

**B I T A L**  
BANCO INTERNACIONAL

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02060278

November 6, 2002

United States Securities  
and Exchange Commission  
Office of International Corporate Finance  
450 5<sup>th</sup> Street  
Washington, DC 20549

SUPPL

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Re: File No. 82-3548 – Exemption Pursuant to Rule 12g3-2(b)  
Grupo Financiero Bital, S.A. de. C.V.

PROCESSED

Gentlemen:

Ⓢ

DEC 17 2002

Pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, enclosed please find copy of our 2002 Third Quarter Results Summary for your records.

THOMSON  
FINANCIAL

Should you have any questions, or require any additional information, please do not hesitate to contact us.

Sincerely,

Alejandro Garabedian  
Vice President

AG:dmm

Enclosure

# B I T A L

GRUPO FINANCIERO BITAL

## 2002 THIRD QUARTER RESULTS SUMMARY <sup>1</sup>

México D.F., October 28, 2002

- Grupo Financiero Bital, S.A. de C.V. (GFBital) earned a net consolidated income for the first nine months of the year of MXP 252.1 Million, and of MXP 368.3 Million without considering extraordinary expenses.
- Banco Internacional, S.A. (BITAL) presents a net consolidated income of MXP 198.4 Million, which is 40.3% lower than the MXP 332.1 Million registered for the same period of the previous year.
  - Without considering extraordinary expenses of MXP 60.8 Million registered in the second and third quarter, the result for the first nine months of the year is 22% lower than that generated in the same period last year due to the decrease in interest rates and the unstable behaviour of the markets, as well as the amortization of deferred taxes.
  - The estimated capital adequacy ratio with respect to market and credit risk-weighted assets amounts to 9.90% as of quarter-end, which compares favourably with the ratio of 9.26% for the previous quarter.
- HSBC Holdings plc (HSBC) has agreed with GFBITAL and a group of its shareholders that control at least 52% of the shares issued by GFBITAL, to hold a tender offer for the total amount of outstanding shares of the Group. HSBC would pay an amount of US\$1.14 Billion for all outstanding shares of the Group, at a price of approximately US\$1.20 per share paid in cash. The offer has been unanimously approved and it has been recommended by GFBITAL's Board of Directors.

Currently, HSBC has filed with the Mexican Authorities the request for the necessary approvals for holding the tender offer for 100% of GFBITAL's shares. We estimate that the tender offer will be carried out in the month of November of this year.
- On October 1<sup>st</sup>, 2002, BITAL concluded the transaction with IPAB to acquire the assets and liabilities of Banco del Atlantico (Atlantico), which amount to MXP 63,795 Million. BITAL has created provisions for Atlantico in the amount of MXP 1,678 Million. This amount will cover the amount of capital required to incorporate Atlantico's assets.
- The National Banking and Securities Commission (CNBV) has extended until December 31, 2002, the due date for BITAL to achieve a 10% or higher capital adequacy ratio, in view of the offer by HSBC to acquire up to 100% of GFBITAL's shares.

<sup>1</sup> The information contained in this report is presented on a consolidated basis in accordance with CNBV, governing financial institutions and other regulated companies. Figures in this report appear in September 30, 2002, Constant Mexican Pesos. Growth as reported is in real terms.

**Holding Company**<sup>12</sup>

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**Capital.** As mentioned in previous press releases, GFBital completed on July 12, 2002, a capital increase for an amount of MXP 281.1 Million; 37,479,000 GFBITAL O shares were subscribed and paid by Group shareholder's at a subscription price of MXP 7.50 per share. This capital increase was in addition to the one carried out on March 14, 2002, which was for 129'901,171 GFBITAL O shares. The total proceeds from this capital infusion was executed to capitalise BITAL during the third quarter of 2002.

Additionally, during the quarter 52,827 GFBITAL 95 A-D mandatorily convertible subordinated debentures, with face value of MXP 396.2 Million, were converted into 46,462,265 GFBITAL O shares. The operation involved all of the outstanding subordinated debentures and was done before the originally stated maturity, with authorisation from Banco de México.

Furthermore, 372,400 GFBITAL 95L debentures and 1,541,604 GFBITAL 96L debentures were converted, upon request of the debenture-holders, into 22,517,511 shares. Face value of the debentures amounted to MXP 37.2 Million and MXP 154.2 Million, respectively.

As a result of this, at the end of September, the Group had a total of 735,418,821 and 121,017,510 outstanding GFBITAL O and GFBITAL L shares, respectively.

Following the above mentioned conversions, the remaining 1,886,326 GFBITAL 96L debentures, with face value of MXP 188.7 Million, were converted before the originally stated maturity, as authorised by Banco de México. Also, the remaining 5,525,710 GFBITAL 95L debentures, with face value of MXP 55.62 Million, matured and were automatically converted into GFBITAL L shares. As a result from both operations, the Group issued 85,972,162 new GFBITAL L shares.

At present, GFBITAL has a total of 735,418,821 GFBITAL O and 206,989,672 GFBITAL L shares, which totaling 942,408,493 shares.

**Financial Condition.** The Group's stockholders' equity amounts to MXP 8,297.0 Million, and shows a 5.1% increase with respect to the previous quarter. With respect to the previous year, the capital decreased by 4.3% due to the creation of provisions charged to capital performed at the Bank level. Total equity includes MXP 746.4 Million in mandatorily convertible subordinated debentures which had not been converted into shares at quarter-end. Said debentures were converted in full during the beginning of October, as mentioned earlier. The Group's book value increased from MXP 8.631 per share in June to MXP 8.735 per share in September, a 1.2% increase.

GFBital's total consolidated assets amounted to MXP 161,035.7 Million, which is an increase of 21.9% during the quarter and 28.8% during the year. (This amount does not include Seguros Bital or Fianzas Mexico Bital). The increase in total assets is related to the funding that BITAL provides to Atlantico, since during the quarter the funding provided by the money desk through repurchase agreements was replaced by direct call money loans.

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<sup>12</sup> In accordance with CNBV guidelines, Grupo Financiero Bital consolidates the results of Banco Internacional (BITAL), Casa de Bolsa Bital, Almacenedora Bital and Operadora de Fondos Bital.

Fianzas México Bital and Seguros Bital continue to appear in the Group's financial statements under the equity participation accounting method, since the accounting methodology of these subsidiaries differs from that used by the other companies, primarily with regards to deferred taxes and inflationary accounting for the monetary position and results.

The general accounting principles, as specified by CNBV Circular 1489, that have been utilised within this report are consistent with those utilised in the previous quarter financial reports.

**GROUP'S NET INCOME**

| Constant Pesos                         | For the Quarter |                 |                       | Growth               |                   | Last Twelve Months |                 |                   |
|--|-----------------|-----------------|-----------------------|----------------------|-------------------|--------------------|-----------------|-------------------|
|  | 2001<br>Sep. 30 | 2002<br>Jun. 30 | 2002<br>Sep. 30       | vs. prev.<br>Quarter | vs. prev.<br>Year | 2001<br>Sep. 30    | 2002<br>Sep. 30 | vs. prev.<br>Year |
| Stockholders' equity (Millions of MXP) | 8,667.9         | 7,892.1         | <b>8,297.0</b>        | 5.1%                 | -4.3%             |                    |                 |                   |
| Minus: Convertible subordinated debt   | 2,628.3         | 1,350.6         | <b>746.4</b>          | -44.7%               | -71.6%            |                    |                 |                   |
| Minus: Minority interest               | 91.9            | 68.6            | <b>69.5</b>           | 1.4%                 | -24.4%            |                    |                 |                   |
|  | <u>5,947.6</u>  | <u>6,472.8</u>  | <u><b>7,481.1</b></u> | 15.6%                | 25.8%             |                    |                 |                   |
| Book value (MXP)                       | 11,505          | 8,631           | <b>8,735</b>          | 1.2%                 | -24.1%            |                    |                 |                   |
| Net income (Millions of MXP)           | 101.5           | 28.6            | <b>119.7</b>          | 318.9%               | 17.8%             | 405.5              | <b>333.2</b>    | -17.8%            |
| Earnings per share (MXP)               | 0.197           | 0.039           | <b>0.149</b>          | 286.5%               | -24.1%            | 0.787              | <b>0.435</b>    | -44.7%            |
| Fully diluted earning per share *(MXP) | 0.195           | 0.039           | <b>0.149</b>          | 286.5%               | -23.5%            | 0.787              | <b>0.435</b>    | -44.7%            |
| Non-recurrent income (loss)            | -               | (80.5)          | <b>(113.6)</b>        | 41.1%                | -                 | -                  | <b>(194.2)</b>  | -                 |
| Net income w/o non-recurrent items     | 101.5           | 109.1           | <b>233.3</b>          | 113.8%               | 129.8%            | 405.5              | <b>527.4</b>    | 30.1%             |
| Effect on earnings per share           | -               | (0.109)         | <b>(0.152)</b>        | 38.4%                | -                 | -                  | <b>(0.261)</b>  | -                 |
| Outstanding shares (Millions)          |                 |                 |                       |                      |                   |                    |                 |                   |
| Average                                | 516,034,190     | 739,123,961     | 800,984,609           |                      |                   | 515,479,466        | 765,719,984     |                   |
| Period end                             | 516,956,835     | 749,977,555     | 856,436,331           |                      |                   | 516,956,835        | 856,436,331     |                   |

**Results.** The Group reported at third quarter-end a net accumulated income of MXP 252.1 Million. This result represents a 37.8% decrease with respect to the same period of the previous year mainly due to lower net income generated by the Bank, as well as extraordinary expenses registered at the Bank and Group levels. Without considering extraordinary items, the Group's net income amounted to MXP 368.3 Million, 10.5% lower than that of the same period of the previous year.

The decrease in net income was due to the amortization of deferred taxes in the Bank and extraordinary expenses related to the capitalisation process, the acquisition of Atlantico and corporate restructuring. Similarly, the net result was affected by a decrease in the Bank's financial margin related to the reduction of interest rates, the creation of part of the provisions in the first stage of the capitalization process and the volatile market behaviour observed during the second quarter of the year. These effects were compensated in part with the increases in deposits, consumer loans and service fees.

**SUBSIDIARIES**

| Millions of Constant Pesos | Total Assets    |                 |                  | Total Equity    |                 |                 | Net Income      |                 |                 |
|----------------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                            | 2001<br>Sep. 30 | 2001<br>Jun. 30 | 2002<br>Sep. 30  | 2001<br>Sep. 30 | 2001<br>Jun. 30 | 2002<br>Sep. 30 | 2001<br>Sep. 30 | 2001<br>Jun. 30 | 2002<br>Sep. 30 |
| Banco Internacional        | 123,589.8       | 130,426.1       | <b>159,541.7</b> | 7,852.4         | 7,077.5         | <b>7,418.3</b>  | 332.1           | 128.8           | <b>198.4</b>    |
| Almacenadora Bital         | 148.8           | 133.6           | <b>137.2</b>     | 113.3           | 105.4           | <b>106.2</b>    | 2.6             | 2.4             | <b>3.2</b>      |
| Casa de Bolsa Bital        | 783.0           | 955.9           | <b>718.0</b>     | 155.5           | 122.8           | <b>123.0</b>    | 7.8             | (1.0)           | <b>(1.3)</b>    |
| Fianzas México Bital       | 674.7           | 667.4           | <b>656.3</b>     | 256.9           | 249.8           | <b>270.4</b>    | 23.5            | 13.6            | <b>34.2</b>     |
| Seguros Bital              | 1,117.6         | 1,413.4         | <b>1,511.6</b>   | 479.3           | 601.4           | <b>657.2</b>    | 78.9            | 82.0            | <b>142.3</b>    |
| Operadora de Fondos Bital  | -               | 1.6             | <b>1.7</b>       | -               | 1.2             | <b>1.2</b>      | -               | 0.2             | <b>0.1</b>      |

<sup>3</sup> Fully diluted net income is calculated considering the conversion of subordinated debt (GFBITAL 95A-D, GFBITAL 95L and GFBITAL 96L) at the beginning of the respective period. For some periods, the conversion does not generate a dilution effect on the Group's earnings per share. As of October 29, 2002, and having converted 100% of the outstanding subordinated debentures in the beginning of October, the total number of outstanding shares amounts to 942,408,493 in both O or L series.

**BITAL**<sup>14</sup>
**FINANCIAL INDICATORS**

Millions of Constant Pesos

|  | For the Quarter             |                             |                             |
|--|-----------------------------|-----------------------------|-----------------------------|
|  | 2001<br>3 <sup>rd</sup> Qtr | 2002<br>2 <sup>nd</sup> Qtr | 2002<br>3 <sup>rd</sup> Qtr |
| Operating efficiency (Expenses/Assets) | 1.92%                       | 1.79%                       | <b>1.62%</b>                |
| Operating efficiency (Expenses/Income) | 74.18%                      | 81.55%                      | <b>71.48%</b>               |
| ROE                                    | 5.40%                       | 2.80%                       | <b>3.84%</b>                |
| ROA                                    | 0.35%                       | 0.15%                       | <b>0.19%</b>                |
| Liquidity                              | 0.804                       | 0.858                       | <b>1.130</b>                |
| Net interest margin (NIM)              | 4.48%                       | 5.58%                       | <b>3.89%</b>                |
| NIM before provisions                  | 7.17%                       | 6.25%                       | <b>5.49%</b>                |

<sup>15</sup>

**Results.** BITAL registered as of September 30, 2002, a net income for the quarter of MXP 69.6 Million, which is 40.3% higher than that earned in the previous quarter. With respect to the same quarter of the previous year, net income was 34.0% lower. It is worth noting that during the quarter the Bank registered extraordinary expenses for MXP 32.9 Million related to the capitalization process, the acquisition of Atlantico and corporate restructuring. Without considering these non-recurrent expenses, net income for the quarter amounted to MXP 102.5 Million, which is 32.2% higher than that registered before extraordinary expenses in the previous quarter and 2.8% lower than that of the previous year.

The increase in this quarter's results with respect to the previous quarter is the result of a lower amount of deferred tax amortization as well as a lower amount of taxes registered during the period. Net income before taxes was 2.4% lower than in the previous quarter.

These results were generated by an increase of the financial margin of 8.1%, an increase of 2.3% in net fees and trading income. On the other hand, operating expenses remained practically unchanged and loan loss provisions charged to income were 194.4% higher than in the previous quarter.

On an accumulated basis, net income at quarter-end amounted to MXP 198.4 Million, 40.3% lower than in the previous year. Without considering the non-recurrent expenses of MXP 60.8 Million registered during the year, the result for the first nine months is 22.0% lower than that generated for the same period in 2001. The decrease in the accumulated results was due mainly to the reduction by 14.0% in net interest income, linked to the decrease in interest rates, and to the 57.2% decrease in trading income due to the high trading income registered in the previous year and to the losses in the capital markets registered in the second quarter of this year.

<sup>14</sup> In accordance with CNBV guidelines stated in Circular 1448, BITAL consolidates the financial information of its subsidiaries: B.I. Financial Holding, Ltd (which in turn consolidates B.I. Bank & Trus, Ltd., both Grand Cayman entities), Inmobiliaria Bisa, Inmobiliaria Grufin, Inmobiliaria Guatusi, Inmobiliaria Nuevo Paris and Edificaciones Prime. Several items that constitute the financial statements have been regrouped in accordance to rules issued by the CNBV. These changes were applied consistently over all of the periods presented in this report.

<sup>15</sup> Operating efficiency = Annualised operating expenses / Average assets; ROE = Annualised net income / Average equity; ROA = Annualised net income / Average assets; Liquidity = Liquid assets / Liquid liabilities; NIM = Annualised risk-adjusted net interest income / Average interest-bearing assets.

| <b>NET INCOME</b>                      |                           |                           |                           |                  |                 |                           |                           |                 |
|--|---------------------------|---------------------------|---------------------------|------------------|-----------------|---------------------------|---------------------------|-----------------|
| <i>Millions of Constant Pesos</i>      | <i>For the Quarter</i>    |                           |                           | <i>Growth</i>    |                 | <i>Year to date</i>       |                           | <i>Growth</i>   |
|  | <i>2001</i>               | <i>2002</i>               | <i>2002</i>               | <i>vs. Prev.</i> | <i>vs. Prev</i> | <i>2001</i>               | <i>2002</i>               | <i>vs. Prev</i> |
|  | <i>3<sup>rd</sup> Qtr</i> | <i>2<sup>nd</sup> Qtr</i> | <i>3<sup>rd</sup> Qtr</i> | <i>Qtr</i>       | <i>Year</i>     | <i>3<sup>rd</sup> Qtr</i> | <i>3<sup>rd</sup> Qtr</i> | <i>Year</i>     |
| Net interest income                    | 2,040.1                   | 1,906.3                   | <b>2,060.4</b>            | 8.1%             | 1.0%            | 6,854.6                   | <b>5,897.5</b>            | -14.0%          |
| Minus: Loan-loss provisions            | 765.7                     | 203.7                     | <b>599.5</b>              | 194.4%           | -21.7%          | 2,703.2                   | <b>1,446.9</b>            | -46.5%          |
| Risk-adjusted net interest income      | 1,274.4                   | 1,702.7                   | <b>1,460.9</b>            | -14.2%           | 14.6%           | 4,151.4                   | <b>4,450.6</b>            | 7.2%            |
| Fee income                             | 1,022.7                   | 1,128.6                   | <b>1,144.2</b>            | 1.4%             | 11.9%           | 2,912.0                   | <b>3,278.3</b>            | 12.6%           |
| Fees paid                              | 127.9                     | 132.8                     | <b>125.7</b>              | -5.3%            | -1.7%           | 385.1                     | <b>380.3</b>              | -1.3%           |
| Trading income                         | 224.1                     | (30.3)                    | <b>202.1</b>              | n.a.             | -9.8%           | 1,386.8                   | <b>593.4</b>              | -57.2%          |
| Total operating income                 | 2,393.2                   | 2,668.2                   | <b>2,681.6</b>            | 0.5%             | 12.0%           | 8,065.1                   | <b>7,942.0</b>            | -1.5%           |
| Operating & promotional expenses       | 2,343.3                   | 2,341.9                   | <b>2,345.2</b>            | 0.1%             | 0.1%            | 7,120.3                   | <b>7,150.8</b>            | 0.4%            |
| Net operating income                   | 49.9                      | 326.3                     | <b>336.4</b>              | 3.1%             | 574.0%          | 944.8                     | <b>791.3</b>              | -16.3%          |
| Other products and benefits            | 72.7                      | 39.7                      | <b>88.4</b>               | 122.7%           | 21.6%           | 155.7                     | <b>142.9</b>              | -8.2%           |
| Other expenses                         | 95.9                      | 70.9                      | <b>136.6</b>              | 92.7%            | 42.5%           | 615.2                     | <b>331.4</b>              | -46.1%          |
| Net income before taxes                | 26.7                      | 295.1                     | <b>288.2</b>              | -2.4%            | 979.8%          | 485.3                     | <b>602.8</b>              | 24.2%           |
| Income tax and profit sharing          | 31.7                      | 38.8                      | <b>16.4</b>               | -57.8%           | -48%            | 95.9                      | <b>88.4</b>               | -7.8%           |
| Deferred income tax                    | 106.1                     | (194.2)                   | <b>(170.2)</b>            | -12.4%           | -260.5%         | (67.5)                    | <b>(272.2)</b>            | 303.2%          |
| Net income before subsidiaries         | 101.0                     | 62.1                      | <b>101.5</b>              | 63.7%            | 0.5%            | 322.0                     | <b>242.2</b>              | -24.8%          |
| Undistributed income from subsidiaries | 4.4                       | 15.5                      | <b>0.9</b>                | -93.9%           | -78.8%          | 10.1                      | <b>16.9</b>               | 67.7%           |
| Net income before extraordinary items  | 105.5                     | 77.5                      | <b>102.5</b>              | 32.2%            | -2.8%           | 332.1                     | <b>259.2</b>              | -22.0%          |
| Extraordinary items                    | -                         | (27.9)                    | <b>(32.9)</b>             | 17.8%            | n.a.            | -                         | <b>(60.8)</b>             | n.a.            |
| Minority interest                      | (0.0)                     | 0.0                       | <b>0.0</b>                | -24.0%           | n.a.            | 0.0                       | <b>0.0</b>                | n.a.            |
| <b>Net income</b>                      | <b>105.5</b>              | <b>49.6</b>               | <b>69.6</b>               | <b>40.3%</b>     | <b>-34.0%</b>   | <b>332.1</b>              | <b>198.4</b>              | <b>-40.3%</b>   |

Financial margin for the quarter amounted to MXP 2,060.4 Million, showing an increase of 8.1% with respect to the previous quarter and of 1.0% with respect to the same quarter of the previous year. The growth for the quarter is the result of an increase of MXP 384.0 Million (9.7%) in interest income and MXP 223.6 Million (10.8%) in interest expense, in both cases due to the interest rates behaviour. The capital increase completed in March and the conversion of subordinated debentures has had a positive effect on the improvement of the Bank's cost of funding.

On an accumulated basis, net interest income at quarter-end amounted to MXP 5,897.5 Million, a reduction of 14.0% with respect to the first nine months of the previous year, as a result in the decrease of interest rates. This behaviour is explained by a reduction in interest income of MXP 6,349.1 Million (33.7%) and of MXP 5,411.3 Million (44.9%) in interest expenses. Average TIIE for the first nine months of the year decreased from 14.2% to 8.1% between 2001 and 2002.

