141,395	141,882	143,995	152,560
Preventive loan loss reserves	4,185	4,079	4,297	4,291	5,114	5,181	5,266	5,153
Net Loan Portfolio	82,472	78,987	79,705	81,818	136,281	136,702	138,729	147,407
Credit Assets Portfolio	-	-	-	-	-	-	-	-
Sundry debtors and other assets, net	819	1,048	1,026	1,088	1,581	1,410	1,555	2,177
Foreclosed assets, net	1,479	1,522	1,468	1,410	1,370	1,310	1,260	1,190
Real Estate, Furniture & Equipment, net	3,386	3,324	3,481	3,557	5,555	5,476	5,438	5,355
Investments in subsidiaries	447	412	419	408	430	419	434	449
Deferred taxes	829	864	931	1,015	873	853	878	1,002
Deferred charges & Intangibles	762	614	582	677	655	695	575	740
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
Other Assets	7,721	7,783	7,906	8,155	10,464	10,164	10,140	10,913
TOTAL ASSETS	108,158	102,986	100,612	104,804	171,437	173,247	178,163	193,353

2001 numbers do not include those of Bancrecer.

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

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	26,540	27,155	27,675	31,225	50,827	48,760	48,653	52,781
Time Deposits	48,310	51,415	46,943	47,403	80,823	73,120	82,320	89,340
Bonds	1,462	1,408	1,428	1,374	1,389	1,337	1,351	1,295
Deposits	76,312	79,978	76,046	80,003	133,039	123,217	132,325	143,416
Demand	4,576	84	21	2,653	972	12,013	637	13,467
Short term	8,740	3,270	5,066	3,094	12,688	13,578	22,074	11,950
Long term	9,950	9,780	9,539	8,608	12,496	12,135	10,318	10,061
Due to banks and correspondents	23,266	13,134	14,626	14,354	26,156	37,726	33,028	35,478
Repurchase agreements, net	10	53	21	55	35	41	88	15
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	18	2	32	10	-	85	525	817
Repos & Derivatives:	28	55	53	65	35	126	613	832
Income Tax & Profit Sharing	263	75	59	5	10	98	119	166
Other Payable accounts	1,906	1,894	1,947	2,129	3,698	3,082	2,855	2,684
Other payable accounts	2,169	1,969	2,007	2,134	3,708	3,180	2,973	2,850
Subordinated non Convertible Debenture	-	1,410	1,438	1,410	1,438	1,410	1,438	2,586
Deferred Taxes	-	-	-	-	-	-	-	-
Deferred credits	128	123	66	72	73	18	16	37
TOTAL LIABILITIES	101,904	96,669	94,237	98,038	164,449	165,676	170,393	185,198
STOCKHOLDER 'S EQUITY								
Paid-in Capital	4,223	4,223	4,223	4,406	4,406	4,406	4,406	4,406
Share subscription premiums	599	599	599	946	946	946	946	946
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	4,823	4,823	4,823	5,352	5,352	5,352	5,352	5,352
Capital Reserves	2,208	2,286	2,286	2,286	2,286	2,286	2,286	2,286
Retained Earnings	2,084	2,005	2,005	1,804	2,305	1,699	1,495	1,495
Surplus (Deficit) from securities	(517)	(431)	(513)	(565)	(546)	(28)	72	178
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	(2,284)	(2,285)	(2,286)	(2,282)	(2,290)	(2,294)	(2,292)	(2,282)
Non Mon assets results Fixed Assets	-	-	-	-	-	-	11	11
Non Mon assets results Investm	(73)	(101)	(95)	(64)	(20)	(39)	(38)	(89)
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	(267)	(267)	(267)	(267)	(267)	(267)	(267)	(267)
Net Income	281	286	421	501	168	862	1,149	1,470
Earned Capital	1,431	1,494	1,552	1,414	1,636	2,219	2,417	2,803
Minority Holdings	-	-	-	-	-	-	-	-
Total Stockholder 's Equity	6,254	6,317	6,375	6,766	6,988	7,571	7,770	8,155
	108,158	102,986	100,612	104,804	171,437	173,247	178,163	193,353

(*) Consolidate Subsidiaries.

2001 numbers do not include those of Bancrecer.

