FINANCIERA INDEPENDENCIA, S. A. B. DE C. V., SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA AND SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

FINANCIERA INDEPENDENCIA, S. A. B. DE C. V., SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA AND SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

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INDEPENDENT AUDITORS' REPORT

Mexico City, March 8, 2011

To the Stockholders of
Financiera Independencia, S. A. B. de C. V.,
Sociedad Financiera de Objeto Múltiple, Entidad No Regulada

1. We have audited the consolidated balance sheets of Financiera Independencia, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries (Company) as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in stockholders' equity and of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

   We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit in order to obtain reasonable assurance about whether the financial statements are free of material misstatement and that they were prepared in accordance with the accounting practices applicable to the Company. An audit consists of examining, on a test basis, the evidence supporting the figures and disclosures of the consolidated financial statements; it also, includes the assessment of the financial reporting standards used, significant estimates made by management and the presentation of the overall financial statements. We consider that our audits provide a reasonable basis for our opinion.

2. As mentioned in Note 3 to the consolidated financial statements, the Company is required to prepare and present its financial statements on the basis of accounting rules and practices prescribed by the National Banking and Securities Commission in Mexico (Commission) applicable to Regulated Multiple Purpose Financial Companies "Sociedades Financieras de Objeto Multiple Reguladas" in Mexico, which, in the cases specified in the aforementioned note, differ from the Mexican financial reporting standards (NIFs for their acronym in Spanish).

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3. As mentioned in Note 20 to the consolidated financial statements, on December 22, 2010, the Company signed a purchase agreement to acquire all the shares of Apoyo Económico Familiar, S. A. de C. V., Sociedad Financera de Objeto Múltiple, Entidad No Regulada, one of Mexico's main micro financing entities, and it has reached an agreement to acquire 77% of the shares of Apoyo Financiero Inc. (AFI), a micro finance company dealing mainly with the non-bank Hispanic community in San Francisco, California. On February 28, 2011, the Company finalized the process for the acquisition of the AFI shares. The total amount of both transactions is Ps1,180 million.

4. As mentioned in Note 24 to the consolidated financial statements, on November 30, 2009, the Company signed a purchase agreement to acquire all the shares of Financiera Finsol, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, and a group of related entities, in order to increase its loan portfolio and the number of its clients. On February 19, 2010, the Company finalized the process for the acquisition of the shares. The total amount of the transaction is Ps530 million.

5. In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Financiera Independencia, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries as of December 31, 2010 and 2009, and the consolidated results of their operations, the changes in their stockholders' equity and their cash flows for the years then ended, in conformity with the accounting practices prescribed by the Commission.

PricewaterhouseCoopers, S. C.

Nicolás Germán Ramírez
Audit Partner

FINANCIERA INDEPENDENCIA, S. A. B. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MULTIPLE, ENTIDAD NO REGULADA AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Notes 1, 2, 3, 4, 8, 15, 16, 23, 24 and 25)

Thousands of Mexican pesos (Note 2)

Assets	December 31, 2010	December 31, 2009
CASH AND CASH EQUIVALENTS (Note 5)	Ps 855,675	Ps 498,891
DERIVATIVES (Note 6)		
For hedging purposes	-	793
PERFORMING LOANS (Note 7)		
Consumer	5,202,841	4,236,160
TOTAL PERFORMING LOANS	5,202,841	4,236,160
NON - PERFORMING LOANS		
Consumer	570,207	576,132
TOTAL NON - PERFORMING LOANS	570,207	576,132
TOTAL LOAN PORTFOLIO	5,773,048	4,812,292
(-) LESS:		
LOAN LOSS ALLOWANCE (Note 8)	(375,470)	(422,966)
LOAN PORTFOLIO - Net	5,397,578	4,389,326
TOTAL LOAN PORTFOLIO – NET		
OTHER ACCOUNTS RECEIVABLE - Net (Note 9)	410,621	111,584
PROPERTY, FURNITURE AND EQUIPMENT Net (Note 10)	403,316	303,266
DEFERRED TAXES AND PROFIT SHARING - Net (Note 18)	708,371	572,628
OTHER ASSETS		
Goodwill (Notes 11 and 24)	615,150	-
Intangibles assets (Notes 11 and 24)	155,914	-
Deferred charges, advance payments	132,620	73,990
TOTAL ASSETS	Ps 8,679,245	Ps 5,950,478

Liabilities and Stockholders' Equity	December 31, 2010	December 31, 2009
DEBT INSTRUMENTS (Note 12)	Ps 787,105	Ps 786,970
BANK AND OTHER ENTITIES' LOANS (Note 13)		
Short - term	1,168,110	3,054,492
Long - term	3,174,394	24,778
	4,342,504	3,079,270
DERIVATIVE INSTRUMENTS (Note 6)		
For hedging purposes	232,351	-
OTHER ACCOUNTS PAYABLE		
Income taxes payable (Notes 14 and 18)	41,426	37,427
Sundry creditors and other accounts payable (Note 14)	303,793	132,959
	345,219	170,386
DEFERRED LOANS AND ADVANCE COLLECTIONS	25,460	50,508
TOTAL LIABILITIES	5,732,639	4,087,134
STOCKHOLDERS' EQUITY (Note 17)		
PAID-IN CAPITAL		
Capital stock	157,191	148,603
Premium on sale of shares	1,550,775	726,428
	1,707,966	875,031
EARNED CAPITAL		
Capital reserves	14,300	12,600
Prior years' income	837,333	460,490
Result from valuation of hedging cash flow instruments	(64,658)	-
Net income	451,665	515,223
	1,238,640	988,313
TOTAL STOCKHOLDERS' EQUITY	2,946,606	1,863,344
Commitments and contingencies (Note 21)		
Subsequent events (Note 22)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	Ps 8,679,245	Ps 5,950,478

The accompanying twenty five notes are an integral part of these consolidated financial statements.

Memorandum accounts	2010	2009
Interest earned not collected arising from non - performing loans	Ps 67,050	Ps 91,585
Tax write offs	556,306	315,406
Write offs	562,978	626,054

Ing. Noel González Cawley
Chief Executive Officer

Lic. Luis Miguel Díaz-Llanéza Langenscheidt
Chief Financial Officer

C.P. Benito Pacheco Zavala
Auditing Director

FINANCIERA INDEPENDENCIA, S. A. B. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Notes 1, 2, 3, 4, 15, 16 and 23)

Thousands of Mexican pesos, except earnings per share (Note 2)

	Year ended December 31	
	2010	2009
Interest income (Note 19)	Ps 3,595,650	Ps 3,110,555
Interest expense (Note 19)	(504,567)	(327,310)
Financial margin	3,091,083	2,783,245
Provision for loan losses (Note 8)	(971,488)	(1,074,186)
Financial margin after provision for loan losses	2,119,595	1,709,059
Commissions and fees collected	775,754	752,563
Commissions and fees paid	(46,823)	(12,726)
Brokerage revenue	95,460	-
Other operating income	67,581	29,233
	891,972	769,070
Total operating revenue	3,011,567	2,478,129
Administrative expenses	(2,506,471)	(1,840,458)
Result of operations	505,096	637,671
Other income (Note 19)	68,353	18,274
Other expenses	(3,960)	-
	64,393	18,274
Income before taxes on profits:	569,489	655,945
Accrued taxes on profits (Note 18)	(101,596)	(392,791)
Deferred taxes on profits - Net (Note 18)	(16,228)	252,069
	(117,824)	(140,722)
Income before discontinued operations	451,665	515,223
Discontinued operations	-	-
Net income	Ps 451,665	Ps 515,223
Earnings per share (pesos)	Ps 0.7438	Ps 0.8495

The accompanying twenty five notes are an integral part of these consolidated financial statements.

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Chief Executive Officer

Lic. Luis Miguel Díaz Llaneza Langenscheidt
Chief Financial Officer

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Auditing Director

FINANCIERA INDEPENDENCIA, S. A. B. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009
(Notes 1 and 17)

Thousands of Mexican pesos (Note 2)

	Paid in capital		Earned capital				
	Capital stock	Premium on sale of shares	Capital reserves	Prior years' result	Result from valuation of hedging cash flows	Net Income	Total stockholders' equity
Balances as of January 1, 2009	Ps148,603Ps	813,855Ps13,600	(Ps196,211)	Ps -	Ps622,925	Ps1,402,772	
MOVEMENTS INHERENT TO STOCKHOLDERS' DECISIONS:							
Transfer of income (loss) for 2008				622,925		(622,925)	
Transfer of the legal reserve to prior years' income			(1,000)	1,000			
Purchase of own shares				27,011			27,011
Refund of dividends on own shares				5,765			5,765
Effect of sale of own shares		(87,427)					(87,427)
		(87,427)	(1,000)	656,701		(622,925)	(54,651)
MOVEMENTS INHERENT TO RECOGNITION OF COMPREHENSIVE INCOME:							
Net income						515,223	515,223
						515,223	515,223
Balances as of December 31, 2009	148,603	726,428	12,600	460,490	-	515,223	1,863,344
MOVEMENTS INHERENT TO STOCKHOLDERS' DECISIONS:							
Transfer of income (loss) for 2009				515,223		(515,223)	
Capital increase	8,588	828,423					837,011
Transfer of the legal reserve to prior years' results			1,700	(1,700)			
Purchase of own shares				10,428			10,428
Refund of dividends on own shares				(147,108)			(147,108)
Effect on sale of own shares		(4,076)					(4,076)
	8,588	824,347	1,700	376,843	(64,658)	(515,223)	631,597
MOVEMENTS INHERENT TO RECOGNITION OF THE COMPREHENSIVE INCOME:							
Net income						451,665	451,665
						451,665	451,665
Balances as of December 31, 2009	Ps157,191	Ps1,550,775	Ps14,300	Ps 837,333	(Ps64,658)	Ps451,665	Ps2,946,606
MOVEMENTS INHERENT TO STOCKHOLDERS' DECISIONS:							
Transfer of income (loss) for 2009				515,223		(515,223)	
Capital increase	8,588	828,423					837,011
Transfer of the legal reserve to prior years' income			1,700	(1,700)			
Purchase of own shares				10,428			10,428
Dividends declared and refund of dividends paid on own shares				(147,108)			(147,108)
Result from valuation of cash flow hedging instruments					(64,658)		(64,658)
Effect on sale of own shares		(4,076)					(4,076)
	8,588	824,347	1,700	376,843	(64,658)	(515,223)	631,597
MOVEMENTS INHERENT TO RECOGNITION OF COMPREHENSIVE INCOME:							
Net income						451,665	451,665
						451,665	451,665
Balances as of December 31, 2010	$ 157,191	$ 1,550,775	$ 14,300	$ 837,333	($ 64,658)	$451,665	$ 2,946,606

The accompanying twenty five notes are an integral part of these consolidated financial statements.