**NET INTEREST INCOME**

| Millions of Constant Pesos | For the Quarter       |                       |                       | Growth             |                    | Year to date          |                        | Growth               |
|----------------------------|-----------------------|-----------------------|-----------------------|--------------------|--------------------|-----------------------|------------------------|----------------------|
|                            | 2001                  | 2002                  | 2002                  | vs. Prev.          | vs. Prev           | 2001                  | 2002                   | vs. Prev             |
|                            | 3 <sup>rd</sup> Qtr   | 2 <sup>nd</sup> Qtr   | 3 <sup>rd</sup> Qtr   | Qtr                | Year               | 3 <sup>rd</sup> Qtr   | 3 <sup>rd</sup> Qtr    | Year                 |
| <b>Interest income</b>     |                       |                       |                       |                    |                    |                       |                        |                      |
| From loans and securities  | 4,701.1               | 3,725.4               | <b>4,095.8</b>        | 9.9%               | -12.9%             | 18,221.2              | <b>11,786.3</b>        | -35.3%               |
| Loan fees                  | 224.7                 | 234.3                 | <b>247.5</b>          | 5.6%               | 10.1%              | 601.5                 | <b>694.3</b>           | 15.4%                |
| FX gains                   | (2.6)                 | -                     | -                     | n.a.               | n.a.               | 6.9                   | -                      | -100.0%              |
| UDI conversion gains       | -                     | (0.5)                 | -                     | n.a.               | n.a.               | -                     | -                      | n.a.                 |
|                            | <u>4,923.2</u>        | <u>3,959.2</u>        | <u><b>4,343.2</b></u> | <u>9.7%</u>        | <u>-11.8%</u>      | <u>18,829.6</u>       | <u><b>12,480.5</b></u> | <u>-33.7%</u>        |
| <b>Interest expenses</b>   |                       |                       |                       |                    |                    |                       |                        |                      |
| Interest paid              | 2,883.5               | 2,023.1               | <b>2,262.7</b>        | 11.8%              | -21.5%             | 12,007.3              | <b>6,534.4</b>         | -45.6%               |
| FX losses                  | -                     | 27.4                  | <b>12.3</b>           | -55.0%             | n.a.               | -                     | <b>40.7</b>            | n.a.                 |
| UDI conversion losses      | 17.4                  | 28.0                  | <b>27.1</b>           | -3.1%              | 56.3%              | 45.7                  | <b>66.7</b>            | 46.0%                |
|                            | <u>2,900.9</u>        | <u>2,078.5</u>        | <u><b>2,302.1</b></u> | <u>10.8%</u>       | <u>-20.6%</u>      | <u>12,053.0</u>       | <u><b>6,641.8</b></u>  | <u>-44.9%</u>        |
| Monetary position (margin) | <u>17.8</u>           | <u>25.6</u>           | <u><b>19.3</b></u>    | <u>-24.5%</u>      | <u>8.7%</u>        | <u>78.0</u>           | <u><b>58.7</b></u>     | <u>-24.7%</u>        |
| <b>Net interest income</b> | <u><b>2,040.1</b></u> | <u><b>1,906.3</b></u> | <u><b>2,060.4</b></u> | <u><b>8.1%</b></u> | <u><b>1.0%</b></u> | <u><b>6,854.6</b></u> | <u><b>5,897.5</b></u>  | <u><b>-14.0%</b></u> |

Provisions for loan losses charged to income amounted to MXP 599.5 Million for the quarter, which is 194.4% higher than that registered in the previous quarter and 21.7% lower than the same period of the previous year. On an accumulated basis, the amount of provisions created was 46.5% lower than that created in the first nine months of the previous year. In this respect, the Bank has remained constant in its effort to channel operating results to improve the risk coverage ratio.

**LOAN LOSS PROVISIONS**

| Millions of Constant Pesos  | For the Quarter     |                     |                     | Growth        |               | Year to date          |                       | Growth        |
|---|---------------------|---------------------|---------------------|---------------|---------------|-----------------------|-----------------------|---------------|
|   | 2001                | 2002                | 2002                | vs. Prev.     | vs. Prev      | 2001                  | 2002                  | vs. Prev      |
|   | 3 <sup>rd</sup> Qtr | 2 <sup>nd</sup> Qtr | 3 <sup>rd</sup> Qtr | Qtr           | Year          | 3 <sup>rd</sup> Qtr   | 3 <sup>rd</sup> Qtr   | Year          |
| <b>Loan-loss provisions</b>   |                     |                     |                     |               |               |                       |                       |               |
| Global loan loss provisions   | 576.2               | 111.3               | <b>494.9</b>        | 344.7%        | -14.1%        | 2,003.6               | <b>1,020.5</b>        | -49.1%        |
| Provisions for Fobaproa/IPAB loss-sharing scheme and incentives program | 189.6               | 92.4                | <b>104.6</b>        | 13.3%         | -44.8%        | 699.5                 | <b>426.4</b>          | -39.0%        |
|   | <u><b>765.7</b></u> | <u><b>203.7</b></u> | <u><b>599.5</b></u> | <u>194.4%</u> | <u>-21.7%</u> | <u><b>2,703.2</b></u> | <u><b>1,446.9</b></u> | <u>-46.5%</u> |

Net fees and commissions showed an increase of 2.3% and of 13.8% with respect to the level registered in 2<sup>nd</sup> Qtr 2002 and 3<sup>rd</sup> Qtr 2001, respectively. Account management fees, in particular, amounted to MXP 391.5 Million, showing a 5.9% increase with respect to the previous quarter and 34.1% with respect to the third quarter of the previous year. The key elements which mainly influenced this trend included the increase in consumer loans and transactions, the revision and introduction of fees consistent with market trends, the increase in the Internet banking users, fees for checks issued and income earned from the distribution of insurance policies, particularly auto insurance.

Net accumulated fees amounted to MXP \$2,898.0 Million, which represents a 14.7% increase with respect to the previous year.

Trading income for the quarter showed a net income of MXP 202.1 Million, which compares favourably with the loss registered in the previous quarter, mainly related to the mark-to-market of the securities portfolio. On an accumulated basis, trading income generated an income of MXP 593.4 Million, 57.2% lower than that registered in the same period of the previous year. The observed behaviour is associated with the unstable market environment during the months of May and June 2002.

**NON INTEREST INCOME**

Millions of Constant Pesos

|                                    | For the Quarter             |                             |                             | Growth           |                  | Year to date                |                             | Growth           |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------|------------------|-----------------------------|-----------------------------|------------------|
|                                    | 2001<br>3 <sup>rd</sup> Qtr | 2002<br>2 <sup>nd</sup> Qtr | 2002<br>3 <sup>rd</sup> Qtr | vs. Prev.<br>Qtr | vs. Prev<br>Year | 2001<br>3 <sup>rd</sup> Qtr | 2002<br>3 <sup>rd</sup> Qtr | vs. Prev<br>Year |
| <b>Fee income</b>                  |                             |                             |                             |                  |                  |                             |                             |                  |
| Account management                 | 292.0                       | 369.6                       | <b>391.5</b>                | 5.9%             | 34.1%            | 836.6                       | <b>1,075.4</b>              | 28.6%            |
| Service fees                       | <u>730.7</u>                | <u>759.0</u>                | <u><b>752.6</b></u>         | -0.8%            | 3.0%             | <u>2,075.5</u>              | <u><b>2,202.9</b></u>       | 6.1%             |
|                                    | 1,022.7                     | 1,128.6                     | <b>1,144.2</b>              | 1.4%             | 11.9%            | 2,912.0                     | <b>3,278.3</b>              | 12.6%            |
| Minus: Fees paid                   | <u>127.9</u>                | <u>132.8</u>                | <u><b>125.7</b></u>         | -5.3%            | -1.7%            | <u>385.1</u>                | <u><b>380.3</b></u>         | -1.3%            |
| <b>Net Fees</b>                    | <b>894.7</b>                | <b>995.8</b>                | <b>1,018.5</b>              | <b>2.3%</b>      | <b>13.8%</b>     | <b>2,526.9</b>              | <b>2,898.0</b>              | <b>14.7%</b>     |
| <b>Brokerage activities income</b> |                             |                             |                             |                  |                  |                             |                             |                  |
| FX operations                      | 147.4                       | 143.9                       | <b>140.9</b>                | -2.1%            | -4.4%            | 413.8                       | <b>400.6</b>                | -3.2%            |
| Realised gains on securities, net  | 186.3                       | (24.2)                      | <b>(60.3)</b>               | 148.7%           | -132.3%          | 396.2                       | <b>(4.4)</b>                | -101.1%          |
| Repurchase agreements              | 18.9                        | 47.7                        | <b>88.8</b>                 | 86.2%            | 369.6%           | 708.3                       | <b>261.6</b>                | -63.1%           |
| Unrealised gains on securities     | <u>(128.5)</u>              | <u>(197.6)</u>              | <u><b>32.7</b></u>          | n.a.             | n.a.             | <u>(131.5)</u>              | <u><b>(64.5)</b></u>        | -51.0%           |
|                                    | <b>224.1</b>                | <b>(30.3)</b>               | <b>202.1</b>                | n.a.             | <b>-9.8%</b>     | <b>1,386.8</b>              | <b>593.4</b>                | <b>-57.2%</b>    |

Expenses amounted to MXP 2,345.2 Million. This figure represents an increase of 0.1% with respect to both the previous quarter and the same quarter a year ago. The main changes in expenses are related to a reduction of MXP 56.1 Million (5.6%) in personnel expenses and an increase of MXP 45 Million (573%) in honoraries paid.

**NON-INTEREST EXPENSES**

Millions of Constant Pesos

|                               | For the Quarter             |                             |                             | Growth           |                  | Year to date                |                             | Growth           |
|-------------------------------|-----------------------------|-----------------------------|-----------------------------|------------------|------------------|-----------------------------|-----------------------------|------------------|
|                               | 2001<br>3 <sup>rd</sup> Qtr | 2002<br>2 <sup>nd</sup> Qtr | 2002<br>3 <sup>rd</sup> Qtr | vs. Prev.<br>Qtr | vs. Prev<br>Year | 2001<br>3 <sup>rd</sup> Qtr | 2002<br>3 <sup>rd</sup> Qtr | vs. Prev<br>Year |
| Salaries                      | 931.3                       | 1,002.8                     | <b>946.7</b>                | -5.6%            | 1.6%             | 2,776.8                     | <b>2,985.0</b>              | 7.5%             |
| Service fees paid             | 45.9                        | 7.9                         | <b>52.9</b>                 | 573.1%           | 15.3%            | 160.9                       | <b>184.9</b>                | 14.9%            |
| Leases                        | 180.0                       | 184.4                       | <b>174.5</b>                | -5.3%            | -3.1%            | 565.0                       | <b>539.9</b>                | -4.4%            |
| Advertising                   | 62.2                        | 42.5                        | <b>44.2</b>                 | 3.9%             | -29.0%           | 132.7                       | <b>132.6</b>                | -0.1%            |
| Other administrative expenses | 706.7                       | 744.2                       | <b>759.8</b>                | 2.1%             | 7.5%             | 2,220.7                     | <b>2,202.0</b>              | -0.8%            |
| Sundry taxes                  | 137.3                       | 96.4                        | <b>112.8</b>                | 17.1%            | -17.8%           | 416.8                       | <b>305.6</b>                | -26.7%           |
| Bank support fund (IPAB)      | <u>87.9</u>                 | <u>87.3</u>                 | <u><b>86.1</b></u>          | -1.4%            | -2.1%            | <u>259.6</u>                | <u><b>261.9</b></u>         | 0.9%             |
| Administrative expenses       | 1,220.1                     | 1,162.6                     | <b>1,230.3</b>              | 5.8%             | 0.8%             | 3,755.6                     | <b>3,626.9</b>              | -3.4%            |
| Depreciation and amortization | 191.8                       | 176.5                       | <b>168.3</b>                | -4.7%            | -12.3%           | 587.9                       | <b>538.9</b>                | -8.3%            |
| <b>Total expenses</b>         | <b>2,343.3</b>              | <b>2,341.9</b>              | <b>2,345.2</b>              | <b>0.1%</b>      | <b>0.1%</b>      | <b>7,120.3</b>              | <b>7,150.8</b>              | <b>0.4%</b>      |

On an accumulated basis, total expenses, which amounted to MXP 7,150.8 Million as of quarter end, showed an increase of 0.4%. The behaviour was due mainly to an increase of MXP 208.2 Million (7.5%) in personnel expenses and MXP 24 Million in service fees paid (14.9%), offset by a reduction of MXP 111.2 Million (26.7%) in sundry taxes and of MXP 49.0 Million (8.3%) in depreciation and amortisation.

| <b>OTHER INCOME AND EXPENSES</b>  |                                    |                                    |                                    |                          |                          |                                    |                                    |                          |
|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------|--------------------------|------------------------------------|------------------------------------|--------------------------|
| <i>Millions of Constant Pesos</i> |                                    |                                    |                                    |                          |                          |                                    |                                    |                          |
|                                   | <i>For the Quarter</i>             |                                    |                                    | <i>Growth</i>            |                          | <i>Year to date</i>                |                                    | <i>Growth</i>            |
|                                   | <i>2001<br/>3<sup>rd</sup> Qtr</i> | <i>2002<br/>2<sup>nd</sup> Qtr</i> | <i>2002<br/>3<sup>rd</sup> Qtr</i> | <i>vs. Prev.<br/>Qtr</i> | <i>vs. Prev<br/>Year</i> | <i>2001<br/>3<sup>rd</sup> Qtr</i> | <i>2002<br/>3<sup>rd</sup> Qtr</i> | <i>vs. Prev<br/>Year</i> |
| <b>Other income</b>               |                                    |                                    |                                    |                          |                          |                                    |                                    |                          |
| Loans to employees                | 3.9                                | 4.1                                | 4.6                                | 13.2%                    | 17.9%                    | 12.1                               | 12.8                               | 5.8%                     |
| Recoveries                        | 19.9                               | 10.3                               | 0.5                                | -95.2%                   | -97.5%                   | 22.9                               | 12.2                               | -46.9%                   |
| Other income and benefits         | 48.8                               | 25.3                               | 83.3                               | 229.4%                   | 70.6%                    | 120.7                              | 117.9                              | -2.3%                    |
| Monetary Position (Otros)         | -                                  | -                                  | -                                  | -                        | -                        | -                                  | -                                  | -                        |
|                                   | <b>72.7</b>                        | <b>39.7</b>                        | <b>88.4</b>                        | <b>122.7%</b>            | <b>21.6%</b>             | <b>155.7</b>                       | <b>142.9</b>                       | <b>-8.2%</b>             |
| <b>Other expenses</b>             |                                    |                                    |                                    |                          |                          |                                    |                                    |                          |
| Sundry loses                      | 68.2                               | 19.9                               | 88.9                               | 347.6%                   | 30.4%                    | 509.3                              | 202.8                              | -60.2%                   |
| Write-downs                       | -                                  | -                                  | -                                  | -                        | -                        | -                                  | -                                  | -                        |
| Goodwill                          | -                                  | -                                  | -                                  | -                        | -                        | -                                  | -                                  | -                        |
| Monetary Position (Other)         | 27.7                               | 51.0                               | 47.7                               | -6.5%                    | 72.0%                    | 105.9                              | 128.6                              | 21.5%                    |
|                                   | <b>95.9</b>                        | <b>70.9</b>                        | <b>136.6</b>                       | <b>92.7%</b>             | <b>42.5%</b>             | <b>615.2</b>                       | <b>331.4</b>                       | <b>-46.1%</b>            |

Other income, products and benefits show an increase of 122.7% during the quarter and of 21.5% with respect to the previous year. Other expenses show an increase of 92.7% for the quarter and 42.5% with respect to the previous year. The growth in income follows from a higher amount of sales of repossessed assets and the increase in expenses is explained by the clean-out process of non-productive accounts. On an accumulated basis, other income and other expenses show reductions of 8.2% and 46.1%, respectively, versus that registered for the first nine months of the previous year.

On July 23, 2002, the CNBV authorised BITAL to defer the accounting of MXP 74 Million, an expense related to the remodelling of hotels managed by Operadora de Hoteles Mazatlán, S.A. de C.V. (official memorandum No. 601-II-7176) This operation was required by the CNBV as a result of on-site inspection visits carried-out during 2001. The due date to record this with this requirement was set to January 2, 2003.

**Loan Portfolio.** The total balance of the loan portfolio as of September 30, 2002 amounted to MXP 66,545.7 Million, this is an increase of 0.3% in the last three months and of 4.2% in the last twelve. Within the dynamics of the loan portfolio, consumer loans show a 4.7% increase in the quarter and a 42.9% increase in the year, mainly in auto financing loans where BITAL has achieved an important position in the market. Consumer loans (outstanding and non-performing) represent 16.3% of the total portfolio.

| <b>LOAN PORTFOLIO</b>                            |                 |                 |                  |              |              |               |
|--|-----------------|-----------------|------------------|--------------|--------------|---------------|
| Balances in Millions of Constant Pesos           | 2001            | 2002            | 2002             | Growth       |              | Particip.     |
|  | Sep. 30         | Jun. 31         | Sep. 31          | Jun.-Sep.    | Sep.-Sep.    | of Total      |
| <b>CURRENT LOANS</b>                             |                 |                 |                  |              |              |               |
| Commercial loans                                 | 21,192.7        | 21,424.5        | <b>20,753.4</b>  | -3.1%        | -2.1%        | 31.2%         |
| Loans to financial intermediaries                | 686.6           | 2,010.5         | <b>2,040.1</b>   | 1.5%         | 197.1%       | 3.1%          |
| Consumer loans                                   | 6,491.1         | 8,857.7         | <b>9,276.7</b>   | 4.7%         | 42.9%        | 13.9%         |
| Housing loans                                    | 8,002.8         | 7,721.3         | <b>7,643.8</b>   | -1.0%        | -4.5%        | 11.5%         |
| Loans to government entities                     | 2,846.7         | 2,661.8         | <b>2,998.8</b>   | 12.7%        | 5.3%         | 4.5%          |
| Loans to Fobaproa or IPAB                        | 19,959.3        | 18,826.9        | <b>18,660.6</b>  | -0.9%        | -6.5%        | 28.0%         |
| <b>TOTAL CURRENT LOANS</b>                       | <b>59,179.2</b> | <b>61,502.7</b> | <b>61,373.4</b>  | <b>-0.2%</b> | <b>3.7%</b>  | <b>92.2%</b>  |
| <b>NON-PERFORMING LOANS</b>                      |                 |                 |                  |              |              |               |
| Commercial loans                                 | 2,762.1         | 2,639.7         | <b>2,909.1</b>   | 10.2%        | 5.3%         | 4.4%          |
| Loans to financial intermediaries                | 10.9            | 9.4             | <b>5.8</b>       | -38.1%       | -46.6%       | 0.0%          |
| Consumer loans                                   | 1,283.9         | 1,564.0         | <b>1,628.7</b>   | 4.1%         | 26.9%        | 2.4%          |
| Housing loans                                    | 585.8           | 568.0           | <b>570.6</b>     | 0.5%         | -2.6%        | 0.9%          |
| Loans to government entities                     | 0.2             | 0.1             | <b>0.1</b>       | -1.2%        | -4.9%        | 0.0%          |
| Immediate collection, remittances and overdrafts | 42.4            | 69.6            | <b>57.9</b>      | -16.7%       | 36.7%        | 0.1%          |
| <b>TOTAL NON-PERFORMING LOANS</b>                | <b>4,685.2</b>  | <b>4,850.9</b>  | <b>5,172.3</b>   | <b>6.6%</b>  | <b>10.4%</b> | <b>7.8%</b>   |
| <b>TOTAL LOAN PORTFOLIO</b>                      | <b>63,864.3</b> | <b>66,353.6</b> | <b>66,545.7</b>  | <b>0.3%</b>  | <b>4.2%</b>  | <b>100.0%</b> |
| (-) MINUS:                                       |                 |                 |                  |              |              |               |
| Allowance for loan losses                        | (5,502.3)       | (7,273.8)       | <b>(7,593.5)</b> | 4.4%         | 38.0%        | -11.4%        |
| <b>NET LOAN PORTFOLIO</b>                        | <b>58,362.0</b> | <b>59,079.8</b> | <b>58,952.2</b>  | <b>-0.2%</b> | <b>1.0%</b>  | <b>88.6%</b>  |

It is worth noting that with respect to the previous year, there is a 197.1% increase of loans to financial entities due to a reclassification of loans that were previously registered as commercial loans. This operation involved approximately MXP 1,100 Million and was done during the second quarter of this year.

Net value of loans to Fobaproa/IPAB decreased by 0.9% during the quarter, as a result of collections and provisioning, and represent 28.0% of total loans.

The balance of non-performing loans, which amounts to MXP 5,172.3 Million, shows an increase of 6.6% for the quarter and 10.4% for the year. This increase is mainly seen in commercial loans and consumer loans, with increases of 10.2% and 4.1% for the quarter, respectively. The increase of non-performing loans is due to the reduction in the country's economic growth. It is worth noting that the growth in non-performing consumer loans is lower than the growth in outstanding consumer loans.

| <b>LOAN QUALITY INDICATORS</b> |         |         |         |
|--------------------------------|---------|---------|---------|
|                                | 2001    | 2002    | 2002    |
|                                | Sep. 30 | Jun. 31 | Sep. 31 |
| NPL / Total loans              | 7.3%    | 7.3%    | 7.8%    |
| NPL / Total Exc. Fobaproa      | 10.7%   | 10.2%   | 10.8%   |
| Net NPL / Total Loans          | -1.4%   | -4.1%   | -4.1%   |
| Net NPL / Total Exc. Fobaproa  | -1.5%   | -4.3%   | -4.3%   |
| Allowance / NPLs               | 117.4%  | 149.9%  | 146.8%  |
| Allowances / Total loans       | 8.6%    | 11.0%   | 11.4%   |

Non-performing loans amounted to 7.8% of total loans. Without including loans to Fobaproa/IPAB, non-performing loans amounted to 10.8% of total loans.

