BANCOMEXT ANNUAL REPORT 2010

BANCOMEXT
Banca de Desarrollo

20

BICENTENNIAL
INDEPENDENCE

10

CENTENNIAL REVOLUTION

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

In recent years, Bancomext has redefined its business model to expand and improve its response to the needs of the export sector by developing specialized financial products focused on sectors with an especially dynamic role in international trade, such as the automotive, *maquiladora* (in-bond), tourism and transportation industries, which make a fundamental contribution to the national economy and foreign currency generation.

In addition, specific financial products have been designed to support small and medium-sized enterprises (SMEs) in the export sector. Such products, focused on enhancing the operational capacities of these SMEs, include letters of credit, solidary obligations, guarantees and international factoring.

Bancomext's loan portfolio to private sector firms has grown in the last few years, in national currency by 106% in 2008, 7% in 2009 and 15% in 2010, and in foreign currency by 38%, 0.1% and 11%, respectively.

During the past year, Bancomext financed projects in its target sectors, with benefits in job creation and supplier development in the region.

It is important to highlight the financing granted to various industries during the international economic crisis that affected Mexico in 2008-2009, and the important anti-cyclical role played by the Institution.

Bancomext has also implemented actions aimed at strengthening its technological platform and its financial structure. The results have been positive, making it possible to achieve important growth in assets that will facilitate long-term sustainability.

In 2011 Bancomext will continue to implement the strategies designed to support the high-volume exporting and foreign currency generating sectors, through a wide range of products and services. The aim is to promote the financing of Mexico's export chain, the creation of jobs and the country's economic development.

Héctor A. Rangel Domene
Chief Executive Officer

HIGHLIGHTS

	Millions of Pesos	Millions of US Dollar[1/]
Financing		
Total	38,135	3,037
Credit[2/]	34,310	2,733
Guarantees	3,825	305
Results		
Net profit (loss)	768	62
Interest income	5,663	459
Interest expense	(3,985)	(323)
Provision for credit losses	(227)	(18)
Year-end Balance		
Total assets	140,625	11,387
Total loan portfolio [3/]	45,979	3,723
Treasury and Financial Market	80,743	6,538
Total liabilities	132,514	10,730
Stockholders' equity	8,111	657

1/ Figures in US dollars for descriptive purposes only. The exchange rate used for Results and Year-end Balance corresponds to December 2010, at MXP$12.3496/USD.
2/ Includes first and second tier credit.
3/ Does not include solidary obligations or guarantees.

01

ECONOMIC ENVIRONMENT


Venta
1.6339 0.000270
65.0200 0.019997
1.5790 0.002000
470.700 0.500000
Valor
Val Ant
Var Uni
37,432.12 37,471.53
(39.410)
12,409.49

INTERNATIONAL ENVIRONMENT

In 2010 international economic activity recovered the economic growth observed in previous years, although a discrepancy still persists in the rhythm of economic growth between advanced and emerging economies. The world's Gross Domestic Product (GDP) registered a positive 5.0% growth rate, following a negative 0.6% for the previous year.

Emerging and developing economies, registering overall positive performance, were again those contributing to increasing international economic activity in 2010. These economies grew at an average rate of 7.1%, with China's economy especially noteworthy, once again demonstrating an outstanding annual growth rate, this year at 10.3%. In contrast, advanced economies experienced lower growth comparatively: the average rate was 3%, which was 6.4 percentage points higher than in 2009, in which a negative growth rate was observed. This situation is an ongoing consequence of the mortgage and financial crisis that occurred in industrialized countries, and despite the anti-crisis policies implemented, these countries continue to confront unemployment problems. Emerging economies, however, continue to experience a period of prosperity, with rising tendencies in prices derived in part from the large amounts of capital introduced. The growth rates of the US and European economies increased to 2.8% and 1.8% in 2010, in contrast to negative growth rates of 2.6% and 4.1% in 2009, respectively.

Gross Domestic Product (GDP) in selected economies
Growth rate (%)

Area	2009	2010
World	(0.6)	5.0
Advanced economies	(3.4)	3.0
United States	(2.6)	2.8
Japan	(6.3)	4.3
Eurozone	(4.1)	1.8
Emerging and developing economies	2.6	7.1
China	9.2	10.3

Source: World Economic Outlook Update, January 2011, IMF

The inflation rate for advanced economies was 1.5% for 2010, above that registered in 2009, which was 0.1%. Emerging and developing economies experienced an inflation rate of 6.3%, which was higher than the rate for advanced economies, and slightly higher than their own rate in 2009, at 5.2%.

Consumer Price Index (CPI) in selected economies
Growth rate (%)

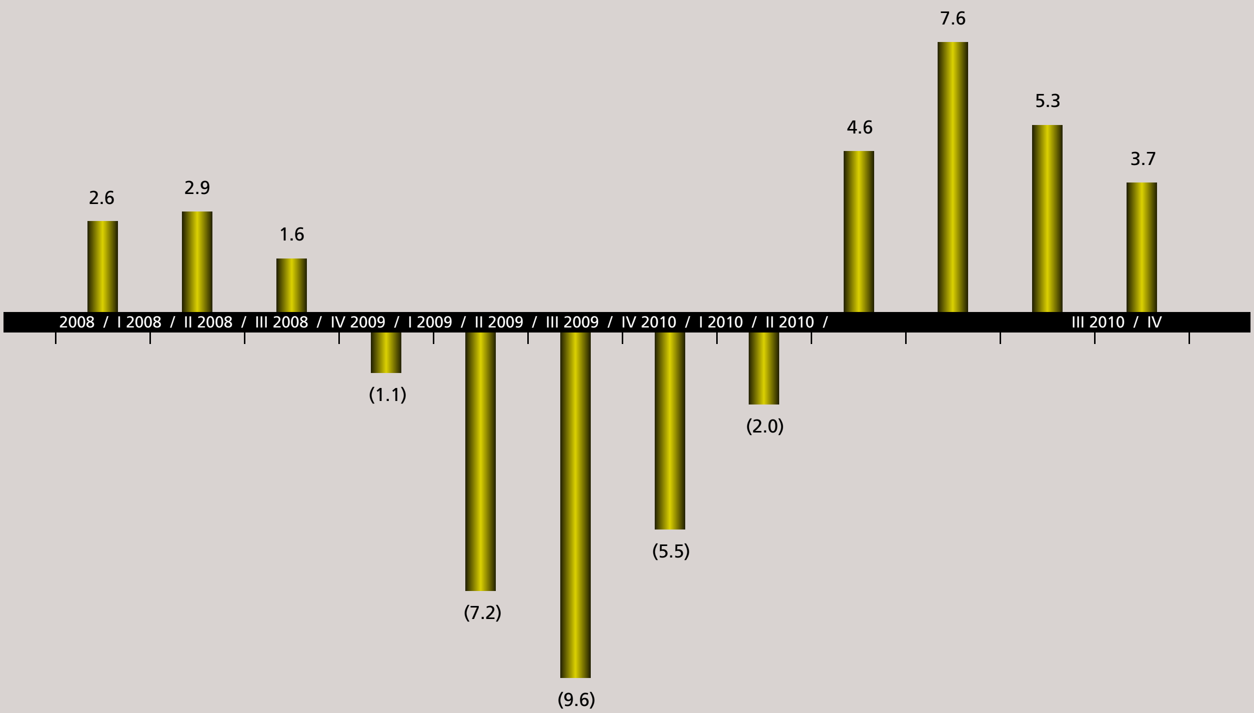
Área	2009	2010
Advanced economies	0.1	1.5
Emerging and developing economies	5.2	6.3
United States	(0.3)	1.6
Japan	(1.3)	(1.0)
Eurozone	0.6	1.9
Latin America	6.3	6.3

Source: Morgan Stanley y World Economic Outlook Update, January 2010, IMF

NATIONAL ENVIRONMENT

The Mexican economy grew at a rate of 5.5% in 2010, above the negative rate of 6.5% registered in 2009. This contrast can be largely explained by the reactivation of foreign demand, particularly from the United States, giving a notable impulse to Mexican exports. Evidence of this phenomenon can be seen in the 53.3% increase in automotive sector exports in comparison to 2009, as well as in the trade balance surplus for oil products that increased by 9.8% from 2009 to 2010.

Quarterly GDP Variations
Growth rate (%)



Source: National Institute of Statistics, Geography and Informatics (Instituto Nacional de Estadística Geografía e Informática- INEGI).

The annual inflation rate, as measured by the variation in the consumer price index, was 4.4% in 2010, higher than the rate registered in 2009, which was 3.6%. This increase in the inflation rate was due, among other causes, to factors outside the Mexican economy , primarily the increased rhythm of growth in international prices of raw materials for the food, energy and metal sectors.

The increases observed in international prices —a tendency that began in mid-2006—impacted domestic prices.

Inflationary pressures have been contained as a result of the critical phase of the economic cycle experienced by the Mexican economy in 2009, and due to monetary policies in both 2009 and 2010, in line with those implemented in most countries. The sectors that contributed most to price increases were agricultural products, particularly fruits and vegetables, as well as energy prices, and goods with administered, regulated prices. The sectors that contributed somewhat to price increases were food, beverages and tobacco, and education sectors; and those contributing only minimally to price increases included the housing sector.

Underlying inflation has been lower than overall inflation, and this is primarily due to the greater inflationary rhythm noted in merchandise.

The federal funding rate decreased in 2010, despite the variation in consumer prices. Using the three-month CETES (*Certificados de la Tesorería*, or Treasury Certificates of Deposit) as a representative rate, the average rate for 2010 was 4.6%, in comparison with 5.5% in 2009.

The average annual exchange rate for 2010 was 12.63028 Peso/Dollar, which is below the rate corresponding to 2009, which was 13.50763 Peso/Dollar.

FOREIGN TRADE

During 2010, Mexico's total foreign trade expanded significantly, due to an increase in both oil and non-oil exports. This corresponded to an increase in domestic demand, in terms of both consumption and gross fixed capital formation, positively affecting import dynamism. The total value of foreign trade increased by 29.3%, from 464,090 millions of US Dollars in 2009, to 599,843 millions of US Dollars in 2010.

Total exports in 2010 reached a level of 298,361 million US Dollars, representing an increase of 29.9% in relation to foreign sales the previous year. Meanwhile, total imports r ose to 301,482 million US Dollars, which is 28.6% higher than in 2009. The trade balance registered a deficit of 3,121 million US Dollars, signifying a 33.3% decrease in relation to the deficit of 4,680 million US Dollars registered in 2009.

EXPORTS

In 2010 exports of goods reached a total of 298,361 million US Dollars, with 14.0% corresponding to oil exports and 86.0% to non-oil exports,

Oil exports increased to a total of 41,682 million US Dollars for the year, 35.0% above the amount exported in 2009. This increase can be

Mexican Foreign Trade, 2009-2010
Millions of US Dollars

Item	Jan-Dec		Variation	
	2009	2010	Absolute	%
Total Trade Balance	**(4,680)**	**(3,121)**	**1,559**	**66.7**
Total Exports	**229,705**	**298,361**	**68,656**	**29.9**
Oil exports	30,881	41,682	10,801	35.0
Non-oil exports	198,825	256,679	57,854	29.1
Agricultural	7,798	8,510	712	9.1
Extractive	1,448	2,424	976	67.4
Manufacturing	189,579	245,745	56,166	29.6
Total Imports	**234,385**	**301,482**	**67,097**	**28.6**
Consumer goods	32,828	41,423	8,595	26.2
Intermediate goods	170,912	229,812	58,900	34.5
Capital goods	30,645	30,247	(398)	(1.3)

Source: Central Bank (Banco de México).

explained by the higher oil prices prevailing in international markets during most of the year, impacting the annual average price of the Mexican oil mix, which increased by 25.9% in 2010 in comparison to 2009, from 57.42 to 72.33 US Dollars per barrel. The highest average price of 81.46 US Dollars per barrel was registered in December. Also contributing to this increase in exports was a greater volume sold on the foreign market, with an increase from 1,236,000 barrels of crude oil a day in 2009, to 1,487,000 barrels of crude oil a day in 2010, representing a 20.3% increase.

Non-oil exports totaled 256,679 million US Dollars, signifying an increase of 29.1% in comparison to the previous year. Manufacturing goods totaled 245,745 million US Dollars, or 29.6% above the amount for 2009. There were also increases in the agricultural and extractive sectors, of 9.1% and 67.4%, respectively.

During 2010, export sales in all eleven manufacturing activities increased over the previous year. The activities with the greatest increases were, first of all, mining-metallurgy, increasing 43.9%, from 8,574 million US Dollars in 2009 to 12,334 million US Dollars in 2010; followed by metal products, machinery and equipment, increasing 32.1%, from 138,260 million US dollars in 2009 to 182,697 million US Dollars in 2010; iron and steel, increasing 32.0%; and food, beverages and tobacco, increasing 30.8%.

Non-Oil Manufacturing Exports, 2009-2010
Millions of US Dollars

Industrial Activities			Variation	
	2009	2010	Amount	%
Total	**189,579**	**245,745**	**56,166**	**29.6**
1. Food, beverages and tobacco	7,300	9,552	2,252	30.8
2. Textiles, apparel and leather goods	6,469	7,151	682	10.5
3. Lumber industry	484	493	9	1.9
4. Paper, printing and publishing industry	1,675	1,960	285	17.0
5. Chemical	7,588	8,522	934	12.3
6. Plastic and rubber products	5,420	6,870	1,450	26.8
7. Non-metallic mineral product manufacturing	2,439	2,952	513	21.0
8. Iron and steel	4,957	6,542	1,585	32.0
9. Mining-metallurgy	8,574	12,334	3,760	43.9
10. Metal products, machinery and equipment	138,260	182,697	44,437	32.1
11. Other industries	6,413	6,673	260	4.1

Source: Central Bank (Banco de México).

Of the total exports, 83.5% were exported to the United States and Canada, 6.5% to Latin America, 5.3% to Europe, 3.6% to Asia, and 0.4% to Oceania and Africa. The region that increased slightly its relative importance as a destination for Mexican expor ts during the year was Latin America, with an increase in its participation from 5.9% in 2009 to 6.5% in 2010.

A generalized increase in the sale of Mexican products to other countries of the world was observed at the regional level. Mexican products exported to the European continent increased by 28.4%; to Latin America, an increase of 42.4%; to the Asian continent, an incr ease of 41.4%; and for partners in the North American Free Trade Agreement (NAFTA), an increase of 29.0%.

IMPORTS

Imports reached a total of 301,482 million US Dollars in 2010, an amount 28.6% higher than the level observed the previous year, which was 234,385 million US Dollars.

Imports of intermediate goods registered the most notable recuperation within the generalized growth in the foreign trade sector, advancing from a decrease of 22.9% in 2009 to an increase of 34.5% in 2010. Imports of capital goods registered a decrease once again, although not as pronounced as in 2009, dropping 1.3% in 2010in comparison to 21.6% in 2009. Imports of consumer goods recuperated significantly, from a 31.5% decrease in 2009 to a 26.2% increase in 2010.

Of the total impor ts, inter mediate goods accounted for 229.8 billion US Dollars, or 76.2%, while consumer goods accounted for 41.4 billion US Dollars (13.7%) and capital goods, 30.2 billion US Dollars (10.0%).

Imports from North American countries corresponded to 51.0% of the total; those originating in Asia, 31.8%; in Eur ope, 11.9%; in Latin America, 4.2%: and in Africa and Oceania, 0.8%.

It is important to mention that participation by the North American, European and Latin American regions in supplying imported products to Mexico decreased by 0.2, 0.7 and 0.1 percentage points, respectively, while Asia increased its relative participation by 0.8 percentage points.

A comparison by country indicates that 76.1% of the total value of imports was concentrated in five countries: the United States, with 48.1%; China, consolidating its position as the second largest supplier of Mexico's imports, with 15.1%; Japan, with 5.0%; Korea, with 4.2%; and Germany, with 3.7%.

02

FINANCIAL SERVICES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TOTAL FINANCING

In 2010 Bancomext implemented its Business Model, aimed at providing financial assistance specifically to high-priority or high-impact sectors associated with Mexican exports or foreign currency generation, specifically the Tourism, *Maquiladora* (In-bond) Export, Automotive-Autoparts, and Transportation and Logistics sectors. This model is the main strategy used for granting financing to firms.

During 2010, Bancomext granted a total of 3,037 million US Dollars in financial assistance, of which 2,733 million US Dollars corresponded to financing, and 305 million US Dollars to guarantees and solidary obligations. In addition, Bancomext granted 19 million US Dollars through induced financing and solidary obligations, below the proposed goal of 289 million US Dollars, representing 8.6% of that amount.

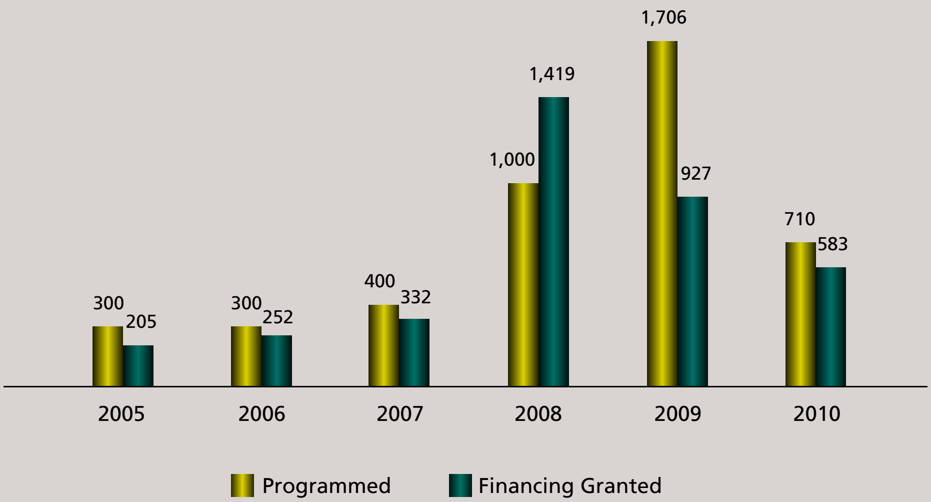
The total amount of financing provided in 2010, including Guarantees, indicates a net increase of 38 million US Dollars, in comparison with the figures observed for 2009, due primarily to an increase of 259 million US Dollars in the private sector and 265 million US Dollars in guarantees.