Ing. Noel González Cawley
Chief Executive Officer

Lic. Luis Miguel Díaz-Llaneza Langenscheidt
Chief Financial Officer

C.P. Benito Pacheco Zavala
Auditing Director

FINANCIERA INDEPENDENCIA, S. A. B. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

Thousands of Mexican pesos (Note 2)

	Year ended December 31	
	2010	2009
Net income	Ps 451,665	Ps 515,223
Adjustments for items not requiring cash flows:		
Provision for loan losses	971,488	1,074,186
Depreciation and amortization	100,172	70,445
Taxes on profits (current and deferred)	117,824	140,722
	1,641,149	1,800,576
Operating activities:		
Loan portfolio	(1,979,740)	(1,340,302)
Bank and other entities loans	1,263,368	252,163
Other accounts receivable and payable	(235,125)	(370,650)
Net cash flows from operating activities	689,658	341,787
Investing activities:		
Purchases of fixed assets	(200,222)	(117,734)
Goodwill	(615,150)	-
Intangible assets	(155,914)	-
Other assets	(57,837)	(14,373)
Net cash flows from investing activities	(1,029,123)	(132,107)
Financing activities:		
Purchase of own shares	6,352	(54,651)
Dividend payment	(147,108)	-
Increase in capital stock	837,011	-
Net cash flows from financing activities	696,255	(54,651)
Net increase in cash	356,784	155,029
Cash and cash equivalents at the beginning of the year	498,891	343,862
Cash and cash equivalents at the end of the year	Ps 855,675	Ps 498,891

The accompanying twenty five notes are an integral part of these consolidated financial statements.

Ing. Noel González Cawley
Chief Executive Officer

Lic. Luis Miguel Díaz-Llaneza Langenscheidt
Chief Financial Officer

C.P. Benito Pacheco Zavala
Auditing Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010 AND 2009

Thousands of Mexican pesos (Note 2), except for exchange rates, nominal values and number of shares

NOTE 1 - COMPANY HISTORY AND OPERATIONS:

Incorporation and authorization

Financiera Independencia, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Company), was incorporated and commenced operations in accordance with the applicable laws in Mexico on July 22, 1993, for an indefinite period. It is located in Mexico City and it has authorization from the Ministry of Finance (SHCP for its acronym in Spanish) to operate as Non-Regulated Multiple Purpose Financial Entity (Sociedad Financiera de Objeto Múltiple, Entidad No Regulada or Sofom, E. N. R.) in accordance with the Credit Institutions Law.

Business purpose

The Company is mainly engaged in making loans to individuals for consumer goods and services. Funding required to conduct lending activities is obtained from the Company's shareholders, from cash arising from the Company's operations and from debt issuances with domestic financial institutions.

Main operating guidelines

The General Law of Credit Organizations and Auxiliary Activities (LGOAAC for its acronym in Spanish) authorizes Multiple Purpose Financial Entities (Sociedades Financieras de Objeto Múltiple or Sofom) to engage in activities such loan, factoring and financial lease transactions. A Sofom may or may not be regulated by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores also referred to as the Commission or CNBV). Non-Regulated Entities (ENR for its acronym in Spanish) are not associated to credit institutions or holding companies of financial groups comprising credit institutions, and they are therefore not subject to the Commission's oversight.

On October 18, 2007, the shareholders approved the adoption of the Sociedad Anónima Bursátil, (S. A. B.) legal regime, as a result of which, as of November 1, 2007, the Company was registered as a listed issuer in the Mexican Stock Exchange (BMV, for its acronym in Spanish), under the ticker symbol "FINDEP".

During the listing process with the BMV, the Company conducted an initial public offering in Mexico and overseas. The public offering overseas was conducted under Rule 144-A and Regulation S of the 1933 US Securities Act, as well as regulations applicable to countries in which such offering was conducted.

As a listed entity, the Company is subject to the provisions of the Mexican Corporations Law (Ley General de Sociedades Mercantiles) and the Mexican Securities Markets Law, as well as to the general provisions applicable to issuers of securities and other participants in the securities market.

The accompanying consolidated financial statements include the Company and its subsidiaries as of December 31, 2010 and 2009, including Instituto Finsol, IF, in which the Company has control. Following is an analysis of the subsidiaries that have been consolidated:

Subsidiary	shareholding %		Operations
	2010 %	2009 %	
Serfincor, S. A. de C. V. and subsidiaries (Serfincor)	99.99	99.99	Call center, administrative, courier, promotion and marketing services.
Financiera Finsol, S. A. de C. V. SOFOM, E. N. R.	100.00	-	Lending commercial loans
Finsol, S. A. de C. V.	100.00	-	Services
Finsol Vida, S. A. de C. V.	100.00	-	Services
Instituto Finsol, IF	100.00	-	Lending commercial loans

On February 19, 2010, the Company acquired all outstanding shares of Grupo Finsol (FINSOL). See Note 19.

NOTE 2 - BASIS FOR PREPARATION OF THE FINANCIAL INFORMATION:

The accompanying consolidated financial statements as of December 31, 2010 and 2009 have been prepared and are fairly presented in accordance with the accounting criteria issued by the Commission applicable to multiple purpose financial entities, regulated entities, contained in the General Provisions Applicable to Multiple Purpose Financial Entities, regulated entities (Banking criteria), which differ from Mexican Financial Reporting Standards (MFRS) issued by the Mexican Financial Standards Board (CINIF by its initials in Spanish), as concerns the matters mentioned in points d., e., f., n. and x. of Note 3. For the purpose of the foregoing, the Company has prepared its statement of income as per the presentation form required by the Commission, which is intended to present information on the Company's operations and other economic events that affect the entity but that do not necessarily derive from decisions or transactions by the owners in their status as shareholders, for a specific period. Said presentation differs from the methods established in the NIF for classifying the statement of income based on the function or nature of its items. Additionally, the entity shows the result of equity in subsidiaries and associated companies after taxes on profits, as opposed to the requirements established in the provisions of the NIF.

On September 19, 2008, the Commission amended the accounting criteria for listed companies (Circular Única de Emisoras), which requires Sofoms, E. N. R. issuing issued debt or equity in the Mexican Stock Exchange to prepare their financial statements in accordance with the accounting criteria applicable to regulated Sofoms in the terms of Article 87-D of the LGOAAC. Under this article, regulated Sofoms are subject to the provisions of the Mexican Law of Credit Institutions (LIC) and of the Law of the Commission.

According to the provisions of MFRS B-10 "Inflation Effects", the Mexican economy is not in an inflationary environment, since there has been cumulative inflation below 26% in the most recent three year period (threshold to define that an economy should be considered inflationary). Therefore, as of January 1, 2008, the entity discontinued recognition of the effects of inflation on the financial information (disconnection from inflationary accounting). Consequently, the figures of the accompanying consolidated financial statements at December 31, 2010 and 2009 are stated in historical thousands of Mexican pesos, modified by the cumulative effects of inflation on the financial information recognized up to December 31, 2007.

Inflation rates determined on the basis of Investment Units (UDI for their acronym in Spanish), are as follows:

	December 31,	
	2010 (%)	2009 (%)
For the year	4.28	3.72
Accumulated over the past three years	15.08	14.55

NIFs effective as of January 1, 2010:

Beginning on January 1, 2010, the Company adopted the following NIFs and their interpretations issued by the Mexican Financial Reporting Standards Board (CINIF for its acronym in Spanish); NIF C-13 "Related parties" NIF, NIF B-7 "Business acquisitions", NIF B-1 "Accounting changes and misstatement correction", NIF C-7 "Investment in associated companies and other permanent investments", and Interpretation to NIF - 14 "Contracts for construction, sale and provision of services related to real estate", which did not have an impact in the preparation of the Company's financial statements.

Financial statements authorization:

The accompanying consolidated financial statements and their notes were authorized for issuance on February 23, 2011 by the undersigned officers.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Following is a summary of the significant accounting policies used, which have been consistently applied in the reporting years, unless otherwise indicated.

In accordance with Mexican Banking GAAP, when no specific accounting criteria has been issued by the Commission, entities must apply the supplementary standards, in conformity with NIF A-8 "Use of supplementary reporting standards", in the following order: NIFs, International Accounting Standards approved and issued by the International Accounting Standards Board (IASB), as well as, Accounting Principles Generally Accepted in the United States (US GAAP) issued by the Financial Accounting Standards Board or, if applicable, any set of formal and recognized accounting standards.

NIFs require the use of certain critical accounting estimates in the preparation of the consolidated financial statements. Management's judgment is also required in determining the Company's accounting policies.

a. Consolidation

All intercompany balances and transactions have been eliminated in the consolidation process. The consolidation was carried out on the basis of the audited financial statements of the subsidiaries.

b. Cash and cash equivalents

This item is recorded at nominal value. Cash equivalents in foreign currencies are valued at the exchange rate published by Mexican Central Bank at the financial statement date. Interest income arising on these investments is recognized in the statement of income as it accrues.

c. Derivative financial instruments

All contracted derivative financial instruments are included in the balance sheet as assets and/or liabilities expressed at fair value. Accounting for changes in fair value of a derivative instrument depends on the intended use and the risk management strategy adopted.

For fair value hedging purposes, valuation fluctuations are recorded in income in the same line as the position they hedge; for cash flow hedging, the effective portion is temporarily recorded under comprehensive income in stockholders' equity and it is reclassified to income when the hedged position affects income. The ineffective portion is recorded immediately in income.

Although some derivative financial instruments are contracted to ensure hedging for economic purposes, those instruments are not considered hedging instruments because they do not meet all the established requirements. Said instruments are classified as instruments held for trade for book purposes.

The fair value is determined on the basis of market prices and, in the case of instruments not quoted on a market, the fair value is determined based on valuation techniques accepted by market practices.

The Company carries out the following operations with derivative financial instruments:

Options

Options are contracts that establish the right, but not the obligation, for the purchaser to purchase or sell the underlying asset at a determined price, known as the exercise price, on a pre-established date or period. Options agreements involve two parties; the purchaser of the option, who pays a premium at the time of acquisition and also earns a right, but not an obligation, and the party issuing or selling the option, who receives the premium and also acquires an obligation, but not a right.

