FINANCIERA INDEPENDENCIA

76,895,000 Shares

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

We, Financiera Independencia, S.A.B. de C.V., *Sociedad Financiera de Objeto Múltiple, Entidad No Regulada*, an unregulated multiple purpose financial company with limited liability and variable capital *(sociedad anónima bursátil de capital variable)* organized under the laws of the United Mexican States, or Mexico, and the selling shareholders named in this offering circular are offering 76,895,000 shares of our common stock, or the Shares, in this offering. This offering is part of a global offering of 118,300,000 of our Shares. As part of the global offering, we and the selling shareholders are also currently offering 41,405,000 of our Shares in a concurrent offering in Mexico through the Mexican underwriters named in this offering circular. This offering circular relates only to the offering of our Shares outside of Mexico. We refer to the offering of our Shares outside of Mexico pursuant to this offering circular and the offering of our Shares in Mexico pursuant to a separate prospectus in Spanish together as the "global offering." This offering is being made in the United States through the initial purchasers named in this offering circular to qualified institutional buyers as defined under Rule 144A under the Securities Act of 1933, as amended, or the Securities Act, in transactions exempt from registration thereunder and in other countries outside of Mexico and the United States to non-U.S. persons in reliance on Regulation S under the Securities Act. Of the Shares being offered hereby, we are offering 29,250,000 Shares and the selling shareholders are offering 47,645,000 Shares. We will not receive any proceeds from the sale of Shares by the selling shareholders. The Sole Bookrunner for this offering is Credit Suisse Securities (USA) LLC, or Credit Suisse. The Co-Managers are GBM International, Inc., or GBM International, and HSBC Securities (USA) Inc., or HSBC. The lead Mexican underwriter is GBM Grupo Bursátil Mexicano, S.A.B. de C.V., Casa de Bolsa, or GBM.

Credit Suisse and GBM each have an option, exercisable for 30 days from the date of this offering circular, from the selling shareholders, to purchase an aggregate of 17,700,000 additional Shares to cover over-allotments, if any. See "Plan of Distribution."

Currently, no public market exists for the Shares. Application has been made to register the Shares in Mexico in the National Securities Registry *(Registro Nacional de Valores)*, maintained by the Mexican National Banking and Securities Commission *(Comisión Nacional Bancaria y de Valores)*, and to list the Shares on the Mexican Stock Exchange *(Bolsa Mexicana de Valores, S.A. de C.V.)* under the symbol "FINDEP." The Shares will not be listed on any national securities exchange or quoted in any automated interdealer quotation system in the United States or elsewhere outside of Mexico.

Investing in the Shares involves risks. See "Risk Factors" on page 19.

Offering Price: Ps.24.00 per Share

Delivery of the Shares in book-entry form will be made on or about November 6, 2007, through the facilities of S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., in Mexico City, Mexico.

The Shares have not been and will not be registered under the Securities Act. The Shares may not be offered and sold within the United States or to U.S. persons, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A and to certain non-U.S. persons in offshore transactions in reliance on Regulation S. You are hereby notified that sellers of the Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Joint Global Coordinators

Credit Suisse **GBM**

Sole Bookrunner

Credit Suisse

Co-Managers

GBM International **HSBC**

The date of this confidential offering circular is October 31, 2007.

TABLE OF CONTENTS

You should rely only on the information contained in this offering circular. We have not authorized anyone to provide you with information that is different. This offering circular may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this offering circular.

NOTICE TO INVESTORS

The Mexican offering is being made in Mexico by a prospectus in Spanish with the same date as this offering circular. The Mexican prospectus, which has been filed with the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*), or CNBV, is in a format different from that of this offering circular and contains information not generally included in documents such as this one. This offering circular is confidential. Your are authorized to use this offering circular solely for the purpose of considering the purchase of our Shares in this offering. This offering is made in the United States and elsewhere outside of Mexico solely on the basis of information contained herein. Investors should take this into account when making investment decisions.

You should rely only on the information contained in this document. We have not, and the initial purchasers and selling shareholders have not, authorized anyone to provide you with information or to make any representation in connection with the offering or sale of our Shares that is different from the information contained in this offering circular. This document may only be used where it is legal to sell these securities.

We are relying upon an exemption from registration under the Securities Act for an offer and sale of securities which do not involve a public offering. By purchasing Shares, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions" in this offering circular. We are not, and the initial purchasers and selling shareholders are not, making an offer to sell the Shares in any jurisdiction except where such an offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

We have submitted this offering circular solely to a limited number of institutional investors in the United States and to certain investors outside the United States and Mexico so they can consider a purchase of the Shares. We have not authorized the use of this offering circular for any other purpose. This offering circular may not be copied or reproduced in whole or in part. This offering circular may be distributed and its contents disclosed only to prospective investors to whom it is provided. By accepting delivery of this offering circular, you agree to these restrictions. See "Transfer Restrictions."

This offering circular is based on information provided by us and other sources that we believe to be reliable. We, the initial purchasers and the selling shareholders, cannot assure you that this information is accurate or complete. This offering circular summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this offering circular.

We are not making any representation to any purchaser regarding the legality of an investment in the Shares by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering circular to be legal, business or tax advice. You should consult your own counsel, accountant, business advisor and tax advisor for legal, tax, business and financial advice regarding any investment in the Shares.

We accept responsibility for the information contained in this offering circular. To the best of our knowledge and belief (and we have taken all reasonable care to ensure that), the information contained in this offering circular is in accordance with the facts and does not omit any material information. You should assume that the information contained in this offering circular is accurate only as of the date on the front cover of this offering circular.

We reserve the right to withdraw this offering of the Shares at any time and we and the initial purchasers reserve the right to reject any commitment to subscribe for the Shares in whole or in part and to allot to any prospective investor less than the full amount of Shares sought by that investor. The initial purchasers and certain related entities may acquire for their own account a portion of the Shares.

You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the Shares under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale, and none of we, the initial purchasers nor the selling shareholders will have any responsibility therefor.

This offering circular is solely our responsibility and has not been reviewed or authorized by the CNBV. An application has been filed with the CNBV for the registration of the Shares being offered in Mexico with the National Securities Registry (*Registro Nacional de Valores*), or RNV, maintained by the CNBV, which is a requirement under the Mexican Securities Market Law (*Ley del Mercado de Valores*), or LMV. Such registration is expected to be obtained on or before the closing of this offer. Such registration does not constitute a certification as to the investment quality of the Shares or our solvency, or the accuracy or completeness of the information contained in this offering circular.

In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. Neither the U.S. Securities and Exchange Commission, or the SEC, nor any other securities commission or other regulatory authority has approved or disapproved the Shares or determined if this offering circular is truthful, accurate, adequate or complete. Any representation to the contrary is a criminal offense.

This offering circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase or otherwise acquire the Shares. Distribution of this offering circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each person receiving this offering circular acknowledges that: (i) such person has not relied on any initial purchaser, any U.S. broker-dealer agents, or the "Rule 144A selling agents," or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision; and (ii) no person has been authorized to give any information or to make any representation concerning us or the Shares other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, any initial purchaser, the selling shareholders or any Rule 144A selling agent. Prospective purchasers are hereby notified that the seller of any Shares offered hereby may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. No person has been authorized in connection with the offering to give any information or to make any representation other than as contained in this offering circular and, if given or made, such information or representation must not be relied upon as having been authorized by us, the initial purchasers, the selling shareholders or any Rule 144A selling agent.

Notwithstanding anything in this offering circular to the contrary, except as reasonably necessary to comply with applicable securities laws, you (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the offering and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal income tax treatment of the offering.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Any representation to the contrary is a criminal offense in the United States.

PURSUANT TO THE U.S. INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH IN THIS OFFERING CIRCULAR WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE SHARES. EACH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, OR RSA, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are an unregulated multiple purpose financial company (*sociedad financiera de objeto múltiple, entidad no regulada*, or Sofom) incorporated in accordance with the laws of Mexico as a public corporation with limited liability and variable capital (*sociedad anónima bursátil de capital variable*). All of our directors, principal officers, controlling persons, and experts named herein are non-residents of the United States and all of the assets of such non-resident persons and all of our assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or in any other jurisdiction outside of Mexico upon such persons or us or to enforce against them or us in courts of any jurisdiction outside of Mexico judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the civil liability provisions of United States federal and state securities laws.

We have been advised by our special Mexican counsel that there is doubt as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities arising under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon the United States federal or state securities laws. See "Risk Factors—Risks Related to the Shares and the Offering—It may be difficult to enforce civil liabilities against us or our directors, principal officers and controlling persons." We have been advised by such special Mexican counsel that no bilateral treaty is currently in effect between the United States and Mexico that covers the reciprocal enforcement of civil foreign judgments. In the past, Mexican courts have enforced judgments rendered in the United States by virtue of the legal principles of reciprocity and comity, consisting of the review in Mexico of the United States judgment, in order to ascertain, among other matters, whether Mexican legal principles of due process and public policy (*orden público*) have been complied with, without reviewing the merits of the subject matter of the case.

AVAILABLE INFORMATION

For so long as any of the Shares remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, if at any time we are neither subject to the reporting requirements of Section 13 or 15 of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, nor exempt from the reporting requirements of the Exchange Act pursuant to Rule 12g3-2(b) thereunder, we will furnish upon the request of any shareholder of the Shares, to the holder or beneficial owner or to each prospective purchaser designated by any such holder of the Shares or interests therein who is a "qualified institutional buyer" within the meaning of Rule 144A(a)(1), information required by Rule 144A(d)(4) under the Securities Act to facilitate resale of the Shares pursuant to Rule 144A under the Securities Act. Any such request may be made of us in writing at Prolongación Paseo de la Reforma 600-301, Col. Santa Fé Peña Blanca, México, Distrito Federal, C.P. 01210, Delegación Alvaro Obregón, México D.F., México, Attention: Vicente Gutiérrez Mayo.

We will also be required periodically to furnish certain information, including quarterly and annual reports, to the CNBV and to the Mexican Stock Exchange, which will be available in Spanish for inspection through the Mexican Stock Exchange's website at www.bmv.com.mx and the CNBV's website at www.cnbv.gob.mx.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements. These statements appear throughout this offering circular, including, without limitation, under "Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business." Examples of such forward-looking statements include, but are not limited to: (i) statements regarding our results of operations and financial position; (ii) statements of plans, objectives or goals, including those related to our operations; and (iii) statements of assumptions underlying such statements. Words such as "will," "believes," "anticipates," "should," "estimates," "seeks," "forecasts," "expects," "may," "intends," "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their very nature, forward-looking statements are not guarantees of future performance and involve risks and uncertainties, both general and specific, and risks exist that such predictions, forecasts, projections and other forward-looking statements will not be achieved. These statements are subject to change and uncertainty which are, in many instances, beyond our knowledge and control and have been made upon management's current expectations, estimates and projections. We caution investors that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed or implied in such forward-looking statements, including the following factors:

- investors' perceptions of our prospects and the prospects of the microfinance industry in Mexico;
- differences between our actual financial and operating results and those expected by investors;
- actions by our principal shareholders with respect to the disposition of the shares they beneficially own, or the perception that such actions might occur;
- announcements by us or our competitors of significant acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments;
- economic, business and political developments in Mexico, the United States and other countries in Latin America;
- fluctuations in the exchange rate between the Peso and the U.S. dollar and other major currencies, particularly depreciations of the Peso;
- additions or departures of key management personnel;
- the performance of our key information technology systems;
- fluctuations in our earnings, including quarterly operating results;
- broad market fluctuations;
- competition in the microfinance sector;
- limitations on our access to sources of financing on competitive terms;
- downturns in the capital markets and changes in capital markets in general that affect policies or attitudes towards lending to Mexico or Mexican companies or securities issued by Mexican companies;
- our clients' ability to pay their loans and the stability of their sources of income;
- changes in overall economic conditions in Mexico;
- the effect of changes in accounting principles, new legislation, intervention by regulatory authorities, government directives and monetary or fiscal policy in Mexico; and
- the other factors discussed under "Risk Factors" in this offering circular.

Should one or more of these factors or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended.

Prospective investors should read the sections of this offering circular entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Our Business” for a more complete discussion of the factors that could affect our future performance and the markets in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this offering circular may not occur. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information or future events or developments.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Financial Statements

This offering circular includes our audited combined financial statements as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004, together with the notes thereto, which we refer to as the audited financial statements, and our interim unaudited combined condensed financial statements as of June 30, 2007, and for the six months ended June 30, 2007 and 2006, which we refer to as the interim financial statements. The audited financial statements together with the interim financial statements are referred to herein as the financial statements. The financial statements have been prepared in accordance with the accounting principles prescribed by the CNBV as applicable to limited purpose financial institutions (*sociedades financieras de objeto limitado*), or Sofols.

As used in this offering circular, the term Mexican Sofol Accounting Principles refers to the accounting principles prescribed by the CNBV as applicable to Sofols.

The financial statements include our financial statements and those of our wholly-owned subsidiary Serfincor, S.A. de C.V., a limited liability company with variable capital (*sociedad anónima de capital variable*), and its subsidiaries, or Serfincor. Effective July 1, 2007, we acquired all but one of the outstanding common shares of Serfincor. In light of our recent corporate reorganization, which is described in this offering circular under "Our Business—Corporate Reorganization," and in accordance with Mexican Sofol Accounting Principles, our financial statements included in this offering circular present financial information as if the corporate reorganization had occurred on January 1, 2004, the earliest period presented in the financial statements included herein. Unless the context otherwise requires, the term "Company" in our financial statements refers to both us and Serfincor as a combined entity. See note 1 to the audited financial statements included in this offering circular.

Certain figures included in this offering circular and our financial statements have been rounded for ease of presentation. Percentage figures included in this offering circular have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this offering circular may vary from those obtained by performing the same calculations using the figures in our financial statements. Certain other amounts that appear in this offering circular may not sum due to rounding.

Accounting Principles

Although we are a Sofom, we prepare our financial statements under Mexican Sofol Accounting Principles, the body of accounting principles applicable to Sofols in Mexico. There is no equivalent body of accounting principles applicable to Sofoms. Although we are not required to use Mexican Sofol Accounting Principles, we intend to continue preparing our financial statements under Mexican Sofol Accounting Principles in the future, subject to any regulation by the CNBV or other regulatory authority with respect to accounting principles applicable to Sofoms.

Mexican Sofol Accounting Principles differ from the Mexican Financial Reporting Standards (*Normas de Información Financiera*), NIFs or Mexican GAAP, currently in effect issued by the Mexican Board for Research and Development of Financial Reporting Standards (*Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera*), or CINIF. See note 2 to our audited financial statements included elsewhere in this offering circular.

In addition, Mexican Sofol Accounting Principles differ in certain significant respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. For a summary of the principal differences between Mexican Sofol Accounting Principles and U.S. GAAP, as they relate to our financial statements, see "Significant Differences Between Mexican Sofol Accounting Principles and U.S. GAAP." No reconciliation of any of the financial statements to U.S. GAAP has been prepared for the purposes of this offering circular. Any such reconciliation would likely result in material differences.

The CNBV requires Mexican financial companies, such as Sofols, to account for the comprehensive effects of inflation in accordance with rules which are substantially the same as those in Bulletin B-10, "Recognition of Effects of Inflation in the Financial Information," issued by the Mexican Institute of Public Accountants (*Instituto Mexicano de Contadores Públicos*), or IMCP. Additionally, Mexican Sofol Accounting Principles require that financial information be adjusted for the effect of inflation and presented in constant Mexican Pesos. Unless otherwise specified, the financial statements and other financial information contained in this offering circular have been restated in accordance with the guidelines established by the CNBV to recognize the effects of inflation. These guidelines require the restatement of all comparative financial statements to Mexican Pesos of constant purchasing power as of the date of the latest balance sheet presented. As such, unless otherwise specified, the financial statements and other financial information are presented in Mexican Pesos of constant purchasing power as of June 30, 2007. Our financial statements have been restated and adjusted applying the changes in the value of the investment units (*unidades de inversión*), or UDIs, a Peso equivalent unit of accounting indexed for Mexican inflation which is determined based on the National Consumer Price Index (*Índice Nacional de Precios al Consumidor*), or NCPI. The NCPI is an inflation index determined by the Mexican Central Bank (*Banco de México*). For a description of the methodology used to adjust our financial statements to reflect the effects of inflation, see "Significant Differences Between Mexican Sofol Accounting Principles and U.S. GAAP" and note 2 to our audited financial statements included in this offering circular.

There was no significant volatility in the rate of inflation in Mexico during the periods for which financial information is presented herein. The annual rate of inflation was 0.8% for the six months ended June 30, 2007, 4.2% for 2006, 2.9% for 2005 and 5.5% for 2004. For the twelve months ended June 30, 2007 the rate of inflation was 4.0%. The value of the UDI was Ps.3.8189 as of June 30, 2007, Ps.3.7890 as of December 31, 2006, Ps.3.6375 as of December 31, 2005 and Ps.3.5347, as of December 31, 2004.

Currencies

The financial information appearing in this offering circular is presented in Mexican Pesos. In this offering circular references to "Pesos" or "Ps." are to Mexican Pesos and references to "U.S. dollars," "dollars," "US$" or "$" are to United States dollars. This offering circular contains translations of certain Peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, U.S. dollar amounts that have been translated from Pesos have been so translated at an exchange rate of Ps.10.7926 per U.S. dollar, the rate published as of June 30, 2007 in the Mexican Federal Official Gazette (*Diario Oficial de la Federación*), or the Official Gazette, by the Mexican Central Bank for the payment of obligations denominated in currencies other than Pesos and payable within Mexico on June 30, 2007, or the Mexican Central Bank Exchange Rate. As of the same date, the noon buying rate in New York City for cable transfers in Pesos per U.S. dollar as certified for customs purposes by the Federal Reserve Bank of New York was Ps.10.7926 per U.S. dollar. See "Exchange Rates" for information regarding rates of exchange between the Peso and the U.S. dollar for the periods specified therein.

Terms Relating to Our Loan Portfolio

As used in this offering circular, the following terms relating to our loan portfolio and other credit assets have the meanings set forth below, unless otherwise indicated.

"Total performing loans" and "total performing loan portfolio" refer to the aggregate of (i) the total principal amount of loans outstanding as of the date presented and (ii) amounts attributable to "accrued interest." Under Mexican Sofol Accounting Principles, we include as income for any reporting period interest accrued but unpaid during that period. Such "accrued interest" is reported as part of our total performing loan portfolio in the financial statements until it is paid or becomes part of the total non-performing loan portfolio in accordance with CNBV's rules.

Unless otherwise specified herein, the terms "total performing loans" and "total performing loan portfolio," as used in this offering circular, do not include "total non-performing loans," as defined below.

The terms “total non-performing loans” and “total non-performing loan portfolio” include past-due principal and past-due interest. For a description of our policies regarding the classification of loans as non-performing, see “Selected Statistical Information—Non-Performing Loan Portfolio.” References in this offering circular to “non-performing loans” are to loans which are 90 days or more past due.

The terms “total loans,” “total loan portfolio” and “loan portfolio” include total performing loans plus total non-performing loans, each as defined above.

The loan portfolio information provided under the heading “Selected Statistical Information” was determined in accordance with the manner in which we have presented the components of our loan portfolio in other sections of this offering circular as described above. See “Selected Statistical Information—Loan Portfolio” and the footnotes to the tables included therein.

References in this offering circular to “provisions” are to additions to the loan loss allowance or reserves recorded in a particular period and charged to results of operations.

Industry and Market Data

Market data and other statistical information (other than in respect of our financial results and performance) used throughout this offering circular are based on independent industry publications, government publications, reports by market research firms or other published independent sources, including: (i) the CNBV, (ii) the Mexican National Commission for the Protection of Users of Financial Services (*Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros*), or Condusef, (iii) the Mexican Association of Specialized Financial Entities (*Asociación Mexicana de Entidades Financieras Especializadas*), or AMFE, (iv) the Mexican National Institute of Statistics, Geography and Information Science (*Instituto Nacional de Estadística, Geografía e Informática*), or INEGI, (v) Mix Market, a web-based provider of information relating to the microfinance industry, (vi) FactSet, a provider of global financial and economic information, (vii) Consultative Group to Assist the Poor, or CGAP, a consortium of 28 agencies that is part of the World Bank, (viii) the Mexican Association of Market Research and Public Opinion Agencies (*Asociación Mexicana de Agencias de Investigación de Mercado y Opinión Pública*), or AMAI, (ix) the Mexican National Population Board (*Consejo Nacional de Población*), or Conapo, and (x) ACCION International, a Boston-based non-governmental organization leader in the area of microfinance technology and investment. Some data are also based on our estimates, which are derived from our review of internal surveys, as well as independent sources. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness. You should not place undue reliance on estimates as they are inherently uncertain.

Other Terms

Unless the context otherwise requires or except when indicated, all references to “we,” “us,” “our” or “Financiera Independencia” mean Financiera Independencia, S.A.B. de C.V., *sociedad financiera de objeto múltiple, entidad no regulada*, and its subsidiaries, including Serfincor, as a combined entity. References to GDP refer to real gross domestic product.

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SUMMARY

This summary highlights selected information contained in this offering circular and may not include all of the information that is important to you. For a more complete understanding of us, our business and this offering, you should read this entire offering circular, including the sections entitled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operation," and "Selected Statistical Information" and the financial statements appearing elsewhere in this offering circular.

Overview

General

We are an unregulated multiple purpose financial company (*sociedad financiera de objeto múltiple, entidad no regulada*) incorporated under the laws of Mexico as a public corporation with limited liability and variable capital (*sociedad anónima bursátil de capital variable*). We are in the business of providing microcredit loans on an unsecured basis to individuals in the low-income segments of the Mexican population and, according to AMFE, we are one of the microfinance lenders in Mexico with the largest number of clients. We offer an opportunity for individuals who otherwise would have no, or limited, access to financial institutions to develop a long-term relationship with us and establish a credit history, in furtherance of our core goals of creating economic value (for our clients and shareholders) and social value (for our clients and the community at large). As of June 30, 2007 and December 31, 2006, we were the largest microfinance lender of personal loans to individuals in Mexico based on the number of loans outstanding, according to data published by AMFE and Mix Market, respectively. As of June 30, 2007, we operated 124 offices in 86 cities throughout 30 of the 32 Mexican federal entities (comprising the Mexican States and the Federal District).

Since our inception in 1993, we have experienced significant growth and achieved a solid financial position in the personal loan sector of the Mexican microfinance market. We believe that this success is largely attributable to a number of factors, including our geographic coverage and extensive distribution network; our understanding of the market we service and the know-how we have developed through our exclusive focus on one line of business; our risk management policies; our effective collection practices; the efficiencies afforded by our information technology system; the loyalty fostered by the personalized client service that we provide; and the leadership of our experienced and skilled management team. We believe that we are strategically positioned to achieve additional growth and further strengthen our competitive position.

Since 1993, we have originated over 2.3 million loans. In 2006, we granted 610,094 loans, compared to 434,335 loans in 2005, representing an increase of 40.5%. From 2001 (when we granted a total of 70,723 loans) through 2006, we have experienced a compounded annual growth rate of 53.9% in terms of number of loans granted. This growth has continued during the first six months of 2007, during which period we granted 329,177 loans, as compared to 271,937 loans during the first six months of 2006, representing an increase of 21.0%. In addition, as of December 31, 2006, we had 598,831 outstanding loans, as compared to 97,045 as of December 31, 2001, reflecting a compounded annual growth rate of 43.9% in terms of number of loans outstanding. As of June 30, 2007, we had 695,964 loans outstanding compared to 516,029 loans outstanding as of June 30, 2006, representing an increase of 34.9%.

Maintaining the quality of our loan portfolio is one of our key priorities. Despite our rapid growth, our risk management and effective collection policies have allowed us to maintain a relatively low annual average past-due rate (ratio of total non-performing loan portfolio to total loan portfolio) of 5.7% in 2006 and as of June 30, 2007, which compares favorably to our past-due rate of 7.3% in 2005 and 6.2% in 2004. We have achieved loan growth with a concurrent reduction of our past due rate, a fact that differentiates us from most Mexican banks. We believe we have a competitive past-due rate compared to that of the Mexican consumer banking industry, which has increased from 2.8% in 2004 to 5.1% as of June 30, 2007, according to data published by the CNBV.

In addition, our outstanding loan balances have also increased significantly. As of June 30, 2007, our loan portfolio totaled Ps.2,707.9 million, as compared to Ps.1,922.8 million as of June 30, 2006, representing an increase of 40.8%. As of December 31, 2006, our loan portfolio amounted to Ps.2,180.6 million compared to Ps.1,872.6 million as of December 31, 2005, representing an increase of 16.4%. Our average loan balance increased from Ps.3,726 as of June 30, 2006 to Ps.3,891 as of June 30, 2007.

In 2006, our financial margin after provision for loan losses was Ps.1,096.2 million, reflecting a 43.3% increase as compared to 2005, and our net income was Ps.403.0 million as compared to Ps.319.2 million in 2005, representing a 26.2% increase. For the first six months of 2007, our financial margin after provision for loan losses was Ps.694.3 million as compared to Ps.498.3 million for the first six months of 2006, representing an increase of 39.3%, and our net income was Ps.267.7 million as compared to Ps.178.3 million for the first six months of 2006, representing a 50.2% increase. Our net income has grown at a compounded annual growth rate of 53.2% over the five-year period ended December 31, 2006. In 2006, our net interest margin after provisions (financial margin after provision for loan losses divided by average interest-earning assets for the period) and return on average stockholders' equity (net income divided by average stockholders' equity for the period) were 53.2% and 49.7%, respectively, which we believe compare favorably to the net interest margin after provisions and return on average stockholders' equity of other Mexican Sofoms and Sofols as of December 31, 2006, according to data published by the CNBV. For the six months ended June 30, 2007, our net interest margin after provisions and return on average stockholders' equity were 56.6% and 53.2%, respectively.

Our return on average total assets (net income divided by the average daily total assets for the period) was 16.4% and 20.4% in 2006 and for the first six months of 2007, respectively. In terms of return on average total assets, we were the most profitable Sofol in the Mexican microfinance industry in 2006 (when we were a Sofol), as reported by the CNBV. Moreover, in 2006, we had an efficiency ratio (non-interest expense for the period divided by the sum of (i) financial margin after provision for loan losses for the period and (ii) the difference between (x) commissions and fees collected and (y) commissions and fees paid) of 66.3%, which we believe compares favorably to other financial institutions in Mexico. For the first six months of 2007 we had an efficiency ratio of 63.3%.

History and Development

We were incorporated in 1993 as the first Sofol in Mexico. We were also the first Sofol to make personal microcredit loans available to the low-income segment of the adult working population in Mexico. In 2006, the regulatory regime in Mexico was amended to, among other things, deregulate credit activities in Mexico and create a new category of financial institutions, the Sofoms. Unlike Sofols, Sofoms are financial entities that are not regulated by the CNBV and are permitted to grant loans and engage in other types of financial transactions without the limitations on purpose and activities applicable to Sofols and without requiring a federal license to operate. For example, Sofoms may place securities in the Mexican capital markets, grant loans without a specific license, and are not required to limit their activities to a specific sector of the Mexican economy. Moreover, there are no specific limitations on foreign investment in Sofoms. Sofoms are subject to the jurisdiction of the Condusef. We became a Sofom during the first quarter of 2007. See "Supervision and Regulation of Certain Lending Entities in the Mexican Market."

In June 2006, HSBC Overseas Holdings (UK) Limited, or HSBC Overseas, a direct subsidiary of HSBC Holdings PLC, or HSBC Holdings, invested in us through its acquisition of 19.99% of our common stock.

Currently, we operate certain of our complementary activities, including collection services, the operation of our operations center, human resources and sales force management and courier services, through our wholly-owned subsidiary Serfincor. See "Our Business—Corporate Reorganization."

Products

We have been active in the microfinance sector in Mexico since 1993. In 2004, we expanded our operations to provide loan products to individuals who are not required to show proof of income or formal employment. We sometimes refer to this segment of our customer base as the informal sector of the Mexican economy. This expansion gave us access to more attractive returns on our loan portfolio because we are able to charge higher interest rates on these products. As of June 30, 2007, the outstanding balance of our loan portfolio originated in the informal sector was Ps.556.6 million and included 200,275 loans outstanding, representing 20.6% of our total loan portfolio. These figures compare favorably to those in 2005, during which our exposure to the informal sector was Ps.100.4 million and included 59,252 loans outstanding, representing only 5.4% of our total loan portfolio.

We currently offer four loan products to our clients. All of our loans are offered at fixed interest rates and range in principal amount from Ps.1,500 to Ps.16,500 (approximately US$139 to US$1,529), repayable on a fixed weekly, bi-weekly or monthly installment basis. As of June 30, 2007, our average outstanding balance per loan was Ps.3,891 (approximately US$361). Our four loan products include the following:

- *CredInmediato*. This product is a revolving line of credit ranging from Ps.1,500 to Ps.16,500 (approximately US$139 to US$1,529), and is available to individuals earning at least the Mexico City minimum monthly wage (currently Ps.1,538, or approximately US$142). The CredInmediato loan product was first introduced in 2004 and, as of June 30, 2007, accounted for 79.3% of our total loan portfolio. This product is initially targeted to the formal sector of the Mexican economy. Prior to the introduction of our CredInmediato loan product in 2004, we offered our customers a short-term loan program. Since 2005, we have offered customers holding loans in our short-term loan program the option of converting their short-term loans into a CredInmediato revolving credit line.
- *CrediPopular*. This product is targeted to the informal sector of the Mexican economy. The CrediPopular loans range from Ps.1,500 to Ps.3,000 (approximately US$139 to US$278), have an average term of 26 weeks and may be renewable based on the credit behavior of the borrower. The CrediPopular loan was first introduced in 2004 and as of June 30, 2007, accounted for 14.5% of our total loan portfolio.
- *CrediMamá*. This product is targeted to the informal sector of the Mexican economy and is available to mothers who have at least one child under the age of 18. These loans are initially granted in an amount of Ps.1,500 (approximately US$139), have an average term of 26 weeks and may be renewable based on the credit behavior of the borrower. The CrediMamá loan was launched in 2006 and as of June 30, 2007, accounted for 3.0% of our total loan portfolio.
- *CrediConstruye*. This product is available to individuals earning at least the Mexico City minimum monthly wage and is intended to finance home improvements. These loans initially range from Ps.3,000 to Ps.15,000 (approximately US$278 to US$1,390) and are disbursed in the form of vouchers for home construction materials. This type of loan offers terms ranging from six to 24 months and accounted for 3.1% of our total loan portfolio as of June 30, 2007. CrediConstruye loans are funded through a special line of credit with *Sociedad Hipotecaria Federal, Sociedad Nacional de Crédito*, *Institución de Banca de Desarrollo*, or SHF, the Mexican federal mortgage agency. We launched this product in 2006.

We make available to all of our customers in the formal sector of the Mexican economy basic unemployment coverage, the fees for which are included as part of the annual loan commission payable to us by the borrower. We intend to offer our customers insurance products in the near future through alliances with third party insurance companies.

Our Target Market

Although the availability of financial services in Mexico has generally expanded in recent years, there are significant segments of the Mexican population that do not yet have access to financial services. Our target market is primarily individuals earning between one and ten times the Mexico City minimum monthly wage. We estimate that this population segment represents approximately 30 million people in Mexico, or 28% of the Mexican population. We believe that this low financial services penetration rate, in combination with the strong expected growth of the Mexican economy, will support growth in the microfinance sector and create further demand for our products.

Our Competitive Strengths

We believe that our main competitive strengths are the following:

Demonstrated Ability to Deliver Profitable Growth

We have demonstrated our ability to deliver profitable growth. We are one of the fastest-growing microfinance lenders in Mexico based on the growth of our loan portfolio. From 2001 through 2006, we experienced a 53.9% compounded annual growth rate in the number of loans originated. For the first six months of 2007, we experienced a 21.0% increase in the number of loans originated as compared to the same period in 2006. Also, as of December 31, 2006, we had 598,831 outstanding loans, representing a compounded annual growth rate of 43.9% over the five-year period ended December 31, 2006. As of June 30, 2007, we had 695,964 loans outstanding. This growth in our loan portfolio has generated income growth as well. Our net income has grown at a compounded annual growth rate of 53.2% over the five-year period ended December 31, 2006. In 2006, our financial margin after provision for loan losses increased 43.3% as compared to that in 2005 and our net income increased 26.2% over the same period. For the first six months of 2007, our financial margin after provision for loan losses increased 39.3% as compared to the same period in 2006 and our net income increased 50.2% over the same period. In 2006 and in the six months ended June 30, 2007, our net interest margin after provisions was 53.2% and 56.6%, respectively. In 2006 and in the six months ended June 30, 2007, our return on average stockholders' equity was 49.7% and 53.2%, respectively.

We believe that our net interest margin after provisions and return on average stockholders' equity compare favorably to the net interest margin after provisions and return on average stockholders' equity of other Latin American financial institutions, as illustrated below. Except as set forth below, the figures in the table below are derived from financial information for the six months ended June 30, 2007.

Institution	Return on Average Stockholders' Equity	Return on Average Total Assets	Net Interest Income After Provisions(1)	Total Loan Portfolio Growth(2)
Banco Compartamos (Mexico)	53.9%	24.8%	68.9%	47.1%
Financiera Independencia (Mexico)	**53.2%**	**20.4%**	**56.6%**	**40.8%**
Banco Itaú (Brazil)	32.1%	3.5%	7.8%	41.8%
Bradesco (Brazil)	30.7%	2.9%	7.6%	23.7%
IFS (Peru)	27.7%	2.8%	7.9%	21.6%
Unibanco (Brazil)	25.2%	2.4%	9.1%	23.2%
Santander Chile (Chile)	24.7%	3.8%	3.6%	12.4%
Banorte (Mexico)	23.1%	2.7%	6.2%	27.3%
Bancolombia (Colombia)(3)	22.6%	2.3%	6.1%	34.8%
Banco de Chile (Chile)	24.6%	2.9%	3.2%	15.7%
Average	25.5%	2.8%	6.3%	22.7%

(1) Net interest income after provisions calculated considering balances at beginning and end of the six-month period ended June 30, 2007, except in the case of Financiera Independencia, which we have calculated on the basis of daily averages (on an annualized basis).

(2) From June 30, 2006 to June 30, 2007.

(3) For the three months ended March 31, 2007.

Source: Companies' publicly available financial statements (except Financiera Independencia).

Our return on average stockholders' equity was 49.7% in 2006, considerably higher than the average return on average stockholders' equity for the same period among leading Latin American microfinance institutions, which was 24.5%, Latin American banks, which was 24.2%, and Mexican banks, which was 21.3%, as identified by Mix Market and the CNBV.

Low Default Rate and Effective Risk Management

We have historically experienced a low total past-due rate, which as of December 31, 2006 and June 30, 2007, was 5.7%, despite the strong growth in our loan portfolio. In addition, according to data published by the CNBV, as of June 30, 2007, we had a loan portfolio of similar quality as that of traditional banks in Mexico offering consumer loans to the middle and higher income segments of the Mexican population. We attribute our low default rates to our risk management team and our standardized risk management policies, which focus on loss prevention, as well as to our collections practices. As part of these policies, we individually manage each loan and client based on the corresponding level of risk through our risk management system managed at our operations center in the city of León. We believe that sound risk management is at the very forefront of our culture and we believe that it will continue to drive profitable growth.

We believe that our average interest lending rate and our ratio of non-performing loan portfolio to total loan portfolio compare favorably to those of other Mexican financial institutions, as illustrated in the following table.

Institution	Average Interest Lending Rate *per annum*(1)	Non-Performing Consumer Loan Portfolio/ Total Consumer Loan Portfolio
Financiera Independencia(2)	**76.0%**	**5.7%**
Banco Azteca	72.5%	11.2%
Banamex	29.0%	5.1%
Santander	26.1%	3.8%
Mexican Banking System(3)	24.1%	5.1%
BBVA Bancomer	21.1%	5.0%
HSBC Mexico	17.7%	5.6%

Source: CNBV, except for Financiera Independencia.

(1) Except for Financiera Independencia, the average interest lending rate was calculated as of June 30, 2007, dividing the interest income from loans by the average balance of the total loan portfolio for the period. The average balance of the total loan portfolio is the sum of the beginning balance and ending balance for the period divided by two. Our average interest lending rate was calculated as of June 30, 2007, dividing the annualized interest income from loans with the daily average loan balance for the period.

(2) Daily average for the six months ended June 30, 2007 (on an annualized basis). See "Selected Statistical Information—Average Assets and Interest Rates."

(3) Includes all Mexican banks as reported by the CNBV.

Unique Expertise in Microcredit Financing

We have 14 years of experience focused on the microfinance sector in Mexico. Our expertise is in making unsecured loans to individuals in the low-income segments of the Mexican population. We believe that this represents a significant competitive advantage over banks and other institutions within the traditional financial sector in Mexico that have historically focused their lending practices on middle- and high-income clients and that engage in microcredit lending only as a secondary activity. We believe that our current position among the leading Sofoms and Sofols in the microfinance industry in Mexico reflects this competitive advantage.

Product Innovation

We are focused on remaining at the forefront of product innovation and we continue to develop new ways to reach customers and new products tailored to the needs of individuals in the lower income segments of the Mexican population. Since our inception, we have a track record of successfully launching new products.

In 2004, we began granting loans to individuals in the informal sector, enabling us to increase the yield of our loan portfolio. As of June 30, 2007, 20.6% of our total loan portfolio was represented by loans to individuals in the informal sector of the Mexican economy. In 2004, we launched our CredInmediato product, a revolving line of credit that allows our clients increased flexibility. Since the introduction of this product, our average loan balance has increased but we have not experienced any adverse impact on our loan default rate. In addition, during 2006, we added two new loan products to our loan portfolio, CrediConstruye, for financing home improvements, and CrediMamá, tailored to mothers who have at least one child under the age of 18.

We also implemented a pilot program in 2007 to install ATMs in our offices, which will allow our customers to withdraw their loan proceeds with a debit card issued by us. We have successfully installed one ATM in the city of Tampico. We expect to introduce an additional 46 ATMs in the near future. In addition, we intend to offer our customers insurance products in the near future through alliances with third party insurance companies. New product development, together with organic expansion, has allowed us to serve approximately 695,000 clients and Ps.2,707.9 million total loan portfolio as of June 30, 2007.

Convenient and Extensive Geographic Distribution Network

We believe we have one of the most efficient and extensive microfinance distribution networks in Mexico. As of June 30, 2007, we had 124 offices providing loans in 86 cities in 30 of the 32 Mexican federal entities, including offices located in most of the major large and medium-size cities of Mexico with populations above 100,000 people. According to the CONAPO, there are 205 cities in Mexico with a population of at least 50,000 people, 86 of which we serve through our distribution network. We believe the remaining 119 cities where we have no presence represent additional growth opportunities for our business in the near future. We expect to continue to expand our network by opening additional offices in cities with populations of at least 50,000 people. In addition, we plan to expand our operations into Mexico City and Monterrey, two of the three largest population centers in Mexico, in 2009. We believe that our diversified service area mitigates the risk of regional economic slowdowns and other region-specific risks, including natural disasters. As of June 30, 2007, no Mexican federal entity represented more than 11.6% of our loan portfolio.

The convenience of our distribution network is enhanced by our specialized sales force, which is organized by geographic area and product. Our sales force specializes in, among other things, loan renewals, sales of certain of our products, client service, specified geographic areas and in other specific aspects of our business. For each of our products, we have developed strategic business plans, including targeted marketing campaigns and a dedicated sales force, and have trained highly qualified individuals at our offices to sell our products and provide post-sale customer service. We believe that our expansive distribution network, together with our product- and region-specific sales forces, make us more accessible to our customers and differentiates us from our competitors.

Centralized Processes that Facilitate Efficient Growth

We have developed centralized and standardized processes for loan applications, verification and approvals, as well as for loan renewals and collections. These processes are structured and divided into different stages and performed in our operations center located in the city of León. In addition, we have standardized our technology systems, information management systems and the format of our offices. We perform centralized training of all office managers in our training department located in Mexico City, followed by additional training at a particular office. This level of centralization provides us with flexibility to rapidly open new offices and begin operations in a new city at a relatively low cost. This methodology has helped us to grow profitably and we expect that it will continue to do so in the future. In order to support our growth, we plan to open a second operations center located in the city of Aguascalientes, which we expect will more than double our capacity to process transactions, including review of loan applications, information verification, collections and call center operations.

High-Quality, Personalized Client Service

We seek to strengthen our relationships with existing clients and attract new clients by focusing on superior customer service. For instance, during June 2007 our response time was such that 82% of loan applications we received were processed in less than 48 hours. We believe that superior customer service is critical to our growth. We actively manage client relationships through, among other things, a well-trained, motivated sales force committed to our core mission and focused on delivering high quality and highly personalized service. As part of this effort, we operate a toll-free centralized call center that is dedicated to client service. As of June 30, 2007, approximately 86.1% of our labor force had duties that involved direct contact with clients. In addition, we believe that our presence close to our customers through our extensive distribution network enhances our ability to provide high-quality, personalized client service, fosters client loyalty and facilitates the expansion of our client base. We believe that our dedication to high-quality, personalized client service will serve as a significant competitive advantage in the introduction of new and complementary products, such as insurance products in the near future, through alliances with third party insurance companies.

Effective Collection Process

We have developed an advanced collection process. At our operations center in the city of León, we have over 616 agents dedicated to telephone collections and to performing other collection-related activities. In addition, we have 1,414 independent agents who engage clients on a face-to-face basis in order to facilitate payment of past-due loans.

Our collection-related expenses are offset in part by the past-due fees that we charge. Past-due fees represented 119.5% and 117.3% of the non-performing loan portfolio as of December 31, 2006 and June 30, 2007, respectively. Collection fees contributed 10.1% and 9.8% to our net operating revenue (financial margin after provision for loan losses and commissions and fees collected minus commissions and fees paid) in 2006 and in the six months ended June 30, 2007, respectively. In addition, we have been able to generate additional income from the sale of our non-performing portfolio to third-party collection firms.

Experienced Management Team and Motivated Workforce

We believe that we benefit from an experienced and talented management team. Our principal officers have been involved in the finance industry for an average of approximately 14 years and we believe that they have the know-how necessary to identify and offer products and services that meet our clients' needs. In addition, we have a culture that emphasizes teamwork and meritocracy. We focus on attracting highly qualified personnel and maintaining a motivated workforce in order to deliver high quality service. For example, our independent sales agents are eligible to receive bonus commissions for meeting individual performance targets relating to increasing our loan portfolio and maintaining our existing clients. We believe that these incentive programs have contributed to the development of a motivated workforce and sales force focused on building solid relationships with our clients by delivering personalized, high-quality client service, growing profitability and achieving operational efficiency.

Advanced Information Technology Systems

We have developed advanced information technology systems and software to support our information management and risk management policies. These systems have helped us to better serve our clients, support our growth strategy, enhance the quality and development of our products and services and successfully reduce the cost and time associated with our loan approval, monitoring and collection practices. Because these proprietary systems are designed to meet our specific needs, we believe that our information technology systems and practices are more specialized and effective than many systems currently used by traditional financial institutions and that they have contributed substantially to our competitive efficiency ratio and differentiated us from our competitors. In addition, we have developed our own on-line, readily available and user friendly Management Information System, or MIS, which provides us with the ability to access real-time data on-line, including digitalized images and files, relating to our clients, collection processes and other loan statistics. Since the installation of our MIS, we have been able to improve our business model by more efficiently adjusting credit policies, analyzing credit behavior of clients resulting in the implementation of our behavioral scoring model, entering into new markets, developing new products, and optimizing the loan approval and collection processes. During 2006, we invested approximately Ps.41.9 million in technology improvements. We will continue to invest in new management information tools to allow us to understand better our customers' needs.

Support from Strategic Partner

HSBC Overseas Holdings (UK) Limited, or HSBC Overseas, currently owns 19.99% of our capital stock. It has the right to appoint one member of our board of directors. We expect that HSBC Overseas will continue to hold at least 18% of our capital stock following this offering. We believe that we benefit from the credit line made available to us by HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC, or HSBC Mexico, as well as from its experience in corporate governance practices and insight into the microfinance industry, which it shares with us at our board level through the director nominated by HSBC Overseas. We believe that we will continue to benefit from our relationship with HSBC Overseas in the future by having access to lines of credit at competitive terms, as well as by having its input in relation to internal control, and other corporate governance matters.

Access to Diverse Sources of Funding and Solid Ratings

We currently have lines of credit with HSBC México, for Ps.2,000 million, and with SHF, for Ps.210 million. Prior to our relationship with HSBC Overseas, GE Capital Corporation had been our main funding source since 2002, with a credit line of US$100 million. While we currently do not have any other outstanding lines of credit, we have in the past issued *certificados bursátiles* in the Mexican debt markets. We intend to issue additional *certificados bursátiles* in the future, depending on our financial needs and then existing market conditions.

Since 1998, we have received corporate ratings from Fitch, ranging from BBB+ to A (mex) and F1 (mex), and from S&P of mxA and mxA-2 which we believe has enabled us to achieve an overall lower cost of funding. As a result of the positive recent evaluation by S&P and Fitch, as of June 30, 2007, our corporate ratings were "mxA" and "A (mex)," respectively, both with positive outlooks.

No Reliance on Third-Party Banking Services

Our proprietary distribution network, together with our centralized collection processes, allow us to effectively monitor transactions with customers without relying on third-party banks to receive loan payments from our customers. Our loans to customers are originated through our offices and loan payments by our customers are made directly in such offices. Our geographic network of offices has allowed us to manage our loan products, including collection activities, in a vertically-integrated manner. We believe that this network optimizes our ability to provide high-quality, personalized customer service and increases the strength of our brand as a single, all-inclusive lending solution for our clients.

Our Strategy

Our strategic goal is to maintain our position as a leading provider of personal microfinance loans in Mexico while continuing to maintain high levels of profitability and efficiency. We believe that there is significant potential for the growth of our business in Mexico because a significant percentage of the Mexican population has little or no access to formal financial services.

To this end, we intend to implement the following business strategies:

Expand Our Geographic Coverage and Network of Offices to More Effectively Penetrate Our Target Market

Our goal is to continue expanding our client base and our loan portfolio, while maintaining high levels of profitability and efficiency. In order to achieve this goal, we intend to increase our brand recognition and further strengthen our growth platform through the opening of offices throughout Mexico in areas where we believe that we can profitably accommodate a larger number of clients. As of June 30, 2007, we had 124 offices throughout Mexico. We plan to have 148 offices by the end of 2007, and accordingly we intend to open 22 additional offices during the second half of 2007 in cities throughout Mexico with populations between 50,000 to 100,000 people, and two more offices in Guadalajara. We plan to choose these cities strategically in order to take advantage of proximity to existing and potential customers, which will allow us to more efficiently serve our existing customers and also advertise our products to our target markets. In addition, we plan to expand our operations into two of Mexico's largest markets, Mexico City and Monterrey, in 2009, which have a combined population of over 22 million people, representing 21.3% of Mexico's total population. In order to support this growth, we expect to increase our sales force and train approximately 500 additional sales and collection personnel during the second half of 2007. We intend to continue to focus on attracting, training and developing qualified personnel and leveraging the expertise and experience of our management and employees to increase the size of our sales force throughout Mexico. We believe that expanding our geographic coverage and network of offices, hiring and retaining qualified individuals and contracting with effective independent sales agents will allow us to penetrate more efficiently our potential target market.

Expand Our Range of Products and Services

With a view to fostering customer loyalty and increasing profitability, we plan to take advantage of the growth platform provided by our network of offices and our sales force to continue developing new products and services that satisfy our customers' needs, including insurance products, which we intend to offer in the near future through alliances with third party insurance companies. Currently, we offer our CredInmediato clients with basic unemployment coverage. Furthermore, as part of our ongoing efforts to increase the range of services and products offered to our customers, without sacrificing efficiency, we plan to offer electronic services to our clients through our own ATMs by developing a network of ATMs throughout Mexico, all of which will be installed, monitored and operated by us in order to provide our customers with better access to our loan products and services. In addition to the current ATM in operation in the city of Tampico, we expect to install 46 ATMs in several of our offices during the second half of 2007. We believe that the ATM build out will help us to increase the size of our loan portfolio because we have found that the average outstanding balance per loan for customers that use our ATMs is 13% higher than for customers who do not use them. We believe that the continued development of new products and services, will allow us to take advantage of economies of scale, will lead to improvements in our margins and will increase our competitiveness, further strengthening our growth strategy.

Actively Pursue Cross-Selling Opportunities to Capitalize on Our Client Base

We intend to continue to penetrate our potential target market and increase profitability. We believe that our existing client base represents a significant opportunity to sell additional loan products and services, as well as to renew existing loan products, and to thereby increase our penetration in the microfinance market and strengthen loyalty among our existing customers. We intend to capitalize on this opportunity by enhancing our marketing efforts to better tailor our loan products and related marketing strategies to existing customers. We will continue to invest in new information management tools to allow us to gain insights into the demographics and needs of our client base, while being able to provide a full range of services at each of our offices.

Reduce Costs and Improve Our Operating Efficiency

We are committed to reducing our costs and improving our operating efficiency and profitability. By focusing on technological developments and on the use of electronic distribution channels, we expect to increase our clients' use of electronic transactions, thereby reducing our costs, while meeting our clients' evolving needs. One of the key initiatives to reduce costs is the development of our electronic services by developing a network of ATMs throughout Mexico owned and operated by us, allowing us to conduct loan-related transactions with our customers on a reduced cost-per-transaction basis. Although we believe our operating efficiency, internal information and technology systems are more competitive than those in traditional financial institutions because they are designed to meet our standards, needs and requirements, we will continue to implement technological solutions with the objective of identifying and better understanding cost drivers and adequately assessing our profitability segments. In order to do so, we have established a number of initiatives tailored to optimize key processes, such as improvements in our information technology systems, our webpage, tailor-made software development, as well as improvements in our collection process. We are currently enhancing our centralized back-office operations to reduce processing costs and errors, while improving procedures through process-standardization and documentation to avoid contingencies that would limit their ability to access information stored in our systems.

These initiatives will allow us to control the quality of our processes and efficiency in order to maintain our low operating cost structure. We believe that these efforts will increase our profitability. Through these cost control initiatives, we will continue to strive to improve our efficiency ratio.

As part of such efforts, we are in the process of developing a new operations center in the city of Aguascalientes, which will contain over 650 work stations. We expect that the new operations center will begin its activities in 2008.

We intend to improve our management information systems and risk management policies to support our growth strategy and to enhance the quality and development of our products and services.

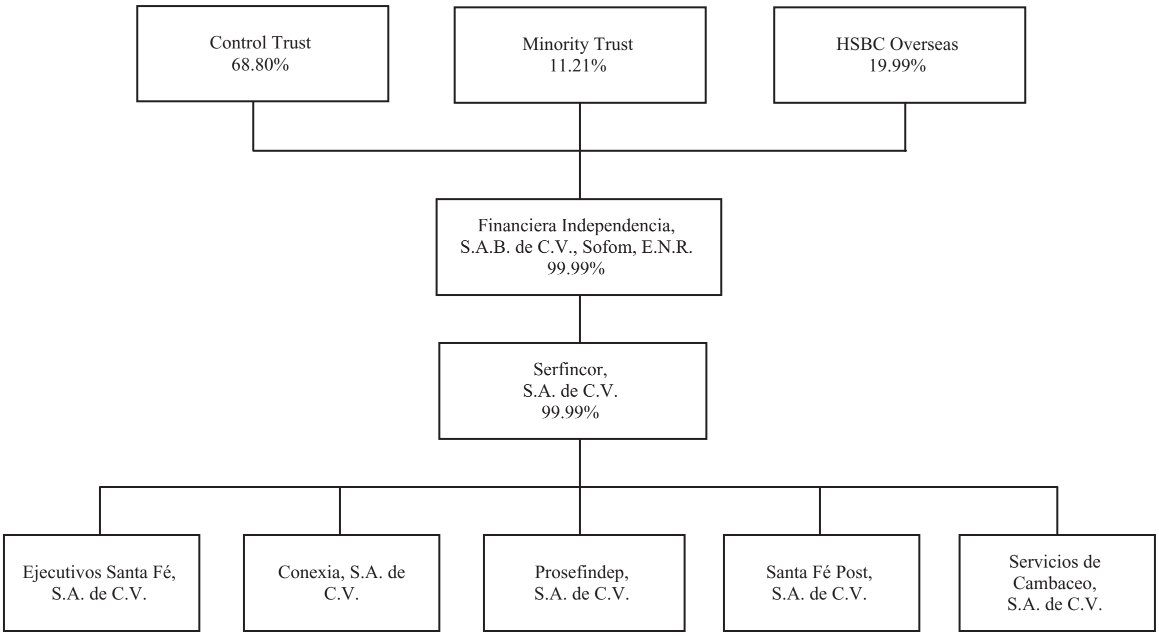
Corporate Reorganization

As of July 1, 2007, we effected a corporate reorganization designed to eliminate cross-holdings with certain of our affiliates. As a result of this reorganization, we integrated the activities of our affiliate Serfincor, which became our wholly-owned subsidiary. As part of the integration process, the shareholders of Serfincor transferred their respective interests in Serfincor to us. Serfincor is an intermediary holding company that operates its business through a number of subsidiaries that conduct our human resources, collection, management of operations centers and courier activities, as well as other businesses.

In addition, on September 26, 2007, some of our shareholders contributed their shareholdings to two Mexican trusts. See "Principal and Selling Shareholders—Control Trust" and "Principal and Selling Shareholders—Minority Trust."

The following chart reflects our post-reorganization corporate structure as of the date of this offering circular. The chart also shows, for each company, our approximate direct or indirect percentage equity or economic ownership interest.

Post-Reorganization Corporate Structure Chart



We have a 99.99% equity interest in Serfincor and, through Serfincor, in each of its subsidiaries. The voting rights of the shares of common stock of Serfincor held by us as well as those of the shares of common stock of our subsidiaries held by Serfincor are not subject to any restriction or limitation.

Corporate Information

Financiera Independencia, S.A.B. de C.V., sociedad financiera de objeto múltiple, entidad no regulada, is a public limited liability corporation with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico. Our principal executive offices are located at Prolongación Paseo de la Reforma 600-301, Col. Santa Fé Peña Blanca, México, Distrito Federal, C.P. 01210, Delegación Alvaro Obregón México D.F., México. Our telephone number is +52 (55) 5229-0200. Our website address is www.independencia.com.mx. None of the information available on our website or elsewhere will be deemed to be included or incorporated by reference into this offering circular.

THE OFFERING

The following is a brief summary of certain terms of this offering. For a more complete description of the Shares, see "Description of our Share Capital and By-Laws."

Issuer	Financiera Independencia, S.A.B. de C.V., *sociedad financiera de objeto múltiple, entidad no regulada*.
Offering price per Share	Ps.24.00 per Share.
Shares offered	76,895,000 Shares, representing ordinary capital stock of the issuer.
Global offering	The global offering consists of an offering of: (i) 76,895,000 Shares outside Mexico pursuant to this offering circular; and (ii) 41,405,000 Shares in Mexico to the general public pursuant to a separate prospectus in Spanish.
Offering outside Mexico	By means of this offering circular, we and the selling shareholders are offering 29,250,000 Shares and 47,645,000 Shares, respectively, through the initial purchasers in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act and in other countries outside of Mexico, principally in Canada and a number of countries of the European Union, to non-U.S. persons in reliance on Regulation S under the Securities Act.
Mexican offering	We and the selling shareholders are offering 15,750,000 Shares and 25,655,000 Shares, respectively, through the Mexican underwriters in Mexico. The offering of our Shares in Mexico is being made pursuant to a separate prospectus in Spanish.
Selling shareholders	The following selling shareholders are offering the number of Shares listed below in this offering: (i) Banco J.P. Morgan, S.A., Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria, as trustee of Trust No. F/00474, or the Control Trust, is offering 29,769,350 Shares; and (ii) Banco J.P. Morgan S.A. Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria, as trustee of Trust No. F/00479, or the Minority Trust, is offering 17,875,650 Shares. For more information regarding the selling shareholders, see "Principal and Selling Shareholders."
Shares outstanding	635,000,000 Shares before the offering and 680,000,000 Shares outstanding after the offering.

Use of proceeds	The proceeds to us from our issuance and sale of Shares in this offering, after deducting the initial purchasers' estimated discounts and commissions, will be approximately Ps.1,047.6 million, based on the offering price of Ps.24.00. We intend to use the net proceeds from this offering to fund our expansion, including increasing our loan portfolio and capital expenditures related to expanding our distribution network, and for general corporate purposes. We will not receive any proceeds from the sale of Shares by the selling shareholders. The selling shareholders will receive all of the net proceeds from the sale of their Shares. See "Use of Proceeds."
Listing	The Shares have been registered in the RNV maintained by the CNBV and have been approved for listing on the Mexican Stock Exchange. Prior to the offering, there has been no trading market for the Shares in Mexico, the United States or elsewhere. The Shares will not be listed on any national securities exchange or quoted in any automated interdealer quotation system in the United States and elsewhere outside of Mexico.
Mexican Stock Exchange symbol	FINDEP
Payment, settlement and delivery	The initial purchasers have informed us that payment for our Shares must be made to them in Mexican Pesos through the facilities of S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V., or Indeval, in Mexico, no later than November 6, 2007. Settlement of the Shares will be made on November 6, 2007 through the book-entry, settlement and custody system of Indeval. The initial purchasers will deliver the Shares in book-entry form only through the facilities of Indeval, in Mexico City, Mexico, on or about November 6, 2007.
Voting rights	Each Share entitles the holder to one vote. See "Description of Our Share Capital and By-Laws" in this offering circular for a discussion of your voting rights.
Ownership limitations	Under our by-laws, no person or group of persons may acquire 9.99% or more of our capital stock, or otherwise agree to act or vote as a block representing 9.99% or more, or any multiple of 9.99%, of our capital stock, without the prior approval of our board of directors. See "Principal and Selling Shareholders."
Transfer restrictions	This offering is being made in accordance with Rule 144A and Regulation S. The Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any U.S. state or other jurisdiction and, accordingly, may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except as set forth in "Transfer Restrictions" below. Because of these restrictions, investors are advised to consult legal counsel prior to making any reoffering, resale, pledge or transfer of the Shares.

Lock-up period	We and the selling shareholders have agreed that none of us will issue, sell or transfer, until 180 days after the date of the preliminary offering circular dated October 18, 2007, any shares of our capital stock, any options or warrants to purchase shares of our capital stock or any securities convertible into or exchangeable for, or that represent the right to receive, shares of our capital stock, without the prior written consent of the initial purchasers.
Over-allotment options	Credit Suisse and GBM each have an option from the selling shareholders to purchase an aggregate of 17,700,000 additional Shares to cover over-allotments, if any.
Dividends	We may pay dividends only out of earnings (including retained earnings after all losses have been absorbed or paid up) and only after the yearly allocation of at least 5% of net profits (on a non-consolidated basis after deductions) to a legal reserve fund has been made, as required by Mexican law, which is not subsequently available for distribution, until the amount of the legal reserve equals 20% of our paid in capital stock (without adjustment for inflation). The amount of dividends declared and paid by us is based on, among other things, earnings, cash flow, capital requirements, our financial condition and other relevant factors. See "Dividends and Dividend Policy" for further information.
Taxation	Under current Mexican law, dividends paid to holders of shares who are not residents of Mexico for tax purposes are not subject to any Mexican withholding or other similar tax. See "Taxation" in this offering circular for a discussion of certain U.S. federal and Mexican income tax consequences of holding and disposing of the Shares.
Risk factors	See "Risk Factors" and the other information in this offering circular for a discussion of factors you should carefully consider before deciding to invest in the Shares.

Except as otherwise indicated, all information in this offering circular assumes no exercise of the over-allotment option granted by the selling shareholders to the initial purchasers and the Mexican underwriters.

SUMMARY FINANCIAL INFORMATION

The following tables present certain summary financial information and operating data as of the dates and for each of the periods indicated. The results included below and elsewhere in this offering circular are not necessarily indicative of our future performance. This data is qualified in its entirety by reference to, and should be read together with, "Presentation of Certain Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements included elsewhere in this offering circular. Certain amounts and percentages included in this offering circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be an exact arithmetic result of the figures shown herein.

The balance sheet data as of December 31, 2006 and 2005, and the income statement data for the years ended December 31, 2006, 2005 and 2004, are derived from our audited financial statements included elsewhere in this offering circular. The balance sheet data as of June 30, 2007 and the income statement data for the six months ended June 30, 2007 and 2006 are derived from our interim financial statements included elsewhere in this offering circular. The audited financial statements and interim financial statements combine our financial statements and those of our wholly-owned subsidiary Serfincor. Our financial statements are presented in thousands of constant Pesos as of June 30, 2007. All other annual financial data expressed in Pesos included in this offering circular, unless otherwise indicated, are presented in millions of constant Pesos as of June 30, 2007. The interim financial statements have been prepared on the same basis as our audited financial statements and, in our opinion, include all adjustments that we consider necessary to fairly present our results of operations and financial condition for and as of the end of these periods. Our results for the six months ended June 30, 2007, are not necessarily indicative of our results to be expected for the year ended December 31, 2007 and should not be construed as such. The summary balance sheet data as of December 31, 2004 and June 30, 2006, has been derived from our audited financial statements as of December 31, 2004 and our interim financial statements as of June 30, 2006, respectively, that have not been included in this offering circular.

