Financiera Independencia and Subsidiaries Annual Report 2011

diversification

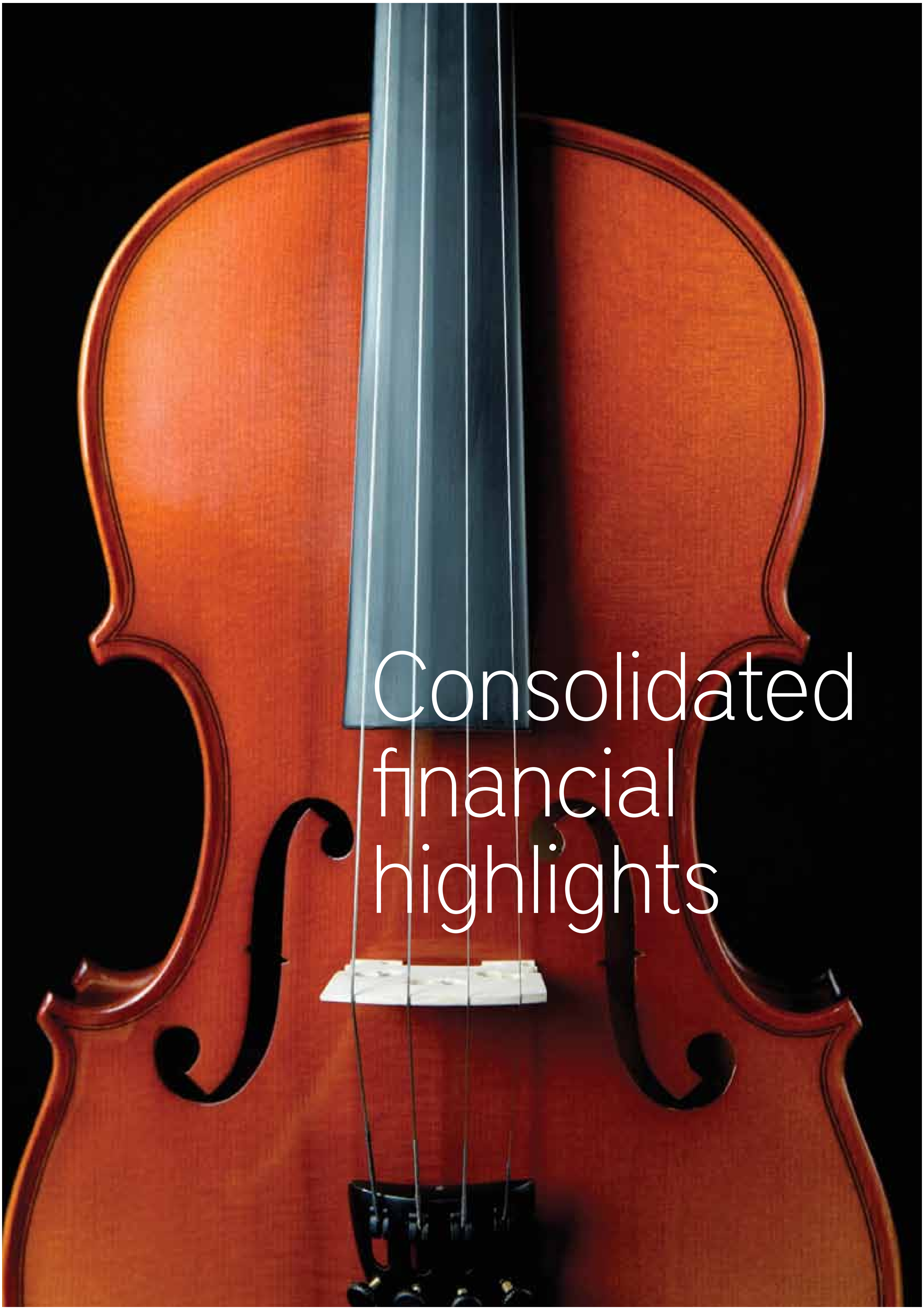
Each instrument has its own
qualities and tone:

the armonious coordination
of these differences
enhances the final result.

FINANCIERA INDEPENDENCIA

Annual Report and Financial Statements 2011

Index



Consolidated financial highlights

16% increase in number of clients:

from 1,399,978 to 1,617,170

27% increase in total loan portfolio:

from 5,773 to 7,348 million pesos

44% increase in loan origination:

from 7,614 to 10,990 million pesos

37% expansion of branch network:

from 371 to 509

22% increase in number of employees:

from 9,763 to 11,947

Consolidated financial highlights

Balance sheet (Millions of Mexican Pesos)

	2009	2010	2011
Cash and investments	499	856	641
Total loans	4,812	5,773	7,348
Past due loans	576	570	694
Reserves	(423)	(375)	(530)
Other assets	1,062	2,426	3,568
Total assets	**5,950**	**8,679**	**11,026**
Total borrowings	3,866	5,130	7,478
Other liabilities	221	603	496
Total liabilities	4,087	5,733	7,973
Shareholders' equity	1,863	2,947	3,053
Total liabilities and shareholders' equity	**5,950**	**8,679**	**11,026**

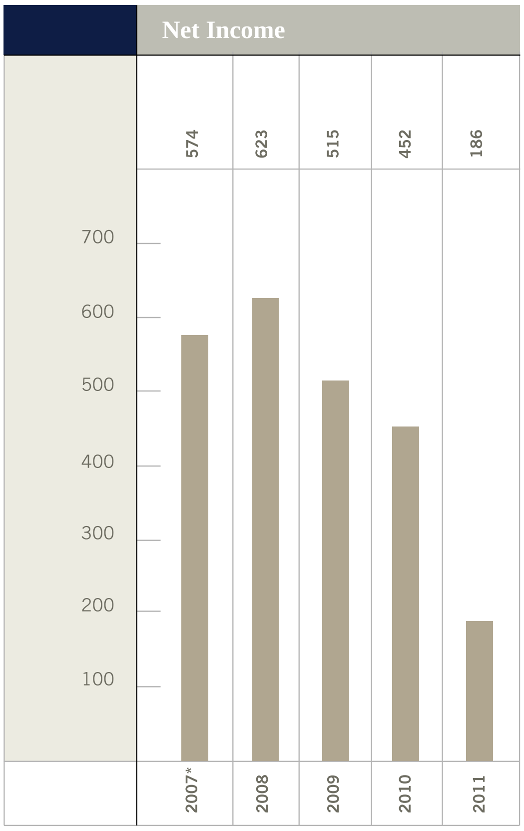
Income Statement (Millions of Mexican Pesos)

	2009	2010	2011
Net interest margin before provisions	2,783	3,091	3,643
Provisions	1,074	971	1,368
Net interest margin after provisions	**1,709**	**2,120**	**2,275**
Fee income	740	729	763
Market Related Income	-	95	24
Other operating income (expense)	48	132	169
Operating income	2,496	3,076	3,231
Operating expenses	1,840	2,506	2,926
Net operating income	**656**	**569**	**305**
Taxes	141	118	118
Minority interest	-	-	(1)
Net income	**515**	**452**	**186**

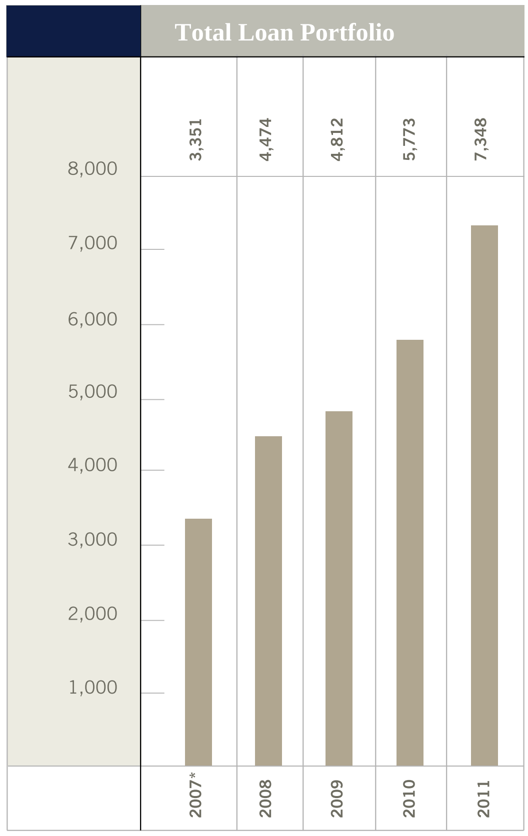
Selected Ratios

	2009	2010	2011
ROAA	9.1%	6.2%	1.9%
ROAE	31.5%	18.8%	6.2%
NIM before Provisions Excluding Fees	55.0%	51.8%	49.8%
NIM after provisions (excluding fees) (1)	33.7%	35.5%	31.1%
NIM after provisions (including fees) (2)	49.3%	51.5%	44.2%
Operating efficiency (3)	32.5%	34.3%	29.7%
Efficiency ratio (4)	73.7%	81.5%	90.6%
NPL ratio (5)	12.0%	9.9%	9.4%
Coverage ratio (6)	73.4%	65.8%	76.4%
Capital / Assets	31.3%	34.0%	27.7%

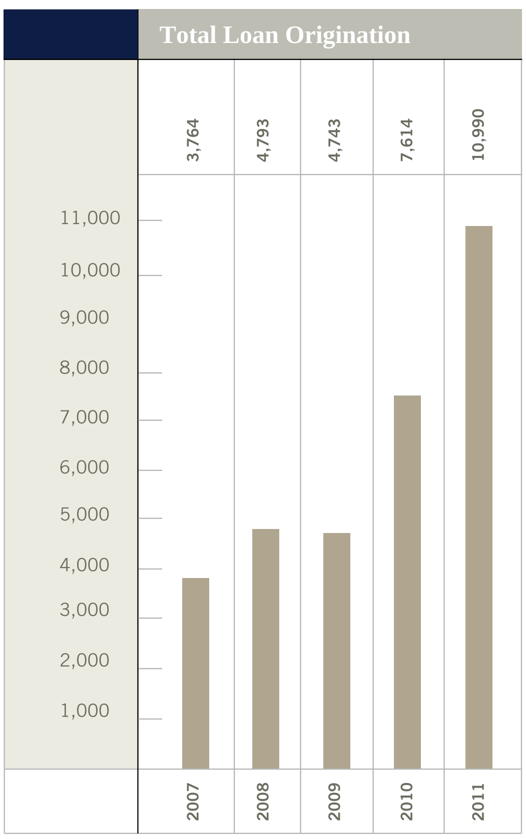
Source: Financiera Independencia.
(1) Net interest margin after provisions (excluding fees) = NIM after provisions for loan losses / Average interest-earning assets
(2) Net interest margin after provisions (including fees) = Operating Income / Average interest-earning assets
(3) Operating efficiency = Non interest expense / Average Assets
(4) Efficiency ratio = Non interest expense / Operating income
(5) NPL ratio = Non-performing loans / Total loan portfolio
(6) Coverage ratio = Allowances for loan losses / Non-performing loans

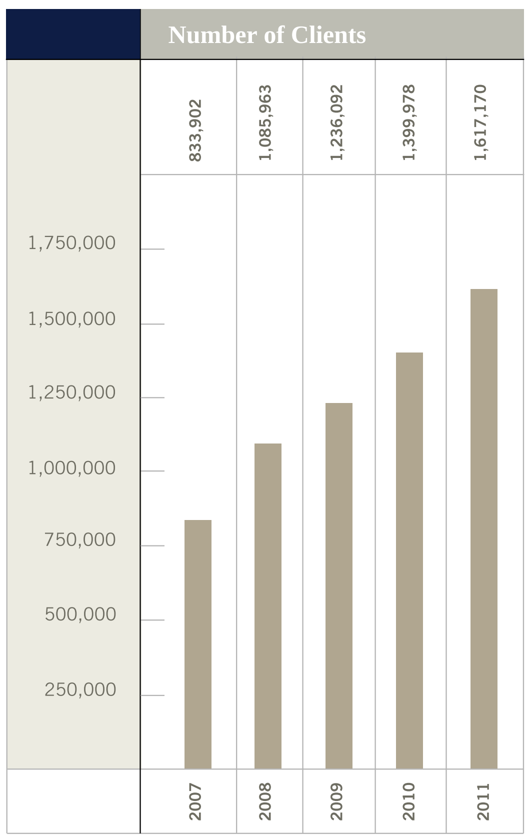


Figures in millions of Mexican Pesos



Figures in millions of Mexican Pesos





Figures in millions of Mexican Pesos
*Figures for 2007 are expressed in constant
Mexican Pesos as of December 31, 2007

To our Shareholders

Dear shareholders:

There are many important factors to highlight with respect to Financiera Independencia's performance throughout 2011, which reflect 18 years of daily commitment to our business.

First, we completed the acquisition of two microfinance companies with proven business models: Apoyo Económico Familiar (AEF) and Apoyo Financiero Inc. (AFI). The addition of AEF substantially strengthens our presence in Mexico City and its metropolitan area. The acquisition of AFI has allowed us to expand our operations into the US market to service the unbanked Hispanic community in California. These two acquisitions, together with Finsol México, Instituto Finsol Brazil, and Financiera Independencia's traditional businesses, comprise a group rich in diversity and with very valuable future opportunities.

Furthermore, this year Financiera Independencia added a new product to its portfolio offering: Más Nómina. This new product, targeted to both the public and private sectors, is repaid through fixed payments directly deducted from payroll. Payroll lending represents a unique opportunity, given our strengths: funding capacity, geographical coverage, extensive presence, infrastructure and expertise. It is also a unique opportunity because it offers an effective means to access a new segment of our wide universe of potential clients.

Today, we are a significantly diversified company, in terms of the business models we operate, geographic coverage, and the economic segments of the population we target which includes rural, urban, suburban, and large cities. We are also diversified in terms of our client base and the type of loans we provide: consumer, payroll and working capital. This diversity provides a balance that enhances the stability of the group. Throughout 2011 we widened the scope of our methodologies, products, and services, which places us in a much stronger position to face the ongoing changing conditions that characterize our economic environment.

We made a series of important investments in technology infrastructure, aimed at reducing costs, and consolidating contracts and suppliers, which will strengthen our negotiating power. Although we operated in a difficult financial environment, during 2011 we invested close to Ps.1,290 million, of which Ps.1,180 million was for the acquisition of AEF and AFI, and the remainder for the organic expansion of our businesses. This is an important advantage that also speaks to our funding strength. We have increased our funding sources through three main initiatives. The first, was the issuance of Certificados Bursátiles, announced on May 17, for a total amount of Ps.1,500 million, the initial tranche of a Ps.2,000 million five year program. Second, during the third quarter we reached an agreement with Nacional Financiera (NAFIN) which increased our line of credit for Finsol, from Ps.280 million to Ps.500 million, and granted a new line of credit of Ps.200 million for Apoyo Económico Familiar. Finally, on December 2011, we reached an agreement with HSBC Bank Brazil to modify the terms and conditions of Finsol's Brazil existing line of credit, which was increased from R.45 million to R.90 million. With this, the company is now principally funded locally, thus mitigating exposure to foreign exchange risk.

The increase in provisions for loan losses, stemming from a challenging collections environment and a decline in recoveries by our external collection agencies, resulted in a downward trend in profitability ratios. The company's higher leverage from the recent acquisitions also impacted results. As new loans mature and financial expenses are amortized, we expect to return to our historical levels of profitability.

We have deepened our focus on our primary objectives. After a comprehensive analysis that took into account multiple business strategies, volatility in the global macroeconomic environment, as well as the costs associated with banking regulation and operations, we determined that the current were not the right conditions to convert Financiera Independencia into a banking institution. At the moment, we believe it's best to center our efforts on the expansion of our client base, to increase market share, and to strengthen the company to return to its historical levels of profitability.

We continue to see acceleration in our loan origination growth rates. Driven by the acquisition of AEF and AFI, as well as Finsol México and Brazil, the total loan portfolio increased 27.3% compared with a year ago. The addition of AEF and AFI has turned in positive results, demonstrating that they play a fundamental role in the expansion of our operations as important catalysts for growth.

We are proud that for the ninth consecutive year we received recognition as a Socially Responsible Company from the Mexican Philanthropic Society (Centro Mexicano para la Filantropía).

Diversity makes us a more comprehensive team in all aspects. Going forward, we will continue to grow; by further strengthening our new subsidiaries AEF and AFI, with the favorable results at Finsol México and Brazil, the addition of Más Nómina to our established product offering, and the continuous development of our traditional business. We expect to continue to strengthen our leadership position in our industry, to implement the necessary actions to continue to broaden our presence, and to increase on a daily basis our product offering and quality of our services for our current and future clients.

José L. Rión Santisteban
Chairman of the Board

Noel González Cawley
Chief Executive Officer

We are the only microfinance institution in the country which successfully covers the individual, group and payroll lending methodologies.

Financiera Independencia is an unregulated multi-purpose financial company (*Sociedad Financiera de Objeto Múltiple*) or SOFOM, dedicated to providing unsecured loans and quality financial services to the low income segments of the population. At Financiera Independencia, and through our subsidiaries, we operate in urban, suburban and rural areas within Mexico, the northeast of Brazil, and certain market segments in California, The United States.

Our mission: Support the working class in Mexico by offering various financial products that meet their needs, with a service differentiated by quality and timeliness, and giving them access to the formal financial system.

Eighteen years on stage

Financiera Independencia was incorporated in 1993 as the first financial limited purpose entity (*Sociedad Financiera de Objeto Limitado*), or SOFOL in Mexico. The company was the pioneer in microcredit loans to low income individuals, an economic sector of the country that no other financial institution had serviced until then.

In 2007, we became an unregulated multi-purpose financial company *(Sociedad Financiera de Objeto Múltiple)*, or SOFOM, and thus expanded our business reach. That same year we began to trade as a public company on the Mexican Stock Exchange.

In 2008, after 15 years of operations, we issued our fifth Certificados Bursátiles and thus strengthened our balance sheet; placed our three millionth loan, and reached a total of one million active clients. Simultaneously, Fitch Ratings upgraded our credit rating to A+(mex).

In 2009, we announced the acquisition of Financiera Finsol (Finsol México), the second largest group lending microfinance institution in Mexico, and Instituto Finsol Brazil, with which we initiated international operations. The acquisition was financed through a capital increase by which Eton Park Capital Management, L.P. (Eton Park), became a shareholder in our company.

Finsol México began operations in 2003, was converted into a SOFOL in 2005, and a SOFOM in 2007. During that period, it expanded its operations into Brazil, with the objective of offering financial services to unbanked low income individuals. Since its beginning, the company has specialized in granting group loans in rural and suburban areas in Mexico and Brazil.

In March 2010, through the issuance of US$200 million in notes under rule 144A/Reg S., Financiera Independencia became the first microfinance institution in Latin America to access the international debt markets. In addition to being a milestone for our company and for the Latin-American microcredit lending debt market, this transaction provided us with the resources to continue to pursue our acquisition and market consolidation strategy.

In 2011, we expanded internationally through the acquisition of 77% of the outstanding shares of Apoyo Financiero Inc. (AFI), a company primarily dedicated to servicing the financial needs of the unbanked Hispanic community in California, US. AFI opened its first branch in 2007 in San Francisco and currently also operates in Oakland.

Almost simultaneously, we acquired all of the outstanding shares of Apoyo Económico Familiar (AEF), one of the largest microcredit lending institutions in Mexico, with a strong presence in the country's capital city. This company, which began operations in 2005, is dedicated to providing personal loans and is highly specialized in micro-businesses that provide support to the informal economy. During 2006 it expanded its coverage by opening 11 new branches, and became a SOFOM in 2010. With the acquisition of this important company, Financiera Independencia has strengthened and expanded its operations in Mexico City. Currently, AEF has a total of 112 branches, 68 of which are located in this important city and its metropolitan area.

With a track record of 18 years in business, we are one of the most notable microfinance institutions in the country and in Latin America, and the only one to successfully provide personal, group, and payroll loans. Today, we are among the most renowned microfinance lending providers in Mexico.

Behind the curtains, the scaffolding: the foundation of our operations

Behind all our operations, and behind the scenes, there is strong support and infrastructure which is often overlooked. The strength of our platforms allows us to work with precision, regardless of the scale of our operations. The viability of our business, as well as the efficiency of our operations and quality of our client service, depends on this infrastructure and support.

Our Operation Centers in the cities of Leon and Aguascalientes host the technology infrastructure fundamental for the functioning of Financiera Independencia: our National Center for Information Processing, (*Centro Nacional de Captura*), our Integral Credit Analysis System (*Sistema Integral de Análisis del Crédito*), the telephone verification, data auditing and localization, the command center, telephone collections and virtual executives, the help desk, and payment application (credit or debit card charge). The Integral Credit Analysis System, the National Center for Processing Information, and the Help Desk, also provide support to Finsol México. Today, these systems provide support 24 hours a day, 365 days of the year, with an availability of 99.5% of the time, which results in a significant performance in terms of the efficiency and security of our operations. During 2011, both centers generated more than 36 million calls, with the support of 812 people, 495 at Leon and 317 at Aguascalientes.

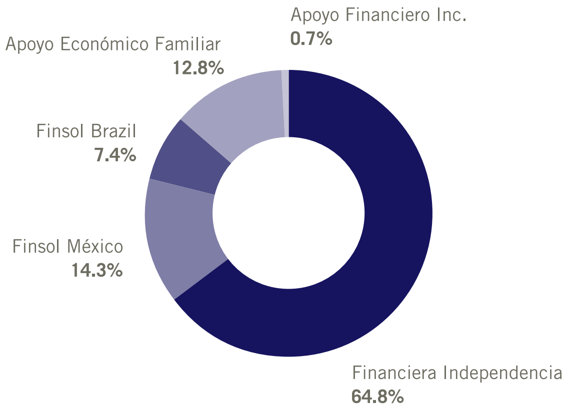
The systems within our Operation Centers provide support 24 hours a day, 365 days of the year, with an availability of 99.5% of the time.

In addition to the activities of these two operation centers, our subsidiary AEF, from Mexico City and through its own telemarketing area, services close to 400,000 outbound nationwide calls per year. Services include providing information about our products, credit history, receiving applications, client referrals to our offices, and information about credit bureau. This call center received more than 190,000 during the year.

Finsol México provides telephone assistance to its clients, including information and reviews about products and services, through a 01-800 number from its Central Headquarters located in Mexico City.

Our ability to respond to demand in terms of infrastructure was demonstrated this year with the opening and start-up of a total of 44 offices: 23 Finsol México, 4 Instituto Finsol Brazil, 16 AEF, and 1 AFI. These additional offices give us confidence in meeting future demand and growing our business.