The purchaser of the option records the premium paid on the operation. Subsequently, the premium is valued based on the fair value of the option and the changes in fair value are recorded in the statement of income.

Swaps

Currency swaps are agreements establishing a bilateral obligation to exchange, over a determined period of time, a series of flows on a notional amount denominated in different currencies for each of the parties, which in turn are referenced to different interest rates. In some cases, aside from exchanging interest rate flows in different currencies, the exchange of flows can be negotiated on the notional amount over the life of the agreement.

The rights and obligations arising from a swap agreement are valued at fair value determined on the basis of a mathematical model through which the net present value of cash flows of positions receivable and payable is estimated.

Forwards

Forwards agreements establish an obligation to purchase or sell underlying goods at a future date, in the amount, quality and price set forth in the agreement. In these transactions, the buyer assumes a long position with respect to the underlying asset and the seller assumes a short position with respect to the same underlying asset.

d. Loan portfolio

The loan portfolio represents the amounts effectively delivered to borrowers plus the interest accrued.

Loans are, made based on a credit analysis conducted in accordance with the Company's internal policies and operating manuals.

The outstanding balances of loans offered are recorded as past-due portfolio when payments thereon have not been settled in their entirety in the terms originally agreed upon, considering the following:

- If debts consist of loans with payments on installments and interest payments that are 90 or more days past due.

- If payments on revolving loans are two months or 60 calendar days past due.

Interest income is recorded in the statement of income as it is earned, based on outstanding balances and agreed interest rates per contractual terms of the loan agreements.

Once a loan is classified as non-performing, interest accrual thereon is suspended. When loans are past-due, interest accrued is recorded in memorandum accounts. Regarding accrued interest receivable related to the past-due portfolio, the Company records an allowance equal to their outstanding balance prior to their classification as non-performing portfolio. If the past-due interest is collected, it is directly recognized in income for the period.

Non-performing loans could be reclassified back to the performing loan portfolio, only after the outstanding balances of past-due loans (principal and interest) are fully settled as established in Mexican Banking GAAP.

Starting September 2009, the Company began to carry out restructures for certain loans. As long as the loan portfolio is kept restructured, the Company has decided classify it and present it as part of the non-performing loan portfolio. In addition, the Company considers the probability of default of restructured loans to be 100%.

Annual commissions charged to clients are deferred and amortized on the straight-line basis over one year or for the duration of the loan. Loan origination fees and costs are not deferred over the term of loans, since Management considers such financial effect not to be significant due to the short-term maturity of the related loans. All other commissions (withdrawal fee or late-payment fees) are recorded as income upon collection.

NIFs require the recognition of interest accrued and, if applicable, the creation of an allowance for doubtful accounts based on a study of recoverability.

e. Loan loss reserves for credit risk

Through ruling 310-85406/2009 dated March 2, 2009, the Commission informed the Company that it must calculate its loan reserves based on the different methodologies or the internal methodologies set forth in the Sole Banks Circular. The Commission's approval is not required for the latter.

The Company rates its loan portfolio using internal methodology based on the likelihood of borrower default and on the severity of the loan loss, as per the provisions of article 93 of the general provisions applicable to credit institutions.

Probability of Default (PD) is the likelihood of a borrower becoming non-performing within the next 6 months. The Company determines PD by applying roll rate calculations. Roll rates considers the existing probability of a loan to migrate from its current category (based on days past due) to write off. The Company uses as PD an average of roll rate calculations for the past twelve-month period.

Loss Given Default (LGD) is an estimate of the amount that the Company would expect to lose in the event of a borrower default. Since all of the Company's loans are unsecured, no collateral exists, and therefore, the Company determines it's LGD as the average of net losses after considering the present value of recoveries for the past twelve-month period.

In the case of group loans, the estimation is determined monthly with an effect on income for the year, based on studies prepared by management that determine the likelihood of debtor payment; those studies are determined based on the overdue portfolio.

In accordance with NIFs, an analysis should be conducted in order to assess the amount of allowance for accounts receivable.

Loans are written off when they are 180 or more calendar days overdue. Write offs are recorded cancelling the unpaid balance of a loan vs. the provision for loan losses.

Recoveries related to loans previously written off or eliminated from the balance sheet are applied to income for the period when collected.

f. Other accounts receivable

Accounts receivable other than the Company's loan portfolio represent, among others, tax credits.

For other accounts receivable on identified debtors with more than 90 calendar days past due, a reserve is set up reflecting the likelihood of default. No such reserve has been set up for tax credits. The allowances for doubtful accounts referred to above are determined through a study that serves as the basis for the determination of future events that could affect the amount of accounts receivable, showing the related estimated recovery value.

With respect to items different from those mentioned above, whose maturity is agreed at a term of more than 90 calendar days for identified debtors and 60 days for unidentified debtors, an allowance is set up for bad debts in the total amount of the debt.

NIFs require, when applicable, setting up an allowance for doubtful accounts, after conducting an analysis and evaluation of the real possibilities of recovering such accounts.

The Company has no items in the above-mentioned categories more than 90 or 60 days past due, as a result of which no such reserve has been set up.

g. Property, furniture and equipment

Property, furniture and equipment are stated as follows: i) items acquired on or after January 1, 2008 at historical cost, and ii) domestic items acquired up to December 31, 2007 at restated value determined on the basis of UDI factors. Consequently, as of December 31, 2010 and 2009, properties, furniture and equipment are expressed at modified historical costs.

Property, furniture and equipment are subject to annual impairment tests only when there is evidence of impairment. Accordingly, they are expressed at their modified historical cost, less the accumulated depreciation and, if applicable, any impairment losses.

Depreciation is calculated through the straight line method based on the expected useful life of assets estimated by Company management, applied to the property, furniture and equipment.

h. Intangible assets

Intangible assets are recognized when they meet the following conditions: are identifiable, provide future economic benefits and the Company has control over such benefits. Intangible assets are classified in: i) with an indefinite useful life, which are not amortized but subject to annual impairment tests, and ii) assets with a definite life, which are those whose expected future economic benefits are limited by a legal or economic condition, and are amortized using the straight-line method during their useful life, and evidence of impairment is identified.

Intangible assets acquired or developed are expressed as follows: i) as of January 1, 2008, at historical cost, and ii) up to December 31, 2007, at restated values determined through the application UDI factors at that date. Consequently, as of December 31, 2010 and 2009, the intangible assets are expressed at modified historical cost, less the corresponding cumulative amortization and, if applicable, impairment losses.

The Company has prepared a study to determine the effects of Statement C-15 (impairment in the value of long-lived assets and their disposal), and identified no impairment such assets.

i. Goodwill

Based on NIF B-7 "Business Acquisitions", the Company applies the following accounting provisions to its business acquisitions: i) purchase method is used as only valuation rule, which requires the purchase price to be assigned to acquired assets and assumed liabilities based on their fair value at the date of acquisition; ii) intangible assets acquired are identified, valued and recognized and iii) the non-assigned portion of the purchase price represents the goodwill.

Goodwill is considered to have an indefinite life and represents the excess of subsidiaries share cost over the fair value of the new assets acquired; its value is subject to annual impairment tests (see Note 23). Goodwill is expressed at its modified historical cost, reduced, if applicable, by impairment losses.

j. Debt instruments

Debt instruments are represented by the issuance of debt instruments (Cebures for its acronym in Spanish) and their value is recorded based on the principal amount and interest accrued as of the date of the formulation of the financial statements.

Debt issuance costs are initially recorded as deferred charges and amortized against income for the year, over the term of such debt instruments.

k. Loans from banks and other entities

Loans from banks and other entities are comprised of lines of credit and loans from other entities, which are recorded at the contractual value of the obligation recognizing the respective interest expense in income for the year as it is accrued.

l. Provisions

Provisions represent present obligations for past events where the outflow of economic resources is probable. These provisions have been recorded based on management's best estimate; however, actual results could differ from recognized estimates.

m. Deferred income tax and flat tax

Deferred income tax and flat tax are recorded based on the comprehensive asset-and-liability method, which consists of recognizing deferred tax on all temporary differences between the book and tax values of assets and liabilities to be materialized in the future, at the rates enacted in the effective tax provisions at financial statement dates.

n. Deferred Employees' Statutory Profit Sharing (ESPS)

Deferred ESPS is recorded under the comprehensive asset-and-liability method, which consists in recognizing a deferred ESPS for all differences between the book and tax value of the assets and liabilities for which payment or recovery is likely.

Current and deferred ESPS is shown in the statement of income under administrative expenses.

The debtor balances corresponding to deferred ESPS must be maintained only when estimates indicate they will be recovered in future periods.

NIFs require this item to be presented under other income and expenses.

o. Employee benefits

The Company has no employee benefit plans, except as required by the Social Security laws.

i. Direct benefits (salaries, vacations, holiday bonus, and paid absence, among others) are recognized in the statement of income as incurred and liabilities are expressed at nominal value given their short term nature. Absences paid by law or contract are not cumulative.

ii. Termination benefits due to reasons different from restructuring (severance compensation, seniority premium), as well as retirement benefits (seniority premium), are recognized based on actuarial studies carried out by independent actuaries through the projected unit credit method.

The period net cost for the period of each employee benefit plan is recognized as operating expenses of the period when they accrue, which includes, among others, the amortization of the labor cost of past services and the actuarial profit (loss) of previous periods.

Unamortized pending items, known as transition liabilities and the labor cost of past services are being amortized as from January 1, 2008 over a five year period instead of over the estimated labor life of employees (11 years for termination benefits and 15 for seniority premium).

As of December 31, 2010 and 2009, the breakdown of the employee benefit plans is as follows:

i. Post-employment benefits

Employee retirement procedures require the Company to adopt certain retirement policies or to pay off the employee in accordance with articles 48 to 50 of the Federal Labor Law (LFT for its acronym in Spanish).

Article 50 of the LFT Severance depends on whether the employment was for an indefinite period of time; severance consists of 20 days salary for each year of services rendered, plus the amount corresponding to three months of salary.

ii. Seniority premiums

Following is a summary of the bases for calculating the seniority premium, based on the provisions of article 162 of the LFT.

1. A seniority premium is paid in the event of death, disability, dismissal and voluntary resignation.

2. The amount of the seniority premium consists of 12 days of the employee's latest salary for each year of service.

3. Salary considered in calculating the seniority premium must not be lower than the minimum wage prevailing in the economic zone where the services were rendered and may not exceed twice the amount of said wage.