Our financial statements have been prepared in accordance with Mexican Sofol Accounting Principles, which differ in significant respects from Mexican GAAP. See note 2 to our audited financial statements included elsewhere in this offering circular. In addition, Mexican Sofol Accounting Principles differ in certain significant respects from U.S. GAAP. For a summary of certain differences between Mexican Sofol Accounting Principles and U.S. GAAP as they relate to our financial statements, see "Significant Differences Between Mexican Sofol Accounting Principles and U.S. GAAP."

	For the six months ended June 30, (unaudited)			For the years ended December 31,			
	2007[1]	2007	2006	2006[1]	2006	2005	2004
	(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		
Statement of Income Data:							
Interest income	83.1	897.3	664.0	132.5	1,430.0	1,226.8	809.0
Interest expense	6.5	69.9	60.1	11.1	120.1	190.0	126.2
Monetary loss—net	(0.5)	(5.2)	(5.8)	(2.3)	(24.9)	(13.3)	(17.9)
Financial margin	76.1	822.3	598.1	119.1	1,285.0	1,023.5	664.9
Provision for loan losses[2]	11.9	127.9	99.9	17.5	188.8	258.8	161.3
Financial margin after provision for loan losses	64.3	694.3	498.3	101.6	1,096.2	764.7	503.6
Commissions and fees collected	21.6	233.3	142.3	35.5	383.5	396.0	239.6
Commissions and fees paid	(0.1)	(1.0)	(2.0)	(0.2)	(2.5)	(32.5)	(0.8)
Non-interest expense	54.3	586.4	430.7	90.7	978.9	783.3	529.7
Net operating income	31.5	340.3	207.9	46.2	498.4	344.9	212.7
Other income—net	3.3	35.5	56.9	8.1	87.1	123.9	112.8
Total income before income tax and employees' statutory profit sharing	34.8	375.8	264.8	54.3	585.5	468.8	325.5
Current income tax and employees' statutory profit sharing	10.3	110.9	96.2	15.6	167.9	208.5	166.1
Deferred income tax and employees' statutory profit sharing	(0.3)	(2.8)	(9.7)	1.4	14.7	(59.0)	(53.8)
Minority interest	—	0.0	—	—	—	0.0	0.2
Net income	24.8	267.7	178.3	37.3	403.0	319.2	213.0

	As of June 30,			As of December 31,			
	2007[1]	2007	2006	2006[1]	2006	2005	2004
	(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		
Balance Sheet Data:							
Cash and due from banks	11.5	124.0	168.3	12.9	139.5	206.5	63.8
Total loan portfolio—net	233.1	2,515.2	1,748.7	187.6	2,024.3	1,700.7	1,487.5
Other accounts receivable—net	3.4	37.1	23.0	6.7	72.4	36.9	17.1
Property, plant and equipment—net	10.7	115.2	81.4	8.3	89.4	77.7	66.3
Deferred income tax—net	11.2	120.4	138.6	10.9	117.6	132.3	73.3
Other assets—net	3.5	37.7	67.0	3.7	40.3	47.4	49.6
Total assets	273.3	2,949.7	2,226.9	230.1	2,483.6	2,201.6	1,757.6
Commercial paper	—	—	—	—	—	211.4	99.9
Bank and other entities loans	150.4	1,623.1	1,247.4	121.8	1,314.4	1,060.8	978.7
Other accounts payable	20.8	224.4	197.3	14.9	161.0	166.4	182.2
Total liabilities	171.2	1,847.4	1,444.7	136.7	1,475.4	1,438.6	1,260.7
Total stockholders' equity	102.1	1,102.3	782.2	93.4	1,008.2	763.0	496.9
Total liabilities and stockholders' equity	273.3	2,949.7	2,226.9	230.1	2,483.6	2,201.6	1,757.6
Other Financial Data and Ratios:							
Profitability and Efficiency:							
Return on average stockholders' equity[3]	—	53.2%	46.0%	—	49.7%	51.2%	51.8%
Return on average total assets[4]	—	20.4%	16.4%	—	17.7%	15.5%	15.1%
Net interest margin after provisions[5]	—	56.6%	50.1%	—	53.2%	40.1%	38.9%
Efficiency ratio[6]	—	63.3%	67.4%	—	66.3%	69.4%	71.3%
Capitalization:							
Stockholders' equity as a percentage of total assets		37.4%	35.1%		40.6%	34.7%	28.3%
Credit Quality Data:							
Total performing loan portfolio	236.6	2,553.8	1,783.5	190.5	2,055.6	1,735.1	1,512.5
Total non-performing loan portfolio	14.3	154.1	139.3	11.6	125.0	137.5	99.9
Total loan portfolio	250.9	2,707.9	1,922.8	202.0	2,180.6	1,872.6	1,612.4
Allowance for loan losses	(17.9)	(192.7)	(174.1)	(14.5)	(156.3)	(171.8)	(124.9)
Credit Quality Ratios:							
Allowance for loan losses as a percentage of total loan portfolio	—	7.1%	9.1%	—	7.2%	9.2%	7.7%
Allowance for loan losses as a percentage of total non-performing loan portfolio	—	125.0%	125.0%	—	125.0%	125.0%	125.0%
Total non-performing loan portfolio as a percentage of total loan portfolio	—	5.7%	7.2%	—	5.7%	7.3%	6.2%

(1) Income statement and balance sheet data expressed in dollars have been translated at the rate of Ps.10.7926 per US$1.00, based on the exchange rate of US dollars to Pesos published by the Mexican Central Bank on June 30, 2007, and have been made solely for the convenience of the reader.

(2) Provision for loan losses is recorded in a separate account under allowance for loan losses on our balance sheet and all write-offs of uncollectible loans are charged against this account.

(3) Return on average stockholders' equity consists of net income for the period divided by the daily average of stockholders equity for the period, using constant Pesos.

(4) Return on average total assets consists of net income for the period divided by the daily average of total assets for the period, using constant Pesos.

(5) Represents financial margin after provision for loan losses divided by average interest-earning assets. Average interest-earning assets are determined based on the daily average balance of the period, using constant Pesos.

(6) Efficiency ratio consists of non-interest expense for the period divided by the sum of (i) financial margin after provision for loan losses for the period and (ii) the difference between (x) commissions and fees collected and (y) commissions and fees paid.

RISK FACTORS

An investment in our Shares involves risks. Before making a decision to buy our Shares, you should carefully consider the risks described below as well as the other information contained in this offering circular. The risks described in this offering circular are not the only ones that we face. Additional risks and uncertainties not currently known to us or that we currently think are immaterial may also materially and adversely affect our business operations. Any of the following risks could materially affect our business, prospects, financial condition or results of operations. In such case, the price of our Shares may decline and you could lose all or part of your investment.

Risks Related to Our Business

Microfinance lending poses unique risks not generally associated with other forms of lending.

We provide microcredit loans to individuals in the low-income segments of the Mexican population, which may pose risks not generally associated with other forms of lending. Our target market is primarily individuals earning between one and ten times the Mexico City minimum monthly wage (currently Ps.1,538, or approximately US$142), represented by the Cm through D socioeconomic levels as defined by the AMAI. Our customers typically have limited or no credit history, belong to Mexico's informal economy or are self-employed and, as such, they represent a higher degree of risk than borrowers with established credit histories. In addition, we do not require guarantees or other forms of security in connection with our loan products, which results in a higher degree of risk than is associated with guaranteed or secured loans. As a result, in the future we may experience higher levels of non-performing loans and may be required to record higher provisions for loan losses. We can give no assurance that levels of non-performing loans and subsequent charge-offs will not be materially higher in the future, which could adversely affect our business, results of operations, prospects and financial condition.

We may face difficulties in achieving our planned expansion.

As part of our growth strategy, we intend to expand our operations and services. For example, we plan to open additional offices throughout Mexico, including in areas where we do not currently have a presence, including Monterrey and Mexico City in 2009, as well as a new operations center in the city of Aguascalientes, and we intend to develop an ATM network owned and operated by us throughout the country. We may not be able to fully implement our expansion plans because of a number of factors, including, but not limited to, adverse changes in Mexican economic conditions or in our ability to gain access to financing on terms and conditions that we deem acceptable, or our ability to hire competent personnel for our proposed new locations. Difficulties in implementing our planned expansion may result in delays in realizing projected revenue or profit goals or in adverse effects on our business, results of operations, prospects and financial condition.

Competition from other microfinance lenders, banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Mexican microfinance lending industry.

We face competition from lenders that target the low-income segments of the Mexican population, particularly savings institutions, cooperatives, credit unions, retailers, consumer loan and informal loan providers, Sofols, other Sofoms, savings and lending associations, banks and other financial institutions comprising the traditional financial sector in Mexico and non-governmental organizations, or NGOs. In addition, we face competition from the public sector, as the Mexican government currently engages in its own microfinance lending programs. We anticipate that we may encounter greater competition as we continue to expand our operations in Mexico. Institutions with which we may compete may have significantly greater assets and capital, name recognition, geographic penetration and other resources than we have. In addition, our competitors may be better able than we are to anticipate, and respond to market trends. Competition in our market may result in an adverse effect on our business, results of operations, prospects and financial condition.

The introduction by us of new products and services may not be successful.

As part of our business strategy, we plan to develop and introduce products and services that complement our current microfinance lending activities, such as additional types of loans or insurance products through alliances with third party insurance companies, in each case tailored to the low-income segments of the Mexican population. However, we cannot guarantee that we will develop any such products or services or that these new products and services will be successful once they are offered to our target customers or in the future or that we would be able to enter into agreements on acceptable terms with third party insurance companies. We may not be able to adequately anticipate our target customers' needs or desires, and these may also change over time, which could render certain of our products and services obsolete. Moreover, we may face difficulties in achieving profitability from offering these products and services and incur significant costs in connection with such products.

We may not be able to obtain needed funding or borrowings on acceptable terms or at all.

Our ability to obtain additional funding in the future on acceptable terms is subject to a variety of uncertainties, including credit ratings, our future financial position, results of operations and cash flows; any necessary government regulatory approvals; general market conditions for capital-raising activities by financial institutions; and macroeconomic, political and other conditions in Mexico. Currently our funding is through lines of credit with HSBC Mexico and SHF. We may not be able to obtain needed additional funding in a timely manner or on acceptable terms or at all.

Reductions in our credit ratings would increase our cost of funding.

Our credit ratings are based on the financial strength, credit quality and diversification in our loan portfolio; the level and volatility of our earnings; our capital adequacy; the quality of our management; the liquidity of our balance sheet and our ability to access a broad array of funding sources. Adverse changes in our credit ratings could increase our cost of funding, which may in turn have a negative effect on our business, results of operations, prospects and financial condition.

We are subject to fluctuations in interest rates and other market risks.

Our financial margin and the market value of certain of our assets and liabilities are subject to variations due to interest rate volatility. Changes in interest rates affect our interest income, the volume of loans we generate and our interest expense, as well as the market value of certain of our securities holdings. For example, when interest rates rise, we must pay higher interest on our borrowings while interest earned on our loans does not rise as quickly, causing our financial margin, which comprises the majority of our revenue, to decrease. In addition, prevailing market values of investment in securities may fluctuate, negatively affecting the value of these assets. Fluctuations in interest rates and prevailing market prices may have a material adverse effect on our financial condition and results of operations.

If we are unable to effectively control the level of non-performing loans in the future, or if our loan loss reserves are insufficient to cover future loan losses, our financial condition and results of operations may be materially and adversely affected.

Non-performing loans can negatively impact our results of operations. We cannot assure you that we will be able to effectively control the level of these loans in our loan portfolio. The amount of our non-performing loans may increase in the future. In addition, factors beyond our control, such as the impact of macroeconomic trends and political events affecting Mexico, adverse events affecting specific industries or natural disasters, may result in increases in non-performing loans. Our loan loss reserves may not be adequate to cover an increase in the amount of non-performing loans or any future deterioration in the overall credit quality of our total loan portfolio. If the quality of our total loan portfolio deteriorates we may be required to increase our loan loss reserves, which would adversely affect our financial condition and results of operations. Moreover, there is no precise method for predicting loan losses, and we cannot assure you that our monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover future losses. If we are unable to control the level of our non-performing, our financial condition and results of operations could be materially and adversely affected.

Interruption or failure in our information technology systems may adversely affect our operations.

Our success is heavily dependent on the efficient and uninterrupted operation of our computer and communications hardware systems, including systems relating to the operation of our operations center in the city of León and our new operations center to open in the city of Aguascalientes. Our computer and communications systems and operations could be damaged or interrupted by fire, flood, power loss, telecommunications failure, computer viruses, physical or electronic break-ins or other similar events or disruptions. Any of these events could cause system interruptions, delays and losses of critical data and could prevent us from operating at optimal levels or at all. Furthermore, our disaster recovery planning may not be sufficient for all eventualities, and we may have inadequate insurance coverage or insurance limitations that could prevent us from being fully compensated for losses from a major interruption or other damage to our systems. If any of these events were to occur, we could incur substantial expenses and our operations, as well as our results of operations and financial condition could be adversely affected.

Our inability to maintain and upgrade our information technology infrastructure and credit risk management systems in a timely manner could adversely affect our competitiveness, financial position and results of operations.

Our ability to operate and remain competitive depends on our ability to maintain and upgrade our information technology infrastructure in a timely and cost-effective manner. We must continually make investments and improvements in our information technology infrastructure in order to remain competitive. The information available to and received by our management through our existing information systems may not be timely and sufficient to manage risks or to plan for, and respond to, future changes in market conditions and other developments in our future operations. We may experience difficulties in upgrading, developing and expanding such systems quickly enough to accommodate our growing customer base and range of products and services. Any failure to effectively maintain, improve or upgrade our information technology infrastructure and management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations.

We depend on key personnel.

We depend on the services of our principal officers and key employees. The loss of any of our experienced principal officers, key employees or senior managers could negatively affect our ability to execute our business strategy. In addition, in line with our planned expansion, our future success also depends on our continuing ability to identify, hire, train and retain other qualified sales, marketing and managerial personnel. Competition for such qualified personnel is intense and we may be unable to attract, integrate or retain qualified personnel at levels of experience or compensation that are necessary to maintain our quality and reputation or to sustain or expand our operations. Our business could be materially and adversely affected if we cannot attract and retain these necessary personnel.

We may be exposed to additional labor-related expenses under certain circumstances.

Other than managerial and certain administrative employees, as of June 30, 2007, 74.0% of our labor force, employed through our subsidiaries, are affiliated with labor unions. Wages, salaries, benefits, staffing levels and other terms are negotiated pursuant to collective bargaining agreements and adjusted annually. Accordingly, the results of such negotiations could lead to increases in our labor costs and restrict our ability to maximize the efficiency of our operations. In addition, in the event of a labor disruption or strike in any of the outsourcing companies, our ability to conduct our operations could be impaired and, therefore, our financial position could be adversely affected.

Because individuals employed by our subsidiaries, Prosefindep, S.A. de C.V., or Prosefindep, and Ejecutivos Santa Fé, S.A. de C.V., or Ejecutivos Santa Fé, are employees of those subsidiaries, we are not required to share any profits with those individuals. However, there can be no assurance that a Mexican labor court would support our determination that these individuals are not our employees. Prosefindep and Ejecutivos Santa Fé share profits with their employees as required by Mexican law.

In addition, as of June 30, 2007, approximately 26.1% of our sales force was comprised of independent sales agents whose compensation is based solely on commissions and other financial incentives for sales made by them. We do not consider such commission-based personnel as employees. However, there can be no assurance that the Mexican Social Security Institute (*Instituto Mexicano del Seguro Social*) or IMSS, a labor court or another competent Mexican authority would support our determination that these individuals are not our employees. In such an event, we could be required to make social security contributions relating to such individuals to the same extent as if they were our employees.

In the event that we were compelled to make social security contributions, or to provide other benefits, including profit sharing, in respect of the commission-based personnel, our financial condition and results of operations could be materially adversely affected.

Even though we are not currently significantly regulated as a bank or financial institution in Mexico, changes to Mexican governmental regulations, including the imposition of an interest-rate ceiling, may adversely affect our operating results and financial position.

There may be significant future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us. In particular, Mexican laws and regulations do not currently impose any limit on the interest rate that we may charge in relation to credit transactions. The Mexican government could, in the future, impose limitations or informational or other requirements in respect of such rates of interest that are applicable to us.

In addition, we are a Mexican financial institution and therefore we are subject to the specific rules set forth in Article 22 of the LMV, including specific corporate governance provisions applicable to us. Investors should review and understand the differences applicable to by law to us. See "The Mexican Securities Market—Market Regulation and Registration Standards—Historical background and enactment of the LMV." Our financial condition and results of operations could be materially adversely affected by changes in existing laws and regulations.

The acquisition of certain amounts of our capital stock by certain entities may increase our regulatory burden and/or adversely affect our operating results and financial position.

We are a non-regulated Sofom and not subject to the requirements and regulations applicable to regulated Sofoms and other financial institutions in Mexico. However, even though we are a non-regulated Sofom, we are subject to certain regulation by Mexican governmental authorities. In the event that we were directly affiliated with a Mexican bank or holding company of a financial group that holds a bank, we would be treated as a regulated Sofom. In addition, in the event that a person controlled or held a majority interest in us as well as in a credit institution, we would also be treated as a regulated Sofom, and thus the rules applicable to regulated Sofoms would be applicable to us, thereby significantly increasing our regulatory burden. Regulated Sofoms are subject to the rules and supervision of the CNBV and to certain requirements applicable to banks, including capital adequacy requirements, reporting and related-party transaction rules.

We may become a regulated Sofom if Grupo Financiero HSBC, S.A. de C.V., or Grupo Financiero HSBC, acquires shares of our capital stock pursuant to the Subscription Agreement (as defined under "Principal Selling Shareholders—Agreements with Grupo Financiero HSBC, S.A. de C.V." in this offering circular) or in the open market through the Mexican Stock Exchange after this offering. See "Principal Selling Shareholders—Agreements with Grupo Financiero HSBC, S.A. de C.V."

Accordingly, acquisitions of certain amounts of our capital stock by a bank or holding company of a financial group may increase our regulatory burden and/or adversely affect our operating results and financial position. See "Supervision and Regulation of Certain Lending Entities in the Mexican Market—Sofoms."

Risks Related to the Shares and the Offering

A liquid market for our Shares may not develop.

Although the Shares offered hereby have been listed on the Mexican Stock Exchange in connection with this offering, we cannot assure you that a liquid trading market for the Shares will develop. Prior to the listing of the Shares on the Mexican Stock Exchange in connection with the offering, there was no public market for our Shares and there is no guarantee that an active market will develop or be sustained. The Mexican Stock Exchange is substantially smaller, less liquid and generally more volatile than the major securities markets in the United States. In addition, the Mexican Stock Exchange operates a system which suspends dealing in shares of a particular issuer when changes in the price of such shares (expressed as percentage of that day's opening price) exceeds certain levels. As a result of these factors, you may not be able to sell your Shares at the time or price you desire or at all.

The market price of our Shares may be volatile.

The trading price of our Shares following this offering may fluctuate substantially and may be higher or lower than the price you pay, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose part or all of your investment in our Shares. The factors that could cause fluctuations include, but are not limited to, the following:

- investors' perceptions of our prospects and the prospects of the microfinance industry;
- differences between our actual financial and operating results and those expected by investors;
- actions by our principal shareholders with respect to the disposition of the Shares they beneficially own, or the perception that such actions might occur;
- announcements by us or our competitors of significant acquisitions, divestitures, strategic partnerships, joint ventures or capital commitments;
- general economic conditions in Mexico;
- political and market conditions in Mexico, the United States and other countries;
- fluctuations in the exchange rate between the Peso and the U.S. dollar, particularly depreciations of the Peso;
- additions or departures of key management personnel;
- fluctuations in our earnings, including quarterly operating results; and
- broad capital market fluctuations.

Future issuances of shares or future sales of shares by our principal shareholders, or the perception that such sales may occur, may result in a decrease of the market price of our Shares.

In the future, we may issue additional equity securities for financing and other general corporate purposes, although there is no present intention to do so. In addition, our principal shareholders may dispose of their interests in us. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholders' economic and voting rights in us or a negative market perception and potentially in a lower market price of our Shares.

Preemptive rights may be unavailable to U.S. shareholders.

Under Mexican law, whenever we issue new shares of capital stock for cash, we generally must grant preemptive rights to our shareholders, giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. We may not be able to offer shares to U.S. shareholders pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares unless a registration statement under the Securities Act is effective with respect to such rights and shares or an exemption from the registration requirements of the Securities Act is available. We are not required to file any such registration statement. As a result, U.S. shareholders may not be able to exercise their preemptive rights in connection with future issuances of our shares of capital stock. In this event, the economic and voting interest of U.S. shareholders in our total equity may decrease and U.S. shareholders would suffer dilution with respect to their holdings of our Shares.

The protections afforded to minority shareholders and the remedies available to shareholders in Mexico are different from those in the United States.

Under Mexican law, the protections afforded to minority shareholders are different from, and may be less than, those afforded to minority shareholders in other jurisdictions, including the United States. For example, because provisions concerning fiduciary duties of directors have only recently been incorporated into the LMV, it may be difficult for minority shareholders to bring an action against directors for breach of this duty and achieve the same results as in the United States.

In addition, there is no procedure for class actions as such actions are conducted in the United States, and there are different procedural requirements for bringing shareholder lawsuits against directors for the benefit of companies. Under Mexican law, grounds for shareholder derivative actions are limited. Therefore, it may be more difficult for minority shareholders to enforce their rights against us, our directors or our controlling shareholders than it would be for minority shareholders of a United States company. Mexican regulations provide remedies that may differ from those contemplated under the securities laws in other jurisdictions including the United States. Therefore, shareholders may not be able to exercise the rights or file the types of legal actions that they would normally pursue under the securities laws in other jurisdictions, including the United States.

It may be difficult to enforce civil liabilities against us or our directors, principal officers and controlling persons.

All of our directors, principal officers and controlling persons are non-residents of the United States and substantially all of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States, or in any other jurisdiction outside of Mexico, upon such persons or us, or to enforce against them, or us in courts of any jurisdiction outside of Mexico, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the civil liability provisions of United States federal and state securities laws. In addition, there is doubt as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities arising under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon the United States federal or state securities laws. No bilateral treaty is currently in effect between the United States and Mexico that covers the reciprocal enforcement of foreign judgments.

The ownership and transfer of our Shares is subject to certain restrictions under our by-laws.

The ownership and transfer of our Shares is subject to certain requirements, options and restrictions under the LMV and under our by-laws. For more information regarding these and other restrictions on the ownership and transfer of Shares, see "The Mexican Securities Market—Insider Trading, Trading Restrictions, Tender Offers and Delistings—Material Acquisitions and Tender Offers" and "Description of our Share Capital and By-Laws—Changes in Our Capital Stock and Preemptive Rights."

We believe that we will be classified as a PFIC for United States federal income tax purposes, which may result in adverse U.S. federal income tax consequences to U.S. holders of our Shares.

We believe that we will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. This characterization will result in material adverse consequences for you if you are a U.S. holder, including having gains realized on the sale of our ordinary shares treated as ordinary income, rather than as capital gains income, having potentially punitive interest charges apply to those gains, and the denial of the taxation of certain dividends paid by us at the lower rates applicable to long-term capital gains. In addition, a step up in the tax basis of our Shares would not be available upon the death of an individual U.S. holder of Shares. See "Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Considerations." U.S. holders of Shares are urged to consult with their own U.S. tax advisors with respect to the U.S. tax consequences of investing in the Shares.

We will not provide U.S. holders of Shares with information with respect to indirect distributions and dispositions.

We will not provide U.S. holders of Shares with information with respect to indirect distributions and indirect dispositions involving our subsidiary PFICs and, thus, U.S. holders of Shares may not be able to fully comply with their U.S. federal income tax reporting obligations. See "Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Considerations."

Our by-laws restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders.

As required by Mexican law, our by-laws provide that non-Mexican shareholders are considered to be Mexican with respect to their ownership interests in our company and are deemed to have agreed not to invoke the protection of their governments in certain circumstances. Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of his own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, but is not deemed to have waived any other rights it may have, including any rights under the U.S. securities laws, with respect to its investment in our company. If you invoke such governmental protection in violation of this agreement, your Shares could be forfeited to the Mexican government.

Actions by our controlling shareholders may conflict with your interests.

Following the global offering, we expect that the Control Trust, our controlling shareholder, will continue to beneficially own a controlling interest of our outstanding voting shares. Accordingly, our controlling shareholder will continue to control (subject to statutory minority rights in Mexico) all the corporate actions requiring shareholder approval or participation, including appointing our chief executive officer, electing a majority of the members of our board of directors and determine our business strategies, including the approval of corporate reorganizations, dispositions, mergers and other extraordinary transactions and the timing and payment of dividends. In addition, our controlling shareholder may have an interest in pursuing joint ventures, acquisitions, dispositions, financings or similar transactions that could conflict with the interests of other shareholders. Accordingly, our controlling shareholder may have interests that differ from yours and may vote in a way with which you disagree and that may be adverse to your interests. In addition, actions by our controlling shareholder with respect to the disposition of our shares, or the perception that such actions will occur, may negatively affect the trading prices of the Shares.

In addition, pursuant to certain subscription and trust agreements entered into by our principal shareholders, the transfer of our shares (other than the Shares being offered in Mexico and pursuant to this offering circular) is subject to the rules, procedures and options set forth therein. The exercise of some of the rights contained therein may result in a significant shift in our current shareholding between our principal shareholders. See "Principal and Selling Shareholders—Agreements with Grupo Financiero HSBC, S.A. de C.V."

Our by-laws require the prior approval of our board of directors if a person or group of persons proposes to acquire, or create blocks of 9.99% or more of our capital stock.

Our by-laws provide that no person or group of persons may acquire 9.99% or more of our capital stock, or otherwise agree to act or vote as a block representing 9.99% or more of our capital stock, without the prior approval of our board of directors, which approval must be granted or denied 90 days after a notice of the proposed transaction is given to the board of directors. This provision could discourage possible future purchasers of our Shares, or of a significant percentage of our Shares, and, accordingly, could adversely affect the liquidity and price of our Shares. See "Description of Our Share Capital and Bylaws—Change of Control Provisions."

Risks Related to Mexico

Adverse economic or political conditions in Mexico may adversely affect our financial position and results of operations.

We are a Mexican financial institution, and all of our operations are conducted in Mexico and are dependent upon the performance of the Mexican economy. As a result, our business, financial position and results of operations may be affected by the general condition of the Mexican economy, over which we have no control. In the past, Mexico has experienced economic crises caused by internal and external factors, characterized by exchange rate instability, high inflation, high domestic interest rates, economic contraction, a reduction of international capital flows, a reduction of liquidity in the banking sector and high unemployment rates. We cannot assure you that such conditions will not return or that such conditions will not have a material and adverse effect on our business, financial position or results of operations.

In addition, social and political instability in Mexico or other adverse social or political developments in or affecting Mexico could adversely affect us, our ability to obtain financing, our results of operations and our ability to pay dividends. It is also possible that political uncertainty may adversely affect Mexican financial markets and the market price of our Shares.

Recently approved tax legislation may impact our future cash flows from operations.

On October 1, 2007, the Ministry of Finance published in the Official Gazette two new federal taxes applicable to all Mexican corporations. These taxes consist of a business flat rate tax and a tax on cash deposits.

The business flat rate tax (*Impuesto Empresarial a Tasa Única*), or IETU, will become effective on January 1, 2008. The IETU is an alternative minimum tax which will replace the current asset tax on corporations and other taxpayers in Mexico. The IETU will be imposed only on income derived from sales, services and leases at the rate of 16.5% in 2008, 17% in 2009 and 17.5% in 2010 and thereafter. Mexican corporations will be required to pay the IETU if, as a result of the calculation of the IETU, the amount payable under the IETU exceeds the income tax payable by the corporation pursuant to Mexican income tax law. The IETU is calculated by applying the rates specified above to the amount resulting from deducting from a company's income derived from sales, services and leases, among other items, expenses incurred in goods acquired (consisting of raw materials and capital investments), services provided by independent contractors and lease payments required for the performance of the activities taxable under the IETU. Salaries and interest payments arising from financing transactions are not deductible for purposes of determining the IETU. However, salaries subject to income tax and social security contributions paid to employees are creditable for purposes of determining the IETU.

The tax on cash deposits (*Impuesto a los Depósitos en Efectivo*), or IDE, will become effective on July 1, 2008. Pursuant to the IDE, monthly cash bank deposits in excess of Ps.25,000 will be subject to a 2% withholding tax. Such withholding will be creditable against income tax. This recently approved tax legislation may impact our future cash flows from operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Changes in Mexican economic policy may adversely affect us.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. As a result, Mexican governmental actions concerning the economy could have a significant impact on Mexican private sector entities in general, as well as on market conditions and prices and returns on Mexican securities, including the Shares.

In July 2006, Felipe Calderón Hinojosa, the presidential candidate of *Partido Acción Nacional*, or PAN, won the Mexican presidential election. Following Mr. Calderón's election, the Mexican Congress is politically divided, as the PAN does not have majority control. Mr. Calderón's presidency may not be able to implement significant changes in laws, public policies and/or regulations that could affect Mexico's political and economic situation, which could adversely affect our business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Mexican Economic Environment."

In addition, the Mexican government has in recent years implemented changes to the tax laws applicable to Mexican companies, including us. Should the Mexican government implement changes to the tax laws that result in our having significantly higher income or asset tax liability or being subject to the payment of new taxes, we will be required to pay the higher amounts due pursuant to any such changes or new taxes, which could have a material adverse impact on our results of operations. In addition, changes to the Mexican Constitution, or to any other Mexican laws could also have a material adverse impact on our results of operations.

Developments in other countries could adversely affect the Mexican economy and our results of operations.

The Mexican economy may be, to varying degrees, affected by economic and market conditions in other countries, including the United States. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. For example, in October 1997, prices of both Mexican debt and equity securities decreased substantially as a result of the sharp drop in Asian securities markets. Similarly, in the second half of 1998 and in early 1999, prices of Mexican securities were adversely affected by the economic crises in Russia and Brazil. The market value of securities of Mexican companies, including the Shares, may be, to varying degrees, affected by future economic and market conditions in other countries. In addition, changes in interest rates in the United States may indirectly affect our cost of funding and interest rates applicable to our loans.

Corporate disclosure in Mexico may differ from disclosure regularly published by or about issuers of securities in other countries, including the United States.

A principal objective of the securities laws of the United States, Mexico and other countries is to promote full and fair disclosure of all material corporate information, including accounting information. However, there may be less publicly available information about issuers of securities in Mexico than is regularly made available by public companies in countries with highly developed capital markets, including the United States.

In addition, accounting standards and disclosure requirements for Sofols and Sofoms in Mexico differ from those of the United States. In particular, our financial statements are prepared in accordance with Mexican Sofol Accounting Principles, which differ from U.S. GAAP and accounting procedures adopted in other countries in a number of respects. Items on the financial statements of a company prepared in accordance with Mexican Sofol Accounting Principles may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with U.S. GAAP. See "Significant Differences between Mexican Sofol Accounting Principles and U.S. GAAP" for a description of certain differences between Mexican Sofol Accounting Principles and U.S. GAAP as they relate to us. We have made no attempt to quantify the impact of those differences by a reconciliation of our financial statements or other financial information in this offering circular to U.S. GAAP. We cannot be certain that a reconciliation would not identify material quantitative or qualitative differences between our financial statements or other financial information as prepared on the basis of Mexican Sofol Accounting Principles if such information were to be prepared on the basis of U.S. GAAP.

USE OF PROCEEDS

The proceeds to be received by us from our issuance and sale of Shares in this offering, after deducting the inital purchasers' estimated discounts and commissions, will be approximately Ps.1,047.6 million, based on an offering price of Ps.24.00. We intend to use the net proceeds from this offering to increase our loan portfolio, make capital expenditures related to expanding our distribution network, and for general corporate purposes. We will not receive any proceeds from the sale of Shares by the selling shareholders, nor will we receive any proceeds pursuant to the exercise of the over-allotment option by the sole bookrunner, as the option has been granted by the selling shareholders named in this offering circular and not by us. The selling shareholders will receive all of the net proceeds from the sale of their Shares.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2007, on a historical basis and as adjusted to reflect (i) this offering and (ii) the Mexican offering, taking into consideration the use of Ps.1,047.6 million (based on the offering price of Ps.24.00 per Share) of the proceeds received by us as a result of the primary offering of our Shares, after deducting the initial purchasers' estimated discounts and commissions, as described under "Summary—The Offering" and "Use of Proceeds," on the basis of Mexican Sofol Accounting Principles. You should read this table together with the information under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements included elsewhere in this offering circular. Solely for the convenience of the reader, Peso amounts appearing in the table below have been translated to U.S. dollar amounts at the Mexican Central Bank Exchange Rate.

	As of June 30, 2007			
	Actual	**As Adjusted**	**Actual**	**As Adjusted**
	(Ps. millions)		**(US$ millions)**	
Cash and cash equivalents	**124.0**	**1,171.6****	**11.5**	**108.6**
Short-term debt	1,623.1	1,623.1	150.4	150.4
Other short-term accounts payable	224.4	224.4	20.8	20.8
Total liabilities	1,847.4	1,847.4	171.2	171.2
Stockholders' equity:				
Total stockholders' equity	**1,102.3**	**2,149.9**	**102.1**	**199.2**
Total capitalization(*)	15,240.0	16,320.0	1,412.1	1,512.1

(*) Calculated based on the number of shares before and after the global offering, taking into consideration the offering price of Ps.24.00.

(**) Includes the proceeds from the primary offering of our Shares in the global offering (45 million Shares multiplied by Ps.24.00). Based on the proceeds to us of the offering including deduction of the initial purchasers' estimated discounts and commissions.

DILUTION

Considering the offering price of Ps.24.00 per Share, this offering would result, as of June 30, 2007, in an increase in the shareholders' equity value of Ps.1.4 per Share to existing shareholders, and an immediate dilution in the shareholders' equity value of Ps.20.8 per Share to new investors acquiring Shares in this offering. The dilution represents the difference between the offering price per Share paid by investors in this offering and the book value per Share by reference to our interim financial statements, immediately after giving effect to this offering.

As of June 30, 2007, our total shareholders' equity was Ps.1,102.3 million. Our book value per Share (which represents our total assets net of our total liabilities, divided by the total number of outstanding shares of our common stock) was Ps.1.74 per Share as of June 30, 2007, as adjusted to take into account the 1000-for-1 stock split of the shares of our common stock approved by our shareholders through unanimous shareholders' resolutions on October 18, 2007.

After giving effect to the sale by us of 45,000,000 Shares in the global offering and based upon the offering price of Ps.24.00 per Share as of June 30, 2007 our estimated shareholders' equity as of June 30, 2007, after deducting the initial purchasers' discounts and commissions, would have been approximately Ps.2,149.9 million, representing Ps.3.2 per Share.

The following table illustrates this dilution per Share as of June 30, 2007:

	As of June 30, 2007	
	(in Ps. except percentages)	(in US dollars, except percentages)[1]
Offering price per Share	24.00	2.22
Shareholders' equity value per Share as of June 30, 2007	1.74	0.16
Increase in net book value per Share attributable to existing shareholders	1.43	0.13
Shareholders' equity value per Share as of June 30, 2007, adjusted for this offering	3.16	0.29
Dilution of shareholders' equity per Share to new investors[2]	20.84	1.93
Percentage of dilution per Share to new investors[3]	6.6%	6.6%

(1) Peso amounts have been translated solely for the convenience of the reader into U.S. dollars at an exchange rate of Ps.10.7926, the exchange rate in effect on June 30, 2007, as reported by the Mexican Central Bank.

(2) Dilution represents the difference between the offering price per Share paid by investors in this offering and the net book value per Share by reference to our interim financial statements, immediately after giving effect to this offering.

(3) Calculated to reflect dilution in the net income per Share for new investors vis-à-vis the offering price per Share.

The offering price per Share bears no relationship to the book value of our Shares and will be established based on the book building procedure. For more information on the per Share offering price, see "Summary."

Immediately after giving effect to the offering, our shareholders' equity will consist of 680,000,000 Shares. New investors acquiring Shares in this offering will hold (i) a total of 136,000,000 Shares, assuming the full exercise of the over-allotment option, or (ii) 118,300,000 Shares, assuming no exercise of the over-allotment option.

For the six months ended June 30, 2007, our net income per Share was Ps.0.42. As adjusted for the offering, we expect our net income per Share for the same period would have been Ps.0.39, representing a 6.6% dilution.

During the three-year period ended December 31, 2006, our principal officers and directors only acquired shares that had been offered to all of our shareholders.

Stock Option Plan

In connection with this offering, we created a stock option plan for our employees and management. The stock option plan will be implemented through two trusts, or the SOP trusts, created by two of our subsidiaries, Prosefindep and Ejecutivos Santa Fé, with a Mexican banking institution pursuant to Mexican law. Our board of directors expects to determine, with the prior approval of our audit and corporate practices committee and subject to the guidelines described below, the beneficiaries under our stock option plan as well as the number of shares that each beneficiary will be entitled to purchase.

The stock option plan will enable the eligible employees to acquire, through the SOP Trusts, shares of our capital stock. We expect a portion of the purchase price per Share to be funded through contributions that we expect will be made by two of our subsidiaries, Prosefindep and Ejecutivos Santa Fé, from time to time to the SOP Trusts. The SOP Trusts will initially have funds in an aggregate amount of Ps.35 million to conduct purchases of our Shares in the Mexican offering and, accordingly, they intend to place purchase orders for up to this amount. After the offering, the SOP Trusts are expected to continue to acquire our Shares, from time to time, through the Mexican Stock Exchange.

With the exception of the stock options offered to our eligible employees, we will not offer any other stock options prior to the conclusion of this offering.

For more information regarding our stock option plan, see "Our Business—Employees and Labor Relations—Stock Option Plan."

DIVIDENDS AND DIVIDEND POLICY

The declaration and payment of dividends are determined, subject to the limitations set forth below, by the affirmative vote of a majority of our shareholders at a general ordinary shareholders' meeting.

Mexican law requires an annual allocation of at least 5% of net income (on a non-consolidated basis after deductions required by Mexican law), to a legal reserve, which is not subsequently available for distribution, until the amount of the legal reserve equals 20% of our paid in capital stock (without adjustment for inflation). We pay dividends only out of earnings (including retained earnings after all losses have been absorbed or paid up), and only after the allocation to the legal reserve fund has been made, except for a special dividend paid by us on June 20, 2006, immediately prior to HSBC Overseas' investment in us, which was paid out of net income. We may pay dividends only out of earnings and only after such allocation to the legal reserve fund has been made. As of December 31, 2006, we were in compliance with the regulations pertaining to our legal reserves. By the affirmative vote of a majority of our shareholders at a general ordinary shareholders' meeting, a certain percentage of net income may be allocated to any general or special reserve.

At the annual ordinary general shareholders' meeting, our board of directors submits for approval by our shareholders our annual financial statements together with reports prepared by our board of directors, chief executive officer and the chairmen of our audit and corporate practices committee. Once our shareholders have approved our financial statements, they determine the allocation of our net income, after provision for income taxes, legal reserves and statutory employee profit sharing payments for the preceding year. All shares of our capital stock outstanding at the time a dividend or other distribution is declared are entitled to share equally in that dividend or other distribution.

The following table sets forth for the last five years the amount of dividends declared and paid by us in constant Pesos, on a per share basis, and a convenience translation of those amounts into dollars based on the exchange rate of Pesos to U.S. dollars published by the Mexican Central Bank as of December 31, for each year listed and for the six months ended June 30, 2007.

Dividend Approval Date	Dividend Payment Date	Fiscal Year with Respect to which Dividends are declared	Aggregate Amount of Dividend Declared	Number of shares(1)	Dividend per share	Dividend per share
			(in constant Ps. as of June 30, 2007)		(in constant Ps. as of June 30, 2007)	(in US Dollars)
04-21-2004	04-23-2004	2003	27,931,000	508,000	54.98	5.09
03-07-2005	03-09-2005	2004	53,112,000	508,000	104.55	9.69
03-27-2006	03-27-2006	2005	71,140,000	508,000	140.04	12.98
06-20-2006(1)	06-20-2006	2005	812,286,000	508,000	1,598.99	148.16
03-20-2007	03-21-2007	2006	173,599,000	635,000	273.38	25.33

(1) Does not reflect the 1000-for-1 stock split of shares of our common stock.

(2) Relates to HSBC Overseas' acquisition of 19.99% of our capital stock in June 2006.

In addition, on May 15, 2006, Serfincor, which at that time was not our subsidiary, declared a special dividend in the amount of Ps.29.4 million immediately prior to HSBC Overseas' investment in us. Serfincor has not declared or distributed any other dividends since its inception.

The amount of dividends declared and paid by us is based on, among other things, earnings, cash flow, capital requirements, our financial condition and other relevant factors. However, it is our intention that in the future our dividend policy will seek to optimize our capital structure in such way that we are not overcapitalized on the one hand and that we have sufficient capital to support risks associated with our business and expected growth, on the other.

Dividends declared at each year annual shareholders meeting are in respect of dividends for the preceding year. At our annual shareholders' meeting held on March 20, 2007, our shareholders approved a dividend for the 2006 fiscal year of Ps.273.38 per share (US$24.48 per share based on the exchange rate of Pesos to US dollars in effect on March 21, 2007 of Ps.11.1664 to US$1.00, as published by the Mexican Central Bank).

For additional information regarding taxation of dividends, see "Taxation—Mexican Taxation—Taxation on Dividends" and "Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Considerations—Treatment of Certain Distributions with Respect to Shares."

THE MEXICAN SECURITIES MARKET

The information concerning the Mexican securities market set forth below has been prepared based on materials obtained from public sources, including the CNBV, the Mexican Stock Exchange, the Mexican Central Bank and market publications, as well as the applicable laws and regulations. This information has not been independently verified by us or the initial purchasers in connection with the offering. The complete text of the LMV (as amended) and other relevant regulations may be found at http://www.cnbv.gob.mx.

Prior to this offering, there has been no trading market for any of our outstanding capital stock in Mexico, the United States or elsewhere. Upon the completion of the global offering, our shares will be registered on the RNV maintained by the CNBV and listed on the Mexican Stock Exchange, under the symbol "FINDEP."

We cannot predict the extent to which a trading market in Mexico, the United States or elsewhere will develop with respect to our shares. We also cannot predict the liquidity of any trading market for our shares, should any develop. If the trading volume and/or float of our shares on the Mexican Stock Exchange falls below certain levels, our shares may be de-listed or deregistered in that market.

Trading on the Mexican Stock Exchange

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Operating continuously since 1907, the Mexican Stock Exchange is organized as a corporation with variable capital, or *sociedad anónima de capital variable*. Securities trading on the Mexican Stock Exchange occurs each business day from 8:30 a.m. to 3:00 p.m., Mexico City time.

Since January 1999, all trading on the Mexican Stock Exchange has been effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular company when price fluctuations exceed certain limits. The Mexican Stock Exchange may also suspend trading in shares of a particular company as a result of non-disclosure of material events or changes in the offer or demand, volume traded or prevailing share price that are inconsistent with the shares' historical performance and cannot be explained through publicly available information.

The Mexican Stock Exchange may reinstate trading in suspended shares when it deems that the material events (*eventos relevantes*) have been adequately disclosed to public investors or when it deems that the company has adequately explained the reasons for the changes in offer and demand, volume traded, or prevailing share price. Under current regulations, the Mexican Stock Exchange may consider the measures adopted by other stock exchanges in order to suspend and/or resume trading in a company's shares in cases where the relevant securities are simultaneously traded on a stock exchange outside of Mexico.

Settlement on the Mexican Stock Exchange of transactions with publicly traded securities is ordinarily effected three business days after a share transaction. Deferred settlement is not permitted without the approval of the Mexican Stock Exchange. Most securities traded on the Mexican Stock Exchange are on deposit with Indeval, a privately owned securities depositary that acts as a clearinghouse, depositary and custodian, as well as a settlement, transfer and registration agent for Mexican Stock Exchange transactions, eliminating the need for the physical transfer of securities.

The LMV contemplates the existence of an over-the-counter securities market, however, no such market for securities in Mexico has developed. The LMV provides that foreign-issued securities may be traded by brokerage firms and lending institutions through the International Trading System (*Sistema Internacional de Cotizaciones*) or SIC. These securities may be listed through the SIC if (i) they are not already listed on the RNV, (ii) the market of origin or the company issuing the shares has received, based on their characteristics, recognition from the CNBV and (iii) they satisfy the in-house requirements of the applicable stock exchange.

Market Regulation and Registration Standards

Historical background and enactment of the LMV

Prior to 1995, the regulation of the banking and stock market activities in Mexico was assigned to two different entities, the Mexican Banking Commission (*Comisión Nacional Bancaria*), established in 1925, regulated banking activity and the Mexican Securities Commission (*Comisión Nacional de Valores*), established in 1946, regulated stock market activity. In 1995, these two entities merged to form the CNBV. The CNBV regulates the Mexican securities market and supervises the Mexican Stock Exchange, and brokerage firms (*casas de bolsa*) through a board of governors composed of thirteen members.

The securities law that preceded the LMV, or Initial LMV, took effect in 1975 and introduced important structural changes to the Mexican financial system, including the organization of brokerage firms as corporations (*sociedades anónimas*).

In March 2003, the CNBV issued certain general regulations, or General Regulations, applicable to companies and other securities market participants. The General Regulations, which repealed several previously enacted CNBV regulations (*circulares*), now provide, among other things, a single set of rules governing companies issuing securities and their activities.

In addition, in September 2004, the CNBV issued general rules applicable to brokerage firms, the General National Banking and Securities Commission Rules for Brokerage Firms (*circulares aplicables a casas de bolsa*). The General National Banking and Securities Commission Rules for Brokerage Firms now provide a single set of rules governing participation of Mexican underwriters in public offerings, among other matters.

On December 30, 2005, the LMV was published in the Official Gazette and became effective on June 28, 2006. As a result, issuers were required to incorporate new corporate governance and other procedures derived from the LMV into their by-laws. In addition, in September 2006, the General Regulations were amended to implement and provide further detail with respect to some of the provisions of the LMV.

The LMV repealed the Initial LMV and changed the Mexican securities regulation in various material respects. The reforms were intended to update the Mexican regulatory framework applicable to the securities market and publicly traded companies in accordance with international standards.

In particular, the LMV (i) established that, without legally piercing the corporate veil, for reporting and other purposes, publicly-traded corporations (*sociedades anónimas bursátiles*), or SABs, and the entities controlled by them are considered a single economic unit (*e.g.*, holding companies and wholly owned subsidiaries), (ii) clarified the rules for tender offers, dividing them into voluntary and mandatory categories, (iii) clarified standards for the disclosure of holdings of shareholders of public companies, (iv) expanded and strengthened the role of the boards of directors of public companies and outlined the need for independent directors, (v) defined the standards applicable to boards of directors and the duties of the board, each director, the secretary, the chief executive officer (*director general*) and principal officers (introducing concepts such as the duty of care, duty of loyalty and safe harbors), (vi) replaced the statutory auditor (*comisario*) and its duties with an audit committee and a corporate practices committee, which may be merged into a single committee and external auditors, (vii) clearly defined the roles and responsibilities of principal officers, (viii) improved the rights of minority shareholders relating to legal remedies and access to company information, (ix) introduced and defined concepts such as consortiums, groups of "related persons" or entities, control, "related parties" and decision-making power, (x) set forth three new types of companies distinct from those set forth by Mexico's general corporate law, (a) investment corporations (*sociedades anónimas promotoras de inversión*), (b) securities investment corporations (*sociedades anónimas promotoras de inversión bursátil*), and (c) SABs, and (xi) expanded applicable sanctions for violations of the LMV, including damages, administrative fines and criminal penalties. While the LMV expressly repealed a number of existing regulations, it is unclear whether other regulations not expressly mentioned in the transitory articles of the LMV were amended or repealed.

In addition, the LMV set standards for the authorization of companies to operate as brokerage firms, which is granted at the discretion of the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público),* or SHCP, upon the recommendation of the CNBV. In addition to setting standards for brokerage firms, the LMV authorized the CNBV, among other matters, to regulate the public offering and trading of securities and to impose sanctions for the illegal use of insider information and other violations contemplated by the LMV.

Financial companies registering their shares of capital stock (such as ourselves) on the RNV are subject to the specific financial laws applicable to such companies and other applicable regulations issued pursuant to these specific financial laws, including the following:

- Shareholders of the company will have the rights provided for under articles 48 through 52 of the LMV, which include anti-dilution provisions, shareholders rights and minority shareholder protections. See "—Governance."
- The capital stock of the company shall be structured pursuant to the specific financial laws applicable to such companies. In the absence of regulations under these financial laws related to capital stock, the company shall adopt the provisions set forth in the LMV.
- Financial entities (except for certain specific financial entities, such as mutual funds), can issue treasury shares not yet subscribed and may repurchase and place the shares representing its capital stock, pursuant to the provisions of articles 53, 56, and 57 of the LMV. See "Description of Our Share and Capital By-laws—Share Repurchases."
- In addition to the provisions of the specific financial laws applicable to them, and rules and regulations created by such laws, the disclosure of information by financial entities (except for certain financial entities, such as mutual funds), will be governed by articles 104 to 106 of the LMV. See—"Reporting Obligations," and the General Provisions created under the LMV.
- The integration, organization and functioning of the corporate bodies, including administration and surveillance bodies of financial entities shall comply with the provisions of specific financial laws applicable to them and rules and regulations created under such laws except for holding companies of financial groups, which are subject to the provisions of the LMV.

  Notwithstanding the foregoing, and subject to the exception mentioned above, the functions regulated by the LMV for shareholders meetings, boards of directors, corporate practices and auditing committees, and the chief executive officer of SABs, shall be performed in the corresponding financial entities, by a corporate body or person that acts pursuant to the provisions of the specific financial laws applicable to them. When the corresponding specific financial laws are silent with respect to any function, the financial entity shall be subject, with respect to such function, to the provisions of the LMV.
- The shareholders, officers who are members of the corporate bodies and individuals responsible for management and surveillance of the financial entity, shall be liable for their actions on the terms in which, if any, the specific financial laws that apply to them dictate and pursuant to the applicable Mexican commercial and civil legislation.

  The shareholders and the persons in charge of the administration and surveillance of controlling corporations of financial groups, are subject to the provisions of the LMV in connection with their functions, duties and responsibilities.

The LMV, the relevant amendments to the General Law of Auxiliary Credit Activities and Organizations (*Ley General de Organizaciones y Actividades Auxiliaries de Crédito*) and the Law for Transparency and Regulation of Financial Services (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*), or Transparency Law, have been in effect only for a few months. The foregoing, together with the absence of judicial precedents and the ambiguity of some of the provisions of the LMV, make it unclear whether all of the provisions contemplated for SABs would be, by law, applicable to us (an unregulated Sofom). In particular, it is unclear whether the provisions relating to the duties and liabilities of shareholders, board members and officers (including the minority protection that allows shareholders with a 5% threshold of shares to take a legal action against directors). Notwithstanding the foregoing, our by-laws incorporate all corporate governance rules applicable to an SAB pursuant to the LMV.

Pursuant to section XI of Article 86 of the LMV, we are required to disclose the differences, equivalences and similarities between the corporate governance provisions applicable to us pursuant to the specific financial laws that govern us and the LMV. See "Supervision and Regulation of Certain Lending Entities in the Mexican Market—Sofoms." The specific financial laws that govern us (the General Law of Auxiliary Credit Activities and Organizations and the Law for Transparency and Regulation of Financial Services), are silent with respect to these matters and we thus believe that the rules set forth in the LMV that contemplate (i) the application of Mexican commercial and civil law dealing with duties and liabilities of our shareholders, board members and officers and (ii) the application of other provisions of the LMV dealing with the integration, organization and functioning of our corporate bodies, are applicable to us.

Governance

Under the LMV, SABs must have a board of directors comprised of no more than 21 members, of which at least 25% must be independent. Independent members must be selected based on their experience, ability and reputation and are appointed at the SABs' general ordinary shareholders' meeting. The independence of a director must be determined by the SABs' shareholders, and such determination may be challenged by the CNBV. As a departure from legislative precedents and other legislation applicable to non-public corporations, the LMV permits then-acting members of the board of directors, under certain circumstances, to appoint, on a temporary basis, new members of the board of directors.

The board of directors of an SAB is required to meet at least four times during each calendar year. Its principal duties are (i) determining the company's general business strategies, (ii) overseeing the management and guidance of the company and its subsidiaries, based on the relevance that the subsidiaries have with respect to the financial, administrative and legal status of the company, as well as the performance of the relevant directors, (iii) approving the guidelines for the use of corporate assets, (iv) approving on an individual basis, transactions with related parties, subject to certain limited exceptions, (v) approving unusual or nonrecurring transactions and any transaction related to the acquisition or sale of assets with a value equal to or exceeding 5% of the company's consolidated assets, or the granting of collateral or guarantees, or the assumption of liabilities equal to or exceeding 5% of the company's consolidated assets, (vi) appointing or removing the chief executive officer and determining his/her salary and other benefits, as well as the general policies to hire and compensate other relevant directors, (vii) approving accounting and internal control policies, (viii) approving policies for disclosure of information, (ix) setting company policies in connection with the granting of any kind of loans guaranties to a related person, (x) granting waivers to board members, relevant officers or individuals with commanding authority to take advantage for themselves or for the benefit of third parties of a corporate opportunity that initially corresponds to the company or to the subsidiaries it controls or to those affiliates where the company has a significant influence, (xi) approving the company's financial statements, and (xii) hiring the external auditor and, if applicable, engaging additional or complimentary services for the external auditor. The term of "related person" under the LMV includes those who, with respect to an issuer, satisfy any of the following standards: (i) persons that control or have significant influence over an entity that belongs to a corporate group or consortium of such issuer, as well as the members of the board of directors and relevant officers of such corporate group or consortium (ii) persons that have power to control an entity that belong to the issuer's corporate group or consortium, (iii) certain close relatives and business associates (as described by the LMV) of individuals that meet any of the criteria set forth under sections (i) and (ii) above, (iv) entities that are part of the issuer's corporate group or consortium and (v) legal entities over which any of the persons referred to in sections (i) through (iii) above, exercise control or significant influence.

The LMV also requires the creation of one or more committees to oversee audit functions and corporate practices. Each committee must be comprised of at least three members appointed by the board of directors, other than its chairman who shall be appointed at the shareholders' meeting, and each member must be independent (except for corporations controlled by a person or group holding 50% or more of the outstanding capital stock, in which case the majority of the members of the corporate practices committee must be independent). The audit committee (coupled with certain obligations now entrusted to the board of directors), replaces the statutory auditor (*comisario*) that had been previously required by Mexico's General Corporate Law (*Ley General de Sociedades Mercantiles*), or LGSM.

The corporate practices committee is, among other things, required to provide opinions to the board of directors, request and obtain opinions from independent third-party experts, call shareholders' meetings, provide assistance to the board in the preparation of annual reports, and submit an annual report to the board of directors. The audit committee's responsibilities include, among others, supervising the outside auditors of the company, analyzing the outside auditors' reports, informing the board of directors with respect to existing internal controls, supervising related party transactions, requiring the company's executives to prepare reports when deemed necessary, informing the board of any irregularities that it encounters, supervising the activities of the company's executives and providing an annual report to the board of directors.

The LMV imposes the duties of care and loyalty upon directors and members of the board of SABs. The duty of care requires the members of the board of directors to obtain sufficient information to make informed decisions and to be sufficiently informed of the company's operation to act in the best interests of the company. The duty of care is breached if a director fails to attend board meetings or fails to disclose material information in his/her possession to the board that would be relevant in the board's decision-making process. Failure of directors to act with due care makes the relevant directors jointly liable for damages and losses caused to the company and its subsidiaries, which may be limited, except in the case of bad faith or willful misconduct.

The duty of loyalty primarily consists of maintaining the confidentiality of information received in connection with the performance of the director's duties and abstaining from discussing or voting on matters, where the director has a conflict of interest. This duty is breached if a shareholder or group of shareholders is knowingly favored by a director or if, without the express approval of the board of directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached by disclosing information that is false or misleading, or ordering or causing an omission or alteration to register any operation of the company in the company's minute books or other corporate records. A breach of the duty of loyalty makes the directors involved jointly liable for damages and losses caused to the company and its subsidiaries.

Legal action for breach of the duty of care or the duty of loyalty may be exercised solely for the benefit of the company and only by the company or by its shareholders, holding shares of any class, representing at least 5% of the outstanding capital stock of the company. If the company's shares are offered to the public through participation certificates (*certificados de participación ordinarios*), this action can also be exercised by the trustees issuing such certificates or holders of such certificates.

As a safe-harbor for directors, the liability discussed above does not attach if the director acted in good faith and (i) complied with applicable law and the by-laws of the company, (ii) the decision was taken based upon information provided by officers or third party experts, the capacity and credibility of which were not the subject of reasonable doubt, (iii) the director acted to the best of its knowledge and any negative effects of such decision were not foreseeable, and (iv) pursuant to a shareholders' resolution not contravening the law.

SABs' directors and principal officers are also required under the LMV to act for the benefit of the company and not for the benefit of any shareholder or group of shareholders. These executives are required primarily to submit the major business strategies to the board of directors for approval, submit proposals for internal controls to the audit committee, disclose all material information to the public, and maintain adequate accounting and registration systems and mechanisms for internal control.

The LMV further requires shareholder approval for any transaction or series of transactions representing 20% or more of the consolidated assets of an SAB during any fiscal year.

Definition of Control

The LMV defines "control" as the power of any person or group of persons that has the right to (i) impose, directly or indirectly, its decisions at a shareholders' meeting of the company, or to appoint or remove a majority of the board of directors or other managing body of the company, (ii) vote, directly or indirectly, more than 50% of the voting capital stock of the company, or (iii) direct or cause the direction of the affairs or management of the company, whether through the ownership of voting securities, by contract or otherwise.

Anti-Dilution Provisions

The LMV allows SABs to insert provisions into their by-laws pursuant to which the acquisition of control of the company by any shareholder or third parties may be prevented, so long as such provisions: (i) are approved by an extraordinary shareholders' meeting without the opposition (negative vote) of shareholders representing 5% or more of the outstanding shares, (ii) do not exclude any shareholder or group of shareholders (other than the person attempting to acquire control) from the economic benefits resulting from such clause, (iii) do not restrict, in an absolute manner, a change of control, and (iv) do not contravene the LMV's provisions related to mandatory tender offers nor invalidate any of the purchaser's economic rights.

Limited or Non-voting Shares

The LMV does not permit SABs to implement mechanisms for common shares and limited or non-voting shares to be bundled or jointly traded or offered to public investors, unless the limited or non-voting shares are convertible into common shares within a term of up to five years, or when, as a result of the nationality of the holder, the shares or the securities representing the shares limit the right to vote to comply with foreign investment laws. In addition, the aggregate amount of shares with limited or non-voting rights may not exceed 25% of the aggregate amount of publicly held shares. The CNBV may increase this 25% limit, provided that the limited or non-voting shares exceeding 25% of the aggregate amount of publicly held shares are convertible into common shares within five years of their issuance.

Disclosure of Shareholders' Agreements

Any shareholders agreements containing non-compete clauses, any agreements related to the sale, transfer or exercise of preemptive rights (as set forth under article 132 of the LGMS), any agreements which allow for the sale and purchase of shares, voting rights, and sale of shares in a public offering, must be notified to the company within five business days following their execution in order to allow for the company to disclose such agreements to the investors through the stock exchanges on which its securities are being traded and to be made public in an annual report prepared by the company. These agreements: (i) will be available for the public to review at the company's offices, (ii) will not be enforceable against the company and their breach will not affect the validity of the vote at the shareholder's meetings, and (iii) will only be effective between the parties until they have been disclosed to the public.

Minority Shareholders' Protections

5% Threshold. Shareholders holding at least 5% of outstanding capital stock of the company have an individual right to take legal action for breach of the director's duty of care or the duty of loyalty. The action may be exercised solely for the benefit of the company.

10% Threshold. Shareholders who jointly or individually hold at least 10% of a company's capital stock, even if their voting rights are limited or restricted, are entitled to appoint and remove a member of the board of directors, require the chairman of the board or the audit and/or corporate practices committee to call a general shareholders' meeting and request, on a one-time basis, the postponement for three calendar days and without the need for another call, voting on any matter on the agenda being discussed at the shareholders' meeting if there is insufficient information available to enable voting on such matter.