At Financiera Independencia we understand that talking about technology means talking about ongoing improvement. Expertise is not enough, focus has to be placed in the present moment, on keeping up to speed, only then will the composition advance at a swift and constant beat. This year has not been any different in terms of information systems. We continued with the integration of Finsol México's information systems, which we had initiated in 2010, to increase operating efficiency and achieve cost savings in support and maintenance. At this company we also upgraded the servers infrastructure and computer equipment, as well as optimized the telecommunication links to achieve an increase in capacity at a lower cost. We also implemented a new technology platform to automate processes that strengthens our operations. The Business Process Management (BPM) system computerizes diverse complicated processes, such as loan granting, on-site and telephone collections, as well as the relationship with the independent collection agencies in a very flexible manner. Within the coming months, BPM will be replicated at Financiera Independencia's offices and will be the technology platform for at least the next five years.



Portfolio Distribution
By Company

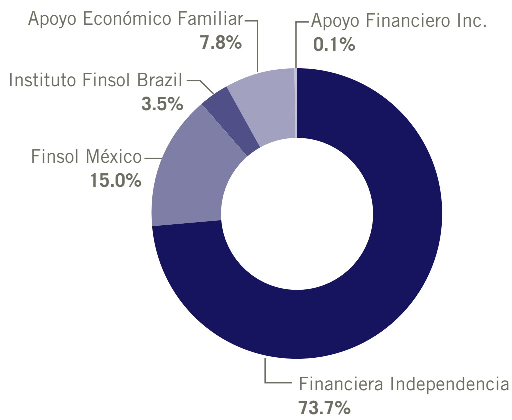
Simultaneously, we have undertaken a series of investments to strengthen the operations of Instituto Finsol Brazil, while developing technologic synergies with this company. We acquired two new servers, installed a dedicated link that substantially improves the quality of the internal connections, and created a private corporate network that communicates with all of our offices. At the same time, we developed a new system to capture data, host documents, and perform credit analysis.

At Apoyo Económico Familiar, our focus has mainly been on cost reductions and on the consolidation of suppliers and contracts, as a means to increasing our overall purchasing power.

We have finalized the implementation of Financiera Independencia's Disaster Recovery Plan (DRP) and the Business Continuity Plan (BCP) between the Operation Centers and the Corporate Headquarters in Mexico City. Today, we are certain we can switch between both centers to continue operations seamlessly in case of a business emergency. This allows us to ensure the company's continuing operations and to safeguard its reputation. During this period, we also made progress in the implementation of the DRP at Finsol México.

Given the growing importance of ATMs in our operation, in 2011 we made the decision to increase our installed capacity for the future. Thus, this year we have implemented a new open operating system for ATMs compatible with multiple suppliers.

We are also taking actions to increase our supplier base for hand-held devices, an essential tool for the on-site verification of employment and address of our clients, as well as for collections. Currently, we have released the software used for the verification process in a new "cloud" type IT platform. As a result, we are not dependent on using a specific brand or model of these devices, which represents a significant advantage in terms of costs, technology, and negotiating power. Strategically, this also provides us with greater flexibility to adjust to our needs and the market's. Furthermore, this platform allows us to rapidly introduce changes in line items, so that they can be available to our on-site personnel within a few hours. We have achieved a very good response, and next year we plan to extend this technology to the Collections area.



Number of clients
By Company

Financiera Independencia	1,191,109
Finsol México	243,140
Instituto Finsol Brazil	55,853
Apoyo Económico Familiar	125,685
Apoyo Financiero Inc.	1,383

In the leading role: the talent of our people

During the year, we maintained our objective of attracting the best talent and providing the optimal training, while we continued our efforts to rationalize costs and increase the efficiency of our recruitment initiatives.

At Financiera Independencia, we implemented a talent management strategy based on competencies. Along these lines, and with the objective of preparing our employees to assume other positions of responsibility and encourage internal rotation and promotion, we put in place the Development Program (*Banco de Talento*). Under this initiative, at AEF we evaluated the potential development of 254 employees (regional, area, office, and assistant managers) to ensure we had in place the most competent team to implement our 2012 growth plan.

Opening branches at Finsol México required the recruitment and training of multiple new work teams. We achieved good results: headcount at this subsidiary increased 41%, and we now have 1,702 employees working there.

At Instituto Finsol Brazil, we also applied different strategies to better support our work teams, including: more frequent performance evaluations, the start-up of the Hour Bank (*Banco de Horas*) for employees at the central headquarters, the inclusion of expert psychological examiners to improve the hiring process at our offices, and participation in almost two training programs per employee, totaling 1,117 hours during the year.

Given our focus and constant work in professional ethics, engagement with the community, quality of work life, and protection of the environment, the *Centro Mexicano para la Filantropía* (CEMEFI) awarded Financiera Independencia, for the ninth consecutive year, the recognition as a Socially Responsible Company. Similarly, we undertook diverse social programs, which given their positive response have become mainstays of our community work initiatives:

- TUCÁN campaign (*Tu Café Ayuda a la Niñez*) now ongoing for 13 years, raised a total of Ps.3.9 million in 2011, of which Ps.1.9 million were contributed by employees, Ps.1.9 million by the company, and Ps.129 thousand from additional contributions. These funds benefited 9,168 children in 184 institutions in Mexico

- "*Ecovivencia*" campaign, dedicated to preserving the environment in the communities where Financiera Independencia is involved, included a total of 6,823 participants and benefited 129 cities in the country

- Month of Health campaign (*Mes de la Salud*), which during August provided 6,189 employees with access to different medical exams and services.

Along these lines, at AEF we carried out the *"Apoyotón"* program. Where through voluntary, direct payroll deduction contributions from our employees, 30 institutions benefited during this period. This program raised a total of Ps.1.0 million, with funds allocated to provide support to education through a grant system, and to homeless shelters (with health programs, medicines, hearing aids, facial reconstruction surgeries), among others.

The final note: a cycle ends and we prepare for the next concert

A concert is not over until the last note is clearly heard. Similarly, our business cycle is not over until the collections process is finalized.

During 2010 we established, at Financiera Independencia, a strategy which consisted of identifying potential loan candidates in certain specific segments in the informal market, and charging a risk premium for these loans. This initiative, however, did not achieve the desired results. Conversely, the strategy adopted during 2010, of differentiating four areas in the country with diverse credit scoring standards taking into account the operating specifics in each of the States in Mexico, turned out to be a success. Based on this experience, we are studying modifications to this strategy to be implemented in the coming months.

We have already implemented the new credit-scoring and loan origination models we had analyzed during the year. These improved models were designed based on demographic and population parameters, beyond the behavioral variables of the market segment we service.

Population information, together with our proprietary variables applied to the credit scoring models, will give us a better system to evaluate rejected and approved applications beginning in 2012.

We are monitoring and measuring our strategies, identifying the necessary modifications to our loan allocation and collections management system. We have put in place Champion-Challenger, a continuous improvement program. While the Challenger concept that we established during the previous year delivered positive results, we continue to challenge our model with this tool, to obtain effectiveness improvements and cost savings.

Although time has demonstrated that our internal agents are more effective in the collections process, the independent collection agencies have improved their collection strategy. To date, we have developed a network of 147 collection agencies. To optimize its management, this year we acquired software that speeds-up and enhances the transparency of the process, allowing us to electronically assign portfolios. With this, we can now monitor accounts online and in almost real time. This advanced tool will allow us to increase the effectiveness of our independent collection agencies.

In terms of the sale of written-off loans, we continue to support an important network that exceeds 2,565 buyers. Today, we are creating synergies between Finsol and AEF with this network of buyers.

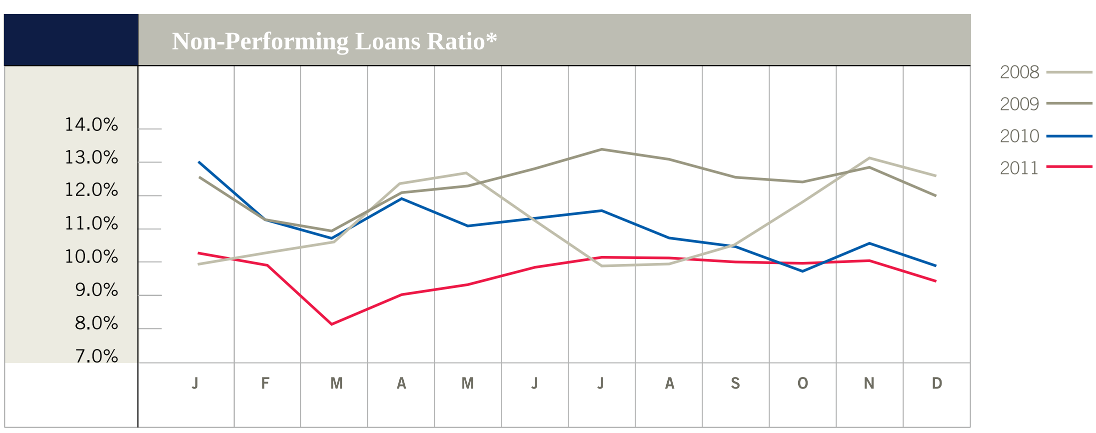
To improve verification logistics of our collections process, we implemented a map system to more easily locate the home of our clients. Our Information Systems department, also developed through GPS an expansion of the applications of our hand-held equipment to eliminate dependencies on one brand or supplier, and thus achieve a better negotiating position and consequent savings.

We continue to learn from the experiences of our subsidiaries and utilize interesting elements of their analysis and synergies in our other businesses. As an example, AEF's operating model, where the personnel of each office analyzes the feasibility of each loan and controls it from the moment it is granted through its collection, has proven to be successful. In fact, the NPL for loans more than 90 days past due, for the AEF's methodology, was only 1.2%.

On one hand, during 2011 at AEF we maintained a strategy of closely following up with clients that had past due loans between 1 and 29 days, as 70% of our clients pay on a weekly basis and represent 28.8% of our past due portfolio. On the other hand, during the last quarter of the year we followed closely those clients with loans past due between 1 to 15 days. At branches with problems of high NPLs, the areas of operations, risk and loan origination began to work together to implement strategies for accelerating collections. These actions allowed us to achieve a 5.4% reduction in NPLs, during this period.

At AFI, our nonperforming loan portfolio is quite low at 4.1% of total loans, although the unemployment rate for the year in San Francisco was 8.5%*. This demonstrates not only the efficiency of the model, but also AFI's knowledge and understanding of the Hispanic market.

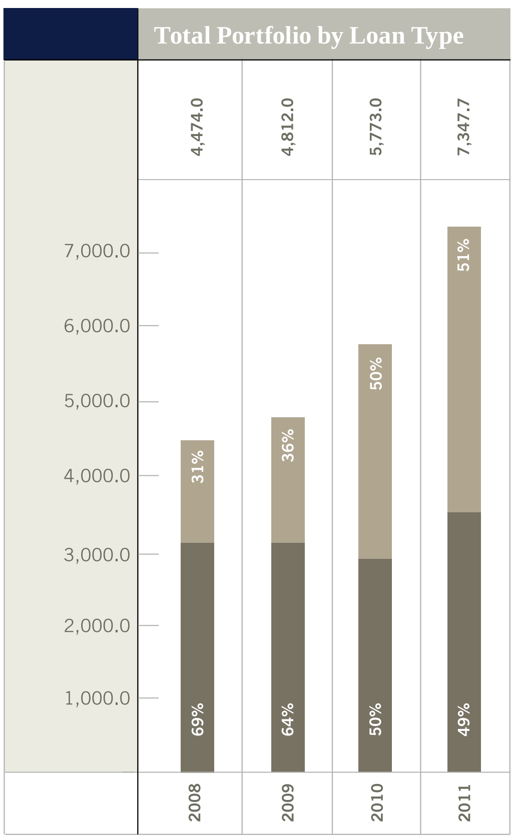
* United States Department of Labor



*Consolidated information, includes results of Finsol México, Finsol Brazil, AEF and AFI since the closing of each acquisition.

Finsol's collection model for group loans, also based on self-regulation and self-management, and followed closely by our agents, continues to turn out good results. In 2011 the collections area increased its human resources structure. We applied different management, monitoring, and control strategies. A series of processes were reformulated, and parameters to measure and monitor the performance of the Recovery Agents were put in place. We also improved the supervision methods and restructured the incentive program.

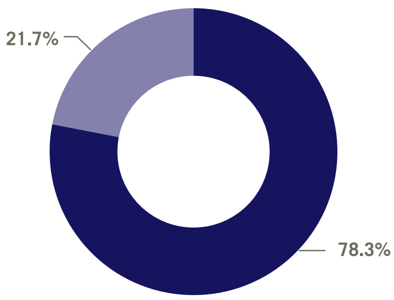
At Instituto Finsol Brazil, different strategies were applied during the year to continue to optimize our collection efforts. Collection actions carried out at the offices were supervised through calls to credit agents, and the oversight of the Risk Committee, implemented through monitoring sheets, focused on non-performing loans. We have been providing our offices with closer support during the debt renegotiation process with our clients. Throughout the year we also developed campaigns to recover the loan portfolio with a higher default probability. We prepared for our offices a report to control late payments and provided support and supervision to collection agents with the highest past due loans accounts.



Figures in millions of Mexican Pesos

Working Capital

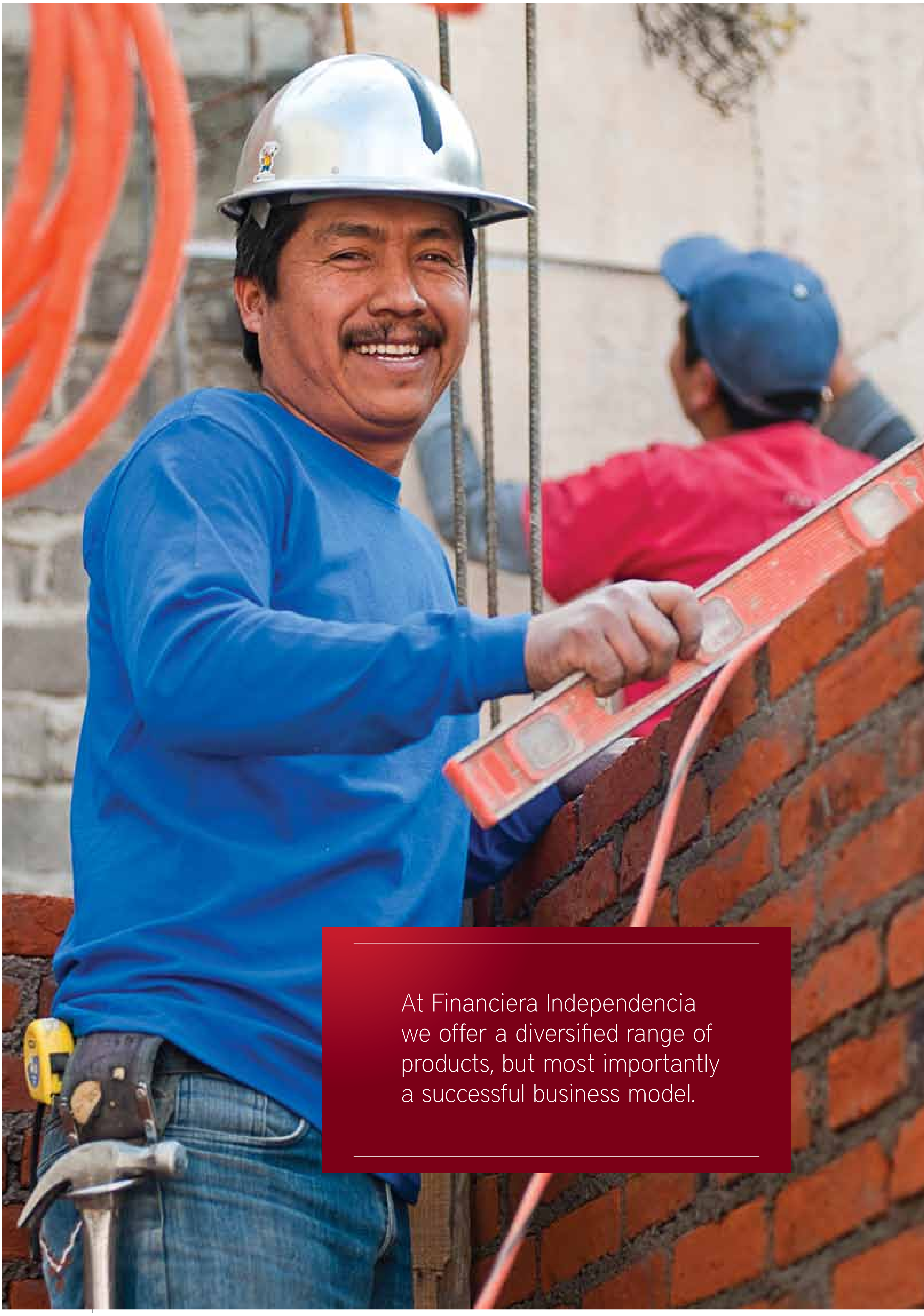
Consumer



Portfolio Distribution
By Business Methodology

Individual

Group



At Financiera Independencia we offer a diversified range of products, but most importantly a successful business model.

Our performers: execute in harmony under the same music score

Our clients

At Financiera Independencia we dedicate ourselves to the public we service: men and women between the ages of 18 and 68, with income from one to ten minimum salaries, who use loans to obtain consumer products, as working capital, or for the maintenance or improvement of their home. They are employed in the formal sector of the economy, or are self-employed.

Coverage

Within Mexico we operate in 145 cities through 204 offices that comprise our own distribution network. The loan portfolio is diversified so that no entity represents more 10.2% of the total. This mitigates the risk of natural events or regional risks impacting the quality of the total portfolio. The states that currently account for the highest proportion in the loan portfolio are: Tamaulipas with 10.2%; Veracruz with 8.6%, and Jalisco with 8.2%.

Geographic Coverage
Financiera Independencia

204 Offices
in Mexico

Federal Entities with 1 to 5 offices

Aguascalientes	3
Baja California Sur	4
Campeche	2
Chiapas	5
Colima	3
Distrito Federal	1
Durango	2
Estado de Mexico	3
Guerrero	5
Hidalgo	2
Morelos	4
Nayarit	3
Nuevo Leon	1
Oaxaca	5
Queretaro	3
Quintana Roo	5
Tabasco	2
Tlaxcala	3
Yucatan	4
Zacatecas	4

Federal Entities with 6 to 10 offices

Baja California Norte	8
Chihuahua	7
Puebla	8
San Luis Potosi	8
Sinaloa	7

Federal Entities with more than 16 offices

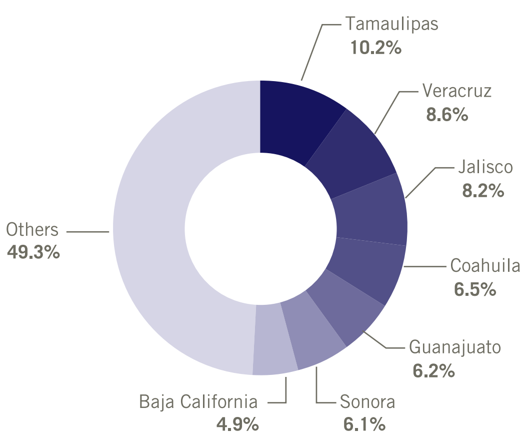
Guanajuato	16
Jalisco	20

Federal Entities with 11 to 15 offices

Coahuila	11
Michoacan	13
Sonora	12
Tamaulipas	15
Veracruz	15

Distrito Federal / Headquarters

2,302 field sales agents,
411 floor executives



Financiera Independencia. Portfolio Geographic Distribution

Sales

We use different methods to sell our products:
- door-to-door sales, direct contact with clients at their homes
- kiosks, service booths at companies and other meeting points
- branches, personal attention to those visiting our offices
- referrals, our clients provide us with two to three referrals of potential customers.

Our sales force currently includes:
- 2,302 sales agents, dedicated to selling the full range of our individual loans
- 411 floor executives, responsible for the draw down and renewal on loans, and also active in the sale of loans.

Unlike prior years, today our sales team is dedicated to selling all of our products. We have widened their scope towards a "multi-product" sales structure, which has provided us with a great operational advantage.

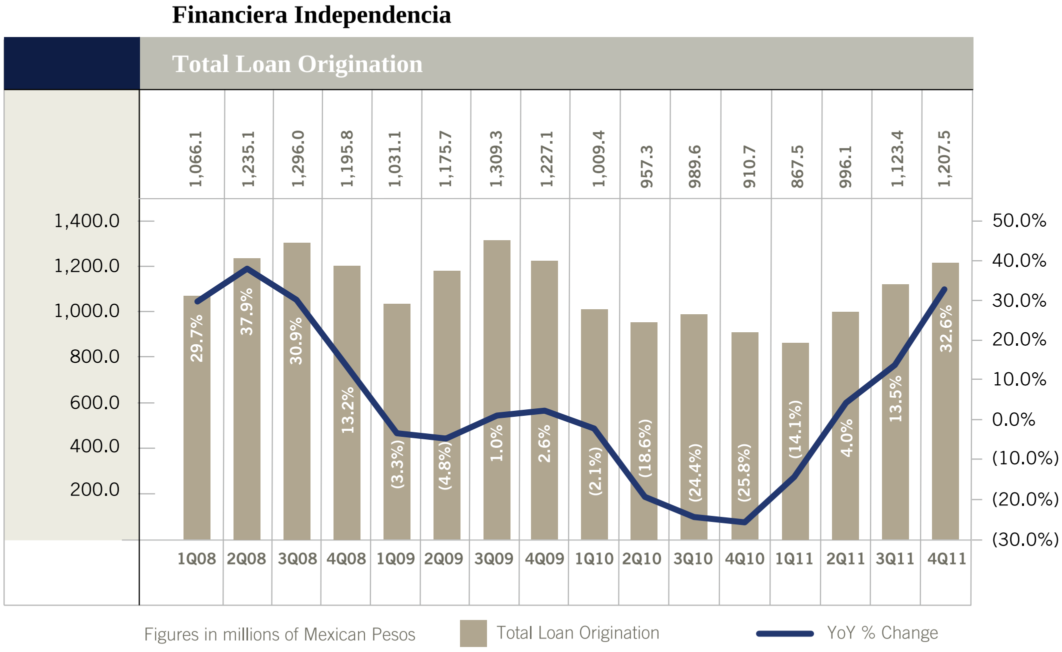
We also strengthened the positioning of our brand with marketing campaigns through local media in smaller communities and conducted research to develop loyalty initiatives. Both these steps are vital to increase the number of clients that spontaneously approach our branches and to reduce dependency on our sales force.

In addition, we have substantially restructured the compensation program for our sales force: while commissions were based on the number of loans granted, today they are based on the amount of the loans originated. At the same time, we insist on quality from the moment of origination. For this, we are placing special emphasis on the increasing professionalization of our agents. The goal is to develop a vision of both short- and long- term results, prioritizing the development of longstanding relationships with our clients as opposed to a one transaction relationship. Thus, we will become stronger by both placing loans and increasing the loan portfolio.