Allowances for loan losses amounted to MXP 7,593.5 Million, a 4.4% higher than in the previous quarter and 38.0% more than the previous year. The increase over the year was due to the creation of provisions charged to income and to those charged to capital reserves during the first quarter of 2002,

authorised by the CNBV as part of the first stage in the capitalisation process and as explained in the first quarter results summary. The allowances for loan losses show a coverage ratio of 147% over non-performing loans and include a special provision for Atlantico of MXP 1,678 Million. Without considering this special provision, the coverage would have been 114.4% over non-performing loans.

Write-offs due to differences in the loans book values and repossessed assets amounted to MXP 16.6 Million for the third quarter of 2002, while they amounted to MXP 4.0 Million in the second quarter.

Charges to allowances related to write-downs and to government-sponsored debt support programs amounted to MXP 77.1 Million and MXP 55.2 Million, respectively, during the third quarter of this year.

| <b>ALLOWANCE FOR LOAN LOSSES</b>                 |                |                |                |                |                      |                |                |                |                      |
|--|----------------|----------------|----------------|----------------|----------------------|----------------|----------------|----------------|----------------------|
| <i>Millions of Constant Pesos</i>                | 2001           |                |                |                | 2001<br>Year to date | 2002           |                |                | 2002<br>Year to date |
|  | 1st Qtr        | 2nd Qtr        | 3rd Qtr        | 4th Qtr        |                      | 1st Qtr        | 2nd Qtr        | 3rd Qtr        |                      |
| <b>Allowances at the beginning of the period</b> | <b>4,834.2</b> | <b>5,128.9</b> | <b>5,224.6</b> | <b>5,502.3</b> | <b>4,834.2</b>       | <b>5,568.3</b> | <b>7,339.9</b> | <b>7,273.8</b> | <b>5,568.3</b>       |
| Provisions charged to income                     | 649.1          | 673.6          | 521.4          | 291.7          | 2,135.7              | 496.0          | 110.9          | <b>492.9</b>   | <b>1,099.8</b>       |
| Provisions charged to equity                     | 0.0            | 0.0            | 0.0            | 0.0            |                      | 1,679.1        | 0.0            | <b>0.0</b>     | <b>1,679.1</b>       |
| Revaluation of Dollar and UDI                    |                |                |                |                |                      |                |                |                |                      |
| Denominated provisions                           | (40.1)         | (59.0)         | (3.5)          | (61.9)         | (164.5)              | (51.1)         | 10.7           | <b>(39.2)</b>  | <b>(79.6)</b>        |
| Re-installment of provisions                     | 14.4           | 3.7            | 3.8            | 1.5            | 23.3                 | (0.5)          | 0.3            | <b>0.2</b>     | <b>(0.0)</b>         |
| <b>Total</b>                                     | <b>623.4</b>   | <b>618.3</b>   | <b>521.7</b>   | <b>231.2</b>   | <b>1,994.6</b>       | <b>2,123.5</b> | <b>121.9</b>   | <b>453.9</b>   | <b>2,699.3</b>       |
| Minus  |                |                |                |                |                      |                |                |                |                      |
| a) Acquittances                                  | <b>240.8</b>   | <b>471.6</b>   | <b>110.4</b>   | <b>94.7</b>    | <b>917.5</b>         | <b>267.0</b>   | <b>92.0</b>    | <b>77.1</b>    | <b>436.1</b>         |
| Credit Card and other consumer loans             | 3.2            | 9.3            | 16.0           | 14.5           | 43.0                 | 18.4           | 25.8           | <b>27.0</b>    | <b>71.2</b>          |
| Commercial loans                                 | 78.4           | 65.4           | 43.4           | 57.9           | 245.1                | 223.3          | 52.1           | <b>28.6</b>    | <b>304.0</b>         |
| Mortgage loans                                   | 159.2          | 396.9          | 51.0           | 22.3           | 629.3                | 25.3           | 14.1           | <b>21.5</b>    | <b>60.9</b>          |
| b) Punto Final Program                           | <b>83.6</b>    | <b>49.3</b>    | <b>61.8</b>    | <b>67.9</b>    | <b>262.5</b>         | <b>54.9</b>    | <b>56.9</b>    | <b>53.9</b>    | <b>165.6</b>         |
| Mortgage loans                                   | 83.6           | 49.3           | 61.8           | 67.9           | 262.5                | 54.9           | 56.9           | <b>53.9</b>    | <b>165.6</b>         |
| c) Other programs                                | <b>4.3</b>     | <b>1.7</b>     | <b>3.0</b>     | <b>2.6</b>     | <b>11.6</b>          | <b>3.2</b>     | <b>1.6</b>     | <b>1.3</b>     | <b>6.1</b>           |
| Finape   | 1.1            | 0.3            | 0.5            | 0.2            | 2.1                  | 0.2            | 0.2            | <b>0.1</b>     | <b>0.5</b>           |
| Fopyme   | 3.2            | 1.4            | 2.5            | 2.4            | 9.5                  | 3.0            | 1.4            | <b>1.2</b>     | <b>5.6</b>           |
| d) Other write-offs                              | <b>0.0</b>     | <b>0.0</b>     | <b>68.7</b>    | <b>0.0</b>     | <b>68.7</b>          | <b>26.9</b>    | <b>37.5</b>    | <b>1.9</b>     | <b>66.3</b>          |
| Credit Card and other consumer loans             | 0.0            | 0.0            | 38.9           | 0.0            | 38.9                 | 0.0            | 0.9            | <b>0.0</b>     | <b>0.9</b>           |
| Commercial loans                                 | 0.0            | 0.0            | 5.4            | 0.0            | 5.4                  | 0.0            | 3.2            | <b>0.1</b>     | <b>3.3</b>           |
| Mortgage loans                                   | 0.0            | 0.0            | 24.5           | 0.0            | 24.5                 | 26.9           | 33.4           | <b>1.8</b>     | <b>62.1</b>          |
| <b>Total Write-offs</b>                          | <b>328.7</b>   | <b>522.5</b>   | <b>244.0</b>   | <b>165.2</b>   | <b>1,260.4</b>       | <b>351.9</b>   | <b>188.1</b>   | <b>134.2</b>   | <b>674.1</b>         |
| <b>Allowances at the end of the period</b>       | <b>5,128.9</b> | <b>5,224.6</b> | <b>5,502.3</b> | <b>5,568.3</b> | <b>5,568.3</b>       | <b>7,339.9</b> | <b>7,273.8</b> | <b>7,593.5</b> | <b>7,593.5</b>       |

**Fobaproa Notes.** Net value of the Fobaproa notes, as presented in the financial statements, amounted to MXP 18,661 Million as of September 2002, 0.9% lower than the previous quarter and 6.5% lower than the previous year.

| <b>FOBAPROA NOTES</b>  |                   |                   |               |
|--|-------------------|-------------------|---------------|
| <i>Balance in Millions of Pesos as of September 30, 2002</i> | <i>Fobaproa 1</i> | <i>Fobaproa 2</i> | <i>Total</i>  |
| <b>Gross Fobaproa/IPAB notes</b>                             | 17,684            | 10,168            | <b>27,852</b> |
| - Checking account (Cash recoveries)                         | 2,774             | 2,416             | <b>5,190</b>  |
| - Constituted allowances                                     | 2,488             | 1,513             | <b>4,001</b>  |
| <b>Net balance</b>   | <b>12,422</b>     | <b>6,239</b>      | <b>18,661</b> |

In addition to cash collections, with amount to 18.6% of the gross value of the notes, the reasonable recovery value of repossessed assets and securities in the Fobaproa trusts represents an amount of MXP 653.6 Million, which is 2.3% of the gross value of the notes.

The CNBV authorised BITAL to delay the capitalisation commitment of renouncing to the regulatory facility of deferred provisioning for the IPAB/Fobaproa loss-sharing until December 31, 2002, as a result of HSBC recent offer to buy 100% of the shares of GFBital. For this reason, during the fourth quarter we expect to create provisions for the loss-sharing for an approximate amount of MXP 2,310 Million.

| <b>PENDING PROVISIONS</b>   |                   |                   |               |
|---|-------------------|-------------------|---------------|
| <i>Balance in Millions of Constant Pesos as of September 30, 2002</i> |                   |                   |               |
|   | <i>Fobaproa 1</i> | <i>Fobaproa 2</i> | <i>Total</i>  |
| Gross Note  | 17,684            | 10,168            | 27,852        |
| Cash collections and recoveries                                       | 2,774             | 2,416             | 5,190         |
| <b>Net note</b>   | <b>14,910</b>     | <b>7,752</b>      | <b>22,662</b> |
| Percentage of cash collections vs. Gross notes                        | 16%               | 24%               | 19%           |
| Maximum responsibility under incentives scheme                        | 144               | 750               | 894           |
| Incentive factor  | 0%                | 3%                |               |
| Adjusted maximum responsibility under incentives scheme               | 144               | 725               | 869           |
| Percentage of Net note  | 1.0%              | 9.7%              | 4.0%          |
| Percentage of Loss-sharing of net note                                | 25%               | 25%               | 25%           |
| Loss-sharing w/o incentive scheme                                     | 3,691             | 1,750             | 5,442         |
| Percentage of provisions hended                                       | 26%               | 32%               | 28%           |
| Maximum contingency   | 3,836             | 2,475             | 6,311         |
| Created provisions  | 2,491             | 1,510             | 4,001         |
| <b>Additional provisions needed</b>                                   | <b>1,345</b>      | <b>965</b>        | <b>2,310</b>  |

**Deposits and Funding.** Total deposits amount to MXP 130,279.4 Million as of quarter-end, which represents an increase of 18.1% over the last three months and of 31.5% over the last twelve. Additionally, inter-bank loans show an increase of 98.8% in the quarter and a reduction of 37.3% in the year. The growth in deposits and loans over the quarter is related to the funding that BITAL provides to Atlantico, since during the quarter funding provided via repurchase agreement operations was substituted by direct "call money" type loans.

| <b>DEPOSITS AND FUNDING</b>                    |                 |                  |                  |                  |                  |
|--|-----------------|------------------|------------------|------------------|------------------|
| <i>Balances in Millions of Constant Pesos</i>  |                 |                  |                  |                  |                  |
|  | <i>2001</i>     | <i>2002</i>      | <i>2002</i>      | <i>Growth</i>    |                  |
|  | <i>Sep. 30</i>  | <i>Jun. 31</i>   | <i>Sep. 31</i>   | <i>Jun.-Sep.</i> | <i>Sep.-Sep.</i> |
| <b>TOTAL DEPOSITS</b>                          | <b>99,043.5</b> | <b>110,288.3</b> | <b>130,279.4</b> | <b>18.1%</b>     | <b>31.5%</b>     |
| Demand deposits                                | 58,919.1        | 66,040.2         | 67,104.4         | 1.6%             | 13.9%            |
| Time deposits                                  | 40,124.4        | 44,248.1         | 63,175.0         | 42.8%            | 57.4%            |
| <b>LOANS FROM BANKS AND OTHER INSTITUTIONS</b> | <b>11,932.6</b> | <b>8,241.2</b>   | <b>16,383.8</b>  | <b>98.8%</b>     | <b>37.3%</b>     |
| On demand                                      | 3,426.8         | -                | 352.1            | -                | -89.7%           |
| Short term                                     | 1,170.7         | 582.9            | 8,258.3          | 1316.8%          | 605.4%           |
| Long term                                      | 7,335.2         | 7,658.4          | 7,773.3          | 1.5%             | 6.0%             |

**Capitalisation.** The Bank's total stockholders' equity as of September 30, 2002, amounted to MXP 7,418.3 Million. This represents an increase of 4.8% with respect to the previous quarter, and a reduction of 5.5% over the previous year. The reduction in the year was due to the creation of loan loss provisions charged to capital reserves during the first quarter of 2002, while the increase in the quarter is related to the capital increase and the net income earned in the quarter.

Estimated capital adequacy ratio with respect to credit and market risk-weighted assets as of September 30, 2002, amounts to 9.90%, higher than the 9.29% ratio reported in the previous quarter. This improvement was influenced by an increase of 21.0% in the basic capital (Tier 1). With respect to the same date of the previous year, the capital adequacy ratio decreased by 286 basis points as a result of a reduction of 19.7% in net capital. Such reduction was the result of the creation of special provisions done in the first quarter of 2002.

| <b>CAPITAL ADEQUACY RATIO</b>          |          |          |                       |               |           |
|--|----------|----------|-----------------------|---------------|-----------|
| <i>Millions of Constant Pesos</i>      | 2001     | 2002     | 2002                  | <i>Growth</i> |           |
|  | Sep. 30  | Jun. 30  | Sep. 30 <sup>16</sup> | Sep.-Jun.     | Sep.-Sep. |
| Total basic capital                    | 6,557.2  | 4,235.7  | 5,127.0               | 21.0%         | -21.8%    |
| Total supplementary capital            | 2,234.8  | 1,998.9  | 1,935.0               | -3.2%         | -13.4%    |
| Net capital                            | 8,791.9  | 6,234.7  | 7,062.0               | 13.3%         | -19.7%    |
| Credit risk-weighted assets            | 59,811.1 | 59,872.0 | 64,434.0              | 7.6%          | 7.7%      |
| Basic capital (Tier 1)                 | 10.96%   | 7.07%    | 7.96%                 |               |           |
| Net capital (Tier 2)                   | 14.70%   | 10.41%   | 10.96%                |               |           |
| Market and credit risk-weighted assets | 66,087.6 | 67,078.3 | 71,332.0              | 6.3%          | 7.9%      |
| Basic capital (Tier 1)                 | 9.92%    | 6.31%    | 7.19%                 |               |           |
| Net capital (Tier 2)                   | 13.30%   | 9.29%    | 9.90%                 |               |           |

**Risk Management.** The objective of risk management in BITAL is to maintain the Group's risk-return position as established by the Board of Directors. Since 1994, BITAL has been using advanced risk-management techniques, which have incorporated adequate measures of risk exposure and potential losses to the Institution's decision making process.

Following the guidelines established by the CNBV, risk management integrates risks derived from market, loans, liquidity and operation. A Risk Committee has been formed integrated by Board Members and Area Managers. Its main functions include the proposal to the Board of Directors of limits and strategies to place BITAL in adequate risk-management levels, the approval of measuring techniques, and the supervision of compliance of the pre-established limits as well as the required level of provisions.

To avoid unforeseen risks, a structure of market risk limits has been established which governs the Group's financial subsidiaries including BITAL, Casa de Bolsa Bital, Seguros Bital and Fianzas México Bital. Since the strategy of the Group is centralised, limits have been established for all risk types and are not differentiated by business unit. The portfolio that follows these restrictions includes tradable instruments and traditional banking instruments. Thus the effects generated from changes in interest rates, prices and currency exchange rates for the entire Institution are included, and not only those of the Bank's treasury.

The methodology used by BITAL is the Value at Risk (VaR). The VaR is an estimate, given in the form of a confidence interval, of how much could be lost in the market by holding a position for a fixed period of time. This calculation is performed using Montecarlo and historical simulations, using a 95% confidence level. The time span used in the calculations was seven days.

| <b>RISK VALUE</b>         |                        |                               |                   |                              |                         |                |
|---------------------------|------------------------|-------------------------------|-------------------|------------------------------|-------------------------|----------------|
| <i>Thousands of MXP</i>   | <i>Risk factors</i>    |                               |                   |                              |                         | <i>Overall</i> |
|                           | <i>Capital Markets</i> | <i>Domestic Nominal Rates</i> | <i>Real Rates</i> | <i>Foreign Nominal Rates</i> | <i>Foreign Exchange</i> |                |
| 3 <sup>rd</sup> Qtr. 2001 | 39.7                   | 22.4                          | 60.8              | 20.9                         | 9.0                     | 80.3           |
| 2 <sup>nd</sup> Qtr. 2002 | 45.9                   | 27.3                          | 60.6              | 55.2                         | 2.4                     | 116.2          |
| 3 <sup>rd</sup> Qtr. 2002 | 23.6                   | 43.0                          | 75.8              | 21.8                         | 4.4                     | 86.6           |
| VAR Limits                | 100.0                  | 200.0                         | 100.0             | 150.0                        | 50.0                    | 350.0          |

With respect to the previous quarter, total VaR showed a decrease of 25.47%, below the limits established by Management. The risk factor that showed more change is the one related to capital markets, following an increase in securities and the behavior of interest rates. VaR for capital markets is equivalent to 21.50% of the pre-established limit.

In order to calibrate the models for the VaR calculations, back testing is performed regularly by comparing historical VaR with the theoretical losses that the fixed portfolio would have generated. In addition to the calculation of the VaR, which measures the risk profile of the portfolio, the Bank uses sensibility measures, including partial duration with respect to the different kinds of interest rates (Total for the Bank: 16 days for assets and 16 days for liabilities, Money Desk: Nominal 31 days, Variable 386 days, Real: 85 days). Additionally, tests under extreme conditions are performed to estimate the risk that the institution would face under extreme changes in key financial indicators.

With respect to credit risk, the Bank has risk-rating methodologies for the approval of new loans, price setting, and overall management and supervision. These methodologies include sectorial and regional analysis, payback capacity, use of resources, historical experience and type of guarantees.

For the measuring of credit and operating risk, expected and unexpected losses are calculated based on the frequency and severity of damages or losses. Using the model given by CrediRisk+ and in-house developments, unexpected losses are calculated with a 99% confidence and a time span of one year. Credit concentration is measured using Herfindahl index.

<sup>16</sup> Preliminary.

**Credit Risk Rating Methodology.** BITAL uses a provisional model for its risk-rating methodology on the loan portfolio, in accordance with the CNBV. This is consistent with Circular 1480. This methodology was developed internally and is applied in the underwriting of the loan as well as in the follow-up.

The loan is rated on a scale of 1 through 10, as follows:

**Acceptable Risks:**

**Minimum (Risk rating 1)** Businesses with positive and growing trends. Institutional management with strong cash flow. Exceptional liquidity and profitability ratios, with favourable market conditions and good standing relationships with customers and suppliers. No legal problems and clean credit history for the last 12 months.

**Low (Risk rating 2 y 3)** Businesses with positive trend, able and experience management. Good payment capacity and cash flow to finance investments. Liquidity and debt ratios according to its activity, and adequate profitability. Competitive cash flow, with favourable market conditions and good relationships with suppliers and customers. No legal problems and with occasional delays in payments in the last 12 months.

**Medium (Risk rating 4 y 5)** Businesses similar to those describe as Low risk that are going through a lapse of unfavourable results, but with clear factors that show a recovery in the short term. Family type management. Adequate payback capacity, more sensitive to the economic environment. Levels of liquidity, debt and profitability in slight disadvantage with comparison to its peers. Possible concentration of customers or suppliers with stable employee relationship. In the last 12 months, might have shown past due status for periods under 90 days, possibly with restructuring without capitalization of interests.

**Unacceptable Risks:**

**High (Risk rating 6 y 7)** Businesses performing below the sector average. Weak family type management. Deficient payback capacity and clear downward trends. High dependency on the economic environment. Weak market conditions and dependent on customers and suppliers. Possible legal problems, but with stable employee relationship. In the last 12 months, might have shown past due status for periods between 90 and 270 days, possibly with restructuring without capitalization of interests.

**Very High (Risk rating 8 y 9)** Businesses on clear downward trends with elements, which show no clear elements that show recovery signs. One man only type management or management without the capacity to manage the business. Low payback capacity and high dependency on the economic environment. Cash flow is insufficient for financial obligations. Restricted liquidity and high debt ratios. In the last 12 months, it may show past due status for periods between 270 and 360 days. Could have several restructures in the same operation.

**Maximum risk (Risk rating 10)** Businesses with negative trends or without evidence of recovery. Management incapable of managing the business. No liquidity or payment capability and excessive debt ratio. Deteriorated cash flow and operating losses. Legal conflicts that could affect its assets and possibility of a strike. Declining market with systematic customer or supplier loss. Null payment capacity, thus rendering its obligations as unrecoverable. Non performing loans in legal process.

The rating process includes the valuation in three areas: Liquidity, Payback history and Operating situation of the customer. Additionally, shareholder support, information and documentation quality, sectorial and country risk are also taken into consideration for the final rating.

To determine the match between CNBV and BITAL's rating scales, the Bank used a sample of 130 customers. Each customer was rated under both methodologies and the corresponding scheme was determined. The description of each risk level is consistent with this match.

| CNBV | BITAL |
|------|-------|
| A1   | 1 y 2 |
| A2   | 3 y 4 |
| B    | 5     |
| C1   | 6 y 7 |
| C2   | 8     |
| D    | 9     |
| E    | 10    |

## Banco del Atlantico

On October 1<sup>st</sup>, 2002, the IPAB, GFBital, BITAL, and Atlantico signed the definitive agreements and performed the necessary corporate acts to incorporate from that date on the assets and liabilities of Atlantico to BITAL. The transaction has reached its conclusion in compliance with the Agreement signed on December 7, 2001.

The main characteristics of the operation are as follows:

- Assets and liabilities to be incorporated into BITAL amount to MXP 63,795 Million.
- BITAL has brought forth for the clean-out of Atlantico's assets allowances for MXP 1,678 Million. This amount was provisioned by BITAL by charging MXP 1,500 Million to capital reserves on March 31, 2002, and charging MXP 178 Million to the third quarter's income.

- The amount of consolidated IPAB liabilities in favour of Atlantico, including those relating to the financial strengthening and the notes issued by Fobaproa, amount to MXP 29,857.0 Million as of September 30, 2002.
- The audit mandated by the Bank Savings Protection Law has been concluded. Nevertheless the confirmation of the results is still pending.
- IPAB will have an option to participate in GFBital's capitalisation process. We estimate that the value of IPABs option would amount to MXP 73.3 Million.
- The CNBV, taking into account HSBC's offer, extended until December 31, 2002, the due date for BITAL's capitalization process whereas the Bank would need to comply with a net capital adequacy ratio of at least 10%.