20% Threshold. Shareholders who jointly or individually hold at least 20% of a company's capital stock, even if their voting rights are limited or restricted, may judicially challenge resolutions adopted at a shareholders' meeting that contravene Mexican law or the company's by-laws, provided that they were entitled to vote on such resolutions.

Conflicts of Interest

Shareholders. Shareholders, directors and members of any committees must refrain from participating in discussions at the relevant shareholders', board of directors or committee meeting and from voting on matters as to which they may have a conflict of interest. A shareholder that votes on a transaction in which its interest conflicts with the company's may be liable for damages in the event the relevant transaction would not have been approved without such shareholder's vote.

Board of Directors. Members of the board and, if applicable, the secretary of the board with a conflict of interest must abstain from participating and being present during the deliberation and voting of the matter at the relevant board or committee meeting, without this affecting the necessary quorum for that particular meeting.

Members of the board of directors and the secretary of the board of an SAB, will breach their duty of loyalty to the company and be liable for damages to the corporation and, if applicable, its subsidiaries if they have a conflict of interest and they vote or make a decision with respect to the company or its subsidiary's assets or if they fail to disclose any conflict of interest they may have unless confidentiality duties prevent them from disclosing such conflict.

Senior Management. The chief executive officer and members of senior management (*directivos relevantes*) of an SAB are required to focus their activities on creating value for the company. The chief executive officer and senior management will be liable for damages to the corporation and, if applicable, its subsidiaries among others, for: (i) favoring a single or a group of shareholders, (ii) approving transactions between the company (or it subsidiaries) with "related persons" without complying with legal disclosure requirements, (iii) taking advantage for him/herself (or authorizing a third party) of the company's assets (or its subsidiaries), against company policy, (iv) making inappropriate use of company's (or its subsidiaries) non-public information, and (v) knowingly disclosing or revealing false or misleading information.

Registration and Listing Standards

To offer securities to the public in Mexico, a company must meet specific qualitative and quantitative requirements, and generally, only securities that have been registered on the RNV pursuant to the CNBV's approval may be listed on the Mexican Stock Exchange. Unregistered securities listed on the SIC may also be traded on the Mexican Stock Exchange.

The CNBV's approval for registration does not imply any kind of certification or assurance related to the investment quality of the securities, the solvency of the company, or the accuracy or completeness of any information delivered to the CNBV. The General Regulations state that the Mexican Stock Exchange must adopt minimum requirements for issuers to list their securities for trading on the Mexican Stock Exchange. These requirements relate to matters such as operating history, financial and capital structure, minimum trading volumes and minimum public floats, among others. The CNBV may waive some of these requirements in certain circumstances. The Mexican Stock Exchange reviews compliance with the foregoing requirements and other requirements on an annual, semi-annual and quarterly basis, and at any other time it so determines.

The Mexican Stock Exchange must inform the CNBV of the results of its review and this information must, in turn, be disclosed to investors. If a company fails to comply with any of the foregoing requirements, the Mexican Stock Exchange will request that the company propose a plan to cure the failure. If the company fails to propose a plan, or if the plan is not satisfactory to the Mexican Stock Exchange or if a company does not make substantial progress with respect to the corrective measures, trading of the relevant series of shares on the Mexican Stock Exchange will be temporarily suspended. In addition, if an issuing company fails to propose a plan or ceases to follow the plan once proposed, the CNBV may cancel the registration of the shares on the RNV, in which case the majority shareholder or any controlling group must carry out a tender offer to acquire 100% of the outstanding shares of the issuing company in accordance with the tender offer rules discussed further below.

Reporting Obligations

Issuers with securities registered on the RNV are required to file unaudited quarterly financial statements and audited annual financial statements (*estados financieros no auditados trimestrales y estados financieros anuales*) as well as various periodic reports (*reportes periódicos*) with the CNBV and the Mexican Stock Exchange. Issuers with securities registered on the RNV must file the following reports, among others, with the CNBV:

- an annual report prepared in accordance with the CNBV's General Regulations no later than June 30 of each year;
- quarterly reports, within 20 business days following the end of each of the first three quarters and 40 business days following the end of the fourth quarter;
- reports disclosing material events promptly upon their occurrence;
- reports regarding corporate restructurings such as mergers, acquisitions, splits or assets sales approved by shareholders' meetings or the board of directors; and
- reports regarding the policies and guidelines with respect of the use of the company's (or its subsidiaries') assets by "related persons."

The Mexican Stock Exchange has an automated electronic information transfer system called the Electronic Communication System with Securities Issuers (*Sistema Electrónico de Comunicación con Emisoras de Valores)*, or EMISNET. Issuers with securities registered on the RNV must prepare and disclose their financial information via EMISNET through its approved electronic financial information system. Immediately upon receipt, the Mexican Stock Exchange makes the financial information submitted via EMISNET available to the public.

The CNBV's General Regulations and the rules of the Mexican Stock Exchange require issuers with securities registered on the RNV to file information through EMISNET that relates to any act, event or circumstance that could influence the company's share price. If registered securities experience unusual price volatility, the Mexican Stock Exchange must immediately request a company to inform the public as to the causes of the volatility or, if the company is unaware of the causes, that the company make a statement to that effect. In addition, the Mexican Stock Exchange must immediately request that companies disclose any information relating to relevant material events, when it deems the information currently disclosed to be insufficient, as well as instruct companies to clarify the information when necessary. The Mexican Stock Exchange may request that companies confirm or deny any material events that have been disclosed to the public by third parties when it deems that the material event may affect or influence the securities being traded. The Mexican Stock Exchange must immediately inform the CNBV of any such requests. In addition, the CNBV may also make any of these requests directly to the companies. A company may defer the disclosure of material events under some circumstances, as long as:

- the company implements adequate confidentiality measures (including maintaining records of persons or entities in possession of confidential information);

- the information is related to transactions or events not yet consummated;
- there is no misleading public information relating to the material event; and
- no unusual price or volume fluctuation occurs.

If a company's securities are traded on both the Mexican Stock Exchange and a foreign securities exchange, the company must simultaneously file the information required pursuant to the laws and regulations of the foreign jurisdiction with the CNBV and the Mexican Stock Exchange.

Suspension of Trading

In addition to the authority of the Mexican Stock Exchange under its internal regulations as described above, pursuant to the rules of the CNBV, the CNBV and the Mexican Stock Exchange may suspend trading in a company's securities:

- if the company does not disclose a material event; or
- in the event of price or volume volatility or changes in the offer or demand in respect of the relevant securities that are not consistent with the historic performance of the securities and cannot be explained solely through information made publicly available pursuant to the CNBV's General Regulations.

The Mexican Stock Exchange must immediately inform the CNBV and the general public of any such suspension. An issuing company may request that the CNBV or the Mexican Stock Exchange resume trading, provided that it demonstrates that the causes triggering the suspension have been resolved. If an issuing company's request has been granted, the Mexican Stock Exchange will determine the appropriate mechanism to resume trading.

Insider Trading, Trading Restrictions, Tender Offers and Delistings

Insider Trading

The LMV sets forth specific regulations regarding insider trading, including: (i) the requirement that persons in possession of information deemed privileged abstain from (x) trading in the relevant company securities which trading price could be influenced by such information, (y) making recommendations to third parties to trade in such securities, and (z) trading in options and derivatives of the underlying security issued by a company, and (ii) providing insider information to a person that should not be entitled to receive (except for those entitled due to their role or employment position) such information.

Pursuant to the LMV, the following persons must notify the CNBV of any transactions undertaken with securities of a company that has shares registered on the RNV:

- relevant officers and directors of such company, and
- shareholders, individually or as a "group of persons" (as such term is defined in the LMV), controlling 10% or more of the outstanding share capital of such company.

Trading Restrictions

Subject to certain exceptions, the LMV provides that insiders must abstain from purchasing or selling securities of the company within three months from the last sale or purchase, respectively.

Material Acquisitions and Tender Offers

Subject to certain exceptions, any acquisition of a public company's shares that results in the acquirer owning 10% or more, but less than 30%, of a company's outstanding share capital must also be publicly disclosed to the CNBV and the Mexican Stock Exchange no later than one business day following the acquisition. Any acquisition by a related person of a company that results in the related person holding an additional 5% or more of a public company's outstanding share capital must also be disclosed to the CNBV and made public through the Mexican Stock Exchange no later than one business day following the acquisition.

The LMV contains provisions relating to public tender offers and certain other share acquisitions occurring in Mexico. Under the law, tender offers may be voluntary or mandatory. Voluntary tender offers, or offers where there is no requirement that they be initiated or completed, are required to be made on a *pro-rata* basis.

An individual or group of individuals that, directly or indirectly, intends to acquire 30% or more of the ordinary shares of a company registered on the RNV, through or outside of a stock exchange, through one or more simultaneous or successive operations, is required to make such purchase through a tender offer in accordance with the LMV. This tender offer must (i) be extended to holders of any and all classes of shares of the company, even those with limited, restricted or no voting rights, (ii) be the same for all the holders of the company's stock, independent of the class or type of share, (iii) be made: (a) for the highest of (x) the percentage of the company's capital stock equivalent to the proportion of ordinary shares that are intended to be purchased in relation to the total of number of the company's stock or (y) 10% of the company's outstanding capital stock, as long as the offeror limits its holdings in connection with the offer to a percentage that does not imply obtaining control of the company, and (b) for 100% of the company's capital stock when the offeror intends to obtain control of the company, and (iv) indicate the maximum number of securities offered and, if applicable, the minimum number of securities to be purchased. The tender offer shall be made to all shareholders at the same price for all classes of shares. The board of directors, with the advice of the audit committee (or the audit and corporate practices committee, as the case may be), shall issue its opinion with respect to the price in connection with any mandatory tender offer, which may be accompanied by an independent fairness opinion. The LMV also requires that convertible securities, warrants and derivatives that can be settled in kind representing underlying securities be taken into account in the calculation of the individual or group of individuals that, directly or indirectly, intends to acquire shares of a company. Under the LMV, all tender offers must be open for at least 20 business days. The LMV also permits the payment of certain amounts to any of the persons or group of persons to which the offer is targeted over and above the offering price if the agreements giving rise to such payments (i) are previously disclosed to the public, (ii) are approved by the board of directors with the prior opinion from the corporate practices committee (or the audit and corporate practices committee, as the case may be), (iii) are related to the offering, and (iv) impose affirmative and negative covenants on such persons or group of persons party to these agreements.

Delisting and Other Mandatory and Voluntary Tender Offers

Under the LMV, the CNBV may cancel the registration of an issuers' shares on the RNV if such company materially or frequently violates the provisions of such statute, or if the relevant securities no longer satisfy the listing requirements of the Mexican Stock Exchange. In any of these cases, the company must undertake a mandatory tender offer within 180 days of receiving notice to that effect from the CNBV, pursuant to the rules contained in the LMV.

Additionally, an issuer may request authorization from the CNBV to conduct a voluntary delisting of its securities upon approval by at least 95% of its capital stock of the relevant resolutions at a general extraordinary shareholders' meeting, in which case the company must also undertake a mandatory tender offer pursuant to the rules of the LMV.

EXCHANGE RATES

On December 21, 1994, the Mexican Central Bank implemented a floating foreign exchange rate regime under which the Peso is allowed to float freely against the U.S. dollar and other foreign currencies. Since then, the Peso has been subject to substantial fluctuations in value. The Mexican Central Bank may intervene directly in the foreign exchange market only to reduce what it deems to be excessive short-term volatility. Since late 2003, the Mexican Central Bank has been conducting auctions of U.S. dollars in an attempt to reduce the levels of its foreign reserves. The Mexican Central Bank conducts open market operations on a regular basis to determine the size of Mexico's monetary base. Changes in Mexico's monetary base have an impact on the exchange rate. The Mexican Central Bank may increase or decrease the reserve of funds that financial institutions are required to maintain. If the reserve requirement is increased, financial institutions will be required to allocate more funds to their reserves, which will reduce the amount of funds available for operations. This causes the amount of available funds in the market to decrease and the cost, or interest rate, to obtain funds to increase. The opposite happens if reserve requirements are lowered. This mechanism, known as "*corto*" or "*largo*," as the case may be, or more formally "the daily settlement balance target," represents a device used by the Mexican Central Bank to adjust the level of interest and foreign exchange rates.

Volatility in the exchange rate market has gradually declined from the high levels observed during 1995, when the exchange rate fluctuated between Ps.5.00 and Ps.8.14 per U.S. dollar. During 2002, 2003, 2004, 2005 and 2006, the exchange rate was less volatile, fluctuating between Ps.9.00 and Ps.10.44, Ps.10.11 and Ps.11.40, Ps.10.82 and Ps.11.63, Ps.10.41 and Ps.11.40, and Ps.10.43 and Ps.11.48, respectively.

There can be no assurance, however, that the Mexican government will maintain its current policies with respect to the Peso or that the Peso will not depreciate significantly in the future.

The Mexican Central Bank has provided for risk management and hedging mechanisms against fluctuations in the exchange rate of Pesos to U.S. dollars. The Mexican Central Bank allows Mexican banks and brokerage houses to participate in futures markets for the Peso. In April 1995, the Chicago Mercantile Exchange introduced Peso futures contracts and options on Peso futures contracts and started trading these options and futures. On December 15, 1998, trading started at the Mexican Derivatives Exchange, or "MexDer," including Peso futures contracts.

The following table sets forth, for the periods indicated, the period-end, average, high and low Mexican Central Bank exchange rate expressed in Pesos per U.S. dollar. The rates shown below are in nominal Pesos that have not been restated in constant currency units. No representation is made that the Peso amounts referred to in this offering circular could have been or could be converted into U.S. dollars at any particular rate or at all.

	Mexican Central Bank Rate(1)			
	Period-End	Average	High	Low
Year Ended December 31,				
2002	10.44	9.67	10.44	9.00
2003	11.24	10.79	11.40	10.11
2004	11.26	11.29	11.63	10.82
2005	10.71	10.90	11.40	10.41
2006	10.88	10.90	11.48	10.43

(1) Source: Mexican Central Bank.

Month Ended	Mexican Central Bank Exchange Rate[1]			
	Period-End	Average	High	Low
January 31, 2007	11.09	10.93	11.09	10.77
February 28, 2007	11.08	10.98	11.08	10.92
March 31, 2007	11.05	11.12	11.19	11.02
April 30, 2007	10.93	10.99	11.05	10.93
May 31, 2007	10.79	10.84	10.93	10.76
June 30, 2007	10.79	10.84	10.97	10.71
July 31, 2007	11.00	10.80	11.00	10.72
August 31, 2007	11.11	11.04	11.27	10.92
September 30, 2007	10.92	11.04	11.15	10.92
October 31, 2007 (through October 15)	10.81	10.87	10.93	10.81

(1) Source: Mexican Central Bank.

In the event of shortages of foreign currency, there can be no assurance that foreign currency would continue to be available to private-sector companies or that foreign currency needed by us to service foreign currency obligations would continue to be available without substantial additional cost.

SELECTED FINANCIAL INFORMATION

The following tables present certain selected financial information and operating data as of the dates and for each of the periods indicated. The results included below and elsewhere in this offering circular are not necessarily indicative of our future performance. This data is qualified in its entirety by reference to, and should be read together with, "Presentation of Certain Financial and Other Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements included elsewhere in this offering circular. Certain amounts and percentages included in this offering circular have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be an exact arithmetic result of the figures shown herein.

The balance sheet data as of December 31, 2006 and 2005, and the income statement data for the years ended December 31, 2006, 2005 and 2004, are derived from our audited financial statements included elsewhere in this offering circular. The balance sheet data as of June 30, 2007 and the income statement data for the six months ended June 30, 2007 and 2006, are derived from our interim financial statements included elsewhere in this offering circular. The audited financial statements and interim financial statements combine our financial statements and those of our wholly-owned subsidiary Serfincor. Our financial statements are presented in thousands of constant Pesos. All other annual financial data expressed in Pesos included in this offering circular, unless otherwise indicated, are presented in millions of constant Pesos as of June 30, 2007. The interim financial statements have been prepared on the same basis as our audited financial statements and, in our opinion, include all adjustments that we consider necessary to fairly present our results of operations and financial condition for and as of the end of these periods. Our results for the six months ended June 30, 2007, are not necessarily indicative of our results to be expected for the year ended December 31, 2007 and should not be construed as such. The summary balance sheet data as of December 31, 2004 and June 30, 2006, has been derived from our audited financial statements as of December 31, 2004 and interim financial statements as of June 30, 2006, respectively, that have not been included in this offering circular.

Our financial statements have been prepared in accordance with Mexican Sofol Accounting Principles, which differ in significant respects from Mexican GAAP. See note 2 to our audited financial statements included elsewhere in this offering circular. In addition, Mexican Sofol Accounting Principles differ in certain significant respects from U.S. GAAP. For a summary of certain differences between Mexican Sofol Accounting Principles and U.S. GAAP as they relate to our financial statements, see "Significant Differences Between Mexican Sofol Accounting Principles and U.S. GAAP."

	For the six months ended June 30, (unaudited)			For the years ended December 31,			
	2007[1]	2007	2006	2006[1]	2006	2005	2004
	(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		
Statement of Income Data:							
Interest income	83.1	897.3	664.0	132.5	1,430.0	1,226.8	809.0
Interest expense	6.5	69.9	60.1	11.1	120.1	190.0	126.2
Monetary loss—net	(0.5)	(5.2)	(5.8)	(2.3)	(24.9)	(13.3)	(17.9)
Financial margin	76.1	822.3	598.1	119.1	1,285.0	1,023.5	664.9
Provision for loan losses[2]	11.9	127.9	99.9	17.5	188.8	258.8	161.3
Financial margin after provision for loan losses	64.3	694.3	498.3	101.6	1,096.2	764.7	503.6
Commissions and fees collected	21.6	233.3	142.3	35.5	383.5	396.0	239.6
Commissions and fees paid	(0.1)	(1.0)	(2.0)	(0.2)	(2.5)	(32.5)	(0.8)
Non-interest expense	54.3	586.4	430.7	90.7	978.9	783.3	529.7
Net operating income	31.5	340.3	207.9	46.2	498.4	344.9	212.7
Other income—net	3.3	35.5	56.9	8.1	87.1	123.9	112.8
Total income before income tax and employees' statutory profit sharing	34.8	375.8	264.8	54.3	585.5	468.8	325.5
Current income tax and employees' statutory profit sharing	10.3	110.9	96.2	15.6	167.9	208.5	166.1
Deferred income tax and employees' statutory profit sharing	(0.3)	(2.8)	(9.7)	1.4	14.7	(59.0)	(53.8)
Minority interest	—	0.0	—	—	—	0.0	0.2
Net income	24.8	267.7	178.3	37.3	403.0	319.2	213.0

	As of June 30,			As of December 31,			
	2007[1]	2007	2006	2006[1]	2006	2005	2004
	(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		(in millions of US$)	(in millions of constant Ps. as of June 30, 2007)		
Balance Sheet Data:							
Cash and due from banks	11.5	124.0	168.3	12.9	139.5	206.5	63.8
Total loan portfolio—net	233.1	2,515.2	1,748.7	187.6	2,024.3	1,700.7	1,487.5
Other accounts receivable—net	3.4	37.1	23.0	6.7	72.4	36.9	17.1
Property, plant and equipment—net	10.7	115.2	81.4	8.3	89.4	77.7	66.3
Deferred income tax—net	11.2	120.4	138.6	10.9	117.6	132.3	73.3
Other assets—net	3.5	37.7	67.0	3.7	40.3	47.4	49.6
Total assets	273.3	2,949.7	2,226.9	230.1	2,483.6	2,201.6	1,757.6
Commercial paper	—	—	—	—	—	211.4	99.9
Bank and other entities loans	150.4	1,623.1	1,247.4	121.8	1,314.4	1,060.8	978.7
Other accounts payable	20.8	224.4	197.3	14.9	161.0	166.4	182.2
Total liabilities	171.2	1,847.4	1,444.7	136.7	1,475.4	1,438.6	1,260.7
Total stockholders' equity	102.1	1,102.3	782.2	93.4	1,008.2	763.0	496.9
Total liabilities and stockholders' equity	273.3	2,949.7	2,226.9	230.1	2,483.6	2,201.6	1,757.6
Other Financial Data and Ratios:							
Profitability and Efficiency:							
Return on average stockholders' equity[3]	—	53.2%	46.0%	—	49.7%	51.2%	51.8%
Return on average total assets[4]	—	20.4%	16.4%	—	17.7%	15.5%	15.1%
Net interest margin after provisions[5]	—	56.6%	50.1%	—	53.2%	40.1%	38.9%
Efficiency ratio[6]	—	63.3%	67.4%	—	66.3%	69.4%	71.3%
Capitalization:							
Stockholders' equity as a percentage of total assets	—	37.4%	35.1%	—	40.6%	34.7%	28.3%
Credit Quality Data:							
Total performing loan portfolio	236.6	2,553.8	1,783.5	190.5	2,055.6	1,735.1	1,512.5
Total non-performing loan portfolio	14.3	154.1	139.3	11.6	125.0	137.5	99.9
Total loan portfolio	250.9	2,707.9	1,922.8	202.0	2,180.6	1,872.6	1,612.4
Allowance for loan losses	(17.9)	(192.7)	(174.1)	(14.5)	(156.3)	(171.8)	(124.9)
Credit Quality Ratios:							
Allowance for loan losses as a percentage of total loan portfolio	—	7.1%	9.1%	—	7.2%	9.2%	7.7%
Allowance for loan losses as a percentage of total non-performing loan portfolio	—	125.0%	125.0%	—	125.0%	125.0%	125.0%
Total non-performing loan portfolio as a percentage of total loan portfolio	—	5.7%	7.2%	—	5.7%	7.3%	6.2%

(1) Income statement and balance sheet data expressed in dollars have been translated at the rate of Ps.10.7926 per US$1.00, based on the exchange rate of US dollars to Pesos published by the Mexican Central Bank on June 30, 2007, and have been made solely for the convenience of the reader.
(2) Provision for loan losses is recorded in a separate account under allowance for loan losses on our balance sheet and all write-offs of uncollectible loans are charged against this account.
(3) Return on average stockholders' equity consists of net income for the period divided by the daily average of stockholders equity for the period, using constant Pesos.
(4) Return on average total assets consists of net income for the period divided by the daily average of total assets for the period, using constant Pesos.
(5) Represents financial margin after provision for loan losses divided by average interest-earning assets. Average interest-earning assets are determined based on the daily average balance of the period, using constant Pesos.
(6) Efficiency ratio consists of non-interest expense for the period divided by the sum of (i) financial margin after provision for loan losses for the period and (ii) the difference between (x) commissions and fees collected and (y) commissions and fees paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements, together with the notes thereto, included elsewhere in this offering circular. Our financial statements have been prepared in accordance with Mexican Sofol Accounting Principles, which differ in certain significant respects from U.S. GAAP. See "Significant Differences Between Mexican Sofol Accounting Principles and U.S. GAAP" for a discussion of significant differences between Mexican Sofol Accounting Principles and U.S. GAAP. No reconciliation of any of our financial statements to U.S. GAAP has been performed. Any such reconciliation would likely result in material quantitative differences. Certain amounts and percentages included in this offering circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be an exact arithmetic result of the figures shown herein. See "Presentation of Certain Financial and Other Information."

Overview

We are an unregulated multiple purpose financial company (*sociedad financiera de objeto múltiple, entidad no regulada*), incorporated under the laws of Mexico as a public corporation with limited liability and variable capital (*sociedad anónima bursátil de capital variable*). We are in the business of providing microcredit loans on an unsecured basis to individuals in the low-income segments of the Mexican population and we believe are one of the leading microfinance lenders in Mexico. These loans have fixed interest rates and range in principal amount from Ps.1,500 to Ps.16,500, and are characterized by high frequency of payments (on a weekly, bi-weekly or monthly installment basis), and low balances (averaging approximately Ps.3,891 (approximately US$361)). For the six months ended June 30, 2007, 75.4% of our revenues were derived from interest income and 24.6% from non-interest income, which includes revenues from commissions and collection expenses, as well as from services rendered by our subsidiaries.

Because we are not a deposit-taking institution, we do not have a related interest expense liability. Our interest expense consists of interest payments on our debt obligations. We fund the growth of our operations and loan portfolio through lines of credit received from domestic and foreign banks and debt issuances in addition to cash generated by operations. We borrow funds in Pesos, primarily on a fixed interest rate basis, a large portion of which we lend to our customers at higher fixed interest rates. In the past, we have also issued floating-rate debt instruments (in the form of *certificados bursátiles*) in the Mexican capital markets, although we currently do not have any such debt instruments outstanding. When we issue floating-rate debt, we typically hedge our related interest rate exposure. See "—Liquidity and Capital Resources."

Our results of operations depend, to a large extent, on our financial margin, which in turn depends on our ability to charge interest on interest-earning assets, consisting primarily of our loans to customers.

Although we are a Sofom, our financial statements have been prepared in accordance with Mexican Sofol Accounting Principles. Mexican Sofol Accounting Principles differ from Mexican GAAP currently in effect. See "Presentation of Certain Financial and Other Information," and note 2 to our audited financial statements included elsewhere in this offering circular. In addition, Mexican Sofol Accounting Principles differ in certain significant respects from U.S. GAAP. For a summary of the principal differences between Mexican Sofol Accounting Principles and U.S. GAAP, as they relate to our financial statements, see "Significant Differences Between Mexican Sofol Accounting Principles and U.S. GAAP."

Mexican Economic Environment

In recent years, although the Mexican economy has exhibited signs of improvement, general economic growth in Mexico continues to be moderate.

On July 2, 2006, federal presidential and congressional elections were held and Felipe de Jesús Calderón Hinojosa, a member of the incumbent PAN political party, was elected in a highly contested election. As a result of the elections, no political party succeeded in securing a majority in either chamber of congress. The absence of a clear majority party in the legislature, the lack of alignment between the presidency and congress could result in instability or deadlock preventing the timely implementation of initiatives and economic reforms.

The following table sets forth, for the periods indicated:

- the percentage that the Peso devalued or appreciated against the U.S. dollar;
- the Mexican inflation rate;
- the U.S. inflation rate; and
- the percentage that Mexican GDP changed as compared to the prior period.

	Year ended December 31,			Six months ended June 30,	
	2006	2005	2004	2007	2006
Devaluation (appreciation) of the Peso as compared to the U.S. dollar(1)	1.5%	(4.9)%	0.3%	(0.8)%	6.4%
Mexican inflation rate(2)	4.2	2.9	5.5	0.8	1.0
U.S. inflation rate(3)	2.7	3.0	3.0	2.7	3.1
Increase in Mexican GDP(4)	4.8	2.8	4.2	2.7	5.2

(1) Based on changes in the Interbank Rates, as reported by Mexican Central Bank, at the end of each period, which were as follows: Ps.10.8755 per U.S.$1.00 as of December 31, 2006; Ps.10.7109 per U.S.$1.00 as of December 31, 2005; Ps.11.2648 per U.S.$1.00 as of December 31, 2004; Ps.10.7926 per U.S.$1.00 as of June 30, 2007 and Ps.11.3973 per U.S.$1.00 as of June 30, 2006.

(2) Based on changes in the Mexico's UDI, from the previous period, as reported by Mexican Central Bank, which were as follows: 3.7890 in 2006, 3.6375 in 2005 and 3.5347 in 2004, and 3.8189 as of June 30, 2007 and 3.6755 as of June 30, 2006.

(3) Based on changes in the urban consumer price index, or C-CPI-U, as reported by the United States Bureau of Labor Statistics, which were as follows: 117.10 in 2006, 114.00 in 2005 and 110.70 in 2004, and 120.22 as of June 30, 2007 and 117.50 as of June 30, 2006.

(4) Estimates published by INEGI as of June 30, 2007.

Effects of Changes in Interest Rates and Inflation

Effects of Changes in Interest Rates

As of June 30, 2007, our loan portfolio represented 95.4% of our total interest-earning assets and all of the loans we grant have a fixed interest rate. We hedge our exposure to changes in interest rates when we make borrowings on a floating interest rate basis (such as through the issuance of debt instruments known as *certificados bursátiles*).

During the periods discussed below, we refer to certain benchmark interest rates in Mexico: (i) the annual interest rate paid in connection with CETES, which are Mexican government Peso-denominated treasury bills with 28-day maturities; and (ii) TIIE, a benchmark 28-day interbank lending rate. In 2004, both of these benchmark rates began an upward trend that lasted over 18 months, mainly due to a more restrictive monetary policy implemented by Mexican Central Bank in an effort to control inflation. The CETES rate and the TIIE reached 8.6% and 9.1%, respectively, during December 2004, the highest levels reached in that year. In 2005 the CETES and the TIIE rates averaged 9.2% and 9.6%, respectively, as compared to 6.8% and 7.2%, respectively, in 2004. During 2006, the CETES and the TIIE rates averaged 7.2% and 7.5%, respectively. During the six months ended June 30, 2007, the CETES and the TIIE rates averaged 7.1% and 7.5%, respectively. Our interest expense has fluctuated from period to period as a result of these changes in Mexico's benchmark market interest rates.

The following table sets forth the average CETES and the TIIE interest rates for the periods indicated.

Period	Average Interest Rates	
	CETES 28 days maturity(1)	TIIE 28 days maturity(2)
2004	6.8%	7.2%
2005	9.2%	9.6%
2006	7.2%	7.5%
January 2007	7.0%	7.4%
February 2007	7.0%	7.5%
March 2007	7.0%	7.5%
April 2007	7.0%	7.5%
May 2007	7.2%	7.7%
June 2007	7.2%	7.7%
July 2007	7.2%	7.7%
August 2007	7.2%	7.7%
September 2007	7.2%	7.7%

Source: Mexican Central Bank.

(1) Annual averages are obtained from monthly averages based on rates established at weekly auctions. Monthly averages are obtained from weekly averages based on rates established at weekly auctions.

(2) Annual averages and monthly averages are based on rates established at daily auctions.

As of October 15, 2007, the CETES rate was 7.2% and as of October 11, 2007, the TIIE rate was 7.7%.

Effects of Changes in Inflation

According to the Mexican Central Bank, the annual rate of inflation in Mexico was 5.5% in 2004, 2.9% in 2005, 4.2% in 2006, and the inflation rate for the twelve months ended in June 30, 2007 was 3.9%, representing an increase as compared to 3.2%, the inflation rate for the twelve months ended June 30, 2006.

Under Mexican Sofol Accounting Principles, we are required, among other things, to (i) account for the effects of inflation and (ii) state our financial information in Pesos of constant purchasing power as of the date of the latest balance sheet presented. We believe that the application of these policies aids in the comparability of one period's financial results with those of another period. Accordingly, our financial statements and other financial information contained in this offering circular have been adjusted in accordance with Mexican Sofol Accounting Principles in order to recognize the effects of inflation.

For a description of the methodology that we used to recognize the effects of inflation in our financial statements, see note 2 to our audited financial statements. In addition, as stated above, our financial statements and other financial information contained in this offering circular are presented in Pesos of purchasing power as of June 30, 2007.

Critical Accounting Policies

We have identified certain key accounting policies on which our financial position and results of operations are dependent. These key accounting policies generally involve complex quantitative analyses or are based on subjective judgments or decisions. In the opinion of management, our most critical accounting policies under Mexican Sofol Accounting Principles are those related to changes in accounting policies, the establishment of allowance for loan losses, employee retirement obligations and accounting for income taxes. For a further description of our significant accounting policies, see the notes to our audited financial statements, which are included elsewhere in this offering circular.

Allowance for Loan Losses

Although we are a Sofom, we comply with the CNBV minimum requirements applicable to Sofols of having an allowance for loan losses that covers as a minimum 100% of past-due accrued interest. Our internal policy is to determine the allowance for loan losses based on our experience, the period during which loan balances have remained due and payable and economic trends. Our loan portfolio is classified as non-performing when loans are 90 days or more past due, and includes principal amount of the loan and accrued interest up to such date. A provision is recorded under the item allowance for loan losses of the balance sheet for at least 125% of the principal amount of such loan, including accrued and unpaid interest up to such date.

Our allowance for doubtful accounts is recorded in a separate account on our balance sheet as allowance for loan losses. The allowance for loan losses is an accounting estimate and differences between the estimate and future losses may exist.

Employee Retirement Obligations

Our employee retirement obligations include seniority premium benefits and dismissal indemnities at the end of the work relationship. The determination of our obligations and expenses is dependent on our selection of certain assumptions used by actuaries in calculating such amounts. We evaluate our assumptions at least annually. Our assumptions are dependent on Mexico's economic circumstances.

Actual results that differ from our assumptions (actuarial gains or losses) are accumulated and amortized over future periods and, therefore, generally affect our recognized expenses and recorded obligations in these future periods. While we believe that our assumptions are appropriate, significant differences in our actual experience or significant changes in our assumptions may materially affect our employee retirement obligations and our future expense.

Accounting for Income Taxes

We recognize deferred tax assets and liabilities based on differences between the financial statement carrying amounts and the tax basis of assets and liabilities. We regularly review our deferred tax assets for recoverability and, when we believe that recovery is not likely, we establish a valuation allowance based on historical taxable income, projected future taxable income and the expected timing of the reversals of existing temporary differences. If these estimates and related assumptions change in the future, we may be required to record valuation allowances against our deferred tax assets resulting in additional income tax expense.

Results of Operations for the Six Months Ended June 30, 2007 Compared to the Six Months Ended June 30, 2006

The following table shows certain of our income statement data for the six months ended June 30, 2007 and June 30, 2006.

	For the six months ended June 30,	
	2007	2006
	(in millions of constant Pesos as of June 30, 2007) (unaudited)	
Interest income	897.3	664.0
Interest expense	69.9	60.1
Monetary loss—net	(5.2)	(5.8)
Financial margin	822.3	598.1
Provision for loan losses	127.9	99.9
Financial margin after provision for loan losses	694.3	498.3
Commissions and fees collected	233.3	142.3
Commissions and fees paid	(1.0)	(2.0)
Non-interest expense	586.4	430.7
Net operating income	340.3	207.9
Other income—net	35.5	56.9
Total income before income tax and employees' statutory profit sharing	375.8	264.8
Current income tax and employees' statutory profit sharing	110.9	96.2
Deferred income tax and employees' statutory profit sharing	(2.8)	(9.7)
Minority interest	0.0	—
Net income	**267.7**	**178.3**

Financial Margin

The following table sets forth the components of our financial margin for the periods indicated:

	For the six months ended June 30,	
	2007	2006
	(in millions of constant Pesos as of June 30, 2007) (unaudited)	
Interest income		
Interest on loans	896.5	660.8
Interest from investments in securities	0.9	3.2
Total interest income	897.3	664.0
Interest expense		
Interest on funding	69.9	60.1
Total interest expense	69.9	60.1
Monetary loss (net)	(5.2)	(5.8)
Financial margin	**822.3**	**598.1**

Financial margin after monetary loss increased by 37.5% to Ps.822.3 million for the six months ended June 30, 2007 compared to Ps.598.1 million for the six months ended June 30, 2006. This increase reflected an increase in our interest income of Ps.233.3 million, or 35.1%, which was driven by an increase of interest on loans of Ps.235.6 million, or 35.7%, for the six months ended June 30, 2007, in each case as compared to the six months ended June 30, 2006. The increase in our interest income reflects both an increase in the size of our loan portfolio as well as an increase in the average interest rate applicable to our loan portfolio, as described further below.

Interest Income

We recorded interest income of Ps.897.3 million for the six months ended June 30, 2007, compared to Ps.664.0 million for the six months ended June 30, 2006, representing an increase of Ps.233.3 million, or 35.1%.

This increase was primarily due to an increase in our interest on loans of Ps.235.6 million, or 35.7%, to Ps.896.5 million in the six months ended June 30, 2007 from Ps.660.8 million in the six months ended June 30, 2006, reflecting an increase in the size of our loan portfolio and the increased contribution of our higher-interest rate loan products, CrediMamá and CrediPopular.

Our loan portfolio grew by 40.8%, from Ps.1,922.8 million as of June 30, 2006, to Ps.2,707.9 million as of June 30, 2007, and as of June 30, 2007, the number of loans grew by 34.9% to 695,964 from 516,029 as of June 30, 2006. The average *per annum* interest rate of our loan portfolio grew from 71.2% for the six months ended June 30, 2006 to 76.0% for the six months ended June 30, 2007. In the six-month period ended June 30, 2006, our CrediMamá and CrediPopular loan products, which accrue interest at higher rates than our other products, together represented 14.1% of our interest income, while for the six-month period ended June 30, 2007, these products represented 24.9% of our interest income.

Investments in securities consists of highly liquid investments in the form of repurchase agreements for Mexican government securities such as *Bonos de Desarrollo*, or Bondes, and CETES. Our interest income from investments in securities was Ps.0.9 million (or 0.1% of interest income) for the first six months of 2007, representing a decrease of Ps.2.3 million, or 72.5%, compared to Ps.3.2 million (or 0.5% of interest income) for the same period in 2006. This decrease was primarily due to a decrease in the average interest rate earned on these investments for the first six months of 2007, compared to the corresponding period in 2006, as well as a decrease in the balance of investments in securities of 26.3% from Ps.168.3 million as of June 30, 2006 to Ps.124.0 million as of June 30, 2007.

Interest Expense

Our interest expense is composed of interest payable on our sources of funding, consisting of bank and other entities loans. We cannot accept deposits and therefore have no interest expense associated therewith. Our interest expense was Ps.69.9 million for the first six months of 2007, representing an increase of Ps.9.8 million, or 16.4%, compared to Ps.60.1 million for the first six months of 2006. This increase in our interest expense reflected the 22.8% increase in the average balance of our interest-bearing liabilities, from Ps.1,174 million for the first six months of 2006 to Ps.1,442 million for the first six months of 2007. In addition, the average interest rate paid on interest-bearing liabilities increased by 0.5% to 8.5% per annum for the first six months of 2007 from 8.0% for the first six months of 2006. The increase in the balance of our interest-bearing liabilities is consistent with the increase in our loan portfolio during the first six months of 2007.

The increase in the average rate paid on interest-bearing liabilities was primarily due to an increase during 2007 in the interest rate relating to our credit line with HSBC Mexico. In 2005, we entered into a revolving line of credit with HSBC Mexico in an aggregate amount of up to Ps.1,500 million, which was amended to up to Ps.2,000 million in April 2007. Pursuant to such facility, the applicable interest rate was initially reduced in 2005 to compensate for our obligation to pay a one-time break-up fee of Ps.30.3 million in connection with the termination of a line of credit with GE Capital Corporation.

As a result of the foregoing, our net financial margin after monetary loss increased by 37.5% to Ps.822.3 million for the six months ended June 30, 2007, compared to Ps.598.1 million for the six months ended June 30, 2006.

Provision for Loan Losses

We recorded provisions for loan losses in the amount of Ps.127.9 million in the first six months of 2007, compared to Ps.99.9 million in the first six months of 2006, representing an increase of Ps.28.1 million, or 28.1%. This increase was primarily due to the growth of our loan portfolio, which grew by 40.8% to Ps.2,707.9 million as of June 30, 2007, compared to Ps.1,922.8 million as of June 30, 2006, as well as the increased proportionate share in our overall loan portfolio of our CrediMamá and CrediPopular loan products.

The ratio of provisions for loan losses to total loan portfolio was 4.7% for the first six months of 2007, compared to the ratio of 5.2% for the first six months of 2006.

The allowance for loan losses as a percentage of non-performing loans remained constant at 125% for June 30, 2007 and June 30, 2006.

Non-Interest Income

The following table shows the composition of our non-interest income for the periods presented.

	Six months ended June 30,	
	2007	**2006**
	(in millions of constant Pesos as of June 30, 2007) (unaudited)	
Commissions and fees collected	233.3	142.3
Commissions and fees paid	(1.0)	(2.0)
Total non-interest income	**232.3**	**140.3**

Total non-interest income increased to Ps.232.3 million for the first six months of 2007 from Ps.140.3 million for the first six months of 2006, representing an increase of Ps.92.0 million, or 65.6%. This increase is reflective of an increase in our total loan portfolio.

Commissions and fees collected, which principally consists of commissions charged for disbursements of loans as well as annual loan servicing fees, increased by Ps.91.0 million, or 64.0%, to Ps.233.3 million for the first six months of 2007 from Ps.142.3 million for the first six months of 2006.

Commissions and fees paid, which principally consist of commissions paid by us to third parties for checks cashed by our customers, decreased by Ps.1.0 million, or 51.5%, to Ps.1.0 million for the first six months of 2007 from Ps.2.0 million for the first six months of 2006. This decrease reflects our negotiation of reduced fees from certain financial institutions used by our customers to cash our loan disbursement checks.

Non-interest expense

The following table sets forth the components of our non-interest expense for the periods indicated.

	Six months ended June 30,	
	2007	2006
	(in millions of constant Pesos as of June 30, 2007) (unaudited)	
Salaries and employee benefits	385.8	283.4
Other administrative and operational expenses	200.6	147.3
Leases	17.1	15.6
Collection expenses	42.1	32.4
Promotional expenses	7.0	4.4
Repair and maintenance	9.6	5.9
Depreciation and amortization	40.7	29.2
Telecommunications	11.2	9.8
Relocation of cash and securities	10.9	9.5
Miscellaneous	61.9	40.6
Total non-interest expense	**586.4**	**430.7**

We recorded non-interest expense of Ps.586.4 million for the first six months of 2007, compared to Ps.430.7 million in the first six months of 2006, representing an increase of 36.1%. This increase was primarily the result of an increase in salaries and employee benefits, collection expenses, and miscellaneous expenses as described more fully below.

Salaries and employee benefits, the largest component of non-interest expense, were Ps.385.8 million (or 65.8% of non-interest expense) for the six months ended June 30, 2007 compared to Ps.283.4 million (or 65.8% of non-interest expense) for the six months ended June 30, 2006, representing an increase of Ps.102.3 million, or 36.1%. This increase was primarily due to a 19.7% increase in our labor force from 5,476 as of June 30, 2006 to 6,555 personnel as of June 30, 2007. Although we do not pay salary or benefits to independent sales agents, the commissions they earn are recorded as part of salaries and employee benefits.

Collection expenses include expenses related to our operations center for telephone calls, personal visits and correspondence to customers conducted through this facility. Collection expenses increased by 29.8% to Ps.42.1 million for the six months ended June 30, 2007, compared to Ps.32.4 million for the six months ended June 30, 2006. This increase is primarily as a result of an increase in the volume of our operations, which include an increase of 1.7 million additional calls during the six months ended June 30, 2007 compared to the same period in 2006, a 19.2% increase in the amount of hours during which our centralized call center was in operation, and 24.4% increase in telephone verification of loan applications during the first six months of 2007, compared to the same period in 2006. Each of these factors reflects the growth of our loan portfolio during the first six months of 2007 compared to the 2006 period.

Miscellaneous expenses, consisting of recruiting and training of personnel, office supplies, travel expenses and messenger services, among others, were Ps.61.9 million for the six months ended June 30, 2007, compared to Ps.40.6 million for the six months ended June 30, 2006, representing an increase of Ps.21.3 million, or 52.5%. This increase was primarily as a result of our opening of twelve new offices during the twelve months ended June 30, 2007, as well as expenses related to the recruiting and training of new personnel, as well as increased expenses relating to office supplies, travel and messenger services.

Promotional expenses, repair and maintenance and depreciation and amortization reflected increases as a result of the growth in our overall loan portfolio and the opening of twelve new offices in the twelve months ended June 30, 2007.

Other Income—Net

Other income includes, among other things, gains on sales of fixed assets, income from services rendered to third parties, tax refunds, income from our placement of insurance policies provided by third party insurance companies, and other miscellaneous income and gains in accordance with Mexican Sofol Accounting Principles.

Other expenses include results from monetary position that are not included in our financial margin. We recorded other income, net of Ps.35.5 million in the first six months of 2007, representing a decrease of Ps.21.4 million, or 37.7%, as compared to Ps.56.9 million in the first six months of 2006.

This decrease was primarily attributable to the comparative effect of non-recurring income recorded during the fist six months of 2006 relating to tax refunds. In addition, during the first half of 2007, we ceased our practice of placing life insurance policies provided through third party insurance companies and, accordingly, no longer receive related fees.

Income Tax and Employees' Statutory Profit Sharing

Income tax and employees' statutory profit sharing increased by Ps.14.7 million, or 15.3%, to Ps.110.9 million for the first six months of 2007 from Ps.96.2 million for the first six months of 2006. This increase is primarily due to an increase in net operating income, the basis upon which these expenses are calculated. Deferred income tax and employees' statutory profit sharing decreased by Ps.6.9 million, or 71.0%, to Ps.2.8 million for the first six months of 2007 from Ps.9.7 million for the first six months of 2006, which decrease was due to the reversal of certain temporary differences, including allowance for loan losses, write-offs of loans and deferred commissions paid by our customers during the first six months of 2007. Our effective income tax rates for each of these periods was 28.8% for the first six months of 2007 and 32.7% for the first six months of 2006.

Net Income

As a result of the factors discussed above, our net income increased by Ps.89.4 million, or 50.2%, to Ps.267.7 million for the first six months of 2007 from Ps.178.3 million for the first six months of 2006.

Results of Operations for the Year Ended December 31, 2006 Compared to the Year Ended December 31, 2005

The following table sets forth certain of our income statement information relating to the years ended December 31, 2006 and 2005:

	For the year ended December 31,	
	2006	2005
	(in millions of constant Pesos as of June 30, 2007)	
Interest income	1,430.0	1,226.8
Interest expense	120.1	190.0
Monetary loss—net	(24.9)	(13.3)
Financial margin	1,285.0	1,023.5
Provision for loan losses	188.8	258.8
Financial margin after provision for loan losses	1,096.2	764.7
Commissions and fees collected	383.5	396.0
Commissions and fees paid	(2.5)	(32.5)
Non-interest expense	978.9	783.3
Net operating income	498.4	344.9
Other income—net	87.1	123.9
Total income before income tax and employees' statutory profit sharing	585.5	468.8
Current income tax and employees' statutory profit sharing	167.9	208.5
Deferred income tax and employees' statutory profit sharing	14.7	(59.0)
Minority interest	—	0.0
Net income	403.0	319.2

Financial Margin

The following table sets forth the components of our financial margin for the periods indicated.

	For the year ended December 31,	
	2006	2005
	(in millions of constant Pesos as of June 30, 2007)	
Interest Income		
Interest on loans	1,425.5	1,213.9
Interest from investments in securities	4.5	12.9
Total interest income	1,430.0	1,226.8
Interest Expense		
Interest on funding	120.1	190.0
Total interest expense	120.1	190.0
Monetary loss (net)	(24.9)	(13.3)
Financial margin	**1,285.0**	**1,023.5**

Financial margin after monetary loss increased by 25.6% to Ps.1,285.0 million for 2006 compared to Ps.1,023.5 million for 2005. This increase, driven by an increase in our interest income, reflected increases in both the size of our loan portfolio as well in the average interest rate applicable to our loan portfolio.

We recorded an increase in our financial margin of Ps.203.2 million, or 16.6%, which was driven by an increase of interest on loans of Ps.211.6 million, or 17.4%, for 2006 as compared to 2005. Our interest expense decreased by 36.8% to Ps.120.1 million for 2006 compared to Ps.190.0 million for 2005. This decrease was driven by a decrease in the average interest rates on our interest-bearing liabilities.

Our loss on monetary position, net, increased by Ps.11.6 million, or 87.5%, to a net loss of Ps.24.9 million for 2006 from a net loss of Ps.13.3 million for 2005. This increase was primarily the result of higher inflation, which increase had an effect on the growth of our monetary assets, which increased by 55.4% in 2006 compared to 2005.

Interest Income

We recorded interest income of Ps.1,430.0 million for the year ended December 31, 2006, compared to Ps.1,226.8 million for the year ended December 31, 2005, representing an increase of Ps.203.2 million, or 16.6%. This increase was primarily due to an increase in our interest on loans of Ps.211.6 million, or 17.4%, to Ps.1,425.5 million in 2006 from Ps.1,213.9 million in 2005, and an increase in the size of our total loan portfolio, which grew Ps.308.0 million, or 16.4%, to Ps.2,180.6 million in 2006 from Ps.1,872.6 million in 2005. In addition, the number of loans outstanding grew by 25.7% to 598,831 loans as of December 31, 2006 from 476,493 loan as of December 31, 2005. In addition, our average *per annum* interest rate applicable to our loan portfolio grew from 66.6% for the year ended December 31, 2005 to 71.4% for the year ended December 31, 2006. The increase in this rate is explained by an increased proportionate share in our total loan portfolio of our CrediMamá and CrediPopular loan products, which carry a higher interest rate. In the year ended December 31, 2006, CrediMamá and CrediPopular together represented 17.2% of our interest income, while for the year ended December 31, 2005, these products contributed 6.6% of our interest income.

Our average interest rate earned on total interest-earning assets for the year ended December 31, 2006 was 65.7% and the total average interest rate paid on interest-bearing liabilities was 5.7%, resulting in an yield spread on interest rates of 60.0%. Our total average interest rate earned on interest-earning assets for 2005 was 61.7%

and the total average interest rate paid on interest-bearing liabilities was 12.5%, resulting in an yield spread on interest rates of 49.2%. This increase in the yield spread on interest rates reflected an increase in 2006 in the average interest rates on our total interest-earning assets, together with a decrease in the same period on our total interest-bearing liabilities, in each case as compared to 2005.

Our interest income from investments in securities was Ps.4.5 million (or 0.3% of interest income) for 2006, compared to Ps.12.9 million (or 1.1% of interest income) for 2005, representing a decrease of Ps.8.4 million, or 64.9%. This decrease was primarily due to a decrease in the balance of investments in securities from Ps.206.5 million in 2005 to Ps.139.5 million in 2006, reflecting our cash management efforts and a reduction in the average interest rates on the balance of these investments.

Interest Expense

Our interest expense was Ps.120.1 million for 2006 compared to Ps.190.0 million for 2005, representing a decrease of Ps.69.9 million, or 36.8%. This decrease in our interest expense was primarily due to a decrease in the average interest rate paid on interest-bearing liabilities, which decreased by 6.8% to 5.7% for 2006 from 12.5% for 2005. The decrease in the average rate paid on interest-bearing liabilities was primarily a result of a lower interest rate on our revolving credit line provided by HSBC Mexico. In October 2005, we entered into a revolving line of credit with HSBC Mexico in an aggregate amount of Ps.1,500 million, which line of credit was increased to Ps.2,000 million in April 2007. Pursuant to such facility, the applicable interest rate was initially reduced in 2005 to compensate for our obligation to pay a one-time break-up fee of Ps.30.3 million in connection with the termination of a line of credit with GE Capital Corporation. This break-up fee was recorded on our income statement under commissions and fees paid.

In addition, the decrease in the average rate paid on interest-bearing liabilities reflected a general decline in prevailing interest rates in Mexico during this period. The average 28-day CETES and TIIE rates decreased from 9.2% and 9.6%, respectively, in 2005 to 7.2% and 7.5%, respectively, in 2006.

As a result of the foregoing, our financial margin after monetary loss increased by 25.6% to Ps.1,285.0 million for 2006, compared to Ps.1,023.5 million for 2005.

Provision for Loan Losses

We recorded provisions for loan losses of Ps.188.8 million in 2006 compared to Ps.258.8 million in 2005, representing a decrease of Ps.69.9 million, or 27.0%. Although our total loan portfolio grew to Ps.2,180.6 million in 2006 compared to Ps.1,872.6 million in 2005 (representing an increase of Ps.308.0 million, or 16.4%), we reduced our provision for loan losses as a result of improvements in our collection efforts reflecting the implementation of our behavioral scoring model to our loan approval process. See “Our Business—Monitoring and Collections.” As a result of the implementation of the behavioral scoring model, our total past-due rate decreased from 7.3% as of December 31, 2005 to 5.7% as of December 31, 2006.

For 2006, the ratio of provisions for loan losses to total loan portfolio was 8.7%, compared to the ratio of 13.8% in 2005.

The allowance for loan losses as a percentage of non-performing loan portfolio remained constant at 125% in 2006 and 2005.

Non-Interest Income

The following table sets forth the composition of our non-interest income for the periods presented.

	For the year ended December 31, 2006	2005
	(in millions of constant Pesos as of June 30, 2007)	
Commissions and fees collected	383.5	396.0
Commissions and fees paid	(2.5)	(32.5)
Total non-interest income	**381.1**	**363.5**

Total non-interest income increased to Ps.381.1 million for the year ended December 31, 2006, compared to a loss of Ps.363.5 million for the year ended December 31, 2005, representing an increase of Ps.17.6 million, or 4.8%. This increase is reflective of an increase in the size of our loan portfolio.

Commissions and fees collected decreased by Ps.12.5 million, or 3.2%, to Ps.383.5 million for 2006 from Ps.396.0 million for 2005. This decrease was a result of the deferral of the payment of loan servicing fees on our CredInmediato loan product charged to our customers in the amount of Ps.250 per loan. Since 2005, such annual fees are payable by our CredInmediato customers on each anniversary of the origination of their line of credit.

Commissions and fees paid decreased by Ps.30.0 million, or 92.4%, to Ps.2.5 million for 2006 from Ps.32.5 million for 2005. The decrease in commissions and fees paid was primarily a result of our payment in 2005 of a one-time break-up fee of Ps.30.3 million in connection with the termination of a line of credit with GE Capital Corporation. In addition, this decrease reflects our negotiation of reduced fees from certain financial institutions used by our customers to cash our loan disbursement checks. Without taking into account the one-time payment of such break-up fee, our commissions and fees paid would have increased by Ps.0.6 million, or 33.1%, to Ps.2.5 million for 2006 from Ps.1.9 million for 2005.

Non-interest expense

The following table sets forth the components of our non-interest expense for the periods indicated.

	For the year ended December 31, 2006	2005
	(in millions of constant Pesos as of June 30, 2007)	
Salaries and employee benefits	548.0	434.0
Other administrative and operational expenses	430.8	349.4
Leases	44.7	36.1
Collection expenses	78.1	65.7
Promotional expenses	11.8	9.6
Repair and maintenance	12.4	8.7
Depreciation and amortization	78.0	62.3
Telecommunications	21.6	15.0
Relocation of cash and securities	20.9	18.2
Miscellaneous	163.2	133.8
Total non-interest expense	**978.9**	**783.3**

We recorded non-interest expense of Ps.978.9 million for 2006 compared to Ps.783.3 million in 2005, an increase of 25.0%. This increase was primarily the result of an increase in salaries and employee benefits as a result of hiring of additional personnel in line with the growth of our business, collection expenses and non-interest expense as described more fully below.

Salaries and employee benefits, the largest component of non-interest expense, were Ps.548.0 million (or 56.0% of non-interest expense) for the year ended December 31, 2006, compared to Ps.434.0 million (or 55.4% of non-interest expense) for the year ended December 31, 2005, representing an increase of Ps.114.1 million, or 26.3%. This increase was primarily due to the 23.7% increase in our labor force from 4,629 persons as of December 31, 2005 to 5,725 persons as of December 31, 2006.

Collection expenses increased by 19.0% to Ps.78.1 million as of December 31, 2006, compared to Ps.65.7 million as of December 31, 2005. This increase reflects the growth of our loan portfolio during the period and the related increase in the amount of hours during which our operations center was in operation. In addition, telephone verification of loan applications increased by 18% in 2006 compared to 2005, reflecting the growth of our loan portfolio during the period.

Miscellaneous expenses were Ps.163.2 million for the year ended December 31, 2006 compared to Ps.133.8 million for the year ended December 31, 2005, representing an increase of Ps.29.4 million, or 22.0%. This increase was primarily due to expenses in connection with the opening of nine additional offices, as well as expenses relating to travel, office supplies and messenger services, and non-interest expense incurred by our subsidiaries.

Promotional expenses, repair and maintenance and depreciation and amortization, increased as a result of the growth of our loan portfolio and the opening of nine additional offices in 2006, the expansion of other offices and the related increase in lease payments, representing an increase of 9% compared to 2005.

Other Income—Net

We recorded other income, net of Ps.87.1 million in 2006 representing a decrease of Ps.36.8 million, or 29.7%, as compared to Ps.123.9 million in 2005. This decrease was primarily attributable to a decrease in fees derived from life insurance policies. With the introduction of CredInmediato loans, we ceased our practice of placing life insurance policies provided by third party insurance companies and, accordingly, no longer receive related fees.

Income Tax and Employees' Statutory Profit Sharing

Income tax and employees' statutory profit sharing decreased by Ps.40.6 million, or 19.5%, to Ps.167.9 million for 2006 from Ps.208.5 million for 2005. This decrease is primarily due to an increase of deductions of our total non-performing loan portfolio from 2005 to 2006, due to changes in applicable Mexican income tax laws and a decrease in deferred commissions. Deferred income tax and employees' statutory profit sharing increased by Ps.73.6 million, or 124.9%, to Ps.14.7 million for 2006 from a loss of Ps.59.0 million for 2005, which increase was due to the reversal of certain temporary differences, including allowance for loan losses and write-offs. Our effective income tax rate was 31.2% for 2006 and 31.9% for 2005.

Net Income

As a result of the factors discussed above, our net income increased by Ps.83.7 million, or 26.2%, to Ps.403.0 million for 2006 from Ps.319.2 million for 2005.

Results of Operations for the Year Ended December 31, 2005 Compared to the Year Ended December 31, 2004

The following table sets forth certain of our income statement data for the years ended December 31, 2005 and 2004.

	For the year ended December 31,	
	2005	2004
	(in millions of constant Pesos as of June 30, 2007)	
Interest income	1,226.8	809.0
Interest expense	190.0	126.2
Monetary loss—net	(13.3)	(17.9)
Financial margin	1,023.5	664.9
Provision for loan losses	258.8	161.3
Financial margin after provision for loan losses	764.7	503.6
Commissions and fees collected	396.0	239.6
Commissions and fees paid	(32.5)	(0.8)
Non-interest expense	783.3	529.7
Net operating income	344.9	212.7
Other income—net	123.9	112.8
Total income before income tax and employees' statutory profit sharing	468.8	325.5
Current income tax and employees' statutory profit sharing	208.5	166.1
Deferred income tax and employees' statutory profit sharing	(59.0)	(53.8)
Minority interest	0.0	0.2
Net income	**319.2**	**213.0**

Financial Margin

The following table sets forth the components of our financial margin for the periods indicated.

	Years ended December 31,	
	2005	2004
	(in millions of constant Pesos as of June 30, 2007)	
Interest Income		
Interest on loans	1,213.9	806.5
Interest from investments in securities	12.9	2.6
Total interest income	1,226.8	809.0
Interest Expense		
Interest on funding	190.0	126.2
Total interest expense	190.0	126.2
Monetary loss (net)	(13.3)	(17.9)
Financial margin	**1,023.5**	**664.9**

Financial margin after monetary loss increased by 53.9% to Ps.1,023.5 million for 2005 compared to Ps.664.9 million for 2004. This increase was the result of an increase in our total financial margin of Ps.417.8 million, or 51.6%, which was driven by an increase of interest on loans of Ps.407.4 million, or 50.5%, for the year ended December 31, 2005, compared to the year ended December 31, 2004, as well as an increase in applicable interest rates. This increase in our interest income was partially offset by an increase in our interest expense of Ps.63.9 million, or 50.6%, in 2005 from Ps.126.2 million in 2004.

Our loss on monetary position decreased by Ps.4.7 million, or 26.1%, to a net loss of Ps.13.3 million for 2005 from a net loss of Ps.17.9 million for 2004. This decrease was primarily the result of lower inflation since monetary liabilities grew in a larger proportion than monetary assets.

As a result of the foregoing, our financial margin increased by 53.9% to Ps.1,023.5 million for 2005 compared to Ps.664.9 million for 2004.

Interest Income

We recorded interest income of Ps.1,226.8 million for the year ended December 31, 2005, compared to Ps.809.0 million for the year ended December 31, 2004, representing an increase of Ps.417.8 million, or 51.6%. This increase in our interest income reflects both an increase in the size of our loan portfolio as well as an increase in the average interest rate of our loan portfolio. Our total loan portfolio grew by Ps.260.1 million, or 16.1%, to Ps.1,872.6 million as of December 31, 2005, from Ps.1,612.4 million as of December 31, 2004. In addition, we recorded an increase in our interest on loans of Ps.407.4 million, or 50.5%, to Ps.1,213.9 million in 2005 from Ps.806.5 million in 2004, reflecting an increase in prevailing interest rates in Mexico. The average 28-day CETES and TIIE interest rates in 2004 were 6.8% and 7.2%, increasing to 9.2% and 9.6% in 2005. The average *per annum* interest rate on our loan portfolio grew from 60.6% for the year ended December 31, 2004 to 66.6% for the year ended December 31, 2005. The increase in the average *per annum* interest rate of our loan portfolio is also explained in part by an increased proportionate share in our total loan portfolio of our CrediPopular loan product, which carries a higher interest rate. In the year ended December 31, 2005, CrediPopular accounted for 6.6% of our interest income, while as of December 31, 2004, this product accounted for only 0.6% of our interest income.