4. The seniority to be considered for payment is the total thereof except in the event of dismissal, in which case it will be considered the employees' seniority as from May 1, 1970 or the hiring date, if subsequent.

5. In order for payment of the seniority premium to be applicable in the case of resignation, the employee must have reached at least 15 years of service.

p. Stockholders' equity

The capital stock, share premium, capital reserves and prior years' income are expressed as follows: i) movements made as of January 1, 2008 at historical cost, and ii) movements made before January 1, 2008 at restated values determined through the application of UDI factors to their originally determined values up to December 31, 2007. Accordingly, the different stockholders' equity items are expressed at modified historical cost.

The premium on sale of shares represents the surplus difference between the payment for issued shares and their nominal value.

q. Comprehensive income

The comprehensive income comprises the net income and the result from valuation of hedging cash flows, which is reflected in the capital stock and does not constitute equity payments, reductions and distributions. The comprehensive income amounts for 2010 and 2009 are expressed at modified historical pesos.

r. Revenue recognition

Interest income from cash and cash equivalents is recognized in the statement of income as it accrues.

Loan portfolio interest is recognized in the statement of income as it is earned, using the unpaid balance method, according to the terms and interest rates established in contracts signed with clients. The interest from non-performing loans is recognized in income when actually collected.

Annual commissions charged to clients are deferred and amortized on a straight-line basis during one year or for the duration of the loan. Loan origination fees and costs are not deferred over the term of loans since Management considers such financial effect not to be significant due to the short-term maturity of related loans. All other commissions (withdrawal fee or late-payment fees) are recorded as income upon collection.

s. Repurchase of own shares

Own shares acquired are shown as a decrease in the fund for repurchase of own shares included in the consolidated financial statements under prior years' income. Dividends received are recognized by reducing their cost.

With respect to the sale of shares, the amount obtained in excess or deficit of their restated cost is recognized as premium on sale of shares.

t. Earnings per share

Earnings per basic ordinary share is the result of dividing the net earnings for the year by the weighted average of the shares outstanding in 2010 and 2009.

Diluted earnings per share is the result of dividing the net income for the year by the current share weighted average in 2010 and 2009, and reducing such average from potentially dilutive shares.

u. Exchange gain or loss

Transactions in foreign currencies are initially recorded at local currency applying the exchange rates prevailing on the dates they are entered into and/or settled. Assets and liabilities denominated in such currencies are translated at the exchange rate prevailing on the balance sheet date. Exchange gain or loss arising from fluctuations in the exchange rates between the transaction and settlement dates, or balance sheet date, are recognized in income.

v. Foreign currency operations

i. Financial statements translation

The financial statements of Instituto Finsol (IF), considered a foreign currency operation denominated in its functional currency (Brazilian real), served as basis to translate the financial information to the Company's reporting currency, considering a non-inflationary environment, as follows:

ii. Non- inflationary environment

Assets and liabilities at December 31, 2010 were translated using the closing US dollar exchange rate, which was $1.6510; those figures were subsequently translated to Mexican pesos using the closing exchange rate of $12.3496.

Capital stock balances at December 31, 2009 translated to the reporting currency were supplemented with the movements made in 2010, which were translated using historical exchange rates. The income, costs and expenses for the period were translated at average exchange rates (Ps1.7620 dollars and Ps12.6501 Mexican pesos).

w. Stock option plan

The Company has a Stock Option Plan (SOP) for certain employees and members of management. The stock option plan is implemented through a Trust managed by a Mexican bank as trustee pursuant to Mexican laws. This plan enables eligible employees to acquire, shares of the capital stock through the Trust. The Company funded the Trust through contributions so that in turn the Trust acquires shares of its capital stock through open market purchases on the Mexican Stock Exchange. Stock options granted under the plan generally vest in equal installments over a five-year period. The Trust purchases sufficient shares on the open market to satisfy all grants when the options are granted, as opposed to when they vest. If an employee forfeits any stock options prior to vesting, the shares representing such options remain with the Trust and are eligible for assignment to another grantee. The Trust currently holds 10,645,416 (9,440,690 ordinary shares in 2009) shares of the Company's common stock. Historically no contributions of shares have been made to the Trust through the issuance of new shares, and there are currently no plans to do so. The exercise price ranges from Ps.6 to Ps.17. The Company had not accounted for the financial effects of this plan because management considers them to be immaterial.

x. Segment reporting

The Mexican Banking GAAP establishes that in order to identify the different operating segments that comprise multiple banking institutions, entities must segregate their activities according to the following segments: i) loan operations, ii) treasury and investment banking operations, and iii) operations conducted on behalf of third parties. In addition, when considered relevant, additional operating segments and sub-segments can be identified. NIFs do not require said predetermined desegregation.

Given the nature of the Company's business, which is mainly engaged in offering consumer loans to low income individuals, segment reporting is focused on the loan operations segment, since Management considers the treasury and investment operations, and the operations conducted on behalf of third parties, not to be relevant for the Company.

NOTE 4 - FOREIGN CURRENCY POSITION:

The following figures are expressed in millions of American dollars (Dls).

At December 31, 2010 and 2009, the Company had the following dollar monetary assets and liabilities:

	2010	2009
Assets	Dls. 12.6	Dls. -
Liabilities	(202.0)	-
Net short position	(Dls. 189.4)	Dls. -

At December 31, 2010 and 2009, the exchange rate determined by the Mexican Central Bank and utilized by the Company to value its foreign currency assets and liabilities was Ps12.3496 per dollar (Ps13.0437 in 2009). At date of issuance of these financial statements, the exchange rate was Ps12.0064 per dollar.

Additionally, as part of its strategy, the Company holds derivative financial instruments to reduce the variability of cash flows of a liability denominated in a currency different from the functional currency. See Note 6.

NOTE 5 - CASH AND CASH EQUIVALENTS:

Cash and cash equivalents is comprised mainly of cash on hand, bank deposits and short-term investments, all highly liquid and subject to low market risk, as shown below:

	Local currency December 31,		Foreign currency December 31,		Total December 31,	
	2010	2009	2010	2009	2010	2009
Cash	Ps 41,646	Ps 38,977	Ps 45	Ps -	Ps 41,691	Ps 38,977
Deposits in Mexican banks	78,057	89,360	33,975	988	112,032	90,348
Short-term investments*	546,661	369,566	155,291	-	701,952	369,566
	Ps666,364	Ps497,903	Ps189,311	Ps988	Ps855,675	Ps498,891

* Represent investments of cash surpluses, in order to obtain a better short term return. These investments are made through brokerage firms and investment companies operating in the Mexican financial market.

At December 31, 2010 and 2009, the average yield on investments was 4.8% and 4.6%, respectively. In addition, for the years ended December 31, 2010 and 2009, interest income from investments totaled Ps55,814 and Ps11,722, respectively. Average maturity of investments during 2010 and 2009 ranged from one to three days.

NOTE 6 - DERIVATIVE FINANCIAL INSTRUMENT OPERATIONS:

The operations of the Company expose it to a number of financial risks: market risk (which includes exchange risks, and interest rate risks principally), credit risk and liquidity risk. The general risk-management practice considers the unpredictability of financial markets and seeks to minimize the potential negative effects on the Company's financial performance. As established in the Board of Directors' guidelines, the entity has implemented the use of derivative financial instruments to cover certain market risk exposures. Company policy states that no derivative transaction should be performed for speculation purposes.

At December 31, 2010 and 2009, the Company had the following derivative financial instruments:

Options

The Company's financing is subject to a variable interest rate (Interbank Interest Rate [TIIE for its acronym in Spanish] plus certain basis points) and loans made to clients are set at a fixed rate, therefore, there is a risk of interest rates increasing and financial margins decreasing.

The purpose of the above derivative financial instruments known as interest rate caps (CAP) is to establish a maximum interest rate for certain credit lines subject to variable interest rates (see Notes 10 and 11). Those instruments put a cap or ceiling on the TIIE rate. In the event the TIIE exceeds the levels established in the agreements in question, the counterparty must pay the Company the excess rate level multiplied by the notional amount in each period.

In 2010 and 2009, the Company valued the premium paid on said instruments at fair value and recorded the changes in fair value in the statement of income for the year.

CAP type options are comprised as follows:

Counterparty	Exercise price (%)	Notional amount	Purchase/ Sale	Charged to income	Fair value	Maturity date
			2010			
Morgan Stanley	7.0000	Ps5,500,000	Purchase	Ps3,000	Ps-	7-oct-11
Morgan Stanley	7.0000	Ps3,600,000	Purchase	Ps2,157	Ps793	8-oct-10
			2009			
Morgan Stanley	7.0000	Ps3,600,000	Purchase	Ps2,157	Ps793	8-oct-10

Notional figures related to derivative financial instruments reflect the volume of activity but not amounts at risk. Amounts at risk are generally limited to the unrealized profit or loss from valuation to market of those instruments, which can vary depending on changes in the market value of the underlying item, its volatility and the credit rating of the counterparties.

Forwards

Derivative financial instruments related to forwards contracted for hedging with HSBC México, S. A. Institución de Banca Múltiple, Grupo Financiero HSBC México (HSBC), derived from the loan received from abroad from DWM Securitizations, S. A. (DWM Securitizations), are comprised as follows:

	2010 Notional amount (thousands of dollars)	Net position	2009 Notional amount (thousands of dollars)	Net position
Long position				
Forward:				
US dollar	2,088	26,425	2,262	29,568
Short position				
Forward:				
US dollar	2,088	2,760	2,262	29,568
Net position	-	665	-	-

Swaps

At December 31, 2010, the Company has contracted the following derivative instruments to hedge global positions:

Counterparty	Notional amount	Agreed exchange rate	Maturity date	Rate: Payable	Rate: Receivable	Fair value
HSBC	150,000,000	13.07	30-Mar-15	14.67% monthly in MXN	10% half-yearly in USD	Ps175,321
Morgan Stanley	50,000,000	13.07	30-Mar-15	14.64% monthly in MXN	10% half-yearly in USD	57,695
					Total	Ps233,016

At December 31, 2010, the amount recorded in income for the year for hedging inefficiency totals Ps3,432.

In light of the Company's strategy implemented for mitigating the exchange risk for issuance of the Dls 200 million bond maturing on March 30, 2015, the Company contracted two exchange rates swaps on September 2, 2010 with HSBC and Morgan Stanley (the counterparties), for which the Company receives the 10% interest rate on a semi-annual basis, on a notional amount in dollars, and pays a monthly rate in pesos maturing on March 30, 2015, at which date an exchange of the notional amount plus interest takes place.

