

Banco Mercantil del Norte Acquires BanCreceer

23 Sep 2001

México D.F. September 24, 2001.- Grupo Financiero Banorte S.A. de C.V. (GFNorte) today reported that the Instituto para la Protección al Ahorro Bancario (IPAB) has accepted its technical and financial proposals for the purchase of Bancrecer, S.A. GFNorte now looks forward to begin the process of integrating Bancrecer, S.A. into its own operations as soon as possible.

This acquisition positions Banco Mercantil del Norte (Banorte), a subsidiary of GFNorte, as the third largest bank in Mexico in terms of Total Deposits, with a 13.1% deposit market share and 1,207 branches throughout the country. With this acquisition, Banorte will gain a stronger market position and can leverage its existing products, services and systems through a nationwide infrastructure, making it better prepared to compete in Mexico's new banking environment.

Banorte will pay Ps 1,650 million, equivalent to USD 174 million, for 100% Bancrecer, capital stock, or 0.66 times Bancrecer book value on the date its shares are transferred to Banorte. GFNorte expects that its acquisition of Bancrecer will be immediately accretive to GFNorte's. In addition, the acquisition provides compelling geographic synergy, as the combined entities' reach will enable it to compete with Mexico's larger banks nationwide.

Banorte determined its offering price based on a thorough analysis of Bancrecer component operating units and their respective contributions to Banorte's operations and strategy, as well as the risk factors that Bancrecer will bring to GFNorte.

GFNorte will draw upon its experience with previous acquisitions of financial institutions, including Bancen and Banpais, to ensure the prompt and smooth integration of Bancrecer into Banorte's operations.