MEMORANDUM ACCOUNTS OF BANORTE

(Millions of Pesos)	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	3	3	3	3	-	-	-	-
Other contingent obligations	8,686	8,610	9,009	9,037	8,783	15,896	12,326	12,567
Irrevocable lines of credit	1,239	1,078	833	548	694	963	932	841
Assets held in trust and mandate	20,952	19,283	19,056	18,760	18,201	52,954	59,006	59,160
Assets held in custody or in	78,794	80,745	76,890	78,457	79,636	111,461	120,534	121,138
Investment banking transactions for	88,078	104,559	63,413	108,963	109,844	145,123	153,983	75,532
Engaged amounts in fobaproa operations	4,072	4,187	4,317	4,727	5,757	53,328	5,398	5,352
Investment of retirement saving funds	2,421	2,442	2,424	2,432	2,442	2,455	2,424	1,550
Integration of loan portfolio	-	-	-	-	-	-	-	-
Received amounts in derivative	2,826	2,558	2,804	3,468	4,202	3,174	2,597	4,773
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	49,011	47,527	52,398	47,422	48,025	63,171	74,221	71,685
(Less) payable for reversal	(48,915)	(47,452)	(52,419)	(47,343)	(47,988)	(63,212)	(74,309)	(71,648)
Receivables for reversal	22,468	48,138	50,272	46,304	46,674	63,227	74,326	71,670
(Less) securities to be delivered	(22,478)	(48,191)	(50,238)	(46,359)	(46,697)	(63,161)	(74,209)	(71,685)
Other control accounts	203,391	207,031	134,861	132,436	132,688	301,277	271,815	358,719
	410,548	430,518	313,624	358,855	362,260	686,658	629,044	637,654

2001 numbers do not include those of Bancrecer.

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

NET INTEREST INCOME	1Q01	2Q01	3Q01	4Q01	ACUM	1Q02	2Q02	3Q02	4Q02	ACUM
Interest Income	2,458	1,393	1,880	1,826	7,558	1,725	1,790	2,003	2,184	7,702
Interest Expense	2,453	1,185	1,899	1,754	7,292	1,700	1,717	1,941	2,102	7,460
Loan Fees	-	-	-	-	1	-	-	-	-	1
Fees Paid	-	-	-	-	-	-	-	-	-	-
Net Interest Income (NII)	6	208	(19)	72	267	25	73	62	83	244
Repomo-Margin	(6)	(5)	6	(10)	(15)	6	2	(3)	(18)	(12)
NII after Repomo	(1)	203	(13)	63	253	31	75	60	65	231
Loan Loss Provisions	33	8	(4)	19	56	14	7	1	18	40
Loss Sharing Provisions	-	-	-	-	-	-	-	-	-	-
NII after Provisions	(33)	195	(9)	44	197	18	68	59	47	192
Fund transfers	-	-	-	-	-	-	-	-	-	-
Account management	-	-	-	-	-	-	-	-	-	-
Fiduciary	236	102	430	191	959	137	202	151	144	634
Income from Loan Portfolios Acquired	-	-	46	66	112	109	64	266	(43)	396
Electronic Banking Services	-	-	-	-	-	-	-	-	-	-
Credit Card	-	-	-	-	-	-	-	-	-	-
Fees from FOBAPROA	5	3	2	5	15	3	1	6	3	14
Other fees	195	135	223	155	708	226	162	250	169	807
Fees on services,	436	239	701	417	1,794	476	429	673	274	1,851
Fund transfers	-	-	-	-	-	-	-	-	-	-
Other fees	19	18	265	107	409	65	84	102	165	416
Expenses from Loan Portfolios Acquired	-	-	4	10	14	65	41	153	26	285
Fees paid,	19	18	269	117	423	130	125	255	191	701
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Securities -Realized gains	20	8	(22)	(49)	(44)	109	(162)	(104)	28	(129)
Securities- Unrealized gains	52	31	(76)	19	26	(13)	(11)	(3)	11	(15)
Market-related Income	72	39	(99)	(30)	(17)	97	(174)	(107)	40	(144)
Total Non Interest Income	490	260	333	270	1,353	442	131	311	122	1,006
Total Operating Income	457	455	324	314	1,550	460	199	369	170	1,198
Personnel	2	3	2	1	7	1	1	1	4	8
Professional Fees	15	8	9	8	40	9	6	8	9	32
Operation & Administrative expenses	114	121	102	99	436	113	113	105	99	430
Rents, depreciation and amortization	21	18	19	33	91	27	27	27	41	122
Taxes, other than income tax	11	5	5	6	27	5	5	4	6	20
Contributions to IPAB	1	2	(3)	7	8	3	2	2	1	9
Corporate expenses Recoveries	-	-	-	-	-	-	-	-	-	-
Non-Interest Expense	163	158	134	155	609	158	155	148	160	622
Operating Income	293	298	191	159	941	302	43	221	9	575
Other Revenues	56	71	72	63	262	24	28	24	21	96
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Recoveries	-	1	3	1	5	1	1	1	47	50
Repomo-other revenues	-	-	-	-	-	-	-	-	-	-
Non Operating Income	56	72	75	64	267	25	29	24	68	146
Other Expense	-	(76)	75	-	(2)	(78)	77	(7)	(6)	(14)
Foreign exchange	-	-	-	-	-	-	-	-	-	-
Repomo-other Expenses	(4)	(8)	(15)	(29)	(55)	(25)	(28)	(24)	(30)	(108)
Non Operating Expense	(4)	(84)	60	(29)	(57)	(104)	49	(30)	(37)	(122)
Non Operating Income (Expense), net	52	(12)	135	35	210	(79)	78	(6)	31	24
Pre-tax Income	345	286	326	194	1,151	223	122	215	40	600
Income tax	-	-	12	68	80	26	16	53	(11)	84
Profit sharing	-	-	-	-	-	-	-	-	-	-
Tax on Assets	-	-	-	-	-	-	-	-	-	-
Deferred Inc. Tax and Profit sharing	42	19	39	(14)	85	12	9	13	(4)	30
Net income before subsidiaries	42	19	51	54	165	37	25	66	(15)	114
Subsidiaries' net income	13	22	4	19	57	12	9	10	15	47
Net Income from continuous operations	316	290	279	159	1,044	198	106	159	70	532
Extraordinary items, net	-	-	-	-	-	-	-	-	-	-
Minority Interest	33	5	36	15	90	43	13	41	23	120
TOTAL NET INCOME	284	285	243	143	954	155	93	118	46	412

