

Banorte issued subordinated debt for a total of ps 5.0 billion; the largest transaction of its kind in the Mexican stock market.

10 Mar 2008

Mexico, D.F. March 11, 2008.- Grupo Financiero Banorte, S.A. de C.V. ("GFNorte"), through Banco Mercantil del Norte, S.A. ("Banorte"), a subsidiary of GFNorte, successfully placed Ps 5.0 billion in Subordinated Debentures in the local market. The transaction involved the simultaneous public offering of two issues of Subordinated Debentures which will strengthen Banorte's capital.

The first issue of Non-Preferred, Non-Convertible Subordinated Debentures (BANORTE 08) was for the amount of Ps 3.0 billion, with a 10-year term and an interest rate of 28 day TIIE plus 60 basis points. The second issue was made up of Preferred, Non-Convertible Subordinated Debentures (BANORTE 08U) denominated in UDIS (inflation unit of account) for an amount equivalent to approximately Ps 2.0 billion with a 20-year term and a fixed real rate of 4.95% paid every 182 days. Moody's gave both issues an Aaa.mx rating.

The final demand for these securities reflects Banorte's acceptance as an issuer in the domestic financial market. With this transaction, Banorte begins an innovative 5 year program to issue up to Ps 15.0 billion in Preferred and Non-Preferred, Non-Convertible Subordinated Debentures, which compute as Regulatory Capital. Its main goal is to support Banorte's current and future growth prospects.