We also implemented new tools to measure the productivity of our sales force, modified the supervisory structure, and oriented the profile of our sales people towards team builders who, in addition to placing loans, can also innovate and provide new ideas in terms of both the sales process and products. These actions have delivered good results and enabled us to substantially increase the productivity per sales person.

Together, these actions have turned in great results. In fact, loan origination during 2011 rose to Ps.4,194.5 million, an 8.5% increase over 2010 despite the 16% average reduction in our sales force during that period. Results were particularly stronger during the second half of the year (+23% year-on-year) as these strategies were implemented.

Financiera Independencia



Products

Experience has demonstrated the value of a multiple and diverse offering. Diversification in the instruments we provide allows us to reach out to a wider public. The range of personal loans we offer our clients is well known and has gained widespread acceptance. We have attained a good balance by embracing the different needs of the marketplace. All of the loans are unsecured and are structured based on a personalized fixed payment schedule.

These loans include debt relief in case of death of the borrower, protection against total or permanent disability, as well as unemployment. Decisions on loan applications are made in less than 48 hours, thanks to the technology infrastructure that supports our business and allows us to manage this diverse product range.

• CrediInmediato

This is our traditional revolving line of credit, and only available through the renewal of a simple loan. The amount is subject to each client's credit history and is ongoing as long as payments are met on a timely manner. It allows for principal pre-payments without incurring any penalties. CrediInmediato customers can draw down on their balances at our Financiera Independencia offices and 24/7 through our ATMs.

CrediInmediato Simple

As a prior step to CrediInmediato, this loan is targeted to employees in the formal sector of the economy, affiliated to IMSS, ISSSTE, or PEMEX, and who can show proof of income. Loan amounts range from Ps.3,000 to Ps.20,000, and proceeds may be used for the purchase of any good or service. Terms include 12, 24, 36, and 48 fortnights, a rebate for prompt payment, and the ability to advance principal payments with no penalty.

CrediInmediato represents 62.8% of Financiera Independencia's total loan portfolio and 40.6% of the total loan portfolio of all the companies that comprise the group.

• CrediPopular

A simple term personal loan, designed to target self-employed individuals, specifically for working capital needs. Loans start at an initial amount of Ps.2,500 and range up to Ps.4,800, paid in equal installments during six or nine month terms. It includes a one-time origination fee and offers the possibility of making advance capital payments, at no cost, and the refund of initial fees upon timely payment. Timely

customers can renew the loan for an equal or higher principal amount. After two loan cycles, the simple line of credit becomes revolving. At year-end, this product represented 30.6% of Financiera Independencia's total loan portfolio and 19.8% of the total loan portfolio of our group companies.

• CrediMamá

This product is targeted to mothers with at least one child under the age of 18. This personal loan starts at an initial amount of Ps.2,500, and has an average term of six or nine months. Similarly to CrediPopular, it allows customers with timely payments to prepay the loan without penalties, to receive a refund of the initial fees, and the possibility of renewing the loan for an equal or higher principal amount. With just one opening fee, CrediMamá represented 3.6% of Financiera Independencia's total loan portfolio and 2.3% of the total loan portfolio of our group companies.

• CrediConstruye

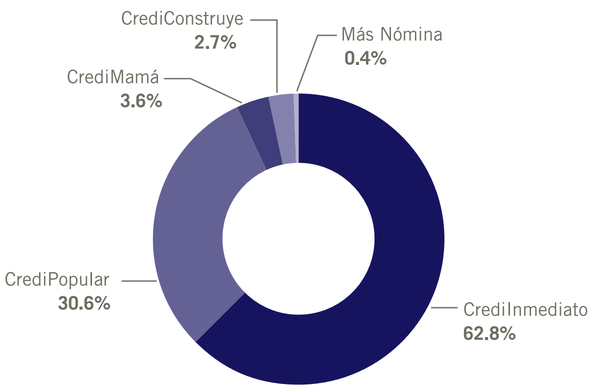
Available to clients with the objective of financing home improvements. Loan amounts range from Ps.3,000 to Ps.20,000 and are disbursed in the form of vouchers for home construction materials. It includes an opening fee and has a term of 24 months. Payments are due on a weekly, bi-weekly, or monthly basis, depending on the payment ability of each client.

This year we eliminated the need for an intermediary, directly establishing relationships with home construction materials retailers. Through this, we offer our clients a better and more comprehensive service.

CrediConstruye Plus

This complementary product was created for clients who embark on improving or enlarging their home. Customers can receive up to 80% of the loan through vouchers exchangeable for home construction materials and, once redeemed, the remaining 20% in cash to pay for labor costs.

CrediConstruye products represented 2.7% of the total loan portfolio of Financiera Independencia, and 1.7% of the total portfolio of the companies that comprise the group.



Financiera Independencia. Portfolio Distribution *
By Product

CrediInmediato	2,986.8
CrediPopular	1,454.2
CrediMamá	169.1
CrediConstruye	126.9
Más Nómina	20.7

* Figures in millions of Mexican Pesos

• Más Nómina

We began to develop this new product, which is an additional alternative in personal loans, towards the end of 2010. Loans are established through fixed payments directly deducted from payroll, with a term of 6, 12, 24, or 36 months, and offered in principal amounts that range between Ps.3,000 and Ps.80,000. This product is offered to individuals between 18 to 68 years of age, and with a minimum seniority of six months of employment at the time of contracting the loan. In January of this year we successfully signed our first agreement to provide Más Nómina to the Teachers' Union in the state of Chiapas, which includes 80,000 teachers.

Today we have a total of 30 active agreements: 80% of these in the private sector – with companies that have more than 300 employees - and the remaining 20% in the public sector, exclusively in the administrative and educational industries. Our average loan is Ps.13,500 and we are already operating in nine different locations in Mexico. At the close of 2011, after only 11 months of operations, Más Nómina's total loan portfolio reached Ps.20.7 million.

Experience has demonstrated the value of a multiple and diverse offering.

Services

Throughout our history in the microfinance arena we have strived to stand out from the other players, as the best interpreter. To remain our clients top choice we seek to give the highest note in terms of additional benefits. This means continuing to bring them different services and providing a value added experience.

• ATMs

In the symphony of our operations, it is important to consider all of the movements our clients wish to make. For them, it is important to access their account at any time, independently of the hours of operations of our offices. For this, we operate our own network of ATMs, with a total of 107 stations, where clients can review their account and make withdrawals at any time, all year round. Those who have a revolving line of credit, can also pay services such as their telephone bill, and add minutes to their mobile prepaid card.

ATMs have become a very important component of our operation, as clients are notably using this service with higher frequency.

Taking into account all cash withdrawal transactions that took place, during 2011, at our offices that also have an ATM, 60% were registered through these terminals, compared with 53% the year ago. During the year, 18% of the transactions in ATMs took place outside of business hours.

• CrediSeguro

This is a life, total and permanent disability, and medical assistance microinsurance, for the duration

of the term of the contracted loan. Starting August 2011, it can be acquired by clients of all our products, with the exception of CrediConstruye.

The Medical Assistance service, available 24 hours a day, consists of telephone medical guidance, preferential prices for consultations, medications, and certain laboratory services, with no restrictions for this product on frequency of usage.

With a total of Ps.18 million in severance payments, this product has benefited more than 500 families, during more than three years since its inception.

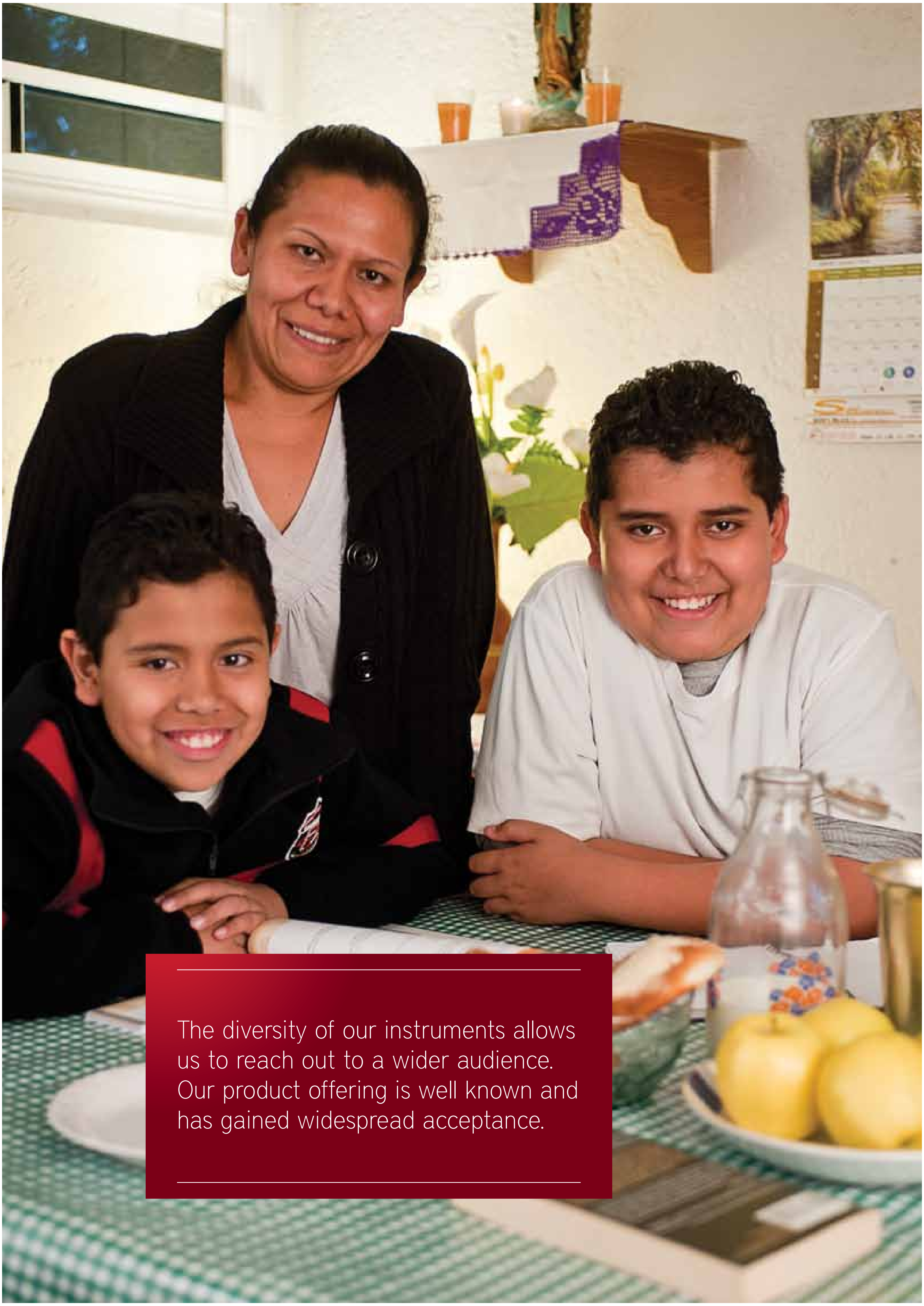
During this period, sales for this product generated income for a total of Ps. 14.8 million.

• Telephone Bill Payment and Cell Phone Pre-Payment

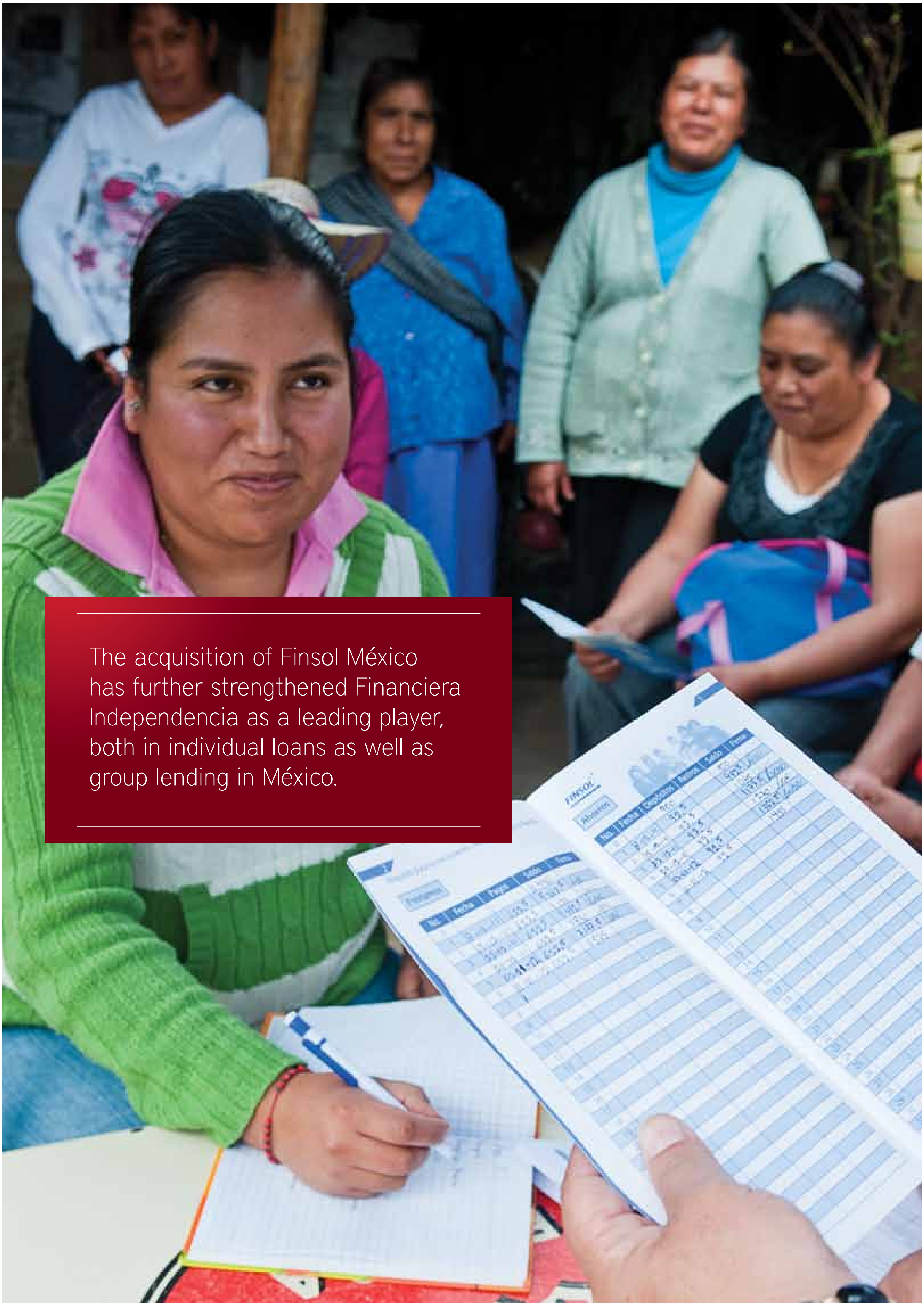
At no additional cost, all of our Financiera Independencia clients can pay at our offices their fixed telephone service bills and purchase mobile phone minutes for the main carriers in the country.

• Alternative means of payment

Through an effort that took several months, in addition to coming to our offices, today our clients have the ability to pay their loans in other locations and through different means. This includes stores of the OXXO retail chain, the Súper Bara stores, as well as at Banorte, and HSBC bank branches. They can also charge their payments to a debit card, a credit card, or a checking account to their name.



The diversity of our instruments allows us to reach out to a wider audience. Our product offering is well known and has gained widespread acceptance.



The acquisition of Finsol México has further strengthened Financiera Independencia as a leading player, both in individual loans as well as group lending in México.

Financiera Finsol México and Instituto Finsol Brazil

On February 2010 we completed the acquisition of all of the outstanding shares of Financiera Finsol -Finsol México- and Instituto Finsol -Finsol Brazil-. These companies provide group microcredits in Mexico and Brazil. This transaction has strengthened Financiera Independencia's position as a leading player, both in individual loans as well as group lending in Mexico, and represented our entrance into the international market.

These subsidiaries have specialized in providing group loans and financial services to low income individuals in rural and suburban areas. The majority of our clients are women microentrepreneurs, heads of households, who are principally dedicated to commercial activities. Our clients apply loan proceeds to working capital that allows them to undertake or strengthen their business activities.

Finsol México was founded in our country in 2003 and was incorporated as a SOFOL in 2005. Two years later, it transformed into a SOFOM and simultaneously began operations in Brazil as an NGO, under the name Instituto Finsol.

The support of Financiera Independencia resulted in increased funding and the consequent expansion of its loan portfolio – up by 2.2x in Mexico and 2.8x in Brazil since its acquisition at the beginning of 2010.

During this year, strategies to attract new clients and recover former clients were designed. Excellent results were achieved based on the launch of campaigns that reward with better interest rates those groups that pay on a timely basis, or that introduce new members. While groups at Instituto Finsol Brazil comprise an average of four members, at Finsol México the average number of members was increased from eight to eleven, thus improving the productivity of our loan advisors. The number of loan advisors increased from 4.7 to 6.2 per office. At Brazil, our average loan amounts* to R$1,700, (approximately Ps.12,900). At Finsol México, this number totals Ps.7,500.

Finsol México's new status as a subsidiary of Financiera Independencia, better positioned the company to negotiate agreements with insurance and medical assistance companies. Following the success of the Microlife Insurance campaign undertaken in 2010, it became a permanent benefit.

This year we opened 23 offices at Finsol México, reaching a total of 168 in Mexico, and opened 4 offices at Instituto Finsol Brazil, bringing the total number of offices to 23 in that country.

To position the new offices in Mexico we launched the "Founding Client" (*Cliente Fundador*) campaign, which allowed us to add 1,200 groups, amounting to a loan portfolio of Ps.43 million and totaling 13,000 new clients. We made a similar effort in Brazil, through the "Finsol Champions" (*Campeones Finsol*) campaign, attracting new clients and fostering growth of the loan portfolio. This initiative turned in very good results: close to 7,000 clients added during one quarter. We also established programs to reward the loyalty of our clients with different gifts based on the number of timely payments made on their loan.

* Average loan amount at the time of origination.

Geographic Coverage
Finsol México

168 Offices
in Mexico

Federal Entities with 1 to 5 offices

Aguascalientes	1
Campeche	3
Chihuahua	1
Coahuila	4
Colima	2
Distrito Federal	3
Durango	2
Guanajuato	5
Hidalgo	5
Morelos	2
Nayarit	1
Nuevo Leon	3
Queretaro	2
Quintana Roo	4
Sn. Luis Potosi	5
Sinaloa	3
Sonora	4
Tabasco	5
Tamaulipas	5
Tlaxcala	3
Zacatecas	2

Federal Entities with 6 to 10 offices

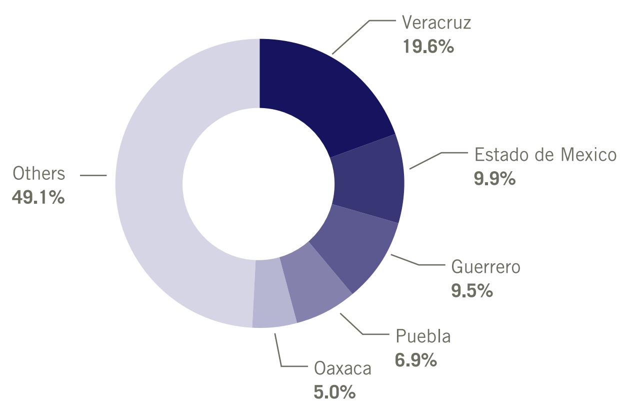
Chiapas	8
Jalisco	6
Michoacan	8
Oaxaca	9
Yucatan	6

Federal Entities with 11 to 15 offices

Guerrero	12
Puebla	11

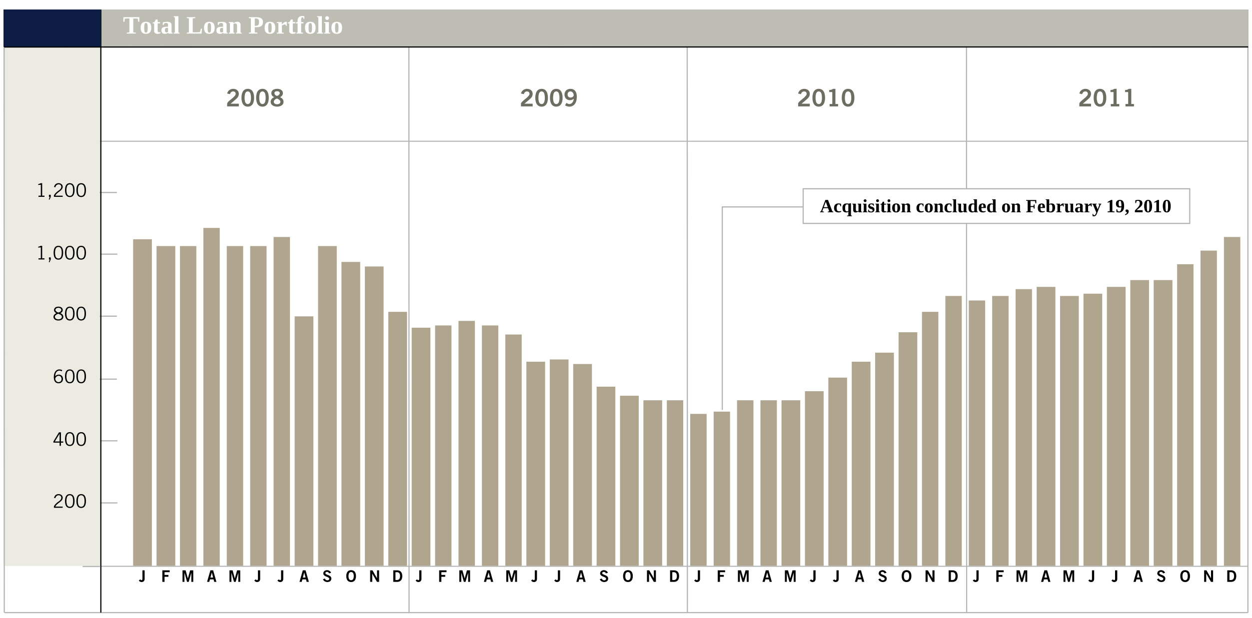
Federal Entities with more than 16 offices

Estado de Mexico	17
Veracruz	26



Finsol México
Portfolio Geographic Distribution

Finsol México



Figures in millions of Mexican Pesos

Alternate means of payment

To facilitate payments, we opened new points of payment, particularly in remote areas with poor transportation infrastructure. Today, our Finsol México clients can make loan payments at Bancomer, Banamex, Telecomm Telégrafos, and Oxxo branches, in addition to the Financiera Independencia offices. Currently, 18% of Finsol loan payments are received at Financiera Independencia's offices.

Throughout the year we finalized the integration of Finsol's IT Systems, Backoffice, Finance, Human Resources, and Infrastructure into Financiera Independencia and its Subsidiaries. In terms of collections, we have developed new supervision and control programs to support the rapid growth we are experiencing in loan origination.