Our average interest rate earned on interest-earning assets for 2005 was 61.7% and the average interest rate paid on interest-bearing liabilities was 12.5%, resulting in a yield spread on interest rates of 49.2%. Our average interest rate earned on interest-earning assets for 2004 was 57.3% and the average interest rate paid on interest-bearing liabilities was 8.9%, resulting in an yield spread on interest rates of 48.4%. This increase in the difference in interest rates reflected an increase in 2005 in the average interest rates on our total interest-earning assets, together with a increase in the same period on our total interest-bearing liabilities, in each case as compared to 2004 and a general increase in interest rates in Mexico during this period, as stated above.

Our interest income from investments in securities was Ps.12.9 million (or 1.1% of interest income) for 2005, compared to Ps.2.6 million (or 0.3% of interest income) for 2004, an increase of Ps.10.3 million, or 403.2%. This increase was primarily due to an increase in the balance of investments in securities as well as an increase in the average interest rate earned for 2005, compared to 2004.

Interest Expense

Our interest expense was Ps.190.0 million for 2005 compared to Ps.126.2 million for 2004, an increase of 50.6% or Ps.63.9 million. This increase in our interest expense was primarily due to higher interest rates on our interest-bearing liabilities. The increase in interest payments was the result of an increase in the average balance of our interest-bearing liabilities and increases in prevailing interest rates. Our average interest rate paid on interest-bearing liabilities increased by 3.6% to 12.5% *per annum* for 2005 from 8.9% for 2004 and our average balance for these liabilities increased by 45.8% to Ps.1,241 million for 2005 from Ps.851 million in 2004. The increase in the average rate paid on interest-bearing liabilities was related to a general increase in interest rates in Mexico during this period.

As a result of the foregoing, our net financial margin after monetary loss increased by 53.9% to Ps.1,023.5 million for 2005 compared to Ps.664.9 million for 2004.

Provisions for Loan Losses

We recorded provisions for loan losses of Ps.258.8 million in 2005 compared to Ps.161.3 million in 2004, an increase of Ps.97.5 million, or 60.4%. The increase in our provision for loan losses was due to the growth in our non-performing loan portfolio, which increased 37.5% from 2004 to 2005, and the introduction of our CrediPopular and CrediMamá loan products. Such increase of our non-performing loans reflected an increase of 1.1% in our total past-due rate, from 6.2% in 2004 to 7.3% in 2005. This increase in our past-due rate was offset by the growth in our overall loan portfolio.

For 2005, the ratio of provisions for loan losses to total loan portfolio was 13.8%, representing an increase of 3.8% compared to the ratio of 10.0% in 2004. This increase is consistent with the overall increase of our total loan portfolio.

The allowance for loan losses as a percentage of our non-performing loan portfolio remained constant at 125% in 2005 and 2004.

Non-Interest Income

The following table shows our composition of the non-interest income for the periods presented.

	For the year ended December 31,	
	2005	2004
	(in millions of constant Pesos as of June 30, 2007)	
Commissions and fees collected	396.0	239.6
Commissions and fees paid	(32.5)	(0.8)
Total non-interest income	**363.5**	**238.8**

Total non-interest income increased Ps.363.5 million for the year ended December 31, 2005 compared to Ps.238.8 million for the year ended December 31, 2004, an increase of Ps.124.7 million, or 52.2%. This increase was due to the growth in our total loan portfolio between 2004 and 2005.

Commissions and fees collected increased by Ps.156.4 million, or 65.3%, to Ps.396.0 million for 2005, from Ps.239.6 million for 2004. This increase was primarily the result of the growth in our total loan portfolio between the periods.

Commissions and fees paid increased by Ps.31.7 million, or 3,942.8%, to Ps.32.5 million for the year ended December 31, 2005, from Ps.0.8 million for the year ended December 31, 2004. This increase in commissions and fees paid was primarily a result of the payment in 2005 of a one-time break-up fee of Ps.30.3 million in connection with the termination of a line of credit with GE Capital Corporation. In addition, this increase reflects an increase in the amount of fees paid to certain financial institutions as a result of the overall growth of our loan portfolio. Without taking into account the payment of this break-up fee, our commissions and fees paid would have increased by Ps.1.1 million, or 131.1%, to Ps.1.9 million in 2005 from Ps.0.8 million in 2004.

Non-interest expense

The following table sets forth the components of our non-interest expense for the periods indicated.

	For the year ended December 31,	
	2005	**2004**
	(in millions of constant Pesos as of June 30, 2007)	
Salaries and employee benefits	434.0	290.2
Other administrative and operational expenses	349.4	239.4
Leases	36.1	24.8
Collection expenses	65.7	12.4
Promotional expenses	9.6	9.2
Repair and maintenance	8.7	7.2
Depreciation and amortization	62.3	68.9
Telecommunications	15.0	15.0
Relocation of cash and securities	18.2	12.2
Miscellaneous	133.8	89.8
Total non-interest expense	**783.3**	**529.7**

We recorded non-interest expense of Ps.783.3 million for 2005, compared to Ps.529.7 million in 2004, representing an increase of 47.9%. This increase was primarily the result of an increase in salaries and employee benefits as a result of hiring of additional personnel in line with the growth of our business, as well as collection expenses and miscellaneous expenses, as discussed more fully below.

Salaries and employee benefits, the largest component of non-interest expense, were Ps.434.0 million (or 55.4% of non-interest expense) for the year ended December 31, 2005 compared to Ps.290.2 million (or 54.8% of non-interest expense) for the year ended December 31, 2004, an increase of Ps.143.7 million, or 49.5%. This increase was primarily due to the 35.3% increase in the number of our labor force from 3,422 employees as of December 31, 2004 to 4,629 employees as of December 31, 2005.

Collection expenses include expenses related to the operations center for telephone calls, personal visits and correspondence to customers. Collection expenses increased of 430.6% from Ps.12.4 million in 2004 to Ps.65.7 million in 2005, which increase was primarily due the implementation of a new accounting method for the recording of expenses incurred in connection with telephone verification of loan applications and collections in order to provide more detailed information for the analysis of loan applications. Without taking into account the implementation of this accounting method, our collection expenses increased 99.4% between the periods.

Miscellaneous expenses were Ps.133.8 million in 2005, compared to Ps.89.8 million in 2004, representing an increase of Ps.44.0 million, or 49.0%. This increase was primarily due to the opening of new offices, as well as the recruiting and training of personnel, travel, office supplies and messenger services.

In addition, we recorded an increase in expenses related to leases as a result of the opening of 30 new offices, increasing our number of offices from 78 as of December 31, 2004 to 108 as of December 31, 2005.

Other Income—Net

We recorded other income, net of Ps.123.9 million in 2005 representing an increase of Ps.11.1 million, or 9.8%, from Ps.112.8 million in 2004. This increase was primarily attributable to an increase in net gain on sale of assets, income derived from services rendered to third parties and tax refunds.

Income Tax and Employees' Statutory Profit Sharing

Current income tax and employees' statutory profit sharing increased by Ps.42.4 million, or 25.5%, to Ps.208.5 million for 2005 from Ps.166.1 million for 2004. This increase is primarily due to the increase in net operating income, which is the basis upon which these expenses are calculated. Deferred income tax and employees' statutory profit sharing decreased by Ps.5.1 million, or 9.5%, to a loss of Ps.59.0 million for 2005 from a loss of Ps.53.8 million for 2004. This increase was as a result of the deferral of commissions of Ps.250 per loan on our CredInmediato loan product charged to our customers loan servicing fees. Since 2005, such annual fees are paid by our CredInmediato customers on each anniversary of the origination of their loan. Our effective income tax rates for each of these periods was 31.9% for 2005 and 34.5% for 2004.

Net Income

As a result of the factors discussed above, our net income increased by Ps.106.2 million, or 49.9%, to Ps.319.2 million for 2005 from Ps.213.0 million for 2004.

Composition of our Loan Portfolio and Interest-Earning Loans by Product

The following table shows our interest-earning loans by product as of December 31, 2006, 2005 and 2004 and for the six months ended June 30, 2007 and 2006:

	As of June 30, 2007			
	Number of Loans	% of Total	Interest Income	% of Total
	(in millions of constant Pesos as of June 30, 2007, except percentages and number of loans)			
CredInmediato	495,268	71.2%	663.1	74.0%
CrediPopular	135,269	19.4%	168.9	18.8%
CrediMamá	51,361	7.4%	54.0	6.0%
CrediConstruye	14,066	2.0%	10.5	1.2%
Total	695,964	100.0%	896.5	100.0%

	As of June 30, 2006			
	Number of Loans	% of Total	Interest Income	% of Total
	(in millions of constant Pesos as of June 30, 2007, except percentages and number of loans)			
CredInmediato	427,795	82.9%	567.6	85.9%
CrediPopular	72,414	14.0%	88.4	13.4%
CrediMamá	15,196	2.9%	4.5	0.7%
CrediConstruye	624	0.1%	0.2	0.0%
Total	516,029	100.0%	660.8	100.0%

	As of December 31, 2006			
	Number of Loans	% of Total	Interest Income	% of Total
	(in millions of constant Pesos as of June 30, 2007, except percentages and number of loans)			
CredInmediato	458,215	76.5%	1,177,2	82.6%
CrediPopular	84,309	14.1%	195,0	13.7%
CrediMamá	52,303	8.7%	50,7	3.6%
CrediConstruye	4,004	0.7%	2,6	0.2%
Total	598,831	100.0%	1,425.5	100.0%

	As of December 31, 2005			
	Number of Loans	% of Total	Interest Income	% of Total
	(in millions of constant Pesos as of June 30, 2007, except percentages and number of loans)			
CredInmediato	417,232	87.6%	1,133,2	93.4%
CrediPopular	59,187	12.4%	80,6	6.6%
CrediMamá	—	—	—	—
CrediConstruye	74	0.0%	0.0	0.0%
Total	476,493	100.0%	1,213.0	100.0%

	As of December 31, 2004			
	Number of Loans	% of Total	Interest Income	% of Total
	(in millions of constant Pesos as of June 30, 2007, except percentages and number of loans)			
CredInmediato	327,705	97.1%	801,8	99.4%
CrediPopular	9,699	2.9%	4,7	0.6%
CrediMamá	—	0.0%	—	0.0%
CrediConstruye	—	0.0%	—	0.0%
Total	337,404	100.0%	806.5	100.0%

Financial Position

The following discussion compares our combined financial position as of June 30, 2007 and December 31, 2006, 2005 and 2004.

Assets

We had total assets of Ps.2,949.7 million as of June 30, 2007, compared to Ps.2,483.6 million as of December 31, 2006, representing an increase of Ps.466.1 million, or 18.8%. This increase was primarily due to the increase in our loan portfolio.

We had total assets of Ps.2,949.7 million as of June 30, 2007, compared to Ps.2,226.9 million as of June 30, 2006, representing an increase of Ps.722.8 million, or 32.5%. This increase was primarily due to the increase in our loan portfolio.

We had total assets of Ps.2,483.6 million as of December 31, 2006, compared to Ps.2,201.6 million as of December 31, 2005, representing an increase of Ps.282.0 million, or 12.8%. This increase was primarily due to the increase in our loan portfolio.

We had total assets of Ps.2,201.6 million as of December 31, 2005, compared to Ps.1,757.6 million as of December 31, 2004, representing an increase of Ps.444.0 million, or 25.3%. This increase was principally due to an increase in the size of our loan portfolio and, to a lesser extent, an increase in investments in securities.

Loan Portfolio

As of June 30, 2007, our total loan portfolio represented Ps.2,707.9 million compared to Ps.2,180.6 million as of December 31, 2006, representing an increase of Ps.527.3 million, or 24.2%. Our total loan portfolio represented 91.8% of our total assets as of June 30, 2007, compared to 87.8% of our total assets as of December 31, 2006.

As of June 30, 2007, our total loan portfolio represented Ps.2,707.9 million compared to Ps.1,922.8 million as of June 30, 2006, representing an increase of Ps.785.1 million, or 40.8%. Our total loan portfolio represented 91.8% of our total assets as of June 30, 2007, compared to 86.3% of our total assets as of June 30, 2006.

As of December 31, 2006, our total loan portfolio represented Ps.2,180.6 million compared to Ps.1,872.6 million as of December 31, 2005, representing an increase of Ps.308.0 million, or 16.4%. Our total loan portfolio represented 87.8% of our total assets as of December 31, 2006, compared to 85.1% of our total assets as of December 31, 2005.

As of December 31, 2005, our total loan portfolio represented Ps.1,872.6 million compared to Ps.1,612.4 million as of December 31, 2004, representing an increase of Ps.260.1 million, or 16.1%. Our total loan portfolio represented 85.1% of our total assets as of December 31, 2005, compared to 91.7% of our total assets as of December 31, 2004.

The following table shows the loan portfolio by product as of June 30, 2007 and 2006.

	As of June 30,			
	2007		2006	
	Amount	% of Total	Amount	% of Total
	(unaudited) (in millions of constant Pesos as of June 30, 2007, except percentages)			
CredInmediato	2,148.5	79,3%	1,757.4	91.4%
CrediPopular	393.6	14.5%	135.9	7.1%
CrediMamá	82.3	3.0%	26.5	1.4%
CrediConstruye	83.6	3.1%	3.1	0.2%
Total loan portfolio	2,707.9	100.0%	1,922.8	100.0%
Less allowance for loan losses	192.7		174.1	
Total loan portfolio, net	2,515.2		1,748.7	

The following table shows the loan portfolio by product as of December 31, 2006, 2005 and 2004.

	As of December 31,					
	2006		2005		2004	
	Amount(1)	% of Total	Amount	% of Total	Amount	% of Total
	(in millions of constant Ps. as of December 31, 2006, except percentages)					
CredInmediato	1,890.1	86.7%	1,772.1	94.6%	1,595.6	99.0%
CrediPopular	181.7	8.3%	100.0	5.3%	16.9	1.0%
CrediMamá	85.6	3.9%	—	—	0	—
CrediConstruye	23.1	1.1%	0.5	0.0%	0	—
Total loan portfolio	2,180.6	100.0%	1,872.6	100.0%	1,612.4	100.0%
Less allowance for loan losses	156.3		171.8		124.9	
Total loan portfolio, net	2,024.3		1,700.7		1,487.5	

(1) Includes principal and interest. Does not include default interest and fees.

Performing Loan Portfolio

As of June 30, 2007, our total performing loan portfolio represented Ps.2,553.8 million compared to Ps.2,055.6 million as of December 31, 2006, representing an increase of Ps.498.2 million, or 24.2%. Total performing loan portfolio represented 86.6% of total assets as of June 30, 2007, compared to 82.8% of total assets as of December 31, 2006.

As of June 30, 2007, our total performing loan portfolio represented Ps.2,553.8 million compared to Ps.1,783.5 million as of June 30, 2006, representing an increase of Ps.770.2 million, or 43.2%. Total performing loan portfolio represented 86.6% of total assets as of June 30, 2007, compared to 80.1% of total assets as of June 30, 2006.

As of December 31, 2006, our total performing loan portfolio represented Ps.2,055.6 million compared to Ps.1,735.1 million as of December 31, 2005, representing an increase of Ps.320.5 million, or 18.5%. Total performing loan portfolio represented 82.8% of total assets as of December 31, 2006, compared to 78.8% of total assets as of December 31, 2005.

As of December 31, 2005, our total performing loan portfolio represented Ps.1,735.1 million compared to Ps.1,512.5 million as of December 31, 2004, representing an increase of Ps.222.6 million, or 14.7%. Total performing loan portfolio represented 78.8% of total assets as of December 31, 2005, compared to 86.1% of total assets as of December 31, 2004.

Non-Performing Loan Portfolio

Our total non-performing loan portfolio totaled Ps.154.1 million as of June 30, 2007 compared to Ps.125.0 million as of December 31, 2006, representing an increase of Ps.29.1 million, or 23.3%. This increase was caused by the growth in our total loan portfolio. This increase was partially offset by write-offs in the amount of Ps.87.3 million. Our total non-performing loan portfolio represented 5.2% of total assets as of June 30, 2007, compared to 5.0% of total assets as of December 31, 2006.

Our total non-performing loan portfolio totaled Ps.154.1 million as of June 30, 2007 compared to Ps.139.3 million as of June 30, 2006, representing an increase of Ps.14.9 million, or 10.7%. This increase reflects the growth in our total loan portfolio. This increase was partially offset by write-offs in the amount of Ps.87.3 million. Our total non-performing loan portfolio represented 5.2% of total assets as of June 30, 2007, compared to 6.3% of total assets as of June 30, 2006.

Our total non-performing loan portfolio totaled Ps.125.0 million as of December 31, 2006 compared to Ps.137.5 million as of December 31, 2005, a decrease of Ps.12.5 million, or 9.1%. This decrease was caused by improvements in our collection efforts based on the behavioral scoring model. The behavioral scoring model is based on a periodic review and analysis of our loan portfolio and the classification of our loan portfolio based on our estimate of the risk of non-payment for each loan. Such classifications are based on how long payments with respect to such loans are overdue. See "Our Business Monitoring and Collections." Our non-performing loan portfolio includes write-offs in the amount of Ps.172.0 million.

Our total non-performing loan portfolio totaled Ps.137.5 million as of December 31, 2005 compared to Ps.100.0 million as of December 31, 2004, representing an increase of Ps.37.5 million, or 37.5%. This increase was caused by the growth in our total loan portfolio. This includes write-offs in the amount of Ps.183.5 million.

The allowance for loan losses as a percentage of our non-performing loan portfolio remained the same for the periods above indicated, which was 125%.

Deferred Income Tax

Our deferred income taxes are a net asset mainly comprised of temporary differences to be used as income tax deductions in future fiscal periods.

As of June 30, 2007, our deferred income taxes increased to Ps.120.4 million as of June 30, 2007, compared to Ps.117.6 million as of December 31, 2006, representing a decrease of Ps.2.8 million, or 2.4%, and compared to Ps.138.6 million as of June 30, 2006, representing a decrease of Ps.18.1 million, or 13.1%. This decrease was due primarily to the reversal of certain temporary differences. Our deferred income taxes increased to Ps.117.6 million as of December 31, 2006, compared to Ps.132.3 million as of December 31, 2005, representing a decrease of Ps.14.7 million, or 11.1%. This decrease was primarily due to the reversal of certain temporary differences and the deferral of commissions in the amount of Ps.250 per loan on our CredInmediato loan product charged to our customers as loan servicing fees. Since 2005, such annual fees are paid by our CredInmediato customers on each anniversary of the origination of their loan. Our deferred taxes increased to Ps.132.3 million as of December 31, 2005, compared to Ps.73.3 million as of December 31, 2004, an increase of Ps.59.0 million, or 80.4%. This increase was primarily due to the deferral of commissions in the amount of Ps.250 per loan on our CredInmediato loan product charged to our customers as loan servicing fees. This increase was as a result of changes in the payment of commissions on our CredInmediato loan product charged to our customers, as discussed above.

Liabilities

We had total liabilities of Ps.1,847.4 million as of June 30, 2007, compared to Ps.1,475.4 million as of December 31, 2006, representing an increase of Ps.372.0 million, or 25.2%. This increase is primarily due to an increase in funding requirements to address the growth of our total loan portfolio.

We had total liabilities of Ps.1,847.4 million as of June 30, 2007, compared to Ps.1,444.7 million as of June 30, 2006, representing an increase of Ps.402.7 million, or 27.9%. This increase is primarily due to an increase in funding requirements to address the growth of our total loan portfolio.

We had total liabilities of Ps.1,475.4 million as of December 31, 2006, compared to Ps.1,438.6 million as of December 31, 2005, representing an increase of Ps.36.8 million, or 2.6%. This increase was primarily due to an increase in funding requirements to address the growth of our total loan portfolio.

We had total liabilities of Ps.1,438.6 million as of December 31, 2005, compared to Ps.1,260.7 million as of December 31, 2004, representing an increase of Ps.177.9 million, or 14.1%. This increase was primarily due to an increase in funding requirements to address the growth of our total loan portfolio.

Stockholders' Equity

As of June 30, 2007, our stockholders' equity was Ps.1,102.3 million, compared to Ps.1,008.2 million as of December 31, 2006, representing an increase of 9.3%, which was attributable to net income generated during the first six months of 2007 minus dividends paid, which amounted to Ps.173.6 million.

As of June 30, 2007, our stockholders' equity was Ps.1,102.3 million, compared to Ps.782.2 million as of June 30, 2006, representing an increase of 40.9%, which was attributable to net income generated during the first six months of 2007 minus dividends paid, which amounted to Ps.173.6 million.

As of December 31, 2006, our stockholders' equity was Ps.1,008.2 million, compared to Ps.763.0 million as of December 31, 2005. The increase of Ps.245.2 million or 32.1%, generated during the period was attributable to net income generated during 2005 minus dividends paid amounting to Ps.883.4 million. This amount reflects the payment of a special dividend immediately prior to HSBC Overseas' investment in us in the amount of Ps.727.2 million in 2005. In addition, on June 20, 2006, our subsidiary Serfincor distributed a special dividend in the amount of Ps.29.4 million as a result of HSBC Overseas' investment in us.

As of December 31, 2005, our stockholders' equity was Ps.763.0 million, compared to Ps.496.9 million as of December 31, 2004. The increase of Ps.266.1 million or 53.6% generated during the period was attributable to net income generated during 2004 minus dividends paid amounting to Ps.53.1 million.

Stockholders' equity represented 37.4% and 35.1% of our total assets as of June 30, 2007 and 2006, respectively, and 40.6%, 34.7% and 28.3% of our total assets as of December 31, 2006, 2005 and 2004, respectively.

Liquidity and Capital Resources

The purpose of the liquidity management function is to ensure that we have funds available to meet our financial obligations. These obligations arise from disbursements of loans, repayments of interest and/or principal from bank and other entities loans, and repayments of debt instruments known as *certificados bursátiles*, among other working capital needs.

We fund the growth of our operations and loan portfolio through lines of credit received from domestic banks and debt issuances, which amounted to Ps.1,623.1 million as of June 30, 2007, in addition to our net income. Net income includes interest income on loans and interest from investments in securities which consist of investments in the form of repurchase agreements in Mexican government securities (*Bondes* and CETES). Interest from investments in securities represented 0.1% of net income as of June 30, 2007, and 0.3% as of December 31, 2006.

Our management expects that cash flow from operations and other sources of liquidity will be sufficient to meet our liquidity requirements over the next 12 months, including our expected 2007 capital expenditures.

Bank and other entities loans

As of June 30, 2007, our bank and other entities loans consisted of loans from HSBC Mexico, SHF and Nacional Financiera, S.N.C., a Mexican national development bank, or Nafin, as trustee of the Desarrollos Industriales de Aguascalientes trust. As of June 30, 2007, we had bank and other entities loans totaling Ps.1,623.1 million, compared to Ps.1,314.4 million as of December 31, 2006, representing an increase of Ps.308.7 million, or 23.5%, and to 1,247.4 million as of June 30, 2006, representing an increase of Ps.375.6 million or 30.1%. Bank and other entities loans represented 87.9% of our total liabilities as of June 30, 2007 compared to 89.1% and 86.3% as of December 31, 2006 and June 30, 2006, respectively.

On October 28, 2005, we entered into a line of credit with HSBC Mexico for an aggregate amount of Ps.1,500 million. In April 2007, HSBC Mexico increased the line of credit to Ps.2,000 million. As of June 30, 2007, our line of credit with HSBC Mexico consisted of an unsecured, Peso-denominated revolving line of credit. The availability period under this agreement is five years from the date of the first disbursement thereunder. Disbursements under this line of credit have maturities of less than one year and, we may elect the interest rate applicable to such loan at the time of disbursement, which may be fixed or variable. As of the date of this offering circular, all loans requested under this line of credit have a fixed interest rate. Under the terms of our line of credit with HSBC Mexico, we are required to comply with certain customary financial ratios including, among others, interest coverage, efficiency, leverage, quality of assets and reserve coverage. In addition, we also have certain covenants that, among other things, restrict our ability to: (i) provide guarantees or to create or incur liens on or with respect to our assets, (ii) sell or transfer assets exceeding Ps. 1 million, or (iii) enter into transactions with affiliates that are not in the ordinary course of business. As of June 30, 2007, we were not in default with respect to payments of principal and interest under this agreement.

In addition, on August 1, 2005 and May 4, 2007, we entered into two lines of credit with SHF for an aggregate amount of Ps. 30 million and Ps. 180 million, respectively. As of June 30, 2007, our line of credit with SHF consisted of an unsecured, Peso-denominated revolving line of credit. The availability period under this agreement is two years from its execution date. Disbursements under this line of credit have maturities of up to

24 months and a fixed interest rate, which is determined at the time of disbursement. We currently use proceeds of our revolving line of credit with SHF to fund our CrediConstruye loan product. Under the terms of our line of credit with SHF, we are required to comply with certain customary covenants that, among other things, restrict our ability to: (i) provide guarantees, create or incur in liens, on or with respect to our assets without the previous consent of SHF, (ii) incur indebtedness, transfer any amounts or make any investment beyond the scope of our corporate purpose without the written consent of SHF, and (iii) enter into transactions with affiliates that are not in the ordinary course of business. In addition, pursuant to the terms of this agreement, we are required to provide evidence that a minimum of 85% of our CrediConstruye clients use the proceeds of their loans for household improvements. As of June 30, 2007, we were not in default with respect to payments of principal and interest under this agreement.

On July 25, 2006, we entered into a land purchase agreement (*contrato de compraventa con reserva de dominio*), through our subsidiary Conexia, S.A. de C.V., or Conexia, in the amount of Ps.0.9 million with Nafin, as trustee of the *Desarrollos Industriales de Aguascalientes* trust, for the acquisition of the property for the construction of our new operations center in the city of Aguascalientes. Pursuant to the terms of this agreement, we are required to make 24 additional monthly payments of principal and interest through July 25, 2008. Under the terms of this agreement, we obtained possession of the land and Nafin, as trustee of the *Desarrollos Industriales de Aguascalientes* trust, remains the owner of the land until our payment in full of all our obligations under this agreement. See "Our Business—Material Contracts—Land purchase agreement between Conexia and Nacional Financiera, S.N.C."

We had bank and other entities loans of Ps.1,314.4 million as of December 31, 2006, compared to Ps.1,060.8 million as of December 31, 2005, representing an increase of Ps.253.6 million, or 23.9%. Bank and other entities loans represented 89.1% of total liabilities as of December 31, 2006 compared to 73.7% as of December 31, 2005.

We had balances related to bank and other entities loans of Ps.1,060.8 million as of December 31, 2005 compared to Ps.978.7 million as of December 31, 2004, an increase of Ps.82.1 million, or 8.4%. Bank and other entities loans represented 73.7% of total liabilities as of December 31, 2005 compared to 77.6% as of December 31, 2004.

The following table sets forth balances on our outstanding bank and other entities loans as of June 30, 2007.

	June 30, 2007		
	Amount of Debt	**Currency**	**Maturity**
	(in millions of constant Pesos as of June 30, 2007)		
Sociedad Hipotecaria Federal, S.N.C., Institución de Banca de Desarrollo	61.3	Pesos	December 2008
Nacional Financiera, S.N.C., Institución de Banca de Desarrollo	0.5	Pesos	July 2008
HSBC México, S.A., Institución de Banca Múltiple.	1,549.2	Pesos	June 2008
Accrued Interest	12.1		
Total	**1,623.1**		

Certificados Bursátiles

We did not issue any debt instruments during 2006 or during the first six months of 2007. As of June 30, 2007, we did not have any debt instruments outstanding. We intend to issue additional short-term debt instruments through an offering of *certificados bursátiles* in the near future, depending on our financial needs and then existing market conditions. Because our *certificados bursátiles* accrued interest at floating rates, we hedged our interest rate exposure with respect to this liability.

We had *certificados bursátiles* in an amount of Ps.211.4 million outstanding as of December 31, 2005 compared to Ps.99.9 million as of December 31, 2004. This represents an increase of Ps.111.6 million, or 111.7%. These *certificados bursátiles* represented 14.7% of total liabilities in 2005 and 7.9% in 2004.

In November 2004, we established a *certificados bursátil* program and completed an issuance in an aggregate principal amount of Ps.100 million, which matured in October 2005. In June 2005, we established our second *certificados bursátiles* program in an authorized amount of Ps.400 million, and completed an issuance in an aggregate principal amount of Ps.200 million under this program, which matured in May 2006. Both offerings received a Fitch Mexico rating of "F2(mex)."

In April 1998, we completed our first issuance of medium-term promissory notes through an offering of *certificados bursátiles* in an aggregate principal amount of Ps.25 million, and in June 2001, we completed our second issuance of medium-term promissory notes through an offering of *certificados bursátiles* in an aggregate principal amount of Ps.50 million, with Fitch Mexico ratings of "BBB+(mex)" and "A(mex)," respectively.

Our S&P and Fitch corporate ratings have remained consistently strong over the years, which we believe has enabled us to achieve an overall lower cost of funding. As of June 30, 2007, our S&P and Fitch corporate ratings were "mxA" and "A(mex)," respectively. Both ratings currently have positive outlooks. There can be no assurance that such ratings or our outlook will be maintained. A rating or outlook may be changed or withdrawn at any time by the assigning rating agency.

During the term of these issuances, we complied with the information disclosure requirements set forth in the LMV.

Capital Expenditures

In 2006 and 2005, we invested Ps.60.7 million and Ps.56.5 million, respectively, in capital expenditures (including information and data processing equipment). Our current budget anticipates capital expenditures of approximately Ps.101.9 million during 2007, including investments relating to the expansion of our offices, the construction of our new operations center in the city of Aguascalientes and information and data processing equipment and software. Our management expects that cash flow from operations and other sources of liquidity (including the net proceeds from this offering) will be sufficient to meet our liquidity requirements over the next twelve months, including expected 2007 capital expenditures. We can give no assurance, however, that, after the next twelve months, the capital expenditures will be made in the amounts currently expected or that we will be able to fund them with cash generated from our future operations. For the six months ended June 30, 2007, we invested (in nominal terms) Ps.59.8 million in capital expenditures.

The following table sets forth our capital expenditures for the years ended December 31, 2006, 2005 and 2004 and the six months ended June 30, 2007 and 2006.

	For the six months ended June 30,		For the year ended December 31,		
	2007	2006	2006	2005	2004
	(in millions of constant Pesos as of June 30, 2007)				
Information systems and data processing equipment	18.9	11.9	19.3	19.9	13.4
Office furniture and equipment	5.4	2.6	6.7	5.7	3.9
Transportation equipment	4.3	1.0	5.6	3.8	3.9
Building renovations	9.9	1.5	5.6	3.3	3.9
Software development	10.3	7.2	16.4	14.9	12.7
Licenses and software	1.9	2.2	6.2	8.9	3.2
Construction of new operations center	9.3	—	—	—	—
Property	—	—	0.9	—	—
Total capital expenditures	**59.8**	**26.5**	**60.7**	**56.5**	**41.1**

Contractual Obligations and Commercial Commitments

The table below sets forth information related to our contractual obligations and commercial commitments as of June 30, 2007.

	Payments Due By Period[1]			
	July 2007 through December 2008	January 2009 through December 2010	After December 2010	Total
	(in millions of constant Pesos as of June 30, 2007)			
Bank and other entities loans—short term	1,595.0	16.0	—	1,611.1
Interest	12.0	—	—	12.0
Land purchase agreement[2]	0.5	—	—	0.5
Leases	57.0	32.0	9.0	98.0
Total contractual obligations	1,664.5	48.0	9.0	1,721.6

(1) Amounts include interest accrued as of June 30, 2007 and do not reflect interest that may accrue in future periods.

(2) Land purchase agreement with Nafin, as trustee of the *Desarrollos Industriales de Aguascalientes* trust, in an aggregate principal amount of Ps.0.9 million.

Contractual obligations related to bank and other entities loans increased by 23.5% from Ps.1,314.4 million as of December 31, 2006 to Ps.1,623.1 million as of June 30, 2007. This change was principally due to the addition of new credit lines and the increase in the amounts outstanding under existing ones due to the funding needs created by the growth of our loan portfolio.

Investment Portfolio

The table below sets forth the composition of our investment portfolio as of the dates indicated.

	As of June 30,			
	2007		2006	
	Amount	% of Total	Amount	% of Total
	(in millions of constant Pesos as of June 30, 2007, except percentages)			
Investments in securities	1.4	100.0%	115.6	100.0%

(1) Include securities purchased under agreements to resell.

Our total investments as of June 30, 2007 totaled Ps.1.4 million, and consisted of investments in securities in the form of repurchase agreements in Mexican government securities (such as Bondes and CETES).

Off Balance Sheet Arrangements

Unused portions of lines of credit granted to our customers are recorded in a memorandum account. See note 2 to our audited financial statements included elsewhere in this offering circular. We do not have any additional off balance sheet arrangements.

Internal Control Policies

Our internal control processes are primarily focused on cash management, bank account reconciliations and loan collection activities.

Our treasury department has the responsibility to provide the cash required for our daily operations, pay our suppliers, centralize our collections and invest our cash. In addition, we have a centralized internal control responsible for planning the resources required for our daily operations. All of these processes are effected through a sophisticated electronic system through which all of our branches and offices are connected. The system is intended to minimize the risk of fraud or inadequate or inefficient use of our cash as well as standardize control.

Among other control policies, we have only three bank accounts: one for disbursement of our loans, one for the payment of suppliers and management expenses and one for the concentration of our collections. No checks for the disbursement of loans are issued if the proper internal loan approval process is not followed.

The collections received by each of our branches and offices are monitored and reconciled on a daily basis. This allows us to detect promptly any potential mistakes concerning recording, and control of cash.

The treasury department generates a daily report (*Reporte de Tesorería Diaria*), which is shared with our accounting department for the latter to review and validate all daily operations of our core business. Our internal audit department has the responsibility of auditing all of our processes and systems and is also responsible for sharing all of its material findings and conclusions with our audit and corporate practices committee, our chief executive officer and any other affected areas for their immediate attention. Our internal auditing officer also serves as the audit and corporate practices committee's technical and professional permanent support in addition to providing assistance to other areas and departments from which the audit and corporate practices committee may request advice or reports. The internal auditing officer not only reviews our internal processes for our core business, but is generally responsible for auditing compliance with our internal procedures, policies and applicable regulations. Our internal auditing officer is also the direct liaison with our external auditor.

SELECTED STATISTICAL INFORMATION

The following tables present certain of our selected statistical information and ratios for the periods indicated. The following information should be read in conjunction with our financial statements and the notes thereto included elsewhere in this offering circular, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Presentation of Certain Financial and Other Information.” The statistical information and discussion and analysis presented below for the six months ended June 30, 2007 and 2006 and for the fiscal years ended December 31, 2006, 2005 and 2004 is presented solely for the convenience of the reader for analytical purposes and, for certain items, differs from and is not comparable to the presentation in our financial statements and the notes thereto, as the basis for calculating such information differs from that used in our financial statements.

Certain amounts and percentages included in this offering circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be an exact arithmetic result of the figures shown herein.

Unless otherwise indicated, balance sheet and income statement items in the following tables are presented in millions of constant Pesos as of June 30, 2007.

Average Balance Sheet and Interest Rate Data

Peso-Denominated Average Balances and Interest Income

Average balances for Peso-denominated assets and liabilities have been calculated in accordance with the following procedure: Our nominal average balances are daily averages. Each average balance was restated in constant Pesos at June 30, 2007, using the increase in the value of the UDI. Interest income (expense) for each category has been calculated in the following manner: aggregate interest income (expense) for each month has been restated in constant Pesos at June 30, 2007. Interest income (expense) for the year is the total of the income (expense) for the twelve months so determined.

Total Interest Earned and Total Interest Expensed

Total interest earned and total interest expensed as presented in the following tables differ from interest income and interest expense as recorded on our income statements for the periods presented as a result of adjustments due to inflation.

Average Interest Rate

The average annual rates earned on interest-earning assets and the average annual rate paid on interest-bearing liabilities are real rates (adjusted to reflect the effects of inflation as of June 30, 2007).

Average Assets and Interest Rates

The table below presents the average balance of assets, interest income and average annual interest rate for the periods indicated.

	For the six months ended June 30,						For the year ended December 31,								
	2007[3]			2006[3]			2006			2005			2004		
	Average Balance	Interest Earned	Average Interest Rate	Average Balance	Interest Earned	Average Interest Rate	Average Balance	Interest Earned	Average Interest Rate	Average Balance	Interest Earned	Average Interest Rate	Average Balance	Interest Earned	Average Interest Rate
	(unaudited)														
	(in millions of constant Ps. as of June 30, 2007, except percentages)														
Investment in securities[1]:															
Pesos	90	1	2.2%	108	3	5.6%	108	3	2.8%	99	12	12.1%	53	(1)	(1.9)%
Total loan portfolio[2]:															
Pesos	2,320	882	76.0%	1,807	643	71.2%	1,894	1,352	71.4%	1,751	1,166	66.6%	1,225	742	60.6%
Cash and cash equivalents:															
Pesos[1]	45	—	0.0%	73	(1)	(2.7)%	58	(1)	(1.7)%	58	—	0.0%	15	—	0.0%
Total interest earning assets:															
Pesos	2,455	883	71.9%	1,988	645	64.9%	2,060	1,354	65.7%	1,908	1,178	61.7%	1,293	741	57.3%
Allowances for loan losses:															
Pesos	(177)	—	0.0%	(191)	—	0.0%	(192)	—	0.0%	(178)	—	0.0%	(114)	—	0.0%
Property plant and equipment net:															
Pesos	88			80			82			75			76		
Other non-interest earning assets:															
Pesos	267			281			321			256			159		
Total assets:															
Pesos	2,633	883	67.1%	2,158	645	59.8%	2,271	1,354	59.6%	2,061	1,178	57.2%	1,414	741	52.4%
Total	2,633	883	67.1%	2,158	645	59.8%	2,271	1,354	59.6%	2,061	1,178	57.2%	1,414	741	52.4%

(1) Items presented in financial statements under the caption cash and cash equivalents.
(2) Do not include fees on loans which are recorded under the item commissions and fees collected in the income statement.
(3) Ratios and percentages are calculated on an annualized basis.

Average Liabilities, Stockholders' Equity and Interest Rates

The table below presents the average balances of liabilities and stockholders' equity, interest expense and average annual interest rate for the periods indicated.

	For the six months ended June 30,						For the year ended December 31,								
	2007[2]			2006[2]			2006			2005			2004		
	Average Balance	Interest Paid	Average Interest Rate	Average Balance	Interest Paid	Average Interest Rate	Average Balance	Interest Paid	Average Interest Rate	Average Balance	Interest Paid	Average Interest Rate	Average Balance	Interest Paid	Average Interest Rate
	(unaudited)														
	(in millions of constant Ps. as of June 30, 2007, except percentages)														
Bank and other entities loans[1]:															
Pesos	1,442	61	8.5%	1,174	47	8.0%	1,214	69	5.7%	1,241	155	12.5%	851	76	8.9%
Total interest-bearing liabilities:															
Pesos	1,442	61	8.5%	1,174	47	8.0%	1,214	69	5.7%	1,241	155	12.5%	851	76	8.9%
Non-interest-bearing liabilities:															
Pesos	184			211			246			197			152		
Stockholders' equity:															
Pesos	1,007	—	—	773	—	—	811	—	—	623	—	—	411	—	—
Total	2,633	61	4.6%	2,158	47	4.4%	2,271	69	3.0%	2,061	155	7.5%	1,414	76	5.4%

(1) Include unsecured certificates presented in financial statement under the caption commercial paper.
(2) Ratios and percentages are calculated on an annualized basis.

Changes in Financial Margin and Expense—Volume and Rate Analysis

The following tables allocate changes in interest income and interest expense between changes in volume and changes in rates for the six months ended June 30, 2007 compared to 2006 and for the year ended December 31, 2006 compared to 2005, and 2005 compared to 2004. Volume and rate variances have been calculated based on movements in daily average balances over the period and changes in interest rates on average interest-earning assets and average interest-bearing liabilities. The net change attributable to changes in both volume and rate has been allocated proportionately to the change due to volume and the change due to rate.

Interest-Earning Assets

	June 2007/June 2006			2006/2005			2005/2004		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in			Increase (decrease) due to changes in		
	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change
	(unaudited) (in millions of constant Ps. as of June 30, 2007, except percentages)								
Investment in securities[1]:									
Pesos	(1)	(2)	(3)	1	(10)	(9)	(1)	14	13
Total loan portfolio:									
Pesos	183	56	239	95	91	186	319	105	424
Cash and cash equivalents[1]:									
Pesos	—	1	1	—	(1)	(1)	—	—	—
Total	182	55	237	96	80	176	318	119	437

(1) Items presented in financial statements under the caption cash and cash equivalents.

Interest-Bearing Liabilities

	June 2007/June 2006			2006/2005			2005/2004		
	Increase (decrease) due to changes in			Increase (decrease) due to changes in			Increase (decrease) due to changes in		
	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change	Volume	Interest Rate	Net Change
	(unaudited) (in millions of constant Ps. as of June 30, 2007, except percentages)								
Bank and other entities loans:									
Pesos	10	4	14	(3)	(83)	(86)	35	44	79
Total	10	4	14	(3)	(83)	(86)	35	44	79

Interest-Earning Assets—Yield and Yield Spread

The following table sets forth, the levels of our average interest-earning assets and financial margin, and interest rate, net yield and yield spread obtained for the periods indicated.

	For the six months ended June 30,		For the year ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited) (in millions of constant Ps. as of June 30, 2007, except percentages)				
Total average interest-earning assets:					
Pesos	2,455	1,988	2,060	1,908	1,293
Financial margin:					
Pesos	822	598	1,285	1,023	665
Interest rate(1):					
Weighted-average rate	71.9%	64.9%	65.7%	61.7%	57.3%
Net yield(2):					
Weighted-average rate	67.0%	60.2%	62.4%	53.6%	51.4%
Yield spread(3):					
Weighted-average rate	62.5%	55.3%	56.6%	49.7%	47.0%

(1) Interest rate represents interest income divided by average interest-earning assets.
(2) Net yield represents the total of financial margin divided by average interest-earning assets.
(3) Yield spread represents the difference between the interest rate on average interest-earning assets and average cost of interest-bearing liabilities.

Return on Average Total Assets and Average Stockholders' Equity

The following table presents certain of our selected financial data and ratios for the periods indicated.

	For the six months ended June 30,		For the year ended December 31,		
	2007(2)	2006(2)	2006	2005	2004
	(unaudited) (in millions of constant Ps. as of June, 2007, except percentages)				
Net income	268	178	403	319	213
Average total assets(1)	2,633	2,158	2,271	2,061	1,414
Average stockholders' equity(1)	1,007	773	811	623	411
Net income as a percentage of:					
—Average total assets(1)	20.4%	16.4%	17.7%	15.5%	15.1%
—Average stockholders' equity(1)	53.2%	46.0%	49.7%	51.2%	51.8%
Average stockholders' equity as a percentage of average total assets	38.2%	35.8%	35.7%	30.2%	29.1%
Dividend payout ratio—Combined(3)	32.6%	239.3%	211.7%	16.6%	13.1%
Dividend payout ratio—Financiera	35.8%	256.1%	224.3%	17.9%	14.4%
Dividend payout ratio—Serfincor	—	127.8%	147.8%	—	—

(1) Based on daily average balances for each year or period.
(2) Ratios and percentages are calculated on an annualized basis.
(3) Dividend payout ratio for Financiera Independencia and Serfincor, as a combined entity.

Interest Rate Sensitivity of Assets and Liabilities

Interest Rates

Our operations do not currently involve the granting of loans with floating interest rates. Additionally, our loans are denominated exclusively in Pesos. Bank loans and loans with other entities are contracted at fixed rates and are denominated in Pesos.

Interest Rate Sensitivity

The following table reflects our interest-earning assets and interest-bearing liabilities as of June 30, 2007. Fixed-rate instruments were classified in this table according to their final maturity.

	As of June 30, 2007						
	0-30 Days	31-79 Days	90-179 Days	180-365 Days	Over 366 Days	Non-Rate Sensitive or Over One Year	Total
	(unaudited) (in millions of constant Ps. as of June 30, 2007, except percentages)						
Assets:							
Cash and due from banks	123	—	—	—	—	—	123
Fixed-rate performing loans[(1)]	306	266	381	650	951	—	2,554
Securities and investments	1	—	—	—	—	—	1
Total interest-earning assets	430	266	381	650	951	—	2,678
Other non-interest-earning assets	—	—	—	—	—	311	311
Non-performing loans	—	—	—	—	—	154	154
Less: Allowance for loan losses	—	—	—	—	—	(193)	(193)
Total assets	430	266	381	650	951	272	2,950
Liabilities and stockholders' equity:							
Bank and other entities loans	467	249	254	653	—	—	1,623
Other non-interest bearing liabilities	—	—	—	—	—	225	225
Stockholders' equity	—	—	—	—	—	1,102	1,102
Total liabilities and stockholders' equity	467	249	254	653	—	1,327	2,950
Interest rate sensitivity gap	(37)	17	127	(3)	951	(1,055)	
Cumulative interest rate sensitivity gap	(37)	(20)	107	104	1,055		
Cumulative gap as percentage of total interest-earning assets	(1.4)%	(0.7)%	4.0%	3.9%	39.4%		

(1) Amounts are presented in accordance with the contractual amortization schedule for each loan.

As of June 30, 2007, interest-earning assets totaled Ps.2,678 million. Of these assets, 16.1% amortize periodically every 30 days or less. Such assets included 95.4% of our performing loan portfolio and 4.6% of cash and due from banks. Of our total loans, 100.0% are fixed-rate loans.

Of our interest-bearing liabilities as of June 30, 2007, 100% consisted of funds from borrowings with bank and other entities and totaled Ps.1,623 million. Of our total interest bearing liabilities, 28.8% amortize every 30 days or less.

Cash and Cash Equivalents

We held investments in securities in the amount of Ps.124.0 million as of June 30, 2007, representing 4.2% of our total assets. All of our investments are highly liquid, in the form of repurchase agreements for Mexican government securities such as Bondes and CETES, and with an average maturity of one day. The weighted-average yield of such investments was 2.2%.

Bank and Other Entities Loans

The following table sets forth our short-term borrowings for the periods indicated.

	As of and for the six months ended June 30,				As of and for the year ended December 31,					
	2007		2006		2006		2005		2004	
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate
	(unaudited) (in millions of constant Ps. as of June 30, 2007, except percentages)									
Bank loans:										
At end of period(1)	1,623	10.4%	1,247	9.4%	1,314	9.0%	1,061	11.1%	979	15.3%
Daily average indebtedness during period	1,442	8.5%	1,174	8.0%	1,214	5.7%	1,241	12.5%	851	8.9%
Maximum month-end balance	1,549	10.9%	1,202	9.3%	1,291	9.0%	1,050	12.0%	1,025	14.2%

(1) The interest rate at the end of the period is calculated based on the interest rate of the most recent loan facility drawn by us under the different available lines of credit at the end of each period reported.

Loan Portfolio

Total loan portfolio amounts set forth in this section include the total principal amount of performing and non-performing loans outstanding at the date presented. The terms "total loans," "loan portfolio" and "total loan portfolio" include total performing loans plus total non-performing loans. See "Presentation of Certain Financial and Other Information—Terms Relating to Our Loan Portfolio."

Our total loan portfolio as of June 30, 2007 and 2006 amounted to Ps.2,708 million and Ps.1,923 million, an increase of 40.8% year-to-year. As of December 31, 2006, 2005 and 2004 our loan portfolio amounted to Ps.2,181 million, Ps.1,872 million and Ps.1,612 million, an increase of 16.4% and 16.1%, respectively, compared to the preceding period. These increases were mainly due to an increase in the total number of active clients.

Classification of our Loan Portfolio

The following table sets forth the classification of our total loan portfolio in terms of performing and non-performing loan portfolio, as of June 30, 2007 and 2006, and as of December 31, 2006, 2005 and 2004.

	As of June 30,				As of December 31,					
	2007		2006		2006		2005		2004	
	Amount	% of Portfolio	Amount	% of Portfolio	Amount	% of Portfolio	Amount	% of Portfolio	Amount	% of Portfolio
	(unaudited) (in millions of constant Ps. as of June 30, 2007, except percentages)									
Performing loan portfolio	2,554	94.3%	1,784	92.8%	2,056	94.3%	1,736	92.7%	1,512	93.8%
Non-performing loan portfolio	154	5.7%	139	7.2%	125	5.7%	137	7.3%	100	6.2%
Total loan portfolio(1)	2,708	100.0%	1,923	100.0%	2,181	100.0%	1,873	100.0%	1,612	100.0%

(1) Loan amounts include accrued interest.

Performing Loan Portfolio

Our total performing loan portfolio increased 43.2% in the six months ended June 31, 2007, 18.5% in 2006 and 14.7% in 2005. See "Our Business—Products."

Our performing CrediMamá loan portfolio totaled Ps.74 million as of June 30, 2007, reflecting an increase of Ps.47.0 million, or 174.1%, compared to June 30, 2006. This increase was primarily due to an increase of 36,165 in the number of clients. As of December 31, 2006, our performing CrediMamá loan portfolio totaled Ps.78.0 million, reflecting an increase of Ps.78.0 million, or 100%, compared to December 31, 2005. This loan product was introduced in 2006 and the number of customers at the end of 2006 was 52,303. Our performing CrediMamá loan portfolio as a percentage of our total performing loan portfolio was 2.9% as of June 30, 2007, and 3.8% as of December 31, 2006.

Our performing CrediPopular loan portfolio totaled Ps.367 million as of June 30, 2007, reflecting an increase of Ps.244.0 million, or 198.4%, compared to June 30, 2006. This increase was primarily due to an increase of 62,855 in the number of clients. As of December 31, 2006, our performing CrediPopular loan portfolio totaled Ps.169.0 million, reflecting an increase of Ps.79.0 million, or 87.8%, compared to December 31, 2005. This increase was primarily due to an increase of 25,122 in the number of clients. Our performing CrediPopular loan portfolio totaled Ps.90.0 million as of December 31, 2005, reflecting an increase of Ps.73.0 million, or 429.4%, compared to December 31, 2004. This increase was primarily due to an increase of 49,488 in the number of clients. Our performing CrediPopular loan portfolio as a percentage of our total performing loan portfolio was 14.4% as of June 30, 2007, 8.2% as of December 31, 2006, 5.2% as of December 31, 2005 and 1.1% as of December 31, 2004.

Our performing CredInmediato loan portfolio totaled Ps.2,032 million as of June 30, 2007, reflecting an increase of Ps.401.0 million, or 24.6%, compared to June 30, 2006. This increase was primarily due to an increase of 67,473 in the number of clients. As of December 31, 2006, our performing CredInmediato loan portfolio totaled Ps.1,786 million, reflecting an increase of Ps.141.0 million, or 8.6%, compared to December 31, 2005. This increase was primarily due to an increase of 40,983 in the number of clients. Our performing CredInmediato loan portfolio totaled Ps.1,645 million as of December 31, 2005, reflecting an increase of Ps.150.0 million, or 10.0%, compared to December 31, 2004. This increase was primarily due to an increase of 89,527 in the number of clients. Our performing CredInmediato loan portfolio as a percentage of our total performing loan portfolio was 79.6% as of June 30, 2007, 86.9% as of December 31, 2006, 94.8% as of December 31, 2005 and 98.9% as of December 31, 2004.

Our performing CrediConstruye loan portfolio totaled Ps.81 million as of June 30, 2007, reflecting an increase of Ps.78.0 million, or 2,600%, compared to June 30, 2006. This increase was primarily due to an increase of 13,442 in the number of clients. As of December 31, 2006, our performing CrediConstruye loan portfolio totaled Ps.23.0 million, reflecting an increase of Ps.23.0 million, or 100%, compared to December 31, 2005. This loan product was introduced in 2006 and the number of customers at the end of 2006 was 4,004. Our performing CrediConstruye loan portfolio as a percentage of our total performing loan portfolio was 3.2% as of June 30, 2007, 1.1% as of December 31, 2006.

The following table sets forth our performing loan portfolio (including performing interest) by product at the dates indicated.

	As of June 30,		As of December 31,		
	2007	2006	2006	2005	2004
	(unaudited)				
	(in millions of constant Ps. as of June 30, 2007)				
Performing loan portfolio by product:					
CrediMamá	74	27	78	—	—
CrediPopular	367	123	169	90	17
CredInmediato[1]	2,032	1,631	1,786	1,645	1,495
CrediConstruye	81	3	23	—	—
Total performing loan portfolio	2,554	1,784	2,056	1,735	1,512

(1) CredInmediato is a revolving line of credit. The unused portion of the CredInmediato revolving line of credit totaled Ps.603.0 million and Ps.210.0 million as of June 30, 2007 and 2006, respectively. The unused portion of the CredInmediato revolving line of credit totaled Ps.408.0 million, Ps.94.0 million and Ps.35.0 million as of December 31, 2006, 2005 and 2004, respectively.

Loans by Geographic Concentration

The following table sets forth our loan portfolio based on geographic concentration as of the dates indicated. We have not observed any significant correlations between the incidence of delinquency and default on past-due loans and geographic location.

	As of June 30,				As of December 31,					
	2007		2006		2006		2005		2004	
	Loan Amount(1)	% of Portfolio(2)	Loan Amount(1)	% of Portfolio(2)	Loan Amount(1)	% of Portfolio(2)	Loan Amount(1)	% of Portfolio(2)	Loan Amount(1)	% of Portfolio(2)
	(unaudited)									
	(in millions of constant Ps. as of June 30, 2007, except percentages)									
Mexican federal entities:										
Aguascalientes	65	2.4%	41	2.1%	45	2.1%	40	2.1%	28	1.7%
Baja California Norte	53	2.0%	46	2.4%	48	2.2%	50	2.7%	47	2.9%
Baja California Sur	34	1.3%	32	1.7%	31	1.4%	33	1.8%	25	1.6%
Campeche	36	1.3%	28	1.5%	31	1.4%	28	1.5%	22	1.4%
Chiapas	95	3.5%	67	3.5%	75	3.4%	66	3.5%	52	3.2%
Chihuahua	86	3.2%	79	4.1%	82	3.8%	83	4.4%	77	4.8%
Coahuila	235	8.7%	167	8.7%	195	8.9%	164	8.8%	137	8.5%
Colima	32	1.2%	28	1.5%	29	1.3%	27	1.4%	29	1.8%
Durango	47	1.7%	24	1.2%	31	1.4%	22	1.2%	19	1.2%
Estado de México	50	1.8%	35	1.8%	38	1.7%	34	1.8%	27	1.7%
Guanajuato	143	5.3%	90	4.7%	110	5.0%	83	4.4%	65	4.0%
Guerrero	63	2.3%	34	1.8%	45	2.1%	29	1.5%	29	1.8%
Hidalgo	23	0.8%	17	0.9%	19	0.9%	16	0.9%	14	0.9%
Jalisco	125	4.6%	90	4.7%	97	4.4%	87	4.6%	66	4.1%
Michoacán	76	2.8%	46	2.4%	55	2.5%	45	2.4%	43	2.7%
Morelos	75	2.8%	41	2.1%	54	2.5%	35	1.9%	26	1.6%
Nayarit	26	1.0%	23	1.2%	23	1.1%	24	1.3%	25	1.6%
Oaxaca	46	1.7%	37	1.9%	39	1.8%	37	2.0%	40	2.5%
Puebla	103	3.8%	64	3.3%	77	3.5%	62	3.3%	54	3.3%
Querétaro	73	2.7%	49	2.5%	57	2.6%	45	2.4%	35	2.2%
Quintana Roo	82	3.0%	63	3.3%	70	3.2%	66	3.5%	62	3.8%
San Luis Potosí	98	3.6%	71	3.7%	82	3.8%	70	3.7%	56	3.5%
Sinaloa	119	4.4%	82	4.3%	90	4.1%	77	4.1%	75	4.7%
Sonora	100	3.7%	72	3.7%	79	3.6%	70	3.7%	66	4.1%
Tabasco	54	2.0%	42	2.2%	44	2.0%	44	2.3%	46	2.9%
Tamaulipas	298	11.0%	231	12.0%	256	11.7%	232	12.4%	199	12.3%
Tlaxcala	50	1.8%	38	2.0%	42	1.9%	33	1.8%	25	1.6%
Veracruz	313	11.6%	214	11.1%	250	11.5%	200	10.7%	158	9.8%
Yucatán	66	2.4%	53	2.8%	60	2.8%	52	2.8%	47	2.9%
Zacatecas	23	0.8%	15	0.8%	18	0.8%	15	0.8%	14	0.9%
Federal District (Mexico City Headquarters)(3)	19	0.7%	9	0.2%	9	0.4%	4	0.2%	4	0.2%
Total loan portfolio	2,708		1,923		2,181		1,873		1,612	

(1) The loan amounts set out in the above table include accrued interest and non-performing loans.

(2) Percentage of portfolio equals the relevant loan amount by geographic concentration divided by the total loan portfolio.

(3) Loans to employees.

Total Loan Portfolio by Loan Balance

The following table sets forth an analysis of our loan portfolio's composition as of the dates indicated according to the loan balance.

	As of June 30,				As of December 31,					
	2007		2006		2006		2005		2004	
	Loan Balance	% of Portfolio	Loan Balance	% of Portfolio	Loan Balance	% of Portfolio	Loan Balance	% of Portfolio	Loan Balance	% of Portfolio
	(unaudited)									
Balance(1):										
Less than Ps.3,000	487	18.0%	467	24.3%	465	21.3%	458	29.5%	268	16.6%
Between Ps.3,001 and Ps.5,000	913	33.7%	527	27.4%	613	28.1%	526	28.1%	514	31.9%
Between Ps.5,001 and Ps.10,000	738	27.3%	538	28.0%	626	28.7%	524	28.0%	485	30.1%
Between Ps.10,001 and Ps.15,000	314	11.5%	228	11.8%	273	12.5%	214	11.3%	195	12.1%
Between Ps.15,001 and Ps.20,000	243	9.0%	155	8.1%	200	9.2%	119	6.4%	112	6.9%
Over Ps.20,001	13	0.5%	8	0.4%	4	0.2%	32	1.7%	38	2.4%
Total loan portfolio	2,708	100.0%	1,923	100.0%	2,181	100.0%	1,873	100.0%	1,612	100.0%

(1) The loan balance set out in the above table includes accrued interest and non-performing loans.

Non-Performing Loan Portfolio

Our loan portfolio is classified as non-performing when loans are 90 days or more past due, and includes the principal amount of the loan and accrued interest up to such date. A provision is recorded under the item allowance for loan losses on the balance sheet for at least 125% of the principal amount of such loan, including accrued and unpaid interest up to such date.

As of June 30, 2007, our total non-performing loan portfolio was Ps.154.0 million, which represented 5.7% of our total loan portfolio. Of this amount, Ps.26.0 million, or 16.8%, represented non-performing interest. Our total non-performing loan portfolio increased by Ps.15.0 million, or 10.8%, during the first six months of 2007. This increase was mainly the result of an increase in the size of our loan portfolio. Our ratio of non-performing loan portfolio to total loan portfolio decreased from 7.2% in June 30, 2006, to 5.7% in June 30, 2007.

As of December 31, 2006, our total non-performing loan portfolio was Ps.125.0 million, or 5.7% of our total loan portfolio. Of this amount, Ps.20.0 million, or 16.1%, represented non-performing interest. Our total non-performing loan portfolio decreased by Ps.13.0 million, or 9.4%, during 2006. This decrease was mainly a result of the implementation of the behavioral scoring model. See "Business—Monitoring and Collections."

As of December 31, 2005, our total non-performing loan portfolio was Ps.138.0 million, which represented 7.3% of our total loan portfolio. Of this amount, Ps.22.0 million, or 16.1%, represented non-performing interest. Our total non-performing loan portfolio increased by Ps.38.0 million, or 38.0%, during 2005. This increase was mainly the result of an increase of our total loan portfolio and the introduction of our CrediPopular loan product in the informal sector of the Mexican economy.

As of December 31, 2004, our total non-performing loan portfolio was Ps.100.0 million, or 6.2% of our total loan portfolio. Of this amount, Ps.15.0 million, or 15.1%, represented non-performing interest.

The following table sets forth an analysis of our non-performing loan portfolio (including non-performing interest) by product at the dates indicated.

	As of June 30,		As of December 31,		
	2007	2006	2006	2005	2004
	(unaudited) (in millions of constant Ps. as of June 30, 2007)				
Non-performing loan portfolio by product:					
CrediMamá	8	—	8	—	—
CrediPopular	26	13	13	10	0
CredInmediato	118	126	104	128	100
CrediConstruye	2	0	0	—	—
Total non-performing loan portfolio	154	139	125	138	100

Allowance for Loan Losses

The methodology used to create (or reduce) our allowance for loan losses is based on the requirements established by Mexican Sofol Accounting Principles. Our internal policy is to record an allowance for loan losses that represents at least 125% of our past-due loan portfolio.