Total Financial Assistance, Jan-Dec, 2009 and 2010
(Millions of US Dollars)

Jan-Dec 2009		Jan-Dec 2010		Variation Financed 10/09			
				Financed		Budgeted	
Financed	Item	Budgeted	Financed	Amount	%	Amount	%
	Financing						
	First Tier						
6	Public Sector	50	3	(3)	(54.0)	(47)	(94.2)
1,888	Private Sector	2,317	2,147	259	13.7	(170)	(7.3)
1,894	**Total First Tier**	**2,367**	**2,150**	**256**	**13.5**	**(217)**	**(9.2)**
927	Second Tier	710	583	(344)	(37.1)	(127)	(17.9)
2,821	**Total Financing**	**3,077**	**2,733**	**(88)**	**(3.1)**	**(344)**	**(11.2)**
35	Guarantees	94	300	265	754.1	206	218.9
144	Securities Guarantees	40	5	(139)	(96.9)	(36)	(88.8)
3,000	**Total Financing**	**3,211**	**3,037**	38	1.3	(174)	(5.4)
254	Induced and Solidary Obligations	134	19	(235)	(92.4)	(115)	(85.6)
3,254	**Total Induced Financing**	**3,345**	**3,056**	**(197)**	**(6.1)**	**(289)**	**(8.6)**

SECOND-TIER FINANCING

Second-tier financing granted, January-December 2010
(Millions of US Dollars)

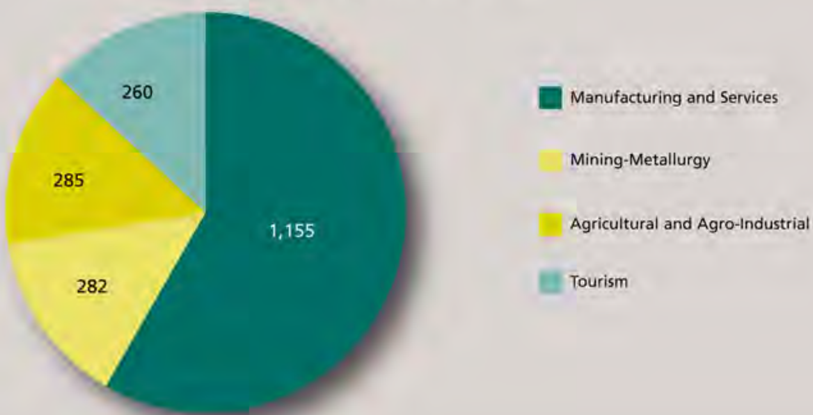


In 2010 second-tier financing totaled 583 million US Dollars, r eflecting a 37.1% decrease with respect to the same period in 2009. This can be explained primarily by the strategy implemented since June 2009 to transfer Productive Chains to Nacional Financiera in or der to provide specialized ser vices to the clients requiring this product.

FINANCING BY SECTOR

In accordance with the defined strategy, the economic sectors receiving the greatest volume of first-tier financing were the following: Manufacturing and Services, with 1,155 million US Dollars; Mining-Metallurgy, with 282 million US Dollars; and the Agricultural and Agro-Industrial sector, with 285 million US Dollars. Together, the financing granted to these sectors corresponded to 74% of the total first-tier financing granted.

Financing Granted by Economic Sector



FINANCING BY REGION

During 2010 Bancomext addressed the needs of its current and potential clients through a network of offices located in the Central, Northeastern, Western and Southern regions, creating alliances between government and private entities.

The total financing granted by the Bank during 2010 was distributed in the regions identified above as follows:

Assistance Granted by Region
Millions of US Dollars

Regional Offices	2009	2010
Central	1,458	1,203
Northeastern	1,270	1,270
Western	144	144
Southern	121	121
TOTAL	**2,993**	**2,738**

During 2010 the Mexican states receiving the largest amounts of the Bank's financing were: Federal District (Mexico City) with 25%, and Nuevo Leon with 23%.

The Mexican states registering the greatest growth in the demand for financing were Guerrero, Chihuahua and Durango. This growth is associated primarily with activities in the Tourism and Services sectors.

CHANNELS FOR PROVIDING SERVICES

Bancomext has two business areas designed to address different segments of the market, in line with their financing requirements.

FIRST TIER	SECOND TIER
Direct Credit Above 3 million USD Sector-based Approach Selective Guarantees and Co-financing Mexico City, Monterrey and Guadalajara	Through Commercial Banks Up to 3 million USD For SME's Guarantees

SMALL BUSINESS DEVELOPMENT

During 2010 the strategy followed by the Small Business Development Department was primarily oriented toward fulfilling the following objectives:

1) Develop products and programs oriented toward the needs of export and foreign currency generating firms.

2) Promote participation by commercial banks and intermediaries specializing in financing small and medium-sized export firms.

3) Maintain Second Tier participation in Bancomext's portfolio.

4) Generate more liquidity in export firms through international factoring.

5) Focus on products with a 100% electronic platform.

Maintaining these objectives in the Business Model:

PROGRAMS/PRODUCTS FOR SMALL/MEDIUM EXPORT FIRMS

Credit	Guarantees	Letters of Credit and Factoring

Network of Financial Intermediaries (Second Tier)

Technological Platform

CREDIT

OBJECTIVE

The objective of this product is to grant financing to the country's financial intermediaries, with the aim that they will, in turn, grant loans to small and medium-sized firms involved in exports and tourism.

DISCOUNT PROGRAM

- At the end of 2010, a total of 7,513 million Pesos had been financed through this program, with a balance of 5,537 million Pesos.
- The results achieved were made possible by the relations maintained with 23 financial intermediaries.
- The development and implementation of the Electronic Discount was carried out with a total of 338 million Pesos
- The development of specific Operations Manuals for Second-Tier products was concluded.

ASSISTANCE PROGRAM FOR THE AUTOMOTIVE INDUSTRY

- At the end of 2010 a total of 2,596 million Pesos had been financed through this program, with a balance of 243 million Pesos.
- A recuperation scheme was established through Concentrated Accounts, achieving a zero overdue loan portfolio.
- Improvement in this sector's economic situation has led to participation by new financial intermediaries in this program.

GUARANTEES

The purpose of the guarantees program is to promote the participation of financial intermediaries in financing projects associated with foreign trade and firms in sectors or regions associated with foreign currency generation.

AUTOMATIC GUARANTEES

This product was designed and implemented, with the following characteristics:

- Evaluation and assessment of intermediaries' credit processes and financial products.
- Financing to guarantee up to 1 million US Dollars or the equivalent in Pesos.
- Credit for working capital, factoring lines and fixed assets.
- Up to 50% coverage.
- Automatic, electronic operations.

AGILE SELECTIVE GUARANTEES

- Financing to guarantee operations of 40 million Pesos or the equivalent in US Dollars.
- 50% coverage.
- Authorization based on a credit study conducted by the financial intermediary.
- By December 2010 a total of 633 million Pesos was achieved, through six intermediaries.

LETTERS OF CREDIT

This product was re-launched in 2010, with the following results:

- More than 3,800 million Pesos operated, achieving a balance of 3,477 million Pesos at year’s end.
- Study for defining the target market.
- Investment in technology for conducting operations via internet.
- Reactivation of lines of credit with foreign banks.
- Implementation of the model for promoting and providing services to clients associated with Business Financing and Financial Intermediaries.

INTERNATIONAL FACTORING

To address the needs of the market, this product was redesigned, achieving the following:

- Accumulated financing in the amount of 514 million Pesos, with a balance of 305 million Pesos at the year's end.
- Operations 100% electronic: with over 8,000 operations processed.
- 16 exporters benefiting.
- Reverse Factoring scheme in which foreign buyers publish the accounts receivable of their suppliers (Mexican exporters).

ENVIRONMENTAL PROJECTS

Bancomext has established a program for addressing sustainable projects, with the aim of providing incentives to support projects focused on improving the environment, as well as complying with the environmental assessment implemented by our authorities, through the Mexican Carbon Fund (*Fondo Mexicano de Carbono*-Fomecar).

With this instrument, Technical Assistance was provided to 314 projects under the Clean Development Mechanism. The web site *www.fomecar.com* was updated, and there was ongoing participation in specialized exhibitions and seminars, particularly in COP 16.

BUSINESS FINANCING

The Business Financing Department is responsible for promoting and granting the institution's financial assistance to participants in the various activities related to foreign trade and foreign currency generation. The goals are to increase the competitiveness of these participants in the international context and to strengthen their participation in the export chain.

The Business Financing Department is also responsible for developing and managing the portfolio for the segment consisting of firms with lines of credit above 3 million Dollars.

These financial services are promoted throughout the entire country, through the business executives positioned in the following Regional Offices:

- **Central Region,** located in the Federal District (Mexico City) and covering the states of Morelos, Guerrero, Mexico, Queretaro, Puebla, Hidalgo, Quintana Roo, Veracruz, Chiapas, Tabasco, Oaxaca, Campeche, Tlaxcala and Yucatan.

- **Northeastern Region,** located in Monterrey, Nuevo Leon, and covering the states of Chihuahua, Durango, Nuevo Leon, Tamaulipas and Coahuila.

- **Western Region,** located in Guadalajara, Jalisco, and covering the states of Guanajuato, San Luis Potosi, Zacatecas, Michoacan, Jalisco, Nayarit, Colima, Aguascalientes, Sonora, Sinaloa, Baja California and Baja California Sur.

BUSINESS MODEL

During 2010 the Business Financing Department initiated the implementation of the Business Model that is referred to as "Sector-Product-Geography" and considers the following guidelines as fundamental to its implementation:

1. Direct credit to private and public sectors.
2. Lines of credit above 3 million Dollars.
3. Services directed toward high-priority and high-impact sectors associated with Mexican exports and foreign currency generation:
   - Tourism
   - Maquiladora (In-bond) Export Industry
   - Automotive-Autoparts
   - Transportation and Logistics
4. National coverage through 3 Regional Offices:
   - Northeastern Regional Office
   - Central Regional Office
   - Western Regional Office
5. Expanded coverage of business groups receiving services (with a focus on the country's 400 primary business groups).

Target Market	Dec 2009	Dec 2010	Dec 2011
400	124	186*	250

* Includes induced financing for *maquiladora* (in-bond) industry.

As a result of the implementation of the new Business Model, the following advances were made in 2010:

- Creation of a specialized area for each priority sector.
- 50% expansion of services to business groups in comparison to 2009 (a total of 120 at the end of 2009, and 186 at the end of 2010).
- Identification of the financial needs of current and potential clients in relation to the financial products offered—which are the same products required by the corresponding areas in the Institution.
- Diversified portfolio growth.
- Generation of financial margin and commission revenue, making it possible to contribute to the Institution's sustainability (1,306 million Pesos at the end of 2010).
- The Credit Analysis Office was integrated into the Business Financing Department, and professional training for "Liaison Executives" or Promoters-Analysts was initiated.
- The 2010 comprehensive training program for business promoters and credit analysts was completed, and included providing technical tools and tools for developing sales skills, which will contribute to professional training for "Liaison Executives."

PRIORITY SECTORS

TOURISM

Important activities carried out during 2010 were the following

- Portfolio diversification by incorporating new firms—a net increase of 26%.
- 1,100 million Pesos of contracted credit available, to be administered during 2011 in accordance with advances in projects.
- Restoration of pre-paid portfolio in 2010, with new portfolio.
- Tourism portfolio contributed 19% of the total private sector portfolio, and represents 30% of the firms assisted in this segment.
- Direct participation and structuring in Syndicated Operations.
- Links with the main government offices and private organizations in the sector, as well as participation in tourism investment forums, repositioning Bancomext's participation in the financing for this sector.

TOURISM	August 2009	End of 2009	December 2010	Program 2011
	5,200	6,038	6,100	7,015

MAQUILADORA (IN-BOND) EXPORT INDUSTRY

- Modification of Industrial Bay Construction and Leasing programs.
- Contribution to liquidity in the context of limited resources.
- Intensive promotion with industrial park developers.
- Ongoing training for business promoters in the process and the sector.
- Bancomext's positioning by granting credit and creating links with government offices and private organizations in the sector.

MAQUILADORA (IN-BOND) EXPORT INDUSTRY	August 2009	End of 2009	December 2010	Program 2011
	0	26	1,669	3,200

AUTOMOTIVE-AUTOPARTS

- Syndicated credit in the amount of 5,135 million Pesos was granted to an important automotive manufacturer for a new vehicle production platform in Mexico.
- Joint efforts with Promexico to detect investment projects and foreign investment in the autoparts and terminal industries.
- Assistance for suppliers to this sector through commercial banks, for their accounts receivable derived from exports.

AUTOMOTIVE-AUTOPARTS	August 2009	End of 2009	December 2010	Program 2011
	5,300	6,621	12,044*	13,400

* Includes induced cr edit fr om a firm' s stock market cer tificate and Nafin's participation in financing an important automotive manu - facturer in the amount of 226 million US Dollars.

TRANSPORTATION AND LOGISTICS

- The health emergency (H1N1) program was administered.
- Meetings were held with Authorities, Entities, Clusters, Airports and the business sector in general.
- Visits to approximately 40% of the firms in the country's Aeronautics sector.
- Participation in events such as the AeroSpace Meeting-Guadalajara 2010, *Expo Logística* and *Expo Transporte 2010*, through which a range of needs were detected.

AERONAUTICS	August 2009	End of 2009	December 2010	Program 2011
	300	1,335.5	1,503	1,700

ADVISORY COUNCILS

- During 2010 the work of promoting financing at the national and regional levels was reinforced through the Institution's participation in the Advisory Councils in each of the country's states. These Councils ar e entities established with the purpose of orienting, promoting and supervising the Institution's assistance programs.
- The Advisory Councils meet regularly, and consist of members who are distinguished local businesspersons representing the commercial, industrial and services sectors, as well as the Secretaries of Economic Development and Tourism in some states.

03

TREASURY AND FINANCIAL MARKETS

During 2010 economic growth was recuperated at the international level. In the United States, for example, there were imbalances in this recovery, since on one hand, production improved notably, but on the other, the unemployment rate has not decreased to the levels prior to the mortgage crisis.

The stock exchange indexes began to recover in early 2010, followed by a downward trend at mid-year, and then managing, by the year 's last quarter, to rise above the levels achieved in the first quarter, although not returning to those levels prior to the crisis. Given the fiscal problems arising in a number of European countries, exacerbated by effects from the 2009 crisis, the Euro has lost ground with respect to the US Dollar, signifying a relatively stronger position for the latter.

The discount interest rates applied by central banks have remained at low levels, particularly in the case of the US Federal Reserve. The national market, for its part, has registered notable growth in economic and industrial activity, managing to recover jobs lost the previous year. At the same time prices have increased moderately; the Central Bank's objective interest rate has continued to be relatively low and stable, and the Mexican stock market rose above its previous historic level.

Despite the complex economic and financial environment described here, the accumulated results from Bancomext's Treasury and Financial Market management were positive.

The strategy and general dynamics consisted of carefully observing market tendencies in order to detect business opportunities, using profitability criteria in managing portfolios, while assessing the events that could affect them. Especially worth mentioning were the positions taken in the Money Desk during the first half of 2010, generating extraordinary revenue derived from the generalized drop in interest rates and spreads in the Money Market.

TREASURY

- **Management of Financial Resources and Funding.** Transfer prices were established for Bancomext's financial products at competitive market levels. The need for financial resources for the Institution's operations and businesses was addressed in an adequate, timely manner. In this regard the Treasury Department took advantage of conditions in financial markets to improve the costs of funding.

  Average daily funding through clients' bank deposits in foreign currencies, amounted to 695.7 million US Dollars and 11.5 million Euros. With regard to funding contracted with foreign commercial banks, these operations amounted to 1,810 million US Dollars during 2010, or 77% more than in 2009. In addition the number of correspondent banks granting financing to Bancomext increased.

- **Management of Investments.** The Institution's own resources and the funds it manages on behalf of third parties were invested in national and international financial markets, in line with availability and profitability criteria, and within the applicable risk and operation limits.

During 2010, the financial margin generated by the Treasury Department rose to 540.1 million Pesos.

FINANCIAL MARKETS

- **Money Desk.** The Bank's Money Desk responded to the investment needs of its clients and took advantage of market opportunities, conducting buying-selling operations and the repo of government and banking securities, with daily average transactions of 58,606 million Pesos. It also placed securities issued for funding the Treasury's obligations in national currency among its clients and financial intermediaries, at the different terms required, and at a daily average of 22,500 million Pesos.
- **Foreign Exchange Desk.** The strategy used by the Foreign Exchange Desk was aimed at managing the risk-return relationships in the positions operated, while responding to the need to obtain foreign currency for the Institution's operations and businesses.

The financial margin generated by the Institution's Financial Markets r ose to 349.3 million Pesos, in 2010.

OTHER RESULTS

- With respect to Bilateral and Multilateral Lines of Credit, both Medium and Long Term and for Environmental Projects, the Bank maintained its Lines of Credit with Kreditanstalt für Wiederaufbau (KfW) of Germany for 50 million US Dollars, and with the European Investments Bank (EIB) for 50 million Euros, as well as the "San Jose Agreement" mandate for 293 million US Dollars available, of which 82 million US Dollars were utilized. In addition the following lines of credit were formalized in 2010: i) CoBank Program CCC for 50 million US Dollars; and ii) Export Import Bank of Korea (KEXIM) for 50 million US Dollars.

  Financing through long-term bilateral lines of credit with development banks (EIB and KfW) was reactivated, with an increase from 0 to 19.3 million Euros and 43.6 million US Dollars (including an individualized amortization schedule and its corresponding swap), plus 47 million US dollars to become available.

- After the technical capacity review was completed, the Central Bank (*Banco de México*) renewed Bancomext's authorization to act as an Intermediary in Recognized Markets and/or Over the Counter, in relation to operations on Futures and on Swaps in foreign currencies, and in nominal and real interest rates, for coverage purposes.

04

LEGAL SITUATION

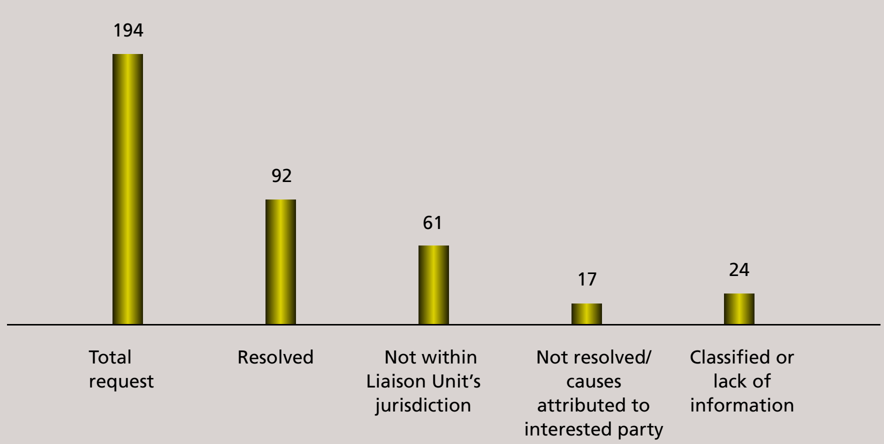
STANDARDS ON TRANSPARENCY

In the period from January to December 2010 special attention was focused on the issues of transparency and accountability, in terms of the provisions in the Federal Law on Transparency and Access to Governmental Public Information (*Ley Federal de Transparencia y Acceso a la Información Pública Gubernamental*—LFTAIPG).