Products in Mexico

• Microcrédito Comunal

This product is offered to self-selected groups of 8 to 60 members, who have or are undertaking a productive, commercial, or service activity, and live in the same community. The Microcrédito Comunal is based on a joint guarantee that implies the mutual support of the group. As an initial requirement, the group has to provide as evidence of payment capacity, minimum savings equivalent to 10% of the total loan amount approved. The Microcrédito Comunal does not generate fees and matures based on previously agreed upon weekly or bi-weekly payments, for terms ranging from 16 to 26 weeks. Loan amounts range from Ps.500 to Ps.60,000, depending on the group's experience and payment history.

The Microcrédito Comunal represented 95.3% of Finsol México's total loan portfolio, and 13.6% of the total loan portfolio of all companies that comprise the group.

• Microcrédito Solidario

Intended for groups of between 4 and 6 individuals, with a minimum age of 21 and a maximum of 65, who are owners of a business in the commercial, production, or service sectors, that has been operating for at least one year. Loan terms range from 12 to 26 weeks, with weekly or bi-weekly payments as defined by the group. The Microcrédito Solidario proceeds are to be directly invested in the operation of the business, its improvements or growth. Differently from the Microcrédito Comunal, this product does not require previous savings. Loans granted through this product range between Ps.7,000 to Ps.60,000 per member.

Microcrédito Solidario represented 4.4% of Finsol México's total loan portfolio and 0.6% of the total loan portfolio of all the companies that comprise our group.

• Microcrédito de Oportunidad

This product is offered to active clients of the Microcrédito Comunal or Solidario, aged between 21 and 65 and who have built a good credit track record. This is an additional loan that allows clients to leverage business opportunities that may arise. It becomes available following the third cycle, and for an amount of up to 30% of the current group loan amount, and always with the joint guarantee of the group. It can be offered to a minimum of two group members and a maximum of half of its members, as long as the group's most recent loan has been paid in a timely manner. The due date for the total payment of this microcredit is established at an earlier or the maturity date of the outstanding group loan. At year-end, the loan portfolio of this product amounted to Ps.3.6 million.

During this period, the Solidario, Comunal, and Oportunidad microcredits, posted an important increase in the number of loans granted, which has resulted in a 20.8% growth in the client base. For the year, these products comprised 14.3% of the total loan portfolio of Financiera Independencia and its subsidiaries.

• Microseguro de Vida

Since October 2010, when acquiring or renewing a loan, we provide our clients, free of charge, a life insurance policy for Ps.20,000, which includes a comprehensive assistance package consisting of: medical, psychological, and nutritional orientation, by telephone, free of charge, 24 hours a day. The policy also includes funeral services assistance for a total of Ps.15,000.

More than 400,000 policies were issued during 2011. Given the success of this campaign we have decided to continue with this promotion in 2012.

In addition, we offer clients an optional, low cost, life insurance, for a total insured amount of Ps.50,000 for natural death, and double the amount in the case of accidental death. It also includes funeral assistance services for up to Ps.25,000.

Products in Brazil

Through Instituto Finsol Brazil we operate in the Northeast of Brazil, where we have 23 branches in 19 cities. There we offer two products, based on the same principles as that of the group loans in Mexico.

• Crédito Solidario

Intended for use as working capital, acquisition of fixed assets, or improvements to business facilities, this loan is granted for amounts that range from R$300* (Ps.2,233) to R$15,000* (Ps.111,500), payable in terms up to 9 months for working capital, and up to 24 months for fixed assets and facility improvements. Groups must be comprised of 3 and 6 members. With an NPL of a 4.7% at year-end, this product does not generate commissions and requires a joint guarantee. It represented 99.3% of the total loan portfolio of our microcredit group loans in Brazil, and 7.4% of the total loan portfolio of Financiera Independencia and Subsidiaries.

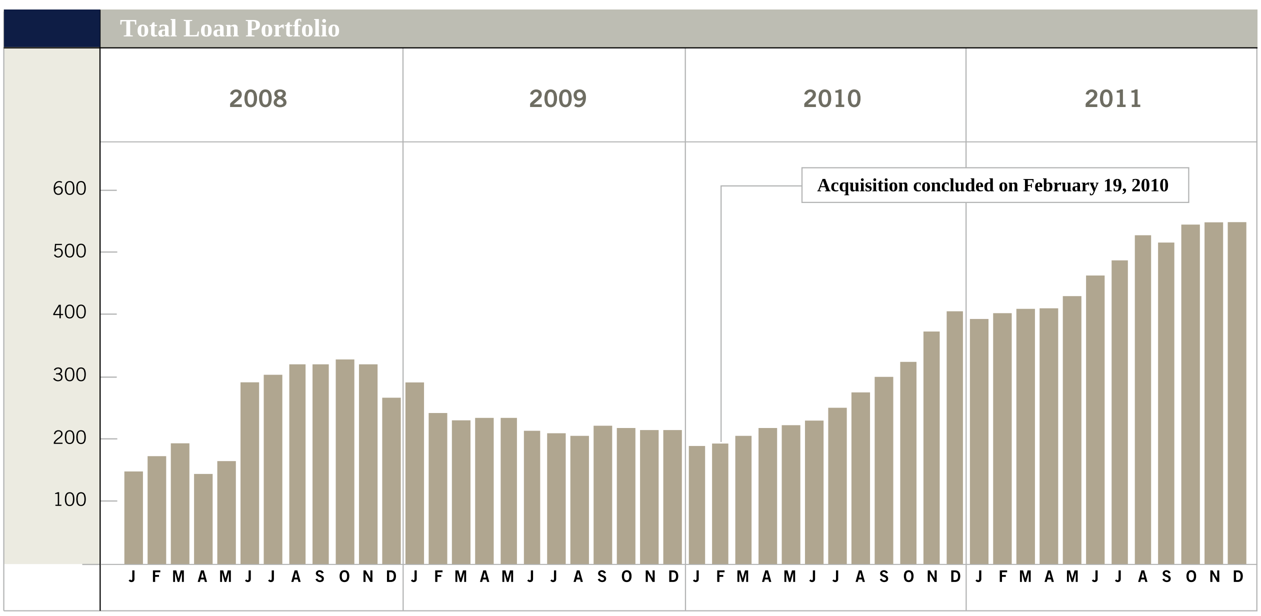
• Crédito Comunal

Intended for working capital needs, fixed assets, and improvements to business facilities, this group loan is offered in amounts that range from R$300* (Ps.2,233) to R$6,000* (Ps.44,600), and terms from 9 to 24 months for fixed assets and improvements to facilities. It requires a joint guarantee and a group with at least seven members.

Crédito Comunal represents 0.6% of the total portfolio of our group loans in Brazil.

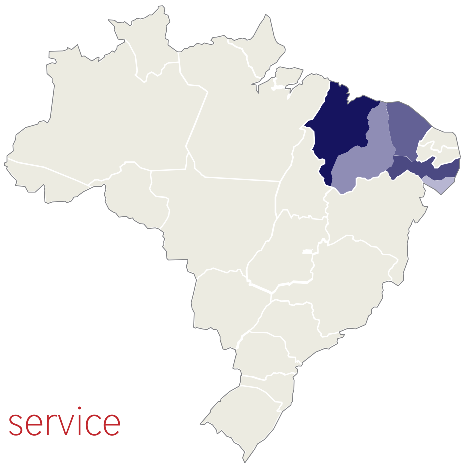
Finsol México and Instituto Finsol Brazil's group loans represented 21.7% of the total loan portfolio of Financiera Independencia and its Subsidiaries, of which 7.4% correspond to products in Brazil and 14.3% in Mexico.

Finsol Brazil



Figures in millions of Mexican Pesos

* 1.87 Real = 1 USD; 1 USD = Ps.13.94
as of December 31, 2011



23 points of service in Brazil

Geographic Coverage
Finsol Brazil

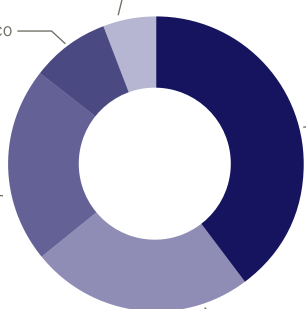
Pernambuco
Caruaru
Carpina
Arcoverde

Alagoas
Arapiraca

Ceará
Itapipoca
Sobral
Caucala
Tianguá
Quixadá

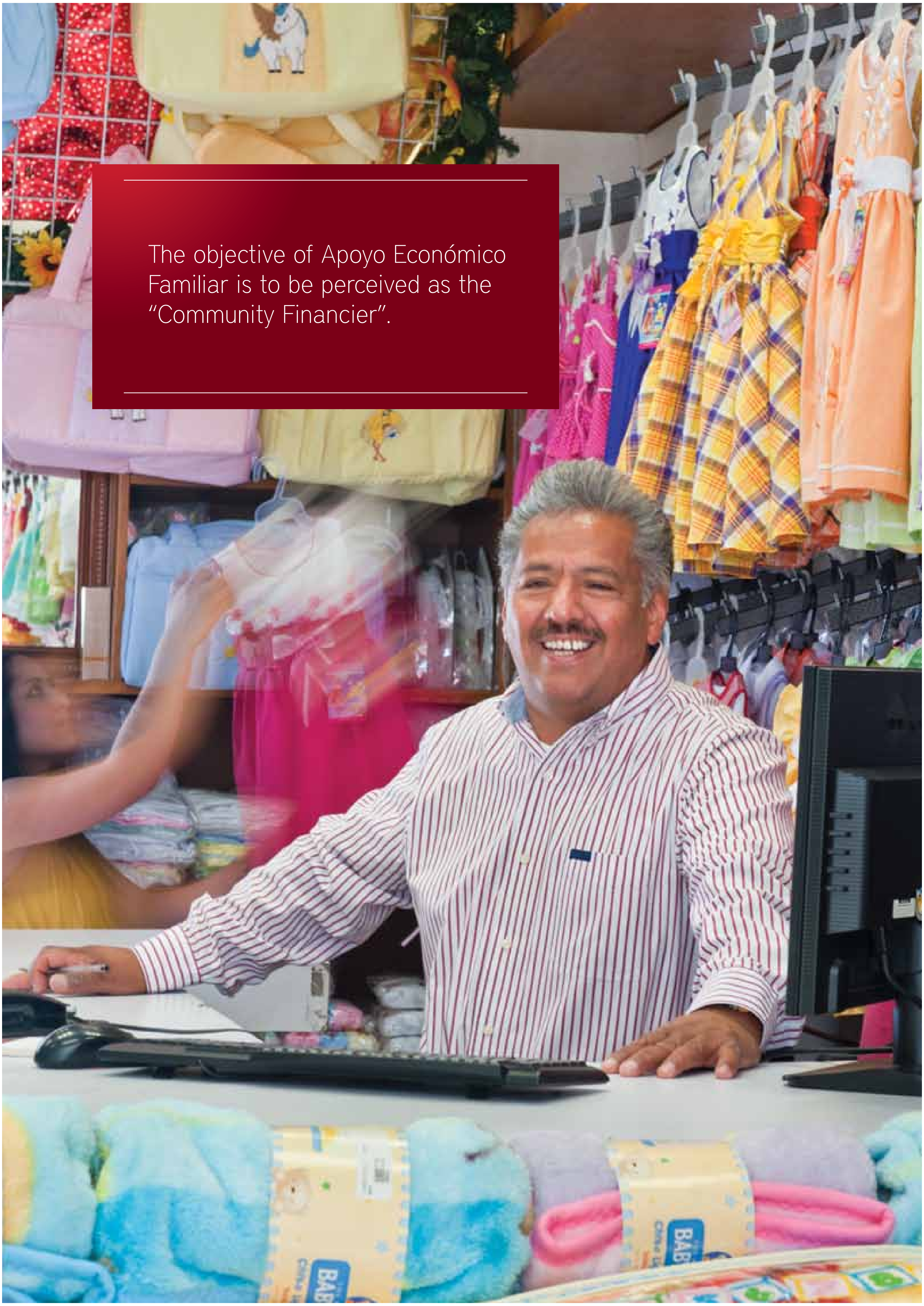
Maranhão
Bacabal
Governador Nunes Freire
Presidente Dutra
Viana
Codó
Pedreiras
Santa Inês
Pinheiro

Piauí
Campo Maior
Picos
Teresina
São Raimundo Nonato
Floriano
Piripiri



Finsol Brazil
Portfolio Geographic Distribution

The objective of Apoyo Económico Familiar is to be perceived as the "Community Financier".



Apoyo Económico Familiar

In March 2011, Financiera Independencia announced the closing of the acquisition of all of the outstanding shares of Apoyo Económico Familiar (AEF). By adding this company to our subsidiaries, we increased our loan portfolio by Ps.785.6 million, added 96 offices and approximately 110,000 new clients. Founded in 2005, AEF opened its first offices in Mexico City and surrounding areas. Slowly it expanded operations to other large urban areas, in different states of the country, mainly in the southeast.

Today, with the integration of AEF, Financiera Independencia and Subsidiaries, has expanded into the country's capital city and metropolitan area, and has strengthened its position in other major cities. During the year, AEF opened 16 new offices, reaching a total of 112 in 13 states of the country, including Mexico City.

AEF is dedicated to providing personal loans, principally to fund microbusinesses and employees, that generally function as support to the household economy of our clients. Throughout the six years since its inception, the company has operated under its own business model based on a network of small offices, with a limited number of clients, and an area of influence of 2 to 3 km.

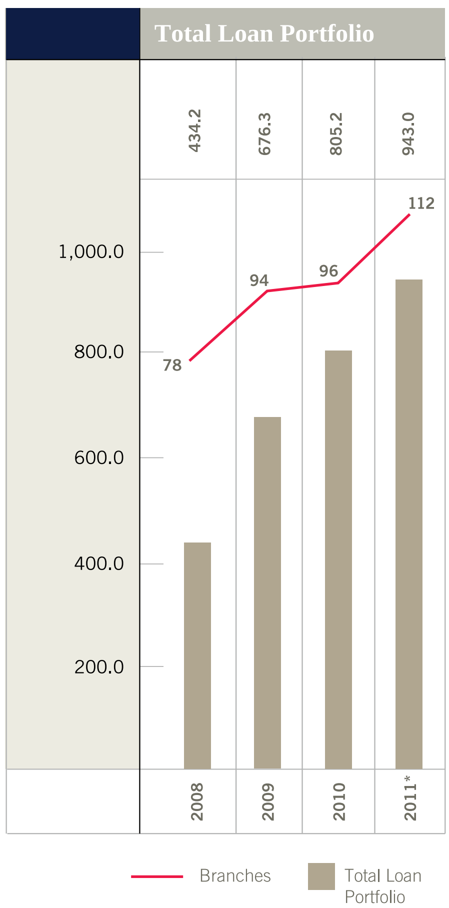
The objective of AEF is to be perceived as the "Community Financier". When an office grows, it is subdivided as it looks to increase the number of clients in the surrounding area. As a result, the monitoring of accounts is very personalized and remains at easily controllable volumes.

Traditionally, the company has been servicing two types of clients:

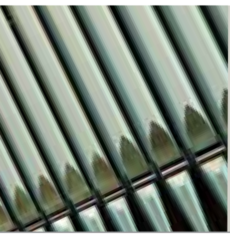
- employees that can demonstrate, by means of a letter or payroll receipt, a minimum family income of Ps.2,000
- individuals dedicated to their own microbusiness, who cannot demonstrate proof of income.

The methodology used by Apoyo Económico Familiar has afforded for significant success in Mexico City. In addition to allowing Financiera Independencia to enter this important market, this methodology offers us the opportunity to expand our reach to other major urban centers.

Apoyo Económico Familiar



Figures in millions of Mexican Pesos
*Acquisition concluded on March 14, 2011



Products

AEF's microcredits afford clients the ability to obtain cash amounts ranging from Ps.1,500 to Ps.50,000. Payments are made weekly, bi-weekly or monthly during a term of up to two years. The loan is usually approved within 24 hours and can be renewed automatically after developing a good credit history. To add new clients, AEF has implemented the policy of rewarding active clients with Ps.200 for each recommendation that results in an authorized loan, without a cap on the number of recommendations that can be made. Furthermore, clients can also make advance principal payments or pay down the total principal amount at any time during the life of the loan, without penalties. Payments are always made at our offices.

There are two types of products:

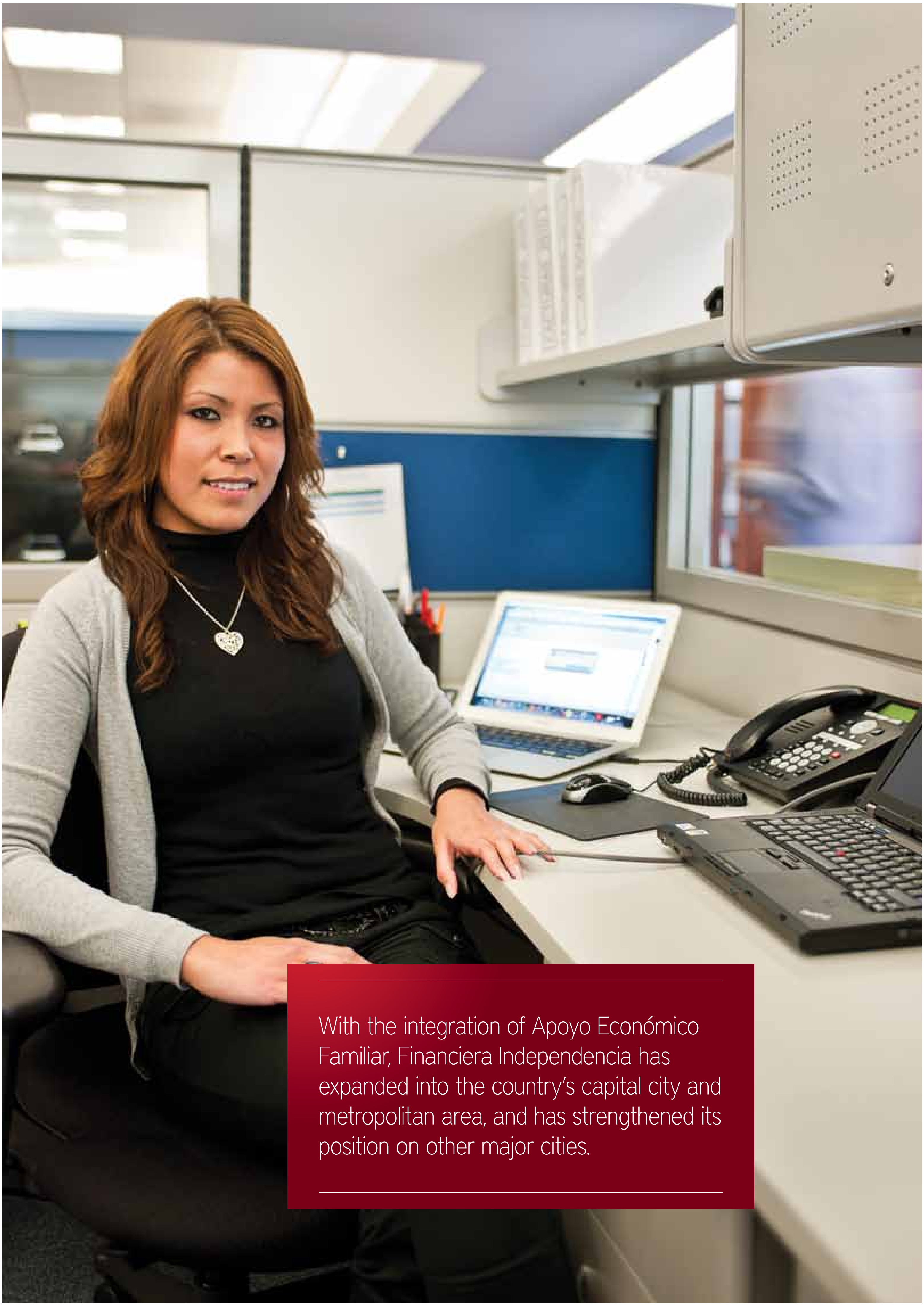
- **Regular**, for those clients without a credit history or with an insignificant credit history
- **Preferential**, for clients with a better credit history, and often times with a banking relationship. In this case, a lower interest rate may be offered.

Currently, 98% of AEF's clients are within the first plan.

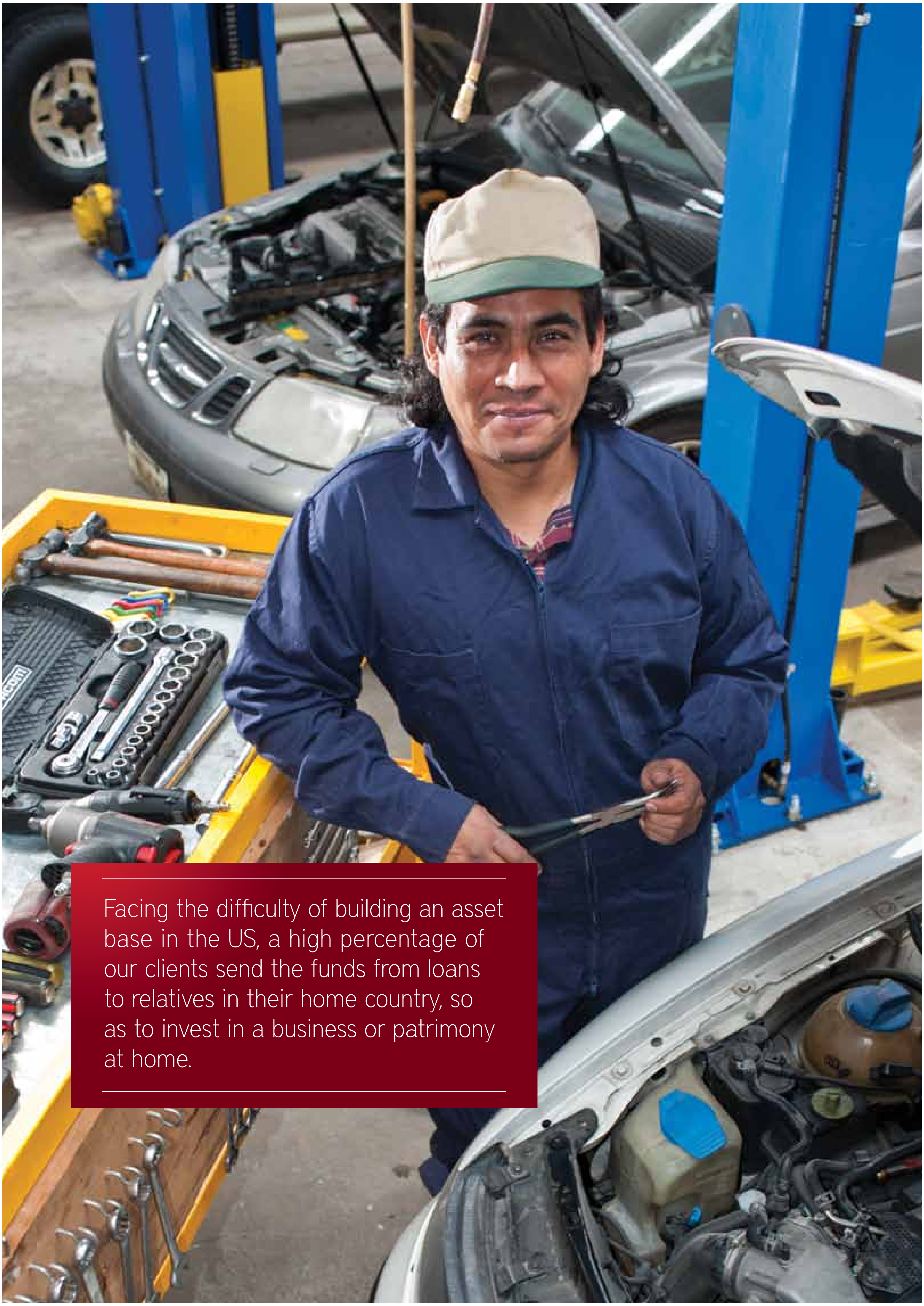
Apoyo Seguro

This is a family insurance product we offer clients that purchase our microcredit. This consists of a life and total or permanent disability policy covering clients and their families for up to Ps.50,000. Each client can obtain up to six insurance policies.