	As of June 30,				As of December 31,					
	2007		2006		2006		2005		2004	
	Loan Balance	Allowance for loan losses allocation	Loan Balance	Allowance for loan losses allocation	Loan Balance	Allowance for loan losses allocation	Loan Balance	Allowance for loan losses allocation	Loan Balance	Allowance for loan losses allocation
	(unaudited) (in millions of constant Ps. as of June 30, 2007)									
Non-performing loan portfolio by product:										
CrediMamá	8	(10)	—	—	8	(10)	—	—	—	—
CrediPopular	26	(33)	13	(16)	13	(16)	10	(12)	0	0
CredInmediato	118	(147)	126	(158)	104	(130)	128	(160)	100	(125)
CrediConstruye	2	(3)	0	(0)	0	(0)	—	—	—	—
Total	154	(193)	139	(174)	125	(156)	138	(172)	100	(125)

For the six months ended June 30, 2007 and 2006, we have recorded provisions charged against income totaling Ps.128.0 million and Ps.100.0 million, respectively.

Analysis of Allowance for Loan Losses

The following table analyzes our allowance for loan losses and movements in loans written off and recoveries for the periods indicated, as well as changes to income and period-end allowances for loan losses net of recoveries as a result of the sale of loans previously written-off at the end of each period.

	For the six months ended June 30,		For the year ended December 31,		
	2007	2006	2006	2005	2004
	(unaudited) (in millions of constant Ps. as of June 30, 2007)				
Balance at beginning of year	156	172	172	125	79
Less:					
Effect of inflation at the beginning of the period	1	4	8	9	9
Nominal balance at the beginning of the period	155	168	164	116	70
Plus:					
Increase to the allowance for loan losses(1)	128	100	189	259	161
Sub-total	283	268	353	375	231
Less:					
Effect of inflation	—	4	5	4	4
Interest discounted	3	13	19	15	7
Loans write-offs	87	77	173	184	95
Balance at end of the year	193	174	156	172	125

(1) Net of recoveries as a result of the sale of our loan portfolio previously written-off.

Workout and Credit Recovery

Our credit recovery unit handles debt recovery from borrowers with non-performing loans. See "Our Business—Collection" for additional information on recovery and collection of our loans. One hundred and eighty days after the date a loan is due, we "write off" the loan. Written-off loans become subject to consideration for further action, including the sale of any such loan at a discount. The recoveries as a result of the sale of written-off loans are recorded as income under the item provision for loan losses.

THE MICROFINANCE INDUSTRY

Overview

Microfinance is the provision of small-scale financial services, such as microcredit, microsavings and microinsurance, to individuals in low-income segments of the population.

Historically, these individuals have had very limited or no access to financial services, such as capital to finance home improvements, capital for personal use and protection against risks, among others, through the traditional financial sector. Other alternatives that may be available are savings clubs, rotating savings and credit associations. The ultimate goal of microfinance is to enable lower income individuals to build their assets, increase their incomes and reduce their vulnerability to economic shocks.

Microfinance Institutions

A microfinance institution can be defined as any organization that provides financial services primarily for individuals in the low-income segments of the population and includes donor-supported non governmental organizations or NGOs, cooperatives and community-based development institutions, as well as commercial, for-profit financial institutions and banks. Microfinance is intended to address the need of such individuals to have access to a diverse range of financial services, such as consumer loans, capital for funding a business, protection against risks, interest-bearing savings accounts and money transfers.

Microfinance institutions grew out of NGO lenders and microcredit institutions, which, beginning in the 1950s and through the 1970s, focused on providing subsidized agricultural credit to small farmers with the goal of raising productivity and incomes. Beginning in the 1970s, microcredit lenders, with great success, concentrated on providing financing to women in the lower income segment of the Mexican population to invest in small businesses, which enabled them to accumulate assets and raise household income. The success of microcredit lending led certain public and private entities to expand beyond microcredit and offer a broader range of financial services to individuals in the low-income segments of the population. In the 1990s, many of these entities transformed themselves into formal financial institutions in order to attract and use clients' savings for lending purposes, thus expanding their outreach.

Microfinance Clients and Services

Currently, the microfinance market in Mexico consists predominantly of individuals in the low-income segments of the Mexican population that have no credit history and therefore have no access to traditional banking institutions in Mexico.

The microfinance target market is primarily individuals earning between one and ten times the minimum monthly wage in Mexico City, represented by the Cm through D socioeconomic levels as defined by the AMAI. Based on data published by the AMAI, individuals living at this socioeconomic level have limited access to at least one banking product. We estimate that this population represents approximately 30 million people in Mexico, or 28% of the Mexican population.

Of these 30 million individuals, we estimate that 75% have no access to traditional banking institutions in Mexico that are regulated by the CNBV and other Mexican governmental authorities.

Impact of Microfinance on Its Clients

Individuals in the low-income segments of the population with access to savings, credit, insurance and other financial services, are better able to cope with the everyday financial needs they face. Econometric studies have proven that microfinance can smooth consumption levels and significantly reduce the need to sell assets to meet basic needs. Access to microfinance services allows low-income individuals not only to cope with expected or unexpected liquidity problems but to take advantage of economic opportunities and industry research indicates that over a long period of time many microfinance clients actually emerge from poverty.

Despite the relatively high interest rates typically charged in connection with microcredit loans, microfinance is generally seen as beneficial for the low-income segments, and a reduction in interest rates may be more effectively achieved through increased competition in the industry rather than through the imposition of interest rate caps by way of government regulation.

Microfinancial services allow lower income households to shift their focus from day-to-day survival to longer-term economic planning by reducing vulnerability to economic shocks while increasing earnings and savings. By taking advantage of microfinancial services, lower income households are able to send more children to school and to make greater investments in their children's education. According to industry research, increased earnings from financial credit services lead to better nutrition and better living conditions, which translates into a lower incidence of illness.

Funding Sources for Microfinance Institutions

Originally, microfinance institutional funding was mainly drawn from donations and low-cost loans from philanthropic sources and from government or multilateral aid agencies. In time, as the microfinance industry grew, bank loans and debt instruments offerings in the capital markets have become additional sources of funding.

We have never funded our operations with donations nor with low-cost loans granted by non-profit organizations or governmental or multilateral agencies.

Microfinance Risk Management Techniques

Microlending methodologies and practices differ widely among microfinance institutions. However, some risk management techniques frequently employed by microfinance institutions include the following:

- **Small amounts.** A micro-entrepreneur below the poverty level is generally more capable of repaying a smaller loan than a larger one.
- **Large client pools.** Microfinance institutions typically lend to a large client base, minimizing the impact of each individual default.
- **Frequent repayments.** In many cases, micro-loans are amortized at least partially on a bi-weekly or weekly basis.
- **Short maturity.** Typically, micro-loans mature in under 12 months.
- **Cleanup.** Micro-loans often are not renewed prior to their repayment in full.
- **Participation in credit bureaus.** Many microfinance institutions participate in local credit bureaus set up to enable microfinance companies/entities to track borrowers' and potential borrowers' credit histories and status.
- **Use of management information systems.** Many microfinance institutions use computerized record keeping in order to track repayments or delays in payment and to keep transaction costs at a minimum.
- **Internal audit.** Often, microfinance institutions use an internal audit function to oversee the financial side of their operations and to limit the prospect of error or fraud.
- **Tracking portfolio at risk.** Many microfinance institutions track the ratio of loans with payment delays plus any refinanced loans as a percentage of their total loan base.

- **Maintenance of a relatively large loan loss reserve.** Relatively large loan loss reserves are generally maintained to cover for the high degree of risk associated with microfinance.
- **Increasing loan amounts.** Borrowers have an incentive to repay their loans on a timely basis to access a higher loan amount in the following cycle or to receive a revolving credit line.

The Microfinance Industry in Mexico

In Mexico, the microfinance industry is relatively new with numerous organizations rapidly emerging including for-profit entities. Microfinance institutions began offering their services in the mid 1990s through entities such as Finca Mexico (1989), Compartamos (1990), Came (1991) and Fincomún (1994) and us (1993) with an increase after 2000 of such organizations, including ProMujer (2001), Prosperidad (2002), Solfi (2002), FinSol (2003). The following chart set forth the main organizations that comprise the microfinance industry in Mexico including information regarding their core products, number of clients, average amount of loans in U.S. dollars and size of their portfolio:

Financial Services Institutions in the Mexican Microfinance Industry

	Institution	Core Product	Number of Clients	Average Loan Size (US dollars)	Total Loan Portfolio (in millions of US dollars)
Sofoms	Independencia(1)	Consumer	695,964	361	251
Banks	Banco Azteca(2)(3)	Consumer	6,900,000	279	1,922
	Banco Compartamos(2)	Working Capital	705,236	439	309
Cooperatives	Caja Popular(4)	Consumer	643,659	1,463	942
	Caja Libertad(4)	Consumer	290,328	1,683	489
	Fincomun(4)	Working Capital	33,290	814	27
Sofols	C. Familiar(5)	Consumer	586,475	768	450
	Finsol(5)	Working Capital	232,065	293	68
	Cetelem(5)	Consumer	61,599	736	45
	Pronegocio(5)	Working Capital	44,476	1,507	67
	F. Alcalza(5)	Consumer	7,471	432	3
NGOs	Finca Mex.(4)	Working Capital	63,614	255	16
	Admic(4)	Working Capital	14,045	389	5
	Promujer(4)	Working Capital	15,613	262	4

(1) As of June 30, 2007.
(2) Banco Compartamos, S.A. de C.V. financial statements as of June 30, 2007, and CNBV data as of June 30, 2007.
(3) Grupo Elektra, S.A. de C.V. earnings release as of June 30, 2007.
(4) Mix Market data as of December 31, 2006.
(5) AMFE data as of June 30, 2007.

OUR BUSINESS

Overview

We are an unregulated multiple purpose financial company (*sociedad financiera de objeto múltiple, entidad no regulada*) incorporated under the laws of Mexico as a public corporation with limited liability and variable capital (*sociedad anónima bursátil de capital variable*). We are in the business of providing microcredit loans on an unsecured basis to individuals in the low-income segments of the Mexican population and, according to AMFE, we are one of the microfinance lenders in Mexico with the largest number of clients. We offer an opportunity for individuals who otherwise would have no, or limited, access to financial institutions to develop a long-term relationship with us and establish a credit history, in furtherance of our core goals of creating economic value (for our clients and shareholders) and social value (for our clients and the community at large). As of June 30, 2007 and December 31, 2006, we were the largest microfinance lender of personal loans to individuals in Mexico based on the number of loans outstanding, according to data published by AMFE and Mix Market, respectively. As of June 30, 2007, we operated 124 offices in 86 cities throughout 30 of the 32 Mexican federal entities (comprising the Mexican States and the Federal District).

Since our inception in 1993, we have experienced significant growth and achieved a solid financial position in the personal loan sector of the Mexican microfinance market. We believe that this success is largely attributable to a number of factors, including our geographic coverage and extensive distribution network; our understanding of the market we service and the know-how we have developed through our exclusive focus on one line of business; our risk management policies; our effective collection practices; the efficiencies afforded by our information technology system; the loyalty fostered by the personalized client service that we provide; and the leadership of our experienced and skilled management team. We believe that we are strategically positioned to achieve additional growth and further strengthen our competitive position.

Since 1993, we have originated over 2.3 million loans. In 2006, we granted 610,094 loans, compared to 434,335 loans in 2005, representing an increase of 40.5%. From 2001 (when we granted a total of 70,723 loans) through 2006, we have experienced a compounded annual growth rate of 53.9% in terms of number of loans granted. This growth has continued during the first six months of 2007, during which period we granted 329,177 loans, as compared to 271,937 loans during the first six months of 2006, representing an increase of 21.0%. In addition, as of December 31, 2006, we had 598,831 outstanding loans, as compared to 97,045 as of December 31, 2001, reflecting a compounded annual growth rate of 43.9% in terms of number of loans outstanding. As of June 30, 2007, we had 695,964 loans outstanding compared to 516,029 loans outstanding as of June 30, 2006, representing an increase of 34.9%.

Maintaining the quality of our loan portfolio is one of our key priorities. Despite our rapid growth, our risk management and effective collection policies have allowed us to maintain a relatively low annual average past-due rate of 5.7% in 2006 and as of June 30, 2007, which compares favorably to our past-due rate of 7.3% in 2005 and 6.2% in 2004. We have achieved loan growth with a concurrent reduction of our past due rate, a fact that differentiates us from most Mexican banks. We believe we have a competitive past-due rate compared to that of the Mexican consumer banking industry, which has increased from 2.8% in 2004 to 5.1% as of June 30, 2007, according to data published by the CNBV.

In addition, our outstanding loan balances have also increased significantly. As of June 30, 2007, our loan portfolio totaled Ps.2,707.9 million, as compared to Ps.1,922.8 million as of June 30, 2006, representing an increase of 40.8%. As of December 31, 2006, our loan portfolio amounted to Ps.2,180.6 million compared to Ps.1,872.6 million as of December 31, 2005, representing an increase of 16.4%. Our average loan balance increased from Ps.3,726 as of June 30, 2006 to Ps.3,891 as of June 30, 2007.

In 2006, our financial margin after provision for loan losses was Ps.1,096.2 million, reflecting a 43.3% increase as compared to 2005, and our net income was Ps.403.0 million as compared to Ps.319.2 million in

2005, representing a 26.2% increase. For the first six months of 2007, our financial margin after provision for loan losses was Ps.694.3 million as compared to Ps.498.3 million for the first six months of 2006, representing an increase of 39.3%, and our net income was Ps.267.7 million as compared to Ps.178.3 million for the first six months of 2006, representing a 50.2% increase. Our net income has grown at a compounded annual growth rate of 53.2% over the five-year period ended December 31, 2006. In 2006, our net interest margin after provisions and return on average stockholders' equity were 53.2% and 49.7%, respectively, which we believe compare favorably to the net interest margin after provisions and return on average stockholders' equity of other Mexican Sofoms and Sofols as of December 31, 2006, according to data published by the CNBV. For the six months ended June 30, 2007, our net interest margin after provisions and return on average stockholders' equity were 56.6% and 53.2%, respectively.

Our return on average total assets was 16.4% and 20.4% in 2006 and for the first six months of 2007, respectively. In terms of return on average total assets, we were the most profitable Sofol in the Mexican microfinance industry in 2006 (when we were a Sofol), as reported by the CNBV. Moreover, in 2006, we had an efficiency ratio of 66.3%, which we believe compares favorably to other financial institutions in Mexico. For the first six months of 2007 we had an efficiency ratio of 63.3%.

History and Development

We were incorporated in 1993 as the first Sofol in Mexico. We were also the first Sofol to make personal microcredit loans available to the low-income segment of the adult working population in Mexico. Since our inception, we have focused our efforts on developing personal financing products accessible to the low-income segments of the Mexican population. We began offering loans in 1993. We opened our first office in Toluca, Mexico, in October 1993, and five additional offices during the first seven months of 1994. Following the 1994-1995 economic crisis in Mexico, we rapidly expanded our operations reaching approximately 100,000 clients and Ps.442.2 total loan portfolio in 21 States by the end of 2001. At that time, we had 32 offices. We achieved operational efficiency in 2000, when our income from interest on our loan portfolio completely offset our operating costs.

In January 2002, we received funding from GE Capital Corporation through a revolving line of credit in an aggregate amount of US$50 million, which was increased to US$100 million in 2004, enhancing our ability to fund personal loans to our customers, as well as to grow our business and invest in managerial and information technology. We prepaid this line of credit in October 2005.

In 2004, we began granting loans to individuals in the informal sector of the Mexican economy, which gave us access to more attractive returns on our loan portfolio because we are able to charge higher interest rates on these products. As of June 30, 2007, our total balance of loans outstanding originated in the informal sector was Ps.556.6 million and included 200,275 loans outstanding, representing 20.6% of our total loan portfolio. These figures compare favorably to those in 2005, during which our exposure to the informal sector was of Ps.100.4 million and included 59,252 loans outstanding, representing 5.4% of our total outstanding balance.

During 2004, we launched CredInmediato, a new revolving credit product to allow our clients the flexibility to manage their loan balances. In 2005, we began offering customers of our short-term loan program the option to convert their short-term loans to the CredInmediato revolving credit line.

In 2005, we received funding from HSBC Mexico, which became our main funding vehicle through a revolving line of credit in an aggregate amount of Ps.1,500 million (approximately US$139 million), which was increased up to Ps.2,000 million in April 2007. In June 2006, HSBC Overseas became our investor through its acquisition of a 19.99% equity interest in us. As a result of this relationship, we gained access to an important additional source of funding. See "Related Party Transactions."

In addition, during 2006 we added two new loan products to our loan portfolio, CrediConstruye, which is intended to finance home improvements, and CrediMamá, which is tailored to mothers who have at least one child under the age of 18. New products development as well as organic expansion allowed us to serve approximately 600,000 clients and a total loan portfolio of Ps.2,180.6 million as of December 31, 2006.

In 2006, the regulatory regime in Mexico was amended to, among other things, deregulate credit activities in Mexico and create a new category of financial institutions, the Sofoms. On February 1, 2007, we converted from a Sofol, which is an entity regulated by the CNBV, to an unregulated Sofom. As an unregulated Sofom, we are permitted under Mexican law to (i) grant loans and engage in other types of financial transactions for various purposes; (ii) place securities in the capital markets and obtain financing from financial institutions, such as insurance and bonding companies; and (iii) grant loans that are not required to be targeted to a specific sector of the Mexican economy. Moreover, there are no specific limitations to foreign investment in Sofoms. Although Sofoms are not regulated by the CNBV, they are subject to the jurisdiction of Condusef. See "Supervision and Regulation of Certain Lending Entities in the Mexican Market—Sofoms." We operate certain of our complementary activities, including collections, customer operations center service, human resource management, sales agent management and courier services through our wholly-owned subsidiary Serfincor. See "—Corporate Reorganization" below.

Corporate Reorganization

We reorganized our corporate structure pursuant to which (i) effective July 1, 2007, our affiliate, Serfincor, became a wholly-owned subsidiary; (ii) effective June 30, 2007, we merged two of our subsidiaries, Conexia Servicios, S.A. de C.V., or Conexia Servicios, and SF Independencia, S.A. de C.V., or SF Independencia, into Serfincor; and (iii) effective July 10, 2007, we incorporated a new subsidiary, Ejecutivos Santa Fé. Serfincor is an intermediary holding company that operates its business through a number of subsidiaries that conduct human resources, collection, management of operations centers and courier activities, as well as other businesses. The purpose of the corporate reorganization was to simplify our business structure by eliminating cross-holdings with certain of our affiliates. In addition, some of our shareholders consolidated their shareholdings in several trusts. See "Principal and Selling Shareholders."

As part of this corporate reorganization, the shareholders of Serfincor (who are the same as our shareholders) undertook a series of transactions described below pursuant to which their interests in Serfincor were transferred to us in exchange for an aggregate amount of Ps.152.8 million. As a result of this corporate reorganization, we hold all but one of the outstanding common shares of Serfincor.

Our corporate reorganization was comprised of the following steps:

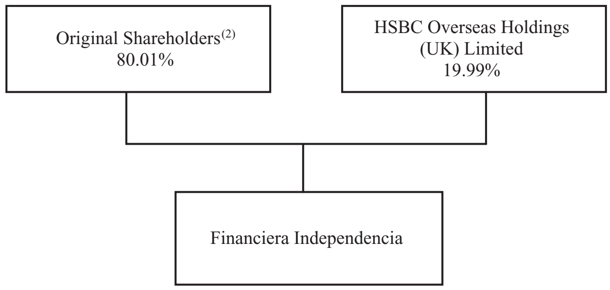
- On June 30, 2007, we merged two of our subsidiaries, Conexia Servicios and SF Independencia into Serfincor.
- On July 1, 2007, the principal shareholders of Serfincor transferred 50,800 shares of common stock of Serfincor, representing 80.01% of Serfincor's outstanding capital stock, to us in exchange for an aggregate amount of Ps.122.2 million.
- On July 1, 2007, HSBC Overseas transferred 126,999 shares of common stock of Serfincor, representing 19.99% of Serfincor's outstanding capital stock, to us in exchange for an aggregate amount of Ps.30.5 million.
- On July 10, 2007, we incorporated a new subsidiary, Ejecutivos Santa Fé.

As a result of our corporate organization, we have a 99.99% equity interest in Serfincor and, through Serfincor, in each of its subsidiaries. The voting rights of the shares of common stock of Serfincor held by us, as well as those of the shares of common stock of the subsidiaries held by Serfincor, are not subject to any restriction or limitation.

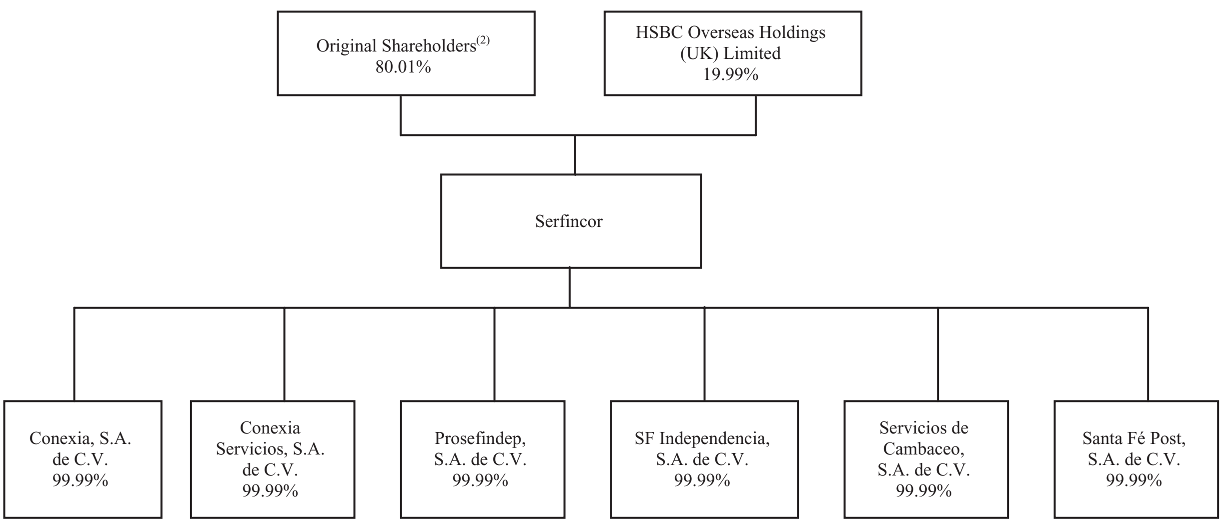
The following charts set forth our corporate structure prior to and following our corporate reorganization.

Pre-Reorganization Corporate Structure Chart(1)

(a) Financiera Independencia

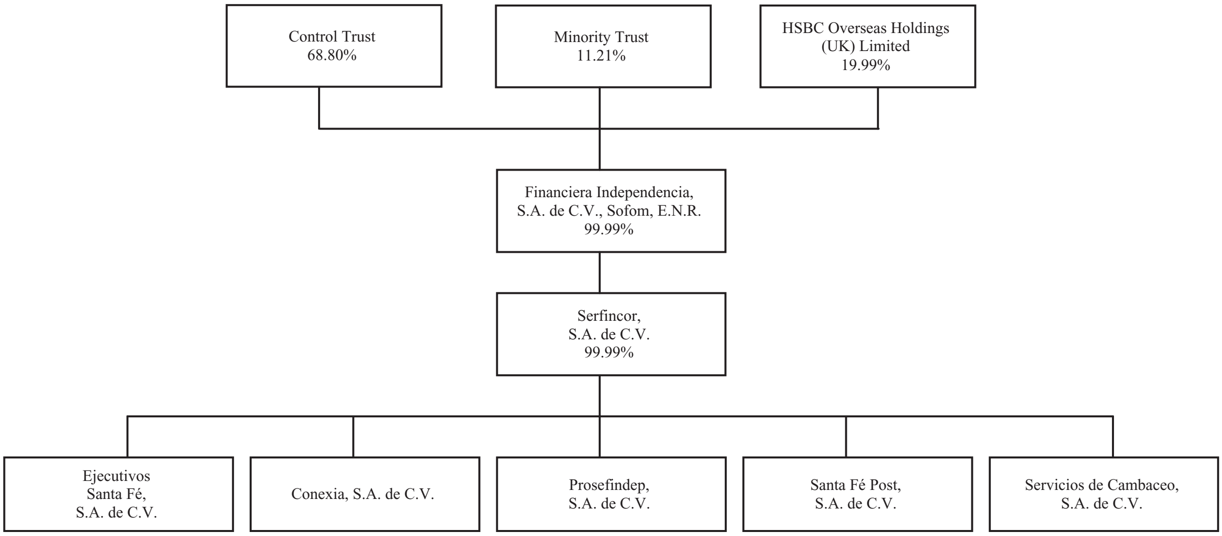


(b) Serfincor



(1) Percentages are based on outstanding shares.
(2) Group of investors led by Mr. José Luis Rión Santisteban.

Post-Reorganization Corporate Structure Chart



Our Competitive Strengths

We believe that our main competitive strengths are the following:

Demonstrated Ability to Deliver Profitable Growth

We have demonstrated our ability to deliver profitable growth. We are one of the fastest-growing microfinance lenders in Mexico based on the growth of our loan portfolio. From 2001 through 2006, we experienced a 53.9% compounded annual growth rate in the number of loans originated. For the first six months of 2007, we experienced a 21.0% increase in the number of loans originated as compared to the same period in 2006. Also, as of December 31, 2006, we had 598,831 outstanding loans, representing a compounded annual growth rate of 43.9% over the five-year period ended December 31, 2006. As of June 30, 2007, we had 695,964 loans outstanding. This growth in our loan portfolio has generated income growth as well. Our net income has grown at a compounded annual growth rate of 53.2% over the five-year period ended December 31, 2006. In 2006, our financial margin after provision for loan losses increased 43.3% as compared to that in 2005 and our net income increased 26.2% over the same period. For the first six months of 2007, our financial margin after provision for loan losses increased 39.3% as compared to the same period in 2006 and our net income increased 50.2% over the same period. In 2006 and in the six months ended June 30, 2007, our net interest margin after provisions was 53.2% and 56.6%, respectively. In 2006 and in the six months ended June 30, 2007, our return on average stockholders' equity was 49.7% and 53.2%, respectively.

We believe that our net interest margin after provisions and return on average stockholders' equity compare favorably to the net interest margin after provisions and return on average stockholders' equity of other Latin American financial institutions, as illustrated below. Except as set forth below, the figures in the table below are derived from financial information for the six months ended June 30, 2007.

Institution	Return on Average Stockholders' Equity	Return on Average Total Assets	Net Interest Income After Provisions(1)	Total Loan Portfolio Growth(2)
Banco Compartamos (Mexico)	53.9%	24.8%	68.9%	47.1%
Financiera Independencia (Mexico)	**53.2%**	**20.4%**	**56.6%**	**40.8%**
Banco Itaú (Brazil)	32.1%	3.5%	7.8%	41.8%
Bradesco (Brazil)	30.7%	2.9%	7.6%	23.7%
IFS (Peru)	27.7%	2.8%	7.9%	21.6%
Unibanco (Brazil)	25.2%	2.4%	9.1%	23.2%
Santander Chile (Chile)	24.7%	3.8%	3.6%	12.4%
Banorte (Mexico)	23.1%	2.7%	6.2%	27.3%
Bancolombia (Colombia)(3)	22.6%	2.3%	6.1%	34.8%
Banco de Chile (Chile)	24.6%	2.9%	3.2%	15.7%
Average	25.5%	2.8%	6.3%	22.7%

(1) Net interest income after provisions calculated considering balances at beginning and end of the six-month period ended June 30, 2007, except in the case of Financiera Independencia, which we have calculated on the basis of daily averages (on an annualized basis).
(2) From June 30, 2006 to June 30, 2007.
(3) For the three months ended March 31, 2007.
Source: Companies' publicly available financial statements (except Financiera Independencia).

Our return on average stockholders' equity was 49.7% in 2006, considerably higher than the average return on average stockholders' equity for the same period among leading Latin American microfinance institutions, which was 24.5%, Latin American banks, which was 24.2%, and Mexican banks, which was 21.3%, as identified by Mix Market and the CNBV.

Low Default Rate and Effective Risk Management

We have historically experienced a low total past-due rate, which as of December 31, 2006 and June 30, 2007, was 5.7%, despite the strong growth in our loan portfolio. In addition, according to data published by the CNBV, as of June 30, 2007, we had a loan portfolio of similar quality as that of traditional banks in Mexico offering consumer loans to the middle and higher income segments of the Mexican population. We attribute our low default rates to our risk management team and our standardized risk management policies, which focus on loss prevention, as well as to our collections practices. As part of these policies, we individually manage each loan and client based on the corresponding level of risk through our risk management system managed at our operations center in the city of León. We believe that sound risk management is at the very forefront of our culture and we believe that it will continue to drive profitable growth.

We believe that our average interest lending rate and our ratio of non-performing loan portfolio to total loan portfolio compare favorably to those of other Mexican financial institutions, as illustrated in the following table.

Institution	Average Interest Lending Rate *per annum*(1)	Non-Performing Consumer Loan Portfolio/ Total Consumer Loan Portfolio
Financiera Independencia (2)	**76.0%**	**5.7%**
Banco Azteca	72.5%	11.2%
Banamex	29.0%	5.1%
Santander	26.1%	3.8%
Mexican Banking System (3)	24.1%	5.1%
BBVA Bancomer	21.1%	5.0%
HSBC Mexico	17.7%	5.6%

Source: CNBV, except for Financiera Independencia.

(1) Except for Financiera Independencia, the average interest lending rate was calculated as of June 30, 2007, dividing the interest income from loans by the average balance of the total loan portfolio for the period. The average balance of the total loan portfolio is the sum of the beginning balance and ending balance for the period divided by two. Our average interest lending rate was calculated as of June 30, 2007, dividing the annualized interest income from loans with the daily average loan balance for the period.

(2) Daily average for the six months ended June 30, 2007 (on an annualized basis). See “Selected Statistical Information—Average Assets and Interest Rates.”

(3) Includes all Mexican banks as reported by the CNBV.

Unique Expertise in Microcredit Financing

We have 14 years of experience focused on the microfinance sector in Mexico. Our expertise is in making unsecured loans to individuals in the low-income segments of the Mexican population. We believe that this represents a significant competitive advantage over banks and other institutions within the traditional financial sector in Mexico that have historically focused their lending practices on middle- and high-income clients and that engage in microcredit lending only as a secondary activity. We believe that our current position among the leading Sofoms and Sofols in the microfinance industry in Mexico reflects this competitive advantage.

Product Innovation

We are focused on remaining at the forefront of product innovation and we continue to develop new ways to reach customers and new products tailored to the needs of individuals in the lower income segments of the Mexican population. Since our inception, we have a track record of successfully launching new products.

In 2004, we began granting loans to individuals in the informal sector, enabling us to increase the yield of our loan portfolio. As of June 30, 2007, 20.6% of our total loan portfolio was represented by loans to individuals in the informal sector of the Mexican economy. In 2004, we launched our CredInmediato product, a revolving line of credit that allows our clients increased flexibility. Since the introduction of this product, our average loan balance has increased but we have not experienced any adverse impact on our loan default rate. In addition, during 2006, we added two new loan products to our loan portfolio, CrediConstruye*,* for financing home improvements, and CrediMamá, tailored to mothers who have at least one child under the age of 18.

We also implemented a pilot program in 2007 to install ATMs in our offices, which will allow our customers to withdraw their loan proceeds with a debit card issued by us. We have successfully installed one ATM in the city of Tampico. We expect to introduce an additional 46 ATMs in the near future. In addition, we intend to offer our customers insurance products in the near future through alliances with third party insurance companies. New product development, together with organic expansion, has allowed us to serve approximately 695,000 clients and Ps.2,707.9 million total loan portfolio as of June 30, 2007.

Convenient and Extensive Geographic Distribution Network

We believe we have one of the most efficient and extensive microfinance distribution networks in Mexico. As of June 30, 2007, we had 124 offices providing loans in 86 cities in 30 of the 32 Mexican federal entities, including offices located in most of the major large and medium-size cities of Mexico with populations above 100,000 people. According to the CONAPO, there are 205 cities in Mexico with a population of at least 50,000 people, 86 of which we serve through our distribution network. We believe the remaining 119 cities where we have no presence represent additional growth opportunities for our business in the near future. We expect to continue to expand our network by opening additional offices in cities with populations of at least 50,000 people. In addition, we plan to expand our operations into Mexico City and Monterrey, two of the three largest population centers in Mexico, in 2009. We believe that our diversified service area mitigates the risk of regional economic slowdowns and other region-specific risks, including natural disasters. As of June 30, 2007, no Mexican federal entity represented more than 11.6% of our loan portfolio.

The convenience of our distribution network is enhanced by our specialized sales force, which is organized by geographic area and product. Our sales force specializes in, among other things, loan renewals, sales of certain of our products, client service, specified geographic areas and in other specific aspects of our business. For each of our products, we have developed strategic business plans, including targeted marketing campaigns and a dedicated sales force, and have trained highly qualified individuals at our offices to sell our products and provide post-sale customer service. We believe that our expansive distribution network, together with our product- and region-specific sales forces, make us more accessible to our customers and differentiates us from our competitors.

Centralized Processes that Facilitate Efficient Growth

We have developed centralized and standardized processes for loan applications, verification and approvals, as well as for loan renewals and collections. These processes are structured and divided into different stages and performed in our operations center located in the city of León. In addition, we have standardized our technology systems, information management systems and the format of our offices. We perform centralized training of all office managers in our training department located in Mexico City, followed by additional training at a particular office. This level of centralization provides us with flexibility to rapidly open new offices and begin operations in a new city at a relatively low cost. This methodology has helped us to grow profitably and we expect that it will continue to do so in the future. In order to support our growth, we plan to open a second operations center located in the city of Aguascalientes, which we expect will more than double our capacity to process transactions, including review of loan applications, information verification, collections and call center operations.

High-Quality, Personalized Client Service

We seek to strengthen our relationships with existing clients and attract new clients by focusing on superior customer service. For instance, during June 2007 our response time was such that 82% of loan applications we received were processed in less than 48 hours. We believe that superior customer service is critical to our growth. We actively manage client relationships through, among other things, a well-trained, motivated sales force committed to our core mission and focused on delivering high quality and highly personalized service. As part of this effort, we operate a toll-free centralized call center that is dedicated to client service. As of June 30, 2007, approximately 86.1% of our labor force had duties that involved direct contact with clients. In addition, we believe that our presence close to our customers through our extensive distribution network enhances our ability to provide high-quality, personalized client service, fosters client loyalty and facilitates the expansion of our client base. We believe that our dedication to high-quality, personalized client service will serve as a significant competitive advantage in the introduction of new and complementary products, such as insurance products in the near future, through alliances with third party insurance companies.

Effective Collection Process

We have developed an advanced collection process. At our operations center in the city of León, we have over 616 agents dedicated to telephone collections and to performing other collection-related activities. In addition, we have 1,414 independent agents who engage clients on a face-to-face basis in order to facilitate payment of past-due loans.

Our collection-related expenses are offset in part by the past-due fees that we charge. Past-due fees represented 119.5% and 117.3% of the non-performing loan portfolio as of December 31, 2006 and June 30, 2007, respectively. Collection fees contributed 10.1% and 9.8% to our net operating revenue in 2006 and in the six months ended June 30, 2007, respectively. In addition, we have been able to generate additional income from the sale of our non-performing portfolio to third-party collection firms.

Experienced Management Team and Motivated Workforce

We believe that we benefit from an experienced and talented management team. Our principal officers have been involved in the finance industry for an average of approximately 14 years and we believe that they have the know-how necessary to identify and offer products and services that meet our clients' needs. In addition, we have a culture that emphasizes teamwork and meritocracy. We focus on attracting highly qualified personnel and maintaining a motivated workforce in order to deliver high quality service. For example, our independent sales agents are eligible to receive bonus commissions for meeting individual performance targets relating to increasing our loan portfolio and maintaining our existing clients. We believe that these incentive programs have contributed to the development of a motivated workforce and sales force focused on building solid relationships with our clients by delivering personalized, high-quality client service, growing profitability and achieving operational efficiency.

Advanced Information Technology Systems

We have developed advanced information technology systems and software to support our information management and risk management policies. These systems have helped us to better serve our clients, support our growth strategy, enhance the quality and development of our products and services and successfully reduce the cost and time associated with our loan approval, monitoring and collection practices. Because these proprietary systems are designed to meet our specific needs, we believe that our information technology systems and practices are more specialized and effective than many systems currently used by traditional financial institutions and that they have contributed substantially to our competitive efficiency ratio and differentiated us from our competitors. In addition, we have developed our own on-line, readily available MIS, which provides us with the ability to access real-time data on-line, including digitalized images and files, relating to our clients, collection processes and other loan statistics. Since the installation of our MIS, we have been able to improve our business model by more efficiently adjusting credit policies, analyzing credit behavior of clients resulting in the implementation of our behavioral scoring model, entering into new markets, developing new products, and optimizing the loan approval and collection processes. During 2006, we invested approximately Ps.41.9 million in technology improvements. We will continue to invest in new management information tools to allow us to understand better our customers' needs.

Support from Strategic Partner

HSBC Overseas currently owns 19.99% of our capital stock. It has the right to appoint one member of our board of directors. We expect that HSBC Overseas will continue to hold at least 18% of our capital stock following this offering. We believe that we benefit from the credit line made available to us by HSBC Mexico as well as from its experience in corporate governance practices and insight into the microfinance industry, which it shares with us at our board level through the director nominated by HSBC Overseas. We believe that we will continue to benefit from our relationship with HSBC Overseas in the future by having access to lines of credit at competitive terms, as well as by having its input in relation to internal control, and other corporate governance matters.

Access to Diverse Sources of Funding and Solid Ratings

We currently have lines of credit with HSBC México, for Ps.2,000 million, and with SHF, for Ps.210 million. Prior to our relationship with HSBC Overseas, GE Capital Corporation had been our main funding source since 2002, with a credit line of US$100 million. While we currently do not have any other lines of credit outstanding, we have in the past issued *certificados bursátiles* in the Mexican debt markets. We intend to issue additional *certificados bursátiles* in the future, depending on our financial needs and then existing market conditions.

Since 1998, we have received corporate ratings from Fitch, ranging from BBB+ to A (mex) and F1 (mex), and from S&P of mxA and mxA-2 which we believe has enabled us to achieve an overall lower cost of funding. As a result of the positive recent evaluation by S&P and Fitch, as of June 30, 2007, our corporate ratings were "mxA" and "A (mex)," respectively, both with positive outlooks.

No Reliance on Third-Party Banking Services

Our proprietary distribution network, together with our centralized collection processes, allow us to effectively monitor transactions with customers without relying on third-party banks to receive loan payments from our customers. Our loans to customers are originated through our offices and loan payments by our customers are made directly in such offices. Our geographic network of offices has allowed us to manage our loan products, including collection activities, in a vertically-integrated manner. We believe that this network optimizes our ability to provide high-quality, personalized customer service and increases the strength of our brand as a single, all-inclusive lending solution for our clients.

Our Strategy

Our strategic goal is to maintain our position as a leading provider of personal microfinance loans in Mexico while continuing to maintain high levels of profitability and efficiency. We believe that there is significant potential for the growth of our business in Mexico because a significant percentage of the Mexican population has little or no access to formal financial services.

To this end, we intend to implement the following business strategies:

Expand Our Geographic Coverage and Network of Offices to More Effectively Penetrate Our Target Market

Our goal is to continue expanding our client base and our loan portfolio, while maintaining high levels of profitability and efficiency. In order to achieve this goal, we intend to increase our brand recognition and further strengthen our growth platform through the opening of offices throughout Mexico in areas where we believe that we can profitably accommodate a larger number of clients. As of June 30, 2007, we had 124 offices throughout Mexico. We plan to have 148 offices by the end of 2007, and accordingly we intend to open 22 additional offices during the second half of 2007 in cities throughout Mexico with populations between 50,000 to 100,000 people, and two more offices in Guadalajara. We plan to choose these cities strategically in order to take advantage of proximity to existing and potential customers, which will allow us to more efficiently serve our existing customers and also advertise our products to our target markets. In addition, we plan to expand our operations into two of Mexico's largest markets, Mexico City and Monterrey, in 2009, which have a combined population of over 22 million people, representing 21.3% of Mexico's total population. In order to support this growth, we expect to increase our sales force and train approximately 500 additional sales and collection personnel during the second half of 2007. We intend to continue to focus on attracting, training and developing qualified personnel and leveraging the expertise and experience of our management and employees to increase the size of our sales force throughout Mexico. We believe that expanding our geographic coverage and network of offices, hiring and retaining qualified individuals and contracting with effective independent sales agents will allow us to penetrate more efficiently our potential target market.

Expand Our Range of Products and Services

With a view to fostering customer loyalty and increasing profitability, we plan to take advantage of the growth platform provided by our network of offices and our sales force to continue developing new products and services that satisfy our customers' needs, including insurance products, which we intend to offer in the near future through alliances with third party insurance companies. Currently, we offer our CredInmediato clients with basic unemployment coverage. Furthermore, as part of our ongoing efforts to increase the range of services and products offered to our customers, without sacrificing efficiency, we plan to offer electronic services to our clients through our own ATMs by developing a network of ATMs throughout Mexico, all of which will be installed, monitored and operated by us in order to provide our customers with better access to our loan products and services. In addition to the current ATM in operation in the city of Tampico, we expect to install 46 ATMs in several of our offices during the second half of 2007. We believe that the ATM build out will help us to increase the size of our loan portfolio because we have found that the average outstanding balance per loan for customers that use our ATMs is 13% higher than for customers who do not use them. We believe that the continued development of new products and services, will allow us to take advantage of economies of scale, will lead to improvements in our margins and will increase our competitiveness, further strengthening our growth strategy.

Actively Pursue Cross-Selling Opportunities to Capitalize on Our Client Base

We intend to continue to penetrate our potential target market and increase profitability. We believe that our existing client base represents a significant opportunity to sell additional loan products and services, as well as to renew existing loan products, and to thereby increase our penetration in the microfinance market and strengthen loyalty among our existing customers. We intend to capitalize on this opportunity by enhancing our marketing efforts to better tailor our loan products and related marketing strategies to existing customers. We will continue to invest in new information management tools to allow us to gain insights into the demographics and needs of our client base, while being able to provide a full range of services at each of our offices.

Reduce Costs and Improve Our Operating Efficiency

We are committed to reducing our costs and improving our operating efficiency and profitability. By focusing on technological developments and on the use of electronic distribution channels, we expect to increase our clients' use of electronic transactions, thereby reducing our costs, while meeting our clients' evolving needs. One of the key initiatives to reduce costs is the development of our electronic services by developing a network of ATMs throughout Mexico owned and operated by us, allowing us to conduct loan-related transactions with our customers on a reduced cost-per-transaction basis. Although we believe our operating efficiency, internal information and technology systems are more competitive than those in traditional financial institutions because they are designed to meet our standards, needs and requirements, we will continue to implement technological solutions with the objective of identifying and better understanding cost drivers and adequately assessing our profitability segments. In order to do so, we have established a number of initiatives tailored to optimize key processes, such as improvements in our information technology systems, our webpage, tailor-made software development, as well as improvements in our collection process. We are currently enhancing our centralized back-office operations to reduce processing costs and errors, while improving procedures through process-standardization and documentation to avoid contingencies that would limit their ability to access information stored in our systems.

These initiatives will allow us to control the quality of our processes and efficiency in order to maintain our low operating cost structure. We believe that these efforts will increase our profitability. Through these cost control initiatives, we will continue to strive to improve our efficiency ratio.

As part of such efforts, we are in the process of developing a new operations center in the city of Aguascalientes, which will contain over 650 work stations. We expect that the new operations center will begin its activities in 2008.

We intend to improve our management information systems and risk management policies to support our growth strategy and to enhance the quality and development of our products and services.

Products

We currently offer four personal loan products to our clients: CredInmediato, CrediPopular, CrediMamá and CrediConstruye. All of our individual loan products are denominated in Pesos, range in principal amount from Ps.1,500 to Ps.16,500, offer fixed interest rates and have short maturities of 26 weeks on average, with the exception of CredInmediato, which is a revolving line of credit, and CrediConstruye, which has an average term of up to 24 months. Principal and interest payments are due on a weekly, bi-weekly or monthly installment basis.

We grant loans to each borrower on an individual basis if his or her loan application is approved. See "—Credit Application and Approval Process." Failure by a borrower to make timely payment may negatively impact his or her ability to borrow from us in the future or to renew his or her existing loan.

We offer all customers of our CredInmediato loan product coverage in the event of unemployment, the fees for which are included as part of the annual commission charged to our customers as loan servicing fees. In case of unemployment of any of our customers of our CredInmediato loan product, payments of principal and interest are suspended and interest ceases to accrue for a maximum period of six months. In addition, upon the death of any of our customers, payments under such customer's loans are cancelled and written off against provisions.

We expect to offer our customers insurance products in the near future through alliances with third party insurance companies.

Since the introduction of our CrediPopular and CrediMamá loan products, the composition of our loan portfolio has changed, as representation of these products has increased in our loan portfolio. These loans have higher interest rates than our other loan products as they are offered to individuals in the informal sector of the Mexican economy and thus represent a higher risk profile than our other products.

The following table shows the composition of our total loan portfolio by loan product and by number of loans outstanding as of June 30, 2007.

	Outstanding Loan Portfolio (in millions of constant Ps. as of June 30, 2007, except percentages)		Number of Loans Outstanding	
	Amount	**%**	**Number**	**%**
CredInmediato	2,148.5	79.3%	495.268	71.2%
CrediPopular	393.6	14.5%	135.269	19.4%
CrediMamá	82.3	3.0%	51.361	7.4%
CrediConstruye	83.6	3.1%	14.066	2.0%
Total	**2,707.9**	**100%**	**695,964**	**100%**

Each of the four types of personal loans that we grant is described in more detail below.

CredInmediato

This loan product is a personal revolving line of credit available to individuals earning at least the Mexico City minimum monthly wage. CredInmediato loans range from Ps.1,500 to Ps.16,500. Currently, the monthly interest rate over outstanding balances is 5.9%. CredInmediato is a revolving line of credit and therefore has no average term of maturity. Payments of principal and interest are calculated on the basis of a 22-month maturity schedule and are due on a fixed bi-weekly or monthly basis depending on the frequency of the income received by our customers. This product is initially targeted to individuals in the formal sector of the Mexican economy. However, borrowers under the CrediPopular and CrediMamá loan products may be eligible to receive our CredInmediato revolving line of credit after two loan cycles. We have been offering this loan product since 2004. Prior to the introduction of our CredInmediato loan product in 2004, we offered our customers a short-term loan program. In 2005, we began offering customers of our short-term loan program the option to convert their short-term loans to the CredInmediato revolving credit line.

In 2006, we eliminated the origination fee payable by our customers, and we instituted an annual commission or servicing fee of Ps.250 payable by our customers to us on each anniversary of the origination of their loan. In addition, we charge a fee of 10% on disbursements under CredInmediato loans. For the first six months of 2007, our net interest income for this product was Ps.663.1 million as compared to Ps.567.6 million for the first six months of 2006.

CredInmediato accounted for 79.3% of our total loan portfolio as of June 30, 2007. As of June 30, 2007, we had 495,268 CredInmediato loans outstanding, representing an aggregate outstanding balance of Ps.2,148.5 million.

CrediPopular

This product is targeted to individuals in the informal sector of the Mexican economy. CrediPopular loans range from Ps.1,500 to Ps.3,000 and are available to adults with a source of income. Currently, the monthly interest rate on outstanding balances is 12.7%. The CrediPopular loans have an average term of 26 weeks and may be renewed for a higher principal amount following maturity depending on the performance of the borrower in terms of payment of principal and interest as well as their credit history with us. CrediPopular customers become eligible to receive our CredInmediato revolving line of credit after two loan cycles. Principal and interest payments are initially due on a fixed weekly basis, and may be subsequently made on a bi-weekly basis, depending on the credit behavior of the borrower. We have been offering this loan product since 2004.

We charge an origination fee ranging from Ps.200 to Ps.500 for this product based on the size of the loan. For the first six months of 2007, our net interest income for this produce was Ps.168.9 million as compared to Ps.88.4 million for the first six months of 2006.

CrediPopular accounted for 14.5% of our total loan portfolio as of June 30, 2007. As of June 30, 2007, we had a total 135,269 CrediPopular loans outstanding, representing an aggregate outstanding balance of Ps.393.6 million.

CrediMamá

This product is mainly targeted to the informal sector of the Mexican economy and is tailored to address the needs of mothers who have at least one child under the age of 18. Recipients of this loan product are not required to provide evidence of income. These loans are initially granted in an amount of Ps.1,500 with a current monthly interest rate on outstanding balances of 12.7%. We have been offering this loan product since 2006. The CrediMamá loans have an average term of 26 weeks and may be renewed following maturity depending on the performance of the borrower in terms of payment of principal and interest and for a higher principal amount than the original loan based on their credit history with us. CrediMamá customers become eligible to receive our CredInmediato revolving line of credit after two loan cycles. Payments of principal and interest are initially due in equal installments on a fixed weekly basis, and may be subsequently made on a bi-weekly basis after two loan cycles.

We charge an origination fee ranging from Ps.200 to Ps.500 for this product, based on the size of the loan. For the first six months of 2007, our net interest income for this product was Ps.54.0 million as compared to Ps.4.5 million for the first six months of 2006.

CrediMamá accounted for 3.0% of our total loan portfolio as of June 30, 2007. As of June 30, 2007, we had 51,361 CrediMamá loans outstanding, representing an aggregate outstanding balance of Ps.82.3 million.

CrediConstruye

This product is available to individuals earning at least the Mexico City minimum monthly wage and is intended to finance home improvements. We have been offering this loan product since 2006. These loans range from Ps.3,000 to Ps.15,000 and are disbursed in the form of vouchers for home construction materials redeemable at certain home construction materials retailers throughout Mexico. The current monthly interest rate on outstanding balances is 3.6%. This type of loan offers terms ranging from 6 to 24 months. Principal and interest payments are due on a fixed weekly, bi-weekly or monthly basis, depending on how often they receive income payments. As of June 30, 2007, 96.6% of this loan product had been granted to individuals in the informal sector of the Mexican economy. We currently fund this loan product with our revolving line of credit with the SHF.

The Mexican government has targeted a portion of its federal budget to support individuals in the low-income sector of the Mexican economy who wish to build or make physical improvements to their homes. Pursuant to this policy, the Mexican government, through SHF, has implemented a program to subsidize a portion of the loans for home improvement, including loans under our CrediConstruye line of credit. Under this program, of the amount we lend to a borrower of a CrediConstruye loan, SHF will grant an additional 70% of such amount to the individual. We believe this program will have a positive effect on the growth of our CrediConstruye loan portfolio. Because SHF's subsidized portion of the loan is in the form of a grant, neither we nor the borrower are liable to repay such portion. We believe that we are the only non-mortgage related financial institution in Mexico to benefit from this type of agreement with the SHF. See "—Sources of Funding."

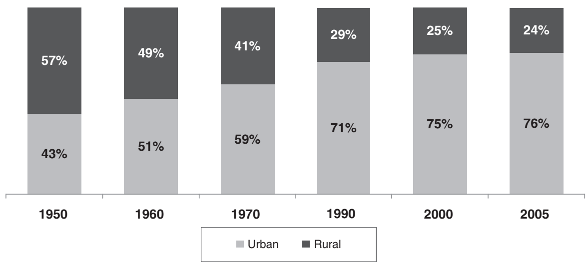
We charge a 10% fee for loan disbursements. For the first six months of 2007, our interest income for this product was Ps.10.5 million as compared to Ps.0.2 million for the first six months of 2006.

CrediConstruye accounted for 3.1% of our total loan portfolio as of June 30, 2007. As of that date, we had a total 14,066 CrediConstruye loans outstanding, representing an aggregate outstanding balance of Ps.83.6 million.

Geographic Coverage

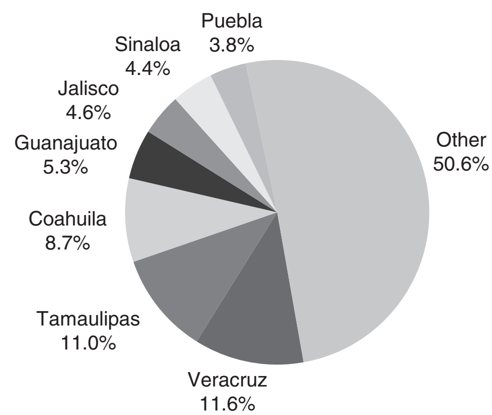
We believe that we have one of the most extensive microfinance distribution networks in Mexico. Although we do not yet operate in Mexico City or in Monterrey, most of our operations are in urban areas. Since we established our first office in 1993 in the city of Toluca, we have experienced significant growth, and as of June 30, 2007 we had 124 offices located in 86 cities and 30 of the 32 Mexican federal entities throughout Mexico. Our clients and our offices are located in large and medium-size cities in Mexico with populations of over 50,000.

Targeting urban areas has provided several advantages to our business model, including a large target market. As of December 31, 2005, approximately 76% of the Mexican population lived in urban areas and urban concentration has consistently increased over the past 50 years.



Source: INEGI. Urban—takes into consideration cities with population of more than 2,500 people inhabitants

Our nationwide distribution network contributes to the diversification of our loan portfolio. As of June 30, 2007, no Mexican state represented more than 11.6% of our loan portfolio. We believe that our diversified service area mitigates the risk of regional economic slowdowns and other region-specific risks, including natural disasters. The following map and chart illustrate the geographic distribution of our offices by federal entity as of June 30, 2007. Throughout this distribution network we handle more than two million client visits monthly.



We expect to expand our network by opening additional offices in cities in Mexico with populations of at least 50,000 people. In the first half of 2007, we opened seven new offices. As a result, we expect to be operating through a total of 148 offices throughout Mexico by the end of 2007. In addition, as part of the expansion of our distribution network, we expect to open offices in Mexico City and Monterrey in 2009. We believe that, through our planned expansion, we can achieve additional growth and further strengthen our competitive position.

We believe that our expansive geographic coverage makes us more accessible to our customers and differentiates us from our competitors. For additional information regarding the distribution of our loan portfolio by geographic region as of June 30, 2007, see "Selected Statistical Information—Loan Portfolio—Loans by Geographic Concentration." We have not observed any significant correlations between the incidence of delinquency and default on past-due loans and geographic location.

In order to provide customers with better access to our loan products and services, we launched a pilot program to offer electronic services through one ATM installed at one of our offices in the city of Tampico. We expect to develop a network of ATMs located in our offices throughout Mexico, which will be installed, owned, monitored and operated by us. We expect to provide customers with a magnetic card which will allow them to obtain funds available under their loans and make payments 24 hours a day, seven days a week. We expect to install approximately 46 ATMs in several of our offices during the second half of 2007.

Client Demographics

We believe that our clients' age distribution constitutes an advantage for us since as of June 30, 2007, over 45% of our clients are in the age range of 18 – 35 years and are likely to remain economically active for the long term.

Age	Number of clients	Percentage of our total loan portfolio
18-21	29,123	4.2%
22-25	74,800	10.7%
26-30	103,495	14.9%
31-35	109,828	15.8%
36-40	103,458	14.9%
41-45	91,046	13.1%
46-50	71,205	10.2%
51-55	48,758	7.0%
56-60	31,744	4.6%
61-65	20,661	3.0%
66-70	11,617	1.7%
70+	231	0.0%
	695,964	100.00%

Based on information disclosed by our customers, as of June 30, 2007 over 60% of our clients receive a monthly income between Ps.2,000 and Ps.5,000.

Monthly income	Number of clients	Percentage of our total loan portfolio
Ps.1,000 or under	52,664	7.6%
Ps.1,001 – Ps.2,000	63,437	9.1%
Ps.2,001 – Ps.3,500	234,250	33.7%
Ps.3,500 – Ps.5,000	186,144	26.7%
Ps.5,000 – Ps.7,000	88,516	12.7%
Ps.7,000 and over	70,953	10.2%
	695,694	100.0%

Sales and Marketing

Sales

We conduct sales through our extensive sales force comprised of sales agents, loan officers and independent sales agents working in a number of geographic and product-based divisions. For each of our products, we have developed strategic business plans, including targeted marketing campaigns and a dedicated sales force, and have trained highly qualified personnel at our offices to sell our products and provide post-sale customer service.

Sales agents and independent sales agents conduct sales of our loan products door-to-door in local communities and are supervised by a sales manager in each of our offices throughout Mexico. In addition, we have specialized sales agents and independent sales agents focused exclusively on the sale of our CrediConstruye loan product. As of June 30, 2007, we had in average four specialized sales agents and independent sales agents of CrediConstruye in each one of our offices.

As of June 30, 2007, we had 1,337 sales agents, 258 loan officers, 285 sales managers, including loan managers, and 56 office managers.

Sales agents. Sales agents are primarily responsible for selling new CredInmediato loan products and are evaluated quarterly based on operational goals (in terms of number of loans originated), and, based on their operational results, may receive a performance bonus at the beginning of the following quarter. Our evaluation of sales agents emphasizes customer service and meeting our operational goals. As of June 30, 2007, 119 of our 1,337 CredInmediato sales agents were principally dedicated to sales of our CrediConstruye loan product. For the six months ended June 30, 2007, our CredInmediato sales agents received a total compensation comprised of a base salary representing 29.9% of their total income and commissions representing 70.1% of their total income. For the six months ended June 30, 2007, CrediConstruye sales agents received a base salary representing 29.1% of their total average compensation, as well as commissions which represent the remaining 70.9% of their total average compensation.

In addition to sales agents, we have independent sales agents who are responsible for conducting sales of both of our CrediPopular and CrediMamá loan products door-to-door in local communities. Independent sales agents sell loan products primarily to the informal sector of the Mexican economy. Independent sales agents are not our employees, do not earn a salary or other benefits and their compensation is based solely on commissions calculated based on the number of loans originated. As of June 30, 2007, we had 685 independent sales agents accounting for about 26.1% of our total sales force.

Loan officers. Loan officers are responsible for the renewal and sale of all of our products in our offices and provide client service to all our customers. Depending on the number of loan officers at a particular office, they are supervised by either a loan manager or an office manager. As of June 30, 2007, loan officers received a base salary representing 13.5% of their total average compensation, as well as commissions which represent the remaining 86.5%% of their total average compensation.

Office managers, sales managers and loan managers. Our office managers are responsible for the operation of each of our offices, including the supervision of sales managers and loan officers. In turn, our sales managers are responsible for supervising our sales agents and independent sales agents.

As of June 30, 2007, our sales force (sales agents, loan officers and independent sales agents) comprised 87.0% of our total sales department. Depending on the size of the local customer base in a particular location, an average of 21 sales personnel are assigned to each of our offices.

Our sales agents are supported by administrative officers as well as administrative support staff in each of our offices. Administrative officers, loan managers and office managers are responsible for supervising our sales agents and loan officers, which may involve visits to customers, supervision of the loan disbursement and recovery process, review of loan records and the development of sales strategies specific to their office. As of June 30, 2007, we also had nine regional managers, each of whom is responsible for overseeing operations in our offices.

We believe the financial incentives for our sales force represent a significant competitive advantage as a result of their significant impact on the sale of our products as well as on our customer service and loan portfolio quality.

The following table shows information relating to the compensation of our sales personnel (excluding independent sales agents, who are not our employees and do not receive a base salary) for the six months ended June 30, 2007.

	Base Salary	% of total average compensation	Commission	%of total average compensation
	(in constant Ps. as of June 30, 2007)		(in constant Ps. as of June 30, 2007)	
Sales agents	1,538	29.9%	3,602	70.1%
CrediConstruye sales agents	1,538	29.1%	3,742	70.9%
Loan officers	1,538	13.5%	9,879	86.5%

As of June 30, 2007, the average commission paid to our independent sales agents amounted to Ps.2,198.

The following table shows the composition our sales force as of June 30, 2007.

Categories	Number of Personnel
Sales agents	1,337
Loan officers	258
Independent sales agents	685
Total	2,280

Marketing

We benefit from the fact that most of our new customers are referred to us by existing customers, reducing our need to dedicate significant resources to marketing, publicity and advertising efforts. We advertise our products using specialized methods and marketing channels which we believe maximize our ability to attract new customers among our specific target markets in efficient and effective ways. These methods include:

- advertising via *perifoneo* in certain communities, which involves using a car equipped with loud-speakers to broadcast a message recorded by our local sales personnel as the car drives through the local streets;
- distribution of pamphlets in areas with significant foot traffic, such as shopping centers and open public markets; and
- door-to-door contact with potential customers by our sales agents.

