

Precision

Organization      Steadfastness

**EXCELLENCE**

Integration      Soundness

Foresight



## INDEX

## 2002 ANNUAL REPORT

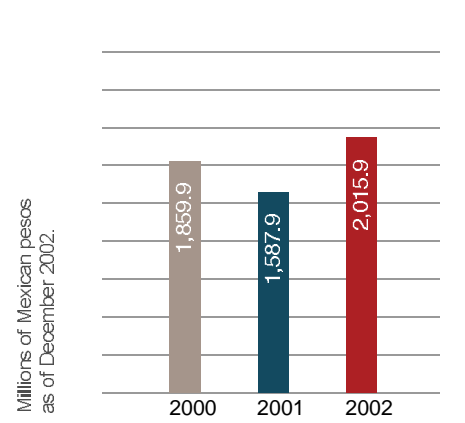
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GFNORTE PROFIT SHARE

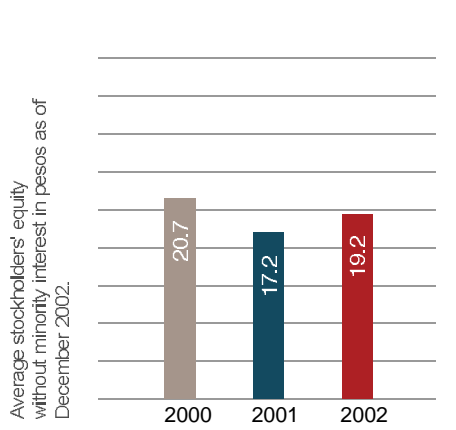
	2002 NET INCOME	GFNORTE OWNERSHIP IN SUBSIDIARIES
<b>BANKING SECTOR</b>	\$1,700.3	
Banorte	\$1,412.7	96.11%
Bancentro	\$287.6	99.99%
<b>BROKERAGE HOUSE</b>	\$80.1	99.99%
<b>LONG TERM SAVINGS</b>	\$165.2	
Afore <sup>(1)</sup>	\$124.8	51.00%
Insurance	\$40.4	51.00%
Annuities	-	51.00%
<b>AUXILIARY ORGANIZATIONS</b>	\$81.9	
Factoring	\$29.2	99.99%
Leasing	\$30.8	99.99%
Warehousing	\$14.1	99.99%
Bonding	\$7.8	99.99%
<b>HOLDING</b>	(\$11.6)	
<b>TOTAL</b>	<b>\$2,015.9</b>	

Majority share expressed in millions of Mexican pesos.  
 (1) Subsidiary of Banco del Centro.

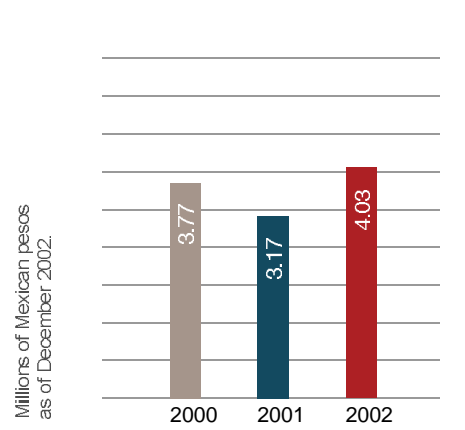
GFNORTE NET INCOME



GFNORTE ROE



NET INCOME PER SHARE



	2000	2001	2002
<b>GRUPO FINANCIERO BANORTE</b>			
Total Assets	114,334.7	111,290.1	199,520.7
Deposits	75,030.1	79,771.0	143,281.5
Loan Portfolio	88,799.8	88,373.8	154,730.6
Past Due Loan Ratio	5.2	5.4	3.1
Reserve Coverage	100.9	99.5	117.5
Stockholders' Equity <sup>(1)</sup>	8,320.0	9,569.6	11,175.9
Net Income			
(according to share)	1,859.9	1,587.9	2,015.9
ROE <sup>(2)</sup>	20.7	17.2	19.2
ROA <sup>(3)</sup>	1.4	1.4	1.1
Number of Shares			
(thousands)	493,174	500,122	499,926
Book Value			
per Share (pesos)	16.870	19.134	22.355
Net Income per			
Share (pesos)	3.771	3.175	4.032
Number of Branches <sup>(4)</sup>	452	459	1,069
Full-Time Employees	11,195	11,055	14,868
<b>BANKING SECTOR</b>			
<b>BANORTE <sup>(5)</sup></b>			
Total Assets	109,909.6	104,804.0	193,353.3
Stockholders' Equity	6,167.2	6,765.7	8,154.8
Net Income	802.0	501.1	1,469.8
<b>BANCENTRO</b>			
Total Assets	3,621.9	6,572.5	4,810.1
Stockholders' Equity	1,979.3	2,672.3	2,810.9
Net Income <sup>(6)</sup>	930.6	954.4	412.5
<b>BROKERAGE SECTOR</b>			
<b>BROKERAGE HOUSE</b>			
Total Assets	399.8	410.5	453.3
Stockholders' Equity	158.8	251.3	325.9
Net Income	30.0	33.1	80.1

	2000	2001	2002
<b>LONG TERM SAVINGS SECTOR</b>			
<b>AFORE</b>			
Total Assets	1,230.3	1,438.6	1,298.9
Stockholders' Equity	1,091.6	1,175.6	1,016.3
Net Income	155.2	182.8	244.7
<b>ANNUITIES</b>			
Total Assets	2,383.3	3,748.4	4,447.3
Stockholders' Equity	93.6	126.3	126.5
Net Income	(71.4)	(11.6)	-
<b>INSURANCE</b>			
Total Assets	1,387.4	1,548.5	1,986.9
Stockholders' Equity	131.1	144.9	226.7
Net Income	9.8	14.6	79.2
<b>AUXILIARY ORGANIZATIONS SECTOR</b>			
<b>LEASING</b>			
Total Assets	583.1	776.1	966.4
Stockholders' Equity	127.0	133.3	164.1
Net Income	25.6	27.6	30.8
<b>FACTORING</b>			
Total Assets	2,056.7	2,375.5	2,240.7
Stockholders' Equity	178.8	139.7	168.9
Net Income	47.0	29.1	29.2
<b>WAREHOUSING</b>			
Total Assets	242.1	230.3	372.4
Stockholders' Equity	55.6	63.1	59.1
Net Income	15.2	9.2	14.1
<b>BONDING</b>			
Total Assets	133.5	153.2	195.8
Stockholders' Equity	67.6	74.6	82.2
Net Income	6.9	7.3	7.8

Millions of pesos as of December 2002.

With UDI's and subsidiaries.

(1) Without minority interest.

(2) Average stockholders' equity without minority interest in pesos as of December 2002.

(3) Average total assets without minority interest in pesos as of December 2002.

(4) Including bank modules and remote teller windows, excluding agencies operating abroad.

(5) As of February 2000, Banorte merged Banpaís and in March 2002, Banorte also merged Bancrecer.

(6) Including Afore majority holdings.

Roberto González Barrera  
Chairman of the Board  
of Directors



## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

A sustained economic recovery had been expected in 2002, particularly in the United States. However, due to the increasingly complicated outlook resulting from economic and geopolitical situations that had a worldwide impact, expectations were lowered over the course of the year, which ended with a moderate growth.

Of the relevant events of 2002, among of the most salient were the financial and accounting scandals in some of the highest profile U.S. companies, the intensification of friction with Iraq, that made war probable, with the resulting rise in oil prices and instability in the financial markets. In addition, a new stage of tension commenced with North Korea. All of these situations had an impact in a loss of trust in U.S. companies and among U.S. consumers, which provoked fears of a drop in consumption and a postponement of investments that could set off a recession.

All these negative events led to an atmosphere of uncertainty worldwide and an aversion to risk in investors, that translated into volatile financial markets; the Dow Jones Index dropped 16.76% from December 2001 to December 2002, the U.S. dollar was devalued 18% with respect to the Euro over the same time span and the price of gold rose 25% over the course of the year.

The world economy remains characterized by volatility and uncertainty. To deal with this situation, the U.S. government proposed a package of tax incentives intended to complement the lax monetary policy in 2003 and achieve growth in 2004, a presidential election year. The risk lies in the possibility of increasing the public debt, which is a matter of some concern.

In Mexico, the expected 1.7% economic growth for 2002, reached only 0.9% of the GDP, as a result not only of external factors but also the delay in implementing indispensable structural reforms, that would affect negatively the nation's growth on the medium and long-terms and consequently the creation of jobs. Nevertheless, there is a continued stability in the financial markets and soundness in the macro economic foundations, thanks to the strict handling of fiscal and monetary policies, which underlines the importance of having a congruent and predictable economic policy.

The solution to this challenging international context is not in our hands, so that we continue to be vulnerable to external factors. The progress we are able to achieve depends on working with passion, prudence and excellence, as we did in 2002, which enabled us to attain GRUPO FINANCIERO BANORTE's excellent results.