Swaps for hedging purposes contracted to hedge risks meet all hedging requirements, since designation thereof is documented at the outset of the hedging operation, describing the purpose, features, book recognition and the manner by which effectiveness is to be measured, as applicable to said operation.

The Company carries out periodic effectiveness testing through the hypothetical derivative method, which consists of measuring the change in fair value of a hypothetical derivative instrument reflecting the primary position versus the change in fair value of swaps contracted for hedging purposes, which means that the hedge ratio at December 31, 2010 is highly effective.

Notional figures related to derivative financial instruments reflect the volume of activity but not amounts at risk. Amounts at risk are generally limited to the unrealized profit or loss from valuation to market of those instruments, which can vary depending on changes in the market value of the underlying item, its volatility and the credit rating of the counterparties.

Swaps are traded with financial institutions with good credit ratings, which means that the risk of default of rights and obligations acquired with the counterparties is low.

The amount included in comprehensive income under stockholders' equity is to be recycled simultaneously to income, when the primary position affects the hedged item. Said amount is subject to changes arising from market conditions.

NOTE 7 - LOAN PORTFOLIO:

The classification of the performing and non-performing loans were as follows:

	2010		
Performing loans:	Principal	Accrued interest	Total loans
Consumer	Ps4,968,777	Ps234,064	Ps5,202,841
Non-performing loans:			
Consumer	493,474	76,733	570,207
Total loan portfolio	Ps5,462,251	Ps310,797	Ps5,773,048

	2009		
Performing loans:	Principal	Accrued interest	Total loans
Consumer	Ps3,991,786	Ps244,374	Ps4,236,160
Non-performing loans:			
Consumer	484,547	91,585	576,132
Total loan portfolio	Ps4,476,333	Ps335,959	Ps4,812,292

Loans offered, segmented by product, were as follows:

Type:	2010		2009	
	Amount	%	Amount	%
Performing loans:				
CrediInmediato	Ps2,534,820	49	Ps2,736,959	65
CrediPopular	1,130,237	22	1,089,654	26
CrediMamá	130,307	2	105,419	2
CrediConstruye	176,353	3	304,128	7
Group loans	1,231,124	24	-	-
	5,202,841	100	4,236,160	100
	2010		2009	
Non-performing loans:				
CrediInmediato	358,339	63	358,515	62
CrediPopular	152,398	27	187,413	33
CrediMamá	15,367	2	13,710	2
CrediConstruye	15,479	3	16,494	3
Group loans	28,694	5	-	-
	570,207	100	576,132	100
Total loan portfolio	Ps5,773,048	100	Ps4,812,292	100

CrediInmediato: is a revolving line of credit from Ps3 to Ps20. It is available to individuals earning at least the minimum monthly wage in Mexico City. As of December 31, 2010 and 2009, the unused portion of the credit line was Ps1,227 million and Ps1,324 million, respectively.

CrediPopular: is a personal loan targeted to the informal sector of the Mexican economy. This type of loan ranges from Ps1.8 to Ps4.8 (from Ps1.8 to Ps6 in 2009). This product has an average term of 26 weeks (36 weeks in 2009) and is renewed based on the client's credit behavior.

CrediMamá: this product is provided to mothers who have at least one child under the age of 18. Initially offered in an amount from Ps1.8 to Ps3.5, it has an average term of 26 weeks and is renewed based on the client's credit behavior.

CrediConstruye: this product is available to individuals earning at least the minimum monthly wage for Mexico City and it is intended to finance home improvements. These loans initially range from Ps3.0 to Ps20. This product has a maximum term of two years.

Group loans: this type of loan is intended for micro-entrepreneurs engaged in independent production, sales or service activities. This product is offered to groups of between 4 and 60 members and ranges from Ps0.5 to Ps24, maturing in an average of 16 weeks. The amount of these loans can increase over cycles based on credit behavior.

As of December 31, 2010 and 2009, the loan portfolio according to the number of days past due is as shown below:

	2010							
	0 days	01-30 days	31-60 days	61-89 days	90-120 days	121-150 days	151-180 days	Total
Performing loans	Ps 3,972,703	Ps 834,980	Ps 342,639	Ps 52,519				Ps 5,202,841
Non-performing loans	-	-	-	168,650	Ps 181,812	Ps 117,065	Ps 102,680	570,207
Total	Ps 3,972,703	Ps 834,980	Ps 342,639	Ps 221,169	Ps 181,812	Ps 117,065	Ps 102,680	Ps 5,773,048

	2009							
	0 days	01-30 days	31-60 days	61-89 days	90-120 days	121-150 days	151-180 days	Total
Performing loans	Ps2,865,645	Ps 850,458	Ps 434,848	Ps 85,209				Ps 4,236,160
Non-performing loans	-	-	-	166,958	Ps 162,293	Ps 146,636	Ps100,245	576,132
Total	Ps2,865,645	Ps850,458	Ps434,848	Ps252,167	Ps 162,293	Ps 146,636	Ps100,245	Ps 4,812,292

Interest income per product arising from ordinary and late-payment interest pertaining to the loan portfolio, segmented by product, is comprised as follows:

	2010		2009	
Product	Amount	%	Amount	%
CrediInmediato	Ps 1,747,157	49	Ps 1,850,313	61
CrediPopular	994,751	28	971,570	31
CrediMamá	102,126	3	106,610	3
CrediConstruye	129,332	4	170,340	5
Group	566,470	16	-	-
	Ps 3,539,836	100	Ps 3,098,833	100

NOTE 8 - LOAN LOSS ALLOWANCE:

In accordance with Mexican Banking GAAP, the Company classifies its loan portfolio using an internal methodology based on the probability of borrowers' default and the loss given default associated to the credit.

Below are the percentages used to create loan loss provisions as of December 31, 2010 and 2009, which were determined based on the probability of borrowers' default and the loss given default:

	2010			2009		
Weekly	Amount	Provision (%)	Amount	Amount	Provision (%)	Amount
0	Ps 253,305	0.3	Ps 819	Ps 447,487	0.4	Ps 1,732
1	50,760	0.9	467	118,465	1.1	1,288
2	25,074	2.6	661	61,525	3.1	1,882
3	15,435	6.2	961	41,573	7.3	3,022
4	19,210	8.7	1,668	38,649	9.9	3,811
5	8,975	9.3	833	26,232	10.0	2,616
6	8,249	11.4	944	22,046	12.0	2,653
7	9,791	18.0	1,761	25,108	19.2	4,810
8	20,453	20.4	4,170	30,206	21.3	6,418
9	3,436	22.3	767	26,765	21.8	5,825
10	5,400	25.3	1,366	12,931	25.6	3,311
11	6,542	33.1	2,168	15,944	34.4	5,487
12	7,971	35.4	2,825	17,476	36.0	6,284
13	14,846	34.5	5,123	34,429	34.4	11,709
14	2,748	40.9	1,124	7,150	42.6	3,048
15	4,645	49.7	2,315	11,321	52.2	5,913
16	7,246	52.2	3,779	13,831	52.3	7,238
17	14,618	50.9	7,441	23,958	51.5	12,348
18 or more	40,691	86.0	34,995	96,834	85.4	82,650
Total	Ps 519,405	14.3	Ps 74,187	Ps 1,071,930	16.1	Ps172,045

Biweekly	Amount	Provision (%)	Amount	Amount	Provision (%)	Amount
0	Ps2,434,318	0.3	Ps 6,286	Ps2,201,077	0.4	Ps 8,358
1	276,863	1.4	3,915	276,366	2.0	5,646
2	245,605	3.6	8,849	240,040	4.5	10,671
3	108,221	6.1	6,597	177,489	7.1	12,549
4	178,789	9.8	17,511	143,705	10.9	15,696
5	61,720	17.6	10,893	33,823	19.0	6,439
6	86,891	21.8	18,949	104,151	23.7	24,647
7	66,061	36.5	24,108	30,918	38.5	11,903
8	47,673	40.3	19,207	54,799	43.0	23,539
9	36,419	48.1	17,522	30,759	52.1	16,038
10	57,838	54.5	31,531	45,173	58.6	26,448
11	27,452	64.6	17,747	39,054	65.6	25,622
12	53,801	70.0	37,681	42,677	72.8	31,080
13 or more	-	-	-	-	-	-
	Ps3,681,651	6.0	Ps220,796	Ps3,420,031	6.4	Ps218,636

	2010			2009		
Monthly	Amount	Provision (%)	Amount	Amount	Provision (%)	Amount
0	Ps 221,874	0.2	Ps 421	Ps 217,080	0.3	Ps 614
1	38,567	2.0	767	39,434	2.6	1,035
2	16,594	7.6	1,254	18,950	8.7	1,652
3	8,208	19.2	1,574	8,386	21.4	1,795
4	5,464	38.2	2,085	5,445	41.6	2,263
5	3,815	52.3	1,994	3,544	57.1	2,033
6	4,148	67.7	2,809	3,711	70.3	2,595
7	-	-	-	-	-	-
8	-	-	-	-	-	-
9 or more	-	-	-	-	-	-
Total	Ps 298,670	3.7	Ps 10,904	Ps 296,550	4.0	Ps 11,987
Restructured loan portfolio						
	Ps 13,573	86.0	Ps 11,673	Ps 23,781	85.4	Ps 20,298
Group loan portfolio	Ps1,259,749	4.6	Ps 57,910			
Total loan portfolio	Ps5,773,048		Ps375,470	Ps4,812,292		Ps422,966
Hedge index			65.8%			73.4%

Changes in loan loss allowance in the periods ended December 31, 2010 and 2009 are shown below:

	December 31,	
	2010	2009
Balance at beginning of the year	Ps 422,966	Ps 350,639
Plus:		
Balance at beginning of Grupo Finsol	45,950	-
Increase in the provision for loan losses	971,488	1,074,186
Less:		
Loans written-off in the year	1,064,934	1,001,859
Balance at year end	Ps 375,470	Ps 422,966

As of December 31, 2010 and 2009, the restructured loan portfolio amounted to Ps13,573 and Ps23,781, respectively. The Company classifies and shows its restructured portfolio as non-performing. In addition, the Company considers that the probability of default of this portfolio in the Company's internal methodology is 100%.

At December 31, 2010 and 2009 the Company had no foreclosed assets.

