

Banorte successfully places 300 million dollars in subordinated callable notes

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Monterrey, N.L. February 19, 2004.- On February 17, 2004 Banco Mercantil del Norte (Banorte) successfully completed placing in the international market 300 million dollars in Non convertible Subordinate Callable Notes, accountable as Tier II Capital.

These Notes were issued at a 10-year term, callable in 5 years at a 5 7/8% coupon rate. This is at historically low levels compared to other bank rates for similar issuances and reflects the strength of the Banorte credit. Moody's Rating Firm rated the Issuance as Baa2 with a positive perspective, the same rating as that of the Mexican government's debt.

The initial offering was for US \$250 million, and was increased by US\$50 million given the over-demand of around 50 investors.

This issuance will strengthen Banorte's Net Capital to support the future growth of the loan portfolio and the Bank's operations.

This is the first time that Banorte issues a note in the international capital markets besides being the first offer accountable as Tier II of a Mexican issuer abroad. Thus, Banorte pioneers in this type of operations.

This issue was well accepted and attracted the interest of a wide range of investors in diverse markets, especially in the United States and Europe. They have been operating very well in the secondary market and its price is above par.

The only placing agent in this operations was Deutsche Bank.

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