AEF's products represented 12.8% of Financiera Independencia and Subsidiaries' total loan portfolio.



With the integration of Apoyo Económico Familiar, Financiera Independencia has expanded into the country's capital city and metropolitan area, and has strengthened its position on other major cities.



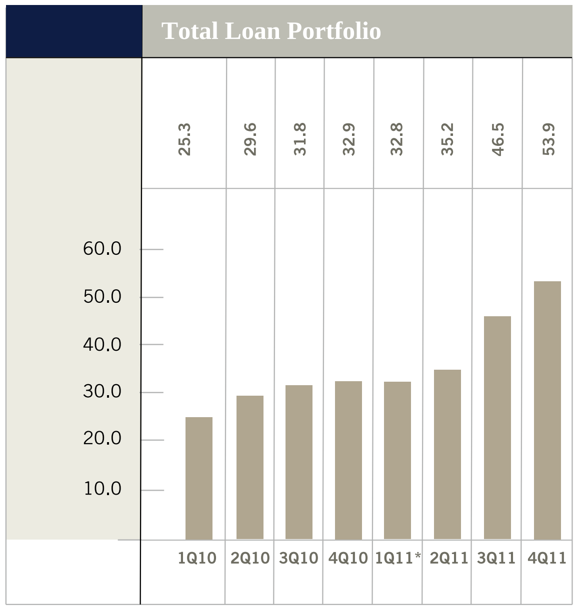
Facing the difficulty of building an asset base in the US, a high percentage of our clients send the funds from loans to relatives in their home country, so as to invest in a business or patrimony at home.

Apoyo Financiero Inc.

On February 28, 2011 we officially announced the closing of the acquisition of 77% of the outstanding shares of Apoyo Financiero Inc. (AFI). This transaction meant for Financiera Independencia and Subsidiaries to begin servicing the unbanked Hispanic community in the state of California, and initiate operations in the US market, representing a considerable growth and expansion potential. At the time of its acquisition, AFI operated an office in San Francisco, CA, and had a total loan portfolio of Ps.32.6 million.

AFI has been operating with its own credit scoring model, which allows it to offer microcredits to individuals without a credit history in the US. Currently, to request a loan from AFI a potential client is required to present an official identification (from California, the Mexican consulate, or a passport), together with a proof of a recent payroll receipt, the Social Security number in the US, or the Personal Tax Identification Number and a proof of address. Response is generally given within 48 hours and, in the case of approval, clients receive a check for the full loan amount.

Apoyo Financiero Inc.



Figures in millions of Mexican Pesos
*Acquisition concluded on February 28, 2011

Client service is paramount at AFI's offices, and having Spanish speaking personnel has been very important. By providing bilingual service, our clients receive, right from the beginning, a warm and personalized attention that facilitates the development of a trusting financial advisory relationship going beyond the sale of a product. Using this model, we opened a new office in Oakland, California during 2011.

Facing the difficulty of building an asset base in the US, a high percentage of AFI's clients send the funds from loans to relatives in their home countries, so as to invest in a business or patrimony at home, 67% of funds sent back to home countries is invested in Mexico.

Expanding into the US, through these two offices, has been a strategic move for Financiera Independencia and an important learning experience.

Products

AFI's loans have a principal amount that ranges from USD.3,000 to USD.10,000, a term between 12 and 48 months and weekly, bi-weekly, or monthly payments, depending on the financial capability of our clients. Loan payments are made directly at our offices or by mail. Each of our clients' timely payments is directly reported to the Credit Bureau to assist them in building a good credit history in the US.

At the close of the period, AFI's total portfolio totaled Ps.53.9 million, which represented a 63.7% year-on-year increase.

Management: in sync to orchestrate it all

In an orchestra's lay out all performers face the same point: the place from where it is directed. The baton movements are clearly seen by the different families of instruments. This is how equilibrium, precision, and harmony communicated to the public are achieved.

During this year, the management of Financiera Independencia and its Subsidiaries strengthened the company's positioning, through the diversification of its product offering - diversification in terms of the products, market segments, and the geographical reach that we have today. We have invested approximately Ps.1,290 million, of which Ps.1,180 million correspond to the acquisitions of AEF and AFI, and Ps.110 million was principally invested in the opening of 44 offices, information systems, and maintenance. This demonstrates the confidence we have in the development of our business and the progress of our country.

We currently offer personal loans to both individuals under formal employment as well as to those who are self-employed; group loans for working capital needs, and have expanded operations to Mexico City and the US. With this, we are well positioned and able to face economic fluctuations, independently of the growth or contraction of our sector. This diversification – that came about through the acquisition of AFI and AEF, with the development of our new product "Más Nómina", and the further strengthening of Finsol México and Instituto Finsol Brazil—, characterizes and makes us unique in the microfinance market concert.

The acquisition of AEF and AFI resulted in an 18.9% increase in the total loan portfolio from December 2010, driven by a 12.7% growth in the number of clients. AEF posted a financial margin after provisions of Ps.451.3 million, equivalent to 19.8% of the consolidated results, and net operating revenue of Ps.568.4 million. AFI, in turn, produced a financial margin after provisions of Ps.10.4 million, equivalent to 0.5% of consolidated results, with net operating revenue of Ps.17.9 million.

Finsol México and Instituto Finsol Brazil's total loan portfolio was Ps. 1,592.9 million, representing a 26.4% annual increase.

At year-end, our consolidated loan portfolio reached Ps.7,347.8 million, compared with the Ps.5,773.0 million we posted during the previous year. This represented an increase of 27.3%, and results from the 15.5% growth in the client base together with a 10.2% increase in the average balance per client.

In response to this growth, we will continue to work actively in pursuing the diversification of our funding sources and the reduction of our funding costs.

The Ps. 1,290 million investment comprises a sample of the confidence we have in the development of our business and the progress of our country.

Issuance of Certificados Bursátiles

On May 17, 2011, we announced the issuance of *Certificados Bursátiles* ("the Notes"), for an aggregate principal amount of Ps.1,500 million.

The unsecured Notes have a 3-year maturity and pay an interest rate equivalent to TIIE 28 days plus 265 basis points. The Notes were rated A (mex) and HR A by Fitch Ratings and HR Ratings, respectively.

Proceeds were applied to increase the company's loan portfolio, make capital expenditures related to expanding its distribution network, pay down debt, and for general corporate purposes. The Notes were registered with the *Comisión Nacional Bancaria y de Valores*, and constitute the first tranche of a *Certificados Bursátiles* Program for a total of Ps.2,000 million, with a 5-year maturity.

Increase in the line of credit with NAFIN

During the third quarter, we reached an agreement with *Nacional Financiera* (NAFIN), to modify the terms and conditions of the line of credit for Finsol México. As a result, on September 22, 2011 the line of credit was increased from Ps.280 million to Ps.500 million. The interest rate remained at TIIE + 450 basis points. On that same date, NAFIN, granted a new line of credit of Ps.200 million for Apoyo Económico Familiar, with an interest rate of TIIE + 400 basis points. Both lines have an evergreen feature.

Increase in the line of credit with HSBC Bank Brazil

Towards the end of the year we reached an agreement to favorably modify the terms and conditions of Instituto Finsol Brazil's line of credit with HSBC Bank Brazil. Thus, on December this line of credit was increased from R.45 million to R.90 million. The line of credit pays an interest rate of SELIC + 390 basis points and matures on December 2012. As a result, approximately 80% of Instituto Finsol Brazil's operation is now financed locally, thus significantly reducing exposure to foreign exchange risk.

We will continue to deliver a clear and consistent message that enhances the talent of our people and that integrates their skills to achieve a harmonious composition.

Looking ahead, the next seasons

In certain occasions, it is required to strengthen a classic repertoire, while in others, innovation is key. Each season is different. But what is clear is that it's essential to have the necessary critical mass to execute everything.

For the coming season, we expect to continue growing with the support of our subsidiaries and the ongoing development of our traditional business. We trust that, strengthened by the diversification achieved this year in all fronts, we will continue to move ahead consolidating our position as leaders in the microcredit market.

We will persist in enhancing our strengths and developing our capabilities, always with the objective of becoming a one-stop shop institution where our current and future clients can find all the financial services they require.

The baton is in the air, the musicians are attentive: we will continue orchestrating the development of the company, with the particular execution mode that characterizes and distinguishes us from the competition.

Third call... We commence.

FINANCIERA INDEPENDENCIA

Management's Discussion and Analysis of Results of Operations and Financial Condition of the Company

2011

Introduction:

The following analysis should be read in conjunction with our Audited Consolidated Financial Statements for the years ended December 31, 2011 and 2010. The financial figures included in this report for 2011 and 2010 were prepared in accordance and fully comply with the Mexican Banking Accounting Principles (banking principles) issued by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* or CNBV) and are expressed in nominal pesos. Tables in this report are in millions of Mexican pesos.

Financial Margin after Provision for Loan Losses

Financial margin after provision for loan losses for 2011 increased 7.3% year-on-year to Ps.2,275.2 million from Ps.2,119.6 in 2010. This is principally explained by the following:

Interest Income

Interest income for the year increased 21.8% to Ps.4,378.1 million, principally as a result of the Ps.818.0 million, or 23.1%, increase in interest income on loans. The total loan portfolio increased 27.3% driven by a 15.5% growth in the number of clients and a 10.2% increase in the average balance per client. Significant growth in Finsol since its acquisition and the integration of AEF into the Company's balance sheet drove the increase in the number of clients. The higher average balance per client reflects Finsol's larger share of the total loan portfolio, and the considerably higher average balance per client at AEF. The average lending rate[1] decreased to 66.7% from the 67.9% posted in 2010.

Findep's total informal sector loans increased 30.9% year-on-year to Ps.3,770.7 million in 2011, representing 51.3% of the loan portfolio. Growth reflects the 26.4% increase in Finsol's group loans combined with the acquisition of AEF. Independencia's individual loans to the informal sector increased 8.0% year-on-year, driven by growth of 13.4% and 16.1% in the CrediPopular and CrediMamá products, respectively. Growth was partially offset by a 33.8% decline in the CrediConstruye product. The share of non-Independencia loans to the informal sector increased from 21.8% of Findep's total loans in 2010 to 27.5% in 2011, reflecting the acquisitions of Finsol and AEF which have contributed to further diversify the Company's business.

The Company's total formal sector loans represented 48.7% of the total loan portfolio and increased by 23.6% to Ps.3,577.0 million in 2011, from Ps.2,893.2 million in 2010. Growth was mainly driven by the AEF and AFI acquisitions. The number of CrediInmediato clients in 2011 declined 0.2% year-on-year, while the total loan portfolio of this product increased 4.0% to Ps.3,007.5 million. CrediInmediato's average balance per contract was Ps.4,176 in 2011, up 4.2% year-on-year.

Finsol's total loans reached Ps.1,592.9 million in 2011, a 26.4% increase from 2010. During the year, a total of Ps.4,348.2 million loans were originated at Finsol Mexico and Ps.1,333.3 million at Finsol Brazil, representing a 32.7% and 39.8% year-on-year growth, respectively. Group loans represented 21.7% of the total loan portfolio, practically unchanged from the 21.8% posted in 2010.

Apoyo Económico Familiar total loan portfolio was Ps.943.0 million in 2011, a 17.1% increase from the Ps.805.2 in 2010. Apoyo Financiero Inc.'s total loan portfolio was Ps.53.9 million in 2011, a 65.2% increase from the Ps.32.6 million at the date of the acquisition and represented 0.7% of the total consolidated portfolio.

Table 1: Financial Margin*

	2011	2010	% Change
Interest Income	**$ 4,378.1**	**$ 3,595.7**	**21.8%**
Interest on Loans	4,357.8	3,539.8	23.1%
Interest from Investment in Securities	20.3	55.8	-63.7%
Interest Expense	734.9	504.6	45.7%
Financial Margin	$ 3,643.2	$ 3,091.1	17.9%
Provision from Loan Losses	1,368.0	971.5	40.8%
Financial Margin After Provision from Loan Losses	**$ 2,275.2**	**$ 2,119.6**	**7.3%**

* Figures in millions of Mexican Pesos.

Independencia: refers to operations excluding the recent acquisitions of Finsol, AEF and AFI.
(1) Lending rate: Interest income / Average balance of the total loan portfolio.

Table 2: Loan Portfolio, Number of Clients & Average Balance

	2011	2010	% Change
Loan Portfolio (million Ps.)	$7,347.7	$5,773.0	27.3%
Number of Clients	1,617,170	1,399,978	15.5%
Average Balance (Ps.)	$4,543.5	$4,123.7	10.2%

Table 3: Number of Clients by Product Type

	2011	% of Total	2010	% of Total	% Change
Formal Sector Loans	720,244	44.5%	721,628	51.5%	-0.2%
- CrediInmediato*	720,244	44.5%	721,628	51.5%	-0.2%
Informal Sector Loans	**470,865**	**29.1%**	**436,148**	**31.2%**	**8.0%**
- CrediPopular	383,493	23.7%	334,893	23.9%	14.5%
- CrediMamá	55,459	3.4%	49,617	3.5%	11.8%
- CrediConstruye	31,913	2.0%	51,638	3.7%	-38.2%
Finsol Loans	**298,993**	**18.5%**	**242,202**	**17.3%**	**23.4%**
- Finsol México	243,140	15.0%	201,285	14.4%	20.8%
- Finsol Brazil	55,853	3.5%	40,917	2.9%	36.5%
Apoyo Económico Familiar Loans	**125,685**	**7.8%**	**-**	**-**	**n/a**
Apoyo Financiero Inc Loans	**1,383**	**0.1%**	**-**	**-**	**n/a**
Total Number of Loans	**1,617,170**	**100.0%**	**1,399,978**	**100.0%**	**15.5%**

*As of december 2011 includes 1,744 clients of payroll lending products.

Table 4: Total Loan Portfolio by Product Type*

	2011	% of Total	2010	% of Total	% Change
Formal Sector Portfolio	**$ 3,007.5**	**40.9%**	**$ 2,893.2**	**50.1%**	**4.0%**
- CrediInmediato**	3,007.5	40.9%	2,893.2	50.1%	4.0%
Informal Sector Portfolio	**$ 1,750.3**	**23.8%**	**$1,620.1**	**28.1%**	**8.0%**
- CrediPopular	1,454.2	19.8%	1,282.6	22.2%	13.4%
- CrediMamá	169.1	2.3%	145.7	2.5%	16.1%
- CrediConstruye	126.9	1.7%	191.8	3.3%	-33.8%
Finsol Loan Portfolio	**$ 1,592.9**	**21.7%**	**$ 1,259.7**	**21.8%**	**26.4%**
- Finsol México	1,049.1	14.3%	860.0	14.9%	22.0%
- Finsol Brazil	543.7	7.4%	399.7	6.9%	36.0%
Apoyo Económico Familiar Loan Portfolio	**943.0**	**12.8%**	**-**	**-**	**n/a**
Apoyo Financiero Inc. Loan Portfolio	**53.9**	**0.7%**	**-**	**-**	**n/a**
Total Loan Portfolio	**$ 7,347.7**	**100.0%**	**$ 5,773.0**	**100.0%**	**27.3%**

* Figures un millions of Mexican pesos.
** As of december 2011 includes Ps.20.7 million of payroll lending product.

Table 5: Total Loan Portfolio by Segment*

	2011	% of Total	2010	% of Total	% Change
Formal Sector Loan Portfolio	**3,577.0**	**48.7%**	**2,893.2**	**50.1%**	**23.6%**
- Independencia (CrediInmediato)	3,007.5	40.9%	2,893.2	50.1%	4.0%
- AEF Formal	515.5	7.0%	-	-	n/a
- AFI	53.9	0.7%	-	-	n/a
Informal Sector Loan Portfolio	**3,770.7**	**51.3%**	**2,879.9**	**49.9%**	**30.9%**
- Independencia	1,750.3	23.8%	1,620.1	28.1%	8.0%
- Finsol México	1,049.1	14.3%	860.0	14.9%	22.0%
- Finsol Brazil	543.7	7.4%	399.7	6.9%	36.0%
- AEF Informal	427.5	5.8%	-	-	n/a
Total Loan Portfolio	**7,347.7**	**100.0%**	**5,773.0**	**100.0%**	**27.3%**

* Figures in millions of Mexican Pesos.

Interest Expense

Interest expense during 2011 increased by Ps.230.4 million, or 45.7%, year-on-year, to Ps.734.9 million, from Ps.504.6 million in 2010. In 2010, the company recorded a Ps.56.9 million negative impact as a result of a forward hedge position on its U.S. dollar bond issuance, which was accounted for in the market related income line-item. Interest expense, however, would have increased by Ps.173.5 million, or 30.9%, if it had included this impact. This was principally the result of a year-on-year increase in the daily average balance of interest bearing liabilities and in the average interest rate paid[2]. The average balance of interest bearing liabilities increased by 22.8% to Ps.6,504.8 million in 2011, reflecting the 27.3% growth in the loan portfolio. The average interest rate paid increased to 11.17% in 2011 from the 10.48% in 2010. The average TIIE was 4.82% in 2011 compared with 4.91% in 2010.

Provision for Loan Losses

Provisions for loan losses increased year-on-year by Ps.396.5 million or 40.8% to Ps.1,368.0 million in 2011. The increase reflects higher default probabilities in Independencia's loan portfolio, an increase in write offs during the period, and the integration of AEF and AFI into the Company's results. Excluding AEF and AFI, provisions for loan losses rose year-on-year by 31.2% to Ps.1,274.7 million in 2011. Write-offs, during the same period increased by Ps.176.4 million or 16.4%, to Ps.1,252.2 million. Excluding AEF and AFI, write-offs rose year-on-year by 7.8% to Ps.1,159.6 million. Total non-performing loans reached Ps.694.1 million, up 21.7% from Ps.570.2 million on 2010.

Net Operation Revenue

Net operating revenue increased year-on-year by Ps.155.1 million, or 5.0%, to Ps.3,231.1 million in 2011. This was principally the result of the reasons stated above. During the period, commissions and fees collected increased by Ps.48.1 million or 6.2% and other operating income increased by Ps.37.0 million to Ps.168.9 million in 2011. This year-on-year increase was mainly driven by the consolidation of AEF into the Company's results and is partially offset by a Ps.71.3 decrease in market related income.

Net Operating Income

Net operating income decreased year-on-year by Ps.264.6 million, or 46.5%, to Ps.304.9 million in 2011.

Non-interest expense increased by Ps.419.8 million year-on-year, or 16.7%, below the 27.3% growth in total loans achieved during the period. The consolidation of AEF into the Company's results and expenses related to Finsol's expansion plan were the main drivers behind the increase. Excluding AEF and AFI, non-interest expense decreased year-on-year by Ps.30.9 million, or 1.2%, to Ps.2,475.6 million, reflecting efficiencies from cost reduction initiatives implemented during the last quarter of 2010.

During the last twelve months, the Company added a net total of 138 branches to its network, 97 of which resulted from the acquisition of AEF and AFI, bringing the total network to 509 units.

(2) Average Interest Rate = Interest Expense / Daily average balance of interest bearing liabilities.

Table 6:	Net Operating Income*		
	12M11	**12M10**	**% Change**
Financial Margin	**3,643.2**	**3,091.1**	**17.9%**
Provision for Loan Losses	1,368.0	971.5	40.8%
Financial Margin After Provision for Loan Losses	**2,275.2**	**2,119.6**	**7.3%**
Non - Interest Income, net	762.8	728.9	4.7%
- *Commisions and Fees Collected*	823.9	775.8	6.2%
- *Commisions and Fees Paid*	61.1	46.8	30.4%
Market Related Income	24.1	95.5	-74.7%
Other Operating Income (expense)	168.9	132.0	28.0%
Net Operating Revenue	**3,231.1**	**3,076.0**	**5.0%**
Non - Interest Expense	2,926.2	2,506.5	16.7%
- *Other Administrative & Operational Expenses*	1,037.0	798.3	29.9%
- *Salaries & Employee Benefits*	1,889.3	1,708.2	10.6%
Net Operating Income	**304.9**	**569.5**	**-46.5%**
Operational Data			
Number of Offices	**509**	**371**	**37.2%**
- Financiera Independencia	204	207	-1.4%
- Finsol	191	164	16.5%
- Apoyo Económico Familiar	112	-	n/a
- Apoyo Financiero Inc	2	-	n/a
Total Labor Force	**11,947**	**9,763**	**22.4%**
- Financiera Independencia	8,252	8,266	-0.2%
- Finsol	2,052	1,497	37.1%
- Apoyo Económico Familiar	1,631	-	n/a
- Apoyo Financiero Inc	12	-	n/a

* Financial data in millions of Mexican Pesos.

As a result of the factors discussed above and after income tax, net income for 2011 decreased by Ps.265.8 million, or 58.9% to Ps.185.8 million.

Earnings per share (EPS) for 2011 were Ps.0.2596 compared to Ps.0.6309 for the same period last year.

Financial Position

Total Loan Portfolio

The total loan portfolio rose year-on-year by 27.3% to Ps.7,347.7 million, reflecting a 15.5% increase in the number of clients during the period, and a 10.2% increase in the average outstanding balance. At the end of the year, the Company had a total of 1,617,170 clients.

As of December 31, 2011, the total loan portfolio represented 66.6% of Findep's total assets, compared with 66.5% as of December 31, 2010. Cash and Investments represented 5.8% of total assets for 2011 compared with 9.9% in 2010.