Our marketing budget is controlled and defined by our commercial department in our corporate headquarters. A portion of the marketing budget is allocated to each one of our offices based on the weighted average of their total loans as well as national and local market strategies. Local strategies usually depend on individual office results as well as the presence and strength of local competitors. In 2006, we spent Ps.21.1 million on marketing and advertising, which represented 5% of our total operating expenses and 1.5% of our total interest income in 2006. In the six months ended June 30, 2007, we spent Ps.13.2 million on marketing and advertising, which represented 1.5% of our total interest income in the first six months of 2007 and 6.6% of total operating expenses during the same period.

Operational Facilities

Our operations center in the city of León contains our national center for processing information (*Centro Nacional de Captura*), or CENCA, our call center, our integral credit analysis system (*Sistema Integral de Análisis de Crédito*), or SIAC, and our national center for technical support (*Centro Nacional de Soporte Técnico*).

Our operations center in the city of León is responsible for conducting the telephone verification of loan applications through a call center. This call center is also responsible for contacting our customers upon approval of a loan application and for certain collection activities. Due to our efficient technology systems, which were redesigned during the first half of 2007, during June 2007, 82% of the loan applications we received were processed within 48 hours of receipt. We currently have 257 work stations in charge of collections at our operations center in the city of León, working three shifts a day with 616 agents. In addition, we have 107 work stations dedicated to CENCA, SIAC and technical support.

The CENCA is a national centralized document input center. A digitalized copy of each application presented at any of our offices is created and the information is entered into the system. The information received is divided into data and images to facilitate the input and review of each application.

The SIAC is a centralized document analysis center responsible for reviewing loan applications together with their support documentation, as well as for verifying the applicant's ability to pay. The application is then analyzed through a credit scoring system pursuant to which each loan application is assigned to one of four risk categories. See "—Monitoring and Collection."

Construction of our new operations center in the city of Aguascalientes commenced in March 2007, and is expected to become operational in 2008. The Aguascalientes operations center will be equipped with more than 650 work stations and will have capacity to accommodate more than 1,400 agents, doubling the capacity of our current operations center in the city of León.

Credit Application and Approval Process

Our credit application and approval process has been designed to minimize operating costs as well as to effectively manage risk. Both processes leverage an advanced technology platform in which we have invested heavily over the past ten years.

Our process for the approval and disbursement of loans is separate from the process used for collection of our loans. During the application phase, we employ a scoring system for loan applications, which is evaluated periodically against our credit policies and business objectives. The scoring methodology assigns specific weights to key variables such as our customers' socio-demographic characteristics and behavior in the credit bureau, and converts these variables into a rating, which allows us to approve or reject loan applications more accurately. This process includes verifying information through external and internal databases.

The approval process for each of our loan products involves several stages, as described below.

Efficient Origination and Monitoring Processes Based on State of the Art Technology

Acquisition of New Clients	**Loan Approval**	**Monitoring of Existing Clients**	**Loan Recovery**
Expeditious loan approval and disbursement	*Higher quality portfolio at a lower cost*	*Lower amount of write-offs, increase in loans renewed and larger recoveries by taking early action on bad loans*	
• Offices equipped with personal digital assitants, or PDAs, scanners and modems to quickly transfer client information for loan approval	• Solid back office to input client information in the system - 92,000 loan analysis per month • Sophisticated credit scoring system — 36.1% of applications are rejected • Call center for verification of employment information — Over 130 thousand calls monthly • Physical verification team equipped with digital cameras and GPS devices to verify addresses • 82% of the applications are solved in less than 48 hours	• Sophisticated software to monitor repayment of existing clients and take appropriate actions on past due clients	• Highly automated call center with highly skilled operators to collect payment of bad loans • Over 850,000 calls monthly

Information collection. Once the customer has applied for a loan from us, our sales force collects basic quantitative application information on the customer with a view to determining his or her ability to make loan payments. Personnel responsible for verifying information then collect additional information such as a copy of the applicant's official Mexican government-issued identification card, photo and global positioning system, or

GPS, coordinates of the applicant's home. Subsequently, additional qualitative information is collected in order to evaluate the customer's ability to pay such as the reputation of the applicant in his or her community and his or her employment status. Also, to be eligible for a loan, the applicant must reside or work within an authorized zone, which is based on proximity to one of our offices.

For most of our potential clients, no relevant quantitative data, such as financial information and credit bureau reports, is available. However, we are generally able to ascertain the applicant's income to a significant degree with the information available.

Information transfer and processing. All documentation received from an applicant is digitalized through devices located at the offices and sent to our operations center for uploading into our CENCA system. This process allows our sales force to focus on their core objective, which is to attract new clients, reduces the time to process loan applications and minimizes errors in data inputting. As of June 30, 2007, there were 44 individuals, working in three shifts from 7 am to 10 pm, six days a week, responsible for inputting all loan application information into our CENCA system. We process approximately 80,000 applications per month through our CENCA system.

Information analysis and credit approval. Once the information is digitalized and available through CENCA, it is analyzed at the SIAC by our document analysts. The application is then analyzed through a credit scoring system pursuant to which each application is assigned to one of four risk categories. The following are the four possible outcomes of our credit analysis and approval process based on the credit scoring system:

- Low risk;
- Low to medium risk;
- Medium to high risk; and
- High risk.

If an application is categorized as low risk, the application is automatically approved. If an application is categorized as high risk, the application is automatically rejected. If the outcome of the credit scoring places the application under one of the other categories of risk, a telephone verification as well as an in-person visit follow.

Upon approval of a loan application, the applicant is contacted by our operations center in the city of León. In the event an application is rejected, this information is personally communicated to the applicant by our sales agents. As of June 30, 2007, we had 75 credit analysts working in three shifts from 7 am to 10 pm six days a week. With the assistance of our SIAC system, we process approximately 91,000 applications per month, of which an average of 36.1% are rejected.

Loan disbursement. Loans, other than CrediConstruye loans, are issued to borrowers in cash (for loans under Ps.3,000) or in the form of a check (for loans greater than Ps.3,000) that may be cashed at commercial banks with whom we have a commercial relationship. All borrowers are required to sign a loan contract with us, together with a promissory note. CrediConstruye loans are disbursed in the form of vouchers for home construction materials redeemable by certain retailers. We have a policy of not restructuring loans; thus, changes to the original terms and conditions of a loan are not permitted.

Customer Service and Support

We consider our customer support capabilities and the level of service that we offer our customers to be a key element of our sales strategy. As of June 30, 2007, our operations center in the city of León had approximately 616 agents working three shifts, assigned to speak with potential customers and review their applications with them, including 22 agents dedicated exclusively to customer service. For the first six months ended June 30, 2007, the total monthly average call volume at our operations center in León was approximately 1.4 million. We are also in the process of developing an additional operations center to be located in the city of Aguascalientes with capacity to accommodate 1,400 agents. We anticipate that the new operations center will commence operations in the first half of 2008.

In addition, each of our offices has a direct telephone line providing customers access to our operations center, which provides added convenience to customers visiting an office.

Monitoring and Collection

We individually monitor each of the loans we grant, which are classified depending on the level of risk they represent. This methodology is based on a periodic review and analysis of our loan portfolio and classification of our borrowers in one of three risk categories (low, medium or high) based primarily on our estimate of the risk of non-payment for each loan. Such classifications are based on how long payments with respect to such loans are overdue. Each product is managed, monitored and collected individually.

Collections

Loan payments by our customers are made directly at our offices. We have a sophisticated web-based IT platform that allows us to constantly monitor the performance of the loan portfolio both on an aggregate and individual level and on a product basis. We actively monitor performance trends to manage risk and endeavor to take preemptive actions when required. See "—Information Technology."

We have developed an advanced collection process, comprised of two stages. The first stage consists of the classification of the risk rating of the loan, as soon as payment delay occurs. Depending on the rating assigned to a particular account, we determine the level of follow up that will be necessary. Clients who are considered to have a higher level of risk are subject to preemptive collection processes, such as calls to remind them to make payments. In the event of a late payment, we contact our customers through correspondence and telephone calls through our operations center to inform them of a late or missed loan payment. In addition, in the event of default in a payment and after a risk rating has been assigned to a particular account, we attempt to collect all amounts due under the loan.

The second stage of our collection process consists of in-person visits to the customer's home or place of employment. This stage involves further actions focused on persuading our customers to pay past-due loans before we resort to requiring immediate payment of the loan. Collection efforts are intensified as time passes without payment. If the delinquent payment is not made, our collection agents are authorized to undertake direct negotiations with the delinquent borrower including the waiver of default interest payments and collection fees. However, consistent with our policy of not restructuring loans, they are not authorized to offer or approve changes to the original terms and conditions of a loan. We pursue this stage of the collection process for up to 89 days after the loan is past due. After this period, such loan is classified as "non-performing" if unpaid, it ceases to accrue interest and 125% of the amount of such loan, including accrued but unpaid interest up to that date is recorded as a provision for loan losses. After a loan is 180 days past due, we write off the loan. Written-off loans become subject to consideration for further action, including a sale of any such loan at a discount to a third-party collection firm. From the date on which a loan becomes past-due until it is recovered or sold at a discount, we attempt to collect the loan in the manner described above. We do not take legal actions to recover past-due loans.

We charge a monthly default interest rate that is 1.5 times the applicable interest rate on the loan. In addition, we charge fees ranging from Ps.15 to Ps.135 for collection costs and expenses beginning on the fourth day after the date of payment of a loan is missed. Collection fees, which include default interest, represented 117.3% of our non-performing loan portfolio as of June 30, 2007. In addition, collection fees contributed to approximately 9.8% of our net operating revenue for the six months ended June 30, 2007.

The actions that we take to collect loan payments vary depending on the risk category assigned to the loan and how many days the loan is past-due. The following chart sets forth the basic steps that we undertake in order to collect payment on our loans.

Ad-Hoc Collection Process Developed Internally

	Centralized Execution		Personal Execution			
Segmentation by Risk	**Preventive Stage**	**Informative and Corrective Stage**	**Advisory Stage**	**Recovery Stage**	**Final Stage**	**Terminal Stage**
• Collecting system assigns a risk rating to each account • According to risk rating, the intensity of the collection process is defined • First payment default	• Reminders before maturity of the Loan	• Letters and telephone calls to inform delay of payment • Directed to the borrower and third parties	• Actions oriented to persuade borrower about the convenience of paying the credit	• Actions oriented to demand immediate payment	• Actions oriented to demand immediate payment of the overdue payment	• Sale of the uncollected loans • Write-offs

197 telephone agents and 80 work stations for preventive and informative stages; 128 telephone agents and 83 work stations for corrective stage

547, 353 and 369 agents for advisory, recovery and final stages, respectively; and 145 agents for terminal stage

Information Technology

Our information technology department's responsibilities include the development and maintenance of our proprietary information systems and infrastructure, administration and control of our databases and providing technical support to our labor force in connection with our systems.

Business Intelligence. We have a unique business intelligence system pursuant to which we have on-line access to a wide range of financial and operational information relating to our loans and our borrowers, including but not limited to digitized pictures of our clients' homes and their credit record. This information allows us to efficiently manage and monitor client contact, payment information, the status of collection processes and a variety of other key metrics and statistics about borrowers' credit history with us. Under this system, which we developed in-house, users connect through 2,000 computers and, in addition, 1,700 users can access the system through pocket PCs.

We believe that our information technology system enables us to quickly and efficiently (i) make adjustments to credit policies, (ii) track and analyze the credit behavior of our customers, (iii) make informed decisions about new products to market and develop such products, and (iv) optimize loan approval and collection processes.

Back Office. Our offices are equipped with pocket PCs, scanners, modems and internet connection to quickly transfer to our operations center clients' information in connection with the loan approval process. We also have a solid back office to input client information in the system, as well as a sophisticated credit scoring system. Our operations center in the city of León for verification of employment information, collection and tele-marketing activities made an average of approximately 1.4 million calls monthly during the first six months of 2007. In addition, our physical verification team is equipped with digital cameras and GPS devices to verify addresses and other information. In addition, we have sophisticated software that allows us to monitor payments by existing clients and take appropriate actions in connection with late or missed loan payments. We also have well-trained operators that assist with the collection of past-due loans in our operations center.

All of our systems have been developed in-house and are designed to respond to our needs and specific goals, which differentiates us from most of our competitors. We maintain an electronic record of all of our loans in our information management system. These records are updated each time a borrower makes a payment and are saved daily. We have an on-site information management center, as well as an off-site data center. Our on-site information management center processes every day operations and our off-site data center works as a backup system in the event of a contingency. All of our systems are subject to security and quality control standards that are in line with industry practices.

We create back-up files and software applications, among other items, on a daily, weekly and monthly basis and send them to a secure off-site location maintained by a third-party service provider. We have also devised a business contingency plan which would allow us to continue normal business operations in the event of an emergency such as a fire, earthquake or riot. As of the date of this offering circular, we have not encountered any contingency requiring us to use this plan.

We have developed advanced information technology systems and software relating to our information and risk management policies. These systems have helped us to better serve our customers, support our growth strategy, enhance the quality and development of our products and services and successfully reduce the cost and time associated with loan approvals, monitoring and collection practices. We believe that our operating efficiency, information management and technology systems are more competitive than those found in traditional financial institutions, and have differentiated us from our competitors.

During 2006, we invested approximately Ps.41.9 million (approximately US$3.9 million) in technology improvements. In addition, we have a system to monitor cash management at each of the offices and cash in excess of Ps.12,000 is deposited in a safe deposit box and collected three times a week.

Competition

We face competition from lenders that target the low-income segments of the Mexican population, particularly savings institutions, credit unions, cooperatives, retailers, consumer loan and informal loan providers, Sofols, other Sofoms, savings and lending associations, banks and other financial institutions comprising the traditional financial sector in Mexico. In addition, we face competition from the public sector, as the Mexican government currently engages in its own microfinance lending programs. Most of our competitors focus their operations on rural areas and primarily target micro-entrepreneurs with working capital needs, while we focus on urban areas and personal loans. See "Risk Factors—Competition from other microfinance lenders, banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Mexican microfinance lending industry."

Cooperatives

This segment includes local and regional cooperatives, credit unions and savings and loans institutions. There are approximately 800 cooperatives throughout Mexico, but the segment is highly heterogeneous and fragmented. The two largest institutions in this sector are Caja Popular Mexicana, Sociedad de Ahorro y Préstamo, and Caja Libertad, Sociedad Cooperativa de Ahorro y Préstamo. Caja Popular Mexicana consists of more than 50 local cooperatives and provides basic savings accounts to its members. Caja Libertad's presence is limited to central Mexico. Both institutions offer consumer loans to their clients and had 643,659 and 290,328 clients, respectively, as of December 31, 2006.

Microfinance Institutions

Microfinance institutions provide financial services to the low-income segments of the population. These institutions focus their products and services on making lines of credit available to their target market since, by law, they are not allowed to offer savings products. Most microfinance institutions (approximately 80%) have been in operation fewer than eight years. The segment is dominated by NGOs such as Asociación ProMujer de México, Asociación Civil, FINCA México and Centro de Apoyo al Microempresario (CAME), Institución de Asistencia Privada.

Financial Institutions

Non-banking financial institutions such as other Sofols and Sofoms, focus primarily on offering consumer and mortgage loans to middle- and low-income individuals. Based on date published by the CNBV, currently, approximately 8 regulated Sofoms and 53 Sofols operate in Mexico. In addition, according to Condusef, 208 non-regulated Sofoms conduct operations in Mexico. Mexican non-banking institutions may engage in certain specific lending activities and regulated Sofoms and Sofols are supervised by the same regulatory authorities as commercial banks, but are prohibited from engaging in many banking operations, including foreign trade financing, offering checking accounts and engaging in foreign currency operations. Non-regulated Sofoms, such us, are supervised only by the Condusef. Crédito Familiar, S.A. de C.V., Sociedad Financiera de Objeto Limitado, and Banco Azteca, S.A. de C.V., which we consider our principal competitors, offer personal loans to middle- and low-income individuals. Banks also offer microcredit financing to low-income individuals.

Employees and Labor Relations

Approximately 89.6% of our total labor force is comprised of individuals employed by two of our subsidiaries, Prosefindep and Ejecutivos Santa Fé. "See Risk Factors—We may be exposed to labor-related obligations and contingencies."

Other than managerial and certain administrative employees, as of June 30, 2007, 74.0% of our total labor force was affiliated with labor unions with which we had collective bargaining agreements. Wages, salaries, benefits, staffing levels and other terms are negotiated pursuant to these agreements and adjusted annually. Under Mexican law, collective bargaining agreements are renegotiated on a yearly basis with respect to wages and every two years with respect to benefits. We believe we have good labor relations with our labor force and have not experienced any strikes.

The following table sets forth the number of full-time personnel and the breakdown by primary activity for the periods indicated.

	As of June 30,	As of December 31,		
	2007	2006	2005	2004
Operations(1)	1,483	1,213	954	679
Sales	1,936	1,865	1,498	1,431
Collection	2,179	1,883	1,716	1,078
Corporate headquarters	272	184	160	142
Total	5,870	5,145	4,328	3,350

(1) All the employees of the operations center are considered to be included in the operational area.

In addition, as of June 30, 2007, approximately 26.1% of our sales force was comprised of independent sales agents whose compensation is based solely on commissions and other financial incentives in connection with sales made by them.

Executive-level employees receive a fixed salary and variable compensation, including an annual bonus. Regional managers, office managers, loan managers, sales managers, loan officers and sales agents are compensated with a combination of fixed salary and performance bonus. Independent sales agents do not earn a salary or other benefits and their commissions are calculated based solely on the number of loans originated. See "—Our Competitive Strengths—Experienced Management Team and Motivated Employees" and "—Sales and Marketing."

Our sales agents are evaluated on a quarterly basis based on operational goals (primarily related to the number of loans originated) and emphasizing customer service, and, based on their operational results, may receive a performance bonus at the beginning of the following quarter. On average, the performance bonus for sales personnel can represent the equivalent of 70.1% to 100% of an employee's total compensation. Independent sales agents do not receive a base salary and are compensated solely on commissions. Commissions paid to our sales agents and independent sales agents are based on the number of loans originated. Commissions paid to collections personnel are based on the number of loans and amounts recovered. We believe our compensation program and system of promotion have contributed to the successful implementation of our business strategies.

Stock Option Plan

In connection with this offering, we created a stock option plan for our employees and management. The stock option plan will be implemented through the SOP Trusts created by two of our subsidiaries, Prosefindep and Ejecutivos Santa Fé, with a Mexican banking institution pursuant to Mexican law. Our board of directors expects to determine, with the prior approval of our audit and corporate practices committee and subject to the guidelines described below, the beneficiaries under our stock option plan as well as the number of shares that each beneficiary will be entitled to purchase.

This plan will enable the eligible employees to acquire, through the SOP Trusts, shares of our capital stock. We expect a portion of the purchase price to be funded through contributions that we expect will be made by our subsidiaries, Prosefindep and Ejecutivos Santa Fé, from time to time to the respective SOP Trust. Currently, we anticipate that the SOP Trusts will initially have funds in an aggregate amount of Ps.35 million for purchases of Shares in the Mexican offering and, accordingly, they intend to place purchase orders for up to this amount. After the offering, the SOP Trusts are expected to continue to acquire, from time to time, shares of our capital stock through the Mexican Stock Exchange.

The plan will be initially offered to officers in the first three corporate levels of our organization, which include principal officers, assistant principal officers and managers (*directores, subdirectores, gerentes*), and officers in the same corporate level will receive equal treatment. In addition, members of our board of directors will not be eligible to participate in this plan. In general, for as long as the shares of our common stock are being held by the SOP Trusts, the trustees will vote the shares in the SOP Trusts in the same manner that the majority of the shareholders vote their shares.

In addition to these general guidelines, the definitive guidelines relating to (i) the eligibility of the employees that will be able to participate in this plan, (ii) procedural matters related to the exercise of rights under the plan, (iii) allocation of the benefits under the plan, (iv) funding of the plan, and (v) other terms and conditions of the plan, will be determined and communicated to the trustees by a representative of our board of directors, with the prior approval of our audit and corporate practices committee. The SOP Trusts shall act in accordance with the guidelines and restrictions set forth by the LMV when purchasing or disposing of shares of our capital stock through the Mexican Stock Exchange.

Training of Personnel

We recognize that the success of our operations ultimately depends in large measure on the level of service provided by our personnel. Therefore, we consider training programs a high priority to ensure high levels of customer service. All of our office managers are trained in our centralized training center in Mexico City and receive additional training at each of our offices. Our sales personnel are trained at each of our offices. Every member of our sales force receives ongoing training and continual feedback to help them develop the professional and personal characteristics necessary to provide our customers with the highest level of service. To this end, we have a multidisciplinary team of psychologists, engineers, designers and managers involved with the training and development of our labor force.

All new personnel are required to take part in a training program during which our core mission, strategic objectives and operations are explained in detail. In addition, all personnel are regularly evaluated.

New sales personnel receive an average of three or four days of classroom training and approximately ten days of field training prior to assuming responsibilities. During their first two to four weeks on the job, new sales agents are monitored by a supervisor and are provided with regular feedback regarding their performance. We certify our staff three months after they begin their employment with us, after testing on basic concepts presented during their training. When an individual is promoted, we provide additional training specific to their new position. Moreover, all members of our staff receive training geared toward personal development at least once a month. We constantly seek to improve our training programs and are currently in the process of implementing measures that will make them more effective and cost-efficient.

Our personnel and independent sales agents are continuously updated regarding our initiatives, products and services through internal e-mails, publications, bulletins, messages from management and monthly messages from our chief executive officer.

Properties and Leases

Our executive offices in Mexico City as well as our operations center in the city of León are located on leased premises. We also have service offices located throughout Mexico comprising an aggregate of 35,439 square meters as of June 30, 2007, all of which we occupy under lease. Our service offices range in size from 30 square meters to 1,346 square meters. The average size of our service offices is approximately 285 square meters. In addition, we will own the property for the new operations center in the city of Aguascalientes in accordance with the arrangements described in "—Material Contracts—Land purchase agreement between Conexia and Nacional Financiera, S.N.C."

Intellectual Property

In addition to other intellectual property such as copyrights and licenses, we had eight commercial names and trademarks as of June 30, 2007, including CredInmediato, CrediEstudio, CrediProyecto, CrediPopular, Club CredInmediato, Financiera Independencia, CrediMamá and Línea de Crédito CredInmediato, all of which are registered with the Mexican Institute of Intellectual Property.

Insurance

We maintain insurance policies that are usual and customary for companies operating in our industry, including insurance designed specifically for financial institutions. In addition to professional liability insurance, we maintain insurance policies covering our fixed assets, equipment and leased properties and that protect us in the event of natural disasters or third-party injury. We believe our insurance policies are adequate to meet our needs.

Legal Proceedings

We are from time to time involved in certain legal proceedings not described herein that are incidental to the normal conduct of our business. We do not believe that the outcome of any such proceedings, if decided adversely to our interests, will have a material adverse effect on our financial condition, cash flows or results of operation. We currently do not maintain provisions for litigation claims because management believes, based on the advice of counsel, that material losses are not probable. In addition, we are not subject to any bankruptcy procedure under Mexican law. We are neither subject to reorganization proceedings (*concurso mercantil*) nor in general default on our obligations as such terms are defined in the Mexican Bankruptcy Law (*Ley de Concursos Mercantiles*).

Environmental Policies

To date, we do not have a specific environmental policy.

Material Contracts

Set forth below is a description of contracts that our management believes are material to us.

Land purchase agreement between Conexia and Nacional Financiera, S.N.C.

On July 25, 2006, our subsidiary Conexia entered into a land purchase agreement in the amount of Ps.928,564 with Nafin as trustee of the Desarrollos Industriales de Aguascalientes trust, for the acquisition of the property for the construction of the new operations center in the city of Aguascalientes. Pursuant to this agreement, we paid Ps.39,059 on the date of execution of the agreement and are required to make 24 additional monthly payments of principal and interest until its maturity in July 2008. Under the terms of this agreement, we obtained possession of the land and Nafin, as trustee of the Desarrollos Industriales de Aguascalientes trust, remains the owner of the land until our payment in full of all our obligations under this agreement.

Revolving Line of Credit with HSBC Mexico

On October 28, 2005, we entered into a line of credit with HSBC Mexico for an aggregate amount of Ps.1,500 million. On January 10, 2006 and April 26, 2007, such agreement was amended in order to, among other things, increase the credit line to Ps.2,000 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Bank and Other Entities Loans" and "Related Party Transactions—Revolving Line of Credit with HSBC Mexico." As of June 30, 2007, we were not in default with respect to payments of principal and interest under this agreement.

Lines of Credit with SHF

On August 1, 2005 and May 4, 2007 we entered into two lines of credit with SHF for an aggregate amount of Ps.30 million and Ps.180 million, respectively. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." As of June 30, 2007, we were not in default with respect to payments of principal and interest under this agreement.

SUPERVISION AND REGULATION OF CERTAIN LENDING ENTITIES IN THE MEXICAN MARKET

Sofols

In 1993, fueled by the shortage of available financing and an increase in interest rates, the Mexican Congress enacted reforms to the Law of Credit Institutions (*Ley de Instituciones de Crédito*), authorizing the formation of Sofols. The new regulations were published in the Official Gazette on December 23, 1993.

Sofols conduct only lending activities with funds derived from various sources including securities offerings in the Mexican capital markets, private investment and national or foreign development loans. Unlike a bank, a Sofol is not authorized to accept deposits from the public and can provide financial services only to a particular industrial or commercial sector including personal loans, mortgages for affordable housing, financing for the construction and automotive industry, corporate financing, transportation assets, small and medium industries, agricultural sector. Their target markets are the middle to low income sectors of the economy and they mainly provide financing for the housing industry.

Sofols are regulated and supervised by the SHCP, the CNBV and the Mexican Central Bank. Furthermore, they are overseen by Condusef with respect of consumer protection issues. Currently there are approximately 50 Sofols operating in the Mexican financial market.

Sofoms

In 2006, in an effort to (i) expand the Sofols' lending activities and partially deregulate the sector, the Mexican Congress enacted further reforms, which led to the creation of the Sofom. These amendments, published in the Official Gazette on July 18, 2006, also modified different provisions of a number of laws including the Law of Credit Institutions, the General Law of Auxiliary Credit Activities and Organizations, the Foreign Investment Law (*Ley de Inversión Extranjera*), the Financial Groups Law (*Ley para Regular Agrupaciones Financieras*), and the Income Tax Law (*Código Fiscal de la Federación*), among others.

Sofoms are financial entities that regularly provide financing to the public across all economic sectors as well as conduct leasing and/or factoring activities. A Sofom may not accept deposits and does not provide saving services. Sofoms do not require an authorization of the federal government to operate.

In addition, there are no limitations on foreign equity participation in the capital structure of Sofoms, which is expected to result in increased competition and participation of foreign financial institutions.

Any Sofoms that are affiliates of Mexican private or public banks or controlling companies of financial groups that include a bank, are required to include in their name the denomination "entidad regulada," regulated entity, or the abbreviation "E.R." A Sofom is considered an affiliate of a credit institution or controlling company of a financial group that include a bank if: (i) the controlling company of a financial group that includes a credit institution has equity participation in the Sofom, (ii) any credit institution owns more than 20% of the outstanding shares of the Sofom or (iii) such credit institution controls the shareholders meeting, or is entitled to appoint the majority of the members of the board of directors of the Sofom. In addition, if any person controls or holds the majority of the shares of both a credit institution and a Sofom, then, such Sofom will be subject to governmental regulation. Regulated Sofoms are regulated and supervised by the CNBV and thus are subject to some of the same requirements that apply to banks including capital adequacy requirements, reporting, related-party transaction rules, among others. Should the participation of HSBC Mexico (or any other entity that meets the criteria set forth herein) in our capital stock or our shareholders meetings fall within these criterion, the regulations that govern regulated Sofoms would be applicable to us. See—"Risk Factors—Acquisitions of certain amounts of our capital stock by certain entities may increase our regulatory burden and/or adversely affect our operating results and financial position."

All other entities that do not qualify as regulated Sofoms and regularly and professionally engage in lending, financial leasing or factoring activities must add the denomination "entidad no regulada," non-regulated entity or E.N.R. to their legal name. Non-regulated Sofoms are not subject to the regulation or supervision of the CNBV. Their activities are overseen by Condusef, the government agency responsible for the protection and defense of costumers of the credit, leasing and factoring services offered by Sofoms, pursuant to the terms of the Law for the Protection and Defense of the User of Financial Services (*Ley de Protección y Defensa al Usuario de Servicios Financieros*). Condusef is also entitled to make recommendations to Sofoms regarding the manner in which interest rates, commissions and other ancillary fees associated with a loan are disclosed to its clients, and to verify compliance with the provisions set forth in the Transparency Law with respect to secured loans.

The Transparency Law was adopted on June 15, 2007. This law regulates, among other things, the fees (*comisiones*) charged by some financial entities, including non-regulated Sofoms, to their customers. The law's objective is to guarantee transparency and effectiveness of the systems used by financial entities, including non-regulated Sofoms, and consumer protection.

Condusef has jurisdiction over Sofoms and is responsible for ensuring that non-regulated Sofoms comply with their obligations under the Transparency Law. As of the date of this offering circular, these requirements are not in effect. These obligations include:

- filing before the Condusef the list of fees (and any of their reductions), a Sofom intends to charge its customers and concurrently providing clients with information regarding the amounts and payment schedule of such fees through brochures, lists or posters displayed at the Sofom's branches and in an electronic format, if the Sofom has an Internet website;
- notifying clients of any new fees or increase in fees at least 30 days prior to the date that such changes becomes effective. If clients object to any new fees, they have the right to terminate their contract;
- delivering to Condusef the standard form of contract (*contratos de adhesión*) to be entered into with the Sofom's customers (written in accordance with the guidelines provided by Condusef; and
- delivering to customers an account statement for any loans and/or financings or transactions that include withdrawals, (*i.e.* debit cards, credit cards, checks, etc.). Customers may determine whether they want to receive or have access to the information by any other means, including the Internet. Account statements are required to be prepared in accordance with the guidelines provided by Condusef.

The Transparency Law further provides that non-regulated Sofoms may have to calculate and disclose to their clients the applicable total annual cost (*Costo Anual Total)* or CAT, which is the annual financing cost of loans and financings expressed as a percentage, representing the total amount of implied costs and expenses for the transaction. The Mexican Central Bank is responsible for establishing, through general guidelines, the methodology to calculate the CAT, the type of loans and financings to which it applies, as well as the amount of loans to which this requirement applies.

Finally, Condusef is responsible for issuing general advertising guidelines applicable to non-regulated Sofoms when promoting loans and/or financings that include withdrawals. As of the date of this offering circular, these guidelines have not been issued by Condusef. Additionally, Condusef may suspend any advertisements in its discretion, if the advertisement is inaccurate or involves unfair competition.

In the event that the rules contemplated in article 95Bis of the General Law of Auxiliary Credit Activities and Organizations are enacted, Sofoms would be required to: (i) establish measures and procedures for the prevention and detection of acts, omissions or operations that in some way could assist in the commission of a crime, (ii) file with SHCP reports regarding, among other things, acts or operations with customers or officers, members of the board, managers, employees and those with powers of attorney for the company in connection with possible commission of crimes, and (iii) establish and implement "know-your-client" procedures for information and documentation gathered when opening accounts, safekeeping client's information and the

Sofoms' internal training guidelines. Sofoms must retain clients' information and documentation for at least ten years. As of the date of this offering circular, anti-money laundering rules have not been issued in Mexico.

Sofoms are also prohibited from disclosing any kind of client information to any individuals or government authorities, except those expressly authorized by the applicable law.

SHCP ceased issuing authorizations for the incorporation of new Sofols from the date of publication of the Sofom amendments (except for those that were already in progress). All existing Sofol authorizations will automatically terminate on July 19, 2013. Therefore, on or prior to this date, and to prevent Sofols from being dissolved or liquidated, Sofols have the option of converting to Sofoms by amending their by-laws to modify their current corporate purposes to include Sofom activities and eliminate any references that implicitly or expressly identify them as Sofols and filing these amendments with the SCHP.

Mexican Credit Bureaus

Mexican credit bureaus are financial institutions authorized by SHCP, with the prior review of the Mexican Central Bank and the CNBV, that collect, manage, deliver or disclose information with respect to the credit history of individuals and corporations. Officially known as financial information corporations (*sociedades de información crediticia*), the purpose of the Mexican credit bureaus is to provide services aimed at minimizing credit risk and to provide information about the payment history of individuals and companies to promote better credit compliance. The rules and regulations applicable to credit bureaus are set forth under the Law for the Regulation of Financial Information Corporations and Article 8 section VI of the Foreign Investment Law. Credit bureaus are overseen by the SHCP, CNBV, Condusef and the Mexican Central Bank.

Currently, credit bureaus in Mexico provide three kinds of services: (i) credit information for individuals, (ii) credit information for corporations and individuals engaged in business activities, and (iii) information about the credit behavior of the non-banking sector in Mexico. Each credit bureau maintains a database that includes current and historical information about consumers' credit behavior. Credit bureaus are required to maintain this information for 84 months in the case of individuals, and indefinitely in the case of corporations. Individuals or corporations are reported to the bureau when they receive credit from any financial or commercial entity and this generates a credit history that can have a positive or negative rating depending on compliance with credit obligations.

Credit bureaus can offer reports for individuals or corporations, which may be general (*i.e.* without the name of the creditors), or "special" (*i.e.* with a detailed listing of the financial or commercial creditors). Consumers have the right to receive a free copy of their credit reports at the end of each year, which may be requested online at the bureaus, websites or in person at the bureaus' locations. The reports are required to include a summary of the client's rights and procedures to access the reported information and if necessary, correct any errors in the reporting. Credit bureaus are obligated to maintain the contents of this summary of rights available to the general public.

Foreign Investment Legislation

Currently, there are no specific legal or regulatory limitations in Mexico on foreign investment for Mexican unregulated multiple purpose financial companies or Sofoms, such as us.

MANAGEMENT

Board of Directors

Our board of directors is currently composed of 12 members elected for one-year terms by our ordinary general meeting of shareholders. All of our current directors were elected or ratified through unanimous shareholders' resolutions adopted on October 18, 2007. Our board of directors meets throughout the year on at least four occasions. Pursuant to Mexican law, at least 25% of the members of the board of directors must be independent.

Set forth below are the names of the members of our board of directors, their age, their principal occupation and their business experience.

Name	Position	Age	Independent	Years with Financiera as of June 30, 2007
José Luis Rión Santisteban	Chairman	55	No	14
Roberto Cantú López	Director	78	No	14
Horacio Altamirano González	Director	58	No	12
Carlos Morodo Santisteban	Director	53	No	13
Guillermo Barroso Montull	Director	53	No	12
Noel González Cawley	Director	52	No	14
Héctor Angel Rodríguez Acosta	Director	56	Yes	12
Rafael Arana de la Garza(1)	Director	56	No	1
Roberto Servitje Achútegui	Director	54	Yes	—
Ana Paula Rión Cantú	Director	26	No	1
José Ramón Elizondo Anaya	Director	53	Yes	7
Carlos Javier de la Paz Mena	Director	68	No	13

(1) Lorenzo Ramirez Bonilla was elected as his alternate member.

José Luis Rión Santisteban was born in 1952. He has a Bachelor's degree in Industrial Engineering from the Universidad Iberoamericana and attended a Senior Management Seminar (*Curso de Alta Dirección AD-2*) at Instituto Panamericano de Alta Dirección de Empresa—IPADE. Mr. Rión served as chief executive officer of InverMéxico, S.A. de C.V., Casa de Bolsa, executive president of Grupo Mexival/Banpais, S.A. de C.V. and chief executive officer and chairman of Multivalores, S.A. de C.V, Casa de Bolsa. In addition to being our founder and chairman of the board, he also serves as chairman of the board of Grupo Jorisa, S.A. de C.V., or Jorisa, as a member of the board of directors of HSBC Mexico, Corporación Zapata, S.A. de C.V., Unión de Crédito Empresarial, and U-Storage, S.A. de C.V., and as member of the valuation committee of AGROS, S.A. de C.V. and Agrosid, S.A. de C.V.

Roberto Cantú López was born in 1929. He holds a Bachelor's degree in Mechanical Engineering from the Instituto Tecnológico y de Estudios Superiores de Monterrey and a Master's degree in Mechanical Engineering from Purdue University. Mr. Cantú has extensive experience with construction, heavy machinery and real property. He currently serves as a our director and as a director of El Camarón Dorado, S.A. de C.V. and Ensamblados de Madera, S.A. de C.V. Mr. Cantú is the father-in-law of Mr. Rión.

Horacio Altamirano González was born in 1949. He has a Bachelor's degree in Economics from the University of San Francisco. Mr. Altamirano currently serves as chief executive officer of Grupo Videomax, S.A. and as a member of our board.

Carlos Morodo Santisteban was born in 1954. He has a Bachelor's degree in Industrial Engineering from Universidad Iberoamericana and a masters in business administration (M.B.A.) from Instituto Tecnológico y de

Estudios Superiores de Monterrey. He currently serves as the chief executive officer of Morysan, S.A. de C.V. and Papelera Veracruzana, S.A. de C.V. and as a director of Morodo Santisteban, S.A. de C.V., Almacenadora del Valle de México, S.A. de C.V., Cámaras Industriales y Asociaciones and Financiera. Mr. Morodo also serves as president of Cámaras Industriales y Asociaciones and vice president of the Confederación de Cámaras Industriales. Mr. Morodo is a cousin of Mr. Rión.

Guillermo Barroso Montull was born in 1954. Mr. Barroso has a Bachelor's degree in Industrial Engineering from the Universidad Anáhuac and also holds a masters in business administration (M.B.A.) degree from the Instituto Panamericano de Alta Dirección de Empresas—IPADE. Mr. Barroso has served as President of the Cámara Nacional de la Industria Cerillera and director of the Cámara Nacional de la Industria del Papel, as well as the Cámara Nacional de la Industria de la Transformación (Canacintra). He has served as treasurer and vice president of Concamin, president of COECE and member of the board of Comisión de Cooperación Ambiental de Norteamérica.

Noel Gonzaléz Cawley was born in 1955. He has a Bachelor's degree in Electronic Engineering from the Universidad Iberoamericana and received a Master of Science and Engineer degree from Stanford University. Mr. Gonzaléz was a shareholder and chief executive officer of Invermćxico, S.A. de C.V., Casa de Bolsa and co-head of the Information Technology division of BanPais, S.A. Mr. Gonzaléz has been our chief executive officer since our incorporation.

Héctor Angel Rodríguez Acosta was born in 1951. He holds a Bachelor's degree from Instituto Politécnico Nacional and a Master's degree from Instituto Panamericano de Alta Dirección de Empresa—IPADE. In addition to being a member of our board, Mr. Rodríguez serves on the board of Unión de Crédito Altamira (financiero), Envases Laminados, S.A. de C.V., Zeus Digital, S.A. de C.V. and Mexicana de Transferencias, S.A. de C.V. Mr. Rodríguez currently serves as chairman and chief executive officer of Mexicana de Transferencias, S.A. de C.V.

Rafael Arana de la Garza was born in 1951. He has a Bachelor's degree in Electrical Engineering from the Universidad Iberoamericana, a Master's degree in Operations Research from the University of Michigan, a Master's degree in Industrial Engineering from the University of Michigan and attended the Massachusetts Institute of Technology for a specialty course in Finance. Mr. Arana de la Garza has worked for over ten years with HSBC México, where he currently serves as assistant chief executive officer of the retail banking division for Latin America. In addition to serving on our board, Mr. Arana de la Garza has served on the board of HSBC México S.A., HSBC Péru and Promoción y Operación, S.A. de C.V. (Prosa).

Roberto Servitje Achútegui was born in 1953. Mr. Servitje has a Bachelor's degree in Business Administration from the Universidad Iberoamericana and a master in business administration from Northwestern University. Mr. Servitje worked for over sixteen years in Grupo Bimbo, S.A. de C.V. in several positions including executive vice-president. In addition to serving on our board, he also serves as a director of Banco Azteca, S.A. and chairman of the board of directors of Financiera de Occidente, S.A. Mr. Servitje currently serves as chief executive officer and chairman of the board of directors of Grupo Altex, S.A. de C.V.

Ana Paula Rión Cantú was born in 1981. She holds a Bachelor's degree in Industrial Engineering from the Universidad Iberoamericana. In addition to serving on our board, Ing. Rión has worked as our sales coordinator for the past two years. Ing. Rión is a daughter of Mr. Rión.

José Ramón Elizondo Anaya was born in 1954. He holds a C.P.A. from Universidad La Salle and a masters in business administration (M.B.A.) from the Instituto Tecnológico y de Estudios Superiores de Monterrey. In addition to serving on our board, he also serves as a director for Ekco, S.A.B., Industrias Voit, S.A. de C.V., Editorial Premiere, S.A. de C.V., Grupo Embotelladoras Unidas, S.A.B. de C.V., Grupo Azucarero México, Grupo Martí, S.A.B., Q.B. Industrias, S.A.B. de C.V. and Unefon, S.A. de C.V. Mr. Elizondo is also a member of Unefon, S.A. de C.V.'s audit committee. Mr. Elizondo currently serves as chairman of Fomento de Capital, S.A. de C.V.

Carlos Javier de la Paz Mena was born in 1940. He holds a C.P.A. from IPADE. In addition to serving on our board, Mr. De la Paz serves on the board of Estafeta Mexicana, S.A. de C.V., Multivalores, S.A. de C.V., Grupo Financiero, and Mexplus, S.A. Sinca.

Alternate Directors

Alternate directors may be appointed at a shareholders' meeting to substitute for the directors for which they were respectively appointed, in their permanent or temporary absences. An alternate director attends meetings of our board of directors when called to substitute for the respective director. Set forth below is biographical information for each of our alternate directors.

Lorenzo Ramírez Bonilla was born in 1970. He has a Bachelor's degree in Mechanical Engineering from the Instituto Tecnológico de Estudios Superiores de Monterrey and a Master's in Business Administration (M.B.A.) from Instituto Panamericano de Alta Dirección de Empresa—IPADE. Mr. Ramírez has worked as the Consumer Credit Officer at HSBC, the Consumer Credit manager at BITAL and currently serves as chief executive officer of HSBC Mexico and since 2002, he is a member of the loan for individuals committee of AMB. He also serves as an alternate member of our board.

Secretary of the Board of Directors

Our non-member secretary of the board of directors is Mr. Iker Arriola Peñalosa and our non-member alternate secretary of the board of directors is Mr. Ivan Libenson Violante. They were designated through unanimous shareholders' resolutions adopted on October 18, 2007. Mr. Arriola is a partner and Mr. Libenson is an associate at White & Case, S.C., Mexico. White & Case, S.C., Mexico, is our special Mexican counsel for this offering.

Committee

Audit and Corporate Practices Committee

Our audit and corporate practices committee is currently composed of three members elected for one-year terms by our ordinary general meeting of shareholders. All of our audit and corporate practices committee members were elected by our shareholders through unanimous shareholders' resolutions adopted on October 18, 2007. Pursuant to Mexican law, all of the members of our audit and corporate practices committee must be independent. All of the members of our audit and corporate practices committee are "financial experts" under Mexican law.

Set forth below are the names of the members of our audit committee.

Name	Position	Independent
José Ramón Elizondo Anaya	Chairman	Yes
Roberto Servitje Achútegui	Director	Yes
Héctor Angel Rodríguez Acosta	Director	Yes

Other Committees

Although no formal operating committees exist, members of our management and personnel regularly meet to discuss and follow-up on matters that are important for our daily operations including our loan policies and our computer and information technology systems.

Principal officers

Set forth below is the name and position of each of our principal officers. The terms of office of the principal officers are indefinite.

Name	Position	Years with Financiera Independencia as of June 30, 2007	Age	Years of experience in the financial services industry
Noel Gonzaléz Cawley	Chief Executive Officer	14	52	25
Benito E. Pacheco Zavala	Internal Auditing Officer	1	59	21
Mónica Patricia Aznar Pérez	Human Resources Officer	10	48	10
Gerardo Chávez Cervantes	Commercial Officer	5	50	21
Juan García Madrigal	Management and Finance Officer	6	39	18
Fernando Esteban Lavín	Strategic Planning Officer	1	49	1
Héctor Eguiarte Sakar	Credit and Collection Officer	13	52	13
Jose Alberto Pérez de Acha	Chief Information Officer	6	37	15
Luis Miguel Fernández Guevara	Operations Centers Officer	4	50	28
Adeodato Carbajal Orozco	Assistant Director of Finance	8	31	8
Vicente Gutiérrez Mayo	Investor Relations Manager	1	27	1

On average, our principal officers have 14 years of experience in the Mexican financial services industry. Set forth below is biographical information for each of our principal officers.

Noel Gonzaléz Cawley. See "Board of Directors."

Benito E. Pacheco Zavala was born in 1948. Mr. Pacheco has a public accounting degree from the Escuela Bancaria y Comercial. Mr. Pacheco has extensive internal audit experience with financial institutions, including his prior membership and work with the Accounting Principles Committee of the Instituto Mexicano de Contadores Públicos. Mr. Pacheco currently serves as our internal auditing officer.

Mónica Patricia Aznar Pérez was born in 1959. Ms. Aznar has a degree in Psychology from the Universidad de las Américas, Puebla and an AD-1 degree from Instituto Panamericano de Alta Dirección de Empresa—IPADE. Ms. Aznar has devoted more than twenty years in the area of human resources and ten years in the financial sector. She has served more than five years as President of the Human Resources Committee of the Asociación Mexicana de Entidades Financieras Especializadas and currently serves as our human resources officer.

Gerardo Chávez Cervantes was born in 1957. Mr. Chávez has a Bachelor's degree in Business Administration from the Universidad Iberoamericana. He has worked in sales and marketing positions for Nestlé México, S.A. de C.V., The Coca-Cola Export Corporation, BBVA Bancomer S.A. and Afore Garante, S.A. de C.V. For the past ten years, Mr. Chávez has specialized in leading large sales groups and has served since January 2002 as our commercial officer.

Juan García Madrigal was born in 1968. He holds a C.P.A. from the Escuela Superior de Comercio and a Bachelor's degree in Business Administration from Instituto Politécnico Nacional, as well as two M.B.A.s, one from the Instituto Politécnico Nacional and the other from Instituto Panamericano de Alta Dirección de Empresa—IPADE. Mr. García has eighteen years of experience in the financial services industry, including seven years service as Comptroller at Crédito Familiar. Currently, Mr. García occupies the role of management and finance officer for us and he has also worked as an auditing officer.

Fernando Esteban Lavín was born in 1958. Mr. Esteban holds a Bachelor's degree in Business Administration from the Universidad Iberoamericana. He has more than twenty years experience with multinational companies. Currently, Mr. Esteban is our strategic planning officer.

Héctor Eguiarte Sakar was born in 1955. Mr. Eguiarte has a Bachelor's degree in Industrial Engineering from the Universidad Iberoamericana. He worked as our regional manager since 1994 and became our Credit and Collection Officer in 1999. Mr. Eguiarte has participated as a speaker in various seminars on finance and credit.

Jose Alberto Pérez de Acha was born in 1970. He holds a Bachelor's degree in Industrial Engineering from the Universidad Panamericana and a masters in business administration (M.B.A.) from Instituto Panamericano de Alta Dirección de Empresa—IPADE. Mr. Pérez has more than sixteen yeas of experience in the design, development and implementation of information systems in the financial sector. He currently serves as our chief information officer.

Luis Miguel Fernández Guevara was born in 1957. He has a Bachelor's degree in Business Administration from the Universidad Iberoamericana. Mr. Fernández has twenty-five years of experience in the financial sector and currently serves as our operations centers officer.

Adeodato Carbajal Orozco was born in 1976. He holds a Bachelor's degree in accounting from the Universidad Nacional Autónoma de México—UNAM, a Tax specialist degree from the Universidad Panamericana, and a masters degree in business and economics from the Universidad Anahuac A.C. He is a member of the Comisión de Finanzas y Contabilidad del Colegio de Contadores Públicos de México. Mr. Carbajal worked for three years as an accountant in the manufacturing sector in Mexico. Currently he serves as our assistant director of finance.

Vicente Gutiérrez Mayo was born in 1979. He holds a Bachelor's degree in Business Administration and finance from the University of Texas, San Antonio. Mr. Gutiérrez worked for Pepsi Bottling Group México where he served in several financial planning positions. He currently serves as our investor relations manager and has also worked as our financial planning manager.

Compensation of Directors, Principal Officers and their Related Persons

For 2006, the aggregate amount of compensation paid to our directors, principal officers and their related persons was approximately Ps.74.2 million, including both fixed (wages and salaries) and variable (performance and legally-required year-end bonuses) compensation.

Members of our board of directors, including the chairman, receive compensation in cash per meeting attended in the amount of Ps.11,408.

Stock Option Plan

Simultaneously with this offering, we created a stock option plan for our employees and management. The SOP Trusts are trusts created by two of our subsidiaries, Prosefindep and Ejecutivos Santa Fé, with a Mexican banking institution pursuant to Mexican law. The identity and number of officers and other employees included as beneficiaries under our stock option plan have not been established. Our board of directors expects to determine, with the prior approval of our audit and corporate practices committee, the beneficiaries under our stock option plan as well as the number of shares that each beneficiary will be entitled to purchase. See "Employees and Labor Relations—Stock Option Plan."

Share Ownership

Messrs. José Luis Rión Santisteban, Roberto Alfredo Cantú López, Horacio Altamirano González, Noel González Cawley, Carlos Morodo Santisteban and Guillermo Daniel Barroso Montull are the only members of our management that are beneficial indirect holders of more than 1% of our capital stock and, prior to the offering they are collectively the beneficial indirect holders of approximately 42.8% of our capital stock. After this offering, these principal officers will be the indirect holders of approximately 35.8% of our capital stock.

PRINCIPAL AND SELLING SHAREHOLDERS

The Control Trust and the Minority Trust are offering and selling up to Shares and Shares in this offering, respectively, assuming the exercise of the over-allotment option. It is expected that following the global offering, and assuming exercise of the over-allotment options, the Control Trust and the Minority Trust will own 373,352,000 shares and 43,649,000 shares of our capital stock, respectively. See "Risk Factors—Actions by our principal shareholders may conflict with our interests."

The table below sets forth certain information regarding the pre- and post-offering ownership of our capital stock. There are no voting limitations on or preferential voting rights with respect to our Shares. Moreover, holders of at least 10% of our outstanding capital stock are entitled to appoint one member of the board of directors for each 10% of our outstanding capital stock owned by such holders.

					Shares sold in this offering				Shares owned after the global offering			
	Shares owned prior to the global offering[(1)]		Newly issued shares		(assuming no exercise of the over-allotment option)		(assuming exercise of the over-allotment option)		(assuming no exercise of the over-allotment options)		(assuming exercise of the over-allotment options)	
Owner	**Number**	**%**	**%**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Banco J.P. Morgan, S.A., Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria as trustee of Trust No. F/ 00474[(2)] (Control Trust)	436,851,000	68.8			29,769,350	4.4	41,274,350	6.1	391,052,000	57.5	373,352,000	54.9
Banco J.P. Morgan S.A., Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria as trustee of Trust No. F/ 00479[(3)] (Minority Trust)	71,150,000	11.2			17,875,650	2.6	17,875,650	2.6	43,649,000	6.4	43,649,000	6.4
HSBC Overseas	126,999,000	19.9			0	0	0	0	126,999,000	18.7	126,999,000	18.7
Public float	0	0			0	0	0	0	118,300,000	17.4	136,000,000	20.0
Treasury stock	0	0	45,000,000	6.6					0	0	0	0
Total	635,000,000	100.0	45,000,000	6.6	47,645,000	7.0	59,150,000	8.7	680,000,000	100.0	680,000,000	100.0

(1) As of September 30, 2007.
(2) This trust is controlled by Mr. José Luis Rión Santisteban.
(3) This trust is controlled by Mr. Noel González Cawley.

The only individuals that indirectly hold more than 5% of our capital stock are Mr. José Luis Rión Santisteban, Mr. Noel González Cawley and Ms. Ángeles Quintanal de Cantú.

Control Trust

Prior to the offering, certain of our shareholders (José Luis Rión Santisteban, Ángeles Quintanal de Cantú, Carlos Morodo Santisteban, Roberto Alfredo Cantú López and Ana Cristina Cantú Quintanal) transferred their shares to the Control Trust created with Banco J.P. Morgan, S.A. Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria, a Mexican banking institution, acting as trustee. The Control Trust is one of the selling shareholders in this offering and is intended to serve as a mechanism to consolidate the vote of the shareholders that transferred their shares to this trust. Pursuant to the terms of the Control Trust, Mr. José Luis Rión Santisteban is vested with the right to direct to the trustee with instructions to exercise its voting rights as our shareholder. Mr. José Luis Rión Santisteban also has preemptive rights to acquire the beneficiary rights of the other beneficiaries of the Control Trust. Pursuant to the terms of the Control Trust, the trustee is obligated to comply with all rights and obligations of the Original Shareholders under the Subscription Agreement (as amended by the Letter Agreement), as further described below.

Minority Trust

Prior to the offering, certain of our shareholders (Horacio Altamirano González, Noel González Cawley, Guillermo Daniel Barroso Montull, Roberto Fitzpatrick Fiorentini, Héctor Heguiarte Sakar, Gerardo Chávez Cervantes, José Alberto Perez de Acha, Gabriel Gallardo D'Aiuto, Rodrigo Aguilar Ruiz, Julio A. Hernández Gática, and Mónica Patricia Aznar Pérez), transferred their shares to the Minority Trust created with Banco J.P. Morgan, S.A. Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria, a Mexican banking institution, acting as trustee. The Minority Trust is one of the selling shareholders in this offering and is intended to serve as a mechanism to consolidate the vote of the shareholders that transferred their shares to this trust. Pursuant to the Minority Trust, Mr. Noel González Cawley is vested with the right to direct to the trustee with instructions to exercise its voting rights as our shareholder. Even though Mr. José Luis Rión Santisteban is not a party to the trust agreement creating the Minority Trust, pursuant to the provisions of such trust agreement, he has preemptive rights to acquire the beneficiary rights of the beneficiaries of the Minority Trust. Pursuant to the terms of the Minority Trust, the trustee is obligated to comply with all rights and obligations of the Original Shareholders under the Subscription Agreement (as amended by the Letter Agreement), as further explained below.

Agreements with Grupo Financiero HSBC, S.A. de C.V.

Effective June 2006, HSBC Overseas became our strategic investor through its acquisition of a 19.99% equity interest in us. One member of our board of directors is appointed by HSBC Overseas. See "Management—Board of Directors."

On March 30, 2006, we entered into a certain Amended and Restated Transfer Restriction, Call Option and Subscription Agreement, which we refer to as the Subscription Agreement, with Grupo Financiero HSBC, José Luis Rión Santisteban, Carlos Morodo Santisteban, Enrique Morodo Santisteban, Roberto Alfredo Cantú Lopez, Horacio Altamirano Gonzalez, Hector A. Rodríguez Acosta, Noel González Cawley, Guillermo Barroso Montull, Roberto Fitzpatrick Fiorentini, Héctor Eguiarte Sakar, Gerardo Chávez Cervantes, José Alberto Pérez de Acha, Gabriel Gallardo D'Aiutó, Rodrigo Aguilar Ruiz, Julio A. Hernández Gatica, Angeles Quintanal de Cantú, Ana Cristina Cantú Quintanal, and Monica Patricia Aznar Pérez, whom (with the exception of Enrique Morodo Santisteban and Héctor A. Rodríguez Acosta) we refer to as the Original Shareholders. Pursuant to the terms of the Subscription Agreement, and as a qualified affiliate of Grupo Financiero HSBC, HSBC Overseas assumed the rights and obligations of Grupo Financiero HSBC under the Subscription Agreement and, accordingly, subscribed 19.99% of our capital stock.

Pursuant to the Subscription Agreement (as amended by a certain Letter Agreement dated September 26, 2007), Grupo Financiero HSBC, either directly or through HSBC Overseas, has certain rights with respect to shares of our capital stock (other than Shares being offered in Mexico and in this offering) contributed to the Control Trust and the Minority Trust, including but not limited to the following:

- subject to certain preemptive rights of Mr. José Luis Rión Santisteban under the Control Trust and the Minority Trust, a right of first refusal to purchase any shares of our capital stock that the Original Shareholders wish to transfer;
- a tag-along right (to which the Original Shareholders are also entitled in the event of a sale by HSBC Overseas of its equity interest in us) to join the selling party in any sale of shares of our capital stock, proposed to a third party;
- subject to certain preemptive rights of Mr.Rión under the Control Trust and the Minority Trust, a right of preemption to subscribe any new shares of our capital stock, not subscribed by the Original Shareholders during a period of six years commencing on October 28, 2005; and
- a call and reverse call option over the shares of our capital stock during each call exercise period (each call exercise period begins on the first business day of May and ends on the last business day of May of each of 2008, 2009, 2010 and 2011), whereby:
  - (i) each of HSBC Overseas and the Original Shareholders (acting jointly), have the right at any time, but no more than once during each call exercise period, to request that the other party sell to it no less than all of the shares then owned by such party; and
  - (ii) the party receiving such request (HSBC Overseas and the Original Shareholders, acting jointly, as the case may be) would then have right to determine whether it wishes to either (a) sell to the other party all of its shares, or (b) purchase from the other party all of such party's shares in both cases at the price proposed by the party that requested the sale. See "Risk Factors—Actions by our principal shareholders may conflict with your interests."

Banco J.P. Morgan, S.A., Institución de Banca Múltiple, J.P. Morgan Grupo Financiero, División Fiduciaria, as trustee with respect to the shares contributed to the Control Trust and the Minority Trust by the Original Shareholders has assumed the obligation to comply with the terms of the Subscription Agreement, as amended.

RELATED PARTY TRANSACTIONS

In the ordinary course of business we engage in a variety of transactions with certain of our affiliates and related parties. All material transactions between us or any of our affiliates or related parties will be evaluated by our board of directors, with the prior opinion of our audit and corporate practices committee, in accordance with and subject to the exceptions set forth in the LMV and our by-laws. These transactions are subject to prevailing market conditions and transfer pricing regulations under Mexican tax law.

Set forth below is a description of related party transactions that our management believes are or were material to us and that have been entered into by us during the past three years.

For additional information about transactions with related parties and affiliates, see note 11 to our audited financial statements included elsewhere in this offering circular.

Revolving Line of Credit with HSBC Mexico

On October 28, 2005, we entered into a line of credit with HSBC Mexico for an aggregate amount of Ps.1,500 million. On January 10, 2006 and April 26, 2007, such agreement was amended in order to, among other things, increase the credit line to Ps.2,000 million. As of June 30, 2007, we had Ps.1,549.2 million outstanding under this loan. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." For purposes of the General Law of Auxiliary Credit Activities and Organizations, neither HSBC Mexico nor Grupo Financiero HSBC is deemed to have any corporate relationship with us, as neither of such entities holds, directly or indirectly, shares of our capital stock.

Amended and Restated Transfer Restriction, Call Option and Subscription Agreement

On March 30, 2006, we entered into certain Amended and Restated Transfer Restriction, Call Option and Subscription Agreement, or the Subscription Agreement, with Grupo Financiero HSBC and the Original Shareholders. Pursuant to the Subscription Agreement, and as a "qualified affiliate" (as defined therein) of Grupo Financiero HSBC, HSBC Overseas assumed the rights and obligations of Grupo Financiero HSBC in respect to the subscription of 19.99% under the Subscription Agreement. On September 26, 2007, the parties to the Subscription Agreement executed a certain Letter Agreement whereby certain provisions of the Subscription Agreement where amended or waived in contemplation of this offering. See "Principal and Selling Shareholders—Agreements with Grupo Financiero HSBC, S.A. de C.V."

Other Transactions with Subsidiaries

On October 1, 2004, we entered into a service agreement with our subsidiary Servicios de Cambaceo, S.A. de C.V., or Cambaceo. Pursuant to the terms of this agreement, Cambaceo provided technical services related to promotion and sales, marketing and advertising to us. Services were paid on a monthly basis in an amount equal to the commissions accrued by agents plus Ps.30,000.00 and value added tax, or VAT. This agreement was amended and restated on February 3, 2006, and pursuant to the new terms of the agreement Cambaceo provides administrative, accounting, legal and computer systems consulting services and technical services related to promotion, sales and marketing. Services are paid on a monthly basis in an amount equal to the commissions accrued by agents plus Ps.30,000.00 and VAT.

On January 1, 2004, we entered into a service agreement with Prosefindep. Pursuant to the terms of this agreement, Prosefindep provided administrative, accounting, legal, collection, computer systems and marketing services to us. Services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus Ps.300,000 for 2004 and Ps.500,000 thereafter, and VAT. This agreement was amended and restated on February 3, 2006. Pursuant to the new terms of the agreement Prosefindep provides administrative, accounting, legal, sales, computer systems and advertising services to us. Services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus Ps.580,000 and VAT.