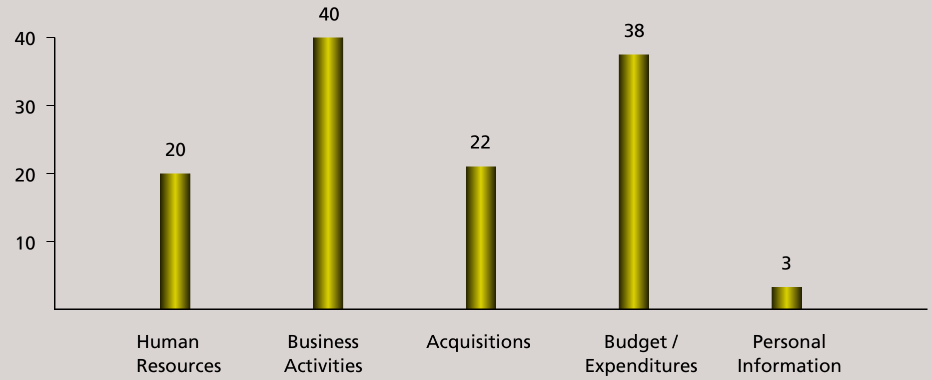
Of the activities addressing the various responsibilities in the area of transparency, the following are especially worth noting

- A total of 194 requests for access to information were received and addressed in the appropriate manner and time frame. The following graphs illustrate the numbers and topics of the requests addressed:

Requests for information received Jan-Dec 2010

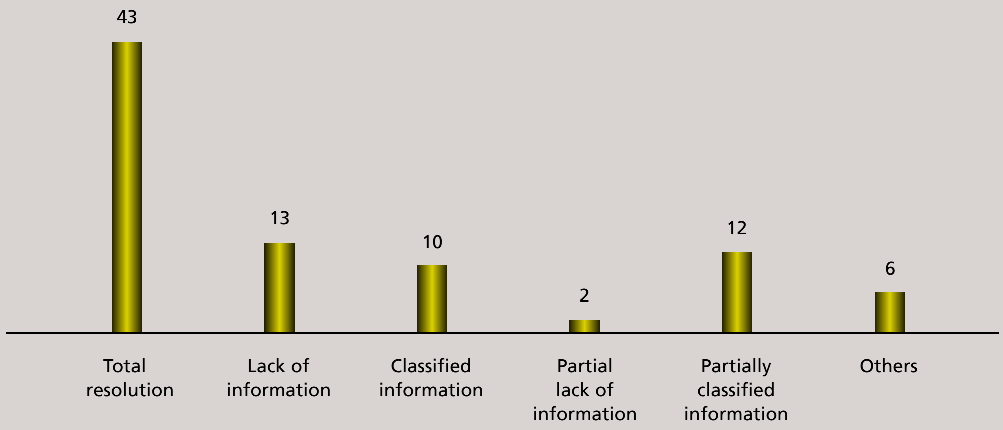


Topics in requests corresponding to Liaison Unit's jurisdiction



- Nine Requests for Revisions were filed, and were addressed in a timely manner.
- Bancomext's Information Committee met on 43 occasions to resolve a range of cases within its jurisdiction, categorized in the following graph:

Resolutions from Information Committee, Jan-Dec 2010



- Required information was provided to the Federal Institute for Access to Public Information (*Instituto Federal de Acceso a la Información Pública*-IFAI) for its annual report to the National Congress.

- In January and March 2010, activities were carried out to update the IFAI's "Reserved File Index System" (*Sistema de Índice de Expedientes Reservados*) and "Reserved Information System" (*Sistema Persona*).

- Ongoing coordination efforts have been made at the institutional level, to maintain information updated in relation to transparency obligations derived from Article 7 of the LFTAIPG on the IFAI's Transparency Obligations web page (*Portal de Obligaciones de Transparencia*-POT).

- The last results reported from IFAI's evaluation of Bancomext correspond to the first half of 2010, and consist of the following: Criteria Alignment Indicator, Performance and Compliance with Resolutions, with a score of 77.01 out of a possible 100; Services Provided by the Liaison Unit, with a score of 8.94 out of a possible 10; Transparency Obligations Indicator, with a score of 91.1% progress. These results were reported to members of the Information Committee. As of the date of this publication, Bancomext has not yet been informed of the results obtained in the second half of 2010.

TRUST FUNDS

During the second half of 2010, ten trust funds were established: five in the framework of the Business Support Program for Corporate Debt (not designed for profit), and the other five, profit-oriented.

In 2007 a program was initiated to close trusts with low earnings for the Institution, or whose objectives were not in line with the Institution's mission. As a result, during the second half of 2010, a total of 18 trust fund businesses were closed or replaced. As of December 31, 2010, Bancomext was managing a total of 316 trust fund businesses.

Together, all the trust fund businesses managed by Bancomext maintain total assets in the amount of 46,965.5 million Pesos, of which 15,541 million Pesos correspond to liquid funds.

PORTFOLIO RECOVERY

In March 2010 the sale of assets and transfer of litigious rights of foreclosed assets was formalized. These operations arose from the legal actions initiated to recover client debts, and represented funds and profits for Bancomext in the amount of 215.0 million Pesos.

In addition, in September 2010, after years of negotiations with the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*-SHCP), Bancomext obtained 70.2 million Pesos corresponding to debt recovery.

OVERDUE LOAN PORTFOLIO RESOLVED

With the objective of monetizing and maximizing the recovery of the Institution's overdue loan portfolio, Bancomext is focusing its efforts on defining strategies and vehicles for achieving greater profitability in portfolio recovery, with flexible implementation, as well as low costs and extensive legal coverage.

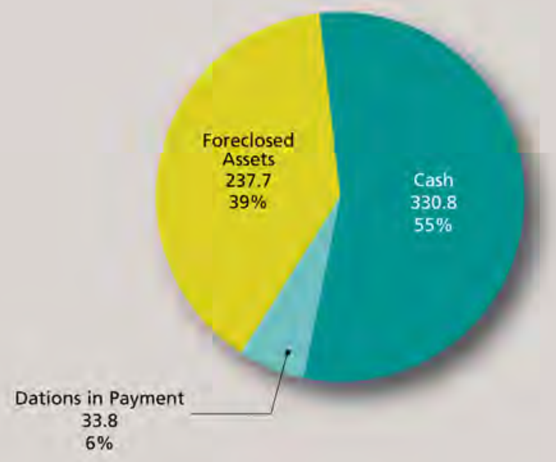
With the aim of reducing the Bank's overdue loan portfolio, the goal for recovery during 2010 was established at 400.0 million Pesos (approximately 32.3 million US Dollars). However, at the end of December 2010, Bancomext had recuperated 602.3 million Pesos, equivalent to approximately 48.7 million US Dollars.

Of the total recovered, 83% (503.1 million Pesos) corresponded to the B-6 portfolio, and 12% (70.2 million Pesos) to other assets.

Amounts Recovered in 2010
Figures in millions of Pesos

It is important to point out that this total is composed of 55% (330.8 million Pesos) in cash recovered, 39% (237.7 million Pesos) in property obtained through judicial proceedings, and 6% (33.8 million Pesos) through dation in payment.

Amounts Recovered in 2010
Figures in millions of Pesos



05

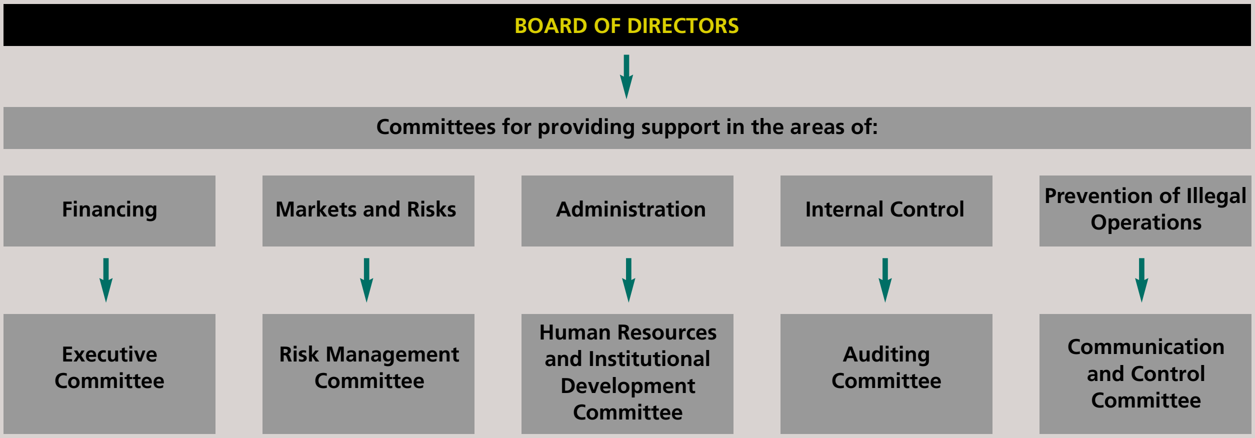
CORPORATE GOVERNANCE AND INTERNAL CONTROL

CORPORATE GOVERNANCE AND INTERNAL CONTROL

Bancomext has a governance structure, composed of a Board of Directors, as well as various committees associated with credit activity, risk management, human resources and institutional development, auditing and internal control, and other areas. Independent advisors participate in the decision-making processes in these bodies, contributing to greater objectivity, and in line with recommendations for best practices in Corporate Governance.

In 2010 Bancomext continued actions designed to strengthen the Internal Control System, applying corporate governance and internal control practices, with the aim of contributing toward safeguarding institutional assets, achieving transparency and accountability, managing the risks to which the organization is exposed, and revealing timely information to government entities, investors, clients, authorities and the general public—all within the normative framework corresponding to credit institutions.

Bancomext's Corporate Governance Structure



INTERNAL CONTROL

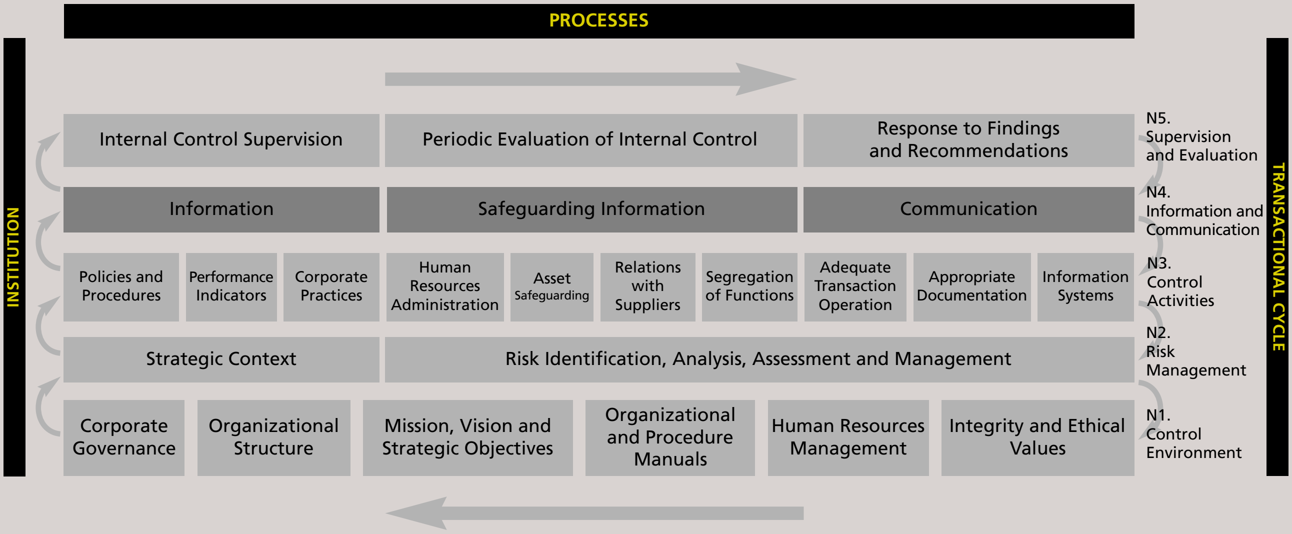
Supervision and surveillance actions aimed at strengthening internal control in institutional operations and processes included the following:

- **Internal Control System**

In 2010 the objectives and guidelines in the Institutional Model of Internal Control, which must be observed by the Institution's personnel, were updated. The guidelines are formulated to comply with regulations from the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*), through the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*-CNBV), in the General Provisions applicable to Credit Institutions and in the General Standards of Internal Control established by the Secretariat of Public Service (*Secretaría de la Función Pública*-SFP).

Two self-assessment exercises focused on institutional internal control are carried out each year, identifying areas of opportunity in the different elements making up the Internal Control System, and resulting in commitments in the areas responsible for attending to these elements. The results of the self-assessments are presented to the Auditing Committee and the Board of Directors, through the Report on the Current Status of Institutional Internal Control.

The elements making up this model are illustrated in the following diagram:



- **Prevention-Focused Strengthening of Internal Control**

During 2010 the Standardized Evaluation Methodology (MESE) was updated, contributing to compliance with institutional objectives through the evaluation of the internal controls established in the Institution's critical processes. The purpose is to generate ongoing improvement that strengthens the effectiveness and efficiency of the Institution's operations, promoting a tradition of self-assessment and self-control as part of the Institution's ongoing work.

The results and advances made in applying the methodology were reported to each of the areas responsible for each process.

In addition, there are entities that support the Institution by contributing to monitoring internal control, and these include: internal and external auditors, and inspections by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*-CNBV), the Central Bank (*Banco de Mëxico*) and the Federal Audit Office (*Auditoría Superior de la Federación*).

- **Bancomext's Code of Conduct**

Bancomext's Code of Conduct was updated in 2010 and presented to the Auditing Committee as well as the Board of Directors for approval. The Code was then disseminated through the Institution's intranet system. It is focused on integrity and ethical values, and its application is obligatory for all of the Institution's personnel. The Code establishes principles and guidelines that must be observed by all personnel as they carry out their responsibilities.

PREVENTION OF OPERATIONS USING FUNDS OF ILLEGAL ORIGIN

Bancomext has implemented healthy corporate practices that contribute to compliance with institutional objectives, promoting a tradition of Preventing Money Laundering and the Financing of Terrorism, for the purpose of diminishing the potential risks of the Institution being utilized in illegal operations.

The actions carried out with the objective of strengthening practices in the area of Prevention of Illegal Operations are the following:

- **Normative Manual for Preventing, Detecting and Reporting Operations using Funds of Illegal Origin and the Financing of Terrorism**

  Based on modifications in Provisions addressing this matter, the Communication and Control Committee approved the updating of the Manual in which Identification and Knowledge of the Client Policies are established, as well as Users' Identification Policies, together with the monitoring and reporting of operations.

- **Client Identification**

  In the process of accepting new clients, there are measures implemented for the purpose of reviewing the files with client identification and knowledge, with the aim of gathering the necessary information in accordance with the standards established in this area.

- **Personnel Training on Prevention of Money Laundering and the Financing of Terrorism**

  Bancomext met its goal of training and evaluating 100% of the Institution's personnel in the area of preventing money laundering and the financing of terrorism.

TRANSPARENCY AND ACCOUNTABILITY PROGRAM

This program is obligatory for all entities, offices and institutions in Federal Public Administration (*Administración Pública Federal*-APF). Its purpose is to strengthen practices and values in public service, with a management focus that is more open to society's participation and characterized by a new sense of accountability with regard to actions taken and commitments made to citizens.

With the aim of strengthening a tradition of transparency and accountability through compliance with actions established in the areas within this program, the primary actions carried out are the following:

- Coordinate activities established in the area of *Blindaje Electoral* ("shielding" elections from manipulation), in both central and regional offices, presenting a work plan to the Secretariat of Public Service (*Secretaría de la Función Pública*-SFP) designed to comply with the program, to be carried out during the time period in which electoral processes are being conducted in the country's states in which Bancomext has established offices.

- Provide follow-up to the activities established in the area of Institutional Culture, in line with the requirements defined by the Inter-Secretariat Commission on Transparency and Fighting Corruption.

- Update and improve the Institution's web site in the world-wide net known as internet.

06

MANAGEMENT MODEL

CREDIT PROCESS REENGINEERING

In 2009 the Institution conducted a process of reengineering the " PDC" Credit Process with a focus on improvement, simplification and standardization. The Institution's top management made the decision to conduct a new Reengineering of the PDC in 2010 with the aim of:

a. Improving response time to clients
b. Reviewing levels of service
c. Achieving greater efficiency in the PCD
d. Expanding the knowledge of clients and intermediaries
e. Making more timely decisions
f. Establishing and implementing procedures for second-tier operations that occur separately from first-tier operations.
g. Incorporating new products developed:
   I Discounts
   II Guarantees
   III Letters of Credit
   IV Factoring
   V EXIM Bank guarantees products
   VI Buyer Guarantee

The definition of products to be included in the first and second tiers was based on the following:

- First-Tier Products: Bancomext grants credit to a firm, assuming the risk directly.
- Second-Tier Products: Bancomext grants credit to a financial intermediary, at the national or international level, and the beneficiary is a third party.

In accordance with the above, a conceptual model and a mapping of the process were developed, together with policies and procedures and the levels of service associated with the different products in the different stages of the PDC, with the following especially worth noting:

FIRST TIER

- Adjustments and complements were made to operational policies, responsibilities and authority granted, and procedures in the existing Operations Manuals. New annexes were produced, and levels of services were proposed, with the aim of incorporating the following products into the First Tier:
    - International Factoring
    - Letters of Credit
    - Eximbank Imports

SECOND TIER

- With the goal of appropriate implementation of Second-Tier products (Discounts, Guarantees, International Factoring, Letters of Credit, Financial Institutions, Buyer Guarantee), the following tasks were carried out:
- The Normative Credit Manual was updated.
- 12 Operations Manuals for the Second-Tier Credit Process were developed.
- New roles were defined for carrying out procedures.
- Operational policies, authority and responsibilities were established.
- Levels of service were defined for agile responses to credit applications.

IMPLEMENTATION LOGISTICS

During November 2010 the operations manuals were published in the Institution's Intranet, to enable personnel to become familiar with them and implement the corresponding procedures. Also, operative training was conducted in the areas involved in the credit process, with the goal that this process be conducted in a consistent, orderly and controlled manner, to diminish the risks for Bancomext's operations and lead to better services for clients.

INFRASTRUCTURE AND TECHNOLOGY

During 2010 the Strategic Technology Plan (*Plan Estratégico de Tecnología*-PET 2010) was revised and defined, integrating initiatives in institutional automation and initiatives from the Improvement in Management Plan promoted by the Secretariat of Public Service (*Secretaría de la Función Pública*-DFP). The objective was to assure that the Bank's technological development is appropriately aligned to comply with the business objectives in the institution's various departments, specifically to:

- Base the Systems strategies on the Bank's Strategic Program.
- Direct the designing and updating of the technological platform, and provide the institution's departments with the services and resources necessary for addressing automation projects.
- Strategically align technological development to create value in business areas.
- Improve service levels with a focus on the final user.
- Reduce exposure to operational and technological risks.