The global situation has given us a comparative advantage with respect to the world banks that are experiencing this general atmosphere of uncertainty and volatility in many countries, while we will increasingly focus on learning more about the Mexican market, on solving the specific problems of our customers and on serving specific niches that have a great potential, such as micro, small and medium businesses, the countryside and agribusiness, tourism and the consumption market.

It should be noted that our results were achieved in a more competitive environment, an overall increase of consumption credits and a greater presence of leading world banks in the Mexican financial system, as exemplified in HSBC's acquisition of the majority share of Bital and Bank of America's purchase of nearly 25% of Santander-Serfin.

We can state with pride that **BANORTE** has completed the past 10 years of being a private institution as a Mexican group that is sound, profitable and offers national coverage, that has been meeting the objectives established from the first day the current administration took over. Its commitment is demonstrated by actions, such as re-initiating the policy of distributing dividends to shareholders, which will continue in coming years, while always taking care to ensure the strength of the institution; **BANORTE's** capital stock was also increased through the placement of over \$1.1 billion pesos of non-preferential subordinated obligations among the clientele of Grupo Financiero.

In its endeavor to continually enhance its levels of quality control and operational quality, **GRUPO FINANCIERO BANORTE** continued implementing actions intended to strengthen its corporate management, through the reviews carried out by the risks committees and the auditing of functions, scopes and memberships, in addition to fulfilling the requirements established by our legislative authorities.

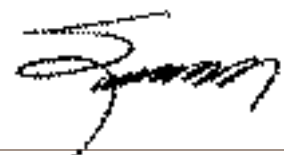
To this end, alliances were entered into with institutions for the transfer of resources from the Hispanic market in the U.S. to Mexico, in addition to alliances such as that with the Banco Popular Español, to offer complementary products and services for **BANORTE's** customers in Spain and Banco Popular Español's customers in Mexico.

In our prior report, we stated that the acquisition of Bancrecer would be a success story in the Mexican financial system. Events have proven us right and that the purchase was made at precisely the right time. As a result, Grupo Financiero's capacity in operations and in generating income was strengthened, coverage reached 1,000 branches and 2,500 ATMs nationwide, the use of state of the art technology was expanded and enhanced in access channels, such as the Internet and the Call Center "Banortel" and very significant progress was achieved in the integration process, with the unification of organizational, accounting and legal aspects and in the commercial area with respect to its image and the supply of products and services, all within the guidelines of achieving these goals profitably and with a controlled risk. In 2003, we will proceed with the technological and operative transformation to complete the integration process.

The acquisition of Bancrecer also allowed us to negotiate a \$45 million dollar payment made by Generali to use of this network for the marketing of afores, insurance and pensions.

Based on its actions and effective communications strategy, **BANORTE's** image is clearly one of soundness, strength and a strong Mexican identity, in addition to its having instilled a sense of pride in our citizens. This obliges us to work at the highest rates of efficiency, keep close to our customers' needs and continue enhancing the excellence of our service. This commitment has led **BANORTE** to make ever greater efforts to promote the economic and social development of our nation. In 2002, significant resources were allocated to supporting the neediest population sectors in various states and giving impetus to actions in education and health in particular.

Because of our national origin, nature and vocation, **BANORTE** is a sound Mexican group that believes in Mexico and in Mexicans, that has the capacity to respond effectively to our millions of customers and, above all, it is an institution with a great team of personnel at all levels, that has shareholders, members of the board and top management with extensive experience, forged in difficult situations and that have a creative and optimistic outlook for the future we are building. To all, I would like to express my thanks, with the assurance that, with their support, we will know how to deal with the difficulties that come up in 2003, to continue meeting our commitments, as we've done so far, with all those who have put their trust in us.



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Roberto González Barrera

Chairman of the Board of Directors

**Othón Ruiz Montemayor**  
Vice Chairman of the Board  
of Directors and  
Chief Executive Officer



## MESSAGE FROM THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The year 2002 was a decisive one for GRUPO FINANCIERO BANORTE with respect to its consolidation stage, in which one of the uppermost projects was clearly the Banorte-Bancrecer integration, that made very significant progress with the conclusion of the incorporation of Bancrecer's branches network, that allows us to continue offering the same products and services in every branch under a single BANORTE exterior image, thus enhancing the presence and prestige of our franchise in the market.

At the same time that the process of integrating Bancrecer was underway, GRUPO FINANCIERO BANORTE achieved unprecedented profit levels, a substantial increase in its business customers and made evident strides in containing expenses.

GRUPO FINANCIERO BANORTE generated a net income of \$2,016 million pesos for the year, 27% higher than the preceding year. This level of profits was reflected in a 19.2% return on capital that allows BANORTE to be positioned as one of the most profitable Mexican financial groups in the nation.

Our Banking Sector contributed \$1.7 billion pesos to the Group's total profits. This profit level includes the results of the Bancrecer branches network and the extraordinary income of \$410.8 million pesos from Assicurazioni Generali.

The Banking Sector's non financial expenses dropped 13% as a result of the expense reduction strategy, that included the incorporation of Bancrecer, taking Bancrecer's expenses of December 2001 as the basis for the entire year, plus BANORTE's annual expenses. Furthermore, to continue enhancing BANORTE's efficiency, an expense reduction program was put into action in September 2002 that will continue operating over the next few years.

The overall deposits made in the Banking Sector at year end were for \$214,532 million pesos, 66% higher than the prior year. This growth was stimulated by the incorporation of Bancrecer and the effort made by the commercial areas.

The total loan portfolio of the Banking Sector is \$153,082 million pesos. The intensive promotion aimed at increasing the placement of credits in the commercial, consumption and corporate sectors, as well as the utilization of the 1,069 branches for distributing credit products and services, has resulted in the total net loan portfolio of Fobaproa promissory notes and IPAB notes having grown 77% in the year, to reach \$67,783 million pesos. The other loan areas that also recorded significant annual growth rates are housing and consumption at 204%, corporate loans at 53% and commercial loans in Traditional Banking at 49%.

With respect to the quality of assets, the Banking Sector ended the year with an outstanding loan portfolio of \$4,737 million pesos and a past due loan ratio of 3.1% of the total loan portfolio. The reserve coverage for past due loans were at 118% as of the 2002 year end closing.

Recovery Banking generated a net income of \$530 million pesos for the year, equivalent to 36% of the Banking Sector's net income. It administers total assets of \$60,054 million pesos, only \$7,557 million pesos of which represent a credit risk for GRUPO FINANCIERO BANORTE, while the remainder is comprised of risks assumed by third parties.

In the fourth quarter, two credit portfolio packages were purchased from IPAB for \$708 million pesos, which included housing, commercial and consumption credits and will be administered by Recovery Banking. The objective is to continue acquiring credit portfolios in order to go on generating profits in this segment, as part of the process of activating BANORTE's traditional banking business.

The Auxiliary Organizations Sector, Leasing, Factoring, Warehousing and Bonding achieved a total combined profit of \$81.9 million pesos for the year, an indication of customers' preference for the products and services offered by these companies.

The Brokerage Sector, represented by Casa de Bolsa Banorte (Brokerage House), recorded a profit of \$80.1 million pesos for the year. It has 9,338 customers and a portfolio of \$75,597 million pesos. Moreover, the firm holds a portfolio of over \$125 billion pesos in assets under management.

The Long Term Savings Sector, comprised of the Afore, Insurance and Annuities companies, generated \$323.9 million pesos in 2002, which consolidated its market share even further.

With respect to the integration of Bancrecer, very significant progress was achieved. In the first quarter, the legal and accounting merger of Bancrecer and BANORTE was carried out and the expense reduction process got underway, taking advantage of the synergies of both banks. The support and control areas were integrated and the business areas were consolidated into a single structure, achieving a reduction of 2,055 employees, equivalent to 30% of the personnel in the acquired institution. To conform an optimal network of branches, 121 offices were closed, so that 1,069 branches were operating by year end.

The annualized savings from the integration of Bancrecer were \$867 million pesos, exceeding the initial savings expectations of \$806 million pesos for 2003. The main savings were \$594 million pesos for the cutback in personnel and \$273 million pesos for the decrease in operating expenses, both the result of closing branches and of operating synergies.

The world environment for 2003 is characterized by the threat of war between the U.S. and Iraq and the economic and political instability in the major Latin American countries, in addition to the political situation in Mexico, in an electoral year with constitutional changes that seem difficult to put into effect.

In this context, although the most important part of the integration of Bancrecer has already been achieved, we now face the challenge of unifying the "back office" in the second half of 2003 and also increasing the volume of business throughout the branches network, continuing to promote the placement of loan portfolios, improve the mix of funds attracted, increase non financial income and control the level of expenses.