NOTE 9 - OTHER ACCOUNTS RECEIVABLE - NET:

At December 31, 2010 and 2009, other accounts receivable are comprised as follows:

	December 31,	
	2010	2009
Favorable income tax balance	Ps342,724	Ps 44,768
Value added tax receivable and creditable	49,356	58,729
Sundry debtors	6,341	3,934
Mapfre Insurance	5,946	-
Oxxo Collections	1,639	-
Debtors from loan portfolio sales	3,482	4,153
Remittances	1,133	-
	Ps410,621	Ps111,584

NOTE 10 - PROPERTY, FURNITURE AND EQUIPMENT:

At December 31, 2010 and 2009, this item is comprised as follows:

Asset	2010	2009	Annual depreciation rate (%)
Building	Ps 47,643	Ps 47,643	5
Computer equipment	243,956	169,937	25
Office furniture and equipment	126,742	89,700	10
ATMs	14,099	14,099	15.4
Transportation equipment	31,926	24,446	25
Leasehold improvements	281,621	208,056	20
	745,987	553,881	
Less - accumulated depreciation	(343,536)	(251,480)	
	402,451	302,401	
Land	865	865	
	Ps 403,316	Ps303,266	

For the period ended December 31, 2010 and 2009, depreciation and amortization recognized in income amounted to Ps100,172 and Ps70,445, respectively.

At December 31, 2010 and 2009, there are fully depreciated assets in the amount of Ps85,038 and Ps64,058, respectively.

NOTE 11 - INTANGIBLE ASSETS:

This item is comprised as follows:

	Balance at December 31,		Annual amortization rate (%)
	2010	2009	
With defined useful life:			
Relation with clients	Ps 111,067	Ps -	7
With indefinite useful life:			
Trademarks	44,847	-	
Goodwill	615,150	3,240	
	Ps 771,064	Ps3,240	

The Company has prepared a study to determine the effects of Statement C-15 (impairment in the value of long-lived assets and their disposal), and it has determined there is no impairment in the value of long-lived assets.

NOTE 12 - DEBT INSTRUMENTS:

At December 31, 2010 and 2009, the Company's debt instruments were as shown below:

	Amount of program	Amount of issuance	Date of issuance	Date of Maturity	Interest rate	2010	2009
Cebures	Ps1,500,000	Ps 784,000	June-08	June-13	TIIE + 190 bps	Ps784,000	Ps784,000
					Accrued interest	3,105	2,970
					Total	Ps787,105	Ps786,970

Unsecured cebures mature in a term of three years and accrue 28-day TIIE interest, plus 190 basis points (bps). The notes were rated as mxA- and A(mex) by Standard & Poor's and Fitch Ratings, respectively.

The interest expense recorded in 2010 for debt instruments issued was Ps54,126 (Ps63,600 in 2009).

NOTE 13 - BANK AND OTHER ENTITIES' LOANS:

As of December 31, 2010 and 2009, such loans were as follows:

Institution:	Amount	Maturity	Collateral	Interest rate	December 31, 2010	December 31, 2009
International bonds [1]	Dls. 200,000	Mar-2015	None	10.0%	Ps 2,469,920	Ps -
HSBC [2]	Ps 2,500,000	Sep-2013	1.3 to 1.0	TIIE + 300 bps	1,250,000	2,020,000
Nacional Financiera, S. N. C. (NAFINSA)[3] (Financiera Independencia)	1,000,000	Not determined	None	TIIE + 300 bps	166,667	842,500
(Financiera Finsol)	280,000	Not determined	Liquidity of 20% plus 1.0 to 1.0	TIIE + 450 bps	-	-
Morgan Stanley Emerging Markets Domestic Debt Fund, Inc.	161,685	Feb-2011	None	14.0%	161,685	-
Fideicomisos Instituidos en Relación con la Agricultura (FIRA)	600,000	Dic-2013	Liquidity 10% plus 1.0 to 1.0	TIIE FIRA	150,000	-
Sociedad Hipotecaria Federal, S.N.C. (SHF)	700,000	Mar-2011	1.087 to 1.0	TIIE + 200 bps	78,410	203,532
DWM Securitizations[4]	Dls2,000	Jun-2011	None	8.75%	24,699	-
Dexia Micro-Credit Fund Sub Fund Blue Orchard Debt	33,000	Jan-2011	None	12.5%	16,500	-
BBVA Gestión, S. A., S.G.I.I.C.	22,000	Jan-2011	None	12.5%	11,000	-
Banco Invex, S. A.	15,000	Oct-2011	Liquidity 10%	TIIE + 550 bps	2,418	-
					4,331,299	3,066,032
		Accrued interest			11,205	13,238
		Total			Ps 4,342,504	Ps 3,079,270

1. Placement of bonds on the international market totaling Dlls200 million, issued in March 2010, rule 144A/Reg S., maturing in five years and accruing 10% annual interest, with credit ratings by Standard and Poor's and Fitch Ratings of BB-.

2. Term loan of Ps1,250 million and revolving credit line of Ps1,250 million, maturing in December 2012 and December 2013 (up to December 31, 2009 the revolving credit line was for Ps2,500 million, maturing in September 2011, subject to TIIE plus 3%). Loans are subject to TIIE + 3.85% interest and the spread over TIIE is subject to the Company's credit rating.

3. Two revolving credit lines contracted with NAFINSA for Ps1,000,000 and Ps280,000, the first for financing microloans offered to the informal market through CrediPopular and CrediMamá, and the second for financing the group product.

4. Liability covered through derivative instruments pertaining to forwards contracted with HSBC for hedging purposes. (See Note 6).

NOTE 14 - SUNDRY CREDITORS AND OTHER ACCOUNTS PAYABLE:

As of December 31, 2010 and 2009, this balance is comprised as follows:

	December 31,	
	2010	2009
Other dues	Ps148,298	Ps 86,991
Dividends payable	50,112	-
Income tax payable	41,426	37,427
Annual performance bonus	28,784	-
Sundry creditors	27,616	10,338
Other provisions	17,725	13,813
Labor obligations	14,674	10,618
ESPS payable	10,106	3,305
Commission not yet reimbursed (cash back)	6,478	7,894
	Ps345,219	Ps170,386

NOTE 15 - EMPLOYEE BENEFITS:

a. The reconciliation of the starting and ending balances of Defined Benefit Obligations (DBO) for 2010 and 2009 is as follows:

	2010			2009		
	Legal retirement compensation	Seniority premium prior to retirement	Seniority premium at retirement	Legal retirement compensation	Seniority premium for retirement	Seniority premium at retirement
DBO at January 1,	Ps 9,458	Ps2,436	Ps 1,018	Ps9,180	Ps 1,870	Ps 638
Plus (less):						
Labor cost of the current service	5,287	1,016	372	6,428	1,091	259
Payments made by the participant employees	603	189	174	554	149	54
Actuarial earnings (losses) generated in the period	(197)	687	107	(6,624)	123	68
Paid benefits	(3,583)	(946)	(238)	(81)	(797)	(1)
DBO at December 31,	Ps11,568	Ps3,382	Ps 1,423	Ps9,457	Ps2,436	Ps 1,018

b. The value of acquired benefit obligations at December 31, 2010 and 2009 amounted to Ps39 y Ps533, respectively.

c. Reconciliation of DBO, Plan Assets (PA) and Net Projected Liability (NPL).

Reconciliation of the DBO, fair value of PA and the NPL is as follows:

	Legal retirement compensation prior to retirement		PA prior to retirement		PA at retirement	
	December 31,		December 31,		December 31,	
	2010	2009	2010	2009	2010	2009
Labor liabilities						
DBO	Ps 11,568	Ps 9,457	Ps 3,382	Ps 2,436	Ps 1,433	Ps 1,018
PA	-	-	-	-	-	-
Financing status	11,568	9,457	3,382	2,436	1,433	1,018
Less:						
Unamortized items	-	168	-	67	-	28
Actuarial gains	-	-	-	-	168	66
Transition liability	1,355	1,864	93	73	93	27
NPL	Ps 10,213	Ps 7,425	Ps 3,289	Ps 2,296	Ps 1,172	Ps 897

d. Net cost for the period (NPC):

Following is the analysis of NPC for each plan:

	Legal retirement compensation prior to retirement		PA prior to retirement		PA at retirement	
	December 31,		December 31,		December 31,	
NPC:	2010	2009	2010	2009	2010	2009
Labor cost of current services	Ps 5,288	Ps 6,428	Ps 1,016	Ps 1,090	Ps 372	Ps 259
Financial cost	603	554	189	150	113	54
Net actuarial gains	(197)	(6,624)	693	123	-	(1)
Labor cost of past services	-	56	46	22	1	1
Amortization (transition liability)	677	622	-	24	12	12
Early modifications or settlements	-	-	-	-	(201)	-
Total	Ps 6,371	Ps 1,036	Ps 1,944	Ps 1,409	Ps 297	Ps 325

e. Main actuarial assumptions:

Main actuarial assumptions used, denominated in absolute terms, as well as the discount rates, plan assets yields, salary increases and changes in the indexes or other changes, referred to at December 31, 2010, are as follows:

Seniority premium plan

Age	Death (%)	Disability (%)	Voluntary separation(%)	Dismissal (%)
15	0.024	0.012	60.441	12.294
25	0.074	0.032	32.992	48.470
35	0.171	0.062	17.296	4.821
45	0.333	0.118	7.609	2.209
55	0.698	0.199	2.648	0.783
60	1.071	0.255	1.719	0.510

Benefit plan upon termination of employment

Age	Death (%)	Disability (%)	Voluntary separation(%)	Dismissal (%)
15	0.024	0.012	60.441	12.294
25	0.074	0.032	32.992	48.470
35	0.171	0.062	17.296	4.821
45	0.333	0.118	7.609	2.209
55	0.698	0.199	2.648	0.783
60	1.071	0.255	1.719	0.510

	2010 (%)	2009 (%)
Discount rate:	7.50	8.00
Salary increase rate:	5.42	5.79
Minimum salary increase rate:	4.27	4.52

f. Value of DBO, PA and plan status over the last four years:

The value of the DBO, the fair value of PA, the plan status, as well as the experience adjustments for the last four years are as shown below:

Seniority premium plan

	Historical values			Experience adjustments	
Year	DBO	PA	Plan status	DBO (%)	PA
2010	Ps4,815.0	Ps -	Ps4,815.0	3.49	Ps -
2009	3,454.0	-	Ps3,454.0	11.6	-
2008	2,507.0	-	2,507.0	16.8	-
2007	989.0	-	989.0	4.0	-
2006	521.0	-	521.0	19.0	-

Benefit plan upon termination of employment

	Historical values			Experience adjustments	
Year	DBO	PA	Plan status	DBO (%)	PA
2010	Ps11,568.0	Ps -	Ps11,568.0	0	Ps -
2009	9,457.0	-	9,457.0	0	-
2008	9,180.0	-	9,180.0	0	-
2007	3,421.5	-	3,421.5	12.7	-
2006	2,124.0	-	2,124.0	30.0	-

g. ESPS:

ESPS provision in 2010 and 2009 are analyzed as follows:

	Year ended December 31,	
	2010	2009
Current ESPS	Ps 8,499	Ps2,545
Deferred ESPS	(1,090)	733
	Ps 7,409	Ps3,278

The Company is subject to payment of ESPS, which is calculated applying the procedures established in the Income Tax Law.