(*) Consolidate Afore

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

ASSETS	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Cash and due from Banks	1,626	1,435	1,563	1,606	1,353	1,839	1,141	842
Negotiable Instruments	1	-	-	1	271	287	182	164
Securities held for sale	172	165	158	123	-	-	-	-
Securities held to maturity	304	313	317	319	321	322	324	314
Financial Instruments:	476	479	475	443	593	609	506	478
Repurchase agreements, net	44	88	41	68	54	34	46	-
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	-	-
Repos & Derivatives :	44	88	41	68	54	34	46	-
Commercial	332	328	9	333	270	307	304	321
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-
Mortgage	345	343	343	325	305	293	286	280
Government Entities	12	17	29	38	42	10	13	14
Fobaproa	-	-	-	-	-	-	-	-
Fiduciary collection rights	-	-	-	-	-	-	-	-
Performing Loans	689	688	381	696	617	610	603	615
Commercial	56	56	236	209	194	192	174	169
Financial Intermediaries	-	-	-	-	-	-	-	-
Consumer	-	-	-	-	-	-	-	-
Mortgage	155	140	129	130	-	-	137	136
Government Entities	-	-	-	-	143	138	-	-
Past Due Loans	211	197	366	339	337	330	312	305
Total Loans	900	884	747	1,035	954	940	914	920
Preventive loan loss reserves	442	439	426	431	439	438	433	435
Net Loan Portfolio	458	445	321	604	515	502	481	486
Credit Assets Portfolio	-	-	2,544	2,696	2,494	2,343	2,096	1,855
Sundry debtors and other assets, net	841	939	134	153	103	151	117	315
Foreclosed assets, net	90	89	103	14	19	20	19	21
Real Estate, Furniture & Equipment, net	28	28	32	51	56	57	58	111
Investments in subsidiaries	366	377	383	402	489	639	642	289
Deferred taxes	-	-	-	-	-	-	-	-
Deferred charges & Intangibles	644	629	618	534	504	482	457	413
UDIS Mortgage loans reserve coverage	-	-	-	-	-	-	-	-
Other Assets	1,969	2,062	3,814	3,851	3,665	3,692	3,389	3,004
TOTAL ASSETS	4,573	4,509	6,214	6,573	6,179	6,676	5,562	4,810

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

LIABILITIES	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Demand Deposits	97	130	154	262	269	287	363	398
Time Deposits	1,062	1,143	-	-	1,325	1,230	-	725
Bonds	-	-	-	-	-	-	-	-
Deposits	1,159	1,273	154	262	1,594	1,517	1,362	1,123
Demand	547	-	857	1,188	888	1,387	153	165
Short term	-	-	1,230	1,494	-	-	-	-
Long term	340	310	761	558	400	319	317	305
Due to banks and correspondents	887	310	2,847	3,240	1,289	1,706	470	470
Repurchase agreements, net	10	5	72	43	-	86	131	14
Operations with collateral	-	-	-	-	-	-	-	-
Futures receivable, net	-	-	-	-	-	-	-	-
Options and derivatives, net	-	-	-	-	-	-	-	-
Repos & Derivatives:	10	5	72	43	-	86	131	14
Income Tax & Profit Sharing	16	16	28	-	-	-	140	152
Other Payable accounts	37	125	51	107	161	154	281	64
Other payable accounts	53	141	79	107	161	154	420	215
Subordinated non Convertible Debenture	-	-	-	-	-	-	-	-
Deferred Taxes	163	180	217	248	258	234	241	175
Deferred credits	-	-	-	1	-	-	-	-
TOTAL LIABILITIES	2,272	1,909	3,370	3,900	3,302	3,696	2,625	1,999
STOCKHOLDER 'S EQUITY								
Paid-in Capital	1,037	1,037	1,037	1,037	1,037	1,037	1,038	1,037
Share subscription premiums	-	-	-	-	-	-	-	-
Subordinated Convertible Debentures	-	-	-	-	-	-	-	-
Subscribed Capital	1,037	1,037	1,037	1,037	1,037	1,037	1,038	1,037
Capital Reserves	162	162	162	162	162	162	162	162
Retained Earnings	263	263	263	8	963	963	768	768
Surplus (Deficit) from securities	(27)	(11)	(42)	(24)	(13)	(13)	(13)	(12)
Results of foreign operations exchange	-	-	-	-	-	-	-	-
Excess (Insuf.) in capital restatement	10	8	7	-	5	8	6	-
Non Mon assets results Fixed Assets	-	-	-	-	-	-	-	-
Non Mon assets results Investm	6	3	2	(42)	(47)	(49)	(52)	(55)
Adjustment in the employees pension	-	-	-	-	-	-	-	-
Accumulated Deferred tax effect	-	-	-	-	-	-	-	-
Net Income	284	569	811	954	155	248	366	412
Earned Capital	698	995	1,204	1,059	1,225	1,318	1,237	1,275
Minority Holdings	565	568	603	576	614	625	663	498
Total Stockholder 's Equity	2,301	2,600	2,844	2,672	2,877	2,980	2,937	2,811
	4,573	4,509	6,214	6,573	6,179	6,676	5,562	4,810