From January to December, 99% compliance with the Strategic Technology Plan (PET 2010) was achieved. The Plan was composed of an initial portfolio of 34 business projects, and different performance levels were registered throughout the year, leading to the decision by the user areas to postpone conducting 11 projects until 2011.

In the area of infrastructure, the Chief Executive Officer authorized the incorporation of two priority projects into the 2010 Strategic Technology Plan portfolio. These two initiatives were presented to the Board of Directors during May:

- **Local Area Networks (*Redes de Área Local*) / Unified Network Service (*Servicio Unificado de Red*-SUR)** which include:
  - Internal Network. Substitution of the Bank's internal communications network and its administration.
  - Voice Network. Substitution of the telephone switchboard system and its administration.

- **Alternative Work Center (*Centro Alterno de Trabajo*-CAT) / Contingencies (*Contingencia*).** Updating the Alternative Work Center for cases of contingencies in response to disasters.

Carrying out these projects made it possible to assure the performance and availability of the technological services and systems that the Institution offers to its domestic and foreign clients. It also resolved the problem of over 15 years of obsolescence in these technological domains.

With respect to the **Local Area Networks / Unified Network Service (SUR)** project, the acquisition was finalized in November 2010, and the work of implementing the new network wiring was initiated. According to the established plan, the project is scheduled to be completed in July 2011.

The **Alternative Work Center / Contingencies (CAT)** project has been completed. As of December the Alternative Work Center is ready for operation, with the necessary infrastructure and connectivity for its use in the case of a contingency.

These efforts assure the continuity of the Institution's operations, and also comply with the 31 points established in the audit for Derivative services by the Central Bank.

In addition, to continue with the strategies of consolidation and virtualization, other projects were carried out to address the problem of technological obsolescence.

With these last projects, it was possible to significantly improve the performance of central applications, up to 80%.

The results of measuring and evaluating levels of service in the Institution's critical and non-critical processes indicate an average annual compliance of 98.1%.

HUMAN RESOURCES MANAGEMENT

The comprehensive strategy in the area of human resources is aimed at providing the Institution with the necessary human capital to achieve the objectives proposed in the Institutional Strategic Plan.

In the personnel selection process, efforts are made to match individuals with job positions, in order to place candidates in the positions for which they are most suitable and in which they can offer the greatest contribution to the Institution. In the hiring process, new personnel are offered the necessary training for facilitating their incorporation into the Institution. During the time personnel are working at Bancomext, efforts are made through the Institutional Training Plan to promote the development of the necessary competencies for carrying out their job responsibilities. Diagnostic assessments of the organizational environment are carried out in order to identify the factors in which it is necessary to implement improvements. Also, programs for cultural and sports promotion, preventive medicine and family integration are carried out, in order to improve the quality of life for personnel and their families. And lastly, when individuals leave the Institution, training programs are implemented in order to facilitate their incorporation into the labor market and in a new life project.

Some of the most important results obtained in the human resources area were the following:

- Developing the Dictionary of Competences: Through this effort, job descriptions and profiles are being updated, and the Dictionary will be used in the Performance Management project.

- Implementing the Improvement Actions Plan, derived from the results of the Diagnostic Assessment of the Organizational Environment (Adjusting salary levels of assistant managers, to avoid overlap with operative personnel); courses for developing competences, and reactivation of the grade schedule process).

- Designing the Performance Management Model.

- Designing and implementing the Training Program in Derivatives, designed for the personnel involved in this process.

- Courses on Sales Skills for analysts and promoters in the Business Financing Department, with the aim of training executives with a wide range of skills.

- Courses on Team Work for employees.

RISK MANAGEMENT

Risk management makes it possible to assure that the Bank's financial activities are conducted at levels in accordance with its capital and its operational capacity. Bancomext has worked to develop internal models and methodologies that are adapted to its specific risk profile.

In accordance with the standards in the area of risk management, issued by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*-CNBV), the Institution's Board of Directors authorizes the objectives, guidelines and policies for comprehensive risk management, global limits on risk exposure, and mechanisms for carrying out corrective actions.

The Risk Management Committee meets at least once a month. In addition to Bancomext officials, one Board member and three independent experts designated by the Board also participate in these meetings. The Risk Management Committee carefully monitors the various risks to which the Institution is exposed, and regularly reports to the Board regarding the risk exposure assumed, and any lack of observance of the limits on risk exposure.

The Committee is supported by a specialized area (independent from business units) whose objective is to identify, measure, monitor, limit, control, inform and reveal the credit, market, liquidity and operational risks to which the Institution is exposed. The Risk Management Unit is responsible for verifying the observance of risk exposure limits, and periodically distributing reports on the Institution's risk exposure to the Chief Executive Officer, the committees concerned, the business areas and regulatory authorities.

NORMATIVE FRAMEWORK

In accordance with the stipulations determined by regulatory entities, Bancomext has complied with standards for risk management. The following provisions are especially worth noting:

- General provisions applicable to credit institutions, issued by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*-CNBV) and published by Mexico's Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) in the Official Gazette (*Diario Oficial de la Federación*) on December 2, 2005, with the respective modifications, the most recent of which were made on March 4, 2011.

- Requirements for institutions interested in participating in markets authorized by the Central Bank (*Banco de México*) in Annex 17 of Circular 1/2006 on the 31 points for operations in derivatives markets.
- Regulations corresponding to capitalization requirements for multiple banking institutions and national credit organizations (development banking institutions), published by Mexico's Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) in the Official Gazette (*Diario Oficial de la Federación*) on November 23, 2007, with the respective modifications, the most recent of which were made on April 9, 2010.

TECHNOLOGICAL PLATFORM

In order to measure, monitor and control different types of risks, and to estimate the value of risk positions, the Institution has implemented risk measurement models and systems based on the following tools:

- Credit VaR System: used to construct migration matrices of probabilities, and to estimate expected losses and the value of the loan portfolio at risk. In addition credit risk limits are monitored, stress and performance tests are conducted, and various indicators of the loan portfolio's risk concentration, risk propensity and credit quality are calculated.

- Market VaR System: used for daily estimates of the value at risk (VaR) of the portfolios operated by the Treasury; for monitoring market risk limits; and for conducting sensitivity analyses, stress tests and performance tests.

- Assets and Liabilities Management System: used to measure the risk exposure of the financial margin, given variations in interest rates and foreign exchange rates; and to carry out sensitivity analyses and simulation exercises in response to changes in risk factors.

- Management System for Limits on Derivatives Use: used for daily monitoring of counterparty risk in derivatives operations, the use of limits, and business growth capacity.

In 2010 Bancomext achieved important advances in risk management, with the following especially worth mentioning:

- Renewal of the Central Bank’s authorization for derivatives operations. The Central Bank (*Banco de México*) has authorized the Institution, for a period from April 1, 2010 to March 31, 2011, to act as an Intermediary in Recognized Markets and Over the Counter Operations on Swaps and Futures Transactions in relation to: a) foreign currencies, including local currency against foreign currency, and foreign currency against foreign currency; and b) nominal and real interest rates and spreads.

- Tactical and Strategic Capital Limits. In November 2010, derived from the Institution’s capital movements, the Board of Directors and Risk Management Committee authorized new capital limits at strategic and tactical levels, determined on the basis of a capital management model originating in regulatory capital.

- Capital Ratio. Estimates of capitalization requirements related to the institution’s credit, market and operational risks are reported daily. The daily use of the strategic and tactical limits on capital due to credit and market risks is reported. The operational risk requirement will be established at 36 months, thus at the end of 2010, 94% had been established.

- Counterparty Risk. Compliance with internal and external standards in the area of credit risks was assured through the writing of weekly reports for control over counterparty risk with national and foreign financial intermediaries.

- Credit Portfolios. Reports were prepared periodically on credit portfolios in the main economic sectors in which the Institution participates (Tourism, Automotive and Auto-parts, Aeronautics and Aerospace, and In-bond Industry Warehouses). The primary risk and profitability indicators are incorporated in these reports.

- Pricing. Prices for all the credit and guarantees operations carried out by the Institution were determined. The prices calculated are the spread and guarantee premium, respectively, derived from the operation's credit risk.

- Non-discretionary Quantifiable Risks. The processes for Management of Financial Resources and of Granting Financial Resources with Banks were updated, both in the Front Office portion, as were the Credit Control Desk, Letters of Credit and the Module for Electronic Transfers of Fund Flow Operations, with the current internal methodology for operational risk. In addition, tests for 35 Business Continuity Plans (BCPs) were updated and conducted, and tests for the Recovery Plan in Case of Disaster and the Institutional Operations Continuity Plan were conducted, with satisfactory results.

- Technological Risk. Four indicators were reported: 1) Security in Internet Access, with zero intrusions; 2) Detecting and Blocking Viruses in Internet, with zero impacts; 3) Detecting and Blocking Access to Restricted Web Sites, with zero impacts; and 4) Availability Level of Critical Services, without significant incidents that impact critical services. In addition a risk indicator is reported on an annual basis in connection with the Recovery of Critical Services under the Disaster Recovery Plan, with satisfactory compliance.

07

INTERNAL CONTROL ENTITY

AUDITS AND CONTROL REVISIONS

In order to confront the challenges in formulating the 2010 Annual Work Program, the Secretariat of Public Service (*Secretaría de la Función Pública*) instructed Internal Control Entities to consolidate best practices in the areas of fiscalization and control, with special emphasis on the planning and scheduling of audits and risk-based control revisions.

With the aim of increasing the effectiveness and efficiency of audits and control interventions, emphasis was placed on the preventative aspect. A Work Plan was designed as a result of previous investigation, and also a Manual on the Institution's Risks. A Strategic Focus Workshop was conducted, considering the nature of each public institution, and for this purpose Bancomext's Internal Control Entity reviewed and analyzed the Bank's mission, vision, magnitude, risks, problems, characteristics and particularities.

The 2010 program was registered with the Secretariat of Public Service (*Secretaría de la Función Pública*-SFP), achieving a favorable opinion from the Auditing Committee, the Institution's Chief Executive Officer, and the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*-CNBV).

During the year 22 audits and 7 control revisions were scheduled and conducted. Those especially worth mentioning are: Credit Auditing, Credit Supervision, Vault, Liabilities, Control Desk, Portfolio Assessment and Recovery Actions, as well as those that are obligatory: Money Laundering, Risk Management, Derivatives, and Legal Auditing, to mention only some of them.

The objective of conducting three control revisions was met, and the results made it possible to collaborate in improving processes and seeking a balance between what is strategic and what has been mandated, favoring effectiveness in achieving the Institution's objectives, such as Medical Service, Acquisitions and Credit Promotion.

Of the observations issued by the Internal Control Entity and other auditing authorities, the initial balance for 2010 was 47 observations to be addressed, and another 68 observations were made during the year. Of this total, 109 were resolved, and a balance of 6 observations remained by the fourth quarter. The most relevant corresponded to: Trust Funds, Salaries and Wages, Liabilities and Money Laundering, classified as low risk.

This work has been the result of joint efforts with the areas audited. It has been oriented toward presenting proposals for addressing areas of opportunity and for preventing corruption and detecting irregularities and possible violations of the law. It has been focused on strengthening internal control through each of the audits and control revisions, collaborating to assure that the principles of legality, honesty, loyalty, impartiality and efficiency are respected in the areas reviewed, and working toward a higher level of reliability in Bancomext's activities and information, in order to achieve the objectives it has established.

It is important to mention that all the observations and recommendations issued by the Federal Audit Office were resolved this year, something considered as very positive and significant for Bancomext's administration.

INTERNAL REGULATORY IMPROVEMENT AND SPECIAL PROGRAM FOR IMPROVEMENT IN MANAGEMENT

The Internal Control Entity, in compliance with the Program for Improvement in Management and with the aim of assisting the Institution, carried out the following activities: First of all, the implementation of seven of the nine Manuals for General Application (Auditing, Acquisitions, Public Works, Human Resources, Material Resources, Information Technologies and Transparency).

With respect to the Zero Base Regulatory Program, of a total of 75 administrative standards identified in Bancomext, 39 were eliminated, signifying 52% of its administrative regulations. Also, regarding the services that Bancomext had registered in the Secretariat of Public Service's (*Secretaría de la Función Pública*-SFP), Inventory of Proceedings and Services, those corresponding to Appraisals and Buying-Selling of Foreign Currency were eliminated, while the following were maintained: Credit, Guarantees, Foreign Exchange (Futures/Forwards), National Currency Desk, Foreign Currency Deposits, and Trust Fund Services.

In addition, through joint efforts with the Institution, projects that, due to their characteristics, achieved results positively impacting the Institution, and therefore benefiting its clients, were selected to be registered in the Comprehensive Project for Improvement in Management: specifically, Credit Process Reengineering and Phase I of the Prices and Fees System.

AUDITING COMMITTEE

The Internal Control Entity participated in the various committees, as an advisor with a voice but not a vote. It used a preventive, proactive, supportive approach aimed at enriching the criteria used by participants, and verifying that the agreements adopted in committee sessions are indeed carried out in the framework of applicable regulatory provisions.

In the case of the Auditing Committee, the Internal Control Entity participates together with its members in analyzing and evaluating the pertinence, security and effectiveness of financial and accounting internal controls, as well as compliance with applicable legal provisions and any other topic relevant for conducting audits.

Also, the Internal Control Entity provides support to the Committee's Chairperson by helping to prepare files on the matters to be addressed in each Committee session, as well as by writing the Committee's corresponding Minutes and its quarterly report on the Committee's activities that is presented to Bancomext's Board of Directors.

SERVICES TO THE PUBLIC, RESPONSIBILITIES AND COMPLAINTS

During 2010 a total of 65 administrative procedures regarding responsibilities were registered, as well as 20 complaints and denouncements presented against public servants. At the same time, firm decisions were obtained in response to dispute measures, derived from administrative resolutions issued, in which the validity of the disputed resolutions was acknowledged.

In addition, two cases of nonconformity were received, in relation to bidding processes convoked by the Institution.

The Internal Control Entity addressed 13 administrative notices related to public servants assuming or discontinuing functions or responsibilities, and provided consultation for presenting a declaration of modifications in assets.

In relation to obligations in the terms of the Federal Law on Transparency and Access to Government Public Information (*Ley Federal Transparencia y Acceso a la Información Pública Gubernamental*), 51 requests for information were addressed. Also, Bancomext fulfilled obligations with respect to its reserved files and its web site on the Institution's Obligations.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FINANCIAL SITUATION

RESULTS

Markets and Treasury. At the end of December 2010, Bancomext reported 889.4 million Pesos in Markets and Treasury revenue. This figure is 6.6% or 54.8 million Pesos above the amount reported in December of the previous year.

This variation is associated with an increase of 196.4 million Pesos in National Currency Desk revenue, resulting from the Bank's position in terms of government securities, with a spread that has been very sensitive to market shifts. Also responsible for this variation are the profits generated by the position of the Savings Protection Bonds, or BPA182s, with an interest rate that increased from 4.9% to 7% in April. Also important to note is a decrease of 164.6 million Pesos in Treasury revenue, primarily due to resource management; an increase of 21.8 million Pesos in Foreign Exchange Desk income; and a decrease of 1.1 million Pesos in paid commissions.

Credit. A total of 1,299.2 million Pesos in revenue generated in the following manner: 889.5 million Pesos from the Private Sector, 62.2 million Pesos from the Public Sector, 157.4 million Pesos from Net Loan Commissions, and 192.6 million Pesos from Restructured Loans, Overdue Loan Portfolio and Other Areas. A comparison with figures from the same period in 2009 indicates a decrease of 85.2 million Pesos, of which the Private Sector contributed 97.4 million Pesos; the Public Sector, a negative 18.8 million Pesos; Commissions charged, a negative 103.7 million Pesos; and restructured loans, overdue loan portfolio and other areas, a negative 57.0 million Pesos.

Guarantees, Securities Guarantees and Letters of Credit. A total revenue of 57.4 million Pesos, of which 32.1 million Pesos correspond to commissions from Solidary Obligations, 17.2 million Pesos correspond to Letters of Credit, 7.8 million Pesos to Automatic and Selective Guarantees, and 0.3 million Pesos to Returns from Guarantees Fund.

Operation Expenditures. A total of 1,175.2 million Pesos, with a 12.5% decrease of 167.8 million Pesos with respect to December 2009 that can be explained as follows:

Active Personnel Expenditures: A 16.0% decrease in absolute numbers, representing 95.3 million Pesos, is the positive result of the 2009 Reengineering Program through which 83 job positions were eliminated, and 11 more in 2010.

Retirees Expenditures: A 7.5% increase, representing 14.1 million pesos, is primarily due to the effect of considering the 2009 mortality tables in the net cost for the period. These tables were published by the National Commission on Insurance and Bails (*Comisión Nacional de Seguros y Fianzas-* *CNSF*) and were brought to the attention of the Board of Directors on December 17, 2009. The increase also corresponds to a change in the rate for the actuarial valuation recommended by the Actuarial Firm, and presented to the Board of Directors on December 15, 2010.

Operation Expenditures: The total net increase with respect to 2009 was 3.9%, or 16.0 million Pesos, and is basically due to expenditures on Systems Development for new products and expenditures in the Social Communication Program corresponding to payments for advertising in electronic media.

Expenditures on Arbitration Processes: A total of 49.1 million Pesos that corresponds to services provided by external offices.

Allowance for Retirement Fund, 2009 Tables, and Rate Change. Of the amounts registered for contributions made in December 2010, 962.7 million Pesos correspond to the increase in obligations to retired personnel, due to the effect from the 2009 mortality tables, and 209.2 million Pesos correspond to the change in the rate used for actuarial valuation recommended by the Actuarial Firm, from 8.9% to 7.5%.

Allowance for Loan Risks. A total of 407.2 million Pesos, divided in the following manner:

a) Credit Reserves: 226.6 million Pesos.
b) Legal Risk Reserves: 120.8 million Pesos of which negative 9.1 million Pesos were recuperated in the conversion from Pesos to Dollars, with 17.1 million Pesos corresponding to the allowance for civil court cases, 18.3 million Pesos corresponding to estimates for labor court cases, 89.1 million Pesos corresponding to generic reserves, and 5.4 million Pesos to the updating of fiscal credits in litigation processes corresponding to 2003 and 2004.
c) Accounts receivable reserves for the sale of property located in the WTC, in the amount of 2.0 million Pesos.

