

Investors receive dividend payment from GFNorte

13 Oct 2002

Mexico City, October 14, 2002 -

Due to its significant growth, good results and solid financial position in the market, Grupo Financiero Banorte (GFNorte) declared a cash dividend payment of \$ 499,926,124 Mexican pesos, in its General Ordinary Shareholders' Meeting last September 30, equivalent to distributing one Mexican peso per share for each one of the outstanding papers.

Said dividends proceed from GFNorte (116.5 million Mexican pesos), Banco Mercantil del Norte (192.2 million Mexican pesos), and Banco del Centro (191.2 million Mexican pesos). The dividend yield, consisting of the dividend price per share at September 30, 2002, is equivalent to 4.35%.

This dividend was motivated by the extraordinary revenues from the amount that Assicurazioni Generali paid Banco Mercantil del Norte last June for a premium from the investment that Banorte made in technological developments, from brand positioning, and from the considerable growth of its network of branches due to the purchase of Bancrecer, benefiting the companies that Banorte and Generali participate in.

GFNorte detailed that this dividend payment does not put the capitalization ratios of the banks that conform its banking sector at risk, nor the latter's current or future growth capacity. It is worth mentioning that the first dividend payments made by GFNorte since it was organized were recorded in April 1994, when they paid \$0.43 Mexican cents a share.

The institution also explained that in September 2000 they restructured their banking sector financially. This allowed it to create the provisions required to completely cover the contingencies related to the Fobaproa (a governmental savings protection fund) programs, as well as to anticipate compliance with their mandatory capitalization criteria beginning in 2003. Thus, it stopped using the "regulatory facilities" it had a right to as part of the governmental bank support programs, freeing itself from the impossibility to distribute dividends.

With this dividend, GFNorte retakes its intention to declare dividends in the next few years, as long as market and economical conditions, profit margins, capitalization ratios, and capital requirements due to the growth expected in their credit portfolio, so allow, adapt the amounts to these conditions.

GFNorte has been able to maintain outstanding capital yields for its shareholders, and in its banking sector, high capitalization and loan loss provision coverage indexes, thus achieving the strength and profitability that have characterized it in recent years, aside from continuing to be the only institution with majority Mexican capital and that is managed by the same group of investors that purchased it during the bank reprivatization in 1992.