Therefore, it will be indispensable to continue relying on our customers' preference, with the unconditional support of our shareholders and the enthusiastic work of all of us who comprise BANORTE, which will enable it to maintain its market share as a consolidated, efficient and competitive Mexican Financial Group, achievements that will continue to distinguish BANORTE as "THE STRONG BANK OF MEXICO."



Othón Ruiz Montemayor

Vice Chairman of the Board of Directors and Chief Executive Officer



Direction

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Perseverance

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Organization

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RELEVANT EVENTS



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## THE TEN YEARS SINCE THE REPRIVATIZATION OF BANORTE

The reprivatization of the country's banks begun in 1990 was, without doubt, the first giant step on the path of modernizing the Mexican Financial System put into motion at that time by the government authorities.

When the offer was made, which turned out to be a winning proposition for the privatization process of Banco Mercantil del Norte, the group of businessmen headed by Roberto González Barrera was fully aware of the enormity of the challenge and the responsibility they were assuming with Mexican society as of 1992.

More than just its tenth anniversary, what was perhaps more a source of celebration were the achievements attained so far. This can be confirmed by merely citing the aims set for **BANORTE** that Roberto González Barrera, as Chairman of the Board, expressed at the first board of directors meeting held on July 23, 1992:

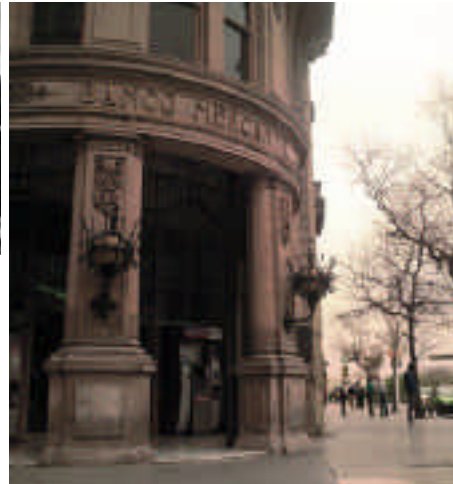
*"To consolidate it as a bank with nationwide coverage, capable of performing successfully in the major leagues of the Mexican Financial System, retaining its acknowledged soundness and profitability and expanding the supply and quality of services it offers."*

This viewpoint was translated into specific goals that became the guidelines for carrying out the tasks established for **BANORTE**, the attainment of which has been evident over the past decade.

Now, ten years later, the vigorous transformation of **GRUPO FINANCIERO BANORTE** has been exemplified by its fulfilling the commitment the institution had made, as shown in the following indicators:

- The number of branches has increased from 125 to 1,069 and the number of ATM's has risen from 32 to 2,504.
- Deposits have gone up from \$5.3 billion pesos to over \$214 billion pesos and the credit portfolio has grown from \$5,733 million pesos to \$153 billion pesos.
- The number of customers served by the Banking Sector rose from 164,000 to 4.6 million, without counting the 2.6 million Afore subscribers.
- New delivery media for customer products and services were developed in this period, such as the Call Center "Banortel" and the Internet.
- The number of **BANORTE's** full-time personnel increased from 3,150 to 14,868.

Therefore, it is a source of pride for customers, investors, shareholders and employees alike to be part of **BANORTE**, a Mexican enterprise that "Thinks Big," "Acts with Commitment" and is distinguished for being "The Strong Bank of Mexico."



## 10 YEARS OF BANORTE

"The Strong Bank of Mexico"

### DIVIDENDS POLICY

On October 14 of last year, a cash dividends payment was made at one peso per each GFNORTE share of stock, thus commencing the establishment of regular dividends distributions for the future, depending on whether the nation's economic situation allows it, as well as the level of the Group's profits and the capitalization required to handle the expected growth of loan portfolios.

### STRENGTHENING OF SHAREHOLDERS' EQUITY

As part of the strategy to strengthen capitalization and provide a solid foundation for growth in 2003, on November 28, 2002 subordinated, non convertible ordinary securities were issued by Banco Mercantil del Norte, with the following characteristics:

- \$1,136 million pesos were placed, mostly with customers of Banco Mercantil del Norte and Casa de Bolsa (Brokerage House).
- The benefit of this issue on the capital index of Banco Mercantil del Norte was 160 bp which permitted expanding the capacity of portfolio placement by \$14 billion pesos.
- The cost of the issue was 8% indexed to the dollar exchange rate, which was lower than that of the previous references for similar issues of capital, estimated between 9% and 9.5% at the date of issue.

The soundness of BANORTE and the outstanding performance of its executives in designing and launching this issue were clearly the key aspects for achieving the success of the same.

## PREMIUM PAYMENT FROM GENERALI

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GRUPO FINANCIERO BANORTE, in association with Assicurazioni Generali, started the Long Term Savings Sector in 1997. Both enterprises entered into a joint investment agreement that stipulates, among other matters, that each time BANORTE acquires a bank network, Generali would pay a sum agreed upon by both parties in order to use the new network and access its clientele for the sale of its products.

Both institutions agreed that Generali would pay BANORTE \$45 million dollars for the use of the new Bancrecer network, which payment was received on June 28, 2002.

This negotiation turned out to be highly positive for both parties, due to the potential in the insurance, afore and annuities industries of Mexico.

## THE INTEGRATION OF BANCRECER

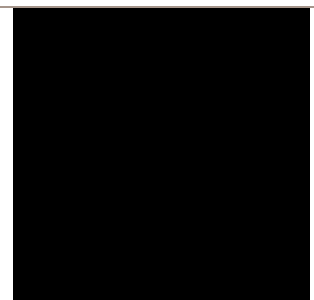
The integration of Bancrecer was of the utmost importance for GFNORTE in 2002, thanks to which very significant achievements were achieved in various aspects over the course of the year:

### ORGANIZATIONAL:

- Since the first quarter of last year, a single organization structure has been in place for the two banks. All the Bancrecer employees were transferred to BANORTE's payroll and benefits;
- A new institutional pay scale was established and a new organization chart was created in the branches of both networks, to standardize the personnel's positions and functions;
- Intense training was given to the new personnel through various programs oriented to communicating the sales policy, the characteristics of BANORTE's products and how they should be operated.

### LEGAL AND FINANCIAL:

- On March 31 the legal and accounting merger was satisfactorily completed, six months prior to the deadline established by the authorities;
- A stringent and ambitious program of economizing expenses was successfully implemented, reaching annualized savings in December 2002 of \$867 million pesos, which was higher than the \$806 million estimated savings for 2003;



- Successful negotiations were carried out with our partner Generali for incorporating the sale of insurance, afores and annuities in the Bancrecer branches.

**COMMERCIAL:**

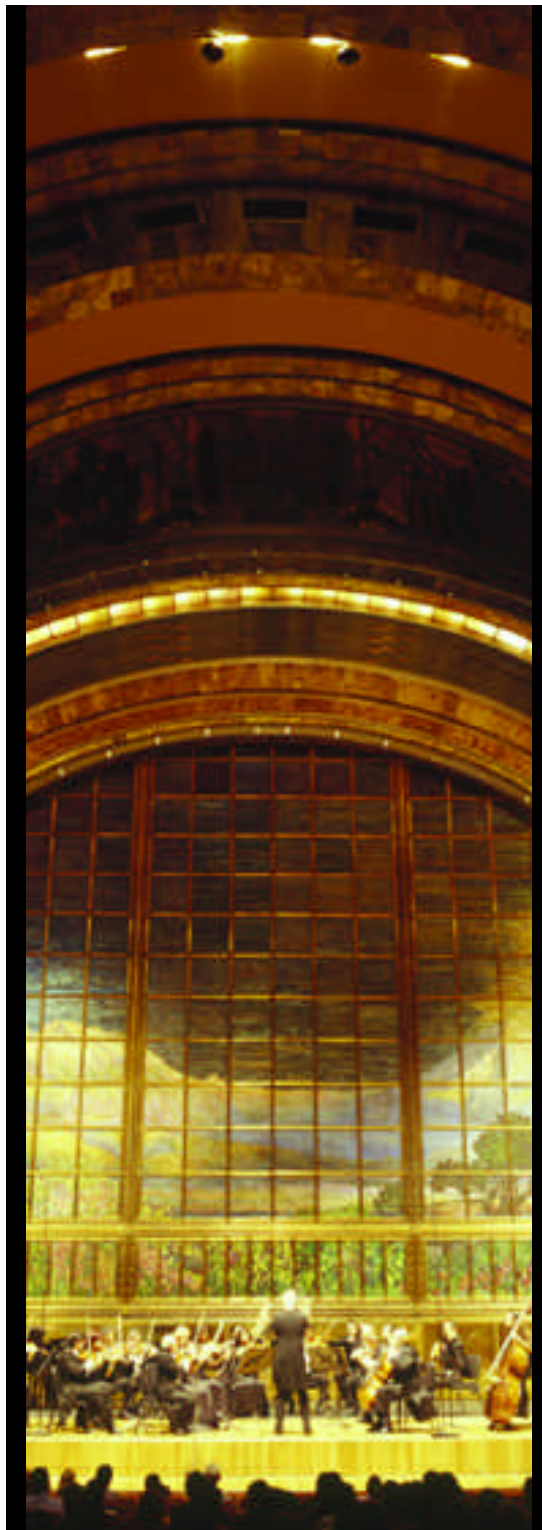
We have satisfactorily concluded the commercial integration of the Bancrecer network, which implied:

- Having had the capacity to offer the same products and services in the integrated network and to carry out the different transactions identically in both networks, which have already been given BANORTE's internal and external image; having activated the sale and distribution of products and services for attracting deposits and loan portfolios via the Bancrecer network, mainly as from the second half of the year;
- Having reorganized the branches of both networks.