Results from Subsidiaries and Associates. The total of 67.5 million Pesos corresponds primarily to the results obtained through the Capital Investments Mexican Corporation (*Corporación Mexicana de Inversiones de Capital*) or the Fund of Funds (*Fondo de Fondos*), in the amount of 36.9 million Pesos from the distribution of dividends from the MIF Fund, as well as to the partial distribution of the ZNII Fund, and the sale of Genomma Lab Internacional shares.

Boletín B-6 (CNBV) Recovery and Sale of Foreclosed Assets. The amount of 197.2 million Pesos corresponds primarily to the sale of property obtained through legal proceedings in the month of March 2010, in the amount of 180.7 million Pesos.

Other Net Revenue (Expenditures). The total of 987.8 million Pesos consists of the recuperation of legal risk reserves in the amount of 749.5 million Pesos, the conclusion of the arbitration process in Chile in the amount of 623.5 million Pesos, and the legal proceedings initiated in Europe to recover credits in the amount of 126.0 million Pesos, also the cancellation of reserves for Guarantees and Financing Granted from previous programs, since these are reserves recuperated from Claimed Guarantees in the amount of 128.0 million Pesos and 34.3 million Pesos in revenue from litigious rights, 29.8 million Pesos from interests and profits from recuperating accounts receivable as a result of the sale of WTC properties, 28.8 million Pesos recuperated from expenditures, taxes and other items, and 8.8 million Pesos in revenue from appraisals. The total for 2010 represents an increase of 897.7 million Pesos in comparison to 2009, explained primarily by the extraordinary revenue mentioned.

Net Profits. As of December 2010, the Bank's net profits totaled 768.2 million Pesos, indicating an increase of 253.4 million Pesos in comparison to the amount registered in December 2009.

GENERAL BALANCE

ASSETS

At the end of December 2010 the Institution's total assets amounted to 140,625 million Pesos, or 19,310 million Pesos above the amount registered at the end of 2009. The main variations can be found in the following areas:

Deposits and Investments in Securities. They reached a total of 43,077 million Pesos, or 2,078 million Pesos above the amount registered in December 2009. These results are primarily due to the increase of 24,178 million Pesos in the Debtors from Repurchase Agreements line item, and to the decrease of 15,779 million Pesos in Other Term Investments, since at the end of 2009 the increase in resources through the Domestic Debt was invested in term deposits and trading securities, while in 2010 investments were made in repurchase agreements, and was also due to the decrease of 8,903 million Pesos in Financial Instruments Given as Guaranty, as the payment of the Banxico loan that was guaranteed through these trading securities, became due.

Total Credit Portfolio. At the end of December 2010, the Institution's own portfolio indicated a balance of 45,978 million Pesos. If 12,673 million Pesos in Securities Guarantees, Guarantees, Letters of Credit and Induced Financing are included, total financing amounts to 58,651 million Pesos, which is 2,139 million Pesos above the figure registered in December 2009. The current and overdue loan portfolio registers an increase of 701 million Pesos in relation to the final figure for 2009. There was an increase of 1,438 million Pesos from the assistance provided through Securities Guarantees, Guarantees, Letters of Credit and Induced Financing.

Overdue Loan Portfolio Coverage. At the end of December 2010, the Institution's reserves were 3.4 times greater than the amount of its overdue loan portfolio.

LIABILITIES

The Institution's liabilities amounted to 132,514 million Pesos, exceeding the amount for the previous year's end by 18,558 million Pesos. This is in line with the increase of 19,310 million Pesos in assets. The liabilities consist of the following:

Payables Under Repurchase Agreements. They amount to 48,446 million Pesos as of December 2010.

Domestic Debt and External Debt. The Domestic Debt decreased by 3,231 million Pesos, primarily because the 600 million US Dollar loan contracted with the Central Bank became due in January 2010, and the inter-bank loans contracted with Multiple Banking (*Banca Múltiple*) for 2,500 million Pesos also became due, as did the Stock Exchange Certificates (*Certificados Bursátiles Bancarios*-Cebures) in the amount of 2,500 million Pesos and the Fixed-Term Deposits in the amount of 1,257 million Pesos. Another factor was the increase of 9,906 million Pesos in the Promissory Notes with Interest Paid at Maturity (*Pagarés con Rendimiento Liquidable al Vencimiento*-PRLV). The External Debt, for its part, increased by 3,871 million Pesos during 2010, due to an increase of 3,122 million Pesos in Commercial Lines.

STOCKHOLDER'S EQUITY

In comparison with December 2009, there was an increase of 752 million Pesos in Stockholder's Equity, derived primarily from 768.2 million Pesos in profits registered in December 2010.

PROGRAMMABLE EXPENDITURES

The modified 2010 budget for programmable expenditures authorized by the Secretariat of Finance and Public Credit rose to a total amount of 2,388 million Pesos.

2010 Budget

Item	Millions of Pesos
Current Expenditures	948
Physical Investment	5
Other Current Expenditures	1,435
Total Programmable Expenditures	2,388

During 2010 Bancomext used 2,211 million Pesos, or 93% of the funds authorized, signifying a savings of 177 million Pesos.

Bancomext carried out the following actions to optimize expenditures, with the aim of promoting the Institution's sustainability:

- A reduction in the organizational structure was finalized, in compliance with measures stipulated in the National Program for Reducing Public Spending. The current organizational structure consists of 538 job positions, or 104 less than the previously authorized structure of 642 job positions. With the adjustment formalized during 2010, the actions designed to compact the number of job positions as specified in the Program for 2011 and 2012 were implemented ahead of schedule.

- The. Bank continued to contract services under the pluri-annual modality, resulting in various benefits, especially savings in prices and optimization of timelines in the departments participating in contracting processes.

- The Bank also reinforced its actions to optimize physical space in the buildings belonging to or rented by the Institution, in line with current needs and with the objective of reducing operational costs. The Property Reduction Program was promoted, aimed at eliminating items that are obsolete, unusable or no longer useful for the purpose for which they were purchased.

- In the area of information and communication technologies, efforts continue in an ongoing strategy to modernize the technological platform using the outsourcing scheme instead of acquiring goods through investments. In addition to reducing costs, this strategy complies with the Guidelines for Austerity and Discipline in Spending, published in the Official Gazette (*Diario Oficial de la Federación*-DOF) on December 29, 2006.

- Physical investment was once again subjected to cost-benefit criteria.

- The actions just described contributed positively to budget expenditures. With the objective of strengthening the Personnel Retirement Fund, an extraordinary contribution was made to this fund in 2010, with the aim of acknowledging the effect from the EMMSA 2009 mortality tables and in response to the effects from the changes in the retirement fund's return rates.

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BANCOMEXT DIRECTORIES

BANCOMEXT BOARD OF DIRECTORS
Board Members, Series "A"

MEMBERS	DEPUTY MEMBERS
Ernesto Javier Cordero Arroyo Secretary of Finance and Public Credit and Chairman of the Board	**Rafael Gamboa González** Head of the Development Banking Unit Secretariat of Finance and Public Credit
Bruno Ferrari García de Alba Secretary of Economy	**Felipe Duarte Olvera** Deputy Secretary of Competitiveness and Normativity Secretariat of Economy
Lic. Francisco Javier Mayorga Castañeda Secretary of Agriculture	**Pedro Adalberto González Hernández** Deputy Secretary for Agribusiness Development Secretariat of Agriculture
Patricia Espinosa Cantellano Secretary of Foreign Affairs	**Rogelio Granguillhome Morfín** Head of the Economic Relations and International Cooperation Unit, Secretariat of Foreign Affairs
Georgina Kessel Martínez Secretary of Energy	**Pola Strauss Seidler** Advisor for State-Level Financial Planning Secretariat of Energy
José Antonio Meade Kuribreña Deputy Secretary of Finance and Public Credit Secretariat of Finance and Public Credit	**Gerardo Rodríguez Regordosa** Head of the Public Credit Unit Secretariat of Finance and Public Credit
Dionisio Arturo Pérez-Jácome Friscione Deputy Secretary of Expenditures Secretariat of Finance and Public Credit	**Jaime Francisco Hernández Martínez** General Director for Budget and Programming "B" Secretariat of Finance and Public Credit
Beatriz Eugenia Leycegui Gardoqui Deputy Secretary of Foreign Trade Secretariat of Economy	**Gustavo Meléndez Arreola** General Director of Entrepreneurial Promotion Secretariat of Economy
Agustín Guillermo Carstens Carstens Governor of Central Bank (*Banco de México*)	**José Gerardo Quijano León** General Director of Financial System Analysis Central Bank (*Banco de México*)

Board Members, Series "B"

MEMBERS	DEPUTY MEMBERS
Mario Sánchez Ruiz Chairman, *Consejo Coordinador Empresarial* (CCE)	**Gerardo Gutiérrez Candiani** Chairman, *Confederación Patronal de la República Mexicana* (COPARMEX)
Valentín Diez Morodo Chairman, *Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología* (COMCE)	**Fernando Tamez Murguía** Chairman, *Asociación Nacional de Importadores y Exportadores de la República Mexicana* (ANIERM)
Salomón Presburger Slovik Chairman, *Confederación de Cámaras Industriales de los Estados Unidos Mexicanos* (CONCAMIN)	**Sergio Enrique Cervantes Rodiles** Chairman, *Cámara Nacional de la Industria de Transformación* (CANACINTRA)
Jorge Enrique Dávila Flores Chairman, *Confederación de Cámaras Nacionales de Comercio, Servicios y Turismo* (CONCANACO SERVYTUR)	**Juan Gilberto Marín Quintero** Chairman, *Promotora de Negocios PI Mabe, S.A. de C.V.* (SOFOM, E.N.R.)

Independent Members, Series "B"

There are only Regular (not Deputy) Independent Members

Luis Fernando de la Calle Pardo General Director, *De la Calle, Madrazo, Mancera, S.C.*	**José María Basagoiti Caicoya** General Director, *Basagoiti y Asociados Consultores Ejecutivos, S.C.*

Commissioners

Commissioners	Deputy Commissioners
Series "A"	
Martha Elvia Rodríguez Violante Public Commissioner and Delegate of Finance Sector Secretariat of Public Service	**José Carlos Bustos Nuche** Deputy Public Commissioner of Finance Sector Secretariat of Public Service
Serie "B"	
Carlos Aguilar Villalobos General Director, *Despacho Aguilar Villalobos y Asociados, S.C.*	**Roberto Mateos Cándano** *Despacho Jurídico Gómez, Mateos, Flores y Asociados*

Technical Secretariat for Board of Directors

Secretary	Prosecretary
Lázaro Jiménez García	**María Elsa Ramírez Martínez**

MAIN OFFICERS

HECTOR ALEJANDRO RANGEL DOMENE
Chief Executive Officer

PEDRO A. ARGÜELLES RODRIGUEZ MONCADA
Deputy General Director | Credit

VICTOR MANUEL CARRILLO RAMOS
Deputy General Director | Legal and Fiduciary

ANTONIO CASTAÑO LEAL
Deputy General Director | Financing

ANTHONY MACCARTHY SANDLAND
Deputy General Director | Business Financing

MARIA DEL CARMEN ARREOLA STEGER
Deputy General Director | Finances

JOSE ANTONIO PADILLA AGUILAR
Deputy General Director | Administration

ROLANDO S. VAZQUEZ CASTELLANOS
Deputy General Director | Small Business Development

SERGIO S. CANCINO Y LEON
Head of Internal Control Entity

BANCOMEXT OFFICES IN MEXICO

REGION	STATES COVERED	TELEPHONE	FAX
CENTRAL	Mexico City	**(01-55)**	54-49-92-48
MEXICO CITY	State of Mexico	54-49-90-00	54-49-94-85
Periférico Sur No. 4333, 3er. Piso Poniente	Guerrero	54-49-92-84	
Col. Jardines en la Montaña	Morelos	54-49-90-18	
14210 México, D.F.	Hidalgo		
D.R. Francisco Javier Calvo Elizundia	Querétaro		
icalvo@bancomext.gob.mx	Puebla		
D.R. Gerardo Corona González	Yucatán		
rcorona@bancomext.gob.mx	Quintana Roo		
	Tabasco		
	Tlaxcala		
	Campeche		
	Oaxaca		
	Veracruz		
	Chiapas		
NORTHEASTERN	Nuevo León	**(01-81)**	83-69-21-66 y 55
MONTERREY	Coahuila	83-69-21-10	
Av. Gómez Morín # 320, Condominio AON	Chihuahua		
4° piso, local 402	Durango		
64010 Monterrey, N. L.	Tamaulipas		
D.E.R. Lic. Jorge Arturo Tovar Castro			
jatovar@bancomext.gob.mx			
WESTERN	Jalisco	**(01 - 33)**	36-48-27-16
GUADALAJARA	Nayarit	36-48-27-00	36-48-27-14
Blvd. Puerta de Hierro 5090-5,	Guanajuato	36-48-27-61	
Fracc. Puerta de Hierro,	Colima	36-48-27-46	
45110 Zapopan, Jal.	San Luis Potosí		
D.R. Lic. Ramiro Ayala Flores	Michoacán		
rayalaf@bancomext.gob.mx	Zacatecas		
	Aguascalientes		
	Sinaloa		
	Sonora		
	Baja California		
	Baja California Sur		


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2010 REVIEWED FINANCIAL STATEMENTS

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.
Development Banking Institution and Subdiaries

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31st, 2010 AND 2009

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.
Development Banking Institution and Subdiaries

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To the Ministry of Civil Service

To the Board of Directors of Banco Nacional de Comercio Exterior, S.N.C. Institución de Banca de Desarrollo

1. We have audited the consolidated balance sheets of Banco Nacional de Comercio Exterior, S.N.C., Institucion de Banca de Desarrollo (Development Banking Institution) and its Subsidiaries at December 31st, 2010 and 2009, and the consolidated statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Institution's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 prepared in accordance with the grouping rules and accounting practices issued for Credit Institutions by the National Banking and Securities Commission (CNBV, Comisión Nacional Bancaria y de Valores). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting rules and practices used and significant estimates made by the Institution's Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

3. As explained in Note 2 to the accompanying financial statements, the Bank is bound to prepare its financial statements, based on accounting criteria for Lending Institutions issued by the National Banking and Securities Commission, which set forth the valuation, recording, and presentation rules for specific line items of the financial statements. The same note sets forth the main differences between the criteria discussed and Financial Reporting Standards (FRS).

4. As indicated in Note 17 to the accompanying financial statements, the Institution contributed 962.7 million pesos to cover the increase in labor obligations of retired personnel for purposes of the change in Mortality Tables, as well as 209.2 million pesos in the case of a decrease in the rate for other postretirement benefits, according to the actuarial valuation performed by an independent expert. The cost for the year is applied in the caption of administrative and promotional expenses in the statement of income.

5. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Banco Nacional de Comercio Exterior, S.N.C., Institucion de Banca de Desarrollo (Development Banking Institution) and its Subsidiaries at December 31st, 2010 and 2009, the consolidated results of its operations, changes in consolidated stockholders' equity, and changes in consolidated cash flows for the years then ended, in conformity with the accounting criteria for Lending Institutions issued by the National Banking and Securities Commission.

Prieto, Ruiz de Velasco y Cía., S.C.

Ignacio Pineda Luna, CPA
Partner

February 21st, 2011.
Mexico City, Mexico

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.
INSTITUCIÓN DE BANCA DE DESARROLLO

CONSOLIDATED BALANCE SHEETS WITH SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31st 2010 AND 2009
(Amounts stated in millions of pesos)

ASSETS	2010	2009
LIQUID ASSETS (Note 5)	$ 10,916	$ 25,730
INVESTMENTS IN SECURITIES		
Trading securities (Note 6.1)	51,557	41,670
Available-for-sale securities (Note 6.2)	1,480	1,537
Held-to-maturity securities (Note 6.3)	3,528	5,422
	56,565	48,629
RECEIVABLES UNDER REPURCHASE TRANSACTIONS (DEBIT BALANCE) (Note 7)	24,178	-
CURRENT LOAN PORTFOLIO (Note 8)		
Commercial credits		
Business or commercial activity	28,808	26,805
Financial entities	6,153	5,507
Governmental entities	9,273	11,521
Consumer lending	25	26
Housing lending	186	203
TOTAL CURRENT LOAN PORTFOLIO	44,445	44,062
NONPERFORMING LOAN PORTFOLIO (Note 8)		
Commercial credits		
Business or commercial activity	1,521	1,198
Consumer lending	4	8
Housing lending	9	9
TOTAL NONPERFORMING LOAN PORTFOLIO	1,534	1,215
LOAN PORTFOLIO	45,979	45,277
(-) Less:		
ALLOWANCE FOR CREDIT RISKS (Note 8.11)	-3,206	-2,703
LOAN PORTFOLIO (NET)	42,773	42,574
OTHER RECEIVABLES (NET) (Note 12)	4,778	2,836
REPOSSESSED ASSETS (NET) (Note 9)	1	4
PROPERTY, FURNITURE AND EQUIPMENT (NET) (Note 10)	516	554
PERMANENT STOCK INVESTMENTS (Note 11)	386	372
DEFERRED TAXES AND EMPLOYEE PROFIT SHARING (NET)	-	12
OTHER ASSETS		
Deferred charges, prepaid expenses and intangibles	1	1
Other short / long-term assets	377	504
TOTAL ASSETS	**$ 140,491**	**$ 121,216**

LIABILITIES AND CAPITAL	2010	2009
TRADITIONAL DEPOSITS		
Demand deposits	$ 2	$ 2
Time deposits (Note 13)		
Money market	48,004	37,631
Negotiable instruments issued (Note 14)	1,500	4,019
	49,506	41,652
INTERBANK AND OTHERS ENTITIES LOANS (Note 15)		
Immediately due and payable	616	843
Short-term	22,816	26,967
Long-term	3,331	5,871
	26,763	33,681
PAYABLES UNDER REPURCHASE TRANSACTIONS (Note 7)	48,313	33,129
DERIVATIVES		
Hedging derivatives (Note 18)	958	2,327
	49,271	35,456
OTHER PAYABLES		
Income Tax payable	-	5
Employee profit sharing payable	1	18
Creditors for operations settlement	4,992	186
Sundry creditors and other payables	1,534	2,346
	6,527	2,555
DEFERRED CREDITS AND ACCELERATED COLLECTIONS	313	313
TOTAL LIABILITIES	**132,380**	**113,857**
STOCKHOLDERS' EQUITY (Note 19)		
PAID-IN CAPITAL		
Capital stock	14,959	14,959
Paid stock premium	81	81
	15,040	15,040
CAPITAL GAINS		
Capital reserves	141	141
Prior year losses	-7,775	-8,290
Result from valuation of available-for-sale securities	-38	-22
Result from holding of nonmonetary assets	-25	-25
Net income (loss)	768	515
	-6,929	-7,681
TOTAL STOCKHOLDERS' EQUITY	**8,111**	**7,359**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 140,491**	**$ 121,216**

MEMORANDUM ACCOUNTS		2010	2009
Guarantees granted (Note 22)		2,467	$ 2,411
Contingent assets and liabilities		3,899	3,911
Credit commitment		2,102	1,878
Assets placed in trust or legal custody (Note 23)			
Trusts	41,483		46,549
Mandates	6,261	47,744	6,603
Federal Government Financial Agent		73	309
Property in custody or administration (Note 24)		240,177	167,178
Collateral received and sold or delivered in guarantee for the institution		10,895	9,836
Collateral received by the entity		35,085	9,836
Uncollected interest accrued on nonperforming		641	820
Loan portfolio rating		51,583	49,633
Other recorded accounts		162,446	187,135

These consolidated balance sheets were prepared in conformity with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, in accordance with the provisions of Articles 99, 101, and 102 of the Law of Credit Institutions. Those criteria, whose observance is general and mandatory, were applied on a consistent basis. The transactions conducted by the Institution are reflected in the balance sheets at the dates referred above and were performed and valued in accordance with healty banking practices and the pertinent legal and administrative provisions.