(*) Consolidate Afore

MEMORANDUM ACCOUNTS OF BANCEN

	1Q01	2Q01	3Q01	4Q01	1Q02	2Q02	3Q02	4Q02
Signature guarantees granted	-	-	-	-	-	-	-	-
Other contingent obligations	1,889	1,896	1,788	1,789	1,770	2,651	2,293	1,610
Irrevocable lines of credit	-	-	-	-	-	-	-	-
Assets held in trust and mandate	19,730	18,575	18,469	23,253	22,840	23,256	22,991	22,502
Assets held in custody or in	1,054	1,133	-	-	1,322	1,229	999	725
Investment banking transactions for	-	-	-	-	-	-	-	-
Engaged amounts in fobaproa operations	97	131	154	262	269	284	363	397
Investment of retirement saving funds	-	-	-	-	-	-	-	-
Integration of loan portfolio	-	-	-	-	-	-	-	-
Received amounts in derivative	-	-	-	-	-	-	-	-
Fobaproa trusts	-	-	-	-	-	-	-	-
Securities to be received	45,041	71,498	77,350	78,367	89,577	90,756	103,012	106,965
(Less) payable for reversal	(44,997)	(71,410)	(77,422)	(78,299)	(89,567)	(90,841)	(103,144)	(106,979)
Receivables for reversal	20,269	29,536	37,470	24,312	30,020	42,284	39,597	41,709
(Less) securities to be delivered	(20,279)	(29,541)	(37,429)	(24,354)	(29,976)	(42,250)	(39,551)	(41,709)
Other control accounts	47,623	44,351	44,239	43,603	43,208	42,650	42,086	41,393
	70,427	66,170	64,619	68,933	69,463	70,017	68,647	66,613

Annex 6. Notes to Banking Sector Financial Statements
Financial Instruments and Valuation Effects 4Q02

(Millions of Pesos)

BANORTE

NEGOTIABLE INSTRUMENTS	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government Securities	805	805	-
Banking Securities	1,938	1,950	12
Private	64	64	-
Commercial Paper	537	537	-
Total	3,344	3,356	12
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Mexican Government Securities (UMS)	693	724	31
Eurobonds	1,231	585	(646)
Total	1,924	1,309	(615)
SECURITIES HELD TO MATURITY			
Special Cetes	3,092	3,092	-
Trust Bonds	-	-	-
Fiduciary Rights	33	25	(8)
Bonds	273	273	-
Mexican Government Securities (UMS)	3,725	3,725	-
Others	157	157	-
US Clearing Master Trust	108	108	-
Total	7,701	7,379	(322)
TOTAL	12,969	12,044	(924)

BANCEN

NEGOTIABLE INSTRUMENTS	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
Government Securities	15	15	-
Banking Securities	-	-	-
Private	163	150	(13)
Commercial Paper	-	-	-
Total	178	164	(13)
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Mexican Government Securities (UMS)	-	-	-
Eurobonds	-	-	-
Total	-	-	-
SECURITIES HELD TO MATURITY			
Special Cetes	314	314	-
Trust Bonds	-	-	-
Fiduciary Rights	-	-	-
Bonds	-	-	-
Mexican Government Securities (UMS)	-	-	-
US Clearing Master Trust	-	-	-
Total	-	-	-
TOTAL	314	314	-
	492	478	(14)

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

BANKING SECTOR

	BOOK VALUE	MARKET VALUE	UNREALIZED GAIN (LOSS)
NEGOTIABLE INSTRUMENTS			
Government Securities	819	819	-
Banking Securities	1,938	1,224	(714)
Private	227	214	(13)
Commercial Paper	537	537	-
Total	3,522	2,795	(727)
SECURITIES HELD FOR SALE			
Government Securities	-	-	-
Mexican Government Securities (UMS)	693	724	31
Eurobonds	1,231	585	(646)
Total	1,924	1,309	(615)
SECURITIES HELD TO MATURITY			
Special Cetes	3,406	3,406	-
Trust Bonds	-	-	-
Fiduciary Rights	33	25	(8)
Bonds	273	273	-
Mexican Government Securities (UMS)	3,725	3,725	-
Others	157	157	-
US Clearing Master Trust	108	108	-
Total	7,701	7,693	(8)
TOTAL	13,147	11,797	(1,350)