**TECHNOLOGICAL AND OPERATIONAL:**

- The efforts made in 2002 were oriented to providing technological support for successfully carrying out the commercial integration described above;
- We now face the challenge of unifying the "back office" by the second half of 2003, which incorporates additional elements oriented to enhancing customer service, which has been and will remain a top priority for BANORTE.

At the year end closing, the total cost of integration was \$727 million pesos, of which \$342 million pesos were for indemnizations and compensations to the dismissed personnel, \$179 million pesos were for technological integration and \$110 million were for changing the image.



Strategy

Precision

Excellence

PILLARS OF THE ORGANIZATION





## MARKETING

In 2002, the Marketing area was intensely involved inside the organization seeking to make permanent adaptations of the service structure in order to meet the requirements of the Financial Group.

Externally, marketing programs were implemented supported by highly aggressive advertising and promotional campaigns.

The top priority was to continue building the **BANORTE** brand based on the concepts of Soundness, Experience and Modernity, while adding the attribute of "Mexicaness" during this period, as a valuable and differentiating aspect, positioning **BANORTE** as the Mexican bank that "Believes in Mexico and in Mexicans." A communications campaign was also developed to integrate Bancrecer into **BANORTE** on the local and national levels.

The aggressive institutional campaigns led the brand to reach the highest levels of Top of Mind (13%) and Share of Mind (60%), in addition to consolidating **BANORTE's** positioning as a sound and strong Mexican bank that generates a sense of pride and belonging in consumers. This is in accordance with the Brand DNA study conducted in November 2002.

The Marketing area took a very active role in the integration project, especially in communicating to customers, since it is understood that a good communication is indispensable in this type of process. Marketing also participated in developing the image project for the bank branches, refurbishing their exterior signage using a logotype that has greater visibility. All the image and signage aspects were implemented in the interiors, in addition to the **BANORTE** Merchandising System.

With respect to products, continuous advertising and promotional campaigns were carried out for the Suma brand in the savings segment and for Imanorte in the term deposits segment. This support was provided to stimulate the attraction of low-cost resources and also to increase the bank's non financial income via promotional programs.

In 2002 a new concept was developed for checking accounts designated as "Enlace Banorte" to operate as an axis and entry account into the bank and is the first developed based on operational segmentation. It will serve as a basis for structuring the intelligent crossed sale of products.

Investments were also aggressively increased in promotions, at our points of sale, as well as outside them, in companies, shopping malls, auto dealerships, real estate firms, etc. This action provided support to the Commercial area in closing sales and increasing the number of customers. The products that received the most active promotional efforts were consumption credits and insurance, where highly satisfactory sales results were achieved.

The use of market intelligence and research remains an essential pillar for decision-making.

By the end of 2002, **BANORTE** closed the year with an aggressive promotional campaign entitled "For a Stronger Mexico," linked to the benefit to society via the "Get an Even Start in Life" program that provides support to children from low-income families, ranging from pre-natal care through their second birthday, in order to ensure that they have the same opportunities for physical and mental development as other children. Through this and other social support programs implemented in 2002 and to be expanded in 2003, **BANORTE** demonstrates its commitment to the development of Mexico and Mexicans in both the economic and social spheres.

## ADVERTISING CAMPAIGN

2002 / T.V. and Print





## TECHNOLOGY

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Projects were implemented in 2002 that had a major impact on the institution's business and operating efficiency, which will generate significant savings in upcoming years, including the "Credit Card Operation System" (Visión); "The Cash Management Project" and "Outsourcing the Clearing House Process and the Truncation of Checks". The year 2002 in particular was characterized by a high level of activity and sizeable investments were focussed on providing technological support to the Bancrecer integration process.

A new Hitachi mainframe computer system was put into operation in March, to replace the hardware that both institutions had been using. This system has the capacity to handle the information processing needs of the mainframe computers, as well as the additional demand generated by the integration process.

In April, the process of transferring the Computer Center from Monterrey to the Mexico City facilities was completed, which greatly facilitated security, capacity, communications and supplies, in what is now a state of the art, world class mainframe computer system.

Contracts were renegotiated with important suppliers of products and services, eliminating redundancies and taking advantage of the new volumes of joint operations. This led to obtaining better terms and conditions in these contracts.

The voice, data and video communications networks of the two institutions were integrated, so that the data systems are inter-operable, providing our personnel and customers a single dialing system to access any phone extension in the national network, without their having to incur additional expenses for long-distance calls.

Investments were allocated to new video conferencing in IP and voice IP, to support the efforts in cutting back on the institution's expenses, which are now being widely used in the New Banorte Corporate Tower building in Monterrey, that has a capacity for 1,200 employees.

The strategy of consolidating intermediate platform servers continued to be applied and significantly reduced the number of UNIX and NT services operating in the computer center, which resulted in a simpler and more controlled environment.

Close to the end of the year, important negotiations were concluded with IBM to overhaul the installed work stations in bank branches and staff areas, in which over 5,000 PC's will be replaced by hardware with the capacity to meet computer needs for the next three years. This equipment will be installed over the course of 2003.

To continue enhancing our service, a certification process was begun for the Technology area, following the ISO-9000 standards, which we expect to receive in the first half of 2003.

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## HUMAN RESOURCES

GFNORTE had 14,868 full-time employees at the year end closing, 86% of which were active in the Banking Sector.

GFNORTE FULL-TIME PERSONNEL	2000	2001	2002
Banking Sector	9,019	8,515	12,778
Auxiliary Organizations Sector	64	70	151
Long Term Savings Sector	1,729	2,127	1,604
Brokerage Sector	383	343	335
GFNORTE	11,195	11,055	14,868

BANORTE aims to provide an appropriate environment for all its executives and employees, one that is conducive to their personal and professional growth, which will in turn be reflected in their capacity to contribute added value to the institution, thus creating a virtuous circle.

In 2002, training efforts focussed on strengthening the abilities that are essential for meeting the challenges BANORTE faces: leadership, the acceptance of change, team work, emphasis on sales, service and learning. Moreover, impetus was given to the first initiatives related to e-Learning, a new and innovative educational method.

### INTEGRATION OF BANORTE-BANCRECER

The most important challenge for 2002 was to integrate the personnel of both institutions, so that actions revolved around team work and creating the feeling of unification of both corporate cultures.

- As to communication, starting at the beginning of the year, the same messages were adopted for the personnel of both institutions, the available media were expanded such as the "BanorTV" satellite channel and new options were developed, mainly the Banorte-Bancrecer integration site.
- Most benefits were unified beginning in April and a new institutional pay scale was established as of July.
- A specific campaign was implemented for the integration of human resources, in which events were held in leading cities attended by most of the personnel, including sports competitions stressing team work. Promotional materials were also produced.
- Bancrecer's personnel had immediate access to our on-line services via the Human Resources Intranet.

### EVALUATION OF PERSONNEL PERFORMANCE

An extensive program for evaluating the performance of the key personnel in the bank branches and that of the directors of Commercial Banking was carried out, which comprises a fundamental basis for properly managing our human capital.

### COMPENSATIONS

This year, BANORTE continued with its integral variable compensation system focussed on profitability, which enriched the compensation plan in three fundamental aspects: the measurement of the service levels in the support areas, more frequent pay days and an unprecedented communications effort via the Human Resources Intranet.

## LEGAL

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The support of the Legal area is essential for the proper functioning of the Banking Sector and of the other companies comprising GRUPO FINANCIERO BANORTE, since it provides legal counsel and services to ensure that all assets and liabilities operations are carried at an acceptable level of security, to avoid future contingencies and respond on a timely basis to the requirements established by the various judicial and administrative government authorities.

In 2002, the Banking Sector was provided a total of 58,128 legal consultation services, a 36.4% increase over fiscal 2001.

With respect to liabilities operations and services, support and follow-up were provided to the COMEPA truncation of checks project, the integration of Banorte-Bancrecer and the uniformization and development of the various operations formats.