For your review, we include a proforma balance sheet of Atlantico and a consolidated balance of both Institutions. These figures consider the balance sheet as of September 31, 2002.

| <b>PROFORMA BALANCE SHEET AND CONSOLIDATION<sup>17</sup></b> |                |                  |                     |
|--|----------------|------------------|---------------------|
| <i>Millions of Constant Pesos</i>                            | <i>BITAL</i>   | <i>Atlántico</i> | <i>Consolidated</i> |
| <i>September 30, 2002</i>                                    |                | <i>Proforma</i>  | <i>Balance</i>      |
| <b>Assets</b>  | <b>159,542</b> | <b>65,564</b>    | <b>161,712</b>      |
| Funds available  | 84,172         | 2,557            | 23,447              |
| Securities   | 4,597          | 3,557            | 8,154               |
| <b>Net Loan Portfolio</b>                                    | <b>58,952</b>  | <b>57,466</b>    | <b>116,418</b>      |
| Outstanding loans  | 42,546         | 7,321            | 49,867              |
| Loans to Fobaproa / IPAB, net                                | 18,827         | 49,857           | 68,684              |
| Non-performing loans   | 5,172          | 7,732            | 12,904              |
| Loan loss provisions   | (7,593)        | (7,444)          | (15,037)            |
| Other assets   | 11,821         | 1,984            | 13,693              |
| <b>Liabilities</b>   | <b>152,124</b> | <b>65,562</b>    | <b>154,294</b>      |
| Traditional deposits   | 130,280        | 636              | 130,916             |
| Loans  | 16,384         | 64,226           | 17,330              |
| Other Liabilities  | 5,460          | 700              | 6,048               |
| <b>Total Equity</b>  | <b>7,418</b>   | <b>2</b>         | <b>7,418</b>        |

The figures presented above consider a balance sheet as of quarter-end and includes the additional note issued by IPAB and all write-offs related to non-existent assets included in the agreement with IPAB, as well as the creation of the additional provisions needed.

## Seguros Bital<sup>18</sup>

**Results.** The Insurance Company presents a net consolidated income as of quarter-end of MXP 111.1 Million, which is 42.4% higher than the MXP 78.0 Million registered in the same period of the previous year. Net income generated during the quarter amounted to MXP 60.2 Million, 24.4% higher than that registered in the previous quarter.

<sup>17</sup> Estimated balances assuming the application of recourse referred to in the agreement signed with IPAB.

<sup>18</sup> The National Insurance and Bonding Comisión (CNSF) requires that insurance companies prepare their financial statements following the criteria contained in the B-10 Bulletin regarding inflationary accounting. Seguros Bital owns Pensiones Bital and ING Seguros (México). The CNSF does not require Insurance Companies to consolidate their financial statements, however, in this report we present consolidated financial statements with the purpose of highlighting the Group's development in the insurance and retirement fund management businesses. Grupo Financiero Bital controls 51% of Seguros Bital and ING Group controls the remaining 49%.

**ESTADO DE RESULTADOS CONSOLIDADO**

| Millions of Constant Pesos             |                 | 2001          |              |               |              | 2002         |              |                | Growth. vs. Growth. vs. |             |
|--|-----------------|---------------|--------------|---------------|--------------|--------------|--------------|----------------|-------------------------|-------------|
|  |                 | 1st Qtr       | 2nd Qtr      | 3rd Qtr       | 4th Qtr      | 1st Qtr      | 2nd Qtr      | 3rd Qtr        | Prev Qtr.               | Prev Year   |
| Premiums issued                        | Seguros Bital   | 189.7         | 129.1        | 159.4         | 180.4        | 232.7        | 196.5        | <b>194.2</b>   | -1.2%                   | 21.8%       |
|  | ING Seguros     | 60.1          | 9.3          | 58.6          | 68.4         | 42.0         | 43.2         | <b>70.9</b>    | 64.1%                   | 21.0%       |
|  | Servicios B-I   | 31.7          | (31.7)       | -             | -            | -            | -            | -              | -                       | -           |
|  | Pensiones Bital | 236.9         | 227.9        | 274.3         | 321.8        | 255.0        | 306.5        | <b>78.9</b>    | -74.3%                  | -71.2%      |
|  |                 | <b>518.5</b>  | <b>334.6</b> | <b>492.3</b>  | <b>570.6</b> | <b>529.8</b> | <b>546.2</b> | <b>344.0</b>   | -37.0%                  | -30.1%      |
| Retained premiums                      | Seguros Bital   | 185.3         | 128.3        | 158.8         | 180.4        | 231.5        | 197.6        | <b>194.9</b>   | -1.4%                   | 22.7%       |
|  | ING Seguros     | 28.5          | 11.2         | 46.5          | 37.9         | 30.6         | 31.1         | <b>59.8</b>    | 92.3%                   | 28.6%       |
|  | Servicios B-I   | 31.7          | (31.7)       | -             | -            | -            | -            | -              | -                       | -           |
|  | Pensiones Bital | 236.9         | 227.9        | 274.3         | 321.8        | 255.0        | 306.5        | <b>78.9</b>    | -74.3%                  | -71.2%      |
|  |                 | <b>482.5</b>  | <b>335.7</b> | <b>479.6</b>  | <b>540.1</b> | <b>517.3</b> | <b>535.2</b> | <b>333.6</b>   | -37.7%                  | -30.4%      |
| Net Premiums                           | Seguros Bital   | 108.0         | 149.0        | 140.0         | 100.3        | 171.1        | 192.7        | <b>195.4</b>   | 1.4%                    | 39.6%       |
|  | ING Seguros     | 60.9          | 46.6         | 38.0          | 44.8         | 48.5         | 49.7         | <b>50.4</b>    | 1.4%                    | 32.6%       |
|  | Servicios B-I   | 31.7          | (31.7)       | -             | -            | -            | -            | -              | -                       | -           |
|  | Pensiones Bital | (2.0)         | (2.0)        | 9.1           | (6.9)        | 5.1          | (8.1)        | <b>(11.9)</b>  | 46.9%                   | -230.8%     |
| Total net premiums                     |                 | <b>198.7</b>  | <b>161.9</b> | <b>187.1</b>  | <b>138.2</b> | <b>224.9</b> | <b>234.3</b> | <b>233.9</b>   | -0.2%                   | 25.0%       |
| Underwriting expenses                  |                 | (108.1)       | (22.6)       | (63.7)        | (69.6)       | (62.0)       | (43.7)       | <b>(36.2)</b>  | -17.2%                  | -43.2%      |
| Net claims                             |                 | (141.0)       | (134.4)      | (154.3)       | (134.9)      | (166.7)      | (203.1)      | <b>(180.4)</b> | -11.2%                  | 16.9%       |
| Financial revenues from tech. reserves |                 | 70.8          | 76.7         | 64.9          | 153.9        | 79.9         | 114.3        | <b>97.3</b>    | -14.9%                  | 49.9%       |
| Net income from insurance op.          |                 | 20.4          | 81.6         | 34.0          | 87.6         | 76.1         | 101.8        | <b>114.6</b>   | 12.6%                   | 237.1%      |
| Increase in technical reserves         |                 | (17.9)        | (17.5)       | (20.9)        | (19.1)       | (18.3)       | (16.6)       | <b>(13.1)</b>  | -21.1%                  | -37.3%      |
| Administrative & promotional expenses  |                 | (38.5)        | 13.9         | (26.9)        | (40.2)       | (26.2)       | (35.0)       | <b>(38.1)</b>  | 8.9%                    | 41.6%       |
|  |                 | <b>(36.0)</b> | <b>78.0</b>  | <b>(13.8)</b> | <b>28.3</b>  | <b>31.6</b>  | <b>50.2</b>  | <b>63.4</b>    | 26.3%                   | -559.4%     |
| Financial revenues and other income    |                 | 49.2          | 11.0         | 10.9          | 31.5         | 24.5         | 14.0         | <b>20.3</b>    | 45.0%                   | 86.2%       |
| Income tax and employee profit share   |                 | (3.1)         | (3.7)        | (2.5)         | (17.6)       | (13.9)       | (7.2)        | <b>(15.4)</b>  | 113.9%                  | 516.0%      |
| Restatement                            |                 | (3.6)         | (5.9)        | (2.5)         | (2.6)        | (8.4)        | (8.6)        | <b>(8.1)</b>   | -5.8%                   | 224.0%      |
| <b>NET CONSOLIDATED INCOME</b>         |                 | <b>6.5</b>    | <b>79.4</b>  | <b>(7.9)</b>  | <b>39.6</b>  | <b>33.8</b>  | <b>48.4</b>  | <b>60.2</b>    | <b>24.4%</b>            | <b>n.a.</b> |

On a consolidated basis, Seguros Bital and its subsidiaries, ING Seguros Bital (México) and Pensiones Bital, issued a total of MXP 333.6 Million in premiums during the quarter, 37.7% less than in the previous quarter and 30.1% less than in the third quarter of the previous year, basically as the result of the contraction in the annuity market. Net premiums amounted to MXP 233.9 Million, which is 0.2% lower than in 2<sup>nd</sup> Qtr. 2002 and 25% higher than in 3<sup>rd</sup> Qtr. 2001.

Net income from insurance operations increased 12.6% with respect to the previous quarter. This increase was the result of a decrease of 17.2% in acquisition and re-insurance costs and a decrease of 11.2% in claims. Offsetting this income, financial revenues from the technical reserves decrease by 14.9% during the quarter.

<sup>9</sup> Net income shown for 1Q01 and 2Q01 shows adjustments related to the selling of Afore Bital in December 2000.

**CONSOLIDATED BALANCE SHEET**

| Millions of Constant Pesos       | 2001           |                |                |                | 2002           |                |                |       | Growth.<br>vs.<br>Prev Qtr. | Growth.<br>vs.<br>Prev Year. |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------|-----------------------------|------------------------------|
|                                  | Mar. 31        | Jun. 30        | Sep. 30        | Dic. 31        | Mar. 31        | Jun. 30        | Sep. 30        |       |                             |                              |
| <b>ASSETS</b>                    | <b>3,603.3</b> | <b>3,741.9</b> | <b>4,068.9</b> | <b>4,435.6</b> | <b>4,798.2</b> | <b>5,175.6</b> | <b>5,369.3</b> | 3.7%  | 32.0%                       |                              |
| Securities                       | 3,036.9        | 3,288.6        | 3,599.8        | 4,068.0        | 4,399.8        | 4,817.4        | 4,974.3        | 3.3%  | 38.2%                       |                              |
| Other assets                     | 428.3          | 355.1          | 373.4          | 206.5          | 320.6          | 288.6          | 311.7          | 8.0%  | -16.5%                      |                              |
| Pre-operational expenses         | -              | -              | -              | -              | -              | -              | -              | -     | -                           |                              |
| Other deferred assets            | 138.1          | 98.2           | 95.7           | 161.1          | 77.8           | 69.6           | 83.3           | 19.7% | -13.0%                      |                              |
| <b>LIABILITIES</b>               | <b>3,189.4</b> | <b>3,245.5</b> | <b>3,590.6</b> | <b>3,918.0</b> | <b>4,246.9</b> | <b>4,574.4</b> | <b>4,711.8</b> | 3.0%  | 31.2%                       |                              |
| Technical reserves               | 3,031.1        | 3,039.9        | 3,387.2        | 3,706.4        | 3,985.3        | 4,339.4        | 4,463.8        | 2.9%  | 31.8%                       |                              |
| Other liabilities                | 158.3          | 205.6          | 203.4          | 211.6          | 261.6          | 235.0          | 248.0          | 5.5%  | 21.9%                       |                              |
| <b>STOCKHOLDERS' EQUITY</b>      | <b>413.8</b>   | <b>496.3</b>   | <b>478.3</b>   | <b>517.0</b>   | <b>551.8</b>   | <b>601.1</b>   | <b>657.4</b>   | 9.4%  | 37.4%                       |                              |
| Paid-in capital                  | 418.7          | 421.2          | 410.6          | 410.0          | 408.8          | 409.1          | 408.9          | 0.0%  | -0.4%                       |                              |
| Legal reserves                   | 12.8           | 12.9           | 12.9           | 12.8           | 12.8           | 17.5           | 17.5           | 0.0%  | 35.7%                       |                              |
| Additional paid-in capital       | -              | -              | -              | -              | -              | -              | -              | -     | -                           |                              |
| Net income from previous year    | 19.7           | 19.9           | 19.8           | 19.7           | 66.4           | 61.7           | 61.7           | 0.0%  | 211.6%                      |                              |
| Cumulative effect of restatement | (147.8)        | (151.6)        | (152.5)        | (154.0)        | (153.5)        | (154.4)        | (154.7)        | 0.2%  | 1.4%                        |                              |
| Subsidiaries                     | 109.7          | 176.7          | 174.4          | 181.6          | 183.7          | 185.5          | 182.0          | -1.9% | 4.4%                        |                              |
| Net income                       | 0.7            | 17.2           | 13.1           | 46.9           | 33.6           | 81.7           | 142.0          | 73.8% | 984.0%                      |                              |

Total consolidated assets amounted to MXP 5,369.3 Million, an increase of 3.7% during the quarter and 32.0% during the year. The increase in assets is proportional to the increase in technical reserves, which grew 2.9% during the quarter and 38.2% during the year. This increase is explained mainly by the increase in the operation of the annuities company.

Seguros Bital's stockholders' equity shows an increase of 9.4% in the last three months and of 37.4% in the last twelve, deriving mainly from net income generation.

**Other Financial Subsidiaries**

**Almacenadora Bital** registers a net income as of September 30, 2002 of MXP 3.2 Million, which is 24.9% higher to the MXP 2.6 Million reported for the same date of the previous year. The result over the quarter amounted to MXP 881 Thousand, which is 1.1% higher than that registered in the previous quarter.

GFBITAL's Board of Directors received an offer to sell its controlling participation in the shares of the warehousing company, and has approved the selling of this subsidiary. The interested party is currently in a due diligence process in order to formalise a final offer.

**Casa de Bolsa Bital** registered a loss during the quarter of MXP 306 Thousand, reaching a net accumulated loss of MXP 1.3 Million as of September 30, 2002. The result is associated to write-offs during the quarter.

The stock brokerage company shows a stockholders' equity at quarter-end of MXP 123.0 Million, which represents a reduction of 20.9% with respect to the previous year. The reduction is explained by the payment of dividends to the Group for MXP 25 Million during the first quarter of 2002.

**Fianzas Mexico Bital.** The Bonding Company's net income amounted to MXP 34.2 Million, of which MXP 20.5 Million correspond to that generated in the quarter. Net income for the quarter was 242.3% higher than in the previous quarter and 982.2% higher than that registered in the third quarter of the previous year. The main improvement in the company's results is related to an increase in operating income and a decrease in claims due to a better risk selection and application of reserves.

**Operadora de Fondos Bital.** The Investment Fund Manager shows a net accumulated income of MXP 143 Thousand as of quarter-end.

## Relevant Events

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**HSBC Holdings plc (HSBC)** has agreed with GFBital, and a group of shareholders who jointly control at least 52% of the outstanding shares of GFBital, to launch a tender offer for the acquisition of the total outstanding shares of the Financial Group. The total amount to be paid in cash for 100% of the shares would be US\$ 1.14 Billion Dollars, at an approximate price of US\$1.20 Dollars per share.

The acquisition is subject to several conditions which include to have the necessary governmental approvals and to guarantee at least a 52% participation in total equity and 57% participation in Series "O" voting shares, taking into account the totality of outstanding shares after all GFBITAL's outstanding subordinated debentures have been converted into shares. The operations has been approved and is recommended unanimously by GFBITAL's Board of Directors.

Additionally, HSBC has signed an agreement with a significant group of GFBITAL shareholders, in which said shareholders have agreed to sell their position in accordance with the tender offer conditions.

As soon as the operation is completed, a top management staff will be selected from both Institutions. Mr. Luis Berrondo, Chairman of GFBital's Board of Directors, has agreed to remain in his capacity, while the new management team will be led by Alexander A. (Sandy) Flockhart, CEO. Mr. Flockhart is currently appointed as Executive Vice-president of Retail Banking at HSBC Bank USA.

HSBC Group is one of the largest banking and financial services institutions in the world, with close to 7,000 branches in 81 countries and territories, and with US\$ 746 Billion Dollars as of June 30, 2002.

Currently, HSBC has filed with the proper authorities the request for the necessary approvals for holding the tender offer for 100% of GFBITAL's shares. We estimate that the tender offer will be carried out in the month of November of this year.

## Contacts

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|                       |                     |                                     |   |
|-----------------------|---------------------|-------------------------------------|---|
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| Germán Osuna          | 52 (55) 57.21.50.53 | Director Ejecutivo de Finanzas      | germoc@bital.com.mx   |
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|                       |                     |                                     | <a href="http://www.bital.com.mx">http://www.bital.com.mx</a> |

**GRUPO FINANCIERO BITAL, S.A. DE C.V.**  
 Paseo de la Reforma 243, 06500 México D.F.

| <b>CONSOLIDATED BALANCE SHEET</b>                |                  |                  |                  |                  |                  |                  |                  | 1/3 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----|
|  | 2001             |                  |                  |                  | 2002             |                  |                  |     |
|  | Mar. 31          | Jun. 30          | Sep. 30          | Dic. 31          | Mar. 31          | Jun. 30          | Sep. 30          |     |
| <i>Millions of Constant Pesos</i>                |                  |                  |                  |                  |                  |                  |                  |     |
| <b>ASSETS</b>                                    |                  |                  |                  |                  |                  |                  |                  |     |
| FUNDS AVAILABLE                                  | 32,802.2         | 43,936.8         | 48,454.8         | 51,769.5         | 50,135.9         | 54,202.4         | 84,173.2         |     |
| FINANCIAL INSTRUMENTS                            | 11,039.8         | 6,595.1          | 6,138.2          | 16,253.4         | 10,757.3         | 6,319.7          | 4,662.4          |     |
| Trading securities                               | 5,746.9          | 1,936.5          | 1,741.9          | 12,134.0         | 5,977.3          | 2,320.6          | 807.3            |     |
| Available-for-sale securities                    | 1,935.8          | 1,282.1          | 992.2            | 807.5            | 1,561.3          | 714.9            | 628.8            |     |
| Securities held-to-maturity                      | 3,357.0          | 3,376.5          | 3,404.1          | 3,311.9          | 3,218.7          | 3,284.1          | 3,226.3          |     |
| SECURITIES AND DERIVATIVE OPERATIONS             | 428.5            | 202.0            | 84.5             | 48.6             | 0.0              | 38.5             | 6.8              |     |
| Repurchase agreements                            | 424.9            | 202.0            | 84.5             | 48.6             | 0.0              | 38.0             | 6.4              |     |
| Derivative transactions                          | -                | -                | -                | -                | -                | -                | -                |     |
| Valores no asignados por liquidar                | 3.7              | -                | -                | 0.1              | -                | 0.5              | 0.4              |     |
| CURRENT LOANS                                    |                  |                  |                  |                  |                  |                  |                  |     |
| Commercial loans                                 | 21,331.7         | 21,837.8         | 21,192.3         | 22,635.7         | 21,755.9         | 21,424.3         | 20,753.0         |     |
| Loans to financial intermediaries                | 714.5            | 712.5            | 686.6            | 723.4            | 1,212.3          | 2,010.5          | 2,040.1          |     |
| Consumer loans                                   | 5,064.5          | 5,699.8          | 6,491.1          | 7,594.3          | 8,353.8          | 8,857.7          | 9,276.7          |     |
| Housing loans                                    | 7,894.6          | 8,012.3          | 8,002.8          | 7,869.0          | 7,791.3          | 7,721.3          | 7,643.8          |     |
| Loans to government entities                     | 3,641.8          | 3,219.6          | 2,846.7          | 3,528.5          | 3,419.8          | 2,661.8          | 2,998.8          |     |
| Loans to Fobaproa or IPAB                        | 19,823.3         | 20,002.3         | 19,959.3         | 19,710.8         | 19,066.6         | 18,826.9         | 18,660.6         |     |
| TOTAL CURRENT LOANS                              | 58,470.4         | 59,484.3         | 59,178.7         | 62,061.7         | 61,599.9         | 61,502.5         | 61,372.9         |     |
| NON-PERFORMING LOANS                             |                  |                  |                  |                  |                  |                  |                  |     |
| Commercial loans                                 | 2,746.7          | 2,653.3          | 2,762.1          | 2,604.6          | 2,546.6          | 2,639.7          | 2,909.1          |     |
| Loans to financial intermediaries                | 8.6              | 11.0             | 10.9             | 10.5             | 9.2              | 9.4              | 5.8              |     |
| Consumer loans                                   | 1,143.5          | 1,240.9          | 1,283.9          | 1,426.8          | 1,496.4          | 1,564.0          | 1,628.7          |     |
| Housing loans                                    | 706.2            | 451.3            | 585.8            | 584.8            | 555.4            | 568.0            | 570.6            |     |
| Loans to government entities                     | 0.2              | 10.0             | 0.2              | 0.2              | 0.1              | 0.1              | 0.1              |     |
| Immediate collection, remittances and overdrafts | 89.1             | 76.2             | 42.4             | 60.2             | 83.9             | 69.6             | 57.9             |     |
| TOTAL NON-PERFORMING LOANS                       | 4,694.3          | 4,442.6          | 4,685.2          | 4,687.0          | 4,691.7          | 4,850.9          | 5,172.3          |     |
| TOTAL LOAN PORTFOLIO                             | 63,164.7         | 63,926.9         | 63,863.9         | 66,748.7         | 66,291.5         | 66,353.4         | 66,545.2         |     |
| Minus: Allowance for loan losses                 | (5,060.4)        | (5,224.6)        | (5,502.3)        | (5,568.4)        | (7,340.0)        | (7,273.8)        | (7,593.5)        |     |
| NET LOAN PORTFOLIO                               | 58,104.4         | 58,702.3         | 58,361.6         | 61,180.3         | 58,951.5         | 59,079.6         | 58,951.7         |     |
| OTHER ACCOUNTS RECEIVABLE                        | 3,666.5          | 3,265.6          | 3,172.1          | 3,457.7          | 3,412.9          | 3,249.8          | 4,316.1          |     |
| FORECLOSED ASSETS                                | 648.8            | 798.4            | 811.2            | 719.4            | 693.0            | 699.9            | 694.4            |     |
| PROPERTY, FURNITURE AND EQUIPMENT, NET           | 3,991.2          | 3,994.1          | 3,862.5          | 3,781.8          | 3,675.3          | 3,592.1          | 3,489.4          |     |
| LONG-TERM INVESTMENTS IN EQUITY                  |                  |                  |                  |                  |                  |                  |                  |     |
| SECURITIES                                       | 664.7            | 718.1            | 713.9            | 726.5            | 728.2            | 753.7            | 804.1            |     |
| DEFERRED TAXES                                   | 2,686.6          | 2,556.3          | 2,648.6          | 2,532.6          | 4,193.9          | 3,998.7          | 3,803.7          |     |
| OTHER ASSETS                                     | 922.7            | 913.6            | 801.4            | 690.0            | 109.9            | 129.6            | 133.9            |     |
| Other assets, deferred charges and intangibles   | 165.6            | 197.4            | 136.3            | 75.4             | 109.9            | 129.6            | 133.9            |     |
| Unamortised risk coverage on UDI housing loans   | 757.1            | 716.2            | 665.1            | 614.7            | -                | -                | -                |     |
| <b>TOTAL ASSETS</b>                              | <b>114,955.4</b> | <b>121,682.4</b> | <b>125,048.8</b> | <b>141,159.8</b> | <b>132,657.8</b> | <b>132,064.0</b> | <b>161,035.7</b> |     |