These consolidated balance sheets were approved by the Board of Directors, under the responsibility of the Directors who sign it.

The balance of historical capital stock amounts to $14,009 million.

The Capitalization Ration on assets subject to credit risk is 20.87% and 15.18% on assets subject to total risk as of December 2010.

The web site of the worldwide network known as Internet of Banco Nacional de Comercio Exterior, S.N.C., where the information relative to these financial statements is found at: http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html. The web page of the National Banking and Securities Commission where the financial information of Bancomext can be consulted is: http://www.cnbv.gob.mx/BancaDesarrolloYEntidadesFomento/InformacionEstadistica/Paginas/BancadeDesarrollo.aspx.

The accompanying explanatory notes are an integral part of these financial statements.

The Head of the Internal Audit Area signs these financial statements, based on the results of the audits performed to date, which have permitted that the sufficiency of the process of generating the financial information established by the Institution's Management be substantiated, as well as its capacity to generate reliable information covered by the same audits.

Ing. Héctor A. Rangel Domene
General Director

Lic. Ma. del Carmen Arreola Steger
Assistant General Director of Finance

C.P. Martha Martínez Quiroz
Finance Director

L.C. Angela Ma. Montesinos San Martín
Accounting Manager

C.P. Horacio Manuel Díaz Mercado Queijeiro
Head of the Internal Audit Area

Exhibit "B"

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.
INSTITUCIÓN DE BANCA DE DESARROLLO

CONSOLIDATED INCOME STATEMENTS WITH SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31st, 2010 AND 2009

(Amounts stated in millions of pesos)

	2010	2009
Interest earned	$ 5,663	$ 7,531
Interest expenses	-3,979	-5,760
FINANCIAL MARGIN (Note 20.1)	1,684	1,771
Allowance for loan risks	-227	-309
FINANCIAL MARGIN ADJUSTED FOR LOAN RISKS	1,457	1,462
Commissions and fees earned (Note 20.5)	302	427
Commissions and fees paid	-121	-123
Trading income (Note 20.2)	275	15
Other operating income (expenditures) (Note 20.4)	203	304
TOTAL OPERATING INCOME (EXPENSES)	2,116	2,085
Administrative and promotional expenses	-2,286	-1,207
OPERATING INCOME (LOSS)	-170	878
Other proceeds (Note 20.3)	1,059	193
Other expenses (Note 20.3)	-151	-559
	908	-366
INCOME (LOSS) BEFORE INCOME TAX	738	512
Current Income Tax	-4	-7
Income Tax Deferred (Net)	-12	-
	-16	-7
INCOME (LOSS) BEFORE EQUITY UN UNCONSOLIDATED SUBSIDIARIES AND ASSOCIATES	722	505
Equity in earnings of unconsolidated subsidiaries and associates	46	10
INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	768	515
Majority Net Income	768	515
No controlling	-	-
NET INCOME (LOSS)	$ 768	$ 515

These consolidated income statements were prepared in conformity with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, in accordance with the provisions of Articles 99,101, and 102 of the Law of Credit Institutions.Those criteria, whose observance is general and mandatory, were applied on a consistent basis. All income and expenses derived from the transactions conducted by the Institution are reflected during the periods referred above and were performed and valued in accordance with healthy banking practices and the pertinent.

These consolidated income statements were approved by the Board of Directors, under the responsibility of the Directors who sign them.

The web site of the worldwide network known as Internet of Banco Nacional de Comercio Exterior, S.N.C., where the information relative to these financial statements is found at: http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html. The web page of the National Banking and Securities Commission where the financial information of Bancomext can be consulted is: http://www.cnbv.gob.mx/BancaDesarrolloYEntidadesFomento/InformacionEstadistica/Paginas/BancadeDesarrollo.aspx.

The accompanying explanatory notes are an integral part of these financial statements.

The Head of the Internal Audit Area signs these financial statements, based on the results of the audits performed to date, which have permitted that the sufficiency of the process of generating the financial information established by the Institution's Management be substantiated, as well as its capacity to generate reliable information covered by the same audits.

Ing. Héctor A. Rangel Domene
General Director

Lic. Ma. del Carmen Arreola Steger
Assistant General Director of Finance

C.P. Martha Martínez Quiroz
Finance Director

L.C. Angela Ma. Montesinos San Martin
Accounting Manager

C.P. Horacio Manuel Díaz Mercado Queijeiro
Head of the Internal Audit Area

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.
INSTITUCIÓN DE BANCA DE DESARROLLO

CONSOLIDATED STATEMENTS ON CHANGES IN STOCKHOLDERS' EQUITY WITH SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31st, 2010 AND 2009
(Amounts stated in millions of pesos)

	PAID-IN CAPITAL			CAPITAL GAINS					
	Capital Stock	Contributions for future capital increases agreed upon with its Government Agency	Paid stock premium	Capital Reserves	Prior year income (loss)	Result for valuation of available-for-sale securities	Result for possession of nonmonetary assets	Net income (loss)	Total Stock-holders' Equity
Balances as of December 31st, 2008	$ 4,844	$ 10,115	$ 81	$ 141	$ -6,390	$ -197	$ -25	$ -1,902	$ 6,667
CHANGES INHERENT TO RESOLUTIONS OF THE STOCKHOLDERS									
Contributions for future capital increases	10,115	-10,115	-	-	-	-	-	-	-
Capitalization of income	-	-	-	-	-1,902	-	-	1,902	-
Total	10,115	- 10,115	-	-	-1,902	-	-	1,902	-
CHANGES INHERENT TO THE RECOGNITION OF COMPREHENSIVE INCOME									
Comprehensive Income:									
Net Income (loss)					2	32	-	515	549
Result from valuation of available-for-sale securities	-	-	-	-	-	143	-	-	143
Total	-	-	-	-	2	175	-	515	692
Balances as of December 31st, 2009	$ 14,959	$ -	$ 81	$ 141	$ -8,290	$ -22	$ -25	$ 515	$ 7,359
CHANGES INHERENT TO RESOLUTIONS OF THE STOCKHOLDERS									
Capitalization of income	-	-	-	-	515	-	-	-515	-
Total	-	-	-	-	515	-	-	-515	-
CHANGES INHERENT TO THE RECOGNITION OF COMPREHENSIVE INCOME									
Comprehensive income									
Net Income (loss)						-32		768	736
Result from valuation of available-for-sale securities	-	-	-	-	-	16	-	-	16
Total	-	-	-	-	-	-16	-	768	752
Balances as of December 31st, 2010	$ 14,959	$ -	$ 81	$ 141	$ -7,775	$ -38	$ -25	$ 768	$ 8,111

These consolidated statements of changes in stockholders' equity were prepared in conformity with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, in accordance with the provisions of Articles 99,101, and 102 of the Law of Credit Intitutions. Those criteria, whose observance is general and mandatory, were applied on a consistent basis. The changes in stockholders' equity accounts derived from the transactions conducted by the Institution are reflected during the periods referred above and were performed and valued in accordance with healthy banking practices and the pertinent legal and administrative provisions.

These consolidated statements of changes in stockholders' equity were approved by the Board of Directors, under the responsibility of the Directors who sign it.

The web site of the worldwide network known as Internet of Banco Nacional de Comercio Exterior, S.N.C., where the information relative to these financial statements is found at: http://www.bancomext.com/Bancomext/secciones/conoce-bancomext//bancomext-en-cifras/estados-e-indicadores-financieros.html. The web page of the National Banking and Securities Commission where the financial information of Bancomext can be consulted is: http://www.cnbv.gob.mx/BancaDesarrolloYEntidadesFomento/InformacionEstadistica/Paginas/BancadeDesarrollo.aspx.

The accompanying explanatory notes are an integral part of these financial statements.

The Head of the Internal Audit Area signs these financial statements, based on the results of the audits performed to date, which have permitted that the sufficiency of the process of generating the financial information established by the Institution's Management be substantiated, as well as its capacity to generate reliable information covered by the same audits.

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Exhibit "D"

BANCO NACIONAL DE COMERCIO EXTERIOR, S.N.C.
INSTITUCIÓN DE BANCA DE DESARROLLO

CONSOLIDATED STATEMENTS OF CASH FLOWS WITH SUBSIDIARIES FOR THE YEARS ENDED DECEMBER 31st, 2010 AND 2009

(Amounts stated in millions of pesos)

	2010	2009
Net Income	$ 768	$ 515
Adjustments on items that do not imply cash flow:		
Allowance for loan risks	227	309
Depreciation and Amortization	36	33
Provisions	270	574
Income Taxes Current and Deferred	16	7
Equity in earnings of unconsolidated subsidiaries and associates	-46	-10
	503	913
Operating activities		
Change in investments in securities	-7,920	-12,015
Change in receivables under repurchase transactions	-25,178	740
Changes in derivatives (assets)	8,647	8,603
Change in loan portfolio	-426	3,285
Change in repossessed assets	-77	22
Change in other operating assets	-3,681	-2,464
Change in traditional deposits	7,655	-6,329
Change in interbank loans and from other entities	-6,918	12,833
Change in payables under repurchase transactions	15,184	4,074
Change in collateral sold or pledged	1,000	9,850
Changes in derivatives (liabilities)	-10,016	-15,147
Change in other operating liabilities	5,644	313
Net cash flows from operating activities.	-16,086	3,765
Investing activities		
Collections (Payments) on disposals of real property, furniture and equipment	1	3
Net cash flows from investing activities.	1	3
Financing Activities	-	-
Net increase or decrease in cash	-14,814	5,196
Cash and cash equivalents at beginning of period	25,730	20,534
Cash and cash equivalents at end of period	$ 10,916	$ 25,730

These consolidated income statements cash flows were prepared in conformity with the Accounting Criteria for Credit Institutions issued by the National Banking and Securities Commission, in accordance with the provisions of Articles 99, 101, and 102 of the Law of Credit Institutions.Those criteria, whose observance is, general and mandatory were applied on a consistent basis. All cash receipts and cash disbursements derived from the transactions conducted by the Institution are reflected during the periods referred above and were performed and valued in accordance with healthy banking practices and the pertinent

These consolidated statements of cash flows was approved by the Board of Directors, under the responsibility of the Directors who sing them.

The web site of the worldwide network known as Internet of Banco Nacional de Comercio Exterior, S.N.C., where the information relative to these financial statements is found at: http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html
The web page of the National Banking and Securities Commission where the financial information of Bancomext can be consulted is: http://www.cnbv.gob.mx/BancaDesarrolloYEntidadesFomento/InformacionEstadistica/Paginas/BancadeDesarrollo.aspx

The accompanying explanatory notes are an integral part of this financial statements.

The Head of the Internal Audit Area signs these financial statements, based on the results of the audits performed to date, which have permitted that the sufficiency of the process of generating the financial information established by the Institution's Management be substantiated, as well as its capacity to generate reliable information covered by the same audits.

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Exhibit "E"

BANCO NACIONAL DE COMERCIO EXTERIOR, S. N. C.
Development Banking Institution and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEARS ENDED DECEMBER 31st, 2010 AND 2009
(In millions of pesos except as indicated)

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1. INCORPORATION, CORPORATE PURPOSE AND BASIS OF PRESENTATION.

a. Banco Nacional de Comercio Exterior, S.N.C. – Development Banking Institution (BANCOMEXT) is an agency of the Mexican Federal Public Administration with its own corporate identity and equity, incorporated as a National Credit Corporation under the terms of the LIC (Ley de Instituciones de Crédito. Law of Credit Institutions) and its own Organic Law.

Banco Nacional de Comercio Exterior, S. A. was incorporated as of June 8th, 1937.

Following the nationalization of the banks, on July 12th, 1985, Banco Nacional de Comercio Exterior, S.A. became Banco Nacional de Comercio Exterior, S. N. C., a development banking institution.

On January 20th, 1986, the Mexican Congress issued the "BANCOMEXT Organic Law". On June 24th, 2002 the SHCP (Secretaría de Hacienda y Crédito Público. Ministry of Finance and Public Credit) amended, added up and revoked some provisions of such Organic Law by means of the Official Daily Gazette, focusing on aspects such as: corporate purpose and operations, management and supervision, the Board of Directors and Chief Executive Officer competencies. On April 2nd, 1991, the SHCP issued the bank's organization rules, which are currently in force.

b. Under the terms of BANCOMEXT's Organic Law, the corporation, as a development bank, provides public banking and credit services subject to the objectives and priorities of the National Development Plan, particularly the National Programs to Finance the Development and Promotion of the Industrial Sector and Foreign Trade, in order to promote and finance its corresponding activities and sectors provided as its responsibilities in terms of such Law.

As a development banking institution, its purpose is to finance Mexico's foreign trade and to promote such activity.

c. The accompanying consolidated financial statements include the financial statements of the Company and those of the subsidiaries mentioned below:

COMPANY	% of Equity SERIES A	SERIES B	MAIN ACTIVITY
Desarrollo Inmobiliario Especializado, S.A. de C.V.	99.20	100.00	Real Estate
Coordinadora de Asistencia Administrativa, S.A. de C.V. In liquidation	99.60	100.00	Services

The main activities of the Institution's Subsidiaries are as follows:

Desarrollo Inmobiliario Especializado, S.A. de C.V. (DIESA).

Its corporate purpose is the property, acquisition, leasing, managing, operating, transferring and occupancy as well as the execution of adaptation, conservation, construction, demolition, maintenance and modification works that might be carried out on property that has or will have offices of Banco Nacional de Comercio Exterior, S.N.C. Its total assets account for 0.35% of the Institution's total assets.

Coordinadora de Asistencia Administrativa, S.A. de C.V. in liquidation (CAASA).

The corporate purpose of this partnership is to render complementary or auxiliary services to the management or to the execution of the corporate purpose of any National Credit Partnership that be or could be its stockholder or of their auxiliary companies and trusts as well. Likewise, it is in charge of the installation, maintenance, cleaning, repairing, revising and operating of the change-over switches; the management of the executive dining-rooms, carrier services, personnel transportation, surveillance service, property, as well as the elaboration of all types of printing.

At the meeting held on January 30th, 2008, the Board of Directors of Bancomext acknowledged and authorized all operative, administrative, and legal formal procedures to be carried out in connection with the liquidation of CAASA. At the Extraordinary Stockholders' Meeting of that company held on October 22th, 2008, the stockholders resolved to dissolve and start liquidation of the company. The year from January 1st to October 21th, 2008 was audited by an external firm. At December 31st, 2010, the company's current assets consist of what is required for its liquidation, and the remaining balance will be reimbursed to Bancomext. Its total assets are not representative with respect to the Institution's total assets.

d. The investment in unconsolidated subsidiaries is valued using the equity method. Investments in stock of associated companies in which it has no control or significant influence they are valued at their acquisition cost.

e. The main activities of the Institution are regulated by the LIC (Law of Credit Institutions or Banking Law) and by the Law of the Central Bank (BANXICO). In such regulations, several limitations are included restraining that indicate the maximum level of leveraging and the capitalization requirements; therefore limiting the Institution's investments and transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Significant Accounting Policies - The Institution's accounting policies are in conformity with Accounting Criteria Applicable to Credit Institutions established in the Third Title "Financial Information and its Disclosure" and in Appendix 33 of the General Provisions Applicable to Credit Institutions (Official Banking Publication) issued by the CNBV (Comisión Nacional Bancaria y de Valores - National Banking and Securities Commission) published on December 2nd, 2005, in the Official Daily Gazette, and modified on March 3rd and 28th, September 15th and December 6th and 8th, 2006, January 12th, March 23th, April 26th and November 5th, 2007, March 10th, August 22th, September 19th, October 14th and December 4th, 2008, April 27th, May 28th, June 11th, August 12th, October 16th, November 9th, December 1st and 24st, 2009; January 27th, February 10th, April 9th and 15th, May 17th, June 28th, July 29th, August 19th, September 9th and 28th, October 25th, November 26th, and December 20th, 2010, pursuant to the NIF (Normas de Informacion Financiera - Financial Reporting Standards) issued by the CINIF (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera – Mexican Council For Research and Development of Financial Reporting Standards).

General Provisions Applicable to Credit Institutions in force since December 3rd, 2005 are a legal instrument that includes provisions applicable to Credit Institutions, such provisions were issued by the CNBV systematizing its integration and homologating the terminology used in order to provide legal certainty regarding the ruling frame which financial institutions must be subject to at the performance of their operations.

On April 27th, 2009, the CNBV published amendments to various accounting criteria applicable to Lending Institutions, in connection with its ongoing updating in order to achieve certain consistency with International Accounting Standards, effective the day following its publication.

The main effects of these changes in Banco Nacional de Comercio Exterior, S.N.C. (Bancomext, the Institution, the Bank) occurred in Criterion B-3 Repurchase Agreements, as well as in the presentation of the Balance Sheet and the Statement of Income. Furthermore, the Statement of Changes in Financial Position was substituted by the Statement of Cash Flows.

a. Recognition of the impact of inflation on the financial information.

The Institution uses NIF B-10 "Impact of inflation" for the recognition of the impact of inflation on its financial statements, in accordance with the provisions of Criterion A-2 of Exhibit 33 to the Sole Circular of the CNBV.

Effective January 1st, 2008, NIF B-10 annulled Bulletin B-10 "Recognition of the impact of inflation on the financial information (integrated document)".

The changes in this standard that affected the entries recorded, valuation, and presentation of the financial statements of this institution as of January 1st, 2008, they are:

Discontinuation of inflationary accounting.- For purposes of this standard, the impact of inflation is recognized when the environment is considered inflationary, that is, when accumulated inflation of the three prior fiscal years is equal or exceeds 26% (annual average of 8%). Otherwise, there is a discontinuation (suspension) of the recognition of the impact of inflation.

Since accumulated inflation from 2007 to 2009 was 14.55% (Udis), and it was 15.03% from 2006 to 2008, the Institution applied the disconnect of inflationary accounting. Consequently, the following items are not recognized:

- Gain or loss on monetary position of the year.
- Restating the income statement according to the dates on which transactions were generated.
- The impact of inflation in nonmonetary items and in stockholders' equity.