The main temporary differences for which deferred ESPS was recorded are analyzed as follows:

	December 31,	
	2010	2009
Prepaid expenses	(Ps2,516)	(Ps3,594)
Reserve for bonuses	31,739	-
Provision for labor obligations	15,363	10,619
Provision for ESPS payable	909	288
Sundry provisions	11	-
Salaries payable	-	430
Tax loss carryforwards	-	27,196
	45,506	34,939
Applicable ESPS rate	10%	10%
Deferred ESPS asset	Ps4,551	Ps3,494

NOTE 16 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES:

The main balances with unconsolidated related parties are shown below:

	December 31,	
Receivable:	2010	2009
Loans to key officers*	Ps 4,025	Ps 7,535

* These loans mature in September 2011 and bear an interest at the rate of 10.56%.

The main transactions with unconsolidated related parties are shown below:

	Year ended December 31,	
Income:	2010	2009
Interest on loans (officers)	Ps 420	Ps 1,296
Administrative services (Grupo Jorisa, S. A. de C. V.)	139	67
Total	Ps 559	Ps 1,363
Expenses:		
Officer benefits	Ps 70,601	Ps 66,222
Administrative fees (José Luis Rión Santisteban)	25,264	35,204
Leases (Grupo Jorisa, S. A. de C. V.)	17,952	17,790
	Ps 113,817	Ps 119,216

NOTE 17 - STOCKHOLDERS' EQUITY:

At the Ordinary General Stockholders' meeting of April 27, 2010, the shareholders approved an increase in the variable portion of capital of up to Ps550,000 (five hundred and fifty million pesos) and consequently the issue of 55,000,000 (fifty five million) common nominative shares, with no par value, of which 884,712 shares were subscribed at Ps13.50 each. As concerns the 54,115,288 unsubscribed shares, the Board of Directors decided that 45,000,000 are to be kept in the Company's treasury and 9,115,288 shares are to be cancelled. As a result of the foregoing, there was an increase in the variable portion of capital stock of Ps88 and a net premium for placement of shares of Ps11,855.

At the Ordinary General Stockholders' meeting of December 17, 2009, the shareholders approved an increase in the Company's variable capital stock of up to Ps850,000 (eight hundred and fifty million pesos), and consequently, the issuance of 85,000,000 (eighty five million) nominative shares, with no par value, to be subscribed and paid in by the shareholders at a price of Ps10 (ten Mexican pesos) per share. Outstanding shares increased from 630 to 715 million. On February 5, 2010, this share issue related to the increase of capital mentioned before was fully subscribed and paid in, thus increasing the variable portion of capital stock by Ps8,500, and a net premium for placement of shares of Ps816,568. Said premium is considered a decrease for expenses related to the public offering of Ps24,932.

At the Ordinary General Stockholders' meeting of September 20, 2010, it was agreed to declare payment of a cash dividend of Ps0.21 pesos (point twenty one pesos) per share, covered in three installments: two were paid in 2010 and the third is payable in March 2011. The Company has paid dividends on a regular basis.

Net income for the period is subject to the legal provision requiring that at least 5% of the profit for each year be set aside to increase the legal reserve until it reaches an amount equivalent to 20% of the capital stock. The amount transferred from the legal reserve to retained earnings at December 31, 2010 and 2009 was Ps1,700 and Ps1,000, respectively.

Dividends paid are not subject to income tax if paid from the After-tax Earnings Account (CUCA). Any dividends paid in excess of this account are subject to a tax rate equivalent to 42.86% if paid in 2010. The tax is payable by the Company and may be credited against its income tax in the same year or in the following two years or against flat tax for the period. Dividends paid from previously taxed profits are not subject to tax withholding or additional tax payment.

In the event of a capital reduction, the excess of stockholders' equity over capital contributions is accorded the same tax treatment as dividends, in accordance with the procedures established under the Mexican Income Tax Law.

In accordance with Statement B-14 of NIFs, the earnings per share are calculated by dividing net income for the year by the weighted average of shares outstanding during the same period, as shown below:

Earnings per share (EPS):	2010	2009
Net income	Ps 451,665	Ps 515,223
Divided by:		
Weighted average shares	607,250,033	606,496,071
EPS (Mexican pesos)	Ps 0.7438	Ps 0.8495

NOTE 18 - INCOME TAX AND FLAT TAX:

a. Income tax

Income tax is calculated based on the taxable income of each subsidiary and not on a consolidated basis. In 2010, the Company determined a tax profit of Ps372,749 (tax profit of Ps1,368,812 in 2009) and its subsidiaries determined a tax loss of Ps112,439 (Ps548 in 2009) The tax result differs from the accounting result mainly due to such items accruing over time and deducted differently for accounting and tax purposes, to recognition of inflationary effects for tax purposes, as well as to items only affecting either the accounting or tax result.

Based on its financial and tax projections, the Company's management determined that the tax payable in the future will be the Income tax, and it has therefore recognized deferred Income Tax.

A decree was published on December 7, 2009 amending, adding and revoking certain provisions of the Mexican Income Tax Law (Income Tax Law) for 2010; the decree establishes, among other, that the Income Tax rate applicable from 2010 to 2012 will be 30%, for 2013 it will be 29% and as of 2014 it will be 28%. At December 31, 2009, the aforementioned exchange rate resulted in an increase in the deferred income tax balance of Ps37,435, with its corresponding effect on income for the year, which was determined based on the expected reversion of temporary items at the effective rates.

The consolidated income tax provision is analyzed as follows:

	Year ended December 31,	
	2010	2009
Current:		
Income tax	(Ps 109,274)	(Ps384,277)
Flat tax	(20,064)	(8,514)
Taxes accrued by purchased companies prior to purchase date	27,742	-
	(101,596)	(392,791)
Deferred:		
Income tax	(24,820)	250,017
Flat tax	10,088	2,052
Taxes accrued by purchased companies prior to purchase date	(1,496)	-
	(16,228)	252,069
	(Ps 117,824)	(Ps 140,722)

The reconciliation of the statutory and effective tax rates is shown as follows:

	Year ended December 31,	
	2010	2009
Income before provisions	Ps569,489	Ps655,945
Accrued income tax rate	30%	28%
Statutory income tax	170,847	183,664
Plus (less) the tax effect of the following permanent differences:		
Accrued interest	286,332	78,974
Annual inflation adjustment	12,273	10,119
Other permanent items	2,046	13,620
Nondeductible expenses	560	5,193
Taxes not consolidated	(26,246)	-
Swap derivatives	(39,436)	-
Derivatives valuation	(42,774)	-
Tax write offs	(245,778)	(163,967)
Effect for changes in deferred income tax rate	-	13,119
Actual income tax rate	Ps117,824	Ps140,722
Effective income tax rate	21%	21%

As of December 31, 2010 and 2009, the main temporary differences on which consolidated deferred income tax was recognized are analyzed as follows:

	December 31,	
	2010	2009
Allowance for loan losses and write-offs	Ps 898,590	Ps 1,049,020
Accrued interest income on past due accounts	777,251	734,724
Tax loss carryforwards	411,764	58,498
Derivative financial instruments valuation	92,368	-
Leasehold improvements	69,382	44,010
Liability provisions	63,328	17,871
International bond	63,120	-
Furniture and equipment and intangible assets	(29,140)	(31,695)
Advance payments	(52,195)	(51,436)
Deferred commissions	-	45,677
Others	(7,991)	5,056
	2,286,477	1,871,725
Applicable income tax rate	30%	30%
	685,943	561,518
Deferred flat tax	17,877	7,616
Deferred ESPS	4,551	3,494
	Ps 708,371	Ps 572,628

As of December 31, 2010, the Company had tax loss carry forwards of Ps411,764, whose right to be amortized against future taxable income expires as shown below:

Year of loss	Restated amount	Year of expiration
2006	Ps 3,196	2016
2007	12,360	2017
2008	14,465	2018
2009	270,213	2019
2010	111,530	2020
	Ps 411,764	

b. Flax tax

Flat tax for the period is calculated at the 17.5% rate (17% for 2009) on the profit determined based on cash flows; such income represents the difference between the total income collected on taxable activities, less the authorized tax deduction paid. In addition, taxpayers are also allowed to reduce this amount with the flat tax credits, based on the procedures established in this Law. As of 2010, the flat tax rate will be 17.5% and the effect of the change in the temporary differences due to changes in the rates has been recognized in previous periods.

According to the current tax legislation, the Company must pay annually the higher of income tax and flat tax.

The reconciliation of the payable and effective flat tax rate is shown as follows:

	Year ending on December 31,	
	2010	2009
Profit before provisions	(Ps58,535)	Ps26,141
Accrued flat tax rate	17.5%	17.0%
Statutory flat tax rate	(10,244)	4,444
Plus (less) effect on income tax of the following permanent items:		
Others	1,619	2,018
Flat tax at actual rate	(Ps 8,625)	Ps 6,462
Effective flat tax rate	15%	25%

As of December 31, 2010 and 2009, the principal timing differences on which deferred flat tax was recognized are as shown below:

	December 31,	
	2010	2009
Accounts receivable	Ps60,662	Ps 4,942
Accounts payable	41,493	3,191
Prepaid expenses	-	(4,210)
Social security provisions	-	26,357
Labor obligations	-	10,063
Others	-	3,178
	102,155	43,521
Flat tax applicable rate	17.5%	17.5%
Deferred flax tax asset	Ps17,877	Ps 7,616

NOTE 19 - ADDITIONAL INFORMATION ON THE STATEMENT OF INCOME:

a. Interest income

Interest income generated per product, and interest income on investments for the periods are as shown below:

	Year ended December 31,	
	2010	2009
CrediInmediato	Ps1,747,157	Ps1,850,313
CrediPopular	994,751	971,570
CrediMamá	102,126	106,610
CrediConstruye	129,332	170,340
Group loans	566,470	-
	3,539,836	3,098,833
Investments in securities	55,814	11,722
Total income	Ps3,595,650	Ps3,110,555

b. Interest expenses

Interest expenses are as shown below:

	Year ended December 31,	
	2010	2009
HSBC	Ps 131,393	Ps197,440
NAFINSA	32,904	26,385
Morgan & Stanley	21,023	-
SHF	15,519	35,075
FIRA	12,727	-
Blue Orchard	3,092	-
Subtotal	216,658	258,900
International notes	224,177	-
Debt issued	54,126	63,600
Other	9,606	4,810
Total	Ps 504,567	Ps327,310

c. Commissions and fees collected and paid.