Non-Performing Loan Portfolio

Total non-performing loans reached Ps.694.1 million, up 21.7% from Ps.570.2 million reported in 2010. The NPL ratio declined to 9.4% in 2011 from 9.9% in 2010.

The NPL ratio for the CrediInmediato product in 2011 fell to 12.2%, from 12.4% in 2010. The NPL ratio for Independencia's individual informal segment was 13.5% in 2011, compared with 11.3% in 2010. The NPL ratio in 2011 for the group lending segment (Finsol) was 4.9% in Mexico and 4.7% in Brazil, compared to 2.7% and 1.4% respectively, in 2010. In 2011, AEF's NPL ratio stood at 1.2%.

The coverage ratio for 2011 was 76.4%, compared with 65.8% in 2010. The increase in the coverage ratio reflects the increase in default probabilities of the loan portfolio and AEF's high coverage ratio.

Liabilities

As of December 31, 2011 total liabilities were Ps.7,973.3 million, a 39.1% increase from Ps.5,732.6 million reported on December 31, 2010. The year-on-year increase was the result of additional debt incurred to finance the Ps.1,180 million AEF and AFI acquisitions, as well as higher working capital needs to finance the growth of the loan portfolio.

At the end of 2011, Findep's debt consisted of Ps.2,617.1 million (US$200 million) of senior guaranteed notes due March 2015, Ps.1,500.9 million in medium-term notes "Certificados Bursatiles" due May 2014, as well as Ps.3,359.6 million of bank and other entities loans. The Company's total lines of credit amounted to Ps.5,393 million at the end of 2011, of which Ps.1,594 million, or 29.6%, are available.

On August 30 2011, the Company entered into a step-up interest rate swap from a floating to a fixed rate for a notional amount of Ps.1,500.0 million to hedge the medium-term notes "Certificados Bursatiles" for a three-year period starting on September 7, 2011. The interest rate is 6.95% for the first twelve months and 7.80% until maturity.

Shareholders' Equity

As of December 31, 2011 stockholder's equity was Ps.3,052.9 million, a 3.6% increase from Ps.2,946.6 million in the same year-ago period. This increase principally reflects net income generated during the current period as well as the impact of a dividend paid for 2010 totaling Ps.150.3 million.

Profitability and Efficiency Ratios

ROAE / ROAA

ROAE for 2011 was 6.2% compared with 18.8% in 2010. ROAA for 2011 was 1.9% compared with 6.2% in 2010.

Efficiency Ratio & Operating Efficiency

Over the last twelve months Independencia increased the size of its loan portfolio by 27.3% and the number of clients by 15.5%. During the year, the Company added a total of 138 offices and increased its total labor force by 22.4% to 11,947 people.

During 2011 the Company's efficiency ratio was 90.6%, compared with 81.5% in 2010. The year-on-year increase is principally the result of the 40.8% rise in provisions for loan losses. Excluding provisions for loan losses, the efficiency ratio in 2011 was 63.6% compared to 61.9% in 2010.

Operating efficiency was 29.7% in 2011, down 457 basis points, compared to 34.3% in 2010.

FINANCIERA INDEPENDENCIA

Audited Consolidated Financial Statements

December 31, 2011 and 2010

Financiera Independencia, S. A. B. de C. V.,
Sociedad Financiera de Objeto Múltiple,
Entidad no Regulada and Subsidiaries

Audited Consolidated Financial Statements
December 31, 2011 and 2010

Index

Mexico City, March 5, 2012

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

Thousands of Mexican pesos

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, 2011 and 2010, and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended. These consolidated 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 to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement and that they were prepared in accordance with the accounting practices applicable to the Company described in the following paragraph. 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.

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 (Commission) in Mexico 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.

As specified in Note 23 to the consolidated financial statements, on March 15, 2011, the Company acquired 100% of the shares of Apoyo Económico Familiar, S. A. de C. V., Sociedad Financiera de Objeto múltiple, Entidad no Regulada (AEF), one of the main microloan entities in Mexico for a total of Ps1,075 million pesos, and on February 28, 2011, it acquired 77% of Apoyo Financiero, Inc. (AFI), a microfinance company mainly serving the Hispanic non-bank community in San Francisco, California, for Ps8.4 million dollars.

In our opinion, the aforementioned consolidated financial statements 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, 2011 and 2010, 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.

C.P.C. Nicolás Germán Ramírez
Audit Partner

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Financiera Independencia, S. A. B. de C. V.,
Sociedad Financiera de Objeto Múltiple, Entidad no Regulada and Subsidiaries

Consolidated Balance Sheets

(Notes 1, 2, 3, 4, 8, 15, 16, 23, 24 y 25)

December 31, 2011 and 2010

Thousands of Mexican pesos (Nota 2)

	December 31	
Assets	**2011**	**2010**
CASH AND CASH EQUIVALENTS (Note 5)	Ps 641,242	Ps 855,675
DERIVATIVES (Note 6)		
For hedging purposes	153,424	-
PERFORMING LOANS (Note 7)		
Consumer	5,138,166	3,971,717
Commercial	1,515,428	1,231,124
TOTAL PERFORMING LOANS	6,653,594	5,202,841
NON - PERFORMING LOANS		
Consumer	616,627	541,584
Commercial	77,449	28,623
TOTAL NON - PERFORMING LOANS	694,076	570,207
TOTAL LOAN PORTFOLIO	7,347,670	5,773,048
(-) LESS:		
ALLOWANCE FOR		
LOAN LOSS (Note8)	(530,475)	(375,470)
LOAN PORTFOLIO - Net	6,817,195	5,397,578
TOTAL LOAN PORTFOLIO - Net	6,817,195	5,397,578
OTHER ACCOUNTS RECEIVABLE - Net (Note 9)	344,001	410,621
PROPERTY, FURNITURE AND EQUIPMENT - Net (Note 10)	437,814	403,316
DEFERRED TAXES AND PROFIT SHARING - Net (Note 18)	814,674	708,371
OTHER ASSETS		
Goodwill (Notes 11 y 24)	1,545,719	615,150
Intangibles assets (Notes 11 y 24)	147,981	155,914
Deferred charges, advance payments	124,179	132,620
TOTAL ASSETS	**Ps 11,026,229**	**Ps 8,679,245**

Liabilities and Stockholders' Equity	December 31 2011	2010
DEBT INSTRUMENTS (Note 12)	Ps 1,500,869	Ps 787,105
BANK AND OTHER ENTITIES' LOANS (NotE 13)		
Short - term	2,617,040	1,168,110
Long - term	3,359,600	3,174,394
	5,976,640	4,342,504
DERIVATIVE (NotE 6)		
For hedging purposes	-	232,351
OTHER ACCOUNTS PAYABLE		
Income taxes payable (Notes 14 and 18)	113,784	41,426
Sundry creditors and other accounts payable (Note 14)	300,892	303,793
	414,676	345,219
DEFERRED LOANS AND ADVANCE COLLECTIONS	81,095	25,460
TOTAL LIABILITIES	7,973,280	5,732,639
STOCKHOLDERS' EQUITY (NotE 17)		
PAID-IN CAPITAL		
Capital stock	157,191	157,191
Premium on sale of shares	1,579,175	1,550,775
	1,736,366	1,707,966
EARNED CAPITAL		
Capital reserves	14,318	14,300
Prior years' result	1,121,149	837,333
Result from valuation of cash flow hedging instruments	(15,467)	(64,658)
Minority interest	10,742	-
Net income	185,841	451,665
	1,316,583	1,238,640
TOTAL STOCKHOLDERS' EQUITY	**3,052,949**	**2,946,606**
Commitments and contingencies (NotE 21)		
Subsequent events (Note 22)		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**Ps 11,026,229**	**Ps 8,679,245**

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

Memorandum accounts	2011	2010
Interest earned not collected arising from non - performing loans	Ps 85,209	Ps 67,050
Tax write offs	563,949	556,306
Write offs	529,243	562,978

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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)

December 31, 2011 and 2010

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

	Year ended December 31, 2011	Year ended December 31, 2010
Interest income (Note 19)	Ps 4,378,101	Ps 3,595,650
Interest expense (Note 19)	(734,928)	(504,567)
Financial margin	3,643,173	3,091,083
Provision for loan losses (Note 8)	(1,367,979)	(971,488)
Financial margin after provision for loan losses	2,275,194	2,119,595
Commissions and fees collected	823,899	775,754
Commissions and fees paid	(61,063)	(46,823)
Brokerage revenue	24,137	95,460
Other operating income	168,936	131,974
Administrative and promotion expenses	(2,926,233)	(2,506,471)
Resul of operations	304,870	569,489
Equity in nonconsolidated subsidiaries and associated companies	-	-
Income before taxes on profits	304,870	569,489
Current taxes on profits (Note 18)	(196,824)	(101,596)
Deferred taxes on profits - Net (Note 18)	79,097	(16,228)
	(117,727)	(117,824)
Income before discontinued operations	187,143	451,665
Minority interest	(1,302)	-
Discontinued operations	-	-
Net income	Ps 185,841	Ps 451,665
Earnings per share (pesos)	Ps 0.3095	Ps 0.7438

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Financiera Independencia, S. A. B. de C. V.,
Sociedad Financiera de Objeto Múltiple, Entidad no Regulada and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

(Notes 1 and 16)

For the years ended December 31, 2011 and 2010

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 cash flow instruments	Net income	Minority interest	Total stockholders' equity
Balances as of January 1, 2010	Ps 148,603	Ps 726,428	Ps 12,600	Ps 460,490	Ps -	Ps 515,223	Ps -	Ps 1,863,344
CHANGES RELATED TO STOCKHOLDERS' RESOLUTIONS:								
Transfer of net income to prior years' result	-	-	-	515,223	-	(515,223)	-	-
Issuance of shares	8,588	828,423	-	-	-	-	-	837,011
Capital reserves	-	-	1,700	(1,700)	-	-	-	-
Purchase of own shares and effect on sale of own shares	-	(4,076)	-	10,428	-	-	-	6,352
Dividends declared and refund of dividends paid on own shares - Net	-	-	-	(147,108)	-	-	-	(147,108)
	8,588	824,347	1,700	376,843	-	(515,223)	-	696,255
CHANGES RELATED TO RECOGNITION OF COMPREHENSIVE INCOME:								
Net income	-	-	-	-	-	451,665	-	451,665
Result from valuation of cash flow hedging instruments	-	-	-	-	(64,658)	-	-	(64,658)
	-	-	-	-	(64,658)	451,665	-	387,007
Balances as of December 31, 2010	157,191	1,550,775	14,300	837,333	(64,658)	451,665	-	2,946,606
CHANGES RELATED TO STOCKHOLDERS' RESOLUTIONS:								
Transfer of net income to prior years' result	-	-	-	451,665	-	(451,665)	-	-
Issuance of shares	-	-	-	-	-	-	-	-
Capital reserves	-	-	18	(18)	-	-	-	-
Purchase of own shares and effect on sale of own shares	-	28,400	-	(164,780)	-	-	-	(136,380)
Refund of dividends of own shares	-	-	-	1,694	-	-	-	1,694
	-	28,400	18	288,561	-	(451,665)	-	(134,686)
CHANGES RELATED TO RECOGNITION OF COMPREHENSIVE INCOME:								
Net income	-	-	-	-	-	185,841	-	185,841
Result from valuation of cash flow hedging instruments	-	-	-	-	49,191	-	-	49,191
Minority interest	-	-	-	-	-	-	10,742	10,742
Others	-	-	-	(4,745)	-	-	-	(4,745)
	-	-	-	(4,745)	49,191	185,841	10,742	241,029
Balances as of December 31, 2011	Ps 157,191	Ps 1,579,175	Ps 14,318	Ps 1,121,149	(Ps 15,467)	Ps 185,841	Ps 10,742	Ps 3,052,949

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

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Financiera Independencia, S. A. B. de C. V.,
Sociedad Financiera de Objeto Múltiple, Entidad no Regulada and Subsidiaries

Consolidated Statements of Cash Flows

December 31, 2011 and 2010

Thosands of Mexican pesos (Note 2)

	Year ended December 31,	
	2011	2010
Net income	Ps 185,841	Ps 451,665
Adjustements for items not requiring cash flows:		
Provision for loan losses	1,367,979	971,488
Depreciation and amortization	133,229	100,172
Taxes on profits (current and deferred)	117,727	117,824
	1,804,776	1,641,149
Operating activities		
Loan portfolio	(2,787,596)	(1,979,740)
Bank and other entities loans	2,347,899	1,263,368
Other accounts receivable and payable	(368,902)	(235,125)
Net cash flow from operating activities	996,177	689,652
Investing activities		
Purchases of fixed assets	(167,726)	(200,222)
Goodwill	(930,569)	(615,150)
Intangible assets	7,933	(155,914)
Other assets	8,441	(57,837)
Net cash flows from investing activities	(1,081,921)	(1,029,123)
Financing activities		
Purchase of own shares	(136,380)	6,352
Refund of dividend (Dividend payment and refund of dividend) - Net	1,694	(147,108)
Others	(4,745)	-
Minority interest	10,742	-
Increase in capital stock	-	837,011
Net cash flows from financing activities	(128,689)	696,255
Net (decrease) increase in cash	(214,433)	356,784
Cash and cash equivalents at the beginning of the year	855,675	498,891
Cash and cash equivalents at the end of the year	Ps 641,242	Ps 855,675

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

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Thousands of Mexican pesos (Note 2), except for exchange rates, nominal values, price of the share 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 Mexican Law of Credit Institutions (LIC for its acronym in Spanish).

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 (E.N.R. 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, 2011 and 2010, including Instituto Finsol, IF, in which the Company has control. Following is an analysis of the subsidiaries that have been consolidated:

	Shareholding (%)		
Subsidiaries	2011	2010	Operations
Serfincor, S. A. de C. V. and subsidiaries (Serfincor)	99.99	99.99	Call center, administrative, courier, promotion and marketing services
Fisofo, S. A. de C. V., SOFOM, E. N. R.	99.00	99.00	Lending consumer loans
Findependencia, S. A. de C. V., SOFOM, E. N. R.	99.00	99.00	Lending consumer loans
Financiera Finsol, S. A. de C. V. SOFOM, E.N.R. (Financiera Finsol)	99.99	99.99	Lending commercial loans
Finsol, S. A. de C. V. (Finsol)	99.99	99.99	Services
Finsol Vida, S. A. de C. V.	99.99	99.99	Services
Instituto Finsol, IF	99.99	99.99	Lending commercial loans
Independencia Participações, S. A.	99.99	99.99	Lending commercial loans
Apoyo Económico Familiar, S. A. de C. V., SOFOM, E.N.R. (AEF)	99.99	-	Lending commercial loans
Servicios Corporativos AEF, S. A. de C. V. (SCAEF)	99.99	-	Services
Apoyo Financiero Inc. (AFI)	77.00	-	Lending consumer loans

On February 28, 2011, the Company acquired 77% of the outstanding shares of AFI and on March 15, 2011, acquired all outstanding shares of AEF. See Note 24.

Nota 2 - Basis for preparation of the financial information:

The accompanying consolidated financial statements as of December 31, 2011 and 2010 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 (Mexican Banking GAAP), which differ from Mexican Financial Reporting Standards (NIF by its initials in Spanish) issued by the Mexican Financial Standards Board (CINIF by its initials in Spanish), as concerns the matters mentioned in points d., f., o. and y. 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.

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 LIC and of the Law of the Commission.

Inflation effects on financial information

According to the provisions of NIF 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, 2011 and 2010 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,	
	2011	**2010**
	(%)	(%)
For the year	3.64	4.28
Accumulated over the past three years	12.11	15.08

Accounting criteria in effect in 2011

In 2011, the following accounting criteria issued by the Commission went into effect. Their application is prospective as of 2011:

D-2 "Statement of income": modifies the structure of the statement of income to show: a) the result of operations other than interest income or expenses, which are included under financial margin and administration and promotion expenses, and b) the result before taxes on profits after the result of equity in non-consolidated subsidiaries and associates is incorporated to the result of operations. The statement of income in 2012 has been reclassified to adjust to the current presentation required by the Commission.

D4 “Statement of cash flows”: includes mainly the caption for “effects for changes in value of cash”, which shows the effect of conversion of cash flows at the closing exchange rate in effect , as well as cash and cash equivalent balances for changes in value resulting from fluctuations in fair value.

C-3 “Related parties”: broadens the definition of close relative as a related party of the Company.

Retrospective application NIFs by accounting changes and NIF effective as of January 1, 2011:

Beginning on January 1, 2011, the following NIF and their interpretations issued by the CINIF and effective as of the previously mentioned date have been retrospectively adopted by the Company.

NIF C-5 “Advanced payments”. It establishes the presentation and disclosure rules for advanced payments where its presentation in an item separate from current or non-current assets of the amounts disbursed under this concept is required.

NIF C-6 “Property, plant and equipment”. It establishes the valuation, presentation and disclosure rules for property, plant and equipment, when considered within the scope of this NIF are such used for develop or maintain biological assets and of the extractive industry and the componentization of property, plant and equipment for depreciation effects. This standard leaves Statement C-6 “Property, plant and equipment” effective up to December 31, 2010, without effect.

NIF C-18 “Obligations associated to property, plant and equipment withdrawal”. It establishes the particular rules for initial and subsequent recognition of provisions related to obligations associated to property, plant and equipment components withdrawal.

Improvements to NIF 2011

NIF B-1 “Accounting changes and misstatement correction”. It establishes the rules for the presentation, in the balance sheet and statement of changes in stockholders’ equity, of the effects of the adjustments retrospectively recognized.

Statement C-10 “Derivative financial instruments and hedging transactions”. It establishes, among other: a) the exclusion of “option” or “forward” valuation from the difference between variations of its fair value and its intrinsic value during its effectiveness; b) that a forecasted future cash flow hedging transition might be considered as primary, depending on its occurrence and if it is carried out between non-related parties; c) the presentation in supplementary accounts of the primary positions and portions of financial assets and liabilities that had an specific modification in a portion of an investment portfolio; d) that should not be included as assets for derivative financial instruments, the accounts representing contributions or collateral margins, deposits of financial warranties constituted by credit letters or bonds, not becoming entity’s property, and e) the option of taking just a portion of the notional amount of a hedging instrument to hedge a primary position.

Bulletin D-5 “Leasing”. It establishes, among other aspects: a) an implication and clarification of certain concepts to consider in the determination of the discount rate to be used by the lessor and lessee in the finance leasing; b) additional disclosures in finance leasing for lessor and lessee, and c) criteria for the determination of the gain or loss by sale and lease back.

Financial statements authorization

The accompanying consolidated financial statements and their notes were authorized for issuance on February 22, 2012 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: NIF, international accounting standards, approved and issued by the

International Accounting Standards Board (IASB), as well as, accounting principles generally accepted in the United States, issued by the Financial Accounting Standards Board or, if applicable, any set of formal and recognized accounting standards.

NIF 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. Such 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 debts consist of revolving loans with two outstanding monthly invoicing periods, or if the invoice period is not monthly, the period corresponding to more than 60 natural days outstanding.

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.

As long as the loan portfolio is kept restructured, it is classified and shown as past due portfolio. Additionally, the likelihood of default of the portfolio in the reserve model is 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.

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

e. Allowance for loan loss

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 six 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 NIF, 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 allowance for loan losses. Given the type of loan involved, AEF recognizes a write-off for book purposes when the loan is 120 or more natural days overdue, and AFI until all collection resources are exhausted, since judicial collection processes are quite effective.

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.

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

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, 2011 and 2010, 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.

The acquisition cost of property, furniture and equipment is depreciated systematically using the straight-line method based on the useful lives of assets estimated by Company management, applied to the values of property, furniture and equipment.

h. Advances payments

Up to December 31, 2010, the advanced payments represented expenditures made by received services or goods intend to be consumed exclusively by the Company, which purpose was not to sell or use them in the productive process. As of January 1, 2011, the advanced payments represent such expenditures made by the Company where the risks and benefits inherent to the goods to be acquired or services to be received have not been transferred. Advanced payments are recorded at their cost and presented in the balance sheet as other assets. Once the goods and/or services related to advanced payments are received, they should be recognized as an expense or an asset in the period income statement.

i. 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 when evidence of impairment is identified are subject to annual impairment testing.

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, 2011 and 2010, 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.

j. 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.

k. 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.

l. 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.

m. 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.

n. 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.

o. 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.

p. 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 Net Cost for the Period (NCP) 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, 2011 and 2010, 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.

q. Stockholders' equity

The capital stock, share premium, capital reserves and prior years' result 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.

r. Comprehensive income

The comprehensive income comprises the net income and the result from valuation of cash flows hedging, instruments which is reflected in the capital stock and does not constitute equity payments, reductions and distributions. The comprehensive income amounts for 2011 and 2010, are expressed at modified historical pesos.

s. 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.

t. 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.

u. 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 2011 and 2010.

Diluted earnings per share is the result of dividing the net income for the year by the current share weighted average in 2011 and 2010, and reducing such average from potentially dilutive shares.

v. 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.

w. Foreign currency operations

Financial statements translation

The financial statements of Instituto Finsol (IF), Independencia Participações, S. A. and Apoyo Financiero, Inc. considered a foreign currency operation denominated in its functional currency (Brazilian real and US dollar, respectively), served as basis to translate the financial information to the Company's reporting currency, considering a non-inflationary environment, as follows:

Non- inflationary environment

Assets and liabilities at December 31, 2011 and 2010 were translated using the closing US dollar exchange rate, which was Ps1.8758 and Ps1.6510; respectively those figures were subsequently translated to Mexican pesos using the closing exchange rate of Ps13.9476 and Ps12.3496, respectively.

Capital stock balances at December 31, 2011 and 2010 translated to the reporting currency were supplemented with the movements made in 2011 and 2010, respectively, which were translated using historical exchange rates. The income, costs and expenses for the period were translated at average exchange rates, wich were Dlls.1.8337 and Dlls.1.7620 and Ps13.7413 and Ps12.6501 mexican pesos, respectively.

x. 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 13,681,616 (10,645,416 ordinary shares in 2010) 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 Ps6 to Ps17. The Company had not accounted for the financial effects of this plan because management considers them to be immaterial.

y. 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. NIF 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:

At December 31, 2011 and 2010, the Company had the following US dollar monetary assets and liabilities:

	December 31,	
	2011	**2010**
Assets	Dlls. 21.0	Dlls. 12.6
Liabilities	201.0	202.0
Net short position	(Dlls. 180.0)	(Dlls. 189.4)

At December 31, 2011 and 2010, the exchange rate determined by the Mexican Central Bank and utilized by the Company to value its foreign currency assets and liabilities was Ps13.9476 per dollar (Ps12.3496 in 2010). At date of issuance of these financial statements, the exchange rate was Ps12.7764 per dollar.

Additionally, at December 31, 2011 and 2010, the Company has in Brazilian real, asset for Ps76,381 and Ps58,090 and liabilities for Ps106,360 and Ps76,880, respectively.

