

Banorte, exonerated from the money laundering charges in "operation white house"

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Monterrey, Nuevo León, July 14, 1999. Banco Mercantil del Norte S.A. (BANORTE), stated this Wednesday that the United States Government dropped the charges filed against the institution for alleged money laundering, generated in light of "Operation White House", an operation carried out by that government to detect possible cases of money laundering in the Mexican financial system.

Thus, a North American court ordered in addition, the restitution of the seized capital to BANORTE and BANPAIS which amounted to 1.4 million and 260,000.00 Norte American dollars respectively, plus accrued interest.

No criminal charge or collateral action was or will be brought by the Government of the United States against the mentioned institutions.

The decision adopted by the United States Government is the result of the scrupulous management and constant monitoring by BANORTE of its international financial operations.

The order issued by the United States District Court recognizes that the measures taken by BANORTE against money laundering conform to the highest requirements called for with regard to the subject matter. The consent of the United States Justice Department to eliminate all the charges filed, to return the funds and not take any future legal action against the institution clearly demonstrates to our clients, shareholders, employees, correspondent banks and the international banking community itself as a whole, our commitment to comply with the most demanding international standards.

BANORTE has worked vigorously since 1996 to adopt and comply, by means of up-to-the-minute technology, with strict policies against money laundering, as well as with procedures that not only exceed the domestic requirements in the subject matter, but also comply with the standards of those banks operating in the United States.

The evidence that BANORTE submitted to the North American Justice Department clearly demonstrated the effectiveness of the system against money laundering adopted by this institution.

In fact, a little after the transactions referred to by Operation White House took place, BANORTE detected them as suspicious transactions and cancelled said accounts, just a few weeks after they were made and months before any investigation whatsoever was made known by the North American government.

It is necessary to add that apart from this, another United States Court also ordered that legal charges brought against BANPAIS, one of the banks that today forms part of the BANORTE FINANCIAL GROUP, be dropped, and it requested that the money seized be refunded to said institution in the amount of \$260,000 dollars, plus accrued interest.

Also, in the case of BANPAIS, it was reported that no criminal charge or collateral action was or would be brought against it by the United States Government.