Repurchase Agreement Operations 4Q02*(Millions of Pesos)***BANORTE**

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	63,603	37
Banking Securities	8,081	-
Total	71,685	37
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	63,604	16
Banking Securities	8,081	(1)
Total	71,685	15

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

BANCEN

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	88,523	5
Banking Securities	18,443	(19)
Total	106,965	(14)
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	41,640	1
Banking Securities	69	-
Total	41,709	1

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

BANKING SECTOR

REPURCHASE AGREEMENT DEBTORS	MARKET VALUE (1)	ASSET BALANCE
Government Securities	152,126	42
Banking Securities	26,524	(19)
Total	178,650	23
REPURCHASE AGREEMENT CREDITORS	MARKET VALUE (2)	LIABILITY BALANCE
Government Securities	105,244	17
Banking Securities	8,150	(1)
Total	113,394	16

1) RECEIVABLES ON REPURCHASE AGREEMENT

2) PAYABLES ON REPURCHASE AGREEMENT

Derivate Financial Instruments 4Q02

(Millions of Pesos)

BANORTE

NEGOTIABLE INSTRUMENTS	BUY	SELL	NET
FOREIGN CURRENCY FUTURES			
Market Value	-	-	-
Agreed Price	-	-	-
Total	-	-	-
FOREIGN CURRENCY FORWARDS			
Market Value	372	(29)	343
Agreed Price	(362)	29	(334)
Total	10	(1)	9
DEBTOR BALANCE NOTE			9

COVERAGE INSTRUMENTS	FLOW PAYABLE	FLOW RECEIVABLE	NET FLOWS
SWAPS			
Cross Currency	(5,460)	4,922	(538)
Interest Rate	(291)	12	(279)
Total	(5,751)	4,934	(817)
FOREIGN CURRENCY OPTIONS	OPENING PREMIUM	VALUED PREMIUM	VALUATION
Foreign Currency Options	(1)	-	(1)
Total	(1)	-	(1)
BALANCE NOTE			(817)

Non-governmental Financial Instruments above by 5% of Net Capital 4Q02

(Millions of Pesos)

BANORTE

INDUSTRY	INVESTMENT INSTRUMENT	AMOUNT	% NET CAPITAL
BANCEN	Term Deposits	725	6.7%
FINASA	Term Deposits	724	6.7%

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

Loan Portfolio

(Million of Pesos)	LOCAL CURRENCY			FOREIGN CURRENCY			TOTAL		
	4Q01	3Q02	4Q02	4Q01	3Q02	4Q02	4Q01	3Q02	4Q02
Performing Loans									
Commercial	16,597	20,344	25,337	5,051	7,065	6,889	21,649	27,409	32,226
Financial Intermediaries	421	813	7,066	201	712	791	622	1,524	7,857
Consumer	2,421	4,405	4,977	1	8	7	2,422	4,413	4,984
Mortgages	4,955	11,809	12,152	-	-	-	4,955	11,809	12,152
Government Entities	41,217	84,096	84,232	10	445	765	41,227	84,540	84,998
Fobaproa	5,480	4,939	6,248	4,922	5,106	(119)	10,403	10,045	6,129
Total	71,092	126,406	140,012	10,186	13,336	8,333	81,279	139,741	148,345
Past Due Loans									
Commercial	1,453	1,353	1,181	1,138	1,238	1,309	2,591	2,590	2,490
Financial Intermediaries	-	-	-	-	-	-	-	-	-
Consumer	334	327	326	-	-	1	334	328	327
Mortgages	1,796	1,887	1,920	-	-	-	1,796	1,887	1,920
Government Entities	-	-	-	-	-	-	-	-	-
Total	3,583	3,567	3,427	1,138	1,238	1,310	4,721	4,805	4,737
Total Proprietary Loans	74,675	129,972	143,439	11,324	14,574	9,643	86,000	144,546	153,082
% Past Due Loans	4.8%	2.7%	2.4%	10.0%	8.5%	13.6%	5.5%	3.3%	3.1%

(*) Includes valued UDIS

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

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

Note: There is no scheme for Mortgage Earnings.

Cost and Balances of FINAPE, FOPIME, Mortgage UDIS and Mortgage FOVI loan portfolios as of 4Q02

(Millions of Pesos)	BANORTE		BANCEN		TOTAL	
	PERIOD	BALANCE	PERIOD	BALANCE	PERIOD	BALANCE
	COST	LOAN	COST	LOAN	COST	LOAN
	PORTFOLIO		PORTFOLIO		PORTFOLIO	
FINAPE	0.9	5.3	-	3.2	0.9	8.4
FOPYME	2.0	9.4	-	0.1	2.1	9.6
Mortgage UDIS	11.4	103.9	-	27.6	11.4	131.5
Mortgage tipo FOVI	14.2	65.8	3.1	9.7	17.3	75.5
	28.6	184.4	3.1	40.6	31.7	225.0

The quarter ending with a balance of Ps 225.0 million pesos in debtors support programs with a cost of the period of Ps 31.7 million. The 99% of this portfolio are concentrated in Banorte.