On May 15, 2005, we entered into a service agreement with our subsidiary Santa Fé Post, S.A. de C.V., or Santa Fé Post. Pursuant to this agreement, Santa Fé Post provides stationery and messenger services to us. We pay for these services monthly on the basis of Santa Fé Post's rates and prices effective at the time the services are rendered. The term of this agreement is indefinite.

On June 14, 2005, we entered into a service agreement with our subsidiary Conexia. Pursuant to this agreement, Conexia provides collection and telephone verification services to us. Services are paid on a monthly basis based on an hourly or per minute rate depending on the type of service provided.

On August 1, 2007, we entered into a service agreement with our subsidiary Ejecutivos Santa Fé. Pursuant to this agreement, Ejecutivos Santa Fé provides administrative, accounting, legal, sales, computer systems and marketing services to us. Services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 10% and VAT.

Other Transactions with Related Parties

On January 1, 2004, SF Independencia entered into a service agreement with Mr. José Luis Rión Santisteban, one of our shareholders. Pursuant to this agreement Mr. Rión provided strategic financial planning, assistance in administrative, securities and consulting services to us. Services were paid on an annual basis in an amount equal to Ps.11,514,178 and VAT minus income tax and VAT withholding. This agreement was amended and restated on January 1, 2005, when we entered into a similar service agreement with Mr. Rión. Services were paid on an annual basis in an amount equal to Ps.14,400,000 and VAT minus income tax and VAT withholding. This agreement was amended and restated again on February 3, 2006. Services were paid on an annual basis in an amount equal to Ps.18,175,000 and VAT minus income tax and VAT withholding. This agreement was amended and restated again on January, 2007, and services provided by Mr. Rión thereunder and for the six months ended June 30, 2007, were compensated on an amount equal to Ps.9,365,000 and VAT minus income tax and VAT withholding. As a result of the merger of SF Independencia into Serfincor, this agreement was terminated. We expect either Serfincor or Ejecutivos Santa Fé to enter into a new agreement with Mr. Rión for these services in terms and conditions similar to those under the pervious agreements with SF Independencia.

On January 1, 2004, our subsidiary Prosefindep entered into a service agreement with Asociación de Condóminos Plaza Reforma, A.C., or Plaza Reforma, an entity controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provided administrative, accounting, legal, sales, computer systems and marketing services. Services were paid on a monthly basis and in an amount equal to the monthly payroll of active employees plus 5% and VAT. This agreement was amended and restated on February 3, 2006. Pursuant to the new terms of the agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis and in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On January 1, 2004, our subsidiary Prosefindep entered into a service agreement with Asociación de Condóminos Montes Urales No. 632, A.C., an entity controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provided administrative, accounting, legal, sales, computer systems and marketing services. Services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. This agreement was amended and restated on February 3, 2006. Pursuant to the new terms of the agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On January 1, 2004, our subsidiary Prosefindep entered into a service agreement with Asociación de Condóminos Vasco de Quiroga No.2121, A.C., an entity controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provided administrative, accounting, legal, sales, computer systems and marketing services. These services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. This agreement was amended and restated on February 3, 2006. Pursuant to the new terms of the agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These Services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On January 1, 2004, our subsidiary Prosefindep entered into a service agreement with Multiva México, S.A. de C.V., a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On February 4, 2004, our subsidiary Prosefindep entered into a service agreement with Mr. José Luis Rión Santisteban, one of our shareholders. Pursuant to this agreement, Mr. Rión provided strategic financial planning, assistance in administrative and consulting services to us. Services were paid on a monthly basis in an amount equal to Ps.200,000 and VAT. That agreement was amended and restated on February 3, 2006, when we entered into a similar service agreement with Mr. Rión. Services were paid on a monthly basis in an amount equal to Ps.580,000 and VAT. This agreement was amended and restated on January 1, 2007. We currently pay Mr. Rión for these services on a monthly basis in an amount equal to Ps.675,000 and VAT.

On April 1, 2004, our subsidiary Prosefindep entered into a service agreement with ADEF, S.A. de C.V., or ADEF, a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provided administrative, accounting, legal, sales, computer systems and marketing services. These services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. This agreement was amended and restated on February 3, 2006. Pursuant to the new terms of the agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On February 3, 2006, our subsidiary Prosefindep entered into a service agreement with Asociación Condóminos Torre Picaso, A.C., an entity controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis and in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On February 3, 2006, our subsidiary Prosefindep entered into a service agreement with Asociación Corporativo Parque Santa Fé, S.A. de C.V., a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On February 3, 2006, our subsidiary Prosefindep entered into a service agreement with Impulsora Corporativa de Inmuebles, S.A. de C.V., or Impulsora, a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On February 3, 2006, our subsidiary Prosefindep entered into a service agreement with Operadora Deportiva de Cancún, S.A. de C.V., a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On February 3, 2006, our subsidiary Prosefindep entered into a service agreement with Promotora de Deportes Cancún, S.A. de C.V. a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Prosefindep provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On July 11, 2007, our subsidiary Ejecutivos Santa Fé entered into a service agreement with Impulsora, a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement Ejecutivos Santa Fé provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT. The term of this agreement is indefinite.

On July 1, 2007, we entered into a sublease agreement with Jorisa, a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement, Jorisa (as sub-lessor) leases office space for our corporate headquarters. We pay monthly rent equal to US$63,434.75 and VAT. The term of this agreement is indefinite.

On July 11, 2007, our subsidiary Ejecutivos Santa Fé entered into a service agreement with ADEF, a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement Ejecutivos Santa Fé provides administrative, accounting, legal, sales, computer systems and marketing services. These services are paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT.

Prior Transactions with Related Parties

Set forth below is a description of related party transactions in effect during the past three years. As of the date of this offering circular, these agreements are no longer in effect.

On January 1, 2004, SF Independencia entered into a service agreement with Multiva México, S.A. de C.V., a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement SF Independencia provided administrative, accounting, legal, sales, computer systems and marketing services. These services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% plus VAT. As a result of our corporate reorganization, SF Independencia was merged into Serfincor. See "Our Busines—Corporate Reorganization."

On January 1, 2004, we entered into a service agreement with our subsidiary SF Independencia. Pursuant to this agreement, SF Independencia provided administrative, accounting, legal, sales, computer systems and advertising services to us. Services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 10% and VAT. This agreement was amended and restated on February 3, 2006, and pursuant to the new terms of the agreement, SF Independencia provided administrative, accounting, legal, sales, computer systems and marketing services to us. Services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 10% and VAT.

On February 3, 2006, SF Independencia entered into a service agreement with Impulsora, a company controlled by Mr. José Luis Rión Santisteban. Pursuant to this agreement SF Independencia provided administrative, accounting, legal, sales, computer systems and marketing services. These services were paid on a monthly basis in an amount equal to the monthly payroll of active employees plus 5% and VAT.

On February 3, 2006, we entered into a service agreement with our subsidiary Conexia Servicios. Pursuant to this agreement, Conexia Servicios provided consulting services related to administrative, accounting, legal, sales, computer systems and advertising. Services were paid through commissions accrued by agents plus Ps.80,000 and VAT. As a result of our corporate reorganization, Conexia Servicios was merged into Serfincor. See "Our Busines—Corporate Reorganization."

DESCRIPTION OF OUR SHARE CAPITAL AND BY-LAWS

Information about our share capital and By-laws is set forth below. The description summarizes certain principal provisions of our amended and restated By-laws, which were adopted through unanimous shareholders' resolutions on October 18, 2007 and which will be in effect upon the registration of our Shares with the RNV of the CNBV in order to reflect certain provisions applicable to us pursuant to the LMV governing Mexican publicly-traded corporations. See "The Mexican Securities Market—Market Regulation and Registration Standards." This description does not purport to be complete and is qualified in its entirety by reference to our By-laws and Mexican law. Unless otherwise indicated, this description gives effect to our capitalization upon the completion of this offering and the restatement of our By-laws.

Incorporation

We were incorporated under the laws of Mexico as Independencia, S.A. de C.V., Sociedad Financiera de Objeto Limitado (Sofol), on July 22, 1993. On October 27, 1994, we amended our By-laws to change our name to Financiera Independencia, S.A. de C.V. (Sofol). We became a Sofom on December 19, 2006 under the name Financiera Independencia, S.A. de C.V, Sofom, E.N.R. Accordingly, on October 18, 2007, we restated and amended our By-laws in order to adopt certain provisions of the LMV that are applicable to us as a Mexican publicly traded corporation listed in a Mexican stock market. Our corporate domicile is in México City, Federal District, México. Copies of our By-laws have been filed with the CNBV and with the Mexican Stock Exchange and are available in Spanish for inspection at the Mexican Stock Exchange premises, and at the Mexican Stock Exchange's website: http://www.bmv.com.mx.

Duration

Our By-laws provide for our company to have an indefinite term of duration.

Corporate Purpose

Our broad corporate purpose, as set forth in our By-laws, is to engage in the professional business of granting loans and, generally, to act as lender in credit transactions.

Outstanding Capital Stock and Voting Rights

We are a public limited liability corporation with variable capital (*sociedad anónima bursátil de capital variable*) and as result, our stock is divided into "fixed" (identified as Class "I" with variable capital shares) and "variable" (identified as Class "II" shares) full voting common shares. Any increase or decrease in the minimum fixed capital portion of our stock must be approved by an extraordinary shareholders meeting, and our By-laws must be amended to reflect such approval. Any increase or decrease in the variable portion of our capital must be approved by an ordinary general shareholders' meeting and does not require an amendment to our By-laws. As of the date of this offering circular, our total capital stock consists of 635,000,000 outstanding full voting common shares with no par value divided into fixed and variable capital shares. We have 200,000,000 outstanding full voting common Class "I" shares with no par value, representing the fixed portion of our capital stock. We have 435,000,000 outstanding full voting common Class "II" with no par value, representing the variable portion of our capital stock.

The description of our capital stock set forth above reflects both (i) the 1000-for-1 shares stock split of the shares of our common stock, and (ii) the reclassification of 200,000,000 common shares corresponding to the fixed portion of our capital stock into common shares corresponding to the variable portion of our common stock, in each case pursuant to the unanimous shareholders' resolutions adopted on October 18, 2007.

All of our shares are issued, subscribed, paid-in and outstanding as follows:

Minimum Fixed Capital	Variable Capital	Total Capital
200,000,000 full voting common Class "I" shares	435,000,000 full voting common Class "II" shares	635,000,000 common shares

We may in the future issue additional capital stock. We may also issue shares with limited voting rights or shares which do not entitle its holder to any vote. Such shares may represent up to 25% of our publicly-traded capital stock and may be issued with the prior authorization of the CNBV. The limitations that may be imposed on the voting rights of these shares include, among others, limiting the vote of holders of these shares to matters related to a change of corporate purpose, merger, spin-off, transformation, dissolution or liquidation. As of the date of this offering circular, no limited voting shares had been issued and none were outstanding.

As of June 30, 2007, our outstanding common stock consisted of 635,000 full voting common shares, with no par value fully subscribed and paid.

Changes in Our Capital Stock and Capital Increase Preemptive Rights in our By-laws

Except for certain exceptions relating to shares maintained in our treasury and the repurchase of shares pursuant to the rules set forth in the LMV, any increase or reduction in the fixed or variable portion of our capital stock must be approved by a resolution of the majority of our shareholders present at a general extraordinary or ordinary shareholders meeting, respectively. In the event of an increase in our capital stock (except for public offerings of shares or re-sales of shares maintained in our treasury as a result of repurchases of shares conducted pursuant to the rules set forth in the LMV), our shareholders have the right to subscribe and pay for new shares issued as a result of such increase in proportion to their shareholding interest at that time. See "Share Repurchases."

In addition, our By-laws provide that any transaction made by any person or a group of persons in order to acquire 9.99% or more of our outstanding shares requires previous authorization by the board of directors. This authorization is also required to enter into agreements that would result in a joint exercise of voting rights equal to or in excess of 9.99%, or any multiple of 9.99%, of our capital stock. In the event such transactions do not comply with these requirements, the relevant shareholders would be prevented from exercising their respective corporate rights, including without limitation, their voting rights.

Pursuant to our By-laws, the entities directly or indirectly controlled by us will not be entitled to directly or indirectly acquire shares or any other negotiable instrument representing our shares, unless such shares are acquired through an investment company (*sociedad de inversión*).

Shareholders' Meetings and Quorum

Pursuant to our by laws, we may hold ordinary, extraordinary and special shareholders' meetings. Ordinary shareholders' meetings are held to discuss any issue not reserved for an extraordinary shareholders' meeting and to approve any transactions entered with respect to any entity controlled by us that, during a fiscal year, exceeds 20% or more of our consolidated assets pursuant to the latest quarter financial statements. An annual general ordinary meeting of our shareholders must be called and held within the first four months following the end of each fiscal year to discuss, among other things, the board of director's report on our financial statements, the appointment of members of the board of directors, if any, the declaration of dividends and the determination of compensation for members of the board of directors.

Extraordinary shareholders' meetings are called to discuss any of the matters provided for in Article 182 of the LGSM, such as a change in corporate purpose, mergers, spin-offs, transformation, dissolution or liquidation, amendments to our By-laws and any other matters for which our By-laws require an extraordinary meeting.

In addition, special shareholders' meetings may be held by shareholders of the same series or class to consider a matter specifically affecting the relevant series or class of shares.

Pursuant to our By-laws, the attendance quorum required for an ordinary shareholders' meeting on first call is at least 50% of our outstanding shares. Resolutions are passed when adopted by the holders of the majority of the shares represented in the relevant ordinary meeting. For second and subsequent calls, no minimum attendance quorum is required and resolutions are passed when adopted by the majority of the shares represented in the meeting. The minimum attendance quorum required for an extraordinary shareholders' meeting on first call is 75% of our outstanding shares and resolutions are passed when adopted by holders of at least 50% of our outstanding shares; on second and subsequent calls, the minimum attendance quorum is at least 50% of our outstanding shares and resolutions are valid when adopted by at least 50% of such outstanding shares.

Notice of a shareholders' meeting must be given to shareholders at least 15 days in advance of such meeting. As required by Mexican law, our By-laws require that all information relating to the matters to be discussed at a shareholders' meeting be made available from the date on which notice of the meeting is given.

Rights of Minority Shareholders

Our By-laws provide protections for minority shareholders. These minority shareholders' rights are those required to be granted by SABs pursuant to the LMV. See "The Mexican Securities Market—Minority Shareholders' Protections."

Information to Shareholders

The board of directors is responsible for presenting at the general ordinary shareholders' meeting the following information: (i) reports from the audit and corporate practices committee previously presented to the board of directors, (ii) the main results from their review of the company's (and if applicable, its subsidiaries) financial statements, (iii) the external auditor's report, (iv) the board of directors' opinion with respect to the chief executive officer's report previously presented to the board of directors, (v) a report that explains the main policies and accounting criteria used in the preparation of the company's financial statements, and (vi) a report describing all transactions where the board of directors participated in accordance with the LMV.

Our annual audited financial statements and our unaudited quarterly financial statements must be disclosed pursuant to the LMV's general guidelines and conditions set forth by the CNBV and are available to the public at the Mexican Stock Exchange's website. We are also required to file an annual report with the Mexican Stock Exchange also available at the Mexican Stock Exchange's website.

Appointment of Directors

The LMV, established that board of directors of publicly traded companies shall be comprised of a maximum of 21 members, of which at least 25% must be "independent". The general shareholders' meeting is entrusted to appoint the directors and an alternate for each director, which in the case of independent directors, such alternate directors shall also qualify as independent.

Our board of directors consists of twelve directors, who were appointed through unanimous shareholders' resolutions on October 18, 2007. Twenty-five percent of the board of directors' seats are comprised of directors who meet the LMV´s definition of independent.

Under Mexican law See "The Mexican Securities Market—Minority Shareholders' Protections" and our By-laws, any holder or group of holders owning 10% or more of our paid-in ordinary capital stock is entitled to appoint a director. The election of a minority shareholder director appointed by minority shareholders may only be revoked upon revocation of the appointment of all other members of the board.

The board of directors is required to meet at least quarterly and at any time when called by the chairman of the board of directors, the audit and corporate practices committee or by 25% or more of the directors.

The attendance quorum required for a meeting of the board of directors is, at least, the majority of the directors; provided that such majority is not comprised of alternate directors. The board of directors' resolutions require a positive vote by at least 50% of the directors present at the meeting. The chairman of the board of directors is vested with a tie-breaking vote.

Authority of the Board of Directors

Our By-laws provide that the board of directors is vested with, among others, the power to determine our business strategies and oversee the management and guidance of the company and its subsidiaries, based on the relevance that the subsidiaries have with respect to the financial, administrative and legal status of the company. This broad authority includes the appointment and removal of the chief executive officer, as well as the determination of the company's compensation policy for the chief executive officer and other senior officers. For a more detailed description of the authority and duties of our board of directors, See "The Mexican Securities Market—Minority Shareholders' Protections."

Authority of the Chief Executive Officer

Our By-laws provide that our chief executive officer is vested with the power to manage, conduct and execute our business objectives, in accordance with the strategies, policies and guidelines determined and approved by our board of directors. To fulfill this responsibility, our chief executive officer is vested with authority in connection with acts of administration, lawsuits, collections and, with several limitations, the authority to dispose of property (in accordance with the guidelines provided by our board of directors). Our chief executive officer is responsible for, among other matters: (i) implementing the resolutions of the shareholders meetings and the board of directors, in accordance with the instructions they each provide, (ii) disclosing relevant information and events that should be disclosed to the public in accordance with the provisions of the LMV, (iii) verifying that all capital contributions have been made, (iv) complying with the requirements imposed by the law or by our By-laws in connection with dividends paid to our shareholders and (v) preparing and submitting to the board of directors the reports, business strategies and other information required by the LMV.

Audit and Corporate Practices Committee

We have a single audit and corporate practices committee (*comité de auditoría y prácticas societarias*) comprised of three members of our board of directors all of which are independent. The chairman of this committee may only be appointed or removed by the general ordinary shareholders meeting. The audit and corporate practices committee's responsibilities include, among others:

(a) *Auditing responsibilities*: supervising our outside auditors, analyzing the audit reports prepared by our accountants, informing the board of directors with respect to existing internal controls, supervising related party transactions, requiring our executives to prepare reports when necessary, informing the board of any irregularities that it encounters, supervising the activities of our executives, and providing an annual report to the board of directors. The audit and corporate practices committee also assists the board of directors in analyzing the determination of the company's compensation policy for the chief executive officer and other senior officers.

(b) *Corporate practices responsibilities*: giving opinions to the board of directors with respect to management practices and operations, requesting and obtaining opinions from independent third-party experts, calling shareholders' meetings, providing assistance to the board in the preparation of annual reports, and submitting an annual report to the board of directors.

Dividends

Our By-laws provide that the declaration and payment of dividends are determined, subject to the limitations set forth above, by the affirmative vote of a majority of the outstanding shares of our capital stock represented at a general ordinary shareholders' meeting. See "Dividends and Dividend Policy."

Registration and Transfer

We have filed an application to register all of our shares with the RNV, in accordance with Mexican securities law requirements.

Pursuant to the LMV and our By-laws, our shares must be deposited with Indeval at all times. Our shareholders may hold such shares directly or indirectly, in book-entry form, through institutions that have accounts with Indeval. Indeval is the holder of record with respect to all such shares held in book-entry form. Indeval will issue certificates on behalf of our shareholders upon request. We maintain a stock registry and only those persons listed in such stock registry, and those holding certificates issued by Indeval and any relevant Indeval participants indicating ownership, are recognized as our shareholders.

Share Repurchases

Pursuant to the LMV and our By-laws, we are entitled to temporarily repurchase shares representing our capital stock, provided that while such shares are owned by us, no voting or other related rights may be exercised at a shareholders' meeting or otherwise.

The LMV provides that repurchase of our shares shall only be made when complying with, among other requirements, the following rules: (i) it must be made through a Mexican securities market, at market prices (except for public offers and authorized auctions); and (ii) if the purchase is made against our stockholders' equity (*capital contable*) or our capital stock (*capital social*), provided that the company is not in default under any debt securities registered with the RNV. Accordingly, through unanimous shareholders' resolutions adopted on October 18, 2007, our shareholders approved the application of a maximum amount equivalent to our net earnings (included retained earnings) as of December 31, 2006 to repurchase from time to time during 2007 our shares in accordance with the applicable rules.

TAXATION

Mexican Taxation

The following summary contains a description of the material anticipated Mexican Federal Income Tax consequences of the acquisition, ownership and disposition of the Shares by a holder of such Shares, and it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Shares. In addition, the summary does not address any U.S., or other country or Mexican state or local tax considerations that may be relevant to any holder.

The summary is intended to be for general information purposes only, and is based upon the Federal Income Tax Law of Mexico as in effect on the date of this offering circular, all of which are subject to change.

Prospective investors in the Shares should consult their own tax advisors as to the U.S., Mexican or other tax consequences of the purchase, ownership and disposition of the Shares including, in particular, the effect of any foreign, state or local tax laws, and their entitlement to the benefits, if any, afforded by a treaty to avoid double taxation.

For purposes of this summary, the term "non-Mexican holder" shall mean a holder that is not a resident of Mexico for tax purposes, and that will not hold the Shares, or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment or fixed base in Mexico.

Individuals and entities which are deemed Mexican residents are obligated to pay income tax in respect of all their revenues, regardless of the location of the source of wealth from which such revenues proceed.

In the case of non-resident individuals and entities they are obligated to pay such tax when: i) having a permanent establishment in this country, in respect of all revenues attributable to said permanent establishment or, ii) in respect of revenues proceeding from sources of wealth located in Mexico, when such person does no have a permanent establishment in Mexico or when he/she does have it, said revenues are not attributable to it.

For purposes of Mexican taxation:

- an individual is resident of Mexico for tax purposes if he/she has established his/her home in Mexico. When the individual in question has a home in Mexico and in another country, the individual will be deemed a resident in Mexico for tax purposes if his/her core of vital interests (*centro de intereses vitales*) is located within Mexican territory. This will be deemed to occur if (i) more than 50% of the individual's aggregate annual income derives from Mexican source, or (ii) the main center of his/her professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which his/her income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years;
- unless otherwise proven, a Mexican national individual is deemed a resident of Mexico for tax purposes. An individual is also resident of Mexico for tax purposes if he/she is a state employee, regardless of the location of the individual's core of vital interests; and
- a legal entity is resident of Mexico for tax purposes if it maintains the principal administration of its business, or the place of effective management in Mexico.

Taxation on Dividends

Under the provisions of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), dividends paid to Mexican resident or non-resident holders with respect to the Shares will not be subject to Mexican income tax withholding or any similar tax.

Dividends paid from distributable earnings, after corporate income tax has been paid with respect to these earnings, are not subject to any further income taxation upon distribution. Conversely, dividends paid from distributable earnings that have not yet been subject to corporate income tax are subject to an issuer-level dividend tax at a rate of 28%, on a grossed up basis upon distribution.

Taxation on Capital Gains

Gain on the sale of Shares by a Mexican individual or by a non-resident holder will generally not be subject to Mexican Income Tax if the transaction is carried out through the Mexican Stock Exchange or other stock exchange or securities markets holding concession under the LMV.

However, upon the effectiveness of the recent reform to the Mexican tax legislation approved by the Mexican Congress and published in the Official Gazette on October 1, 2007, certain limitations will apply. Such limitations provide that, if during any 24-month period: (i) any person or group of persons, directly or indirectly, holding 10% or more of our capital stock, sells shares representing 10% or more of our fully paid capital stock, through one or more simultaneous or successive transactions, or (ii) a person or group of persons that have control of us, transfer such control in us (as such term is defined in the LMV) through one or more simultaneous or successive transactions, such person or group of persons will be subject to capital gains income taxes. See, "The Mexican Securities Market—Governance—Definition of Control", and "Description of Our Share Capital and By-Laws—Changes in our Capital Stock and Capital Increase Preemptive Rights in our By-laws."

The tax exemption provided in the first paragraph above will not be applicable to transactions or trades made or conducted as registered trades (*operaciones de registro* or *cruces protegidos*) or, to any other transaction or trade that would otherwise prevent a selling shareholder to accept a more competitive offer pursuant to the terms of the LMV, notwithstanding that such sale had been previously approved by the CNBV.

Gains received by a non-resident shareholder arising out of the sale or other transfers of Shares made in other circumstances, are deemed as income arising from Mexican sources; therefore, subject to Mexican income tax. These transfers of Shares by a non-resident shareholder are generally subject to a 25% income tax rate in Mexico, which is applicable to the gross proceeds realized from the sale. Should the buyer in any such transactions be a Mexican resident for tax purposes, or a non-resident with a permanent establishment in Mexico for tax purposes, the applicable tax should be withheld by such Mexican resident from the acquisition price; otherwise, correspondent taxes have to be paid through tax return which has to be filed by the non-resident within the following 15 business days.

Alternatively, a non-resident shareholder may, subject to certain requirements, opt to pay taxes on the gains realized from the sale of Shares on a net basis at a rate of 28%.

In the case of the Mexico-United States tax treaty, a holder who is eligible to claim the benefits thereunder may be exempt from Mexican taxes on gains realized from a sale or other disposition of Shares if such holder, during the 12-month period preceding such alienation, did not have a participation, directly or indirectly, of at least 25 percent in the capital of Financiera Independencia, provided that certain formal requirements set forth by the Mexican law are also complied with.

Gains received by a Mexican individual in transactions not carried out through the Mexican Stock Exchange are considered taxable and on account to the annual tax liability, tax shall be withheld by the buyer if it is a Mexican resident or a non-resident having a permanent establishment located in this country; otherwise, an advanced tax payment has to be made through tax return to be filed within the following 15 business days.

Mexican entities are not exempt of taxation for the capital gains obtained from the disposition of Shares, not even if transaction is carried out through the Exchange and taxes have to be paid through their own tax return; therefore, said revenues are not subject to any withholding tax whatsoever.

Other Mexican Taxes

There are no Mexican inheritance, gift, succession or value added taxes applicable to the ownership, transfer or disposition of the Shares by non-Mexican holders; provided, however, that gratuitous transfers of the Shares may in certain circumstances cause a Mexican federal tax to be imposed upon the recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by non-Mexican holders of the Shares.

United States Federal Income Taxation

The following is a description of the principal U.S. federal income tax consequences to a U.S. Holder with respect to the ownership and disposition of the Shares. This description addresses only the U.S. federal income tax considerations of U.S. Holders that are initial purchasers of Shares pursuant to the Offering and that will hold such Shares as capital assets. This description does not address tax considerations applicable to holders that may be subject to special tax rules, including:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers in securities or currencies or traders in securities or currencies electing to mark their positions to market for tax purposes;
- tax-exempt entities;
- persons that received the Shares as compensation for the performance of services;
- holders that will hold the Shares as part of a position in a straddle or as part of a hedging, conversion or other risk reduction transaction for U.S. federal income tax purposes;
- persons that have a functional currency other than the United States dollar;
- holders that own or are deemed to own 10 percent or more, by voting power or value, of the Shares; or
- certain former citizens or long-term residents of the United States.

Moreover, this description does not address the U.S. federal estate and gift or alternative minimum tax consequences, nor any state, local, or foreign tax consequences relating to the ownership and disposition of the Shares.

This summary is based on the Internal Revenue Code of 1986, as amended, final, temporary and proposed U. S. Treasury regulations, judicial interpretations, administrative pronouncements, and the Convention between the United States and Mexico for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income entered into force December 28, 1993, and any Protocols thereto, or the Treaty, all as of the date hereof and all of which are subject to change, possibly with retroactive effect.

For purposes of this description, a "U.S. Holder" is a beneficial owner of the Shares that, for U.S. federal income tax purposes, is:

- a citizen or individual resident of the United States;
- a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States or any state or political subdivision thereof;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if such trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more U.S. persons have the authority to control all substantial decisions of such trust.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Shares, the treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partner in a partnership that holds the Shares, you should consult your tax advisor.

You should consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Shares.

Internal Revenue Service Circular 230 Disclosure

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET FORTH HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE SHARES. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Passive Foreign Investment Company Considerations

Based on certain estimates of our gross income and gross assets and the nature of our business, we believe that we will be classified as a "passive foreign investment company," or a PFIC, for the current taxable year and for future taxable years. Our classification as a PFIC will, under certain circumstances, have adverse tax consequences to you if you are a U.S. Holder, as described below.

A Non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either

- at least 75 percent of its gross income is "passive income"; or
- at least 50 percent of the average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of "passive income."

Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. In determining whether a foreign corporation is a PFIC, a pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% interest (by value) is taken into account.

Under the PFIC rules, if you are a U.S. Holder, unless you make the mark-to-market election described below under the heading "Mark-to-Market Election" for the taxable year in which you acquire the Shares, a special tax regime will apply to both (a) any "excess distribution" from us (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or your holding period) and (b) any gain realized on the sale or other disposition of the Shares. Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period, (b) the amount deemed realized in each year had been subject to tax in such year of that holding period at the highest marginal rate for such year (other than any such income that is allocated to year in which such gain is realized or such excess distribution is made), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years.

Treatment of Certain Distributions with Respect to Shares

To the extent that a distribution paid on a Share to a U.S. Holder is not an excess distribution and is not treated as a non-taxable distribution previously included in income by the U.S. Holder in respect of a distribution by, or disposition of the stock of, a Subsidiary PFIC, as discussed below, such a distribution will be includible in your income as dividend income to the extent such distribution is paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. Dividends on the Shares will not be eligible for the preferential tax rate generally applicable to dividends paid by a "qualified foreign corporation" to non-corporate U.S. Holders in taxable years beginning on or before December 31, 2010. The dividends will be included in your gross income as ordinary income and will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders. To the extent, if any, that the amount of any distribution exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated as a tax-free return of capital to the extent of your adjusted tax basis in your Shares. We do not maintain calculations of our earnings and profits under U.S. federal income tax principles, and, therefore, U.S. Holders should expect that any distributions will be reported as dividends for U.S. federal income tax purposes.

Dividends paid in Pesos will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of Pesos calculated by reference to the prevailing spot market exchange rate in effect on the day it is received by the U.S. Holder. Such a holder will have a tax basis for U.S. federal income tax purposes in the Pesos received equal to that U.S. dollar value. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date you include the dividend payment in income to the date you actually convert the payment into U.S. dollars will be treated as ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

If you are a U.S. Holder, dividends paid to you with respect to Shares will be treated as foreign source income, which may be relevant in calculating your foreign tax credit limitation. Subject to certain conditions and limitations, Mexican tax, if any, withheld on dividends at a rate not in excess of the rate provided in the income tax treaty between the United States and Mexico may be deducted from your taxable income or credited against your U.S. federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, for taxable years beginning after December 31, 2006 dividends generally will constitute "passive category income," or in the case of certain U.S. Holders, "general category income."

Special rules apply to the amount of foreign tax credits that a U.S. Holder may claim on a distribution from a PFIC, and in certain cases, on a disposition of stock of a PFIC. Prospective purchasers should consult their own tax advisors regarding the application of such rules.

Sale, Exchange or Disposition of Shares

In general, a U.S. Holder of Shares will recognize gain or loss upon the sale or exchange of the Shares equal to the difference between the amount realized and such holder's adjusted tax basis in the Share, as determined in U.S. dollars. Initially, the tax basis of a U.S. Holder should equal the amount paid for a Share, as determined in U.S. dollars. Such basis will be adjusted, as described below, if a U.S. Holder makes a mark-to-market election with respect to the Shares. Upon the disposition of Shares, any gain to a U.S. Holder will be taxable under the PFIC regime as previously described. The deductibility of capital losses against ordinary income is subject to limitations.

Subsidiary PFICs

If we have a Subsidiary that is a PFIC, or Subsidiary PFIC, a U.S. Holder will be treated as owning its pro rata share of the stock of each Subsidiary PFIC and will be subject to the PFIC rules with respect to each such Subsidiary PFIC. A U.S. Holder's holding period for the stock of a Subsidiary PFIC generally will begin on the first day that such holder is considered to own stock of the Subsidiary PFIC. U.S. Holders will be treated as actually receiving their pro rata share of any distribution made by a Subsidiary PFIC (an "indirect distribution") and such holders will be subject to the rules generally applicable to shareholders of PFICs discussed above (even though such holders may not have received the proceeds of such distribution). A U.S. Holder's adjusted basis in the Shares will be increased by the amount of the indirect distribution taxed to such holder. Any distribution by us to a U.S. Holder in respect of Shares that is attributable to an indirect distribution will not be subject to further U.S. federal income tax in the hands of the U.S. Holders. Upon a disposition of an interest in a Subsidiary PFIC (an "indirect disposition"), a U.S. Holder will be treated as recognizing such holder's pro rata share of the gain, if any, realized by the actual owner of such Subsidiary PFIC's stock. For this purpose, an indirect disposition includes (i) any disposition of stock of a Subsidiary PFIC by us, (ii) any disposition, by a U.S. Holder of Shares, or (iii) any transaction resulting in the reduction or termination of a U.S. Holder's deemed interest in a Subsidiary PFIC. Any gain recognized by a U.S. Holder upon an indirect disposition will be their pro rata share taxable under the PFIC regime as previously described. A U.S. Holder's adjusted basis in the Shares will be increased by any gain recognized by such holder as a result of the indirect disposition. Any distribution by us to a U.S. Holder in respect of Shares that is attributable to an indirect disposition will not be subject to further U.S. federal income tax in the hands of the U.S. Holders. **U.S. Holders should note that we do not intend to provide holders with information with respect to indirect distributions or indirect dispositions.**

Qualified Electing Fund Election

Where a company that is a PFIC meets certain reporting requirements, a U.S. Holder could avoid certain adverse PFIC consequences described above by making a "qualified electing fund," or QEF, election to be taxed currently on its proportionate share of the PFIC's ordinary income and net capital gains. However, we do not intend to comply with the necessary accounting and record keeping requirements that would allow a U.S. Holder to make a QEF election with respect to us and any Subsidiary PFICs.

Mark-to-Market Election

If the Shares are "regularly traded" on a "qualified exchange," a U.S. Holder may make a mark-to-market election with respect to the Shares (but not the shares of any Subsidiary PFIC), which may help to mitigate the adverse tax consequences resulting from our status as a PFIC (but not the Subsidiary PFIC's). Generally, shares will be treated as "regularly traded" in any calendar year in which more than a de minimis quantity of Shares are traded on a qualified exchange on at least 15 days during each calendar quarter. Pursuant to a special rule that applies to a company that initiates a public offering of a class of stock during the fourth quarter of the calendar year, our shares will be treated as "regularly traded" in 2007 if the shares are traded on a qualified exchange, other than in de minimis quantities, on the greater of 1/6 of the days remaining in the quarter in which the offering occurs, or 5 days. A "qualified exchange" includes a non-U.S. securities exchange that has the following characteristics: (i) the exchange is regulated by a governmental authority in which the exchange is located; (ii) the volume, listing, financial disclosure, surveillance and other requirements designed to prevent fraudulent and manipulative acts and practices, to remove impediments to and perfect the mechanism of a free and open, fair and orderly, market and to protect investors; and the laws of the country in which the exchange is located and the rules of the exchange ensure that such requirements are actually enforced and (iii) the rules of the exchange effectively promote active trading of listed stock. We believe that in the future the Shares will be listed on the Mexican Stock Exchange, and that the Mexican Stock Exchange should be treated as a "qualified exchange." However, because the Shares are not yet listed on the Mexican Stock Exchange and the IRS has not yet identified specific foreign exchanges that are "qualified" for this purpose, there can be no assurance that the mark-to-market election will be available.

If the mark-to-market election will be available and a U.S. Holder makes such an election, for each year in which we are a PFIC, the holder will generally include as ordinary income the excess, if any, of the fair market value of the Shares at the end of the taxable year over their adjusted tax basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted tax basis of the Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). A U.S. Holder's tax basis in the Shares will be adjusted to reflect any such income or loss amounts. Any gain or loss from sale, exchange or other disposition of the shares will be treated as ordinary income, and any loss from such sale, exchange or other disposition will be treated as ordinary loss to the extent of any net mark-to-market gains previously included in income, and generally as capital loss to the extent of any remaining loss.

Under mark-to-market rules, all dividend distributions will be subject to the U.S. federal income tax rules described above applicable distributions that are not "excess distributions," and will not be subject to the regular PFIC rules.

A mark-to-market election will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. If a U. S. Holder does not make a mark-to-market election for the first year in which it owns Shares in a PFIC, the interest charge will apply to any mark-to-market gain recognized in the later taxable year that the election is first made. Any gain recognized on the sale or other disposition of Shares will be treated as ordinary income. U.S. Holders should consult their own tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. In particular, U.S. Holders should consider carefully the impact of a mark-to-market election with respect to their Shares when the Company has Subsidiary PFICs for which such election is not available.

PFIC Reporting Requirements

Each U.S. Holder of the Shares must make an annual return on Internal Revenue Service Form 8621, reporting distributions received and gains realized with respect to each PFIC (including Subsidiary PFICs for which said information will not be provided by us) in which the U.S. Holder holds a direct or indirect interest. Prospective purchasers should consult their own tax advisors regarding the potential application of the PFIC rules.

Foreign Tax Credit

While any distributions from us to you on the Shares will not be subject to Mexican withholding taxes, capital gains realized upon the disposition of our Shares may, under certain circumstances, be subject to Mexican income tax, as described above under *"Mexican Taxation—Taxation on Capital Gains."* The capital gains tax should generally be creditable foreign income taxes for foreign tax credit purposes.

The actual use as a foreign tax credit of a creditable non-U.S. tax attributable to a PFIC is subject to complex limitations, in particular, any gain recognized upon the disposition of our Shares or the annual mark-to-market of our Shares will be U.S. source income for foreign tax credit purposes, which may limit your ability to effectively use as a foreign tax credit the Mexican capital gains taxes that may be imposed on any gain you realize on the disposition of the Shares.

As the foreign tax rules are complex, you should consult you tax advisor concerning the foreign tax credit implications of an investment in our Shares and the advisability of electing to deduct rather than credit Mexican taxes.

You are strongly encouraged to consult your tax advisors regarding our classification as a PFIC, the potential tax consequences arising from the ownership and disposition (directly or indirectly) of shares in a PFIC as well as the availability, advisability, timeliness and effectiveness of making a "mark-to-market" election or any other election.

Backup Withholding Tax and Information Reporting Requirements

United States backup withholding tax and information reporting requirements generally apply to certain payments to certain non-corporate holders of stock. Information reporting generally will apply to payments of dividends on Shares, and to proceeds from the sale or redemption of, Shares made within the United States or by a U.S. payor or U.S. middleman to a holder of Shares other than an exempt recipient, including a corporation, a payee that is not a U.S. person that provides an appropriate certification and certain other persons. A payor will be required to withhold backup withholding tax from any payments of dividends on Shares, and from the proceeds from the sale or redemption of Shares within the United States or payments by a U.S. payor or U.S. middleman to a holder, other than an exempt recipient, if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. The backup withholding tax rate is 28% for taxable years through 2010.

The above description is not intended to constitute a complete analysis of all tax consequences relating to acquisition, ownership and disposition of the Shares. You should consult your own tax advisor concerning the tax consequences of your particular situation.

PLAN OF DISTRIBUTION

We and the selling shareholders are offering in a primary and a secondary offering 76,895,000 of our Shares outside of Mexico through the initial purchasers. Credit Suisse and GBM are acting as joint global coordinators in this offering. GBM International and HSBC are acting as co-managers and Credit Suisse is acting as sole bookrunner.

Under the terms and subject to the conditions contained in a purchase agreement dated October 31, 2007, we and the selling shareholders have agreed to sell to the initial purchasers named below, for whom Credit Suisse is acting as representative, the following respective numbers of Shares:

Initial Purchasers	Number of Shares
Credit Suisse Securities (USA) LLC	57,671,250
GBM International, Inc.	13,072,150
HSBC Securities (USA) Inc.	6,151,600
Total	76,895,000

The purchase agreement provides that the obligations of the initial purchasers are subject to certain conditions precedent and that the initial purchasers are obligated to purchase all of the Shares in this offering if any are purchased, other than those Shares covered by the over-allotment option described below. The purchase agreement also provides that if an initial purchaser defaults, the purchase commitments of non-defaulting initial purchasers may be increased or this offering may be terminated.

We and the selling shareholders will pay to the initial purchasers a commission equal to Ps.0.72 per Share in this offering. Therefore, the initial purchasers will receive in connection with this offering total commissions of Ps.55,364,400.

The selling shareholders have granted Credit Suisse a 30-day option to purchase up to 11,505,000 additional Shares at the initial offering price, less the discounts and commissions.

The initial purchasers, in this offering, propose to offer the Shares outside Mexico at the offering price on the cover page of this offering circular and may include selling group members who would be granted a selling concession. After the initial offering to investors, the price may be changed.

We and the selling shareholders have also entered into an underwriting agreement with GBM as representative of the Mexican underwriters, providing for the concurrent sale of up to 41,405,000 Shares to the Mexican underwriters.

The selling shareholders have also granted GBM a 30-day option to purchase up to 6,195,000 additional Shares at the initial offering price less the discounts and commissions.

The Mexican underwriters, in the Mexican offering, propose to offer the Shares in Mexico at the offering price on the cover page of this offering circular and may include selling group members who would be granted a selling concession. After the initial offering to investors, the price may be changed.

This offering and the Mexican offering are conditioned on the closing of each other.

Pursuant to an agreement between Credit Suisse, as representative of the initial purchasers, and GBM, as representative of the Mexican underwriters, or the intersyndicate agreement, relating both to this offering and Mexican offering, changes in the price of the Shares to investors will be made only upon the mutual agreement of Credit Suisse and the Mexican underwriters.

Pursuant to the intersyndicate agreement, the initial purchasers have represented that, as part of the sale of Shares and subject to certain exceptions, they have not offered or sold, and have agreed that they will not offer or sell, directly or indirectly, any Shares or distribute any offering circular relating to the Shares to any person inside Mexico. The Mexican underwriters have represented that, as part of the sale of Shares and subject to certain exceptions, they have not offered or sold, and has agreed that it will not offer or sell, directly or indirectly, any Shares or distribute any prospectus relating to the Shares to any person outside Mexico. The foregoing limitations do not apply to stabilizing transactions or to transactions between the initial purchasers and the Mexican underwriters pursuant to the intersyndicate agreement. As used in this section, "Mexico" means the United Mexican States, its states and other areas subject to its jurisdiction. An offer or sale shall be made in Mexico if it is made to (1) any individual resident in Mexico, or (2) any corporation, partnership, pension fund, or other trust or other entity (including any such entity acting as an investment advisor with discretionary authority) whose office most directly involved with the purchase is located in Mexico.

Pursuant to the intersyndicate agreement, the initial purchasers and the Mexican underwriters will be entitled to purchase from each other such number of Shares as may be determined by mutual agreement of Credit Suisse and the Mexican underwriters. The price of any Shares so sold will be the initial offering price to investors, less the discount to the initial purchasers, or such lesser amount as may be agreed upon by Credit Suisse and the Mexican underwriters. To the extent there are any sales between the initial purchasers and the Mexican underwriters pursuant to the intersyndicate agreement, the number of Shares initially available for sale by the initial purchasers may vary from the amount appearing on the cover page of this offering circular. The initial purchasers and the Mexican underwriters are not obligated to purchase from each other any unsold Shares.

The Shares have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to persons in offshore transactions in reliance on Regulation S under the Securities Act. Each of the initial purchasers has agreed that, except as permitted by the purchase agreement, it will not offer, sell or deliver the Shares as part of their distribution at any time within the United States or to, or for the account or benefit of, U.S. persons, except in reliance on Rule 144A. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Resales of the Shares are restricted as described under "Transfer Restrictions."

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, or the Relevant Implementation Date, it has not made and will not make an offer of Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State, and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Shares to the public in that Relevant Member State at any time:

(i) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(ii) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

(iii) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Shares to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe the Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each of the initial purchasers severally represents and agrees that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, or FSMA) received by it in connection with the issue or sale of any Shares in circumstances in which section 21(1) of the FSMA does not apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Shares in, from or otherwise involving the United Kingdom.

Italy

The offering of the Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* (CONSOB) (the Italian securities and exchange commission) pursuant to the Italian securities legislation and, accordingly, each initial purchaser represents and agrees that it has not offered, sold or delivered any Shares nor distributed any copies of the offering circular or any other document relating to the Shares, and will not offer, sell or deliver any shares nor distribute any copies of the offering circular or any other document relating to the Shares in the Republic of Italy (Italy) in a solicitation to the public at large (*sollecitazione all'investimento*), and that the Shares in Italy shall only be:

(i) offered or sold to professional investors (*operatori qualificati*) as defined in Article 31, second paragraph of CONSOB Regulation No 11522 of 1 July 1998 (the Regulation No 11522), as amended; or

(ii) offered or sold in circumstances where an exemption from the rules governing solicitations to the public at large applies, pursuant to Article 100 of Legislative Decree No 58 of 24 February 1998 (the Financial Services Act) and Article 33, first paragraph, of CONSOB Regulation No 11971 of 14 May 1999 (the Regulation No 11971), as amended,

and shall in any event be effected in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Moreover and subject to the foregoing, each initial purchasers represents and agrees that the Shares may not be offered, sold or delivered and neither the offering circular nor any other material relating to the Shares may be distributed or made available in Italy unless such offer, sale or delivery of shares or distribution or availability of copies of the offering circular or any other material relating to the Shares in Italy:

(i) is in compliance with Article 129 of Legislative Decree No 385 of 1 September 1993 (the Italian Banking Act) and the implementing guidelines of the Bank of Italy, pursuant to which the issue or the offer of shares in Italy may need to be followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in Italy and their characteristics; and

(ii) is made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, the Italian Banking Act, the Regulation No 11522, the Regulation No 11971 ad ay other applicable laws and regulations.

Insofar as the requirements above are based on laws which are superseded at any time pursuant to the implementation of the Prospectus Directive, such requirements shall be replaced by the applicable requirements under the Prospectus Directive.

Brazil

The offer of Shares has not been submitted to the Comissão de Valores Mobiliários for approval. Accordingly, the Shares may not be offered or sold to the public in Brazil. Documents relating to this offering may not be supplied to the public as a public offering in Brazil or be used in connection with an offer for subscription or sale to the public in Brazil.

Singapore

This offering circular or any other offering material relating to our Shares has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Shares will be offered in Singapore pursuant to exemptions under Section 274 and Section 275 of the Securities and Futures Act, Chapter 289 of Singapore, or the Securities and Futures Act. Accordingly our Shares may not be offered or sold, or be the subject of an invitation for subscription or purchase, nor may this offering circular or any other offering material relating to our Shares be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person specified in Section 274 of the Securities and Futures Act, (b) to a sophisticated investor, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Stamp Taxes, Short Positions and Price Stabilization

Purchasers of Shares sold outside the United States may be required to pay stamp taxes and other charges in compliance with the laws and practices of the country of purchase in addition to the price to investors on the cover page of this offering circular.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any shares of our capital stock or securities convertible into or exchangeable or exercisable for any shares of our capital stock, any Shares or publicly disclose our intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse for a period of 180 days after the date of the preliminary offering circular, dated October 18, 2007.

We, our directors, certain officers and affiliates and the selling shareholders have agreed that we and they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any Shares or securities convertible into or exchangeable or exercisable for any Shares, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our Shares, whether any of these transactions are to be settled by delivery of our Shares or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse and GBM for a period of 180 days after the date of this offering circular.

We and the selling shareholders have been advised that, in connection with the stock option plan implemented by us and described under "Our Business—Employees and Labor Relations—Stock Option Plan," the SOP Trusts intend to purchase shares of our common stock offered in Mexico as part of the Mexican offering for up to an aggregate amount of Ps.35 million, subject to the applicable allocation rules. We and the selling shareholders have also been advised that our director Ana Paula Rión Cantú intends to purchase shares of our common stock offered in Mexico as part of the Mexican offering.

We and the selling shareholders have agreed to indemnify the initial purchasers against liabilities or to contribute to payments which they may be required to make in that respect. The selling shareholders have agreed to indemnify the initial purchasers for some information provided by them to us.

We have registered the Shares in the National Securities Registry maintained by the CNBV to permit the transactions described in this offering circular. This registration and permission does not imply any certification as to the quality of the investment in the Shares, our solvency or the accuracy or completeness of the information included in this offering circular. The Shares have been approved for listing on the Mexican Stock Exchange. No application will be made at this time to list the Shares on any other stock exchange. Prior to the combined international and Mexican offerings, there has been no trading market for the Shares in Mexico, the United States or elsewhere. The Mexican underwriters have advised us that they intend to make a market in the Shares as permitted by applicable law. The Mexican underwriters are not obligated, however, to make a market in the Shares and any market-making may be discontinued at any time at the discretion of the Mexican underwriters. Accordingly, no assurance can be given as to the development or liquidity of any market for the Shares.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the Shares in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the initial purchasers to reclaim a selling concession from a dealer when the Shares originally sold by such dealer are purchased in a covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Shares to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

The Mexican underwriters, through GBM, will be engaged, in coordination with Credit Suisse, in stabilizing and over-allotment transactions in the Mexican market in accordance with the Mexican law and regulations which, among other considerations, do not permit transactions that involve naked short positions.

TRANSFER RESTRICTIONS

The Shares have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except to (a) qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) persons in offshore transactions in reliance on Regulation S.

Each purchaser of Shares will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser (A) (i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Shares for its own account or for the account of a qualified institutional buyer or (B) is not a U.S. person and is purchasing the Shares in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Shares have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Shares such Shares may be offered, resold, pledged or otherwise transferred only (i) in the United States to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), or (iv) pursuant to an effective registration statement under the Securities Act, in each of cases (i) through (iv) in accordance with any applicable securities laws of any State of the United States, and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of Shares from it of the resale restrictions referred to in (A) above.

(3) In order for holders of Shares to receive delivery of physical certificates representing the Shares, to the extent permitted by applicable law, they must execute a certificate acknowledging the Shares are not registered securities under the Securities Act, and agree not to sell the Shares in the U.S. or to U.S. person except pursuant to a registration statement under the Securities Act, an exemption from registration requirements under the Securities Act or in a transaction to which the Securities Act is not applicable.

VALIDITY OF THE SHARES

The validity of the Shares and other matters governed by Mexican law will be passed upon for us by White & Case, S.C., Mexico City, our special Mexican counsel, and for the initial purchasers by Creel, García-Cuéllar y Müggenburg, S.C., Mexico City, Mexico, Mexican counsel to the initial purchasers. Certain legal matters in connection with U.S. law will be passed upon for us by White & Case, LLP, New York, New York, our special U.S. counsel. The initial purchasers are being represented as to U.S. matters by Cleary Gottlieb Steen & Hamilton LLP, New York, New York. The Mexican underwriters are being represented as to Mexican law by Lexfin, S.C.

INDEPENDENT PUBLIC ACCOUNTANTS

The financial statements of Financiera Independencia, S.A.B. de C.V., *sociedad financiera de objeto múltiple, entidad no regulada*, as of December 31, 2006 and 2005 and for each of the three years ended December 31, 2006, 2005 and 2004, included in this offering circular, have been audited by PricewaterhouseCoopers, S.C., independent accountants, as stated in their report appearing herein.

SIGNIFICANT DIFFERENCES BETWEEN MEXICAN SOFOL ACCOUNTING PRINCIPLES AND U.S. GAAP

Differences between Mexican Sofol Accounting Principles and U.S. GAAP

Mexican Sofol entities prepare their financial statements in accordance with Mexican Sofol Accounting Principles as prescribed by the CNBV. Mexican Sofol Accounting Principles includes circulars issued by the CNBV and Mexican GAAP prescribed by the CINIF to the extent that the aforementioned circulars do not address the accounting to be followed. Mexican Sofol Accounting Principles differ in certain significant respects from U.S. GAAP. Such differences might be material to the financial information contained in this offering circular. A summary of the significant differences is presented below. We have made no attempt to identify or quantify the impact of those differences. In making an investment decision, investors must rely upon their own examination of the Company, the terms of this offering and the financial information contained herein. Potential investors should consult their own professional advisors for an understanding of the differences between Mexican Sofol Accounting Principles and U.S. GAAP, and how those differences might affect the financial information contained herein.

This summary should not be taken as exhaustive of all differences between Mexican Sofol Accounting Principles and U.S. GAAP. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in our financial statements, including the notes thereto.

Set forth below is a description of significant differences between Mexican Sofol Accounting Principles and U.S. GAAP.

Effects of Inflation

Under Mexican Sofol Accounting Principles and in accordance with CNBV rules, which are substantially the same as those provisions set forth in Bulletin B-10, the effects of inflation have been recognized in the financial information. Fixed assets, stockholders' equity and other non-monetary assets are restated to constant purchasing power by applying the change in the UDI index published as of the end of each reporting period. Depreciation is calculated using the straight-line method, based on the remaining useful lives of the assets. The gain or loss from monetary position, which represents the erosion of the purchasing power of monetary items caused by inflation, is determined by applying at each month-end through the end of the year an inflation factor derived from the UDI index to the monthly average variation in net monetary assets or liabilities. This effect is recorded on the statement of income.

Under U.S. GAAP, historical costs must be maintained in the basic financial statements. Business enterprises are encouraged to disclose certain supplemental information concerning changing prices on selected statement of income and balance sheets items. Typically, however, no gain or loss on monetary position is recognized in the financial statements.

The recording of appraisals of fixed assets is prohibited, with the objective of maintaining historical cost in the balance sheet, except in the event of a business combination accounted for under the purchase method and under certain other circumstances.

Although the effects of inflation are not recognized in the financial statements under U.S. GAAP, the SEC recognizes that presentation indicating the effects of inflation is more meaningful than historical cost-based financial reporting for Mexican entities, because it represents a comprehensive measure of the effects of price level changes in the inflationary Mexican economy. For this reason, the effects of inflation accounting are generally not eliminated from the financial statements of Mexican companies making offerings in the United States securities markets in situations when Mexican GAAP or Mexican Sofol Accounting Principles are reconciled to U.S. GAAP.

Allowance for loan losses

Under Mexican Sofol Accounting Principles, there is no specific rule for the calculation of allowance for loan losses. Our policy is to calculate the allowance for loan losses for at least 125% of the non-performing loan portfolio balance.

The U.S. GAAP methodology for recognition of loan losses is provided by Statement of Financial Accounting Standard, or SFAS, No. 5, "Accounting for Contingencies" and SFAS No. 114, "Accounting" by Creditors for Impairment of a Loan," or SFAS No. 114 which establish that an estimated loss should be accrued when, based on information available prior to the issuance of the financial statements, it is probable that a loan has been impaired at the date of the financial statements and the amount of the loss can be reasonably estimated.

For larger nonhomogeneous loans, all individual loans should be assessed for impairment under SFAS 114 (except for large groups of smaller-balance homogeneous loans which are collectively evaluated for impairment). Specific provisions are calculated when it is determined that it is probable that we will not recover the full contractual principal and interest on a loan (impaired loan), in accordance with the original contractual terms. Estimated losses on impaired loans, that are individually assessed, are required to be measured at the present value of expected future cash flows discounted at the loan's effective rate, the loan's observable market price or at the fair value of the collateral if the loan is collateral dependent.

To calculate the allowance required for smaller-balance impaired loans and unimpaired loans, historical loss ratios are determined by analyzing historical loss trends. These ratios are determined by loan type to obtain loss estimates for homogeneous groups of clients. Such historical loss ratios are updated to incorporate the most recent data reflective of current economic conditions, in conjunction with industry performance trends, geographic or obligor concentrations within each portfolio segment, and any other pertinent information. These updated ratios serve as the basis for the allowance for loan losses for such smaller-balance impaired loans and non-impaired loans.

Under Mexican Sofol Accounting Principles, loans may be written-off when collection efforts have been exhausted or when they have been fully provisioned. Under U.S. GAAP, however loans (or portions of particular loans) should be written off in the period that they are deemed uncollectible.

Loan Origination Fees and Costs

Under Mexican Sofol Accounting Principles, loan origination fees and certain direct origination costs, are deferred and recognized over the contractual life of the loan, using the straight line method. The aforementioned amounts are presented in the income statement in the items interest income and non-interest expense, respectively. Other commissions and fees are recorded in earnings when collected. Under U.S. GAAP, as required by SFAS No. 91, "Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases—an amendment of FASB Statements No. 13, 60, and 65 and a rescission of FASB Statement No. 17," loan origination fees net of direct origination costs are deferred and recognized over the life of the loan as an adjustment of yield (interest income). Loan origination fees and related direct loan origination costs for a given loan are offset and only the net amount is deferred and amortized.

Direct loan origination costs of a completed loan include (a) incremental direct costs of loan origination incurred in transactions with independent third parties for that loan and (b) certain costs directly related to specified activities performed by the lender for that loan. Those activities include evaluating the prospective borrower's financial condition, evaluating and recording guarantees, collateral, and other security arrangements, negotiating loan terms, preparing and processing loan documents, and closing the transaction.

Non-accrual Loans

Under Mexican Sofol Accounting Principles, the recognition of interest income is suspended when certain of our loans become past-due based on the number of past-due periods as established by the CNBV.

Under U.S. GAAP, the accrual of interest is generally discontinued when, in the opinion of management, it is expected that the borrower will not be able to pay its principal and interest. Generally, this occurs when loans are 90 days or more past due. Any accrued but uncollected interest is reversed against interest income at that time.

Employee Retirement Obligations

Under Mexican Sofol Accounting Principles, effective January 1, 2005 revised Bulletin D-3 requires the recognition of a severance indemnity liability calculated based on actuarial computations. Similar recognition criteria under U.S. GAAP are established in SFAS No. 112, "Employers' Accounting for Postemployment Benefits," which requires that a liability for certain termination benefits provided under an ongoing benefit arrangement such as these statutorily mandated severance indemnities, be recognized when the likelihood of future settlement is probable and the liability can be reasonably estimated. Mexican Sofol Accounting Principles allows the amortization of the transition obligation related to the adoption of revised Bulletin D-3 over the expected service life of the employees. However, under U.S. GAAP a transition obligation does not exist, which results in a difference in the amount recorded under the two accounting principles.

Under Mexican Sofol Accounting Principles, pension and seniority premium obligations are determined in accordance with Bulletin D-3. For U.S. GAAP, such costs are accounted for in accordance with SFAS No. 87, "Employers' Accounting for Pensions," whereby the liability is measured, similar to Mexican Sofol Accounting Principles, using the projected unit credit method at net discount rates. SFAS No. 87 became effective on January 1, 1989 whereas Bulletin D-3 became effective on January 1, 1993. Therefore, a difference between Mexican Sofol Accounting Principles and U.S. GAAP exists due to the accounting for the transition obligation at different implementation dates.

Post-retirement benefits are accounted for under U.S. GAAP in accordance with SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," which applies to all post-retirement benefits, such as life insurance provided outside a pension plan or other postretirement health care and welfare benefits expected to be provided by an employer to current and former employees. The cost of post-retirement benefits is recognized over the employees' service periods and actuarial assumptions are used to project the cost of health care benefits and the present value of those benefits. For Mexican Sofol Accounting Principles purposes as required by Bulletin D-3, the Company accounts for such benefits in a manner similar to U.S. GAAP. SFAS No. 106 became effective on January 1, 2003 whereas Bulletin D-3 became effective on January 1, 1993. Therefore, a difference between Mexican Sofol Accounting Principles and U.S. GAAP exists due to the accounting for the transition obligation at different implementation dates.

Minority Interest

Under Mexican Sofol Accounting Principles, minority interest in consolidated subsidiaries is presented as a separate component within the stockholders' equity section of the consolidated balance sheet.

For U.S. GAAP purposes, minority interest is not included in stockholders' equity and is presented below total liabilities and above the stockholder' equity section of the balance sheet.

Significant disclosures

Consolidation

Under Mexican Sofol Accounting Principles, a company's consolidated financial statements include all of its subsidiaries within the financial sector, as well as those providing complementary services, and exclude those that are not contained in the financial sector. The determination of which companies are deemed to be within the financial sector is not based solely on the application of a conceptual framework. The Mexican Ministry of

Finance and Public Credit has the right to determine if a company is or is not within the financial sector, and therefore is required to be consolidated. Companies that may seem to fall within the financial sector based on their operations may not be consolidated due to decisions of the Mexican Ministry of Finance and Public Credit.

In addition, under Mexican Sofol Accounting Principles, a company must consolidate any entity (including special purpose entities such as trusts) in which it has a 'controlling financial interest'. Mexican Sofol Accounting Principles defines this term as ownership of more than 50 percent of the entity's voting interests.

Under U.S. GAAP, when a company has a controlling financial interest (either through a majority voting interest or through the existence of other control factors) in an entity, such entity's financial statements should be consolidated, irrespective of whether the activities of the subsidiary are nonhomogeneous with those of the parent.