**GRUPO FINANCIERO BITAL**

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| <b>CONSOLIDATED BALANCE SHEET</b>                            |                  |                  |                  |                  |                  |                  |                  | <b>2/3</b> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------|
| <i>Millions of Constant Pesos</i>                            |                  |                  |                  |                  |                  |                  |                  |            |
|  | <b>2001</b>      |                  |                  |                  | <b>2002</b>      |                  |                  |            |
|  | <i>Mar. 31</i>   | <i>Jun. 30</i>   | <i>Sep. 30</i>   | <i>Dic. 31</i>   | <i>Mar. 31</i>   | <i>Jun. 30</i>   | <i>Sep. 30</i>   |            |
| <b>LIABILITIES</b>   |                  |                  |                  |                  |                  |                  |                  |            |
| <b>DEPOSITS</b>  | 92,184.8         | 98,473.4         | 99,037.9         | 116,226.5        | 110,315.4        | 110,286.6        | 130,277.3        |            |
| Demand deposits  | 55,199.5         | 58,279.9         | 58,913.5         | 71,307.3         | 66,027.5         | 66,038.5         | 67,102.3         |            |
| Time deposits  | 36,985.3         | 40,193.5         | 40,124.4         | 44,919.2         | 44,287.9         | 44,248.1         | 63,175.0         |            |
| Bank bonds outstanding                                       | -                | -                | -                | -                | -                | -                | -                |            |
| <b>BANK AND OTHER LOANS</b>                                  | 8,035.3          | 9,334.8          | 11,932.6         | 10,300.7         | 8,152.4          | 8,241.2          | 16,383.8         |            |
| On demand  | -                | 97.4             | 3,426.8          | 2,591.2          | 728.1            | -                | 352.1            |            |
| Short term   | 1,606.2          | 1,591.2          | 1,170.7          | 901.5            | 590.9            | 582.9            | 8,258.3          |            |
| Long term  | 6,429.1          | 7,646.2          | 7,335.2          | 6,808.1          | 6,833.4          | 7,658.4          | 7,773.3          |            |
| <b>SECURITIES AND DERIVATIVE TRANSACTIONS</b>                | 320.8            | 117.8            | 118.7            | 133.5            | 30.1             | 118.6            | 263.3            |            |
| Repurchase agreements  | 320.8            | 117.8            | 117.5            | 133.5            | 29.9             | 117.2            | 64.4             |            |
| Securities deliverable in Repurchase agreements              | -                | -                | -                | -                | -                | 0.6              | 0.2              |            |
| Operations with derivative instruments                       | -                | 0.1              | 1.2              | -                | 0.2              | 0.8              | 198.7            |            |
| Derivative transactions                                      | -                | -                | -                | -                | -                | -                | -                |            |
| <b>OTHER ACCOUNTS PAYABLE</b>                                | 4,130.7          | 3,363.8          | 3,675.5          | 4,162.9          | 4,612.3          | 3,973.2          | 4,278.4          |            |
| Income tax and employee profit sharing payable               | 497.9            | 102.9            | 120.0            | 221.9            | 249.6            | 93.2             | 106.0            |            |
| Sundry creditors and other Accts. payable                    | 3,632.8          | 3,260.9          | 3,555.5          | 3,941.1          | 4,362.7          | 3,880.0          | 4,172.4          |            |
| <b>SUBORDINATED DEBENTURES OUTSTANDING</b>                   | 1,615.0          | 1,608.9          | 1,594.6          | 1,566.0          | 1,550.3          | 1,539.0          | 1,509.1          |            |
| <b>DEFERRED TAX</b>  | -                | -                | -                | -                | -                | -                | -                |            |
| <b>DEFERRED CREDITS</b>                                      | 35.1             | 180.1            | 21.7             | 30.2             | 47.5             | 13.2             | 26.8             |            |
| <b>TOTAL LIABILITIES</b>                                     | <b>106,321.7</b> | <b>113,078.9</b> | <b>116,380.9</b> | <b>132,419.9</b> | <b>124,708.0</b> | <b>124,171.9</b> | <b>152,738.7</b> |            |
| <b>STOCKHOLDERS' EQUITY</b>                                  |                  |                  |                  |                  |                  |                  |                  |            |
| <b>PAID-IN CAPITAL</b>                                       | <b>10,248.6</b>  | <b>10,352.0</b>  | <b>10,330.4</b>  | <b>10,291.5</b>  | <b>11,193.4</b>  | <b>11,174.0</b>  | <b>11,439.0</b>  |            |
| Capital stock  | 3,749.5          | 3,800.5          | 3,803.8          | 3,808.5          | 4,252.2          | 4,281.4          | 4,494.9          |            |
| Additional paid-in capital                                   | 3,838.6          | 3,891.6          | 3,898.3          | 3,907.9          | 5,449.3          | 5,542.0          | 6,197.6          |            |
| Mandatorily convertible subordinated debentures              | 2,660.5          | 2,659.9          | 2,628.3          | 2,575.2          | 1,492.0          | 1,350.6          | 746.4            |            |
| <b>CAPITAL GAINS</b>   | <b>(1,710.5)</b> | <b>(1,838.6)</b> | <b>(1,754.5)</b> | <b>(1,645.6)</b> | <b>(3,312.5)</b> | <b>(3,350.6)</b> | <b>(3,211.5)</b> |            |
| Capital reserves   | 283.4            | 287.2            | 309.2            | 309.4            | 309.2            | 309.2            | 309.2            |            |
| Retained earnings  | 2,076.5          | 2,059.5          | 2,037.6          | 2,037.6          | 2,542.8          | 2,544.7          | 2,544.7          |            |
| Surplus from mark-to-market of available-for-sale securities | -                | -                | -                | -                | -                | -                | -                |            |
| Result from translation of foreign operations                | -                | -                | -                | -                | -                | -                | -                |            |
| Effect of valuation of subsidiaries and affiliates           | -                | -                | -                | -                | -                | -                | -                |            |
| Cumulative effect of restatement                             | (3,204.8)        | (3,248.2)        | (3,248.2)        | (3,248.2)        | (3,248.2)        | (3,248.2)        | (3,248.2)        |            |
| Gains on non-monetary asset valuation                        | -                | -                | -                | -                | -                | -                | -                |            |
| Gains on non-monetary permanent investments                  | (1,013.8)        | (1,241.0)        | (1,258.5)        | (1,231.0)        | (3,020.1)        | (3,088.5)        | (3,069.1)        |            |
| Net income   | 148.2            | 303.9            | 405.5            | 486.7            | 103.8            | 132.4            | 252.1            |            |
| Minority interest  | 95.6             | 90.1             | 91.9             | 94.0             | 68.9             | 68.6             | 69.5             |            |
| <b>TOTAL STOCKHOLDER'S EQUITY</b>                            | <b>8,633.7</b>   | <b>8,603.5</b>   | <b>8,667.9</b>   | <b>8,739.9</b>   | <b>7,949.8</b>   | <b>7,892.1</b>   | <b>8,297.0</b>   |            |

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| <b>CONSOLIDATED BALANCE SHEET</b>         |                  |                  |                  |                  |                  |                  |                  | <b>3/3</b> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------|
| <i>Millions of Constant Pesos</i>         |                  |                  |                  |                  |                  |                  |                  |            |
|   | 2001             |                  |                  |                  | 2002             |                  |                  |            |
|   | Mar. 31          | Jun. 30          | Sep. 30          | Dic. 31          | Mar. 31          | Jun. 30          | Sep. 30          |            |
| <b>MEMORANDUM ACCOUNTS</b>                |                  |                  |                  |                  |                  |                  |                  |            |
| <b>CUSTOMER POSITION ACCOUNTS</b>         |                  |                  |                  |                  |                  |                  |                  |            |
| Customer Bank balances                    | 1.0              | 1.6              | 0.8              | 1.1              | 0.6              | 0.8              | 4.1              |            |
| Customer transaction liquidation          | (13.8)           | (6.3)            | 69.0             | 3.2              | (14.9)           | 0.5              | (9.3)            |            |
| Customer securities held in custody       | 31,627.8         | 35,497.9         | 30,103.9         | 30,861.5         | 30,715.9         | 33,179.4         | 28,957.8         |            |
| Securities and notes held in guarantee    | 1,371.1          | 1,423.4          | 180.8            | 147.7            | 170.2            | 191.1            | 110.0            |            |
| Calls (option strike price)               | -                | 2.9              | 0.3              | 1.1              | (0.9)            | 1.2              | 0.5              |            |
| Third party investment-banking operations | 109,646.2        | 103,097.0        | 13,598.5         | 8,592.4          | 11,018.0         | 11,701.4         | 23,848.9         |            |
| <b>TOTAL CUSTOMER POSITION ACCOUNTS</b>   | <b>142,632.2</b> | <b>140,016.5</b> | <b>43,953.2</b>  | <b>39,607.0</b>  | <b>41,888.8</b>  | <b>45,074.2</b>  | <b>52,912.1</b>  |            |
| <b>OTHER MEMORANDUM ACCOUNTS</b>          |                  |                  |                  |                  |                  |                  |                  |            |
| Retirement Savings Systems Funds (SAR)    | 2,591.0          | 2,622.6          | 2,707.1          | 2,739.9          | 2,818.4          | 2,912.3          | 2,969.1          |            |
| Integrated loan portfolio                 | 64,828.1         | 64,023.3         | 64,968.3         | 67,491.3         | 66,906.1         | 67,125.4         | 67,184.0         |            |
| Other control accounts                    | 202,445.9        | 211,127.0        | 212,930.3        | 229,292.3        | 224,629.0        | 225,533.0        | 254,190.6        |            |
| <b>TOTAL OTHER MEMORANDUM</b>             | <b>269,865.0</b> | <b>277,772.9</b> | <b>280,605.7</b> | <b>299,523.5</b> | <b>294,353.6</b> | <b>295,570.7</b> | <b>324,343.7</b> |            |
| <b>COMPANY POSITION ACCOUNTS</b>          |                  |                  |                  |                  |                  |                  |                  |            |
| Guarantees granted                        | 51.4             | 49.1             | 13.1             | 50.5             | 12.4             | 13.9             | 12.7             |            |
| Irrevocable lines of credit granted       | 674.3            | 812.2            | 758.7            | 688.5            | 599.4            | 757.4            | 625.1            |            |
| Goods in left in Trust                    | 166,392.4        | 160,443.9        | 69,930.1         | 37,074.3         | 39,019.8         | 45,147.0         | 49,306.2         |            |
| Goods in custody or management            | 405,832.6        | 402,071.9        | 407,697.1        | 410,020.2        | 403,933.7        | 339,881.3        | 300,674.2        |            |
| Commitments with Fobaproa                 | 12,441.2         | 12,241.5         | 12,227.5         | 11,838.7         | 11,521.9         | 11,654.6         | 11,347.6         |            |
| Commitments from derivatives              | 7,593.4          | 245.7            | 1,738.5          | 2,261.3          | 1,782.6          | 1,134.7          | 38.2             |            |
| Outstanding CD's                          | 694.5            | 812.0            | 820.2            | 848.2            | 839.2            | 968.3            | 569.0            |            |
| Shares held in custody                    | 1,168.3          | 1,179.3          | 1,166.0          | 1,160.0          | 1,560.4          | 1,578.0          | 1,772.6          |            |
| Contingency Fund obligations              | -                | -                | -                | -                | -                | -                | -                |            |
| Other contingent obligations              | 8,075.9          | 8,245.6          | 8,452.7          | 8,175.2          | 9,359.6          | 9,967.6          | 12,258.0         |            |
| <b>TOTAL COMPANY POSITION ACCOUNTS</b>    | <b>602,924.0</b> | <b>586,101.2</b> | <b>502,803.8</b> | <b>472,116.9</b> | <b>468,629.1</b> | <b>411,102.8</b> | <b>376,603.5</b> |            |
| <b>REPURCHASE AGREEMENT OPERATIONS</b>    |                  |                  |                  |                  |                  |                  |                  |            |
| <b>Reverse Repos</b>                      |                  |                  |                  |                  |                  |                  |                  |            |
| Receivable                                | 70,885.8         | 72,108.9         | 72,651.6         | 70,107.7         | 72,842.3         | 72,604.1         | 60,814.7         |            |
| Payable                                   | 70,459.4         | 71,902.0         | 72,566.1         | 70,235.6         | 72,914.3         | 72,738.0         | 60,880.7         |            |
| <b>TOTAL</b>                              | <b>426.4</b>     | <b>206.9</b>     | <b>85.5</b>      | <b>(127.9)</b>   | <b>(72.0)</b>    | <b>(133.9)</b>   | <b>(66.0)</b>    |            |
| <b>Repos</b>                              |                  |                  |                  |                  |                  |                  |                  |            |
| Payable                                   | 15,166.9         | 10,387.3         | 14,992.8         | 24,538.8         | 22,265.9         | 20,545.5         | 25,568.1         |            |
| Receivable                                | 15,482.4         | 10,720.6         | 15,111.2         | 24,496.3         | 22,224.2         | 20,491.4         | 25,560.6         |            |
| <b>TOTAL</b>                              | <b>(315.4)</b>   | <b>(333.3)</b>   | <b>(118.5)</b>   | <b>42.5</b>      | <b>41.6</b>      | <b>54.1</b>      | <b>7.5</b>       |            |

**GRUPO FINANCIERO BITAL**

**GRUPO FINANCIERO BITAL**

| <b>CONSOLIDATED INCOME STATEMENT</b>         |                        |                |                |                |                |                |                |                     |                 |
|--|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|-----------------|
| <i>Millions of Constant Pesos</i>            | <i>For the Quarter</i> |                |                |                | <i>2002</i>    |                |                | <i>Year to date</i> |                 |
|  | <i>2001</i>            | <i>2001</i>    | <i>2001</i>    | <i>2001</i>    | <i>2002</i>    | <i>2002</i>    | <i>2002</i>    | <i>2001</i>         | <i>2002</i>     |
|  | <i>1st Qtr</i>         | <i>2nd Qtr</i> | <i>3rd Qtr</i> | <i>4th Qtr</i> | <i>1st Qtr</i> | <i>2nd Qtr</i> | <i>3rd Qtr</i> | <i>3rd Qtr</i>      | <i>3rd Qtr</i>  |
| Interest income                              | 7,494.2                | 6,442.3        | 4,935.1        | 4,510.6        | 4,558.3        | 3,987.3        | <b>4,516.8</b> | 18,871.5            | <b>13,062.4</b> |
| Interest expense                             | 4,900.5                | 4,252.2        | 2,901.7        | 2,604.9        | 2,536.3        | 2,111.0        | <b>2,534.8</b> | 12,054.4            | <b>7,182.1</b>  |
| Monetary position (margin), net              | 26.5                   | 29.6           | 16.4           | 22.3           | 12.2           | 23.8           | <b>18.0</b>    | 72.5                | <b>54.0</b>     |
| <b>NET INTEREST INCOME</b>                   | <b>2,620.1</b>         | <b>2,219.6</b> | <b>2,049.8</b> | <b>1,928.0</b> | <b>2,034.1</b> | <b>1,900.1</b> | <b>2,000.0</b> | <b>6,889.5</b>      | <b>5,934.3</b>  |
| Loan loss provisions                         | 952.9                  | 984.5          | 765.7          | 625.7          | 643.8          | 203.8          | <b>599.7</b>   | 2,703.2             | <b>1,447.3</b>  |
| <b>RISK-ADJUSTED NET INTEREST INCOME</b>     | <b>1,667.2</b>         | <b>1,235.1</b> | <b>1,284.1</b> | <b>1,302.3</b> | <b>1,390.4</b> | <b>1,696.3</b> | <b>1,400.3</b> | <b>4,186.4</b>      | <b>4,487.0</b>  |
| Fee income                                   | 898.4                  | 1,027.1        | 1,038.5        | 1,022.2        | 927.3          | 1,168.5        | <b>1,119.5</b> | 2,964.0             | <b>3,215.4</b>  |
| Minus: Fees paid                             | 124.9                  | 132.3          | 126.8          | 139.9          | 121.8          | 132.8          | <b>14.3</b>    | 384.0               | <b>268.9</b>    |
| Brokerage activities income                  | 411.6                  | 756.2          | 224.8          | 321.9          | 423.8          | (32.9)         | <b>202.6</b>   | 1,392.7             | <b>593.5</b>    |
| <b>TOTAL OPERATING INCOME</b>                | <b>2,852.3</b>         | <b>2,886.1</b> | <b>2,420.6</b> | <b>2,506.5</b> | <b>2,619.8</b> | <b>2,699.1</b> | <b>2,708.1</b> | <b>8,159.0</b>      | <b>8,027.0</b>  |
| Administrative and promotional expenses      | 2,403.7                | 2,414.1        | 2,363.2        | 2,374.1        | 2,486.6        | 2,385.9        | <b>2,364.7</b> | 7,181.1             | <b>7,237.2</b>  |
| <b>NET OPERATING INCOME</b>                  | <b>448.6</b>           | <b>472.0</b>   | <b>57.3</b>    | <b>132.4</b>   | <b>133.1</b>   | <b>313.1</b>   | <b>343.5</b>   | <b>977.9</b>        | <b>789.7</b>    |
| Other income (expenses), net                 | (188.0)                | (255.9)        | (21.7)         | 94.5           | (115.2)        | (43.4)         | <b>(55.5)</b>  | (465.6)             | <b>(214.1)</b>  |
| <b>NET INCOME BEFORE TAXES</b>               | <b>260.6</b>           | <b>216.1</b>   | <b>35.6</b>    | <b>226.9</b>   | <b>17.9</b>    | <b>269.7</b>   | <b>288.0</b>   | <b>512.4</b>        | <b>575.6</b>    |
| Income tax and employee profit sharing       | 35.6                   | 35.9           | 29.4           | 112.7          | 34.9           | 42.0           | <b>16.7</b>    | 100.9               | <b>93.5</b>     |
| Deferred income tax                          | (95.5)                 | (76.6)         | 93.5           | (59.3)         | 94.4           | (164.1)        | <b>(170.6)</b> | (78.6)              | <b>(240.2)</b>  |
| <b>NET INCOME BEFORE SUBSIDIARIES</b>        | <b>129.5</b>           | <b>103.5</b>   | <b>99.8</b>    | <b>54.8</b>    | <b>77.5</b>    | <b>63.6</b>    | <b>100.8</b>   | <b>332.8</b>        | <b>241.8</b>    |
| Undistributed income from subsidiaries       | 20.9                   | 54.1           | 3.6            | 27.4           | 27.6           | 46.1           | <b>52.7</b>    | 78.6                | <b>126.5</b>    |
| <b>NET INCOME FROM CONTINUOUS OPERATIONS</b> | <b>150.5</b>           | <b>157.6</b>   | <b>103.4</b>   | <b>82.3</b>    | <b>105.1</b>   | <b>109.7</b>   | <b>153.5</b>   | <b>411.5</b>        | <b>368.3</b>    |
| Extraordinary items                          | -                      | -              | -              | -              | -              | (80.5)         | <b>(33.1)</b>  | -                   | <b>(113.6)</b>  |
| Minority interest                            | (2.3)                  | (1.8)          | (1.9)          | (1.1)          | (1.3)          | (0.6)          | <b>(0.8)</b>   | (6.0)               | <b>(2.6)</b>    |
| <b>NET INCOME (LOSS)</b>                     | <b>148.2</b>           | <b>155.8</b>   | <b>101.5</b>   | <b>81.2</b>    | <b>103.8</b>   | <b>28.6</b>    | <b>119.7</b>   | <b>405.5</b>        | <b>252.1</b>    |