Past Due Loans Variations as of 4Q02

Past Due Loans	
Balance as of September 30, 02	4,717
Performing loans to Past due loans transfers	104,284
Renewals	(34)
Cash Collections	(528)
Charge Offs	(69)
Foreclosures	(12)
Reclasification	(103,667)
Exchange Adjustment	46
Balance as of December 31, 02	4,737

Last quarter charged Ps 152 million in charge offs of moratorium interests that are acknowledged as Paid in Cash.

Troubled Portfolio 4Q02

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	3,805
Total Loans	153,082
Troubled Portfolio / Total Loans	2.5%

Fobaproa-IPAB

(Millions of Pesos)	REMAINING CONTINGENCIES	
	LOSS(1) SHARING	INCENTIVE(1) SCHEME
Gross Fobaproa notes balance	10,428	6,336
- Cash recoveries	2,824	1,787
- Repossessed assets	=	=
= Balance net of recoveries	7,604	4,549
Contingency before reserves	2,060	345
- Reserves	<u>2,060</u>	<u>345</u>
= Remaining contingencies	-	-

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

Banorte provisioned Ps 14.5million through the Income Statement during the quarter to keep 100% provisioned on the FOBAPROA-IPAB Loss Sharing program and Incentive Scheme. Cash recoveries in the Loss Sharing program represented 28% of Banorte's Gross FOBAPROA-IPAB notes balance.

Fobaproa - IPAB Notes Integration 4Q02

(Millions of Pesos)	BANORTE				BANCEN		BANPAIS		BANKING SECTOR
	LOSS SHARING	LOSS SHARING	WITHOUT RISK	INCENTIVE SCHEM	LOCAL CURRENCY	LOCAL CURRENCY	DOLLARS	TOTAL	
	LOCAL CURRENCY	DOLLARS							
Gross Balance	10,428	127	1,324	(1)	-	-	35	11,914	
- Checking account balance	2,543	282	157	(1)	397	-	-	3,379	
- Reserves	2,060	-	-	345	-	-	-	2,405	
= Net Balance	5,825	(155)	1,167	(345)	(397)	-	35	6,129	
Interest Rate	CETES 91-1.35	LIBOR +5	CETES 91	N.A.	N.A.	N.A.	CPT DOL+2		
Maturity	2005	2006	2006	2005/2006	N.A.	N.A.	2007		
Remaining Contingencies	-0-	-0-	No existe	-0-	No existe	No existe	No existe		

- 1) Ps 6,236 y Ps 1,787 , Gross Balance and Checking account balance of Incentive Scheme are included in Loss Sharing.
 - 2) Is included in Government Entities, has a rate of TIIE 28+0.86 and it's maturity is in 2010.
 - 3) Interest rate of TIIE 28 days +0.40 and maturity in 2009, with a single capital payment at maturity.
- N.A.- Not Applicable

ORIGIN OF THE NOTES

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

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

SIGNIFICANCE IN BANORTE BALANCE

	1997	1998	1999	2000	2001	4Q02
% Total Loans	70.9%	64.6%	63.5%	58.7%	55.5%	55.7%
% Total Assets	60.6%	53.5%	43.7%	46.7%	44.5%	43.5%

Deferred Taxes 4Q02

<i>(Millions of Pesos)</i>			
ASSETS	ISR	PTU	NET
Allowance for loan losses (not deducted)	-	-	-
Tax loss carryforwards	318	-	318
Deficit from retirement obligations	204	58	262
Reserves for BN+BCR integration expenses	47	13	60
Obligations FOBAPROA, Net	721	-	721
Others	=	=	=
Total Assets	1,289	72	1,360
LIABILITIES			
Accrued interest and inflationary component of Fixed Assets, Foreclosed, Intangible & Others	(380)	(44)	(424)
Total liabilities	(380)	(44)	(424)
Assets (Liabilities) Accumulated Net	909	27	936