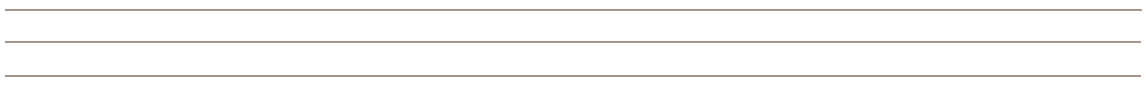
The Shareholders' Meetings formalized the distribution of dividends in GRUPO FINANCIERO BANORTE and three other financial entities. In addition, non convertible subordinate obligations in common shares were issued, \$1,136 million pesos of which were placed.

The Brokerage Sector held several corporate events for the Casa de Bolsa (Brokerage House), Operadora (Funds Operator) and Sociedades de Inversión (Mutual Funds) and also formalized the resolutions taken at the Shareholders' and Boards of Directors' Meetings, in addition to executing the contracts entered into with financial entities and service companies, to provide the security of a legal framework to the respective parties.

The Long Term Savings Sector received a total of 3,800 legal consultation services to 7 entities of the Financial Group, including handling lawsuits and claims before CONDUSEF and CONSAR, making official appearances at AMAFORE, to mention just a few.

The necessary legal counsel was also provided to the aforementioned entities in order to achieve a favorable resolution of lawsuits filed against them and to prevent contingencies, in addition to training their officers.

In relation to the recovery of credits, there was a 14% increase over the prior year, thus confirming the importance of the close cooperation made in efforts and the joint responsibility between Recovery Banking and the Legal area, to optimize the recovery of outstanding loans.



## ANALYSIS

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The Analysis area of Grupo Financiero has evolved to the point that it now provides essential support to the decision-making process, both for the Grupo Financiero, as well as the institution's investors and customers.

The analysis of the international environment and the impact the same has on the nation's economy are key elements for developing basic forecasts that comprise the bases for planning the Group's activities and budgets. Moreover, analyses are a valuable tool for the operative areas of the money, exchange and capital markets.

In addition to keeping the institution's customers and executives abreast of daily events and their significance, newsletters and periodical reports are issued that provide on-going reviews of the condition of the economy and the markets. Finally, meetings are held between customers and executives in various cities to propose the investment strategies derived from the analyses.

## RISK MANAGEMENT

Soundness has been and will continue to be an important pillar for BANORTE and, therefore, top priority has been given to examining risk taking in the institution. This was proven in 1997 by the creation of the Risks Policies Committee, reporting directly to the Group's Board of Directors, well in advance of what would be required by the nation's regulatory authorities some years later.

That same year the Board of Directors approved the Integral Risk Manual that covered credit, market, liquidity, operational and legal risks and, over time, has resulted in the creation of a diversified credit portfolio with a controlled of past due loans ratio.

In relation to the management of credit risks, BANORTE differentiates mass credit from selective credit: in the former, a "credit scoring" model is adopted in which the criteria of the desired risk level are adjusted, which has been operating in all BANORTE branches for the last three years; selective credit is comprised of four points of orientation: Sectorial Classification, Target Market, Criteria for Accepting the Risk and Internal Risk Rating, supported by systems from the Algorithmics firm (Risk Mapper, Historisk, Risk Watch and PCRE).

Algorithmics programs are also used for managing market risks, which places BANORTE among the banks following the best international practices (VaR Historic Non Parametric Simulation of 1 day involving 500 scenarios).

With respect to liquidity risks, strict follow-up is carried out in the Assets and Liabilities Committee and the Risk Policies Committee, always seeking to optimize the mix of liabilities with respect to their possible impact on profits.

Insofar as operating risks are concerned, in 2002 BANORTE launched an Internal Control System focussed on the institution's most important processes and an organizational structure has been formed in order to more effectively manage risk in line with the matters dealt with by the Basel Committee.

As to managing legal risks, BANORTE has a National Litigation System available in the entire lawyers' network, that maintains a computerized and updated registry of all trials.

There are also policies for reserves and coverages monitored by the Risk Policies Committee.

Structure

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Effort

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Concentration

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DISTRIBUTION

CHANNELS



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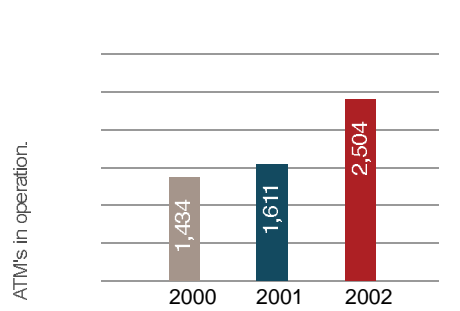
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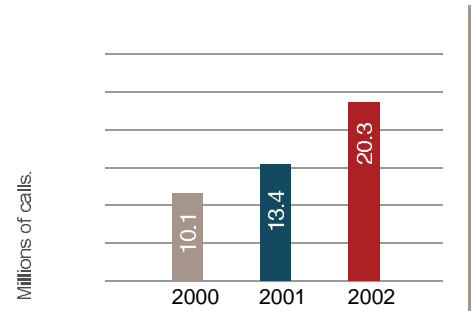
As a result of the acquisition of Bancrecer, BANORTE now competes from a stronger position as one the banks having most extensive coverage in the country, based on its over one thousand branches and its entry into 170 new locations.

In addition to the important growth in the number of branches and automatic teller machines and in customer service via "Banortel," BANORTE is continuing with its modernization efforts in delivery media. This is demonstrated by the ISO 9001-2000 Certification that the Call Center "Banortel" was granted in early 2002, the first to receive it in Latin America.

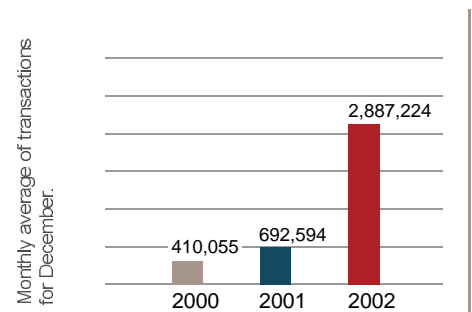
ATM'S



"BANORTE" CALL CENTER



BANORTE INTERNET TRANSACTIONS



OVER ONE THOUSAND BRANCHES

The best coverage in the nation

## NEW BRANCHES NETWORK

This year **BANORTE** achieved important advances in the geographical consolidation of its branches network, increasing from 455 to 1,069 offices, which increased its market share from 6.4% to 15.6%.

It should be noted that today the same products and services are available in all branches, which now bear the **BANORTE** image inside and out.

The six territories the country is divided into have been strengthened by the new branches network.



BANORTE	BRANCHES	MS	RANK
Dec-01	459	6.4%	6 <sup>th</sup>
Dec-02	1,069	15.6%	4 <sup>th</sup>

Source: ABM.  
Branches include modules and remote teller windows.  
MS: Market Share.

NORTHWEST	BRANCHES	MS	RANK
Dec-01	38	3.9%	7 <sup>th</sup>
Dec-02	171	18.8%	4 <sup>th</sup>
WEST	BRANCHES	MS	RANK
Dec-01	74	7.1%	6 <sup>th</sup>
Dec-02	169	16.7%	4 <sup>th</sup>
MEXICO CITY	BRANCHES	MS	RANK
Dec-01	97	5.5%	6 <sup>th</sup>
Dec-02	244	14.1%	5 <sup>th</sup>
MONTERREY	BRANCHES	MS	RANK
Dec-01	114	15.3%	4 <sup>th</sup>
Dec-02	173	24.8%	1 <sup>st</sup>
NORTHEAST	BRANCHES	MS	RANK
Dec-01	104	16.7%	4 <sup>th</sup>
Dec-02	139	24.3%	1 <sup>st</sup>
SOUTHEAST	BRANCHES	MS	RANK
Dec-01	32	2.7%	7 <sup>th</sup>
Dec-02	173	15.9%	5 <sup>th</sup>

**BANORTE** is continuing to follow its strategy requiring that branches be profitable; 121 were closed in 2002 due to lack of profitability, little growth potential or redundancy.

## AUTOMATIC TELLER MACHINES

The number of ATM's increased from 1,611 to 2,504 during the year, to reach a 13.5% market share.

It should be noted that 54% of BANORTE's operations are carried out via ATM's.



2,504 ATM's

Throughout the country

## CALL CENTER "BANORTEL"

Over 20 million calls were handled in "Banortel" last year, 80% of which were processed automatically. In 2002 "Banortel" was a key element in providing service to Bancrecer customers.

Customers' use of the Call Center has been promoted, which has led to increasing the services offered, among the most important of which are credit card payments, the payment of other services, transfers between accounts and the sale of products.



20 MILLION CALLS

Handled by "Banortel"



## INTERNET BANKING

The November 2002 issue of the magazine "Poder" designated BANORTE as the Best Internet Bank in Mexico and also ranked the institution sixth in Latin America, after having already cited the institution for its *Speer & Associates* consulting work in August 2002. This recognition has been supported by 100% increase in BANORTE's Internet clientele over the past year.