**GRUPO FINANCIERO BITAL**

**GRUPO FINANCIERO BITAL**

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

For the period between January 1<sup>o</sup> and September 30, 2002

Millions of Constant Pesos

|  | PAID-IN CAPITAL |                            |                           | EARNED CAPITAL   |                   |  |   |   | Minority Interest | Total Stockholders' Equity |   |                  |
|--|-----------------|----------------------------|---------------------------|------------------|-------------------|--|---|---|-------------------|----------------------------|---|------------------|
|  | Capital Stock   | Additional paid-in capital | Mand. Conv. Subord. Debt. | Capital Reserves | Retained Earnings | Surplus from available-for-sale securities | Result from translation of foreign operations | Cummulative effect of revaluation of permanent investment |                   |                            | Valuatoin of non-monetary valuation of investment | Net Income       |
| Balance as of December 31, 2001  | 3,808.5         | 3,907.9                    | 2,484.6                   | 309.4            | 2,037.6           | -  | -   | (3,248.2)   | (1,231.0)         | 486.3                      | 91.1  | 8,646.0          |
| <b>MOVEMENTS DERIVED FROM STOCKHOLDER'S DECISIONS</b>                          |                 |                            |                           |                  |                   |  |   |   |                   |                            |   |                  |
| Conversion of debentures into shares   | 339.7           | 1,329.7                    | (1,732.9)                 | -                | 486.3             | -  | -   | -   | -                 | (486.3)                    | -   | (63.5)           |
| Transfer of net income from previous year                                      | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Conv. subordinated debentures issued   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Capitalisation of net income   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | 1,255.4          |
| Subscription of shares   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Capital Reserves   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| <b>Total</b>   | <b>674.4</b>    | <b>2,250.3</b>             | <b>(1,732.9)</b>          | <b>-</b>         | <b>486.3</b>      | <b>-</b>                                   | <b>-</b>                                      | <b>-</b>  | <b>-</b>          | <b>(486.3)</b>             | <b>-</b>  | <b>1,191.8</b>   |
| <b>MOVEMENTS DERIVED FROM THE OPERATION</b>                                    |                 |                            |                           |                  |                   |  |   |   |                   |                            |   |                  |
| Interest provisions for debentures   | -               | -                          | 14.6                      | -                | -                 | -  | -   | -   | -                 | -                          | -   | 14.6             |
| Interest paid for debentures   | -               | -                          | (19.9)                    | -                | -                 | -  | -   | -   | -                 | -                          | -   | (19.9)           |
| Net income   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | 252.1                      | -   | 252.1            |
| <b>Total</b>   | <b>-</b>        | <b>-</b>                   | <b>(5.2)</b>              | <b>-</b>         | <b>-</b>          | <b>-</b>                                   | <b>-</b>                                      | <b>-</b>  | <b>-</b>          | <b>252.1</b>               | <b>-</b>  | <b>246.8</b>     |
| <b>MOVEMENTS DERIVED FROM THE RECOGNITION OF CERTAIN ACCOUNTING PRINCIPLES</b> |                 |                            |                           |                  |                   |  |   |   |                   |                            |   |                  |
| Valuation of available-for-sale securities                                     | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Conversion of off-shore transactions   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Surplus (deficit) in restatement of equity                                     | -               | -                          | -                         | -                | -                 | -  | -   | -   | (1,838.1)         | -                          | (21.6)  | (1,838.1)        |
| Valuation of non-monetary assets   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Minority interest  | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| Recognition of inflation in financial information:                             | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| - Restatement of non-monetary assets   | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| - Restatement of equity accounts   | 12.0            | 39.4                       | -                         | (0.2)            | 20.8              | -  | -   | -   | -                 | -                          | -   | 72.0             |
| - Restatement of other accounts  | -               | -                          | -                         | -                | -                 | -  | -   | -   | -                 | -                          | -   | -                |
| <b>Total</b>   | <b>12.0</b>     | <b>39.4</b>                | <b>-</b>                  | <b>(0.2)</b>     | <b>20.8</b>       | <b>-</b>                                   | <b>-</b>                                      | <b>-</b>  | <b>(1,838.1)</b>  | <b>-</b>                   | <b>(21.6)</b>                                     | <b>(1,787.7)</b> |
| Balance as of September 30, 2002   | 4,494.9         | 6,197.6                    | 746.4                     | 309.2            | 2,544.7           | -  | -   | (3,248.2)   | (3,069.1)         | 252.1                      | 69.5  | 8,297.0          |

**GRUPO FINANCIERO BITAL**

**GRUPO FINANCIERO BITAL**
**CONSOLIDATED STATEMENT OF CHANGES IN THE FINANCIAL SITUATION**

 For the period between January 1<sup>st</sup> and September 30, 2002

Millions of Constant Pesos

**OPERATIONS**

|   |                  |
|---|------------------|
| Net income (loss)   | 252.1            |
| <i>Items in net income that did not generate or require cash:</i> |                  |
| Depreciation and amortization                                     | 543.3            |
| Loan loss provisions  | 1,447.3          |
| Provisions for debentures   | 59.3             |
| Surplus (deficit) from mark-to-market                             | 63.6             |
| Deferred income tax and employee profit sharing                   | 241.1            |
| Decrease in minority interest                                     | (0.0)            |
| Equity in undistributed income from subsidiaries                  | (126.5)          |
| Restatement effects   | -                |
| Provision for income tax and profit sharing                       | -                |
|   | 2,480.1          |
| <i>Increase (decrease) of items related to the operation:</i>     |                  |
| Increase in deposits, money counter & interbank funding           | 14,050.8         |
| Increase in interbank loans                                       | 6,454.2          |
| Amortization of interbank loans                                   | (371.7)          |
| Increase in loan portfolio  | 1,396.0          |
| Decrease in financial instrument treasury transactions            | 11,699.7         |
| Decrease in other accounts receivable and payable, net            | (1,043.2)        |
| Effect of restatement of net income from previous years           | 20.6             |
| Decrease of minority interest                                     | (24.9)           |
| <b>Net resources generated by operations</b>                      | <b>34,661.5</b>  |
| <b>FINANCING ACTIVITIES</b>                                       |                  |
| Subordinated debentures issued                                    | (56.9)           |
| Amortization of subordinated debentures                           | (1,828.8)        |
| Paid-in capital   | 2,976.2          |
| <b>Net resources generated by financing activities</b>            | <b>1,090.6</b>   |
| <b>INVESTMENT ACTIVITIES</b>                                      |                  |
| Sale of fixed assets and long-term investments                    | (173.6)          |
| Increase in deferred assets                                       | (3,174.7)        |
| <b>Net resources generated by investment activities</b>           | <b>(3,348.4)</b> |
| <b>Net increase in funds available</b>                            | <b>32,403.7</b>  |
| Funds available at beginning of the year                          | 51,769.5         |
| <b>Funds available as of period-end</b>                           | <b>84,173.2</b>  |

**GRUPO FINANCIERO BITAL**

**GRUPO FINANCIERO BITAL**

|                              |                 | 2001      |           |           |           | 2002      |           |           |
|------------------------------|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                              |                 | Mar. 31   | Jun. 30   | Sep. 30   | Dic. 31   | Mar. 31   | Jun. 30   | Sep. 30   |
| BANCO INTERNACIONAL          | Total Assets    | 114,734.1 | 120,359.8 | 123,589.8 | 139,846.4 | 130,567.2 | 130,426.1 | 159,541.7 |
|                              | Total Equity    | 7,970.9   | 7,777.4   | 7,852.4   | 7,917.6   | 7,116.9   | 7,077.5   | 7,418.3   |
|                              | YTD Net Income. | 126.4     | 226.6     | 332.1     | 393.7     | 79.2      | 128.8     | 198.4     |
| ALMACENADORA BITAL           | Total Assets    | 141.4     | 145.2     | 148.8     | 142.7     | 141.4     | 133.6     | 137.2     |
|                              | Total Equity    | 111.7     | 112.2     | 113.3     | 112.4     | 113.6     | 105.4     | 106.2     |
|                              | YTD Net Income. | 1.0       | 1.4       | 2.6       | 1.6       | 1.5       | 2.4       | 3.2       |
| CASA DE BOLSA BITAL          | Total Assets    | 1,040.9   | 647.8     | 783.0     | 626.1     | 1,402.2   | 955.9     | 718.0     |
|                              | Total Equity    | 153.0     | 158.0     | 155.5     | 149.1     | 121.4     | 122.8     | 123.0     |
|                              | YTD Net Income. | 2.2       | 9.0       | 7.8       | 1.4       | (2.8)     | (1.0)     | (1.3)     |
| FIANZAS MEXICO BITAL         | Total Assets    | 639.1     | 669.9     | 674.7     | 687.3     | 688.5     | 667.4     | 656.4     |
|                              | Total Equity    | 245.7     | 254.9     | 256.9     | 262.2     | 243.9     | 249.8     | 267.7     |
|                              | YTD Net Income. | 12.4      | 21.6      | 23.5      | 29.3      | 7.6       | 13.6      | 31.4      |
| SEGUROS BITAL                | Total Assets    | 1,011.5   | 997.9     | 1,117.6   | 1,101.9   | 1,329.9   | 1,413.4   | 1,511.6   |
|                              | Total Equity    | 419.5     | 494.9     | 479.3     | 515.6     | 552.7     | 601.4     | 657.2     |
|                              | YTD Net Income. | 11.3      | 17.2      | 78.9      | 46.7      | 34.7      | 82.0      | 142.3     |
| OPERADORA DE FONDOS<br>BITAL | Total Assets    | -         | -         | -         | -         | 1.4       | 1.6       | 1.7       |
|                              | Total Equity    | -         | -         | -         | -         | 1.2       | 1.2       | 1.2       |
|                              | YTD Net Income. | -         | -         | -         | -         | 0.2       | 0.2       | 0.1       |

**GRUPO FINANCIERO BITAL**

**BITAL / BANCO INTERNACIONAL**  
**INSTITUCION DE BANCA MULTIPLE**  
**GRUPO FINANCIERO BITAL**  
 Paseo de la Reforma 156, 06600 México D.F.

| <b>CONSOLIDATED BALANCE SHEET</b>                |                  |                  |                  |                  |                  |                  |                  |  | 1/3 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|-----|
| <i>Millions of Constant Pesos</i>                |                  |                  |                  |                  |                  |                  |                  |  |     |
|  | 2001             |                  |                  |                  | 2002             |                  |                  |  |     |
|  | Mar. 31          | Jun. 30          | Sep. 30          | Dic. 31          | Mar. 31          | Jun. 30          | Sep. 30          |  |     |
| <b>ASSETS</b>                                    |                  |                  |                  |                  |                  |                  |                  |  |     |
| FUNDS AVAILABLE                                  | 33,247.3         | 43,936.8         | 48,454.8         | 51,770.4         | 50,135.3         | 54,202.1         | 84,171.8         |  |     |
| FINANCIAL INSTRUMENTS                            | 11,012.7         | 6,481.3          | 6,021.2          | 16,134.9         | 10,620.6         | 6,257.3          | 4,597.3          |  |     |
| Trading securities                               | 5,648.1          | 1,822.7          | 1,624.9          | 12,015.4         | 5,840.7          | 2,258.3          | 742.2            |  |     |
| Available-for-sale securities                    | 1,962.1          | 1,282.1          | 992.2            | 807.5            | 1,561.3          | 714.9            | 628.8            |  |     |
| Securities held-to-maturity                      | 3,402.6          | 3,376.5          | 3,404.1          | 3,311.9          | 3,218.7          | 3,284.1          | 3,226.3          |  |     |
| SECURITIES AND DERIVATIVE OPERATIONS             | 434.4            | 202.0            | 84.5             | 47.9             | -                | 47.0             | 6.8              |  |     |
| Repurchase agreements                            | 430.6            | 202.0            | 84.5             | 47.8             | -                | 46.5             | 6.4              |  |     |
| Operations that represent loans with collateral  | -                | -                | -                | -                | -                | -                | -                |  |     |
| Unassigned securities pending payment            | -                | -                | -                | -                | -                | 0.5              | 0.4              |  |     |
| Derivative transactions                          | 3.7              | -                | -                | 0.1              | -                | -                | -                |  |     |
| CURRENT LOANS                                    |                  |                  |                  |                  |                  |                  |                  |  |     |
| Commercial loans                                 | 21,621.2         | 21,837.9         | 21,192.7         | 22,636.2         | 21,756.1         | 21,424.5         | 20,753.4         |  |     |
| Loans to financial intermediaries                | 724.2            | 712.5            | 686.6            | 723.4            | 1,212.3          | 2,010.5          | 2,040.1          |  |     |
| Consumer loans                                   | 5,133.2          | 5,699.8          | 6,491.1          | 7,594.3          | 8,353.8          | 8,857.7          | 9,276.7          |  |     |
| Housing loans                                    | 8,001.7          | 8,012.3          | 8,002.8          | 7,869.0          | 7,791.3          | 7,721.3          | 7,643.8          |  |     |
| Loans to government entities                     | 3,691.2          | 3,219.6          | 2,846.7          | 3,528.5          | 3,419.8          | 2,661.8          | 2,998.8          |  |     |
| Loans to Fobaproa or IPAB                        | 20,092.3         | 20,002.3         | 19,959.3         | 19,710.8         | 19,066.6         | 18,826.9         | 18,660.6         |  |     |
| TOTAL CURRENT LOANS                              | 59,263.8         | 59,484.4         | 59,179.2         | 62,062.2         | 61,600.0         | 61,502.7         | 61,373.4         |  |     |
| NON-PERFORMING LOANS                             |                  |                  |                  |                  |                  |                  |                  |  |     |
| Commercial loans                                 | 2,784.0          | 2,653.3          | 2,762.1          | 2,604.6          | 2,546.6          | 2,639.7          | 2,909.1          |  |     |
| Loans to financial intermediaries                | 8.8              | 11.0             | 10.9             | 10.5             | 9.2              | 9.4              | 5.8              |  |     |
| Consumer loans                                   | 1,159.0          | 1,240.9          | 1,283.9          | 1,426.8          | 1,496.4          | 1,564.0          | 1,628.7          |  |     |
| Housing loans                                    | 715.8            | 451.3            | 585.8            | 584.8            | 555.4            | 568.0            | 570.6            |  |     |
| Loans to government entities                     | 0.2              | 10.0             | 0.2              | 0.2              | 0.1              | 0.1              | 0.1              |  |     |
| Immediate collection, remittances and overdrafts | 90.3             | 76.2             | 42.4             | 60.2             | 83.9             | 69.6             | 57.9             |  |     |
| TOTAL NON-PERFORMING LOANS                       | 4,758.0          | 4,442.6          | 4,685.2          | 4,687.0          | 4,691.7          | 4,850.9          | 5,172.3          |  |     |
| TOTAL LOAN PORTFOLIO                             | 64,021.8         | 63,927.0         | 63,864.3         | 66,749.2         | 66,291.7         | 66,353.6         | 66,545.7         |  |     |
| Minus: Allowance for loan losses                 | (5,129.0)        | (5,224.6)        | (5,502.3)        | (5,568.4)        | (7,340.0)        | (7,273.8)        | (7,593.5)        |  |     |
| NET LOAN PORTFOLIO                               | 58,892.8         | 58,702.3         | 58,362.0         | 61,180.9         | 58,951.7         | 59,079.8         | 58,952.2         |  |     |
| OTHER ACCOUNTS RECEIVABLE                        | 2,809.9          | 2,771.9          | 2,523.7          | 2,983.6          | 2,184.4          | 2,412.2          | 3,712.6          |  |     |
| FORECLOSED ASSETS                                | 657.6            | 798.4            | 811.2            | 719.4            | 693.0            | 699.9            | 694.4            |  |     |
| PROPERTY, FURNITURE AND EQUIPMENT, NET           | 3,931.2          | 3,881.4          | 3,751.7          | 3,672.3          | 3,567.0          | 3,486.7          | 3,383.6          |  |     |
| LONG-TERM INVESTMENTS IN EQUITY SECURITIES       | 151.0            | 148.0            | 152.0            | 139.1            | 138.8            | 136.7            | 137.9            |  |     |
| DEFERRED TAXES                                   | 2,687.8          | 2,542.0          | 2,647.0          | 2,528.5          | 4,190.0          | 3,994.5          | 3,770.5          |  |     |
| OTHER ASSETS                                     | 909.4            | 895.6            | 781.7            | 669.4            | 86.4             | 109.9            | 114.5            |  |     |
| Other assets, deferred charges and intangibles   | 142.0            | 179.3            | 116.6            | 55.5             | 86.4             | 109.9            | 114.5            |  |     |
| Unamortised risk coverage on UDI housing loans   | 767.4            | 716.2            | 665.1            | 613.9            | -                | -                | -                |  |     |
| <b>TOTAL ASSETS</b>                              | <b>114,734.1</b> | <b>120,359.8</b> | <b>123,589.8</b> | <b>139,846.4</b> | <b>130,567.2</b> | <b>130,426.1</b> | <b>159,541.7</b> |  |     |

**BITAL BANCO INTERNACIONAL**
**BITAL / BANCO INTERNACIONAL**

| <b>CONSOLIDATED BALANCE SHEET</b>                            |                  |                  |                  |                  |                  |                  |                  | <b>2/3</b> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------|
| <i>Millions of Constant Pesos</i>                            |                  |                  |                  |                  |                  |                  |                  |            |
|  | 2001             |                  |                  |                  | 2002             |                  |                  |            |
|  | Mar. 31          | Jun. 30          | Sep. 30          | Dic. 31          | Mar. 31          | Jun. 30          | Sep. 30          |            |
| <b>LIABILITIES</b>   |                  |                  |                  |                  |                  |                  |                  |            |
| DEPOSITS   | 93,436.0         | 98,477.2         | 99,043.5         | 116,230.5        | 110,316.5        | 110,288.3        | 130,279.4        |            |
| Demand deposits  | 55,948.9         | 58,283.7         | 58,919.1         | 71,311.3         | 66,028.6         | 66,040.2         | 67,104.4         |            |
| Time deposits  | 37,487.1         | 40,193.5         | 40,124.4         | 44,919.2         | 44,287.9         | 44,248.1         | 63,175.0         |            |
| Bank bonds outstanding                                       | -                | -                | -                | -                | -                | -                | -                |            |
| BANK AND OTHER LOANS   | 8,144.4          | 9,334.8          | 11,932.6         | 10,300.7         | 8,152.4          | 8,241.2          | 16,383.8         |            |
| On demand  | -                | 97.4             | 3,426.8          | 2,591.2          | 728.1            | -                | 352.1            |            |
| Short term   | 1,628.0          | 1,591.2          | 1,170.7          | 901.5            | 590.9            | 582.9            | 8,258.3          |            |
| Long term  | 6,516.4          | 7,646.2          | 7,335.2          | 6,808.1          | 6,833.4          | 7,658.4          | 7,773.3          |            |
| SECURITIES AND DERIVATIVE TRANSACTIONS                       | 325.2            | 117.8            | 118.6            | 133.5            | 30.6             | 127.7            | 263.8            |            |
| Repurchase agreements  | 325.2            | 117.8            | 117.4            | 133.5            | 30.5             | 126.3            | 64.9             |            |
| Securities deliverable in Repurchase agreements              | -                | -                | -                | -                | -                | 0.8              | 198.7            |            |
| Operations with derivative instruments                       | -                | -                | -                | -                | -                | -                | -                |            |
| Derivative transactions                                      | -                | 0.1              | 1.2              | -                | 0.2              | 0.6              | 0.2              |            |
| OTHER ACCOUNTS PAYABLE                                       | 3,207.6          | 2,867.2          | 3,035.2          | 3,687.0          | 3,387.0          | 3,139.1          | 3,674.1          |            |
| Income tax and employee profit sharing payable               | 400.4            | 78.7             | 109.6            | 212.7            | 240.1            | 86.1             | 98.1             |            |
| Sundry creditors and other Accts. payable                    | 2,807.2          | 2,788.4          | 2,925.6          | 3,474.3          | 3,146.9          | 3,053.1          | 3,576.1          |            |
| SUBORDINATED DEBENTURES OUTSTANDING                          | 1,636.9          | 1,608.9          | 1,594.6          | 1,566.0          | 1,550.3          | 1,539.0          | 1,509.1          |            |
| DEFERRED TAX   | -                | -                | -                | (2.3)            | -                | -                | 0.0              |            |
| DEFERRED CREDITS   | 13.1             | 176.5            | 12.8             | 13.3             | 13.5             | 13.2             | 13.0             |            |
| <b>TOTAL LIABILITIES</b>                                     | <b>106,763.2</b> | <b>112,582.4</b> | <b>115,737.4</b> | <b>131,928.7</b> | <b>123,450.3</b> | <b>123,348.6</b> | <b>152,123.4</b> |            |
| <b>STOCKHOLDERS' EQUITY</b>                                  |                  |                  |                  |                  |                  |                  |                  |            |
| PAID-IN CAPITAL  | 5,634.3          | 5,598.7          | 5,577.0          | 5,538.2          | 6,439.9          | 6,420.6          | 6,685.5          |            |
| Capital stock  | 1,518.3          | 1,518.4          | 1,519.9          | 1,522.0          | 1,729.7          | 1,744.6          | 1,846.4          |            |
| Additional paid-in capital                                   | 1,419.4          | 1,420.4          | 1,428.8          | 1,441.1          | 3,218.3          | 3,325.4          | 4,092.7          |            |
| Mandatorily convertible subordinated Cdebentures             | 2,696.6          | 2,659.9          | 2,628.3          | 2,575.2          | 1,492.0          | 1,350.6          | 746.4            |            |
| CAPITAL GAINS  | 2,336.6          | 2,178.7          | 2,275.3          | 2,379.4          | 676.9            | 656.9            | 732.7            |            |
| Capital reserves   | 3,179.3          | 3,908.3          | 3,908.3          | 3,908.3          | 2,148.6          | 2,427.7          | 2,427.7          |            |
| Retained earnings  | 724.5            | (124.7)          | (114.6)          | (114.6)          | 278.4            | (0.0)            | (0.0)            |            |
| Surplus from mark-to-market of available-for-sale securities | 27.3             | (13.0)           | (36.2)           | (4.3)            | (16.2)           | (84.3)           | (76.6)           |            |
| Result from translation of foreign operations                | 12.1             | 13.1             | 12.2             | 12.6             | 12.8             | 10.9             | 10.3             |            |
| Cumulative effect of restatement                             | (1,792.7)        | (2,796.0)        | (2,828.2)        | (2,910.3)        | (3,062.8)        | (3,128.4)        | (3,226.9)        |            |
| Gains on non-monetary asset valuation                        | -                | -                | -                | -                | -                | -                | -                |            |
| Valuation of fixed assets                                    | 76.9             | 771.0            | 834.5            | 911.6            | 974.3            | 1,029.5          | 1,125.3          |            |
| Valuation of permanent investments                           | (17.1)           | 193.4            | 167.2            | 182.5            | 262.7            | 272.7            | 274.5            |            |
| Adjustments to retirement fund obligations                   | -                | -                | -                | -                | -                | -                | -                |            |
| Net income   | 126.4            | 226.6            | 332.1            | 393.7            | 79.2             | 128.8            | 198.4            |            |
| Minority interest  | 0.1              | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              | 0.0              |            |
| <b>TOTAL STOCKHOLDER'S EQUITY</b>                            | <b>7,970.9</b>   | <b>7,777.4</b>   | <b>7,852.4</b>   | <b>7,917.6</b>   | <b>7,116.9</b>   | <b>7,077.5</b>   | <b>7,418.3</b>   |            |