The Institution maintained the impact of restatement of its assets, liabilities, and stockholders' equity up to December 31st, 2007. That impact will be retired the same date and with the same procedure that assets, liabilities, and components of stockholders' equity to which they belong are retired.

Gain or loss on holding nonmonetary assets.- NIF B-10 requires that the gain or loss on holding nonmonetary assets be reclassified to retained earnings and that the unrealized gain or loss be maintained in stockholders' equity and recycled to the net gain or loss of the periods in which the item that gave rise thereto is realized. Due to the foregoing, the Institution only maintains the unrealized gain or loss on holding nonmonetary assets in this caption of the Balance Sheet.

Comparative financial statements.- Bulletin B-10 (Integrated Document) "Recognition of the impact of inflation on the financial information", effective up to December 31st, 2007, required that the financial statements and their notes be presented in pesos of purchasing power at the year-end date of the last year they were presented, which was carried out by the Institution up to that date based on the UDI value published by the Central Bank of Mexico or BANXICO, in accordance with standards set forth by the CNBV.

As a result of the disconnect of inflation accounting set forth in NIF B-10, the financial statements at December 31st, 2010 and 2009 include balances in pesos of purchasing power of the dates of the transactions.

b. Foreign Currency Transactions.

Transactions in foreign currency are recorded in the original currency in which the transaction is formalized. Transactions involving buying or selling currencies are translated into Mexican Pesos at current exchange rate on which transactions are carried out. Monetary assets and liabilities in foreign currency are valued at Mexican Pesos by using the exchange rate published by Banco de México on the date of the financial statements. The exchange rate fluctuations area registered directly to period income.

The currencies used by the Institution are the: US Dollar, Swiss Franc, Pound Sterling, Canadian Dollar, Japanese Yen, and Euro.

c. Liquid Assets.

Liquid assets are recorded at nominal value. Coined metals are recorded at fair value. Interest - bearing deposits and inter-bank loans at a term shorter than or equal to three banking days are recognized as realized in the income statement as they are accrued.

d. Investments in Securities.

- **Trading Securities.**

Those securities that the Institution's management maintains in its own position with the intent to operate as a participant on the market are included and they are recorded at the time they are acquired at fair value. Subsequently, they are valued at their fair value furnished by independent pricing services authorized by the CNBV, based on the market value and valuation adjustments are recorded in income of the period. Returns on debt securities are recorded in income, in accordance with the effective interest or straight-line method, as the case may be.

The difference between net carrying-out value and book value is recorded in the statement of income upon the date of its disposition.

- **Marketable Securities.**

This category includes debt instruments and shares acquired with a different intended use than trading or holding them to maturity. Yields on debt securities are recorded in the statement of income for the year in accordance with the imputed interest or straight-line methods.

Financial securities classified as marketable are also recorded at acquisition cost and are valued at their fair value. Valuation adjustments are recorded in stockholders' equity.

Investments in securities are valued at fair value using prices provided by price vendors but whenever the securities fair value may not be determined, it shall be determined based on the equity method in accordance with NIF C-7, Investments in associates and other permanent investments.

- **Held-to-maturity Securities.**

These are debt securities with determinable payments acquired with the intent to hold them until they reach maturity. The gain or loss on the spread between net realization value and book value of such securities is recognized on the date they are sold. Returns are recorded in income, in accordance with the effective interest or straight-line method, as well as the discount or surcharge received or paid when acquired.

On October 16th, 2008, the National Banking and Securities Commission issued Official Letter 100-035/2008 for the purpose of incorporating the amendments issued by the International Accounting Standards Board (ISAB) into its accounting standards, thereby aiding stability and recovering liquidity on the international markets while permitting that securities be reclassified. The foregoing permitted Lending Institutions to reevaluate the intent that they had in connection with holding investments and reclassify investments in securities classified as "Trading securities" to "Available-for-sale securities " or "Held-to-maturity securities", or from the category of "Available-for-sales securities" to "Held-to-maturity securities".

Based on this criterion, in 2008 BANCOMEXT reclassified securities recorded as "trading securities" to "held-to-maturity securities", with the intent to hold those securities until they mature for $5,376. The position that the Institution had in trading securities sold prior to reclassification amounted to $33 thousand. Had this reclassification not been made, the unrealized loss would have impacted the Institution's income for 2008 which amounts to $31. These securities do not show any indicators of impairment in their value. At December 31st, 2010, their carrying value amounts to $3,528 and their valuation is for $(5).

e. Repurchase transactions.

When the Institution acts as a seller, financial assets owned by the Institution are recorded in the pertinent item as restricted. Financial assets received under repurchase transactions are recorded in memorandum accounts of collateral received and sold. For both restricted financial assets and collateralized financial assets received, the same standards are followed for recording, presentation, and disclosure in accordance with the pertinent accounting criterion for lending institutions.

The payable that represents the obligation to restore the cash to the buyer is valued at its amortized cost.

When the Institution acts as a buyer, the receivable that represents the right to recover the cash delivered is valued at its amortized cost. Financial assets received as collateral are recorded in memorandum accounts of collateral received, and the rules relative to custodian operations of Criterion B-9 are followed for their valuation.

The gain or loss on valuation of repurchase transactions is recorded in income of the period.

For purposes of presentation, the balance sheet reflects restricted financial assets in assets, in accordance with the rules of presentation applicable thereto, according to the type of asset involved. When the Institution, in turn, pledges the financial assets purchased under repurchase agreements, it offsets the receivable that it has the right to receive in its capacity as the buyer with the payable that it is bound to in its capacity as the seller. If it is a debit balance, it is presented in the asset in the caption of Receivables under repurchase agreements. If it is a credit balance, it is presented in the liability on the line item of Collateral sold or pledged.

The account payable that the Institution is bound to, in its capacity as seller of financial assets held by the Institution, is presented in the liability in the item of payables under repurchase agreements.

f. Securities and derivatives trading.

The Institution trades with derivative financial instruments for purposes of negotiating with the intent to obtain earnings in accordance with the policies and limits established by the Comprehensive Risk Management Committee, as well as for hedging purposes with the intent of offsetting market risks, due to variations in interest rates and exchange rates, as well as counterparty risk.

In accordance with criterion B-5 "Derivatives and Hedging Transactions" of the CNBV, hedging transactions are classified as fair value hedges, cash flow hedges, and foreign currency hedges. Transactions carried out by the bank were classified as fair value hedges.

The risk management area developed the "Effectiveness Model", which permits the changes in fair value or cash flows of the hedging instrument to be measured as a quotient or hedge ration that fluctuates in a range between 80% and 125% of the reverse correlation.

- Futures and Forward Contracts.

As a participant in the futures markets and forward contracts BANCOMEXT's primary policy is to hedge risk positions resulting from assets and liabilities in U.S. Dollars, as well as those arising from trading operations of the Mexican Peso against the U.S. Dollar or of the U.S. Dollar against other foreign currencies.

Forward contracts transactions for trading purposes are referred to the Mexican Pesos versus the U.S. Dollar and are offered to its borrowers as part of credit support to financing and promotional programs for foreign trade operations.

BANCOMEXT carries out a selection of several of the future contracts generally used by the Institution taking into consideration the market conditions as well as the implicit conditions of liquidity and analysis of interest rates related to funding and placement costs.

BANCOMEXT participates in recognized markets where futures contracts are traded such as the Chicago Mercantile Exchange (CME) and the Mercado Mexicano de Derivados, S.A. de C.V. (MexDer). With regard to forward contracts the Institution trades in the inter-bank market with qualified institutions with an investment grade issued by risk rating agencies, thus considerably reducing credit and legal risks.

Futures trading carried out by BANCOMEXT were for purposes of trading. In forward contracts operations, the fair value and obligations shall be the theoretical price of the celebrated contracts being determined by formal valuation techniques and carried out by third parties without conflict of interest. In futures contracts, fair value corresponds to a face value at which a new equal contract would be entered into in each valuation date. Its balance represents the difference between fair value of the contract and the agreed upon forward price of said contract and it is presented as part of the securities and derivatives portfolio. Its balance represents the difference between the fair value of the contract and the stipulated forward price thereof. The result from these instruments is presented as Trading Income.

The collateral for futures transactions is established within the operations carried out with the CME and the MexDer through cash or by documented securities transfers documented in U.S. Dollars and in Mexican Pesos, respectively. Such collateral is recorded as securities earmarked as a guarantee in foreign and domestic banks.

At December 31st, 2010 and 2009, there are no futures trades and forward contracts in effect.

- Swaps trading activities.

Transactions with swaps made by the Institution are intended to hedge open risk positions not only for interest rates but also for foreign currency swaps.

Swaps transactions are agreed upon based on conditions of the correlation between the amount of funding and placement of financial resources with the borrowers, concerning interest rates or foreign currencies. This type of transactions are intended to exchange similar flows of fixed interest rates for floating interest rates or for different foreign currencies versus the U.S. Dollar, in a position opposed to giving rise to the open position at risk.

Swaps operations are celebrated with financial institutions that have an investment grade issued by recognized risk rating agencies, thus considerably reducing credit and legal risks inherent to this type of transactions.

Effective January 1st, 2007, the Institution measures the effectiveness of the swaps derivative financial instruments designated as hedges, through a model defined by the Risk Management area.

g. Assets acquired through judicial proceedings or received as a dation in payment.

They are recorded at their cost or fair value, deducted from the costs and expenses strictly indispensable that are disbursed in their allotment, whichever is lower.

If the carrying value of the asset that gave rise to the acquisition through judicial proceedings or as a dation in payment is less than the value of the asset acquired, the value of the asset is written down to the carrying value that this asset had.

Effective 2007, assets acquired through juridical processes are considered as nonmonetary items.

Based on the Second Title "Prudential Provisions", Chapter V "Portfolio Rating", Section III, Item D "Regarding provisions for awarded property or property paid in kind" of the Official Banking Publication issued by the CNBV, the Institution prepares quarterly additional provisions to recognize potential losses of value due to the time elapsed of the foreclosed assets acquired through judicial or out-of-court proceedings, either chattels or property, as well as collection rights and securities investments.

As of December 31st, 2006, the Institution has prudentially created reserves at 100% of the repossessed or received in payment assets, recognizing potential losses in value due to time, as well as the loan recovery at the moment of the assets commercialization.

In connection with assets held for sale, the adjudicated value, the base for the determination of the estimate, is the carrying value reduced by the collections received for account of the asset. The percentages of the pertinent allowances or provisions in accordance with the tables contained in Section D of the provisions referred to above are applied to that value.

h. Loan Portfolio.

Credits granted are recorded into assets from the date of the funds disposition. Interests are added up to the amount granted to the borrower as they are drawn, accordingly to the credit payment scheme.

The corresponding interest to the performing credit operations is recognized and applied in the income statements as they are drawn.

Effective 2007, fees charged for the initial granting of credit are recorded as a deferred credit, which is amortized against income of the year as interest income, under the straight-line method during the duration of the credit.

<u>Outstanding loan balances are recorded as past due loans, when:</u>

- Loans with a single payment of principal and interest at maturity, which are 30 or more days overdue;
- Loans with a single payment of principal at maturity and periodic interest payments, which are 90 or more days overdue for interest payments, or 30 or more days overdue for payment of principal;
- Loans with partial payments of principal and interest, which are 90 or more days overdue;
- Revolving credits, when payment has not been received for two monthly billings or 60 or more days past due

Interest earned during the period in which loan was considered as overdue portfolio is recognized as income of the year when collected; meanwhile they will remain as part of the 100% reserve.

<u>Restructured and Renewed Loans.</u>

Restructured past-due loans remain in past-due loan portfolio as long as there is no evidence of sustained payment.

When the borrower of renewed loans fails to pay accrued interest and 25% of the original loan amount as per contractual conditions, these loans are considered past due, as long as there is no evidence of sustained payment.

Impaired loans.

Credits in effect and nonperforming are considered as impaired commercial loans. Based on current information and events, as well as the loan review process of such loans, there is a considerable likelihood that both the principal and interest may not be recovered entirely, in accordance with the terms and conditions agreed upon originally.

Suspension of Interest Accruals.

It is suspended the interest accrual of the drawn interests of the credit transactions in the moment that the credit unpaid balance is considered as past due.

As long as the loan is kept in the past-due portfolio, the drawn interests' control is held upon memorandum accounts. Whenever the aforementioned past-due interests are collected, shall be directly recorded in the fiscal year's income statements.

Loan Portfolio Rating.

Second Title "Prudential Provisions", Chapter V "Loan Portfolio Rating" of the Official Banking Publication, states that whenever a commercial portfolio is being rated, the following shall be assessed:

- Creditworthiness of debtor - It is determined according to the result obtained from independently, specifically and progressively evaluating the Country Risk, Financial Risk, Industry Risk and Payment Experience.

- Credit Rating - Loans suited according to collateral value or to the property value held in trust or under schemes known as "structured" allows adjusting debtor's creditworthiness through an estimate of likely loss in relation with coverage level of collateral endorsing each credit granted. Collateral coverage will determine both the covered and the uncovered portion of credits and accordingly, it will be determined the allowance for loan losses as needed.

The coverage of guarantees will determine the covered part and uncovered part of credits so that based thereupon, the amount of necessary preventive reserves is determined.

In order to determine the net value of the Commercial Loan Portfolio, Institutions will rate all loans individually, in accordance with the methodology applicable thereto based on their balance, in accordance with the following:

- Loans whose balance is less than the equivalent in local currency of 4 million UDIs at the date of the rating, including those payable by the same debtor whose overall sum is less than that amount, may be rated by using the parametric rating methodology.

Toward that end, the total portfolio will be stratified based on the number of periods that report nonperformance of the total or partial payment at the date of the rating, by using the data of at least the twelve months prior to that date and, in the case of a new portfolio, those available at the time of the rating.

- Loans whose balance is equal to or higher than the equivalent in local currency of 4 million UDIs at the date of the rating, including those payable by the same debtor whose overall sum is equal to or higher than that amount, should be rated individually.

The rating methodology for the consumer and mortgage portfolios is based upon the portfolio stratification that is based on the number of billing periods which at the rating date reports payment defaults, non compliance probability and whenever be the case, the severity of loss related to the value and nature of the loan guarantees.

Pursuant to the foregoing, BANCOMEXT calculates the amount of the preventive estimate for credit risks, which is recorded in income of the pertinent year. The Institution periodically evaluates whether a nonperforming loan should remain on the balance sheet, or if it should be written off or eliminated. Toward that end, the unpaid balance of the loan is written off against the preventive estimate.

Recoveries of previously written off or eliminated loans are recognized in income of the year.

The excess in the preventive estimate for loan risks are charged off against income of the year, by applying the same line item that gave rise thereto, that is, the line item of the actual preventive estimate in cases in which the amount to be written off exceeds the balance recorded of that estimate is recognized as other proceeds.

Policies and procedures established for granting, controlling, and recovering credits.

The Credit Manual contains the regulatory guidelines applicable to the Credit Process, ranging from the definition of the target market up to the recovery of the loan.

The specific policies for each one of the stages that comprises the Credit Process (PDC), which are pointed out below, are defined in the operating manuals and are an integral part of the Institution's credit regulatory scheme.

I. Business Development
- Promotion Management - First Tier
- Promotion Management – Second Tier
- Product or Program Development and/or Updating
- Credit File Management – First tier
- Credit File Management – Second Tier

II. Analysis and Decision
- Evaluation of Borrowers a) First Tier Credit Analysis
- Evaluation of Borrowers b) Legal Opinion – First Tier
- Evaluation of Borrowers a) Credit Analysis – Second Tier
- Evaluation of Borrowers b) Legal Opinion – Second Tier
- Authorization – First Tier
- Authorization – Second Tier

III. Implementation and Disbursement
- Contracting – First Tier
- Contracting – Second Tier
- Release of Lines, Authorization of Disposal and First Tier Letters of Credit
- Release of Lines, Authorization of Disposal and Second Tier Letters of Credit
- Safekeeping and Custody of Securities – First Tier
- Safekeeping and Custody of Securities – Second Tier

IV. Follow up and Recovery
- Management and Portfolio Control – First Tier
- Management and Portfolio Control – Second Tier
- Supervision and Follow up on Borrowers – First Tier

- Supervision and Follow up on Borrowers – Second Tier
- Portfolio Rating – First Tier
- Portfolio Rating – Second Tier
- Specialized Collection Function – First Tier
- Specialized Collection Function – Second Tier
- Collection Management - First Tier
- Collection Management – Second Tier

Support Processes
- Credit Regulations
- Application of Loan Loss Reserves and Loan Write-offs
- Credit Investigation of the Applicant
- Management Reports

Other Credit Programs
- Former Employee Portfolio Management
- Letters of Credit

i. Property, Furniture and Equipment.

Net replacement value has been restated by applying the factors derived from the UDI value since 1997. Until December 31st 1996, property had been restated at net replacement value based on calculations done by independent appraisers and quarterly factors issued by the CNBV.

Property depreciation is calculated using the straight-line method based upon its remaining useful life, determined by independent appraisers.

Depreciation of furniture and equipment is calculated by using the method of probable life (straight-line method) on the restated value, and applying the following rates:

Furniture	10%
Vehicles	25%
Computers	30%

j. Impairment and Disposal of Long-Lived Assets.

The Institution applied the NIF C-15, which provides specific criteria in determining when there is impairment in the value of long-lived assets, for both tangible and intangible assets. The Institution applied these accounting criteria on its own property.

k. Unamortized Expenses.

The expenses for the issuance of debt are amortized under the straight-line method taking into account the term of the titles they gave rise.

l. Use of Estimates.

The preparation of the financial statements in accordance with the used accounting practices requires the Institution's Management to perform estimates which affect the amounts reported in the accompanying financial statements and disclosures. Estimates are based upon management's knowledge of current events.

Since December 31st, 2006, the Institution estimates the potential losses amount derived from unfavorable judicial or administrative decisions, as well as from possible penalties due to lawsuits in which BANCOMEXT acts as defendant, in accordance with legal risk policies and procedures authorized by the Comprehensive Risk Management Committee.

m. Property held in Custody.

Securities issued and placed by BANCOMEXT are not safeguarded by the Institution. Instead, holders safeguard these securities in entities specialized in deposit of international instruments such as Euroclear.

The Institution has no property in safeguarding and custody on behalf of third parties; therefore, there are no revenues from this item.

There are neither significant conditions nor significant terms that differ from the provisions set forth by the CNBV and BANXICO affecting the operations of safeguarding investments in securities assets, or repurchasing agreements that could represent a transfer of ownership.

Likewise, BANCOMEXT has in safeguarding and custody neither ownership rights nor derivative financial instruments on behalf of third parties.

n. Income Tax, Corporate Flat Tax, Employee Profit Sharing, Due and Deferred.