In addition to the traditional concept of consolidation, On January 17, 2003, the FASB issued FASB Interpretation No. 46, or FIN 46, "Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51." In December 2003, FIN 46 was reissued as FIN 46(R), which contained revisions to address certain implementation issues. The primary objective of the Interpretation is to provide guidance on the identification of, and financial reporting for, entities over which control is achieved through means other than voting rights; such entities are known as variable-interest entities, or VIEs. Although the FASB's initial focus was on special-purpose entities, or SPEs, the final guidance applies to a wide range of entities. FIN 46(R) is the guidance that determines (1) whether consolidation is required under the "controlling financial interest" model of Accounting Research Bulletin No. 51 (ARB 51), "Consolidated Financial Statements," or (b) other existing authoritative guidance, or, alternatively, (2) whether the variable-interest model under FIN 46(R) should be used to account for existing and new entities.

FIN 46(R) provides a scope exception for qualifying SPEs, or QSPEs. As described in FAS 140, par. 35, a QSPE is a trust or other legal vehicle that meets certain conditions. Under U.S. GAAP, a QSPE shall not be consolidated in the financial statements of a transferor or its affiliates.

Statement of Cash Flows

Under Mexican GAAP, Bulletin B-12, "Statement of Changes in Financial Position," addresses the presentation of statement of changes in financial position where the financial statements have been restated to constant pesos. The changes in financial position reflected in the statement of changes in financial position are based on the differences between the beginning and ending balances in the financial statement components, except for certain non-monetary assets which are adjusted by the applicable result from holding non-monetary assets recorded directly to stockholders' equity. As required by Bulletin B-12, the monetary effect and the effect of changes in exchange rates are considered cash items in the determination of resources generated from operations due to the fact they affect the purchasing power of the entity.

Under U.S. GAAP, SFAS No. 95, "Statement of Cash Flows," as amended by FAS 104 and FAS 107, establishes the standards for providing a statement of cash flows in general purpose financial statements. Under U.S. GAAP, presentation of a statement of cash flows describing the cash flows provided by or used in operating, investing and financing activities is required. SFAS No. 95 does not provide guidance with respect to financial statements adjusted for inflation. However, the AICPA International Practices Task Force has issued guidance for Mexican companies for the preparation of price-level adjusted cash flow statements. Under such guidance, a fourth caption in addition to operating, financing and investing activities named "Effects of inflation on cash and cash equivalents" is presented, which is similar to the concept of the effects of exchange rate on cash and cash equivalents as prescribed by SFAS No. 95.

Recent Mexican Sofol Accounting Principles Accounting Standards

On May 31, 2004, the IMCP formally transferred the function of issuing financial information standards to the CINIF consistent with the international trend of requiring this function be performed by an independent entity.

Accordingly, the task of establishing Mexican GAAP bulletins and circulars issued by the IMCP was transferred to CINIF, who adopted and subsequently renamed standards of Mexican GAAP as NIFs, and determined that NIFs encompass (i) new bulletins established under the new function; (ii) any interpretations issued thereon; (iii) any Mexican GAAP bulletins that have not been amended, replaced or revoked by the new NIFs; and (iv) International Financial Reporting Standards, or IFRS, that are supplementary guidance to be used when Mexican GAAP does not provide primary guidance. As of January 1, 2006, the financial statements for unregulated entities must be prepared in accordance with NIFs.

The NIFs are applicable as supplementary guidance to be used when Mexican Sofol Accounting Principles does not provide primary guidance.

Recent U.S. GAAP Accounting Standards

SFAS No. 155, "Accounting for certain hybrid financial instruments-and amendment of FASB Statements Nos. 133 and 140," was issued on February 2006. This statement amends FASB Statements No. 133, "Accounting for Derivative Instruments and Hedging Activities, and No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." This statement resolves issues addressed in Statement 133 Implementation Issue No. D1, "Application of Statement 133 to Beneficial Interests in Securitized Financial Assets." This statement permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of Statement 133, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and amends Statement 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is effective for all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006.

SFAS No. 156, "Accounting for servicing of financial assets-an amendment of FASB Statement No. 140," was issued on March 2006. This statement amends FASB Statement No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," with respect to the accounting for separately recognized servicing assets and servicing liabilities. This statement requires that all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable. This statement permits, but does not require, the subsequent measurement of servicing assets and servicing liabilities at fair value. This statement permits an entity to reclassify certain available-for-sale securities to trading securities, regardless of the restriction in paragraph 15 of Statement 115, provided that those available-for-sale securities are identified in some manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value. This option is available only once, as of the beginning of the fiscal year in which the entity adopts this statement. An entity should adopt this statement as of the beginning of its first fiscal year that begins after September 15, 2006. Earlier adoption is permitted as of the beginning of an entity's fiscal year, provided that the entity has not yet issued financial statements, including interim financial statements, for any period of that fiscal year.

The effective date of this statement is the date an entity adopts the requirements of this statement. An entity should apply the requirements for recognition and initial measurement of servicing assets and servicing liabilities prospectively to all transactions after the effective date of this statement.

SFAS No. 157, “Fair Value Measurements,” was issued in September 2006. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute.

Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this statement will change current practice.

The definition of fair value retains the exchange price notion in earlier definitions of fair value. This statement clarifies that the exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability in the market in which the reporting entity would transact for the asset or liability, that is, the principal or most advantageous market for the asset or liability. The transaction to sell the asset or transfer the liability is a hypothetical transaction at the measurement date, considered from the perspective of a market participant that holds the asset or owes the liability. Therefore, the definition focuses on the price that would be received to sell the asset or paid to transfer the liability (an exit price), not the price that would be paid to acquire the asset or received to assume the liability (an entry price). This statement also emphasizes that fair value is a market-based measurement, not an entity-specific measurement. This statement shall be effective for financial statements issued for fiscal years beginning after November 15, 2007. Earlier application is encouraged.

SFAS No. 158, “Employers” Accounting for Defined Benefit Pension and Other Postretirement Plans,” an amendment of FASB Statements No. 87, 88, 106, and 132(R) was published by FASB in September 2006. This statement improves financial reporting by requiring an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also improves financial reporting by requiring an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions.

SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115,” was issued in February 2007. This statement provides a fair value option to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis. SFAS No. 159 is effective beginning in the first quarter of 2008.

This statement amends Statement 87, FASB Statement No. 88, “Employers’ Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits,” Statement 106, and FASB Statement No. 132 (revised 2003), “Employers’ Disclosures about Pensions and Other Postretirement Benefits,” and other related accounting literature. Upon initial application of this statement and subsequently, an employer should continue to apply the provisions in Statements 87, 88, and 106 in measuring plan assets and benefit obligations as of the date of its statement of financial position and in determining the amount of net periodic benefit cost.

The required date of adoption of the recognition and disclosure provisions of this statement an employer with publicly traded equity securities is required to initially recognize the funded status of a defined benefit post-retirement plan and to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. Earlier application of the recognition or measurement date provisions is encouraged; however, early application must be for all of an employer’s benefit plans. Retrospective application of this statement is not permitted.

EITF Issue No. 03-01, “The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments,” was issued on November 3, 2005. This FASB Staff Position, or FSP, addresses the determination as to when an investment is considered impaired, whether the impairment is other than temporary, and the measurement of an impairment loss. This FSP also includes accounting consideration subsequent to the recognition of other-than-temporary impairment and requires certain disclosures about unrealized losses that have not been recognized as other-than-temporary impairments.

The guidance in this FSP amends SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," and SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," and APB Opinion No. 18, "The Equity method of accounting for Investments in Common Stock."

EITF Issue No. 05-6, "Determining the Amortization Period for Leasehold Improvements Purchased after Lease Inception or Acquired in a Business Combination," was issued in June 2005. This guidance determines that leasehold improvements acquired in a business combination should be amortized over the shorter of the useful life of the assets or a term that includes required lease period and renewals that are deemed to be reasonably assured at the date of acquisition. The Task Force also agreed that leasehold improvements that are placed in service significantly after and not contemplated at or near beginning of the lease term should be amortized over the shorter of the useful life of the assets or a term that includes required lease periods and renewals that are deemed to be reasonably assured at the date the leasehold improvement are purchased. This consensus should be applied to leasehold improvements that are purchased or acquired in reporting periods beginning after June 29, 2005.

FSP FAS 13-1, "Accounting for Rental Costs Incurred during a Construction Period," was issued in October 2005. This guidance addressed that there is no distinction between the right to use a leased asset during the construction period and the right to use that asset after the construction period.

Therefore rental costs associated with ground or building operating leases that are incurred during construction period shall be recognized as rental expense. This guidance shall be applied to the first reporting period beginning after December 15, 2005.

FSP FAS 13-2, "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction," or FSP 13-2, was issued on July 13, 2006.

The principal provision of FSP 13-2 is the requirement that a lessor recalculate the recognition of lease income when there is a change in the estimated timing of the cash flows relating to income taxes generated by such leveraged lease. FSP 13-2 is effective as of January 1, 2007 and requires that the cumulative effect of adoption be reflected as an adjustment to the beginning balance of Retained Earnings in the period of adoption with a corresponding offset decreasing the net investment in leveraged leases.

On July 13, 2006, the FASB released FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109," or FIN 48. FIN 48 clarifies the accounting and reporting for income taxes where interpretation of the tax law may be uncertain. FIN 48 prescribes a comprehensive model for the financial statement recognition, measurement, presentation and disclosure of income tax uncertainties with respect to positions taken or expected to be taken in income tax returns. This guidance was effective beginning January 1, 2007.

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INDEX TO COMBINED FINANCIAL STATEMENTS OF FINANCIERA INDEPENDENCIA, S.A. DE C.V., SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA

INDEPENDENT AUDITORS' REPORT

Mexico City, October 8, 2007

To the Stockholders of:

Financiera Independencia, S. A. de C. V.,
Sociedad Financiera de Objeto Múltiple, Entidad No Regulada,
(formerly Sociedad Financiera de Objeto Limitado), and
Serfincor, S. A. de C. V. and its subsidiaries

1. We have audited the combined balance sheets of Financiera Independencia, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (formerly Sociedad Financiera de Objeto Limitado or Sofol) (FISA), and Serfincor, S. A. de C. V. and its subsidiaries (Serfincor) (FISA, together with Serfincor, the Company) as of December 31, 2006 and 2005, and the related combined statements of income, of changes in stockholders' equity and of changes in financial position for the years ended December 31, 2006, 2005 and 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

2. We conducted our audits in accordance with generally accepted auditing standards in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and that they were prepared in accordance with the accounting principles prescribed by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores or CNBV) applicable to Sofols. As mentioned in Note 2, these rules do not conform to Mexican Financial Reporting Standards in the cases specified in such Note. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the standards of financial information used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3. The combined financial statements and the notes thereto are presented in pesos of constant purchasing power as of June 30, 2007, because they form part of the document for the public offering of shares of the Company, which contains financial information as of December 31, 2006, 2005 and 2004, presented in constant pesos as of June 30, 2007.

4. In our opinion, the aforementioned combined financial statements present fairly, in all material respects, the financial position of Financiera Independencia, S. A. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, (formerly Sociedad Financiera de Objeto Limitado), and Serfincor, S. A. de C. V. and its subsidiaries, as a combined entity as of December 31, 2006, and 2005, the results of their operations, the changes in their stockholders' equity and the changes in their financial position for the years ended December 31, 2006, 2005 and 2004, in conformity with the accounting principles prescribed by the CNBV.

PricewaterhouseCoopers, S. C.

José Antonio Quesada Palacios
Audit Partner

**FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES**

**Combined balance sheets
(Notes 1 and 2)
Thousands of Mexican pesos with purchasing power as of June 30, 2007**

	December 31	
	2006	**2005**
Assets		
Cash and cash equivalents	Ps 139,495	Ps 206,524
Performing loans (Note 3):		
Consumer	2,055,561	1,735,100
Non-performing loans (Note 3):		
Consumer	125,006	137,454
Total loan portfolio	2,180,567	1,872,554
Allowance for loan losses (Note 3)	(156,258)	(171,816)
Total loan portfolio – Net	2,024,309	1,700,738
Other accounts receivable – Net	72,416	36,871
Property, plant and equipment – Net (Note 4)	89,417	77,690
Deferred income tax – Net (Note 10)	117,642	132,302
Other assets – Net	40,296	47,449
Total assets	Ps2,483,575	Ps2,201,574
Liabilities and Stockholders' Equity		
Commercial paper (Note 5)	Ps —	Ps 211,401
Bank and other entities loans (Note 6)	1,314,363	1,060,775
Other accounts payable:		
Income tax and employee´ statutory profit-sharing (Note 10)	21,573	22,441
Other accounts payable	108,278	88,348
Commissions collected in advanced	31,183	55,628
	161,034	166,417
Total liabilities	1,475,397	1,438,593
Stockholders' equity (Note 8):		
Paid-in capital:		
Capital stock	145,454	132,159
Additional paid-in capital	625,220	6,119
	770,674	138,278
Earned Capital:		
Capital reserves	57,189	46,558
Retained earnings	180,314	563,540
Initial effect of deferred income tax	—	14,591
	237,503	624,689
Total majority interest	1,008,177	762,967
Minority interest	1	14
Total stockholders' equity	1,008,178	762,981
Commitments and contingencies (Note 13)		
Total liabilities and stockholders' equity	Ps2,483,575	Ps2,201,574

The thirteen notes are part of these combined financial statements.

FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES

Combined statements of income
(Notes 1 and 2)
Thousands of Mexican pesos with purchasing power as of June 30, 2007

	Year ended December 31		
	2006	**2005**	**2004**
Interest income (Note 9)	Ps1,430,006	Ps1,226,785	Ps 809,016
Interest expense	(120,118)	(190,043)	(126,187)
Monetary loss – Net (financial margin)	(24,855)	(13,253)	(17,941)
Financial margin	1,285,033	1,023,489	664,888
Provision for loan losses, net of recoveries (Note 3)	(188,835)	(258,756)	(161,306)
Financial margin after provision for loan losses	1,096,198	764,733	503,582
Commissions and fees collected	383,536	396,013	239,583
Commissions and fees paid	(2,473)	(32,504)	(804)
	381,063	363,509	238,779
Net operating revenue	1,477,261	1,128,242	742,361
Non-interest expense	(978,856)	(783,312)	(529,659)
Net operating income	498,405	344,930	212,702
Other income	100,614	126,184	114,830
Other expenses	(13,471)	(2,271)	(2,005)
	87,143	123,913	112,825
Total income before income tax and employees' statutory profit-sharing	585,548	468,843	325,527
Current income tax and employees' statutory profit-sharing (Note 10)	167,928	208,535	166,137
Deferred income tax and employees' statutory profit-sharing (Note 10)	14,660	(58,956)	(53,839)
	182,588	149,579	112,298
Net income for the year	402,960	319,264	213,229
Minority interest	—	(22)	(215)
Net income for the year	Ps 402,960	Ps 319,242	Ps 213,014

The thirteen notes are part of these combined financial statements.

FINANCIERA INDEPENDENCIA, S. A. DE C. V., SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA (FORMERLY SOCIEDAD FINANCIERA DE OBJETO LIMITADO), AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES

Combined statements of changes in stockholders' equity
For the years ended December 31, 2006, 2005 and 2004
(Note 8)
Thousands of Mexican pesos with purchasing power as of June 30, 2007

	Paid-in capital		Earned capital				
	Capital stock	Additional paid-in capital	Capital reserves	Retained earnings	Initial effect of deferred income tax	Minority interest	Stockholders' equity
Balances as of January 1, 2004	Ps131,647	Ps 949	Ps13,751	Ps 145,134	Ps 14,591	—	Ps 306,072
TRANSACTIONS APPROVED BY STOCKHOLDERS:							
Capital stock increase	512	5,170					5,682
Application of 2003 net income to capital reserves			9,980	(9,980)			
Cash dividends declared				(27,931)			(27,931)
Minority interest						(191)	(191)
	512	5,170	9,980	(37,911)		(191)	(22,440)
COMPREHENSIVE INCOME ENTRIES:							
Net income				213,014		215	213,229
Balances as of December 31, 2004	132,159	6,119	23,731	320,237	14,591	24	496,861
TRANSACTIONS APPROVED BY STOCKHOLDERS:							
Application of 2004 net income to capital reserves			22,827	(22,827)			
Cash dividends declared				(53,112)			(53,112)
Minority interest						(32)	(32)
			22,827	(75,939)		(32)	(53,144)
COMPREHENSIVE INCOME ENTRIES:							
Net income				319,242		22	319,264
Balances as of December 31, 2005	132,159	6,119	46,558	563,540	14,591	14	762,981
TRANSACTIONS APPROVED BY STOCKHOLDERS:							
Application of 2005 net income to capital reserves			10,631	(10,631)			
Cash dividends declared in March 2006				(71,140)			(71,140)
Capital stock increase	13,295	712,381					725,676
Transfer to the additional paid-in capital to retained earnings		(93,280)		93,280			
Cash dividends declared in June 2006				(812,286)			(812,286)
Transfer to the initial effect of deferred income tax to retained earnings				14,591	(14,591)		
Minority interest						(13)	(13)
	13,295	619,101	10,631	(786,186)	(14,591)	(13)	(157,763)
COMPREHENSIVE INCOME ENTRIES:							
Net income				402,960			402,960
Balances as of December 31, 2006	Ps145,454	Ps625,220	Ps57,189	Ps 180,314	Ps —	Ps 1	Ps1,008,178

The thirteen notes are part of these combined financial statements.

**FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES**

**Combined statements of changes in the financial position
Thousands of Mexican pesos with purchasing power as of June 30, 2007**

	December 31,		
	2006	**2005**	**2004**
Operating activities:			
Net income for the year	Ps 402,960	Ps 319,242	Ps 213,014
Items not generating (requiring) resources:			
Provision for loan losses, net of recoveries	188,835	258,756	161,306
Depreciation and amortization	32,200	28,559	19,100
Software costs	5,698	3,390	1,526
Employee retirement benefits	2,171	1,444	563
Deferred taxes	14,660	(58,956)	(53,839)
	646,524	552,435	341,670
Changes in operating assets and liabilities:			
Increase in loan portfolio	(512,406)	(471,993)	(747,767)
Other accounts receivable and other accounts payable and others – Net	(18,654)	(28,770)	29,650
Resources provided by (used in) operating activities	115,464	51,672	(376,447)
Financing activities:			
Increase in capital stock	13,295	—	512
Share premium received	712,381	—	5,170
Dividend payment	(883,426)	(53,112)	(27,931)
Increase in bank and other entities loans	253,588	82,100	343,916
Commercial paper	(211,401)	111,551	42,789
Minority interest	(13)	(10)	24
Resources (used in) provided by financing activities	(115,576)	140,529	364,480
Investing activities:			
Property, plant and equipment – Net	(43,927)	(39,913)	(18,985)
Other assets	(22,990)	(9,523)	48,284
Resources (used in) provided by investing activities	(66,917)	(49,436)	29,299
(Decrease) increase in cash and cash equivalents for the year	(67,029)	142,765	17,332
Cash and cash equivalents at the beginning of the year	206,524	63,759	46,427
Cash and cash equivalents at the end of the year	Ps 139,495	Ps 206,524	Ps 63,759

The thirteen notes are part of these combined financial statements.

**FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES**

**Notes to the combined financial statements
December 31, 2006, 2005 and 2004
(Amounts stated in thousands of Mexican pesos with purchasing
power as of June 30, 2007, except for numbers of shares and exchange rates)**

Note 1 – Nature of the company and its activities:

The combined financial statements presented herein consist of the accounts of Financiera Independencia, S. A. de C. V., Sociedad de Objeto Múltiple (formerly Sociedad Financiera de Objeto Limitado) (FISA), as well as those of Serfincor, S. A. de C. V. and its subsidiaries (Serfincor). Effective July 1, 2007, FISA acquired substantially all of the outstanding common stock of Serfincor (99%), held by FISA's majority shareholders for a total amount of Ps152,868. Total assets and liabilities acquired represented 3% and 0% in 2006, 2% and 0% in 2005 and 1% and 0% in 2004, respectively, of the FISA financial statements. Unless context requires otherwise, the term "Company" refers to both FISA and Serfincor as a combined entity.

FISA was incorporated on July 22, 1993, as a Special Purpose Entity (Sociedad Financiera de Objeto Limitado or Sofol) and is mainly engaged in granting personal loans to low income individuals. The resources required to conduct its activities have been obtained from its stockholders, operations and liabilities with Mexican and foreign financial institutions.

On July 18, 2006, certain amendments were made to the General Law on Ancillary Activities and Organizations of Credit (Ley General de Organizaciones y Actividades Auxiliares del Crédito or LGOAAC), pursuant to which Multiple Purpose Financial Entities (Sociedades Financieras de Objeto Múltiple or Sofom) can engage in activities such as granting loans, factoring and financial leasing operations, which may or may not be regulated by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores also referred as the Commission or CNBV). Non-Regulated Multiple Purpose Financial Entities (Sociedad Financiera de Objeto Múltiple, Entidad No Regulada or Sofom, E. N. R) are not related to credit institutions or holding entities of financial institutions. Sofoms, E. N. R. are not subject to the Commission's oversight.

On November 30, 2006, Stockholders at an Extraordinary Stockholders' Meeting approved the modification of the Company's by-laws, to transform the Company into a Sofom, E. N. R. in accordance with the provisions of the LGOAAC, as amended. This modification was registered in the Public Commerce Registry and became effective on January 31, 2007.

Serfincor was incorporated on March 31, 2003 and is a holding company of the following subsidiaries:

Subsidiary	Stock holding	Activity
Conexia Servicios, S. A. de C. V.*	99.99%	Verification and collection services
Conexia, S. A. de C. V.	99.99%	Operating Call Center
Prosefindep, S. A. de C. V..	99.99%	Administrative services
SF Independencia, S. A. de C. V.*	99.99%	Administrative services
Servicios de Cambaceo, S. A. de C. V.	99.99%	Commissions
Santa Fe Post, S. A. de C. V.	99.99%	Messaging
Ejecutivos Santa Fe, S. A. de C. V.**	99.99%	Administrative services

* These two entities were merged with Serfincor as of June 30, 2007
** Was incorporated on July 1, 2007

FISA has no employees and all legal, accounting and administrative services are provided by Serfincor's subsidiaries.

Note 2 – Summary of significant accounting policies:

The accompanying combined financial statements were prepared in accordance with the accounting criteria established for Sofols issued by the CNBV (Mexican Sofol Accounting Principles), which differ from Mexican Financial Reporting Standards (Normas de Información Financiera or NIF), issued by the Mexican Board for Research and Development of Financial Information Standards (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera or CINIF), primarily with respect to the presentation of certain items in the combined financial statements, including those mentioned in subparagraph c. below.

The accompanying combined financial statements are stated in thousands of Mexican pesos ("Ps") of purchasing power as of June 30, 2007, and have been translated from Spanish into English for the convenience of readers.

The accompanying combined financial statements were authorized for issuance on October 7, 2007, by Juan García Madrigal – Chief Financial Officer, whose signature appears at the end of these notes to the combined financial statements.

Below is a summary of the Company's significant accounting policies, including items, methods and criteria related to the recognition of the effects of inflation in financial information:

a. All significant balances and transactions between the combined companies have been eliminated during the combination process.

b. Cash and cash equivalents are recorded at nominal value and include investments in securities in financial institutions with average maturities of one day.

c. The loan portfolio represents amounts effectively granted to borrowers and is presented net of the allowance for loan losses, plus interest earned but not yet collected. Commissions received and incremental direct costs incurred related to loans are deferred and amortized over the term of the loans using the straight-line method.

The unpaid loan balance comprising principal and accrued interest, is recorded in the past-due portfolio, when payment is overdue for 90 or more calendar days.

Generally, interest income is recognized on an accrual basis, using the unpaid balances method. Accrual of interest is discontinued on a loan when such loan is considered past due. Interest while the loan is in non-accrual status is always recognized as income on a cash basis.

Unused portions of lines of credit are recorded in memorandum accounts.

Loans are written-off when payment is overdue for 180 or more calendar days. Recovery of loans previously written off, is recorded in the income statement under the line item provision for loan losses when collected.

NIF requires the recognition of accrued interest, and the creation of a reserve for uncollectible accounts, based on the probability of default.

d. The allowance for loan losses represents the Company's best estimate of the amount necessary to cover probable future losses inherent in the loan portfolio, which is at least 125% of the total past-due loan portfolio.

e. Property, plant and equipment is recorded at acquisition cost and restated considering the effects of inflation from their acquisition date to the most recent balance sheet presented.

Depreciation and amortization are calculated by the straight-line method based on the estimated useful lives of the assets, on both acquisition cost and restatement increases.

f. Long-lived assets are subject to impairment testing, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

g. Commercial paper with yields upon maturity, is recorded at nominal value plus accrued interest not yet paid, determined according to the number of days elapsed at each monthly close and charged to results as incurred.

h. Bank and other entities loans refer to credit lines and other loans obtained from financial institutions. They are recorded at the contractual value of the liability, plus accrued interest not yet paid.

i. Accrued liabilities are recorded when the Company has a current obligation that results from a past event, which are likely to result in the use of economic resources and can be reasonably estimated. These provisions have been recorded based on management's best estimate of the amount needed to fulfill the present liability; however, actual results could differ from the provisions recorded.

j. Provisions for income taxes (ISR) and employees´ statutory profit sharing (PTU) are recorded in the results of the year in which they are incurred. Deferred income tax assets and liabilities are recognized for temporary differences resulting from comparing the accounting and tax basis of assets and liabilities plus any future benefits from tax loss carry forwards.

k. Seniority premiums to which employees are entitled upon termination of employment after 15 years of service are recorded as a cost during the years in which the respective services are rendered, based on actuarial studies carried out using the projected unit credit method.

In January 1, 2005, Bulletin D-3, Labor Obligations became effective, which provides additional valuation and disclosure rules for recognizing severance payments due to causes other than restructuring. These effects are recognized through actuarial studies applying the projected unit credit method. The adoption of these amendments did not have a significant effect on the accompanying financial statements.

l. Capital stock, capital reserves and retained earnings represent the value of these items stated in purchasing power as of the most recent balance sheet date, and are determined considering the effects of inflation as of the most recent balance sheet date.

m. Additional paid-in capital represents the difference between the payment for the shares subscribed and the nominal value of those shares, and is restated by applying the corresponding effects of inflation.

n. Comprehensive income is represented by the net income and items required by specific accounting standards to be reflected in stockholders' equity but that do not constitute capital contributions, reductions or distributions. It is restated considering the effects of inflation.

o. Monetary loss represents the loss due to inflation on net monetary assets and liabilities for the year, expressed in pesos of purchasing power as of the most recent balance sheet date. The inflation rate was 4.05% in 2006, 3.33% in 2005 and 5.45% in 2004.

p. Revenue consisting of interest income from loans granted is recorded in earnings as it accrues, based on the contractual terms and interest rates of the loans.

q. Loan origination fees, net of certain direct origination costs, are deferred and recognized over the contractual life of the loan, using the straight-line method. Other commissions and fees are recorded in earnings when collected.

r. The preparation of financial statements requires management to make estimates and assumptions that affect the amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the amounts of income and expenses for the periods covered by those financial statements. Actual results may differ from those estimates.

Note 3 – Loan portfolio:

Performing and non-performing loans were as follows:

	2006		
	Principal	**Accrued interest**	**Total**
Performing loans:			
Consumer	Ps1,946,232	Ps109,329	Ps2,055,561
Non-performing loans:			
Consumer	104,893	20,113	125,006
Total loan portfolio	Ps2,051,125	Ps129,442	Ps2,180,567

	2005		
	Principal	**Accrued interest**	**Total**
Performing loans:			
Consumer	Ps1,610,766	Ps124,334	Ps1,735,100
Non-performing loans:			
Consumer	115,268	22,186	137,454
Total loan portfolio	Ps1,726,034	Ps146,520	Ps1,872,554

The distribution of the loan portfolio by geographical region was as follows:

State:	December 31, 2006 Total loan portfolio	December 31, 2005 Total loan portfolio
Aguascalientes	Ps 45,024	Ps 40,445
Baja California Norte	48,161	49,736
Baja California Sur	31,152	33,310
Campeche	30,544	28,406
Chiapas	75,005	66,098
Chihuahua	81,795	82,513
Coahuila	194,847	164,232
Colima	29,495	26,908
Durango	30,747	22,052
Estado de México	38,421	33,849
Guanajuato	110,324	82,538
Guerrero	45,005	28,567
Hidalgo	19,448	16,476
Jalisco	96,905	86,753
Michoacán	54,957	45,069
Morelos	53,925	35,142
Nayarit	23,461	23,932
Oaxaca	38,716	37,094
Puebla	77,325	61,611
Querétaro	56,699	44,863
Quintana Roo	70,111	65,964
San Luis Potosí	81,624	69,751
Sinaloa	90,324	76,553
Sonora	78,843	70,170
Tabasco	44,416	43,669
Tamaulipas	255,726	232,247
Tlaxcala	42,422	32,907
Veracruz	250,154	199,512
Yucatán	59,617	52,165
Zacatecas	18,373	14,553
Headquarters (México, D. F.)	7,001	5,469
Total loan portfolio	Ps2,180,567	Ps1,872,554

Loans granted, segmented by type, were as follows:

	2006		2005	
	Amount	%	Amount	%
Performing loans:				
CredInmediato	Ps1,785,985	82	Ps1,644,137	88
CrediPopular	168,889	8	90,483	5
CrediMamá	77,896	4	—	—
CrediConstruye	22,791	1	480	—
	2,055,561	95	1,735,100	93
Non performing loans:				
CredInmediato	104,143	5	127,937	7
CrediPopular	12,770	—	9,517	—
CrediMamá	7,752	—	—	—
CrediConstruye	341	—	—	—
	125,006	5	137,454	7
Total loan portfolio	Ps2,180,567	100	Ps1,872,554	100

CredInmediato – This product is a revolving line of credit available to individuals earning at least the minimum monthly wage in Mexico. Loans granted under this program range from Ps1.5 to Ps16.5. As of December 31, 2006, 2005 and 2004 the unused amount of line of credit not withdrawn was Ps408 million, Ps94 million and Ps35 million, respectively.

Credipopular – This product is a personal loan ranging initially from Ps1.5 to Ps3.0, and is available to the adult working population in Mexico. This product has an average term of 26 weeks with weekly or biweekly payments.

CrediMamá – This product is tailored to mothers who have at least one child under the age of 18. These loans are initially granted in an amount of Ps1.5. This product has an average term of 26 weeks with weekly or biweekly payments.

CrediConstruye – This product is available to individuals earning at least the minimum monthly wage in Mexico and is intended to finance home improvements. These loans initially range from Ps3.0 to Ps15.0. This loan product offers terms ranging from 6 to 24 months.

The changes in the allowance for loan losses for the fiscal years ended December 31, 2006, 2005 and 2004 were as follows:

	2006	2005	2004
Balance at the beginning of the period	Ps171,816	Ps124,942	Ps 79,354
Less:			
Effect of inflation at the beginning of the period	8,160	9,297	9,702
Nominal balance at the beginning of the period	163,656	115,645	69,652
Plus:			
Increase to the allowance for loan losses*	188,835	258,756	161,306
Less:			
Effect of inflation	4,846	4,113	4,067
Loans written-off during the year:			
— Accrued interest	19,432	14,964	7,076
— Principal amount	171,955	183,508	94,873
Balance at the end of the year	Ps156,258	Ps171,816	Ps124,942

* Net of recoveries from sale of loans previously written-off.

Note 4 – Property, plant and equipment:

Property, plant and equipment were as follows:

	December 31,		Depreciation rate
	2006	2005	%
Computer equipment	Ps 99,115	Ps 80,254	25
Office furniture and equipment	41,100	34,443	10
Transportation equipment	18,468	14,032	25
Leasehold improvements	69,427	64,291	20
	228,110	193,020	
Less – Accumulated depreciation	139,534	115,330	
	88,576	77,690	
Plus – Land	841	—	
	Ps 89,417	Ps 77,690	

For the years ended December 31, 2006, 2005 and 2004, depreciation expense amounted to Ps32,200, Ps28,559 and Ps19,100, respectively.

Note 5 – Commercial paper:

In official letter DGE-291-23791, dated May 2005, the Commission authorized the issuance by the Company of 4,000,000 unsecured certificates (or certificados bursátiles) with a par value of Ps.0.100 each, bearing a variable interest rate of Tasa de Interés Interbancaria de Equilibrio (TIIE) at 28 days. On June 2, 2005, the Company issued Ps200,000 aggregate principal amount of such certificados busátiles with principal payable at maturity (May 25, 2006) and interest payable on a monthly basis. On October 8, 2007, these certificates were repaid in full and are no longer outstanding.

Note 6 – Bank and other entities loans:

As of December 31, 2006 and 2005 the balance of bank and other entities loans were as follows:

				December 31,	
Entity:	**Credit line**	**Maturity**	**Interest rate**	**2006 Amount**	**2005 Amount**
HSBC México, S. A.	Ps1,500,000	Feb 07 to Dec 08	TIIE + 2.75	Ps1,290,956	Ps1,049,859
Sociedad Hipotecaria Federal, S. N. C.	Ps 30,000	Aug 07 to Nov 08	Between 10.98% and 9.37%	15,250	288
Nacional Financiera, S. N. C.*		Ago 06 to Jul 08	11.13%	643	—
				1,306,849	1,050,147
Accrued interest				7,514	10,628
				Ps1,314,363	Ps1,060,775

* On July 25, 2006, a purchase agreement was signed with Nacional Financiera, S. N. C., Fiduciaria en el Fideicomiso Desarrollos Industriales de Aguascalientes, a trust, whereby Conexia, S. A. de C. V. (a Serfincor subsidiary) acquired two properties in Aguascalientes for Ps426 and Ps415, respectively, to build a new operating center (Call Center).

During the year ended December 31, 2005, the Company prepaid a loan granted by GE Capital for an amount of Ps793,659 (including a prepayment fee in connection with the termination, which amounted to Ps30,525), with interest rates between 13.17% and 15.64%, using the proceeds from a loan granted by HSBC México, S. A. in the amount of Ps1,056,000.

Note 7 – Labor liabilities:

The Company has established non-contributory defined benefit pension plans for its employees. Benefit plans are primarily based on the employees' years of service and their remuneration at their respective retirement dates. The liabilities and costs related to these plans, as well as those related to the seniority premiums to which employees are entitled after 15 years of service, are recognized on the basis of actuarial studies of independent experts.

Additionally, indemnities to which employees are entitled in case of dismissal are determined by independent experts, based on the employee's years of service, salary and applicable labor laws.

As of December 31, the changes in projected benefit obligation of the seniority premium plan, were as follows:

	December 31,	
	2006	2005
Projected benefit obligation	Ps(1,051)	Ps(959)
Plan assets	—	—
	(1,051)	(959)
Transition liability	153	177
Plan modifications	154	126
Actuarial (gains) loss	(388)	67
Projected net liability	Ps(1,132)	Ps(589)
Actual benefit obligation	Ps(1,003)	Ps(870)
Plan assets	—	—
		(870)
Projected net liability	—	(589)
Liability additional	—	Ps(281)
Intangible asset	—	Ps 281

The net cost for the years ended December 31, 2006, 2005 and 2004 was Ps 544, Ps407 and Ps563, respectively.

As of December 31, the changes in projected benefit obligation of dismissal indemnities were as follows:

	December 31,	
	2006	2005
Projected benefit obligation	Ps(4,280)	Ps(4,715)
Plan assets	—	—
	(4,280)	(4,715)
Transition liability	3,206	3,456
Plan modifications	296	251
Actuarial (gains) loss	(1,716)	140
Projected net liability	Ps(2,494)	Ps (868)
Actual benefit obligation	Ps(4,184)	Ps(4,535)
Plan assets	—	—
	(4,184)	(4,535)
Projected net liability	(2,494)	(868)
Additional liability	Ps(1,690)	Ps(3,667)
Intangible asset	Ps 1,690	Ps 3,667
Net cost for the year	Ps 1,627	Ps 1,037

The cost of past services and plan modifications, variation in assumptions and adjustments for experience, and the transition liability are amortized on the basis of the average remaining labor life of employees expected to receive the plan benefits, which is approximately 15 years.

The weighted average assumptions (net of expected inflation) used to determine, under both plans, the net periodic benefit cost for the years ended December 31, 2006, 2005 and 2004 were as follows:

Discount rate	4.50%
Salary increase rate	1.00%

Note 8 – Stockholders' equity:

As recorded in the minutes of the Ordinary Stockholders meeting of June 20, 2006, HSBC Overseas Holdings (UK) Limited (HSBC) subscribed a Ps13,163 (Ps12,699 nominal pesos) increase in FISA's capital stock equivalent to one Series "A" share and 126,999 Series "B" shares, and recognized a share premium in an amount of Ps5.18004 (nominal amount per share) recorded in the line item additional paid-in capital for a total amount of Ps681,844 (Ps657,860 nominal pesos). In addition, HSBC subscribed a Ps132 (Ps127 nominal pesos) increase in the Serfincor's capital stock equivalent to one Series "A" share and 126,999 Series "B" shares and recognized a share premium for an amount of Ps0.23081 (nominal amount per share) recorded in the line item additional paid-in capital for a total amount of Ps30,537 (Ps29,313 nominal pesos).

After this increase, the capital stock at December 31, 2006 was composed as follows:

	FISA		Serfincor		Company	
Description	**Shares(*)**	**Amount**	**Shares(*)**	**Amount**	**Shares(*)**	**Amount**
Series "A" Class I	400,000	Ps 40,000	50,800	Ps 51	450,800	Ps 40,051
Series "A" Class II	108,001	10,800	457,201	457	565,202	11,257
Series "B" Class II	126,999	12,699	126,999	127	253,998	12,826
Effect of inflation		81,251		69		81,320
Capital stock in pesos of June 30, 2007 purchasing power	635,000	Ps144,750	635,000	Ps704	1,270,000	Ps145,454

The series "A" Clase I representing the fixed portion of the capital stock, without withdrawal rights.

(*) Ordinary nominative shares with a par value of Ps100 and Ps1 each, for FISA and Serfincor, respectively, totally subscribed and paid in.

The Company pays dividends on a regular basis. No restrictions exist for the Company to declare dividends. Dividends paid during 2006 amounted Ps71,140 and Ps812,286, approved at the General Ordinary Stockholders' meetings dated March 27, 2006 and June 20, 2006, respectively. In addition, at the meeting held by the Stockholders on August 22, 2007, the transfer from additional paid-in capital to retained earnings the amount of Ps93,280 was approved.

In accordance with Mexican law, the legal reserve must be increased by 5% of the annual profits until it reaches 20% of the capital stock amount. The amounts transferred to capital reserves corresponding to legal reserve as of December 31, 2006, 2005 and 2004 were Ps10,631, Ps.22,827 and Ps9,980, respectively.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account. Any dividends paid in excess of this account are subject to a tax rate equivalent to 38.91% in 2007. 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. 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.

Note 9 – Interest income

Interest income for the year was comprised as follows:

	2006	2005	2004
Loan Portfolio	Ps1,425,489	Ps1,213,899	Ps806,455
Short term investments in securities	4,517	12,886	2,561
Total interest income	Ps1,430,006	Ps1,226,785	Ps809,016

Note 10 – Income tax, asset tax and employees' statutory profit-sharing (esps):

The Company and its subsidiaries are subject separately to the payment of income tax and asset tax.

The income tax and employees' statutory profit-sharing provisions were as follows:

	2006	2005	2004
Current:			
ESPS	Ps 2,891	Ps 892	Ps 352
Income tax	165,037	207,643	165,785
	167,928	208,535	166,137
Deferred:			
Income tax	14,660	(58,956)	(53,839)
	Ps182,588	Ps149,579	Ps112,298

As a result of the amendments to the Mexican Income Tax Law approved on November 13, 2004, the income tax rate was of 30%, 29% and 28%, in 2005, 2006 and 2007, respectively.

As of December 31, 2006, 2005 and 2004, the difference between the statutory and effective tax rates was 2% in each of the three years, mainly due to the recognition of the effects of inflation on the Company's different tax and book basis and non-deductible expenses.

A summary of the deferred tax assets and liabilities as of December 31 is as follows:

	December 31,	
	2006	2005
Loans written-off	Ps198,500	Ps232,813
Allowance for loan losses	156,258	171,816
Provisions*	54,171	28,860
Commissions collected in advanced	31,182	55,628
Tax loss carryforwards	1,811	1,591
Fixed assets	10,848	10,155
Prepaid expenses	(21,220)	(21,578)
Software costs	(6,531)	(5,517)
Prepaid commissions	(4,869)	(17,553)
	420,150	456,215
Income tax rate	28%	29%
Deferred income tax	Ps117,642	Ps132,302

* Provisions include, among other things, accrued year-end bonuses to employees based on their annual work performance and accruals for amounts committed with respect to refunds to clients.

The Asset Tax rate was 1.8% in 2004, 2005 and 2006. In 2007, the Asset Tax rate decreased from 1.8% to 1.25%, however, those asset tax deductions that were permitted in prior years are not longer allowed beginning in 2007. The asset tax of each of the companies included in the combination process for 2006, 2005 and 2004 at no time exceeded the income tax for those same years.

The employees' statutory profit sharing is calculated applying 10% of taxable income determined on a basis similar to income tax, except that the employees' statutory profit sharing does not consider inflation effects or tax loss carry forwards.

At December 31, 2006, the Company had accumulated tax loss carry forwards amounting to Ps1,811, as to which the right to be applied against future tax profits expires as set forth below:

Year of loss	Amount	Year of expiration
2003	Ps 157	2013
2004	1,419	2014
2005	235	2015
Total	Ps1,811	

A decree was published on October 1, 2007 that amends different provisions of the Income Tax Law, including the creation of the Flat Rate Business Tax (IETU) and the elimination of the Asset Tax. Management of the Company does not believe the aforementioned will have a material impact on the Company's results of operations and financial condition.

Note 11 – Balances and transactions with related parties:

The main balances as of December 31, 2006 and 2005 were as follows:

Receivable:	2006	2005
Impulsora Corporativa de Inmuebles, S. A. de C. V	Ps 598	Ps—
Multiva México, S. A. de C. V	—	222
ADEF, S. A. de C. V	204	59
Operadora de Deportes Cancún, S. A. de C. V	128	127
Promotora de Deportes Cancún, S. A. de C. V	—	126
Asociación de Condóminos Vasco de Quiroga No.2121, A. C	71	—
Asociación de Condóminos Montes Urales No. 632, A. C.	41	—
Asociación de Condóminos Plaza Reforma, A. C	—	51
Other	129	152
	Ps1,171	Ps737

These balances are included under the caption "Other accounts receivable – Net".

Payable		
HSBC México, S. A	Ps1,290,956	Ps1,049,859

The main transactions with related parties were as follows:

	December 31, 2006	2005	2004
Income:			
Administrative services	Ps 8,699	Ps14,336	Ps14,298
Expenses:			
Interest expense	Ps106,726	Ps19,928	Ps —
Leases	4,673	5,632	5,563
	Ps111,399	Ps25,560	Ps 5,563

Note 12 – New accounting standards:

Beginning January 1, 2007, the provisions of the following NIFs issued by the CINIF became effective:

- NIF B-3 "Income statement" – Incorporates, among other things, a new approach to the classification of income and expenses as ordinary and non-ordinary eliminates special and extraordinary items and establishes employee's profit sharing as an ordinary expense and not as a profit tax.
- NIF B-13 "Subsequent events" – Requires, among other things, recognition of restructured assets and liabilities in the period in which they actually take place and recognition of creditors' waivers to enforce their right to demand debts in the event of lack of compliance by the entity with debt agreement commitments. These issues will only be disclosed in the notes to the financial statements.
- NIF C-13 "Related parties" – Expands, among others, the definition (scope) of the related parties' concept and increases the disclosure requirements in the notes to the financial statements.
- NIF D-6 "Capitalization of the Financing Integral Result" – Establishes, among other things, the obligation to capitalize the financing integral result and the rules for its capitalization.

In addition, the CINIF issued the following NIFs, which will be effective as from January 1, 2008.

- NIF B-10 "Effects of inflation": establishes, among other things, two economic environments in which the entity may operate: a) inflationary (in which the effects of inflation must be recognized) and b) non-inflationary (in which the effects of inflation must not be recognized). Under the second scenario, the effect of inflation from holding non-monetary assets and the result on monetary position must be reclassified to retained earnings.
- NIF D-3 "Employee benefits": incorporates, among other things, a structure for the presentation of three types of benefits offered to employees in accordance with International Financial Reporting Standards, which include short-term and long-term benefits, benefits upon termination of employment and benefits upon retirement, and incorporates ESPS as part of its regulations.
- NIF D-4 "Tax on profits": requires, among other things, that asset tax be recognized as a tax credit and therefore, as a deferred tax asset only when it can be recovered against the tax on profits of future periods, and that the balance of the accrued income tax effect be reclassified under retained earnings.

The Company is evaluating the impact that these NIFs may have on its combined financial position or results of operations.

Note 13 – Commitments and contingencies

As of December 31, 2006, legal proceedings against the Company consisted of labor suits. In the opinion of Management and the Company's legal counsel, an unfavorable outcome in these proceeding is considered unlikely. In the event of an unfavorable outcome, the results of these proceeding would not have a material impact on the overall financial position or results of operations of the Company.

The Company entered into certain lease contracts related to offices and branches where the Company performs its activities. The period of these leases is between three and five years. The total lease payments for the next five years amount to Ps98,032 (in 2007 Ps29,326, in 2008 Ps26,902, in 2009 Ps21,598, in 2010 Ps10,776 and thereafter Ps9,430).

Ing. Noel González Cawley General Director	C. P. Juan García Madrigal Chief Financial Officer
Lic. Adeodato Carbajal Orozco Assistant Director of Finance	C. P. Benito Pacheco Zavala Auditing Director

FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES

Combined condensed balance sheets
(Notes 1 and 2)
Thousands of Mexican pesos with purchasing power as of June 30, 2007

	June 30, 2007 (Unaudited)	December 31, 2006
Assets		
Cash and cash equivalents	Ps 123,956	Ps 139,495
Performing loans (Note 3):		
Consumer	2,553,776	2,055,561
Non-performing loans (Note 3):		
Consumer	154,133	125,006
Total loan portfolio	2,707,909	2,180,567
Allowance for loan losses (Note 3)	(192,666)	(156,258)
Total loan portfolio – Net	2,515,243	2,024,309
Other accounts receivable – Net	37,121	72,416
Property, plant and equipment – Net	115,158	89,417
Deferred income tax – Net (Note 7)	120,449	117,642
Other assets – Net	37,749	40,296
Total assets	Ps2,949,676	Ps2,483,575
Liabilities and Stockholders' Equity		
Bank and other entities loans (Note 4):	Ps1,623,055	Ps1,314,363
Other accounts payable:		
Income tax and employees' statutory profit-sharing (Note 7)	38,264	21,573
Other accounts payable	168,532	108,278
Commissions collected in advance	17,575	31,183
	224,371	161,034
Total liabilities	1,847,426	1,475,397
Stockholders' equity (Note 5):		
Paid-in capital:		
Capital stock	145,454	145,454
Additional paid-in capital	625,220	625,220
	770,674	770,674
Earned Capital:		
Capital reserves	69,854	57,189
Retained earnings	261,720	180,314
	331,574	237,503
Total majority interest	1,102,248	1,008,177
Minority interest	2	1
Total stockholders' equity	1,102,250	1,008,178
Commitments and Contingencies (Note 8)		
Total liabilities and stockholders' equity	Ps2,949,676	Ps2,483,575

The eight notes are part of these combined condensed financial statements.

FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V. AND ITS SUBSIDIARIES

Unaudited combined condensed statements of income
(Notes 1 and 2)
Thousands of Mexican pesos with purchasing power as of June 30, 2007

	June 30, 2007	June 30, 2006
Interest income (Note 6)	Ps 897,336	Ps 664,033
Interest expense	(69,899)	(60,052)
Monetary loss – Net (financial margin)	(5,160)	(5,839)
Financial margin	822,277	598,142
Provision for loan losses, net of recoveries (Note 3)	(127,933)	(99,859)
Financial margin after provision for loan losses	694,344	498,283
Commissions and fees collected	233,296	142,295
Commissions and fees paid	(951)	(1,962)
	232,345	140,333
Net operating revenue	926,689	638,616
Non-interest expense	(586,360)	(430,707)
Net operating income	340,329	207,909
Other income	59,385	59,106
Other expenses	(23,934)	(2,215)
	35,451	56,891
Total income before income tax	375,780	264,800
Current (Note 7)	110,908	96,221
Deferred (Note 7)	(2,807)	(9,677)
	108,101	86,544
Net income for the year	267,679	178,256
Minority interest	(2)	—
Net income for the year	Ps 267,677	Ps 178,256

The eight notes are part of these combined condensed financial statements.

FINANCIERA INDEPENDENCIA, S. A. DE C. V., SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE, ENTIDAD NO REGULADA (FORMERLY SOCIEDAD FINANCIERA DE OBJETO LIMITADO), AND SERFINCOR, S. A. DE C. V. ITS SUBSIDIARIES

Unaudited combined condensed statements of changes in the financial position
Thousands of Mexican pesos with purchasing power as of June 30, 2007

	June 30, 2007	June 30, 2006
Operating activities:		
Net income for the year	Ps 267,677	Ps 178,256
Items not generating (requiring) resources:		
Provision for loan losses, net of recoveries	104,595	99,859
Depreciation and amortization	19,796	17,528
Systems costs	7,134	5,755
Employee retirement benefits	850	1,066
Deferred taxes	(2,807)	(9,677)
	397,245	292,787
Changes in operating assets and liabilities:		
Increase in loan portfolio	(595,529)	(147,830)
Other accounts receivable and other accounts payable and others – Net	111,390	32,618
Resources (used in) provided by operating activities	(86,894)	177,575
Financing activities:		
Increase in capital stock	—	13,295
Share premiums received	—	712,381
Dividend payment	(173,606)	(883,426)
Increase in bank and other entities loans	308,692	186,638
Commercial paper	—	(211,401)
Minority interest	1	(13)
Resources provided by (used in) financing activities	135,087	(182,526)
Investing activities:		
Property, plant and equipment – Net	(45,537)	(21,233)
Other assets	(18,195)	(12,088)
Resources used in investing activities	(63,732)	(33,321)
Decrease in cash and cash equivalents for the year	(15,539)	(38,272)
Cash and cash equivalents at the beginning of the year	139,495	206,524
Cash and cash equivalentes at the end of the year	Ps 123,956	Ps 168,252

The eight notes are part of these combined condensed financial statements.

**FINANCIERA INDEPENDENCIA, S. A. DE C. V.,
SOCIEDAD FINANCIERA DE OBJETO MÚLTIPLE,
ENTIDAD NO REGULADA (FORMERLY SOCIEDAD
FINANCIERA DE OBJETO LIMITADO),
AND SERFINCOR, S. A. DE C. V.
AND ITS SUBSIDIARIES**

**Notes to unaudited combined condensed financial statements
(Amounts stated in thousands of Mexican pesos
with purchasing power as of June 30, 2007,
except for numbers of shares and exchange rates)**

Note 1 – Basis of presentation:

The combined condensed financial statements as of June 30, 2007 and for the periods ended June 30, 2007 and 2006 are unaudited. The combined condensed balance sheet data as of December 31, 2006 was derived from combined audited financial statements, but does not include all disclosures required by accounting principles generally accepted by the Mexican National Banking Commission (the Comisión Nacional Bancaria y de Valores also referred as Commission or CNBV). In the opinion of the management of Financiera Independencia, S. A. de C. V., Sociedad Financiera de Objeto Múltiple (formerly Sociedad Financiera de Objeto Limitado or Sofol) (FISA), and Serfincor, S. A. de C. V. and its subsidiaries (Serfincor) (FISA, together with Serfincor, the Company), all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the combined financial statements have been included herein. The results of interim periods are not necessarily indicative of results for the entire year. Certain information and disclosure, normally included in the interim financial statements, have been modified or omitted. These unaudited combined condensed financial statements should be read in conjunction with the Company's audited combined financial statements as of December 31, 2006 and 2005 and for the years ended December 31, 2006, 2005 and 2004 (the audited annual combined financial statements).

Certain balances from prior periods have been reclassified to conform to the current period presentation.

Note 2 – Summary of significant accounting policies:

The legal corporate status of the Company as of June 30, 2007 is a Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Sofom, E. N. R.). This status does not contemplate or mandate a specific set of rules that the Company should follow as a Sofom, E. N. R., therefore, in order to be comparable with its peer group in the Mexican financial industry, the Company has decided to follow the accounting principles prescribed by the CNBV as if it continues to be a Sofol.

Accordingly, the accompanying combined condensed financial statements were prepared in accordance with the accounting criteria established for Sofols issued by the CNBV (Mexican Sofol Accounting Principles), which differ from Mexican Financial Reporting Standards (Normas de Información Financiera or NIF), issued by the Mexican Board for Research and Development of Financial Information Standards (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera or CINIF), primarily with respect to the presentation of certain items of the combined condensed financial statements.

The accompanying combined condensed financial statements are stated in thousands of Mexican pesos ("Ps") of purchasing power as of June 30, 2007, and have been translated from Spanish into English for the convenience of readers.

The accompanying combined condensed financial statements were authorized for issuance on October 7, 2007, by Juan García Madrigal – Chief Financial Officer, whose signature appears at the end of these notes to the unaudited combined condensed financial statements.

Note 3 – Loan portfolio:

The performing loans and non-performing loans were as follows:

	June 30, 2007		
	Principal	Accrued interest	Total
Performing loans:			
Consumer	Ps2,433,577	Ps120,199	Ps2,553,776
Non-performing loans:			
Consumer	128,266	25,867	154,133
Total loan portfolio	Ps2,561,843	Ps146,066	Ps2,707,909

	December 31, 2006		
	Principal	Accrued interest	Total
Performing loans:			
Consumer	Ps1,946,232	Ps109,329	Ps2,055,561
Non-performing loans:			
Consumer	104,893	20,113	125,006
Total loan portfolio	Ps2,051,125	Ps129,442	Ps2,180,567

The distribution of the loan portfolio by geographical region was as follows:

	June 30, 2007	December 31, 2006
State:	Total loan portfolio	Total loan portfolio
Aguascalientes	Ps 65,368	Ps 45,024
Baja California Norte	53,243	48,161
Baja California Sur	34,013	31,152
Campeche	36,459	30,544
Chiapas	94,503	75,005
Chihuahua	86,224	81,795
Coahuila	234,612	194,847
Colima	32,468	29,495
Durango	46,550	30,747
Estado de México	50,498	38,421
Guanajuato	142,979	110,324
Guerrero	63,274	45,005
Hidalgo	22,780	19,448
Jalisco	125,438	96,905
Michoacán	76,397	54,957
Morelos	75,117	53,925
Nayarit	26,022	23,461
Oaxaca	45,522	38,716
Puebla	103,284	77,325
Querétaro	72,526	56,699
Quintana Roo	82,153	70,111
San Luis Potosí	97,825	81,624
Sinaloa	119,028	90,324

State:	June 30, 2007 Total loan portfolio	December 31, 2006 Total loan portfolio
Sonora	Ps 100,489	Ps 78,843
Tabasco	53,839	44,416
Tamaulipas	297,932	255,726
Tlaxcala	50,290	42,422
Veracruz	313,281	250,154
Yucatán	66,466	59,617
Zacatecas	22,936	18,373
Headquarters (México, D. F.)	16,393	7,001
Total loan portfolio	Ps2,707,909	Ps2,180,567

Loans granted, segmented by product as of June 30, 2007 and December 31, 2006 were as follows:

	June 30, 2007		December 31, 2006	
	Amount	%	Amount	%
Performing loans:				
CredInmediato	Ps2,031,179	75	Ps1,785,985	82
CrediPopular	367,243	14	168,889	8
CrediMamá	73,938	3	77,896	4
CrediConstruye	81,416	3	22,791	1
	2,553,776	95	2,055,561	95
Non performing loans:				
CredInmediato	117,274	4	104,143	5
CrediPopular	26,363	1	12,770	—
CrediMamá	8,327	—	7,752	—
CrediConstruye	2,169	—	341	—
	154,133	5	125,006	5
Total loan portfolio	Ps2,707,909	100	Ps2,180,567	100

The changes in the allowance for loan losses were as follows:

	June 30, 2007	December 31, 2006	June 30, 2006
Balance at the beginning of the period	Ps156,258	Ps174,112	Ps171,816
Less:			
Effect of inflation at the beginning of the period	1,225	6,536	3,896
Nominal balance at the beginning of the period	155,033	167,576	167,920
Plus:			
Increase to the allowance for loan losses*	127,933	88,976	99,859
Less:			
Effect of inflation		942	3,825
Loans written-off during the year:			
– Accrued interest	3,039	7,355	12,449
– Principal amount	87,261	91,997	77,393
Balance at the end of the period	Ps192,666	Ps156,258	Ps174,112

* Net of recoveries from sale of loans previously written-off.

Note 4 – Bank and other entities loans:

As of June 30, 2007 and December 31, 2006 the balances were as follows:

Entity:	Credit line	Maturity	Interest rate	June 30, 2007 Amount	December 31, 2006 Amount
HSBC México, S. A.	Ps2,000,000	Jul 07 to Jun 08	TIIE + 2.75	Ps1,549,167	Ps1,290,956
Sociedad Hipotecaria Federal, S. N. C. (a) . . .	Ps 210,000	Aug 07 to Dec 08	Between 10.98% and 9,35%	61,312	15,250
Nacional Financiera, S. N. C..		Aug 06 to Jul 08	11.13	452	643
				1,610,931	1,306,849
Accrued interest				12,124	7,514
				Ps1,623,055	Ps1,314,363

HSBC México is a related party of the Company.

Note 5 – Stockholders' equity:

At the General Ordinary Stockholders' meeting held on March 27, 2006, the stockholders agreed to pay dividends of Ps173,606 from the retained earnings account.

Note 6 – Interest income:

Interest income for the six-month period ended June 30, was comprised as follows:

	June 30, 2007	June 30, 2006
Loan Portfolio	Ps896,459	Ps660,839
Investments	877	3,194
Total interest income	Ps897,336	Ps664,033

Note 7 – Income tax, asset tax and employees' statutory profit-sharing:

The Company and its subsidiaries are subject separately to the payment of income tax and asset tax.

The income tax provisions as of June 30, 2007 and 2006 were as follows:

	2007	2006
Current	Ps110,908	Ps96,221
Deferred	(2,807)	(9,677)
	Ps108,101	Ps86,544

At June 30, 2007 and 2006, the differences between the statutory and effective tax rates were 2% and 3%, respectively, mainly due to the recognition of the effects of inflation on our different tax and book basis and to non-deductible expenses.

A summary of the deferred tax assets and liabilities as of June 30, 2007 and December 31, 2006, is as follows:

	June 30, 2007	December 31, 2006
Loans written-off	Ps167,163	Ps198,500
Allowance for loan losses	192,666	156,258
Provisions*	66,739	54,171
Commissions collected in advance	17,575	31,182
Tax loss carry forwards	2,194	1,811
Fixed Assets	10,821	10,848
Prepaid expenses	(18,159)	(21,220)
Software costs	(8,824)	(6,531)
Prepaid commissions	—	(4,869)
	430,175	420,150
Income tax rate	28%	28%
Deferred income tax	Ps120,449	Ps117,642

* Provisions include, among other things, accrued year-end bonuses to employees based on their annual work performance and accruals for amounts committed with respect to refunds to clients.

In 2007, the Asset Tax rate decreased from 1.8% to 1.25%; however, asset tax deductions that were permitted in prior years are no longer permitted as of 2007.

The employees' statutory profit sharing is calculated applying 10% of taxable income determined on a basis similar to income tax, except that the employees' statutory profit sharing does not include inflation effects or the tax loss carry forwards.

A decree was published on October 1, 2007 that amends different provisions of the Income Tax Law, including the creation of the Flat Rate Business Tax (IETU) and the termination of the Asset Tax. Management of the Company does not believe the aforementioned will have a material impact on the Company's results of operations and financial condition.

Note 8 – Commitments and contingencies:

As of June 30, 2007, legal proceedings against the Company consisted of labor suits. In the opinion of the management and the Company's legal counsel, an unfavorable outcome in these proceeding is considered unlikely. In the event of an unfavorable outcome, the results of these proceeding will not have a material impact on the overall financial position or results of operations of the Company.

The Company entered into certain lease contracts related to offices and branches where the Company performs its activities. The period of these leases is between three and five years. The total lease payments for the next five years amount to Ps106,485 (for the second half of 2007 Ps17,813; in 2008 Ps31,546; in 2009 Ps26,326; in 2010 Ps15,633 and thereafter on Ps15,167).

Ing. Noel González Cawley
General Director

C. P. Juan García Madrigal
Chief Financial Officer

Lic. Adeodato Carbajal Orozco
Assistant Director of Finance

C. P. Benito Pacheco Zavala
Auditing Director

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