**BITAL BANCO INTERNACIONAL**

**BITAL / BANCO INTERNACIONAL**

| <b>CONSOLIDATED BALANCE SHEET</b>              |           |           |           |           |           |           |           | <b>3/3</b> |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| <i>Millions of Constant Pesos</i>              |           |           |           |           |           |           |           |            |
|  | 2001      |           |           |           | 2002      |           |           |            |
|  | Mar. 31   | Jun. 30   | Sep. 30   | Dic. 31   | Mar. 31   | Jun. 30   | Sep. 30   |            |
| <b>MEMORANDUM ACCOUNTS</b>                     |           |           |           |           |           |           |           |            |
| Guarantees granted                             | 52.1      | 49.1      | 13.1      | 50.5      | 12.4      | 13.9      | 12.7      |            |
| Other contingent obligations                   | 8,184.5   | 8,244.0   | 8,451.4   | 8,173.7   | 9,358.2   | 9,966.1   | 12,256.5  |            |
| Irrevocable lines of credit granted            | 683.5     | 812.2     | 758.7     | 688.5     | 599.4     | 757.4     | 625.1     |            |
| Goods in Trust or mandate                      | 168,649.9 | 160,443.9 | 69,930.1  | 37,074.3  | 39,019.8  | 45,147.0  | 49,306.2  |            |
| Goods in custody or under administration       | 411,338.8 | 402,071.9 | 407,697.1 | 410,020.2 | 403,933.7 | 339,881.3 | 300,674.2 |            |
| Third-party investment banking operations, net | 111,133.8 | 103,097.0 | 13,598.5  | 8,592.4   | 11,018.0  | 11,701.4  | 23,848.9  |            |
| Amounts committed in transactions with         |           |           |           |           |           |           |           |            |
| Fobaproa                                       | 12,609.9  | 12,241.5  | 12,227.5  | 11,838.7  | 11,521.9  | 11,654.6  | 11,347.6  |            |
| Amounts contracted in derivative operations    | 7,696.4   | 245.7     | 1,738.5   | 2,261.3   | 1,782.6   | 1,134.7   | 38.2      |            |
| Investments of the Retirement Savings System   |           |           |           |           |           |           |           |            |
| Funds  | 2,626.2   | 2,622.6   | 2,707.1   | 2,739.9   | 2,818.4   | 2,912.3   | 2,969.1   |            |
| Integrated loan portfolio                      | 65,707.6  | 64,023.3  | 64,968.3  | 67,491.3  | 66,906.1  | 67,125.4  | 67,184.0  |            |
| Other control accounts                         | 204,556.8 | 210,342.6 | 212,232.7 | 228,588.4 | 223,947.5 | 224,648.7 | 253,634.5 |            |
|  | 993,239.5 | 964,193.9 | 794,322.9 | 777,519.2 | 770,918.0 | 714,942.8 | 721,897.0 |            |
| Securities receivable under Repos              | 69,647.5  | 70,664.1  | 70,627.3  | 68,124.7  | 70,653.1  | 70,316.4  | 58,673.2  |            |
| Less- Repurchase agreements                    | 69,216.8  | 70,462.1  | 70,542.7  | 68,258.1  | 70,680.0  | 70,442.7  | 58,738.1  |            |
|  | 430.6     | 202.0     | 84.5      | (133.5)   | (26.9)    | (126.3)   | (64.9)    |            |
| Reverse repurchase agreements                  | 13,174.1  | 9,158.0   | 13,078.8  | 22,633.5  | 20,084.8  | 18,250.2  | 23,425.5  |            |
| Less- Securities deliverables under Repos      | 13,492.3  | 9,275.8   | 13,196.3  | 22,585.7  | 20,088.5  | 18,203.7  | 23,419.1  |            |
|  | (318.2)   | (117.8)   | (117.4)   | 47.8      | (3.6)     | 46.5      | 6.4       |            |

**BITAL / BANCO INTERNACIONAL**

**BITAL / BANCO INTERNACIONAL, S.A.**
**CONSOLIDATED INCOME STATEMENT**
*Millions of Constant Pesos*

|  | For the Quarter |                |                |                | 2002           |                |                | Year to date   |                 |
|--|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
|  | 2001            |                |                |                |                |                |                | 2001           | 2002            |
|  | 1st Qtr         | 2nd Qtr        | 3rd Qtr        | 4th Qtr        | 1st Qtr        | 2nd Qtr        | 3rd Qtr        | 3rd Qtr        | 3rd Qtr         |
| Interest income                              | 7,686.5         | 6,219.8        | 4,923.2        | 4,500.1        | 4,178.1        | 3,959.2        | <b>4,343.2</b> | 18,829.6       | <b>12,480.5</b> |
| Interest expense                             | 5,062.6         | 4,089.5        | 2,900.9        | 2,601.7        | 2,261.2        | 2,078.5        | <b>2,302.1</b> | 12,053.0       | <b>6,641.8</b>  |
| Monetary position (margin), net              | 28.9            | 31.4           | 17.8           | 24.6           | 13.8           | 25.6           | <b>19.3</b>    | 78.0           | <b>58.7</b>     |
| <b>NET INTEREST INCOME</b>                   | <b>2,652.8</b>  | <b>2,161.6</b> | <b>2,040.1</b> | <b>1,923.0</b> | <b>1,930.8</b> | <b>1,906.3</b> | <b>2,060.4</b> | <b>6,854.6</b> | <b>5,897.5</b>  |
| Provisions                                   | 965.8           | 971.6          | 765.7          | 625.7          | 643.8          | 203.7          | <b>599.5</b>   | 2,703.2        | <b>1,446.9</b>  |
| Loan loss provisions                         | 700.9           | 726.5          | 576.2          | 344.2          | 414.3          | 111.3          | <b>494.9</b>   | 2,003.6        | <b>1,020.5</b>  |
| Additional provisions for Banxico-UDI Trusts | -               | -              | -              | -              | -              | -              | -              | -              | -               |
| Fobaproa note provisions                     | 264.9           | 245.1          | 189.6          | 281.5          | 229.5          | 92.4           | <b>104.6</b>   | 699.5          | <b>426.4</b>    |
| <b>RISK-ADJUSTED NET INTEREST INCOME</b>     | <b>1,687.0</b>  | <b>1,190.0</b> | <b>1,274.4</b> | <b>1,297.3</b> | <b>1,287.0</b> | <b>1,702.7</b> | <b>1,460.9</b> | <b>4,151.4</b> | <b>4,450.6</b>  |
| Fee income                                   | 883.1           | 1,006.3        | 1,022.7        | 1,005.9        | 1,005.5        | 1,128.6        | <b>1,144.2</b> | 2,912.0        | <b>3,278.3</b>  |
| Account management                           | 256.6           | 288.0          | 292.0          | 278.7          | 314.3          | 369.6          | <b>391.5</b>   | 836.6          | <b>1,075.4</b>  |
| Service fees                                 | 626.6           | 718.3          | 730.7          | 727.2          | 691.2          | 759.0          | <b>752.6</b>   | 2,075.5        | <b>2,202.9</b>  |
| Minus: Fees paid                             | 126.6           | 130.6          | 127.9          | 140.2          | 121.7          | 132.8          | <b>125.7</b>   | 385.1          | <b>380.3</b>    |
| Brokerage activities income                  | 414.2           | 748.5          | 224.1          | 317.6          | 421.5          | (30.3)         | <b>202.1</b>   | 1,386.8        | <b>593.4</b>    |
| Foreign exchange operations                  | 146.9           | 119.5          | 147.4          | 118.0          | 115.8          | 143.9          | <b>140.9</b>   | 413.8          | <b>400.6</b>    |
| Securities trading                           | 69.1            | 140.8          | 186.3          | 60.7           | 80.1           | (24.2)         | <b>(60.3)</b>  | 396.2          | <b>(4.4)</b>    |
| Unrealised gains on securities               | 173.6           | 515.8          | 18.9           | 185.9          | 125.2          | 47.7           | <b>88.8</b>    | 708.3          | <b>261.6</b>    |
| Repurchase agreements                        | 24.6            | (27.6)         | (128.5)        | (47.0)         | 100.4          | (197.6)        | <b>32.7</b>    | (131.5)        | <b>(64.5)</b>   |
| <b>TOTAL OPERATING INCOME</b>                | <b>2,857.7</b>  | <b>2,814.2</b> | <b>2,393.2</b> | <b>2,480.6</b> | <b>2,592.2</b> | <b>2,668.2</b> | <b>2,681.6</b> | <b>8,065.1</b> | <b>7,942.0</b>  |
| Administrative and promotional expenses      | 2,414.4         | 2,362.6        | 2,343.3        | 2,350.6        | 2,463.7        | 2,341.9        | <b>2,345.2</b> | 7,120.3        | <b>7,150.8</b>  |
| Salaries                                     | 914.9           | 930.5          | 931.3          | 985.3          | 1,035.5        | 1,002.8        | <b>946.7</b>   | 2,776.8        | <b>2,985.0</b>  |
| Administrative                               | 1,301.4         | 1,234.1        | 1,220.1        | 1,173.2        | 1,234.0        | 1,162.6        | <b>1,230.3</b> | 3,755.6        | <b>3,626.9</b>  |
| Depreciation and amortization                | 198.1           | 198.0          | 191.8          | 192.1          | 194.1          | 176.5          | <b>168.3</b>   | 587.9          | <b>538.9</b>    |
| <b>NET OPERATING INCOME</b>                  | <b>443.3</b>    | <b>451.6</b>   | <b>49.9</b>    | <b>129.9</b>   | <b>128.5</b>   | <b>326.3</b>   | <b>336.4</b>   | <b>944.8</b>   | <b>791.3</b>    |
| Monetary Position, net (other)               | 14.7            | 68.3           | 72.7           | 165.1          | 14.8           | 39.7           | <b>88.4</b>    | 155.7          | <b>142.9</b>    |
| Other income (expenses), net                 | 202.3           | 317.0          | 95.9           | 61.0           | 123.8          | 70.9           | <b>136.6</b>   | 615.2          | <b>331.4</b>    |
| <b>NET INCOME BEFORE TAXES</b>               | <b>255.7</b>    | <b>202.9</b>   | <b>26.7</b>    | <b>234.0</b>   | <b>19.5</b>    | <b>295.1</b>   | <b>288.2</b>   | <b>485.3</b>   | <b>602.8</b>    |
| Income tax and employee profit sharing       | 32.3            | 31.9           | 31.7           | 111.3          | 33.2           | 38.8           | <b>16.4</b>    | 95.9           | <b>88.4</b>     |
| Deferred income tax                          | (98.2)          | (75.3)         | 106.1          | (59.7)         | 92.3           | (194.2)        | <b>(170.2)</b> | (67.5)         | <b>(272.2)</b>  |
| <b>NET INCOME BEFORE SUBSIDIARIES</b>        | <b>125.2</b>    | <b>95.7</b>    | <b>101.0</b>   | <b>63.0</b>    | <b>78.6</b>    | <b>62.1</b>    | <b>101.5</b>   | <b>322.0</b>   | <b>242.2</b>    |
| Undistributed income from subsidiaries       | 1.1             | 4.5            | 4.4            | (1.4)          | 0.6            | 15.5           | <b>0.9</b>     | 10.1           | <b>16.9</b>     |
| <b>NET INCOME FROM CONTINUOUS OPERATIONS</b> | <b>126.4</b>    | <b>100.2</b>   | <b>105.5</b>   | <b>61.6</b>    | <b>79.2</b>    | <b>77.5</b>    | <b>102.5</b>   | <b>332.1</b>   | <b>259.2</b>    |
| Extraordinary items                          | -               | -              | -              | -              | -              | (27.9)         | <b>(32.9)</b>  | -              | <b>(60.8)</b>   |
| Minority interest                            | 0.0             | 0.0            | (0.0)          | 0.0            | 0.0            | 0.0            | <b>0.0</b>     | 0.0            | <b>0.0</b>      |
| <b>NET INCOME (LOSS)</b>                     | <b>126.4</b>    | <b>100.2</b>   | <b>105.5</b>   | <b>61.6</b>    | <b>79.2</b>    | <b>49.6</b>    | <b>69.6</b>    | <b>332.1</b>   | <b>198.4</b>    |

**BITAL / BANCO INTERNACIONAL**

**BITAL / BANCO INTERNACIONAL, S.A.**

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY**

For the period between January 1 and September 30, 2002

Millions of Constant Pesos

|  | PAID-IN CAPITAL |                            | EARNED CAPITAL                 |                  |                   |   |  |                                  | Total Stockholders' Equity |  |                   |         |           |
|--|-----------------|----------------------------|--------------------------------|------------------|-------------------|---|--|----------------------------------|----------------------------|--|-------------------|---------|-----------|
|  | Capital stock   | Additional paid-in capital | Mand. Conv. Subord. Debentures | Capital Reserves | Retained Earnings | Surplus (deficit) from valuation of available-for-sale securities | Net gains from translation of foreign transactions | Valuation of non-monetary assets |                            | Adjustments to retirement fund obligations | Net income (loss) |         |           |
| <b>Balance as of Dec. 31, 2001</b>   | 1,522.0         | 1,441.2                    | 2,575.3                        | 3,908.5          | (114.6)           | (4.3)   | 12.6   | 911.6                            | 182.5                      | (2,910.5)                                  | -                 | 393.7   | 7,918.0   |
| <b>MOVEMENTS DERIVED FROM STOCKHOLDERS' DECISIONS</b>                          |                 |                            |                                |                  |                   |   |  |                                  |                            |  |                   |         |           |
| Transfer of net income from previous years                                     | -               | -                          | -                              | -                | 393.7             | -   | -  | -                                | -                          | -  | -                 | (393.7) | -         |
| New shares   | 319.1           | 2,603.9                    | (1,732.9)                      | -                | -                 | -   | -  | -                                | -                          | -  | -                 | -       | 1,190.1   |
| Provisions   | -               | -                          | -                              | (1,146.6)        | (279.1)           | -   | -  | -                                | -                          | -  | -                 | -       | (1,425.7) |
| <b>Total</b>   | -               | -                          | -                              | (1,146.6)        | 114.6             | -   | -  | -                                | -                          | -  | -                 | (393.7) | (235.6)   |
| <b>MOVEMENTS DERIVED FROM THE OPERATION</b>                                    |                 |                            |                                |                  |                   |   |  |                                  |                            |  |                   |         |           |
| <b>Net income</b>  | -               | -                          | -                              | -                | -                 | -   | -  | -                                | -                          | -  | -                 | 198.4   | 198.4     |
| <b>MOVEMENTS DERIVED FROM THE RECOGNITION OF CERTAIN ACCOUNTING PRINCIPLES</b> |                 |                            |                                |                  |                   |   |  |                                  |                            |  |                   |         |           |
| Accrued interest on debentures   | -               | -                          | (96.0)                         | -                | -                 | -   | -  | -                                | -                          | -  | -                 | -       | (96.0)    |
| Surplus (deficit) on valuation of trading securities                           | -               | -                          | -                              | -                | -                 | (72.3)  | -  | -                                | -                          | -  | -                 | -       | (72.3)    |
| Valuation of non-monetary assets   | -               | -                          | -                              | -                | -                 | -   | -  | 213.7                            | 92.1                       | (305.7)                                    | -                 | -       | -         |
| Net gains translation of foreign transactions                                  | -               | -                          | -                              | -                | -                 | -   | (2.4)  | -                                | -                          | -  | -                 | -       | (2.4)     |
| Recognition of inflation in financial information:                             | -               | -                          | -                              | -                | -                 | -   | -  | -                                | -                          | -  | -                 | -       | -         |
| - Restatement of non-monetary assets   | -               | -                          | -                              | -                | -                 | -   | -  | -                                | -                          | (10.6)                                     | -                 | -       | (10.6)    |
| - Restatement of equity related items  | 5.2             | 47.6                       | -                              | (334.1)          | -                 | -   | -  | -                                | -                          | -  | -                 | -       | (281.3)   |
| - Restatement of other items   | -               | -                          | -                              | -                | -                 | -   | -  | -                                | -                          | -  | -                 | -       | -         |
| <b>Total</b>   | 5.2             | 47.6                       | (96.0)                         | (334.1)          | -                 | (72.3)  | (2.4)  | 213.7                            | 92.1                       | (316.4)                                    | -                 | -       | (462.6)   |
| <b>Balance as of Sept. 30, 2002</b>  | 1,846.4         | 4,092.7                    | 746.4                          | 2,427.7          | -                 | (76.6)  | 10.3   | 1,125.3                          | 274.5                      | (3,226.9)                                  | -                 | 198.4   | 7,418.2   |

**BITAL / BANCO INTERNACIONAL**

**BITAL / BANCO INTERNACIONAL, S.A.**
**CONSOLIDATED STATEMENT OF CHANGES IN THE FINANCIAL SITUATION**

 For the period between January 1<sup>o</sup> and September 30, 2002

Millones de Pesos Constantes

| <b>OPERATIONS</b>  |                        |
|--|------------------------|
| <b>Net income (loss)</b>                                     | <b>198.4</b>           |
| Items in net income that did not generate or require cash:   |                        |
| Depreciation and amortization                                | 538.9                  |
| Loan loss provisions   | 1,446.9                |
| Provisions for debentures                                    | 57.8                   |
| Surplus (deficit) from mark-to-market                        | 64.5                   |
| Deferred income tax and employee profit sharing              | 272.2                  |
| Equity in undistributed income from subsidiaries             | (3.4)                  |
| Decrease of minority interest                                | (0.0)                  |
|  | <u>2,575.3</u>         |
| Increase (decrease) of items related to the operation:       |                        |
| Increase in deposits, money counter & interbank funding      | 14,042.9               |
| Decrease in interbank funding                                | 6,454.2                |
| Amortization of interbank funding                            | (371.7)                |
| Decrease in loan portfolio                                   | (336.0)                |
| Increase in financial instrument treasury transactions       | 11,573.2               |
| Decrease in other accounts receivable and payable, net       | (2,260.3)              |
| <b>Net resources generated by operations</b>                 | <b><u>31,677.6</u></b> |
| <b>FINANCING ACTIVITIES</b>                                  |                        |
| Subordinated debentures issued                               | (57.0)                 |
| Reduction or issuance of capital                             | 2,975.9                |
| Amortization of subordinated debentures                      | (96.0)                 |
| Foreign agencies changes in fiscal results                   | (2.4)                  |
| Dividends paid in cash                                       | (1,732.9)              |
| Changes in fiscal results of agencies abroad                 | -                      |
| <b>Net resources generated by financing activities</b>       | <b><u>1,087.7</u></b>  |
| <b>INVESTMENT ACTIVITIES</b>                                 |                        |
| Acquisition (sale) of fixed assets and long-term investments | (256.0)                |
| Increase in deferred assets                                  | (110.5)                |
| Increase in loans to employees                               | -                      |
| <b>Net resources generated by investment activities</b>      | <b><u>(366.5)</u></b>  |
| <b>Net increase in funds available</b>                       | <b>32,398.8</b>        |
| <b>Funds available at beginning of the period</b>            | <b>51,773.1</b>        |
| <b>Funds available at the end of the period</b>              | <b>84,171.8</b>        |