## INTERNET CUSTOMERS

Increased 100%

The total amount of Internet operations in December was \$210 billion pesos, which generated very considerable commissions income in 2002.

Important plans were carried into effect in 2002 to enhance the functionality and competitiveness of Internet services, some of the most significant of which were:

- The launch of Banorte x Internet (BXI), an on-line banking service for individuals and PYMES, through which customers can carry out their main banking operations, such as the payment of services and credit cards, the consultation of balances and movements, as well as make national and international deposits, withdrawals and transfers.
- The development of an electronic factoring platform via the Internet.
- The activation of tax payment services via Internet for individuals and businesses.



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Integration

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Growth

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Foresight

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**BUSINESS** AND RESULTS



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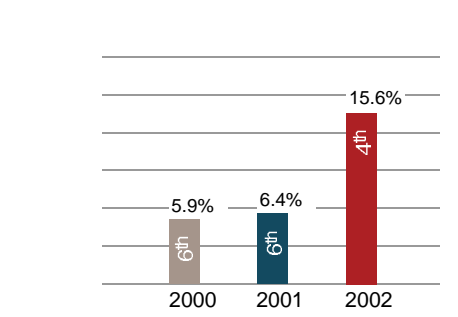
## BANKING SECTOR

### MARKET SHARE

The combination of the incorporation of Bancrecer and the increased sales of products and services, led to a significant increase in BANORTE's market shares, which have clearly made the institution one of the most outstanding in the country.

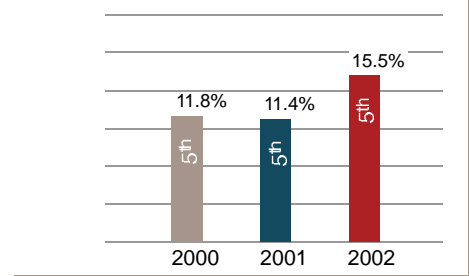
Despite the increased market share, the strategy of orienting the sales force more towards quality than towards the volume of clients remains in effect, with special emphasis on the placement of credit focussed on profitability and risk control.

#### BRANCHES

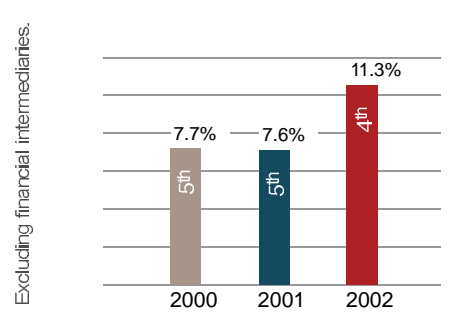


#### NON-INTEREST BEARING

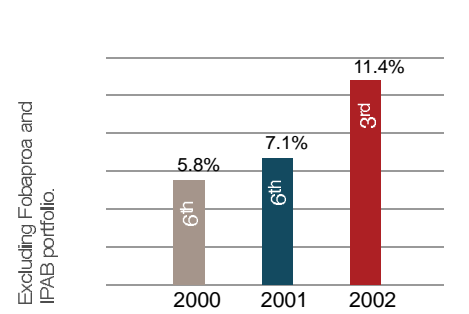
#### DEMAND DEPOSITS



#### TOTAL DEPOSITS



#### TOTAL LOAN PORTFOLIO



Source: ABM

### DEPOSITS

BANORTE has increased the funds deposited in most of its items. An important part of the strategy to attract deposits is oriented to enhancing the mix of products. Throughout 2002 efforts were directed to enabling the Bancrecer branches match BANORTE's standards through the intensive sale of low-cost deposit products, which has resulted in the mix of traditional demand deposits having remained stable over the past year. However, with respect to non interest bearing demand deposits per branch, much remains to be done to reach BANORTE's standards of one year ago.

DEPOSITS	Dec '01	Dec '02	Variation
Non interest bearing demand deposits	11,937	20,223	69%
Interest bearing demand deposits	19,240	32,456	69%
Total demand deposits	31,177	52,679	69%
Term deposits	47,403	89,340	88%
Bank bonds	1,374	1,295	(6%)
TRADITIONAL	79,954	143,313	79%
THIRD PARTY	49,371	71,219	44%
TOTAL DEPOSITS	129,325	214,532	66%

Balances in millions of Mexican pesos as of December 2002.

#### LOAN PORTFOLIO

The total loan portfolio balance of December was \$153,082 million pesos, a significant growth for the year.

BANORTE's strategy for the placement of credit continues to be one of serving the commercial, entrepreneurial and consumer sectors, while being very selective and cautious with respect to the credit exposure of the corporate sector, as well as endeavoring to decrease the Recovery Banking portfolio.

An analysis of the loan portfolio per segment indicates the following:

- The commercial loan portfolio grew 49% last year, as a result of various credit programs that were implemented.
- The mortgage and consumer loan portfolio increased 204%, mainly because of the increase in the mortgage portfolio. The other consumer products also recorded a significant rise, principally as a result of the growth of the BANORTE network, due to the fact that starting in the third quarter of last year, Bancrecer's integrated network began to take a major role in handling this type of credits.
- The corporate sector showed an increase of 53% for the year from the placement of new loans to major corporations, most of which used the lines of credit established with BANORTE.
- Finally, the recovery portfolio decreased 17% for the year.




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SEGMENT	Dec '01	Dec '02	Variation
COMMERCIAL	12,886	19,136	49%
Mortgage	2,701	10,430	286%
Credit Card	869	1,664	92%
Automobile	1,364	2,973	118%
Other	215	561	160%
MORTGAGE & CONSUMER	5,148	15,629	204%
CORPORATE	9,152	14,025	53%
RECOVERY	6,387	5,308	(17%)
FINANCIAL & GOVERNMENT ENTITIES	4,667	13,685	193%
<b>TOTAL BUSINESS LOAN PORTFOLIO</b>	<b>38,240</b>	<b>67,783</b>	<b>77%</b>

Balances in millions of pesos as of December 2002.  
Not including the IPAB/FOBAPROA loan portfolio.

It is important to point out that the balance of the FOBAPROA notes and the IPAB loans is \$85,299 million pesos, which is considerably higher than the previous year's balance, mainly due to the incorporation of the Bancrecer IPAB note of \$46 billion pesos. However, in the second half of the year, IPAB made two pre-payments totalling \$7,759 million pesos, which slightly reduced that portfolio.

BANKING SECTOR LOAN PORTFOLIO			
Concept	Dec '01	Dec '02	Variation
Performing loans	33,519	63,046	88%
Past due loans	4,721	4,737	0%
BUSINESS LOAN PORTFOLIO	38,240	67,783	77%
FOBAPROAPROMISSORY NOTES-IPAB NOTES	47,760	85,299	79%
<b>TOTAL LOAN PORTFOLIO</b>	<b>86,000</b>	<b>153,082</b>	<b>78%</b>

Balances in millions of pesos as of December 2002.

## BUSINESS SEGMENTS

One very important aspect of the on-going endeavor to enhance BANORTE's leadership in the highly competitive Mexican financial market was clearly the development of a system that will enable it to quickly and economically attract, expand and retain a profitable customer base, through the application of effectively integrated on-line applications. There is no question that the Integral Sales and Services System (SIVS in Spanish) will be a support tool in optimizing the merchandising processes carried out by the bank's sales force.

BANORTE divides its financial products and services into specialized segments to best satisfy the needs of its specific customers.

### Commercial Banking

In 2002 our efforts were directed to promoting placement products, especially consumer credits (automobile loans, mortgage loans, credit cards, payroll credits, durable goods consumer credits and commercial loans), strengthening parameterized products for carrying out the evaluation and authorization of credits in a single branch, which led to the growth of the placements at very high percentages.

This sector also worked aggressively on the integration process and to advance the attraction of low-cost deposits to maintain the proper mix in the new Bancrecer branches network.

### Private Banking and Specialized Consulting

The year 2002 marked a milestone in the evolution and development of Private Banking, with the launch of an aggressive process of integration into the **BANORTE** network, in addition to its geographic expansion. It should be noted that while the Private Banking executives deal directly with customers, the funds received are administered by the Banorte Brokerage House.

Outstanding results were achieved in the year, particularly the 20.5% growth in deposits of clients, which reached \$83,580 million pesos with 10,572 investors. New offices were added to this sector, an increase from 11 offices in 2001 to a total of 19 in 2002, located in 15 different cities of the country.

A segmentation strategy was put into action in 2002, based on in-depth knowledge of each customer, an orientation to service and the assessment and supply of individual investment portfolios, that go beyond financial intermediation.