Commissions and fees collected and paid are as shown below:

	Year ended December 31,	
Commissions and fees collected	2010	2009
Withdrawal fees	Ps 568,259	Ps 550,830
Late-payment fees	207,495	201,733
	Ps 775,754	Ps 752,563
Commissions and fees paid		
Banking fees	Ps 32,640	Ps 8,925
Credit line fees	14,183	3,801
	Ps 46,823	Ps 12,726

d. Brokerage revenue

Brokerage revenue is as shown below:

	Year ended December 31,	
	2010	2009
Result for derivative financial instrument valuation	Ps193,311	Ps -
Exchange fluctuations	(97,851)	-
	Ps 95,460	Ps -

e. Other operating income

Other operating income is shown below:

	Year ended December 31,	
	2010	2009
Recovery of loan written-offs	Ps67,581	Ps 29,233

f. Other income

Other income earned in 2010 and 2009 is as shown below:

Other income	Year ended December 31, 2010	2009
Other items	Ps35,704	Ps 3,572
Commissions on services and insurance	20,904	8,679
Sales of fixed assets	11,627	2,345
Administrative services	118	3,678
	Ps68,353	Ps18,274

NOTE 20 - RELEVANT EVENTS:

On December 22, 2010, the Company signed a purchase agreement to acquire all outstanding shares of Apoyo Económico Familiar, S. A. de C. V., Sociedad Financera de Objeto Múltiple, Entidad No Regulada, one of Mexico's main micro financing entities, and it has reached an agreement to acquire 77% shareholding of the shares of Apoyo Financiero Inc. (AFI), a micro finance company dealing mainly with the non-bank Hispanic community in San Francisco, California. On February 28, 2011, the Company finalized the process for the acquisition of the AFI shares. The total amount of both transactions is Ps1,180 million. When transactions finalize, the Company will increase its loan portfolio by approximately 15% and its client base by approximately 8%. Transactions have been approved by the Company's Board of Directors.

NOTE 21 - COMMITMENTS AND CONTINGENCIES:

As of December 31, 2010, legal proceedings against the Company consisted of labor, civil and penal suits. In the opinion of Company management and its legal advisors, these proceedings are common in the course of business and in the case of a negative final ruling, they would have no significant effects on the Company's financial position or its results.

To conduct its operations, the Company entered into certain contracts for the lease of offices, ATMs and branches. The period of those leases is between three and five years. The total lease payments for the next five years amounts to Ps74,955 in 2011, Ps58,657 in 2012, Ps34,328 in 2013, Ps11,629 in 2014 and Ps1,794 thereafter.

NOTE 22 - SUBSEQUENT EVENTS:

The Company has sold shares after the 2010 year-end close and at the date of issuance of these financial statements in the amount of (Ps2,239).

NOTE 23 - FINANCIAL INFORMATION BY SEGMENT:

The total loan portfolio and interest income by geographical area are as shown below:

	December 31,			
	2010		2009	
State	Total loan portfolio	Interest income	Total loan portfolio	Interest income
Aguascalientes	Ps 74,598	Ps 51,781	Ps 100,881	Ps 66,102
Baja California	224,604	148,766	257,279	153,102
Baja California Sur	76,210	50,092	69,492	43,909
Campeche	100,874	61,729	74,456	54,034
Chiapas	162,668	105,264	150,093	101,993
Chihuahua	90,823	55,994	86,276	57,307
Coahuila	300,890	189,871	307,525	192,965
Colima	64,828	39,122	50,686	33,487
Durango	48,109	32,925	29,203	29,235
State of Mexico	156,904	93,477	81,657	52,302
Guanajuato	265,788	174,205	250,618	175,337
Guerrero	222,473	143,672	159,200	112,687
Hidalgo	76,295	48,043	64,252	36,255
Jalisco	367,962	241,932	387,926	226,957
Michoacán	206,009	128,618	150,958	104,313
Morelos	117,820	82,102	128,423	87,388
Nayarit	49,260	32,855	42,482	27,706
Nuevo León	29,591	16,186	10,557	5,439
Oaxaca	122,935	72,807	76,460	52,985
Puebla	211,469	131,528	154,636	104,608
Querétaro	111,305	77,013	118,752	80,126
Quintana Roo	170,766	110,126	180,213	109,544
San Luis Potosí	172,960	112,264	166,079	107,103
Sinaloa	178,869	113,428	175,331	112,387
Sonora	274,238	176,407	273,980	161,100
Tabasco	103,197	55,933	61,776	37,038
Tamaulipas	467,486	295,858	452,037	286,578
Tlaxcala	90,562	62,978	103,143	70,423
Veracruz	605,028	364,441	455,145	299,446
Yucatán	128,906	78,437	105,612	72,319
Zacatecas	59,414	38,361	59,455	40,546
Head office México, D. F.)	40,476	8,869	27,709	4,112
Subtotal for Mexico	5,373,337	3,394,634	4,812,292	3,098,833
Brazil	399,711	145,202	-	-
Total	Ps 5,773,048	Ps 3,539,836	Ps 4,812,292	Ps 3,098,833

NOTE 24 - BUSINESS ACQUISITIONS:

On November 30, 2009, the Company signed a purchase agreement to acquire all outstanding shares of Finsol and a group of related entities (Grupo Finsol), in order to increase its loan portfolio and its clients. On February 19, 2010, the Company finalized the process for the acquisition of the shares.

The purchase price of the share was Ps530 million. The valuation method used for the acquisition was the purchase method. At the date of Finsol's acquisition, the assets and liabilities valued at fair value, including the preliminary allocation of the purchase price, were determined as described below:

Balance sheet	Book value at the date of purchase	Adjustments	Final fair value
Non-operating cash and derivative instruments	Ps 153,297	Ps -	P 153,297
Cash and banks	22,865	-	22,865
Loan portfolio	591,239	-	591,239
Other accounts receivable	122,621	-	122,621
Fixed assets subject to impairment	66,140	-	66,140
Deferred taxes	123,017	-	123,017
Other assets	12,336	(5,538)	6,798
Trademarks	-	50,385	50,385
Relations with clients	-	111,067	111,067
Implicit goodwill	-	600,667	600,667
Total assets	1,091,515	756,581	1,848,096
Deposits	-	-	-
Short term bank loans	856,327	-	856,327
Derivatives	29,042	-	29,042
Other accounts payable	176,155	-	176,155
Insurance collected in advance	5,559	-	5,559
Long term bank loans	251,013	-	251,013
Total liabilities	1,318,096	-	1,318,096
Implicit stockholders' equity	(226,582)	756,582	530,000
Implicit liabilities and stockholders' equity	Ps 1,091,514	Ps 756,582	Ps 1,848,096

As of December 31, 2010, goodwill is shown as follows:

	Amount
Goodwill recognized for the acquisition of Grupo Finsol	Ps 600,667
Plus:	
Eliminations between companies of the Finsol Group	16,275
Less:	
Deductions based on the purchase agreement	1,792
Total Goodwill	Ps 615,150

NOTE 25 - NEW ACCOUNTING PRONOUNCEMENTS:

In October 2010, the Commission issued changes to the Accounting Criteria applicable to credit institutions, which will become effective as of March 1, 2011. Additionally, in December 2009 and 2010, the CINIF issued a series of NIFs and interpretations of NIFs, effective as of January 1, 2011. It is considered that such NIFs will not substantially affect the financial information presented by the Company.

Accounting criterion B-6 "Loan Portfolio": it establishes the methodology for rating the non-revolving consumer loan portfolio based on the expected loss model by calculating the probability of default, and the loss given default, as it allows early identification of losses through the incorporation of additional loan information, and it makes it possible for the reserve estimation to be based on methodologies that reflect expected losses, thus eliminating the current model of accrued losses.

NIF B-5 "Financial Information by Segments". It establishes the general standards to disclose financial information by segments, and it allows the user of such information to analyze the entity from the same perspective as management. It also allows presenting information by segments more consistent with its financial statements. This standard supersedes Statement B-5 "Financial Information by Segments", effective up to December 31, 2010.

NIF B-9 "Interim Financial Information". It establishes the standards for the determination and presentation of the interim financial information for external use where, among others, it is required to present the statements of changes in stockholders' equity and of cash flows; such statements were not required by Statement B-9 "Interim financial information", effective up to December 31, 2010.

NIF C-5 "Advance payments", applicable retrospectively, establishes, among others, the particular standards of valuation, presentation and disclosure of advance payments and it also specifies that advance payments for the purchase of inventories, real estate, machinery and equipment should be shown under advanced payments and not under inventory or property, machinery and equipment as previously required. Additionally, it establishes that advance payments related to acquisitions of goods should be shown in the balance sheet considering the item classification, either as current or non-current assets. This standard supersedes Statement C-5, "Advance payments" effective up to December 31, 2010.

NIF C-6 "Property, plant and equipment", applicable retrospectively (except for disclosure matters), establishes, among others, the particular standards of valuation, presentation and disclosure of property, plant and equipment; it also establishes: a) the property, plant and equipment used to develop or maintain biological and extractive industry assets already under its scope, and b) the obligation to impair components representative of property, plant and equipment, irrespective of the impairment of the remaining item as though it were a sole component. This NIF becomes effective as of January 1, 2011, with the exception of the changes arising from the segregation of the components with a useful life clearly different from the main asset. In this case, and for entities which have not yet performed such segregation, the applicable provisions will become effective for periods starting as of January 1, 2012. This standard supersedes Standard C-6 "Property, plant and equipment" effective up to December 31, 2010.

Ing. Noel González Cawley
Chief Executive Officer

Lic. Luis Miguel Díaz Llaneza Langenscheidt
Chief Financial Officer

C.P. Benito Pacheco Zavala
Auditing Director