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,	
	2011	2010	2011	2010	2011	2010
Cash	Ps 62,292	Ps 41,646	Ps 225	Ps 45	Ps 62,517	Ps 41,691
Deposits in Mexican banks	108,677	78,057	30,922	33,975	139,599	112,032
Short-term investments *	369,388	546,661	69,738	155,291	439,126	701,952
	Ps 540,357	Ps 666,364	Ps 100,885	Ps 189,311	Ps 641,242	Ps 855,675

* 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, 2011 and 2010, the average yield on investments was 4.5% and 4.8%, respectively. In addition, for the years ended December 31, 2011 and 2010, interest income from investments totaled Ps20,284 and Ps55,814, respectively. Average maturity of investments during 2011 and 2010 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 Company 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, the following is a summary of derivative instrument operations.

2011						
	Notional		Annual interest rate			
Instrument Swap	Receivable	Payable	Receivable	Payable	Maturity	Fair value
Currency and rate hedging	Dlls. 150,000	Ps 1,960,500	10% USD	14.67% MXN	30-Mar-15	Ps 106,776
Currency and rate hedging	Dlls. 50,000	Ps 653,500	10% USD	14.64% MXN	30-Mar-15	36,184
Floating to fixed rate	Dlls.1,500,000		TIIE+2.65	6.95% to Aug 12/7.80% to May 14	14-May-14	10,464
						Ps 153,424

2010						
	Notional		Annual interest rate			
Instrument Swap	Receivable	Payable	Receivable	Payable	Maturity	Fair value
Currency and rate	Dlls. 150,000	Ps 1,960,500	10% Dlls.	14.67% MXN	30-Mar-15	(Ps 175,321)
Currency and rate	Dlls. 50,000	Ps 653,500	10% Dlls.	14.64% MXN	30-Mar-15	(57,695)
						(Ps 233,016)

Forward	Notional	Net Position
Long position		
US dollar	Dlls. 2,088	26,425
Short position		
US dollar	2,088	25,760
Net position	Dlls. -	665
		(Ps 232,351)

SWAPS

Foreign currency bonds

In light of the Company's strategy implemented for mitigating the exchange risk for issuance of the Dlls.200 million bond maturing on March 30, 2015, the Company contracted two exchange rates swaps on March 30, 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 of 150,000,000 and 50,000,000 US dollars, respectively, and pays monthly flows at the fixed rates of 14.67 and 14.64%, respectively, on the same notional figures in pesos, maturing on March 30, 2015: additionally, upon maturity of the bond issue, an exchange of securities contracted will be carried out for the sole purpose of setting the exchange rate at March 30, 2015 to Ps13.07 Mexican pesos to the US dollar.

The purpose behind said operation is to set in Mexican pesos the cost of bond funds received in US dollars to 14.67 and 14.64% a year and to set payment of the bond at Ps2,614,000, thus eliminating the exchange risk.

Hedging of Cebures interest rate

With a view to setting a maximum interest rate for Cebures in the amount of Ps1,500,000, on August 30, 2011, the Company contracted an interest rate SWAP in equal parts with Morgan Stanley and Deutsche Bank México, S. A.

Said operation was structured based on the step-up model, which consists of paying the annual fixed rate of 6.95% in the first year on the notional value of Ps1,500,000 maturing on August 8, 2012, and as from that date until maturity (May 14, 2014) increasing the annual rate to 7.80%. In exchange, the Company is entitled to the variable rate of 28-day TIIE plus 265 base points (2.65%) on the notional amount, which is originally contracted in Cebures, i.e., the Company pays the fixed rate until maturity on the issuance of Cebures.

Although the aforementioned operations are not for speculation purposes, in order to comply with the accounting regulations, those operations are valued at fair value, which consists of the following, 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, 2011 and 2010 is highly effective.

The result of valuations at fair value is recorded in comprehensive income under stockholders' equity. Those valuations may change depending on market conditions during the term of the SWAP. When the SWAP matures, the resulting profit or loss arising from valuing the primary position of the hedged risk is recorded in income for the period in which it occurs.

At December 31, 2011 and 2010, the amounts recorded in income for the year representing the effectiveness or (ineffectiveness) of hedging were Ps3,432 and (Ps3,432), respectively.

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.

OPTIONS

In 2010 and until October 7, 2011, the Company had contracted hedging (CAP) with Morgan Stanley with a maximum ceiling of 7.0000% annual TIIE, for a notional value of Ps5,500,000. The premium paid for that hedge was Ps3,000.

Until October 8, 2010, the Company had contracted the same hedge with Morgan Stanley, covering a ceiling of 7.000% annual TIIE, for capital of Ps3,600,00 at a cost of Ps2,157.

Additionally, one of the subsidiaries has contracted (CAP) hedging with IXE Banco, S. A. with a ceiling of 6% annual TIIE for capital of Ps50,000, maturing on November 30, 2012.

FORWARDS

The Company had contracted exchange hedging with HSBC México, S. A. for a US dollar loan of $2,008 USD; said forward matured in June 8, 2011 as did the contracted loan. The effect on income for 2011 was Ps1,792.

Note 7 - Loan portfolio:

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

	2011		
Performing Loans:	**Principal**	**Accrued interest**	**Total loans**
Consumer	Ps 4,866,096	Ps 272,070	Ps 5,138,166
Commercial	1,503,525	11,903	1,515,428
	6,369,621	283,973	6,653,594
Non-performing loans:			
Consumer	531,127	85,500	616,627
Commercial	74,505	2,944	77,449
	605,632	88,444	694,076
Total loan portfolio	Ps 6,975,253	Ps 372,417	Ps 7,347,670

	2010		
Performing loans:	**Principal**	**Accrued interest**	**Total loans**
Consumer	Ps 3,745,306	Ps 226,411	Ps 3,971,717
Commercial	1,223,471	7,653	1,231,124
	4,968,777	234,064	5,202,841
Non-performing loans:			
Consumer	466,169	75,414	541,583
Commercial	27,305	1,319	28,624
	493,474	76,733	570,207
Total loan portfolio	Ps 5,462,251	Ps 310,797	Ps 5,773,048

Loans offered, segmented by product, were as follows:

	2011		2010	
Type	Amount	%	Amount	%
Performing loans:				
CrediInmediato	Ps 2,619,763	39	Ps 2,534,820	49
Group loans	1,515,428	23	1,231,124	24
CrediPopular	1,254,546	19	1,130,237	22
Tradicional	913,054	14	-	-
CrediMamá	144,736	2	130,307	2
CrediConstruye	115,506	2	176,353	3
AFI	51,701	1	-	-
MásNómina	20,666	-	-	-
Preferencial	18,194	0	-	-
	6,653,594	100	5,202,841	100
Non-performing loans:				
CrediInmediato	367,030	53	358,339	63
CrediPopular	199,685	29	152,398	27
Group loans	77,449	11	28,623	5
CrediMamá	24,404	3	15,368	2
Tradicional	11,584	2	-	-
CrediConstruye	11,434	2	15,479	3
AFI	2,222	0	-	-
Preferencial	194	0	-	-
Más Nomina	74	0	-	-
	694,076	100	570,207	100
Total loan portfolio	Ps 7,347,670	100	Ps 5,773,048	100

Financiera Independencia Products

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, 2011 and 2010, the unused portion of the credit line was Ps1,224 million and Ps1,127 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. This product has an average term of 26 weeks 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 Ps2.4, 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.

MásNómina: is a loan discounted via the payroll aimed at employees of public or private entities affiliated to the Company. Loans offered range from $3 to $80. The maximum term for such loans is three years.

Finsol Loans

Group: it is a loan aimed at microbusinesses, where clients must be engaged in independent production, sales or service operations. This product is offered to groups of 4 to 60 members and ranges from Ps0,5 to Ps24. The average term is 16 weeks and the amount of the loan may increase based on credit behavior.

AEF Loans

Tradicional: is a loan aimed at individuals who can provide proof of income as employees or through their own businesses. The product contemplates loans of Ps6 to Ps15. The average term of such loans is 18 months, which may be renewed depending on each client's credit behavior.

Preferencial: is a loan available to individuals who can provide proof of income through a payroll receipt or a microbusiness. Said clients must have an excellent credit history, since the loans may reach up to Ps35. The maximum term is 24 months.

AFI Loans

These loans range from Dlls.3 to Dlls.10 for individuals who can provide proof of income as employees. The average term of the loan is 15 months.

As of December 31, 2011 and 2010, the loan portfolio according to the number of days past due is as shown below:

	2011							
	0 days	**01-30 days**	**31-60 days**	**61-89 days**	**90-120 days**	**121-150 days**	**151-180 days**	**Total**
Performing loans	Ps 4,888,589	Ps 1,227,124	Ps 383,981	Ps 153,900	-	-	-	Ps 6,653,594
Non-performing loans	-	-	-	160,256	Ps 220,607	Ps 162,040	Ps 151,173	694,076
Total	Ps 4,888,589	Ps 1,227,124	Ps 383,981	Ps 314,156	Ps 220,607	Ps 162,040	Ps 151,173	Ps 7,347,670

	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

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

	2011		2010	
Product	**Amount**	**%**	**Amount**	**%**
CrediInmediato	Ps 1,654,653	38	Ps 1,747,157	49
Group Loans	952,163	22	566,470	16
CrediPopular	938,968	22	994,751	28
Tradicional	601,249	14	-	-
CrediMamá	111,176	2	102,126	3
CrediConstruye	82,126	2	129,332	4
AFI	12,650	-	-	-
Preferencial	2,577	-	-	-
MásNómina	2,255	-	-	-
	Ps 4,357,817	100	Ps 3,539,836	100

Note 8 - Allowance for loan loss:

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 allowance for loan loss as of December 31, 2011 and 2010, which were determined based on the probability of borrowers' default and the loss given default:

Weekly		2011			2010		
	Period	Amount	Provision (%)	Amount	Amount	Provision (%)	Amount
	0	Ps 335,967	0.8	Ps 2,672	Ps 253,305	0.3	Ps 819
	1	55,956	2.3	1,260	50,760	0.9	467
	2	33,738	5.4	1,832	25,074	2.6	661
	3	24,187	12.3	2,983	15,435	6.2	961
	4	29,028	16.2	4,695	19,210	8.7	1,668
	5	15,302	17.7	2,702	8,975	9.3	833
	6	14,537	19.2	2,792	8,249	11.4	944
	7	15,149	27.9	4,227	9,791	18.0	1,761
	8	26,966	30.4	8,208	20,453	20.4	4,170
	9	10,867	30.2	3,285	3,436	22.3	767
	10	10,400	34.0	3,540	5,400	25.3	1,366
	11	11,818	43.0	5,078	6,542	33.1	2,168
	12	12,515	44.8	5,608	7,971	35.4	2,825
	13	21,970	40.9	8,987	14,846	34.5	5,123
	14	5,282	46.4	2,451	2,748	40.9	1,124
	15	7,068	55.8	3,943	4,655	49.7	2,315
	16	8,637	57.9	5,002	7,246	52.2	3,779
	17	15,846	54.9	8,697	14,618	50.9	7,441
	18 or more	52,118	87.3	45,525	40,691	86.0	34,995
Total		Ps 707,351	17.5	Ps 123,487	Ps 519,405	14.3	Ps 74,187

Biweekly	Period	Amount	Provision (%)	Amount	Amount	Provision (%)	Amount
	0	Ps 2,411,472	0.3	Ps 6,934	Ps 2,434,318	0.3	Ps 6,286
	1	267,905	1.7	4,568	276,863	1.4	3,915
	2	264,367	4.4	11,553	245,605	3.6	8,849
	3	89,607	7.8	6,967	108,221	6.1	6,597
	4	164,679	11.1	18,328	178,789	9.8	17,511
	5	51,298	18.6	9,554	61,720	17.6	10,893
	6	133,436	23.1	30,827	86,891	21.8	18,949
	7	30,308	34.4	10,413	66,061	36.5	24,108
	8	86,740	38.3	33,223	47,673	40.3	19,207
	9	42,194	49.6	20,920	36,419	48.1	17,522
	10	67,889	52.8	85,860	57,838	54.5	31,531
	11	46,328	66.1	30,645	27,452	64.6	17,747
	12	65,938	70.3	46,353	53,801	70.0	37,681
	13 or more	-	-	-	-	-	-
Total		Ps 3,722,161	7.2	Ps 316,145	Ps 3,681,651	6.0	Ps 220,796

Monthly Period	2011 Amount	2011 Provision (%)	2011 Amount	2010 Amount	2010 Provision (%)	2010 Amount
0	Ps 233,752	0.2	Ps 448	Ps 221,874	0.2	Ps 421
1	41,247	2.1	868	38,567	2.0	767
2	15,931	8.0	1,280	16,594	7.6	1,254
3	9,370	18.9	1,768	8,208	19.2	1,574
4	5,568	35.1	1,955	5,464	38.2	2,085
5	4,312	49.8	2,149	3,815	52.3	1,994
6	4,227	66.4	2,809	4,148	67.7	2,809
7	-	-	-	-	-	-
8	-	-	-	-	-	-
9 or more	-	-	-	-	-	-
Total	Ps 314,407	3.6	Ps 11,277	Ps 298,670	3.7	Ps 10,904
Restructured loan portfolio						
	Ps 13,926	87.3	Ps 12,164	Ps 13,573	86.0	Ps 11,673
Group loan portfolio						
	Ps 1,592,876	4.9	Ps 77,449	Ps 1,259,749	4.6	Ps 57,910
AEF loan portfolio						
	Ps 943,026	4.0	Ps 38,089			
AFI loan portfolio						
	Ps 53,923	4.9	Ps 1,864			
Total loan portfolio	Ps 7,347,670		Ps 530,475	Ps 5,773,048		Ps 375,470
Hedge index			76.4%			65.8%

Changes in allowance for loan loss in the periods ended December 31, 2011 and 2010 are shown below:

	December 31 2011	December 31 2010
Balance at the beginning of the year	Ps 375,470	Ps 422,966
Plus:		
Balance at beginning of Grupo Finsol	-	45,950
Balance at beginning of Grupo AEF	35,718	-
Increase in the provision for loan losses	1,367,979	971,488
Less:		
Loans written-off in the year	1,248,692	1,064,934
Balance at year end	Ps 530,475	Ps 375,470

As of December 31, 2011 and 2010, the restructured loan portfolio amounted to Ps13,926 and Ps13,573, 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, 2011 and 2010 the Company had no foreclosed assets.

Note 9 - Other accounts receivable - Net:

At December 31, 2011 and 2010, other accounts receivable are comprised as follows:

	December 31,	
	2011	**2010**
Favorable income tax balance	Ps 119,219	Ps 342,724
Value added tax receivable and creditable	106,538	49,356
Favorable flat tax	90,200	-
Debtors from loan portfolio sales	8,635	3,482
Debtors from property, furniture and equipment sales	6,615	-
Sundry debtors	5,813	6,341
Other favorable taxes	4,266	-
Oxxo Collections	1,604	1,639
Más Nómina correspondent	1,111	-
Remittances	-	1,133
Mapfre (Insurance company)	-	5,946
	Ps 344,001	Ps 410,621

Note 10 - Property, furniture and equipment:

At December 31, 2011 and 2010, this item is comprised as follows:

Asset	2011	2010	Annual depreciation rate (%)
Leasehold improvements	Ps 471,838	Ps 281,621	20
Computer equipment	284,536	243,956	25
Office furniture and equipment	161,063	126,742	10
Building	47,643	47,643	5
Transportation equipment	26,715	31,926	25
ATM's	14,202	14,099	15.4
	1,005,997	745,987	
Less: accumulated depreciation	(569,048)	(343,536)	
	436,949	402,451	
Land	865	865	
	Ps 437,814	Ps 403,316	

For the period ended December 31, 2011 and 2010, depreciation and amortization recognized in income amounted to Ps133,229 and Ps100,172, respectively.

At December 31, 2011 and 2010, there are fully depreciated assets in the amount of Ps154,956 and Ps85,038, respectively.

Note 11 - Intangible assets:

This item is comprised as follows:

	Balance at December 31,		
	2011	**2010**	**Annual amortization rate (%)**
With defined useful life:			
Relation with clients	Ps 103,134	Ps 111,067	7
With indefinite useful life:			
Trademarks	44,847	44,847	
Goodwill	1,545,719	615,150	
	Ps 1,693,700	Ps 771,064	

In 2011, the Company acquired the AEF and AFI business, which generated goodwill of $930,569. See Note 23.

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

Note 12 - Debt instruments:

At December 31, 2011 and 2010, the Company's debt instruments were as shown below:

	Amount of program	Amount of issuance	Date of issuance	Date of maturity	Interest rate	2011	2010
Cebures'08	Ps 1,500,000	Ps 784,000	Jun-08	Jun-11	TIIE + 190 bps	Ps -	Ps 784,000
Cebures'11	Ps 2,000,000	Ps 1,500,000	May-11	May-14	TIIE + 265 bps	1,500,000	-
					Accrued interest	869	3,105
					Total	Ps 1,500,869	Ps 787,105

Unsecured cebures'11 mature in a term of three years and accrue 28-day TIIE interest, plus 265 basis points (bps). The notes were rated as HR A y A (mex) by HR Ratings Mexico and Fitch Ratings, respectively.

Unsecured cebures'08 mature in a term of three years and accrued 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 2011 for debt instruments issued was Ps94,046 (Ps54,126 in 2010).

Note 13 - Bank and other entities' loans:

Institution:	Amount	Maturity	Collateral	Interest rate	2011	2010
International Bonds [1]	Dlls. 200,000	Mar-2015	None	10.0%	Ps 2,789,520	Ps 2,469,920
HSBC México, S. A. Institución de Banca Múltiple, Grupo Financiero (HSBC)[2] (Financiera Independencia)						
Simple credit	1,250,000	Dec-2012	1.3 to 1.0	TIIE + 385 bps	625,000	
Revolving credit line	900,000	Dec-2013	1.3 to 1.0	TIIE + 325 bps		1,250,000
(Finsol Brasil)	Reales 45,000	Jan-2012	None	3.844%+CDI-OVER-CETIP	335,871	-
(Finsol Brasil)	Reales 45,000	Dec-2013	1.3 to 1.0	3.908%+CDI-OVER-CETIP	238,842	-
Nacional Financiera, S. N. C. (NAFINSA)[3]: (Financiera Independencia)	1,000,000	Not determined	None	TIIE + 300 bps	809,343	166,667
(Financiera Finsol)	500,000	Not determined	Liquidity of 10%	TIIE + 450 bps	377,500	-
(Apoyo Económico Familiar)	200,000	Not determined	Liquidity of 20%	TIIE + 400 bps	162,792	-
Morgan Stanley Emerging Markets Domestics debt fund INC.	161,685	Feb-2011	None	14.0%	-	161,685
Fideicomisos Instituidos en Relación con la Agricultura (FIRA)	600,000	Dec-2013	Liquidity of 10%	TIIE FIRA	410,000	150,000
Banco Monex, S. A.	50,000	May-2012	1.5 to 1.0	TIIE + 350 bps	50,000	-
Sociedad Hipotecaria Federal, S. N. C. (SHF)	700,000	Mar-2011	1.087 to 1.0	TIIE + 200 bps	-	78,410
DWM Securitizations, S. A.	Dlls. 2,000	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 of 10%	TIIE + 550 bps	-	2,418
Fideicomiso Nacional de Financiamiento al Microempresario (FINAFIM)	30,000	Dec-2012	1.5 to 1.0	CETES + 625 bps	20,000	-
Fideicomiso Nacional de Financiamiento al Microempresario (FINAFIM)	70,000	Jul-2014	1.0 to 1.0	CETES + 550 bps	70,000	-
Ixe Banco, S. A.	50,000	Dec-2012	1.4 to 1.0	TIIE + 600 bps	25,000	-
					5,913,868	4,331,299
		Accrued interest			62,772	11,205
		Total			Ps 5,976,640	Ps 4,342,504

[1] Placement of bonds on the international market totaling Dlls.200 million, issued in March 2010 under the 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, respectively. Loans are subject from TIIE+3% to TIIE+3.85% interest and the spread over TIIE is subject to the Company's credit rating.

[3] Three revolving credit lines for Ps1,000,000, Ps500,000 and Ps200,000, respectively, the first for financing microloans offered to the informal market through CrediPopular and CrediMama, the second for financing the group product and thirdly to fund AEF operations.

Note 14 - Sundry creditors and other accounts payable:

As of December 31, 2011 and 2010, this balance is comprised as follows:

	December 31,	
	2011	2010
Other dues	Ps 151,976	Ps 148,298
Income tax payable	112,578	41,426
Sundry creditors	40,716	27,616
Other provisions	39,386	17,725
Labor obligations	31,023	14,674
Mapfre insurance	16,811	-
Commision not yet reimbursed (cash back)	9,969	6,478
Annual payment bonus	7,324	28,784
ESPS payable	3,687	10,106
Flat tax payable	1,206	-
Dividends payable	-	50,112
	Ps 414,676	Ps 345,219

Note 15 - Employee benefits:

a. The reconciliation of the starting and endings balances of Definit Benefit Obligations (DBO) for 2011 and 2010 is as follows:

	2011			2010		
	Legal retirement (LR) compensation	Seniority premium (SP) prior to retirement	SP at retirement	LR compensation	SP for retirement	SP to retirement
DBO at January 1	Ps 21,758	Ps 4,772	Ps 1,711	Ps 9,458	Ps 2,436	Ps 1,018
Plus (less):						
Labor cost of the current services	7,595	1,850	722	5,287	1,016	372
Payments made by the participant employees	1,514	372	127	603	189	174
Actuarial earnings (loss) generated in the period and payed benefits - Net	(4,912)	(2,189)	(1,626)	(3,780)	(259)	(131)
DBO at December 31	Ps 25,955	Ps 4,805	Ps 934	Ps 11,568	Ps 3,382	Ps 1,433

b. The value of acquired benefit obligations at December 31, 2011 and 2010 amounted to Ps143.9 and Ps39.3, respectively.

c. Reconciliation of DBO, Plan Assets (PA) and Net Protected liability (NPL).