### Corporate Banking and International Business

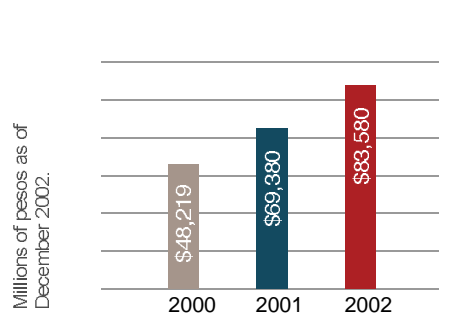
The Corporate Banking area is keeping its commitment to provide integral financial solutions. In 2002, it carried out high value added operations for its customers, offering various types of specialized financing, such as: structured credits, syndicated credits, financing for mergers and acquisitions and financing of investment plans.

In addition to retaining its international ISO 9002 quality rating, the International Business area entered into a strategic cooperation agreement with Banco Popular Español for the purpose of expanding the services offered to each institution's respective customers, particularly those engaged in international commerce between Mexico and Spain.

### Entrepreneurial Banking

The areas comprising Entrepreneurial Banking specialize in high value added credit products. They deal with customers in specific markets and continue to show important growth in the various products and services offered.

### DEPOSITS OF CLIENTS



Promotion Banking collaborated closely with Development Banking to promote the Crediactivo product designed for micro and small businesses, sharing the risk with NAFIN, and has increased its portfolio to over \$2.4 billion pesos and its services to over 5,400 customers.

Agricultural and Livestock Banking operates with a portfolio of \$5,379 million pesos and is among the banks that have the highest placement of resources in the FIRA promotion programs.

The Small and Medium Businesses area, at the 2002 year end closing, serves 1,543 customers with a total portfolio of \$12,519 million pesos.

Trust and Appraisals makes over 19,000 appraisals per year and administers 5,427 trusts with a capital of \$80,550 million pesos, participating with deposits of \$10,377 million pesos in **GFNORTE** instruments.

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### Government Banking

Over the past few years, **BANORTE** has greatly increased its presence as a supplier of bank, credit and financial services to different public sector entities. Based on its personalized attention and cutting edge technological tools, it has kept its commitment to provide services to this important sector of the economy.

Programs have been established and agreements entered into that have been applied nationwide, such as specific products and services for this market segment. The institution's image of professionalism is widely acknowledged by competitors and customers alike, thus, the entire country can count on leadership in the various specialized products offered, which are constantly undergoing development, so that **BANORTE** figures among the leading players in the gathering, collection and allocation of the resources of the Federal Government and its agencies.

In addition **BANORTE** handles the needs of the educational, treasury, health, telecommunications and energy sectors, among others; moreover, it extends services to its suppliers, those who render professional services and customers, providing support particularly to employees by creating products and/or agreements packages with the agencies, thus strengthening the crossed sale of **GRUPO FINANCIERO BANORTE's** products and services.

### Recovery Banking

The assets administered by Recovery Banking, comprised of loan portfolios, foreclosed assets, stocks and securities total \$60,054 million pesos, that represent a \$7,557 million pesos contingency for **BANORTE**, equivalent to 13% of total assets.

During the year \$13,882 million pesos were recovered, \$5,606 million pesos in cash, \$3,796 million pesos in acquittances, \$3,598 million pesos in restructuring and \$706 million in debt settlements.

In the fourth quarter of last year, two loan portfolio packages were bid for and won:

- The first package was Cremi's mortgage portfolio of \$363.9 million pesos, comprised of 1,087 loans for medium-priced housing.
- The second was for Quadrum's commercial and consumer loan portfolio of \$343.7 million pesos, comprised of 666 current loans. This portfolio will create synergy with the Commerce Banking area, which will contribute to its credit base.

Therefore, 2002 was one the best business years Recovery Banking has had, which contributed very significantly to the results obtained by **BANORTE's** Banking Sector.



## LONG TERM SAVINGS SECTOR

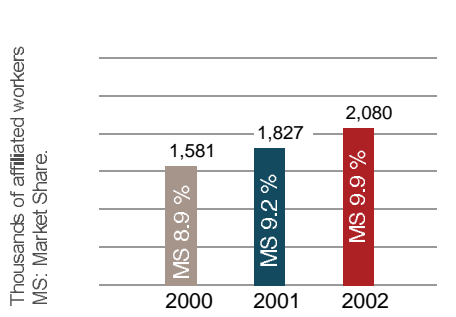
The Long Term Savings Sector is one which has shown and will continue to show important growth.

### AFORE

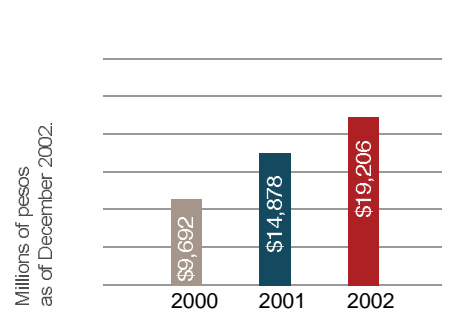
The Banorte-Generali Afore has a total of 2,610,791 affiliates and ranks 6<sup>th</sup> nationally. The number of workers certified during the year was 252,141 comprising 20.3% of this market. The cost for a single subscription was \$891 pesos, still one of the lowest-cost Afores in the sector.

The assets under management by Banorte-Generali's SIEFORE increased 29% last year. The accumulated yield for operations was 11.96% in 2002, the highest in the market.

NUMBER OF CERTIFIED AFFILIATES



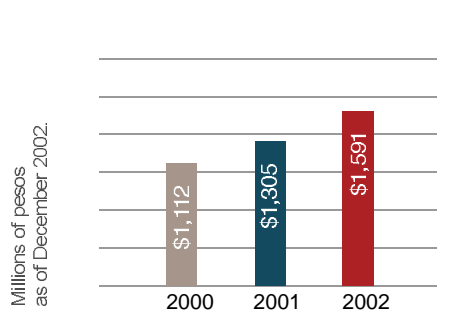
ASSETS UNDER MANAGEMENT



### INSURANCE

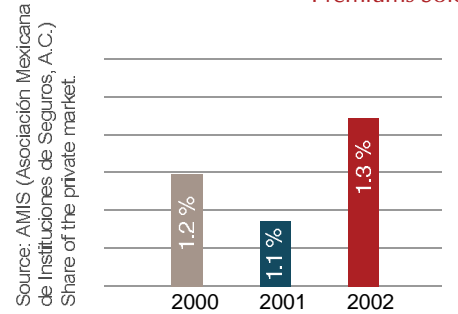
A strong increase in insurance sales was recorded for the year by Insurance Banking, as well as by the insurance company, particularly in traditional auto insurance. This strong commercial performance went in tandem with this company's strong technical-financial results.

TECHNICAL RESERVES



MARKET SHARE

Premiums Sold

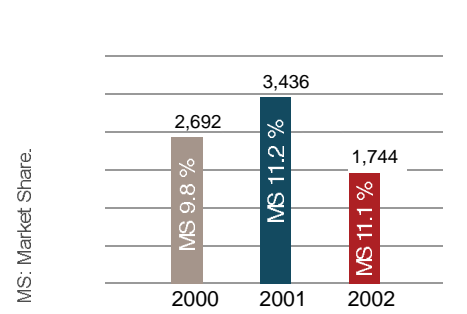




## ANNUITIES

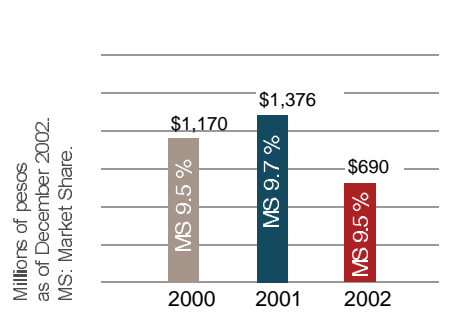
As of May 2002, the Mexican Institute of Social Security (IMSS) sharply reduced the number and amount of pensions transferred to private insurance companies (an annual accumulation of 50%). Therefore, this company was restructured commercially and administratively in accord with the new environment and as a result maintained its market share both in the number of individual cases and the amounts.

## NUMBER OF PENSIONS

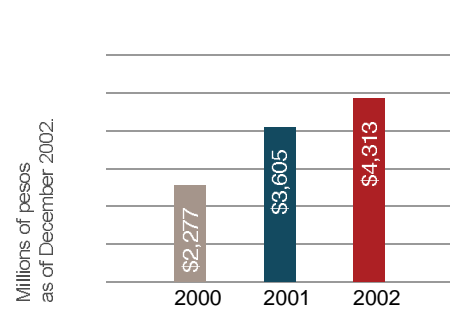


## DEPOSITS RECEIVED

From IMSS



## TECHNICAL RESERVES



## AUXILIARY ORGANIZATION SECTOR

### FACTORING

Factor Banorte ranks among the leaders nationwide in profits and loan portfolio, in addition to improving its past due loans rate, which dropped from 0.8% to 0.2%.