Long term debt as of 4Q02

TYPE OF DEBT	CURRENCY	DATE OF ISSUE	AMOUNT (Millions Ps o Dls)	ORIGINAL AMOUNT (Millions Ps, Dls o UDIS)	TERM	INTEREST RATE	MATURITY	INTEREST PAYMENT
BANORTE								
Bank Bonds - Banorte 1-00	Ps	23-Mar-00	1,000	1,000	3 years	15.59%	1- May-03	E/189 days
Bank Bonds - Banorte 2-00	Ps	27-Jul-00	250	250	3 years	16.00%	4-Sep-03	E/189 days
CD's - Banorte U01001	UDIs	11-Ene-01	90	90	10 years	8.13%	30-Dic-10	E/182 days
CD's - Banorte U01002	Ps	29-May-01	20	20	3 years	TIIIE-0.25%	25-May-04	E/28 days
Non Convertible Subordinate Bonds - Qbanorte 01U	UDIs	21-Jun-01	436	436	8 years	8.00%	21-Jun-09	E/182 days
CD's - Banorte M7001	Ps	30-Sep-97	16	16	7 years	17.65%	21-Sep-04	E/182 days
Non Convertible Subordinate Bonds - QBanorte 02D	Ps	28-Nov-02	1,136	1,136	10 years	8.00%	28-Nov-12	E/182 days
CD's 1999-2A	Dls	15-Jul-99	32.9	75	5 years	8.94%	15-Jul-04	Monthly
CD's Serie 1999-2B	Dls	15-Jul-99	19.0	25	7 years	9.49%	15-Jul-06	Monthly

BANCEN. does not present balance as of December 31, 2002.

Bank and Other entities loans as of 4Q02

(Millions of Pesos)	LOCAL CURRENCY	INTERE ST RATE	TERM (DAYS)	FOREIGN CURRENCY	INTEREST RATE	TERM (DAYS)	TOTAL
LOANS FROM LOCAL BANKS	-	-	-	774.4	L+6	589	774.4
LOANS FROM FOREIGN BANK CONCERTED FROM THE COUNTRY	-	-	-	-	-	-	-
LOANS FROM FOREIGN BANK CONCERTED FROM CAYMAN	-	-	-	41.6	2.34	58	41.6
SECURITIZATION	-	-	-	542.7	9.14	623	542.7
LOANS FROM DEVELOPING BANKS	405.6	14.41	757	922.0	3.92	940	1,327.6
LOANS FROM PUBLIC FUNDS	4,370.0	6.21	744	169.1	3.71	686	4,539.1
LOANS FROM BANKS	23,666.9	7.82	4	-	-	-	23,666.9
CALL MONEY	46.0	8.25	2	-	-	-	46.0
LOANS FROM FIDUCIARY FUNDS	4,774.6	N.D.	N.D.	-	-	-	4,774.6
PROVISIONS FOR INTEREST	70.1	N.A.	N.A.	-	-	-	70.1
	33,333.2			2,449.8			35,782.9

Trading Income 4Q02

(Millones de Pesos)

VALUATION EFFECTS	NET
Negotiable Instruments	(49.7)
Repurchase	(13.8)
Futures	-
Foreign Currency Forwards	18.9
Options	(0.4)
Inflation Adjustment	(1.7)
Total	(46.6)
RESULTS FROM BUYING AND SELLING	
Negotiable Instruments	12.2
Securities Held for Sell	4.2
Inflation Adjustment	-
Total of Buying and Selling Instruments	16.5
FX Spot	320.5
FX Forwards	(2.5)
FX Futures	-
FX Futures TIIE	-
Forwards	0.9
Total of Foreign Exchange	318.9
Inflation Adjustment	14.2
Total of Buying and Selling	349.6
TOTAL TRADING INCOME	303.0

Banco Mercantil del Norte, S.A.**AD1.- CAPITALIZATION RATIO**

Breakdown of capitalization ratio for credit risk assets as well as assets subject to credit and market risk.

Net Capital to Credit Risk Assets: 16.11

Net Capital to Assets subject to Credit and Market Risk: 14.21

AD2.- CAPITAL INTEGRATION

The net capital, divided by the basic and supplementary capital, as well as a brief integration of both broken down with the most important elements that make them up. The following should be incorporated as the minimum concepts relative to capital integration:

Net Capital: 10,743.2

Tier 1 Capital	8,514.8	Tier 2 Capital	2,228.4
Stockholders Equity	8,154.4	Capitalization Instruments	1,463.8
Subordinated debt and Capitalization Instruments	1,110.6	(+) General Preventive Reserves	764.6
Deferred for Tier 1	1,017.6		
(-) Investment in Subordinated debt	-		
(-) Investment in Financial Institutions	68.6		
(-) Investment in Non-Financial Institutions	71.5		
(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	-		
(-) Excess on deferred taxes	1,017.6		
(-) Restructuring Charges and others intangibles	610.2		
(-) Others Assets	-		

AD3.- RISK ASSETS

Amount of weighted assets with market risk and credit risk.