**BITAL / BANCO INTERNACIONAL**

**BITAL / BANCO INTERNACIONAL, S.A.**

| <b>RISK WEIGHTED ASSETS</b>  |                                    |                         |                             |                         |                             |                         |
|--|------------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| <i>Millions of Constant Pesos</i>  | <i>Sep. 30, 2001</i>               |                         | <i>Jun. 31, 2002</i>        |                         | <i>Sep. 30, 2002</i>        |                         |
|  | <i>Risk Weighted Assets</i>        | <i>Required Capital</i> | <i>Risk Weighted Assets</i> | <i>Required Capital</i> | <i>Risk Weighted Assets</i> | <i>Required Capital</i> |
|  | <b>Credit risk-weighted assets</b> | <b>59,564</b>           | <b>4,765</b>                | <b>59,872</b>           | <b>4,790</b>                | <b>64,433</b>           |
| Group I (0% weight)  | -                                  | -                       | -                           | -                       | -                           | -                       |
| Group II (20% weight)  | 8,846                              | 708                     | 8,196                       | 656                     | 12,661                      | 1,013                   |
| Group III (100% weight)  | 50,719                             | 4,057                   | 51,676                      | 4,134                   | 51,772                      | 4,142                   |
| <b>Unauthorised Operations</b>   | <b>248</b>                         | <b>20</b>               | <b>-</b>                    | <b>-</b>                | <b>-</b>                    | <b>-</b>                |
| <b>Market risk-weighted assets</b>                                       | <b>6,276</b>                       | <b>502</b>              | <b>7,206</b>                | <b>577</b>              | <b>6,898</b>                | <b>552</b>              |
| Domestic currency operations in nominal rates                            | 2,296                              | 184                     | 3,162                       | 253                     | 3,871                       | 310                     |
| Domestic currency operations in real rates or UDI denominated operations | 2,009                              | 161                     | 1,629                       | 130                     | 1,562                       | 125                     |
| Foreign currency operations in nominal rates                             | 936                                | 75                      | 858                         | 69                      | 774                         | 62                      |
| UDI positions or indexed to inflation rates                              | 29                                 | 2                       | 17                          | 1                       | 18                          | 1                       |
| Foreign currency positions or indexed to exchange rates                  | 762                                | 61                      | 324                         | 26                      | 429                         | 34                      |
| Capital stock positions or indexed to stock prices or indexes            | 245                                | 20                      | 1,217                       | 97                      | 244                         | 20                      |
| <b>Total credit and market risk-weighted assets</b>                      | <b>66,089</b>                      | <b>5,287</b>            | <b>67,078</b>               | <b>5,366</b>            | <b>71,331</b>               | <b>5,706</b>            |

| <b>NET CAPITAL</b>   |                      |                |                |                  |                  |               |
|--|----------------------|----------------|----------------|------------------|------------------|---------------|
| <i>Millions of Constant Pesos</i>                                | <i>2001</i>          |                | <i>2002</i>    |                  | <i>Growth</i>    |               |
|  | <i>Sep. 30</i>       | <i>Jun. 30</i> | <i>Sep. 30</i> | <i>Jun.-Mar.</i> | <i>Jun.-Jun.</i> |               |
|  | <b>Basic Capital</b> | <b>6,558</b>   | <b>4,236</b>   | <b>5,127</b>     | <b>21.0%</b>     | <b>-21.8%</b> |
| Stockholder's equity   | 5,224                | 5,727          | 6,671          | 16.5%            | 27.7%            |               |
| Subordinated debentures  | 2,615                | 1,345          | 741            | -44.9%           | -71.7%           |               |
| <b>Minus</b>   |                      |                |                |                  |                  |               |
| Investments on subordinated debentures                           | 44                   | 48             | 46             | -3.3%            | 4.2%             |               |
| Investments in financial entities                                | 124                  | 135            | 166            | 23.3%            | 33.8%            |               |
| Investments in non-financial entities                            | 660                  | 0              | 0              | n.a.             | -100.0%          |               |
| Loans issued for the acquisition of the Group's of Bank's shares | 114                  | 109            | 108            | -1.2%            | -4.9%            |               |
| Deferred taxes   | 0                    | 2,205          | 1,622          | -26.5%           | n.a.             |               |
| Installation expenses and other intangibles                      | 340                  | 315            | 319            | 1.3%             | -6.0%            |               |
| Other assets   | 0                    | 24             | 24             | -1.2%            | n.a.             |               |
| <b>Supplementary Capital</b>                                     | <b>2,235</b>         | <b>1,999</b>   | <b>1,935</b>   | <b>-3.2%</b>     | <b>-13.4%</b>    |               |
| Debentures and other capitalization instruments                  | 1,583                | 1,321          | 1,203          | -8.9%            | -24.0%           |               |
| Allowance for loan losses  | 656                  | 678            | 732            | 7.9%             | 11.6%            |               |
| <b>minus</b>   |                      |                |                |                  |                  |               |
| Subordinated debt  | 4                    | 0              | 0              | n.a.             | -100.0%          |               |
| <b>Net Capital</b>   | <b>8,793</b>         | <b>6,235</b>   | <b>7,062</b>   | <b>13.3%</b>     | <b>-19.7%</b>    |               |

**RISK-RATED LOANS**

Millions of Constant Pesos

| Risk               | %             | Amount          | % Provisioned                      | Amount         |
|--------------------|---------------|-----------------|------------------------------------|----------------|
| A                  | 45.0%         | 30,254.1        | 0.60%                              | 180.3          |
| B                  | 13.0%         | 8,732.3         | 6.25%                              | 546.0          |
| C                  | 4.5%          | 2,995.6         | 33.74%                             | 1,010.8        |
| D                  | 2.1%          | 1,409.0         | 69.33%                             | 976.8          |
| E                  | 4.7%          | 3,169.8         | 93.03%                             | 2,948.9        |
| <b>Subtotal</b>    | <b>69.3%</b>  | <b>46,560.7</b> |                                    | <b>5,662.9</b> |
| Plus:              |               |                 | Plus:                              |                |
| Excepted loans     | 30.7%         | 20,623.3        | Past due interest on current loans | 326.8          |
| <b>Total loans</b> | <b>100.0%</b> | <b>67,184.0</b> | Required provisions                | 5,989.7        |
|                    |               |                 | Existing allowance                 | 7,593.5        |
|                    |               |                 | Excess                             | 1,603.8        |

**RISK-RATED LOANS BY TYPE OF RISK**

Millions of Constant Pesos

|                               | Commercial Loans and Financial Entities |            | Consumer Loan and Credit Cards |            | Mortgage |            | Consolidated Total |              |
|-------------------------------|---|------------|--------------------------------|------------|----------|------------|--------------------|--------------|
|                               | Loans                                   | Provisions | Loans                          | Provisions | Loans    | Provisions | Loans              | Provisions   |
| Risk "A"                      | 48,159                                  | 3,053      | 10,906                         | 2,112      | 8,119    | 824        | 67,184             | 7,593        |
| Risk "B"                      | 20,683                                  | 126        | 6,842                          | 34         | 2,727    | 20         | 30,252             | 180          |
| Risk "C"                      | 3,156                                   | 199        | 1,813                          | 181        | 3,750    | 165        | 8,719              | 545          |
| Risk "D"                      | 1,315                                   | 480        | 414                            | 186        | 1,242    | 345        | 2,971              | 1,011        |
| Risk "E"                      | 499                                     | 388        | 442                            | 323        | 372      | 266        | 1,313              | 977          |
| Risk "E"                      | 1,696                                   | 1,673      | 1,283                          | 1,276      | -        | -          | 2,979              | 2,949        |
| Excepted (Federal Government) | 20,623                                  | -          |                                |            |          |            | 20,623             | -            |
| Past due interest             | 187                                     | 187        | 112                            | 112        | 28       | 28         | 327                | 327          |
| <b>Additional Provisions</b>  |   |            |                                |            |          |            |                    | <b>1,604</b> |

"D" and "E" rated loans are considered as problem loans by the Mexican Banking Association (ABM), regardless weather they are outstanding or non-performing.

**LOAN PORTFOLIO BY CURRENCY**

Millions of Pesos

|              | CURRENT LOANS |                    |              |              |              | NON-PERFORMING |                    |              |            |
|--------------|---------------|--------------------|--------------|--------------|--------------|----------------|--------------------|--------------|------------|
|              | Commercial    | Financial Entities | Consumer     | Mortgage     | Government   | Commercial     | Financial Entities | Consumer     | Mortgage   |
| Pesos        | 14,466        | 1,977              | 9,268        | 3,968        | 1,739        | 1,416          | 6                  | 1,625        | 339        |
| Dlls         | 6,050         | 63                 | 9            | 4            | -            | 1,320          | -                  | 3            | -          |
| UDIS.B       | 237           | -                  | -            | 3,672        | 1,260        | 173            | -                  | -            | 232        |
| <b>TOTAL</b> | <b>20,753</b> | <b>2,040</b>       | <b>9,277</b> | <b>7,644</b> | <b>2,999</b> | <b>2,909</b>   | <b>6</b>           | <b>1,628</b> | <b>571</b> |

**SUPPORT PROGRAMS**

UDI Trusts, Punto Final and other programs

Millions of Constant Pesos

|              | 2001         |           |              |           |              |           |              |           | 2001 Acum. Cost | 2002         |           |              |           |              |           |            |  | 2002 Acum. Cost |
|--------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|-----------------|--------------|-----------|--------------|-----------|--------------|-----------|------------|--|-----------------|
|              | 1st. Qtr.    |           | 2nd Qtr.     |           | 3rd. Qtr.    |           | 4th. Qtr.    |           |                 | 1st. Qtr.    |           | 2nd Qtr.     |           | 3rd. Qtr.    |           |            |  |                 |
|              | Amoun        | Cost      | Amoun        | Cost      | Amoun        | Cost      | Amoun        | Cost      | Amoun           | Cost         | Amoun     | Cost         | Amoun     | Cost         |           |            |  |                 |
| Mortgage     | 4,661        | 48        | 4,448        | 60        | 4,351        | 46        | 4,200        | 41        | 196             | 4,117        | 40        | 4,021        | 35        | 3,951        | 33        | 109        |  |                 |
| Commercial   | 871          | 5         | 801          | 4         | 742          | 4         | 656          | 2         | 16              | 584          | 2         | 514          | 2         | 415          | 1         | 5          |  |                 |
| Government   | 1,339        | 17        | 1,326        | 16        | 1,314        | 17        | 1,302        | 11        | 61              | 1,293        | 15        | 1,278        | 11        | 1,275        | 15        | 42         |  |                 |
| Consumer     | 4            | -         | 4            | -         | 4            | -         | -            | -         | 0               | -            | -         | -            | -         | -            | -         | 0          |  |                 |
| <b>Total</b> | <b>6,875</b> | <b>71</b> | <b>6,579</b> | <b>81</b> | <b>6,411</b> | <b>67</b> | <b>6,158</b> | <b>55</b> | <b>274</b>      | <b>5,993</b> | <b>57</b> | <b>5,814</b> | <b>49</b> | <b>5,642</b> | <b>50</b> | <b>156</b> |  |                 |

Cost refers to interests paid to Banxico for funding of support programs.

| <b>INVESTMENT IN SECURITIES</b>             |               |              |              |               |               |              |              |  |
|---|---------------|--------------|--------------|---------------|---------------|--------------|--------------|--|
| Millions of Constant Pesos                  | 2001          |              |              |               | 2002          |              |              |  |
|   | 1st. Qtr.     | 2nd. Qtr.    | 3rd. Qtr.    | 4th. Qtr.     | 1st. Qtr.     | 2nd. Qtr.    | 3rd. Qtr.    |  |
| <b>Tradable securities</b>                  | <b>5,648</b>  | <b>1,823</b> | <b>1,625</b> | <b>12,015</b> | <b>5,841</b>  | <b>2,258</b> | <b>742</b>   |  |
| Government securities                       | 0             | 0            | 1            | 1             | 1             | 1            | 1            |  |
| Industrial and commercial CDs               | 20            | 22           | 22           | 11            | 11            | 11           | 11           |  |
| Bank bonds                                  | 3,772         | 59           | 0            | 10,796        | 4,461         | 1,122        | 0            |  |
| Capital stock                               | 894           | 876          | 766          | 465           | 696           | 449          | 101          |  |
| Sovereign debt                              | 961           | 864          | 836          | 742           | 671           | 674          | 630          |  |
| Other                                       | 0             | 1            | 0            | 0             | 0             | 0            | 0            |  |
| <b>Available for sale securities</b>        | <b>1,962</b>  | <b>1,282</b> | <b>992</b>   | <b>807</b>    | <b>1,561</b>  | <b>715</b>   | <b>629</b>   |  |
| Industrial and commercial CDs               | 101           | 0            | 0            | 0             | 0             | 0            | 0            |  |
| Debentures and other securities             | 1,461         | 1,277        | 987          | 803           | 1,556         | 709          | 624          |  |
| Capital stock                               | 401           | 5            | 5            | 5             | 5             | 5            | 5            |  |
| <b>Securities held to maturity</b>          | <b>3,403</b>  | <b>3,377</b> | <b>3,404</b> | <b>3,312</b>  | <b>3,218</b>  | <b>3,283</b> | <b>3,226</b> |  |
| Sovereign debt                              | 991           | 942          | 909          | 865           | 794           | 854          | 803          |  |
| Commercial and industrial subordinated debt | 2             | 2            | 2            | 2             | 2             | 2            | 2            |  |
| Industrial and commercial CDs               | 17            | 0            | 0            | 0             | 0             | 0            | 0            |  |
| Special Cetes (net)                         | 1,842         | 1,919        | 1,954        | 1,938         | 1,925         | 1,888        | 1,871        |  |
| Other debt instruments                      | 550           | 513          | 539          | 507           | 497           | 539          | 550          |  |
| <b>TOTAL INVESTMENT IN SECURITIES</b>       | <b>11,013</b> | <b>6,482</b> | <b>6,021</b> | <b>16,134</b> | <b>10,619</b> | <b>6,256</b> | <b>4,597</b> |  |

With respect to the previous quarter, there is a decrease of MXP 1,659 Million in Total Investments, which is mainly due to the maturity of bank notes for MXP 1,110 Million, sale of MXP 212 Million in ADRs, sale of Cemex shares for MXP 71 Million and sale of Brazilian Government Debt for MXP 107 Million.

| <b>OPERATION WITH DERIVATIVES</b> |         |             |                   |             |         |             |        |             |   |
|-----------------------------------|---------|-------------|-------------------|-------------|---------|-------------|--------|-------------|---|
| As of September 30, 2002          |         |             |                   |             |         |             |        |             |   |
| Millions of Constant Pesos        | Futures |             | Forward Contracts |             | Options |             | Swaps  |             |   |
|                                   | Assets  | Liabilities | Assets            | Liabilities | Assets  | Liabilities | Assets | Liabilities |   |
| <b>Tradable</b>                   |         |             |                   |             |         |             |        |             |   |
| Pesos                             | -       | -           | -                 | -           | -       | -           | -      | -           | - |
| Dollars                           | -       | -           | 3.1               | 3.1         | -       | -           | -      | -           | - |
| Rates                             | -       | -           | -                 | -           | -       | -           | -      | -           | - |
| <b>Hedging</b>                    |         |             |                   |             |         |             |        |             |   |
| Pesos                             | -       | -           | 9.7               | 2.0         | -       | -           | -      | -           | - |
| Dollars                           | -       | -           | 0.2               | 1.0         | -       | -           | -      | -           | - |
| Rates                             | -       | -           | -                 | -           | -       | -           | -      | -           | - |

| <b>REPO OPERATIONS</b>                     |               |               |               |               |               |               |               |  |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| Millions of Constant Pesos                 | 2001          |               |               |               | 2002          |               |               |  |
|  | 1st. Qtr.     | 2nd. Qtr.     | 3rd. Qtr.     | 4th. Qtr.     | 1st. Qtr.     | 2nd. Qtr.     | 3rd. Qtr.     |  |
| Government securities receivable           | 46,936        | 42,885        | 47,855        | 53,805        | 50,975        | 48,726        | 53,976        |  |
| Bank bonds receivable                      | 21,887        | 26,607        | 22,566        | 14,324        | 19,505        | 21,603        | 4,643         |  |
| Internal bonds receivable                  | 392           | 970           | 38            | 2             | -             | -             | -             |  |
| Surplus from mark-to-market                | 100           | 75            | (84)          | (44)          | 95            | (69)          | 5             |  |
| Interest receivable                        | 331           | 126           | 168           | 84            | 78            | 57            | 50            |  |
| <b>TOTAL RECEIVABLE ON REPO OPERATIONS</b> | <b>69,646</b> | <b>70,664</b> | <b>70,543</b> | <b>68,171</b> | <b>70,653</b> | <b>70,316</b> | <b>58,673</b> |  |
| Government securities payable              | 11,010        | 6,138         | 13,034        | 22,595        | 19,529        | 17,196        | 22,290        |  |
| Bank bonds payable                         | 2,164         | 3,020         | -             | -             | 512           | 1,012         | 1,100         |  |
| Surplus from mark-to-market                | (3)           | -             | (44)          | (53)          | 2             | (4)           | -             |  |
| Interest payable                           | 321           | 118           | 162           | 178           | 42            | 47            | 35            |  |
| <b>TOTAL PAYABLE ON REPO OPERATIONS</b>    | <b>13,492</b> | <b>9,276</b>  | <b>13,152</b> | <b>22,721</b> | <b>20,084</b> | <b>18,251</b> | <b>23,425</b> |  |

**RANK OPERATIONS**

As of September 30, 2002

Millions of Constant Pesos

| Date of Operations                                  | Face Value   | Type         | Instrument | Interest Rate | Duration | No. of Units       | Liquidation Value |
|---|--------------|--------------|------------|---------------|----------|--------------------|-------------------|
| <b>SECURITIES RECEIVABLE UNDER RANK OPERATIONS</b>  |              |              |            |               |          |                    |                   |
| 27-09-02  | 400          | Governmental | Brems      | 7.8           | 180-360  | 4,000,000          | 400.1             |
| 30-09-02  | 2,200        | Governmental | Cetes      | 8.4           | 28       | 221,584,445        | 2,200.0           |
| <b>Total</b>  | <b>2,600</b> |              |            |               |          | <b>225,584,445</b> | <b>2,600.1</b>    |
| <b>SECURITIES DELIVERABLE UNDER RANK OPERATIONS</b> |              |              |            |               |          |                    |                   |
| 30-09-02  | 500          | Governmental | Cetes      | 8.3           | 28       | 50,357,361         | 500.0             |
| <b>Total</b>  | <b>500</b>   |              |            |               |          | <b>50,357,361</b>  | <b>500.0</b>      |

**BROKERAGE ACTIVITIES**

Millions of Constant Pesos

|  | 2001       |            |            |            | 2002       |             |            |           |
|--|------------|------------|------------|------------|------------|-------------|------------|-----------|
|  | 1st. Qtr.  | 2nd. Qtr.  | 3rd. Qtr.  | 4th. Qtr.  | 1st. Qtr.  | 2nd. Qtr.   | 3rd. Qtr.  | 4th. Qtr. |
| Securities trading                             | 205        | 588        | 67         | 230        | 128        | 71          | 96         |           |
| Capital Stock trading                          | 37         | 71         | 143        | 33         | 70         | (52)        | (68)       |           |
| Mark-to-market of securities and capital stock | 24         | (28)       | (127)      | (48)       | 102        | (187)       | 34         |           |
| Mark-to-market of derivatives                  | 1          | (1)        | (1)        | -          | (1)        | (9)         | (1)        |           |
| Foreign currency trading                       | 159        | 117        | 144        | 113        | 115        | 116         | 128        |           |
| <b>Total</b>                                   | <b>425</b> | <b>747</b> | <b>226</b> | <b>329</b> | <b>413</b> | <b>(61)</b> | <b>189</b> |           |
| Dividends                                      | -          | 2          | 1          | -          | -          | 13          | -          |           |

**DEFERRED TAXES**

Millions of Constant Pesos

|                             | 2001         |              |              | 2002         |              |              |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | Jun. 30      | Sep. 30      | Dic. 31      | Mar. 31      | Jun. 30      | Sep. 30      |
| Loan loss provisions        | 2,563        | 2,670        | 2,454        | 2,995        | 2,798        | 2,738        |
| Mark-to-market              | 107          | 190          | 176          | 230          | 249          | 235          |
| Fiscal losses               | 573          | 451          | 499          | 1,505        | 1,445        | 1,287        |
| Other concepts              | (194)        | -            | -            | -            | -            | -            |
|                             | 3,050        | 3,311        | 3,129        | 4,729        | 4,492        | 4,260        |
| Effect of new D-4 Bulletin  | (466)        | (623)        | (561)        | (504)        | (497)        | (452)        |
| <b>Total deferred taxes</b> | <b>2,584</b> | <b>2,688</b> | <b>2,567</b> | <b>4,225</b> | <b>3,995</b> | <b>3,808</b> |

**ECONOMIC VARIABLES**

|                                 | 2001      |           |           |           | 2002      |           |           |           |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                 | 1st. Qtr. | 2nd. Qtr. | 3rd. Qtr. | 4th. Qtr. | 1st. Qtr. | 2nd. Qtr. | 3rd. Qtr. | 4th. Qtr. |
| Consumer Price Index (1994=100) | 94.297    | 95.215    | 96.419    | 97.354    | 98.692    | 99.917    | 101.190   |           |
| Inflation for the quarter       | 1.12%     | 0.97%     | 1.26%     | 0.97%     | 1.37%     | 1.24%     | 1.27%     |           |
| Accumulated inflation           | 7.31%     | 6.28%     | 4.95%     | 3.94%     | 2.53%     | 1.27%     | 0.00%     |           |
| Exchange rate used (MXP/USD)    | 9.4933    | 9.0708    | 9.5098    | 9.1695    | 9.0160    | 9.9568    | 10.2299   |           |
| Value of the UDI (MXP/UDI)      | 2.948175  | 2.988269  | 3.012574  | 3.055273  | 3.087807  | 3.128782  | 3.166705  |           |
| Restatement Factor              | 1.074124  | 1.059712  | 1.051163  | 1.036472  | 1.025551  | 1.012121  | 1.000000  |           |