### LEASING

The market share of Arrendadora Banorte's total loan portfolio went from 6.2% in 2001 to 6.9% in 2002, enhancing its market share to place sixth nationwide with a total loan portfolio of \$935 million pesos.

### WAREHOUSING

In addition to the services traditionally offered by Almacenadora Banorte, in 2002 it actively promoted various financing operations among its customers, thus consolidating itself as The Financial Warehouse of Mexico.

### BONDING

The expansion of Fianzas Banorte's sales force in 2001 enabled it to increase the placement of premiums sold, totalling \$94.9 million pesos by the 2002 year end, increasing its market share for the year from 2.5% to 3.2%.

## BROKERAGE SECTOR

### BROKERAGE HOUSE

The year 2002 was an excellent one for the operating results of the money market, with a rise in market share from 8.5% in 2001 to 12.0% in 2002, so that Casa de Bolsa Banorte ranked second, compared to the fifth place it held at the 2001 year end closing, in a universe comprised of 21 brokerage houses.

### Banorte Securities LTD.

This institution gives GRUPO FINANCIERO BANORTE customers access to international markets via the co-distribution of products, such as UBS funds, Fidelity Investments and ACM's, in addition to offering direct investments in the world's fixed income and stock markets.

A subsidiary of the Grupo Financiero, this company was consolidated through Casa de Bolsa in 2002 and achieved an operating profit of USD \$2,000,573 compared to USD \$1,417,297 in 2001.

### Funds Operations

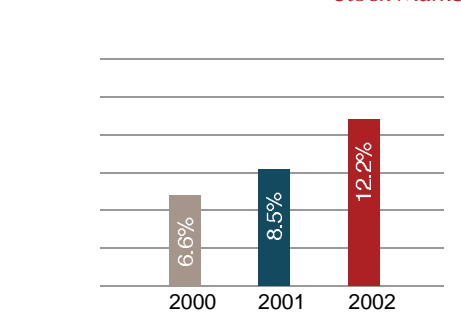
Operadora de Fondos (Funds Operator) started up in 2002, initially operating 11 mutual funds, which, by year end had risen to 16 funds in the debt and variable income markets.

In August 2002, Operadora de Fondos became the first funds operator in Mexico to be granted the nation's AA rating, since it was considered to be "very good because of its capacity and efficiency in administering investments and managing risks."

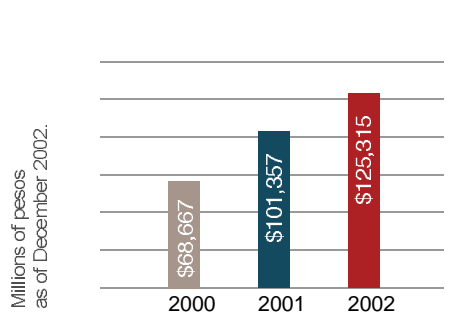


### MARKET SHARE

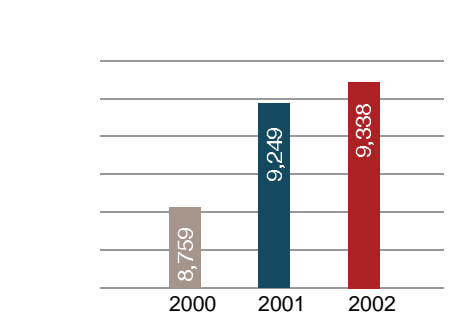
#### Stock Market



### ASSETS UNDER MANAGEMENT



### NUMBER OF CUSTOMERS



Support

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Commitment

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Awareness

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COMMITMENT TO SOCIETY



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GRUPO FINANCIERO BANORTE assigns top priority to its commitment to society and therefore is concerned with aiding the country's neediest population sectors, by fostering education, health, basic values and quality of life in particular.

In 2002, significant resources were allocated to provide support to various social programs, of which the following are among the most important:

An aggressive promotional program and an intensive communications campaign were developed aimed at creating societal awareness of the support required by children from very low income families, starting with pre-natal care, for which, in addition to a communication campaign, BANORTE donated \$6,000,000 pesos to the "Get an Even Start in Life" program that provides food assistance to needy mothers and babies starting from pregnancy through the child's second birthday, so that these children can start their lives with the same opportunities for physical and emotional development as other children.

## FOR A STRONGER MEXICO

Support campaign for children from very low income families



BANORTE, in its own right and on behalf of its customers, contributes resources to support indigenous girls attending the "Escuela Granja" boarding school in San Cristóbal de las Casas, where the students are given their primary school education, training in various specialized workshops in the areas of baking, sewing, etc. and even the handling of crops, so that they can learn trades that will provide them a secure livelihood. They are also provided their meals, health care and a home where they can grow up and develop in a loving environment.



## SUPPORT TO INDIGENOUS GIRLS

"Escuela Granja" boarding school in San Cristóbal de las Casas, Chiapas

Moreover, BANORTE made a donation to "La Florecilla," a community housing Chamula indigenous families, where the children are given primary school education and both men and women are trained in various trades, so that they can make a living in which their human dignity is fully respected.

Because today, more than ever before, it is necessary to meet the needs of those Mexicans that have the least protection, BANORTE provides intensive aid to a number of institutions that carry out educational, social and assistance programs at every level.

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Juan Manuel Quiroga Garza	Corporate General Director GFNorte
Patricia Armendariz Guerra	General Director of Projects
Federico Valenzuela Ochoa	General Director of Administration and Finance
Sergio García Robles Gil	General Director of Planning and Control
Manuel Sescosse Varela	General Director of Banking
Enrique Castellón Vega	General Director of the Long Term Savings Sector
Jorge Altschuler Castro	General Director of the Brokerage House
Miguel Angel García-Padilla Fernández	General Director of Recovery Banking
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Juan Carlos Cuellar Sánchez	Northeast Territorial Director
Juan Antonio de la Fuente Arredondo	Northwest Territorial Director
Leonides Ocampo Jaime	Southeast Territorial Director



## EXECUTIVE COMMITTEE

## ALTERNATES

Chairman	Roberto González Barrera	Chairman	Juan Antonio González Moreno
Vice Chairman	Rodolfo Barrera Villarreal	Vice Chairman	Jesús L. Barrera Lozano
First Member	Carlos Maldonado Quiroga	First Member	Juan Manuel Quiroga Garza
Second Member	José G. Garza Montemayor	Second Member	David J. Villarreal Montemayor
Third Member	Jacobo Zaidenweber Cvilich	Third Member	Simón Nizri Cohen
Fourth Member	Alejandro Álvarez Figueroa	Fourth Member	César Verdes Sánchez
Fifth Member	Othón Ruiz Montemayor	Fifth Member	Federico Valenzuela Ochoa
Secretary	Aurora Cervantes Martínez	Alternate Secretary	Jorge Antonio García Garza

## GFNORTE BOARD OF DIRECTORS

Chairman	Roberto González Barrera	Vice Chairman	Rodolfo Barrera Villarreal
Regular Corporate Examiner	José Rocha Vacío	Alternate Corporate Examiner	Hugo Lara Silva
Secretary	Aurora Cervantes Martínez	Alternate Secretary	Jorge A. García Garza

## REGULAR MEMBERS

## ALTERNATE MEMBERS

Roberto González Barrera (Patrimonial)  
 Rodolfo Barrera Villarreal (Patrimonial)  
 Carlos Maldonado Quiroga (Independent)  
 Jacobo Zaidenweber Cvilich (Independent)  
 Alejandro Álvarez Figueroa (Independent)  
 Richard Frank (Patrimonial)  
 José G. Garza Montemayor (Patrimonial)  
 David Villarreal Montemayor (Patrimonial)  
 Netzahualcóyotl de la Vega García (Independent)  
 Roberto González Moreno (Patrimonial)  
 Bertha González Moreno (Patrimonial)  
 Javier Vélez Bautista (Independent)  
 Othón Ruiz Montemayor (Related)  
 Eugenio Clariond Reyes-Retana (Independent)  
 Francisco Alcalá de León (Independent)

Eduardo Livas Cantú (Independent)  
 Jesús L. Barrera Lozano (Patrimonial)  
 Javier Martínez Abrego (Independent)  
 Simón Nizri Cohen (Independent)  
 César Verdes Sánchez (Independent)  
 Alejandro Schwedhelm (Patrimonial)  
 Federico Valenzuela Ochoa (Related)  
 Manuel Sescosse Varela (Related)  
 Germán Francisco Moreno Pérez (Independent)  
 Juan Manuel Quiroga Garza (Related)  
 Juan Diez Canedo Ruiz (Independent)  
 José Antonio Díaz Vicente (Independent)  
 Isaac Hamui Musali (Independent)  
 Isaac Becker Kabacnic (Independent)  
 César Verdes Quevedo (Independent)



Results

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Accurateness

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Transparency

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**AUDITED** FINANCIAL STATEMENTS



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