Market risk weighted assets: 8,948.6	Weighted Assets	Required Capital
Peso Nominal interest rate operations	6,175.3	494.0
Peso or UDI real interest rate operations	837.9	67.0
Interest rate operations in foreign currency with nominal rate	1,253.2	100.3
Position in UDIS or with a return indexed to inflation	39.1	3.1
Positions in foreign currency or indexed to the FX rate	643.1	51.4
Positions in share or index to the price of securities	-	-

Credit Risk-Weighted Assets: 66,667.2	Weighted Assets	Required Capital
Group 1 (risk weight 0%)	-	-
Others (risk weight 2.5%)	-	-
Others (risk weight 10%)	641.4	51.3
Group 2 (risk weight 120%)	1,596.8	127.8
Others (risk weight 50%)	1,092.4	87.4
Others (risk weight 75%)	-	-
Group 3 (risk weight 100%)	59,175.5	4,734.0
Others (risk weight 112%)	-	-
Others (risk weight 115%)	3,630.8	290.5
Others (risk weight 150%)	-	-
Others	530.3	42.4

Banco del Centro, S.A.**AD1.- CAPITALIZATION RATIO**

Breakdown of capitalization ratio for credit risk assets as well as assets subject to credit and market risk.

Net Capital to Credit Risk Assets: 26.01

Net Capital to Assets subject to Credit and Market Risk: 19.61

AD2.- CAPITAL INTEGRATION

The net capital, divided by the basic and supplementary capital, as well as a brief integration of both broken down with the most important elements that make them up. The following should be incorporated as the minimum concepts relative to capital integration:

Net Capital: 1,790.4

Tier 1 Capital	1,781.9	Tier 2 Capital	8.5
Stockholders Equity	2,312.9	Capitalization Instruments	-
Subordinated debt and Capitalization Instruments	-	(+)General Preventive Reserves	8.5
Deferred for Tier 1	-		
(-) Investment in Subordinated debt	-		
(-) Investment in Financial Institutions	531.0		
(-) Investment in Non-Financial Institutions	-		
(-) Financing granted for the acquisition of shares of the bank or other Group subsidiaries	-		
(-) Excess on deferred taxes	-		
(-) Restructuring Charges and others intangibles	-		
(-) Others Assets	-		

AD3.- RISK ASSETS

Amount of weighted assets with market risk and credit risk.

Market risk Weighted Assets: 8,948.6	Weighted Assets	Required Capital
Peso Nominal interest rate operations	1,765.3	141.2
Peso or UDI real interest rate operations	-	-
Interest rate operations in foreign currency with nominal rate	10.7	0.9
Position in UDIS or with a return indexed to inflation	-	-
Positions in foreign currency or indexed to the FX rate	-	-
Positions in share or index to the price of securities	470.8	37.7

Credit Risk-Weighted Assets: 6,884.4	Weighted Assets	Required Capital
Group 1 (risk weight 0%)	-	-
Others (risk weight 2.5%)	-	-
Others (risk weight 10%)	49.7	4.0
Group 2 (risk weight 20%)	3,696.5	295.7
Others (risk weight 50%)	-	-
Others (risk weight 75%)	-	-
Group 3 (risk weight 100%)	3,066.5	245.3
Others (risk weight 112%)	-	-
Others (risk weight 115%)	-	-
Others (risk weight 150%)	-	-
Others	71.7	5.7

Risk Management

Market Risk

The methodology used to calculate market risk is the Value at Risk by historical simulation, which is With a 500—historical-scenario database with variables the affect loan assessment, the VaR is calculated from the median and the standard deviation in the last 500 historical assessments of Grupo Financiero Banorte's current portfolios.

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

The average Value at Risk (VaR)for the October-December quarter of 2002 of the Group's financial instruments portfolio (Banking and Brokerage Sectors) including bonds, stocks, money market transactions, swaPs, forwards, futures and other derived in and outside the balance is 204 million.

The interpretation as to the meaning of the VaR is the potential loss that could be created by adverse movements of the risk factors that affect the portfolio, with a reliability level of 99%, in the assumption that the 500 historical scenarios used in the assessment would repeat in the future, assuming a period of 10 days to break up such a portfolio.

The VaR for other periods are as follows:

Value at Risk
(Millions of pesos)

	4T01	1T02	2T02	3T02	4T02
VaR 10 days	237	235	135	143	204

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

(Millions of Pesos)

	VaR 10 days
Banorte	173
Bancen	117
Banking Sector	204
Brokerage House	2
GFNorte	204

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

Additionally, the Value at Risk per risk factor of the instruments portfolio described for Grupo Financiero Banorte as a whole, was as follows for the third quarter of 2002:

(Millios of pesos)

RISK FACTOR	Total
Domestic interest rate	105
Foreign interest rate	94
Exchange rate	55
Stock Exchange	20
Eurobonds Price	172

The VaR for each of the risk factors presented is determined by simulating 500 historical scenarios of the variables that make

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

up each one of said factors, while keeping the variables that affect the rest of the indicated risk factors constant.

Loan Risk

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

The objectives of loan risk management at GFNorte are:

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

Individual Loan Risk

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

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

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

Portfolio Loan Risk

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

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

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

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

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

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

Information by Segments

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

Proforma Consolidated Data-3Q02

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

1) Includes a 96.11% participation of the Group.

2) Includes Market Risks.Using 2003 rules.

3) Excludes the AFORE.

Inter-bank Eliminations Summary

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

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

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

Reconciliation per Segments Table

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

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

Financial Statements basis for presentation.

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

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

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

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

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