	LR compensation prior to retirement		**PA prior to retirement**		**PA at retirement**	
	December 31,		**December 31,**		**31 de diciembre de**	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**
Laboral liabilities:						
DBO	Ps 25,955	Ps 11,568	Ps 4,805	Ps 3,382	Ps 934	Ps 1,433
PA	-	-	-	-	-	-
Financial status	25,955	11,568	4,805	3,382	934	1,433
Less:						
Unamortized items	(63)	-	(23)	-	(56)	(168)
Actuarial gains	-	-	-	-	197	(93)
Transition liabilities	(680)	(1,355)	(46)	(93)	-	-
NPL	Ps 25,212	Ps 10,213	Ps 4,736	Ps 3,289	(Ps 1,075)	Ps 1,172

d. NCP

Following is the analysis of NCP for each plan:

	LR compensation prior to retirement		**PA prior to retirement**		**PA at retirement**	
	December 31,		**December 31,**		**December 31,**	
NCP:	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Labor cost of current services	Ps 7,595	Ps 5,288	Ps 1,850	Ps 1,016	Ps 722	Ps 372
Financial cost	1,514	603	372	189	127	113
Net actuarial gains	51,097	(197)	(356)	693	-	-
Labor cost of past services	257	-	20	46	19	13
Amortization (transition liability)	709	677	49	-	1	-
Early reductions or settlements	585	-	-	-	(1,328)	(201)
Total	Ps 61,757	Ps 6,371	Ps 1,935	Ps 1,944	(Ps 459)	Ps 297

e. Main actuarial assumptions

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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, 2011, are as follows:

Seniority premium plan

Age	Death (%)	Disability (%)	Voluntary separation (%)	Dismissal (%)
15	0.024	0.012	60.441	12.294
25	0.075	0.032	32.992	8.470
35	0.118	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	0.075	0.032	32.992	8.470
35	0.118	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

	2011	2010
	(%)	(%)
Discount rate:	7.50	7.50
Salary increase rate:	5.42	5.42
Minimum salary increase rate:	4.27	4.27

SCAEF

Following are the main actuarial assumptions used, expressed in absolute terms, together with the discount rates, AP yields, salary increases and other variables referred to at December 31, 2011.

Biometrics:

Mortality table (assets)	EMSSA experience per sex
Disability table	IMSS experience
Rotation table	Mexican Bank Experience adjusted to Company experience.

Financial:

Discount rate used to reflect the present value of obligations	8%
Increase rate in levels of future salaries	6%
Remaining average labor life of employees (applicable to retirement benefits)	16 years

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

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
2011	Ps 4,239.0	Ps -	Ps 4,239.0	3.64	-
2010	4,815.0	-	4,815.0	3.49	-
2009	3,454.0	-	3,454.0	11.6	-
2008	2,507.0	-	2,507.0	16.8	-

Benefit plan upon termination of employment					
	Historical values			Experience adjustments	
Year	DBO	PA	Plan status	DBO (%)	PA
2011	Ps 14,183.0	Ps -	Ps 14,183.0	354.92	-
2010	11,568.0	-	11,568.0	70.61	-
2009	9,457.0	-	9,457.0	0	-
2008	9,180.0	-	9,180.0	0	-

Value of DBO, PA, and plan status over the last four years for Servicios Corporativos AEF.

Seniority premium plan			
Historical values		Experience adjustments	
Year	DBO	PA	Plan status
2011	Ps 1,499.7	Ps -	Ps 1,499.7
2010	1,667.8	-	1,667.8
2009	971.3	-	971.3
2008	765.1	-	765.1

Benefit plan upon termination of employment			
Historical values		Experience adjustments	
Year	DBO	PA	Plan status
2011	Ps 11,770.9	Ps -	Ps 11,770.9
2010	10,189.7	-	10,189.7
2009	6,176.9	-	6,176.9
2008	4,315.9	-	4,315.9

g. ESPS

ESPS provision in 2011 and 2010 are analyzed as follows:

	Year ended December 31, 2011	Year ended December 31, 2010
Deferred ESPS	Ps 4,425	(Ps 1,090)
Current ESPS	526	8,499
	Ps 4,951	Ps 7,409

The Company is subject to payment of ESPS, which is calcu¬lated 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, 2011	December 31, 2010
Provision for labor obligations	Ps 12,559	Ps 15,363
Sundry provisions	706	11
Reserve for bonuses	-	31,739
Provision for ESPS payable	-	909
Prepaid expenses	(1,706)	(2,516)
	11,559	45,506
Applicable ESPS rate	10%	10%
Deffered ESPS asset	Ps 1,156	Ps 4,551

Note 16 - Balances and transactions with related parties:

The main balances with unconsolidated related parties are shown below:

Receivable:	December 31, 2011	December 31, 2010
Loans to key officers *	Ps 1,864	Ps 4,025

* These loans that are to key officers mature in an average term of 18 months and bear an interest of the rate of 14.77%.

The main transactions with unconsolidated related parties are shown below:

Income	Year ended December 31, 2011	Year ended December 31, 2010
Interest on loans (officers)	Ps 259	Ps 420
Administrative services (affiliated)	115	139
Total	Ps 374	Ps 559

Expenses	Year ended December 31, 2011	2010
Officers benefits	Ps 50,482	Ps 70,601
Administrative fees (officers)	18,362	25,264
Leases (affiliated)	25,091	17,952
Total	Ps 93,935	Ps 113,817

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 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.

After the above increase, the capital stock at December 31, 2011 was comprised as follows:

Shares	Description	Amount
200,000,000	Series "A" (Class I)	Ps 20,000
560,884,712	Series "A" (Class II)	56,088
(45,000,000)	Series "A" (Class II) [shares subscribed not paid in]	(4,500)
715,884,712 *		71,588
	Cumulative increase for inflation	85,603
	Capital stock as of December 31, 2011	Ps 157,191

* Common, nominative shares, with no par value, fully subscribed and paid in.

The Series “A”, Class I shares comprise the fixed portion of the capital stock, without withdrawal rights. The Series “A”, Class II shares represent the variable portion of the capital stock.

There are restrictions in place to declare dividend payments, which reduces the level of capitalization (defined as stockholders’ equity to total assets) below 25%.

In accordance with the Company’s bylaws and the Mexican Stock Market Law, the Company is empowered to repurchase its own shares, in the understanding that during the time said shares are held by the Company, and no voting or other related rights can be exercised at a shareholders’ meeting or otherwise.

The Company has kept a fund for repurchase of shares active. In 2011, the total number of repurchased shares was 48,168,480 (34,875,280 in 2010), of which 34,486,864 (24,229,864 in 2010) shares or 4.8% (3.4% in 2010) of the total shares outstanding correspond to the repurchase fund, and 13,681,616 (10,645,416 in 2010) shares or 1.9% (1.5% in 2010) of the total outstanding shares correspond to the trusts for employee stock options. In 2011 and 2010, the net amounts of acquisitions and sale of own shares (fund for repurchase and plan for stock options) totaled (Ps164,780) and Ps10,428, respectively. Dividends paid for shares held in the repurchase fund and in the stock option plan trusts are returned to the Company and total Ps1,694 (Ps3,229 in 2010).

As of December 31, 2011 and 2010, the Company sold certain shares, thus giving rise to an effect of Ps28,400 and (Ps4,076), respectively, which was applied to the premium for sale of shares.

The market value of the Company’s shares reported by BMV at December 31, 2011 and 2010 was Ps7.22 and Ps12.90 per share, respectively.

At the January 2011 and 2010 Board Meeting, the Directors determined the officers chosen as beneficiaries of the stock option plan, as well as the number of shares pertaining to each.

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, 2011 and 2010, was Ps18 and Ps1,700, respectively.

Dividends paid are not subject to income tax if paid from the after-tax earnings account. 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 NIF, 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):	**2011**	**2010**
Net income	Ps 185,841	Ps 451,665
Divided by:		
Weighted average shares	600,511,678	607,250,033
EPS (pesos)	Ps 0.3095	Ps 0.7438

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 2011, the Company determined a tax profit of Ps10,068 (tax profit of Ps307,069 in 2010) and its subsidiaries determined a tax loss of Ps7,399 (Ps112,439 in 2010). 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 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%.

The consolidated income tax provision is analyzed as follows:

	Year ended December 31,	
	2011	**2010**
Current:		
Income tax	(Ps 190,454)	(Ps 109,274)
Flat tax	(6,370)	(20,064)
Taxes accrued by purchased companies prior to purchase date	-	27,742
	(196,824)	(101,596)
Diferido:		
ISR	81,197	(24,820)
IETU	(2,100)	10,088
Taxes accrued by purchased companies prior to purchase date	-	(1,496)
	79,097	(16,228)
	(Ps 117,727)	(Ps 117,824)

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

	Year ended December 31,	
	2011	**2010**
Income before provisions	Ps 304,870	Ps 569,489
Accrued income tax rate	30%	30%
Statutory income tax	91,461	170,847
Plus (less) the tax effect of the following permanent differences:		
Accrued interest	319,224	286,332
Annual inflation adjustement	(10,186)	12,273
Other permanent items	86,313	2,046
Nondeductible expenses	13,938	560
Taxes not consolidated	16,704	(26,246)
Swap derivatives	(46,027)	(39,436)
Derivatives valuation	(97,998)	(42,774)
Tax write offs	(264,611)	(245,778)
Actual income tax rate	108,818	117,824
Actual income tax rate AFI	440	-
	Ps 109,258	Ps 117,824
Effective income tax rate	36%	21%

As of December 31, 2011 and 2010, the main temporary differences on which consolidated deferred income tax was recognized are analyzed as follows:

	December 31, 2011	December 31, 2010
Allowance for loan losses and write-offs	Ps 1,198,436	Ps 898,590
Accrued interest income on past due accounts	909,682	777,251
Tax loss carryforwards	240,164	411,764
Derivative financial instruments valuation	22,096	92,368
Lease hold improvements	113,564	69,382
Liability provisions	42,243	63,328
International bond	71,288	63,120
Furniture and equipment and intangible assets	36,045	(29,140)
Advance payments	(64,456)	(52,195)
Deferred asset income tax	30,391	-
Others	74,580	(7,991)
	2,674,033	2,286,477
Applicable income tax rate	30%	30%
Deferred asset income tax	802,210	685,943
Deferred AFI income tax	733	-
Deferred flat tax	10,575	17,877
Deferred ESPS	1,156	4,551
	Ps 814,674	Ps 708,731

As of December 31, 2011, the Company had tax loss carry forwards of Ps244,691, whose right to be amortized against future taxable income expires as shown below:

Year of loss	Restated amount	Year of expiration
2008	Ps 9,000	2018
2009	123,661	2019
2010	104,408	2020
2011	7,622	2021
	Ps 244,691	

b. Flat tax

Flat tax for 2011 and 2010 the period is calculated at the 17.5% rate on the profit determined based on cash flows; such income is determined by decreasing the authorized tax deduction paid to the total income collected on taxable activities. 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%.

According to the current tax legislation, the Company must pay annually the higher of income tax and flat tax. As of December 31, 2011, the Company do not caused the flat tax, Conexia, Serfincor and Financiera Finsol does pay these tax.

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

	Year ended December 31, 2011	Year ended December 31, 2010
Profit before provisions	Ps 26,252	(Ps 58,535)
Accrued flat tax rate	17.5%	17.5%
Statutory flat tax rate	4,594	(10,244)
Plus (less) effect on income tax of the following permanent items:		
Deferred income tax cancellation	12,762	-
Accounting depreciation	1,135	-
Others	(1,199)	1,619
D-3 Statement provisions	(3,120)	-
Social security provisions	(5,703)	-
Flat tax at actual rate	Ps 8,469	(Ps 8,625)
Effective flat tax rate	32%	15%

As of December 31, 2011 and 2010, the principal timing differences on which deferred flat tax was recognized are as shown below:

	December 31, 2011	December 31, 2010
Social security provisions	Ps 32,586	Ps -
Labor obligations	17,829	-
Accounts receivable	8,380	60,662
Accounts payable	4,118	41,493
Prepaid expenses	(2,485)	-
	60,428	102,155
Flat tax applicable rate	17.5%	17.5%
Deferred flat tax asset	Ps 10,575	Ps 17,877

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,	
	2011	**2010**
CrediInmediato	Ps 1,654,653	Ps 1,747,157
Group loans	952,163	566,470
CrediPopular	938,968	994,751
Tradicional	601,249	-
CrediMamá	111,176	102,126
CrediConstruye	82,126	129,332
AFI	12,650	-
Preferencial	2,577	-
MásNómina	2,255	-
	4,357,817	3,539,836
Investments in securities	20,284	55,814
Total interest income	Ps 4,378,101	Ps 3,595,650

b. Interest expenses

Interest expenses are as shown below:

	Year ended December 31,	
Interest expenses	**2011**	**2010**
HSBC	Ps 156,661	Ps 131,393
NAFINSA	48,017	32,904
FIRA	15,936	12,727
FINAFIM	5,681	-
Morgan Stanley	3,901	21,023
IXE Banco, S. A.	3,358	-
SHF	684	15,519
Blue Orchard	-	3,092
Subtotal	234,238	216,658
International notes	402,104	224,177
Debt issued	94,046	54,126
Other	4,540	9,606
Total interest expenses	Ps 734,928	Ps 504,567

c. Commissions and fees collected and paid.

Commissions and fees collected and paid are as shown below:

Commisions and fees collected	Year ended December 31, 2011	2010
Withdrawal fees	Ps 576,264	Ps 568,259
Late-payment fees	247,635	207,495
	Ps 823,899	Ps 775,754
Commisions and fees paid		
Banking fees	Ps 29,824	Ps 26,385
Credit line fees	18,925	14,183
Services fees	12,314	6,255
	Ps 61,063	Ps 46,823

d. Brokerage revenue

Brokerage revenue is as shown below:

	Year ended December 31, 2011	2010
Exchange fluctuations	Ps 29,361	(Ps 97,851)
Result for derivative financial instrument valuation	(5,224)	193,311
	Ps 24,137	Ps 95,460

e. Other operating income

Other operating income is shown below:

	Year ended December 31, 2011	2010
Recoveries from loans written off	Ps 58,722	Ps 67,581
Updated other items	49,669	31,744
Services and insurance fees	47,652	20,904
Property, furniture and equipment sale	12,893	11,627
Administrative services	-	118
	Ps 168,936	Ps 131,974

Note 20 - Commitments and contingencies:

As of December 31, 2011, 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 Ps120,027 in 2012, Ps106,251 in 2013, Ps80,096 in 2014, Ps66,491 in 2015 and Ps62,636, thereafter.

Note 21 - Subsequent events:

The Company has sold shares after the 2011 year-end close and at the date of issuance of these financial statements in the amount of (Ps4,262).

Nota 22 - Financial information by segment:

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

	December 31,			
	2011		2010	
State:	Total loan portfolio	Interest income	Total loan portfolio	Interest income
Aguascalientes	Ps 68,971	Ps 42,353	Ps 74,598	Ps 51,781
Baja California	232,831	133,554	224,604	148,766
Baja California Sur	81,756	48,679	76,210	50,092
Campeche	145,963	89,942	100,874	61,729
Chiapas	194,713	117,138	162,668	105,264
Chihuahua	80,371	49,326	90,823	55,994
Coahuila	333,038	191,335	300,890	189,871
Colima	75,183	42,312	64,828	39,122
Distrito Federal	307,792	179,924	40,476	8,869
Durango	61,390	31,731	48,109	32,925
Estado de México	545,923	344,930	156,904	93,477
Guanajuato	307,300	177,944	265,788	174,205
Guerrero	254,940	178,308	222,473	143,672
Hidalgo	94,073	64,648	76,295	48,043
Jalisco	401,731	227,510	367,962	241,932
Michoacán	223,196	144,875	206,009	128,168
Morelos	152,148	93,583	117,820	82,102
Nayarit	54,186	33,509	49,260	32,855
Nuevo León	33,848	21,757	29,591	16,186
Oaxaca	127,991	85,293	122,935	72,807
Puebla	228,762	144,849	211,469	131,528
Querétaro	134,335	84,086	111,305	77,013
Quintana Roo	240,053	143,821	170,766	110,126
San Luis Potosí	184,946	110,877	172,960	112,264
Sinaloa	191,598	107,934	178,869	113,428
Sonora	311,651	171,729	274,238	176,407
Tabasco	127,368	73,361	103,197	55,933
Tamaulipas	541,690	320,770	467,486	295,858
Tlaxcala	83,385	54,767	90,562	62,978
Veracruz	664,773	409,781	605,028	364,441
Yucatán	199,244	125,513	128,926	78,437
Zacatecas	64,871	38,240	59,414	38,361
Subtotal México	6,750,020	4,084,379	5,373,337	3,394,634
Brazil	543,727	260,788	399,711	145,202
United States	53,923	12,650	-	-
Total	Ps 7,347,670	Ps 4,357,817	Ps 5,773,048	Ps 3,539,836

Note 23 - Business acquisitions:

On December 22, 2010, the Company signed an agreement to purchase the entirety of the shares of AEF, one of the main microloan entities in Mexico. An agreement was reached to purchase control over 77% of the shares of AFI, a microfinance company dealing mainly with the non-bank Hispanic community in San Francisco, California. On February 28 and March 15, 2011, the Company finalized the process for acquiring the AFI and AEF shares, respectively. The purchase price of the shares was Ps1,178 million. The valuation method for acquiring the businesses was the purchase method. At the date of acquisition of AEF and AFI, the assets and liabilities valued at fair value, including the assignment of the purchase price, were determined as described below:

Balance sheet	Book value at the date of purchase Feb-28-2011 and Mar-15-2011
Total assets	Ps 1,149,107
Liabilities	892,881
Implicit stockholders' equity	256,226
Less:	
Purchase price	1,178,105
	921,879
Non.controlling interest	9,440
Adjusted income for AEF 2010	(750)
Goodwill	Ps 930,569

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 on the next page:

Balance sheet	Book value at the date of purchase Feb-19-10
Total assets	Ps 1,091,515
Liabilities	1,318,097
Implicit stockholders' equity	(226,582)
Less:	
Purchase price	530,000
	756,582
Adjusted B-7 study	(141,431)
Goodwill	Ps 615,151

As of December 31, 2011 and 2010, goodwill is shown as follows:

	2011	2010
Beginning balance	Ps 615,150	Ps -
Plus:		
Goodwill for Finsol acquisition	-	615,150
Goodwill for AEF and AFI acquisition	930,569	-
Ending balance	Ps 1,545,719	Ps 615,150

Note 24 - Accounting pronouncements:

In October 2011, the Commission issued changes to the general provisions applicable to credit institutions, which go into effect as from March 1, 2012. Additionally, in December 2011, the CINIF issued the document Improvements to NIF 2012 (Improvements 2012), the NIF B-3 "Comprehensive income statement" (NIF B-3) and B-4 "Statement of changes in stockholders' equity" (NIF B-4). The NIF B-3 and NIF B-4 will become effective as of January 1, 2013 and Improvements 2012 along with the provision of NIF C-6 "Property, plant and equipment" related to the determination of the property, plant and equipment components became effective as of January 1, 2012. This NIF are not considered to substantially impact the financial information presented by the Company, as explained as follows:

NIF B-3 "Comprehensive income statement". It establishes the entity's choice of presenting the comprehensive income either in one or two statements. Also, specifies that other comprehensive results should be presented after the net profit or loss, it removes the concept of no-ordinary items and establishes the requirements that other income and expenses should have to be considered as such.

The NIF B-4 "Statement of changes in stockholders' equity". It establishes the standards for the presentation of the aforementioned statement as well as the required disclosures in the event some stockholders' equity movements take place.

NIF C-6 “Property, plant and equipment”. It establishes that it is mandatory to determine the components representative of property, plant and equipment with the purpose that as of January 1, 2012, such components are impaired in accordance to their useful lives.

Improvements to NIF

NIF A-7 “Presentation and disclosure”. It specifies that the key assumptions used at balance sheet date should be disclosed in the determination of the accounting estimations involving uncertainties with the risk of significant adjustments in the value of assets or liabilities within the next accounting period.

Statement “Earnings per share”. Statement B-14 is modify in order to such entities disclosing earnings per diluted share still do it, irrespectively of having generated profit or loss from continuing operations.

NIF C-1 “Cash and cash equivalents”. It establishes that the short-term asset should include cash and cash equivalents, unless it usage is restricted to the following twelve months or after its normal business cycle at the date of the financial position statement.

Statement Capital “Stockholders’ equity” and Interpretation to NIF 3 “Initial application of NIF”. It points that donations should be recognized in the income statement as income and not as part of the contributed equity in order to approve the changes previously made in other NIF.

Statement C-15 “Impairment in the long-lived assets value and their disposal”. It specifies different concepts of long-lived assets intended to be sold; also it points that impairment losses in goodwill should not be reversed and establishes the guidelines for the presentation of impairment losses or reversal within the income statement.

NIF D-3 “Employees’ benefits”. It establishes that the expense for employees’ profit sharing (EPS) should be recognized in the same items as costs and expenses in which the entity recognizes the remaining employees’ benefits.

Ing. Noel González Cawley	**Lic. Luis Miguel Díaz-Llaneza Langenscheidt**	**C.P. Juan García Madrigal**	**C.P. Benito Pacheco Zavala**
Chief Executive Officer	Chief Financial Officer	Controller Deputy Director	Auditing Director

Legal Notes:

This annual report contains forward-looking statements and information subject to risk and uncertainties, which are based on current expectations and projections of future events and trends which may affect the Company's business. Such statements were made based on current assumptions and knowledge. By their very nature, forward looking statements involve assumptions, expectations and opportunities, both general and specific. Several factors could cause results, performance or future events to differ materially from those in such statements. We undertake no obligation to update or revise any forward-looking statement. Therefore, no undue reliance should be placed upon such forward-looking statements.

The Company has not registered (and has no intention to register) its securities under the United States Securities Act of 1933, as amended ("Securities Act") or any state or transparency regulations and the Company is not registered under the United States Investment Act of 1940, as amended. The securities of the Company may not be offered or sold in the United States or to US persons, unless registered under the Securities Act and other applicable securities state regulations or exempted from such registration.

FINANCIERA INDEPENDENCIA

Board of Directors

José L. Rión Santisteban	Chairman of the Board
Noel González Cawley	Director
Ana Paula Rión Cantú	Director
José Rión Cantú	Director
Guillermo Daniel Barroso Montull	Director
Carlos Morodo Santisteban	Director
Roberto Alfredo Cantú López	Director
Horacio Altamirano González	Director
Héctor Ángel Rodríguez Acosta	Non-Executive Director
José Ramón Elizondo Anaya	Non-Executive Director
Roberto Servitje Achútegui	Non-Executive Director
Carlos Javier de la Paz Mena	Non-Executive Director
Iker Ignacio Arriola Peñalosa	Secretary (Non member)
Nicole Haidar Olascoaga	Undersecretary (Non member)

Principal Officers

Noel González Cawley	Chief Executive Officer
Luis Miguel Díaz-Llaneza Langenscheidt	Chief Financial Officer
Benito Eduardo Pacheco Zavala	Internal Audit
Héctor Eguiarte Sakar	Collections, Financiera Independencia
Juan José de la Garza Arce	Commercial, Financiera Independencia
Rubén Cohen Tietzsch	Payroll Lending
Luis Miguel Fernández Guevara	Infrastructure and Value Added
Fabián Arturo Cameras Álvarez	Systems and Operations
Mónica Patricia Aznar Pérez	Human Resources
Norma Angélica Castro Reyes	Finsol México
Marcelo George de Melo Pinto	Finsol Brazil
Mauricio Galán Medina	Apoyo Económico Familiar
Rick Parras	Apoyo Financiero Inc.

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