- Due.

Provisions for Income Tax and Corporate Flat Tax (IETU) are recorded in income of the year they are due, and recognized in accordance with the provisions of NIF D-4 "Taxes on Earnings", and the provision for Employee Profit Sharing or PTU, in accordance with NIF D-3 "Employee Benefits".

Income Tax and IETU and PTU due should be expensed and represent the liability due in a term of less than one year.

- Deferred.

Deferred Income Tax and Corporate Flat Tax or IETU are determined in accordance with the guidelines set forth in NIF D-4 and Deferred Employee Profit Sharing or PTU, in accordance with NIF D-3, all of which are in accordance with Criterion A-2 of Exhibit 33 of the Sole Circular.

During fiscal years 2010 and 2009, the Institution did not recognize the effects of the application of the calculation of deferred taxes in accordance with NIF´s D-3 and D-4, in consideration that there is a high likelihood that future revenues and tax bases will not be obtained in the future that allow for offsetting tax loss and tax credit carryforwards maintained by the Bank.

ñ. Employee Benefits.

According to the Federal Labor Law, the Institution has a responsibility for indemnities to employees who are dismissed under certain circumstances or when certain requirements are met. It also rules payment of obligations set forth in labor contracts.

The Institution created a Retirement Pension Plan, including seniority premiums and post-retirement benefits for its employees, in addition to those benefits established in the Governing Law.

These labor obligations are recognized following supplementary accounting principles set forth in criterion A-2 "Application of particular norms", of Appendix 33 of the Sole Circular, through the use of the NIF D-3 "Employee Benefits (revised)".

Effective January 1st, 2008, this NIF D-3 considers shorter periods for the amortization of unamortized items, and even provides the option to be able to recognize actuarial gains or losses directly in income as accrued.

Liabilities applicable to retirement benefits are calculated under projected unit credit method, determined through actuarial studies prepared by independent experts. As of December 31st, 2010 and 2009, the calculation was prepared and adjusted to actual numbers within the same year.

Net cost of the year, based on actuarial calculations over projected salaries, is debited in income of the year. Indemnification and direct labor costs are debited to the income of the period in which they are paid.

Effective 2007, the Institution established a defined contribution plan for newly hired workers who, upon reaching 60 years of age and 30 years of service, will be eligible for a retirement annuity pension, which will apply to the total accrued fund in his or her individual account.

o. Comprehensive Income.

The amount of comprehensive income presented in the Statement of Changes in Stockholders' Equity is the result of the total performance of the Institution during the period, and it is represented by net income plus the items pursuant to accounting practices to be reflected in stockholders' equity.

Moreover, it is presented the increase or decrease in property derived from two kinds of movements; those related to stockholders' decisions and those related to recognition of the comprehensive income.

p. Significant Differences from the NIF (Financial Information Standards).

The significant differences between accounting criteria followed by the Institution and the NIF are as follows:

- Debtors – The NIF requires making an appropriate estimate of recoverable debts. The CNBV requires debiting to income through the creation of an allowance at 100% of all items not cleared and not identified in 60 days, and all those identified but not collected or paid in 90 days without carrying out a study of their recovery.

- Investments in securities – The NIF requires recording the result from valuation in the statement of income while the CNBV accounting criteria require that valuation effects from marketable securities be recorded in stockholders' equity.

- Balance Sheet Accounts – The NIF requires presenting entries comprising assets and liabilities in the Balance Sheet considering their demand on long or short term while the CNBV accounting criteria present other classification in the balance sheet.

- The impact of financial information was recognized up to December 31st, 2007, through the restatement factor accordingly determined based upon the UDI value instead of the INPC (Índice Nacional de Precios al Consumidor - Consumer Prices National Index).

New accounting pronouncements.

As part of the ongoing upgrading of Accounting Criteria for Lending Institutions, the CNBV published the amendment thereto on January 27th, 2011. In addition, Management performed an analysis thereof, and determined that such changes do not affect the Institution's accounting records. The main effects refer to the manner in which captions are itemized in the presentation of the Statement of Income and the Statement of Cash Flows, effective fiscal 2011.

In continuing with the objective of moving toward greater convergence with International Financial Reporting Standards, the CINIF enacted some NIF in 2009 and 2010, which go into effect as of January 1st, 2011, which are discussed below:

- NIF B-5 "Financial information by segment".
- NIF B-9 "Interim financial reporting".
- NIF C-4 "Inventories".
- NIF C-5 "Prepaid Expenses".
- NIF C-8 "Property, plant and equipment".
- NIF C-18 "Asset retirement obligations and environmental remediation".
-

The Institution considers that these provisions will not have any material effects in the presentation of its financial statements and disclosures in the notes thereto.

3. TOTAL RISK MANAGEMENT.

Policies and Procedures.

The Risk Management policies and procedures are basically pursuant to the General Provisions Applicable to Credit Institutions, Chapter IV, Section II, concerning Risk Management issued on December 2nd, 2005.

Following the provisions set forth by the CNBV, BANCOMEXT's risk management functions are carried out by an independent area of the Bank that manages market, credit, liquidity, operating, technological and legal risks. The Institution counts with policies and procedures oriented to the identification, analysis and control of the aforementioned risks, which are incorporated into the Total Risk Management Guideline.

In order for assumed risks to be maintained within levels that do not exceed the Institution's financial capacity, the Comprehensive Risk Management Committee (CAIR) approved new limits that should be authorized by the Board of Directors, determined based on a capital management model. That model is based on regulatory capital and it sets limits at a strategic level, by considering distributable capital allocated to the various businesses of the Institution: Credit, market, operativo and shareholdings. Moreover, limits at a tactical level are assigned to the various portfolios that make up each business. Capital limits in connection with market risk are translated into Value at Risk limits for the various treasury portfolios.

The Bank has a Total Risk Management Committee integrated by the Chief Financial Officer, two independent risk experts, a member of the Board of Directors, and the officer responsible for the Comprehensive Risk Management. Additionally, some Deputy General Directors participate as well as the officer in charge of the Internal Control Management with authority to speak but without right to vote in order to avoid any possible conflict of interest. The Comprehensive Risk Management Committee meets at least once a month. This Committee monitors different types of risk, issues recommendations and approves methodologies, models, parameters and scenarios used to measure risks. It also reviews recommended risk control policies.

Policies for controlling loan portfolio concentration.

Chapter three of the General Provisions Applicable to Lending Institutions relative to "Risk Diversification" (Provisions) issued by the Ministry of Finance and Public Credit (SHCP) sets forth limits on the concentration of credit risk applicable to a person or group of persons that comprise common risks.

In accordance with Article 57 of the Provisions, the limit applicable to December 2010 was determined by considering the 17.31% rate of capitalization and basic capital amounting to $7,374.1 of June 2010.[1]

Article 54 of the Provisions sets forth a limit on financing for private sector companies, based on the Bank's level of capitalization, by applying a factor on the Institution's basic capital. The limit applicable to the fourth quarter of 2010 was 40% of the basic capital of BANCOMEXT ($2,949.6 equivalent to 238.8 million).

[1] Since the CNBV published ICAP and Basic Capital amounts of June for the development bank on November 24th, 2010, the limits established for the third quarter remained in effect in October and November 2010.

In addition, BANCOMEXT is authorized by the CNBV to apply temporary individual financing limits on three corporate debtor groups and the three overall major debtors, which exceed the regulatory limits determined in terms of Article 54 of Provisions, which were authorized by the CNBV on November 13th, 2009, in accordance with Article 59 of the Provisions. These temporary limits normalize the regulatory limits exceeded by the three corporate groups and the three overall major debtors, until the normalization plans delivered to the CNBV are complied with.

As of December 31st, 2010, the responsibilities incumbent upon the three corporate debtor groups of Bancomext accounted for 71%, 58%, and 89% of their individual temporary limits. In accordance with their normalization plans, the dates to comply with the regulatory limit are: April 30th, 2011, February 28th, 2014, and June 30th, 2017, respectively. It is important to note that at 2010 year end, the first of these debtor groups complied with their regulatory limit prior to the established date, which was notified to the CNBV.

The responsibilities incumbent upon the three overall major debtors amount to $9,331, which accounted for 71% of their temporary limit. In accordance with their normalization plan, the date to comply with the regulatory limit is February 28th, 2014.

Financing authorized to the three largest debtors		
	MILLIONS OF USD	
	December 2010	December 2009
Amount of Liabilities	755.6	794.8
Number of times the basic capital	1.26	1.57

On the other hand, there is financing granted to a government state-owned entity of the public sector, which exceed the limit by 10%, as set forth in Article 54 of the provisions set forth for this type of entities, equivalent to 100% of the basic capital of Bancomext. In accordance with their normalization plan, the date to comply with the regulatory limit is May 31st, 2012.

Exceeding the regulatory limits and normalization plans discussed above were reported to the CNBV at the proper time, in accordance with the applicable provisions.

Moreover, in accordance with Article 60 of the Provisions, it is disclosed that financing has been granted to 47 economic groups of debtors (87 counterparties), whose individual financing exceeds the 10% equivalent of the Institution's basic capital, as shown below:

Financing to debtors with amounts exceeding 10% of basic capital		
	MILLIONS OF USD	
	December 2010	December 2009
Amount of Liabilities	8,983.3	1,344.8
Number of times the basic capital	15.00	2.66

In this type of financing, authorized lines of credit are considered for the counterparties of the private sector. Moreover, since the mission of BANCOMEXT, as a development bank, results in attention to companies mainly through financial institutions, authorized lines of credit to the domestic and foreign financial sector are included for asset and contingency transactions. It is important to note that the amounts of 2009 were calculated based on the balances of liabilities of the private sector.

Market Risk.

Investments in securities. - In connection with the benchmark account of the financial statements, market risk is derived from changes in interest rates. Foreign currency denominated instruments are also dependent upon foreign currency fluctuations. This risk is measured by using the Value at Risk (VaR) methodology based on the historical method by taking 250 observations, a risk horizon, and a 97.5% confidence level, which implies that there is only a 2.5% likelihood that these investments may experience an unrealized loss greater than the loss estimated for that period. These parameters were authorized by the Comprehensive Risk Management Committee at its meeting held on November 5th, 2010.

The policies and practices applied to control the market risk of investments in securities include capital and VaR limits, as well as the generation of market value reports of positions and their value at risk in normal conditions, under sensitivity scenarios and extreme conditions. A report is drawn up every day and delivered to Executive Management and quarterly to the Board of Directors.

As of December 31st, 2010, investments in securities in national currency subject to market risk were in government instruments at a discount, reviewable at a fixed rate and at a real rate. At that time these positions represented 86% and repurchase transaction position constituted 14% of total investments in the local currency desk; the VaR of this desk was $ 12.4, representing 41.4% of the authorized limit of $ 30.0, the annual average value at risk was placed at $ 6.1. Capital consumption of this portfolio was $ 680.1 which represented 92% of the authorized limit.

At December 31st, 2010, the local currency investment portfolio consisted of held-to-maturity securities in government and corporate instruments at a discount, reviewable at a fixed rate and at a real rate. At December month-end, a VaR was recorded in the amount of $1.6 for the total position, which represented 23% of the authorized limit of $7.0. The annual average of value at risk was set at $1.6. Capital consumption of this portfolio was $106.9 which represented 74% of the authorized limit.

At December 31st, 2010, the foreign currency denominated investment portfolio consisted of sovereign bonds whose interest rate was hedged by interest rate swaps. At December month-end, a VaR of $ 9.5 was recorded for the total position of the foreign currency denominated investment, which accounted for 18% of the authorized limit of $ 53.0. The annual VaR average was set at $ 8.0 Regulatory capital consumption of this portfolio was $ 21.8, which represented 13% of the authorized limit.

Derivative financial instruments. - The benchmark account of the financial statements is subject to market risk from changes in interest rates and foreign exchange rate fluctuations, as well as counterparty credit risk.

For the positions in derivative instruments, VaR is measured for Mexican peso futures on the Chicago Mercantile Exchange (CME), US dollar futures on the Mexican Derivatives Market (MexDer), Peso / dollar forward contracts with customers, and Interbank dollar / foreign currency forward contracts. The VaR is estimated based on the historical method by taking 251 data, a risk horizon, and a 97.5% confidence level, which implies that there is only a 2.5% likelihood that these investments may experience an unrealized loss greater than the loss estimated for that period. These parameters were authorized by the Comprehensive Risk Management Committee at its meeting held on November 05th, 2010.

In connection with credit risks (counterparty), forwards and swaps are traded with domestic and international highly creditworthy financial institutions that have a line of credit authorized by the Institution, whereas futures are exempt from the foregoing since they are traded on recognized stock exchanges (CME and MexDer). The credit risk of forwards with customers is covered through their lines of credit with BANCOMEXT, as well as control mechanisms that allow for monitoring positions to maintain them within authorized levels. At December 31st, 2010, the credit risk of derivatives trading is within the authorized limits.

Policies and practices to control derivative financial instrument risk comply with the provisions of the Central Bank of Mexico. A capital and VaR limit by line of business have been established and reports are drawn up on the market value of positions and their value at risk, which are delivered daily to Executive Management, as well as the Comprehensive Risk Management Committee and quarterly to the Board of Directors.

At December 31st, 2010, there are closed positions of foreign currency and interest rate forwards, and there is a short foreign currency position amounting to USD 1.3 million, equivalent to $16.1. The foreign currency forward VaR, as well as the foreign exchange desk amounted to $ 0.1, equivalent to 1.3% of the authorized limit of $11.0. The annual average of VaR of futures, forwards, and foreign exchange desk was set at $0.2. Capital consumption of this portfolio was $2.0, which represented 6% of the authorized limit.

At December 31st, 2010, the derivatives that the Institution has are hedges and refer to interest rate and foreign exchange swaps, which are designated as hedges to mainly hedge part of the loan portfolio, debt securities, issue of paper in local currency and deposits in dollars. The VaR of swaps amounted to $65.5, which is referential, since these trades are not linked to a VaR limit, since they are hedge derivatives.

Credit risk.

In connection with the benchmark account of the financial statements, credit risk is measured for expected losses from possible loan portfolio impairment, estimated by starting with the calculation of annual and quarterly transition matrices. Those matrices consist of likelihoods of impairment or improvement of the loan portfolio rating, which are obtained by starting with historical information of the companies credited by the Institution.

This way, estimates on the likelihood of nonperformance are performed to evaluate credit risks, as well as recovery rates, rating migration frequencies (transition matrixes), Value at Risk (VaR) of Credit, expected and unexpected losses.

A report is presented to the Comprehensive Risk Management Committee every month. A report on the operation and credit position of the Institution is presented to the Board of Directors every quarter which, among other things, contemplates an analysis of the taxonomy of the loan portfolio, relevant information on changes in the portfolio, the overall credit risk position and its composition by portfolio, nonperforming portfolio, changes in reserves, concentrations of rating risks, portfolio diversification, and main risk indicators, as well as VaR credit estimates and expected or unexpected losses.

At December 31st, 2010, the descriptive statistic of loan risk of the private sector portfolio shows the following distribution by number of borrowers, in connection with its average risk level.

Distribution of the private sector portfolio at December de 2010

Number of customers	Balance	Estr. (%)	Accrued Balance	Accrued Estr.	Preventive Reserves (%)	Average Risk Level
1 - 5	11,159	37.4	11,159	37.4	5.0	B2 Lower
6 - 10	3,800	12.7	14,959	50.1	1.5	B1 Lower
11 - 15	2,524	8.5	17,484	58.6	4.3	B1 Superior
16 - 20	1,825	6.1	19,309	64.7	8.2	B2 Intermediate
21 - 25	1,542	5.2	20,851	69.9	15.5	B3 Intermediate
26 - 30	1,325	4.4	22,176	74.3	1.3	B1 Lower
31- 184	7,671	25.7	29,846	**100.0**	12.0	B3 Lower
Total	**29,846**	**100.0**			**6.9**	**B2 Intermediate**

At that date, the quarterly VaR (without considering the expected turnover for guarantees) of the private sector portfolio amounted to $2,730. This amount represents an external value of the distribution of losses and earnings due to possible portfolio impairment with a 99% confidence level.

The quarterly VaR represents 35% of the net capital at December 2010.

The estimate for annual losses amounts to $1,971.

In addition, the above report presents the capital limit structure at a strategic and tactical, level and its consumption, as well as the marginal behavior of the rated portfolio, credit concentration, line of economic activity, by borrower companies, and ranges of liabilities.

In its session of November 25th, 2010, the Board of Directors approved new capital and VaR limits for its money desk portfolio.

Liquidity Risk.

The cash flow risk of lending operations and their respective financing is measured by a risk factor base rate and surcharge. In this respect, the repricing and due date gap structure is reported to the Comprehensive Risk Management Committee every month, with a sensitivity analysis that measures the effect of adverse changes in interest rates on net interest income. The degree of diversification of sources of financing is estimated as well.

In accordance with the repricing and due date structure of productive assets and onerous liabilities of the current balance sheet at December 31st, 2010, in the event that there should be an increase of 25 base points in each one of the risk factors that make up the interest rate (base rate and surcharge), net income would decrease in the amount of USD 9 thousand on a per day average (approximately 3% of daily net interest income).

Non-discretional ratable risks.

The purpose of non-discretional risk management is to identify, measure, oversee, limit, control, and report operating, technological, and legal risks associated with the Institution's relevant processes, which allow for placing levels of concentration in those processes, the efficiency with which they operate, as well as the estimate of the economic impact derived from them.

Operating risk.

The risk is analyzed Qualitatively, Quantitatively and Regulatory Performance.

- *Qualitative Analysis.*- This analysis is performed by applying self-evaluations to the preventive critical selected by issuing the pertinent operating Technical Risk Opinion.

- *Quantitative Analysis.*- Losses are obtained from the defined bank accounts for recording operating risk events.

- *Regulatory Performance.*- The Institution uses the Basic indicator method to estimate its operating risk capital requirements, in accordance with the capitalization rules of Lending Institutions. The total Operating risk capital requirement amounted to $167.4. In accordance with the standard, this requirement will be created in 36 month. Accordingly, the accrued requirement amounts to $158 at December 2010, which accounts for 94% of the total to be created.

Technological risk.

Technological risk is measured and controlled by applying five critical indicators: 1) Level of Availability of Critical Services; 2) Security Access to the Bancomext Network; 3) Detection, Blocking, and Locks against viruses that attempt to enter the Bancomext network; 4.a) Detection and Access to restricted Web Sites; 4.b) Detection and Blocking E-Mails with AntiSpam devices; 4.c) Detection and Blocking of Spyware; and 5) Recovery Plan Test in Case of Disasters (DRP); and 6) Recovery of Critical Services under Disaster Drills (DRP). Further, Business Continuity Plans (BCP) of processes identified are applied as critical in reliance on the Institutional Operation Continuity Plan (PCOOP). At December 31st, 2010, indicators shown that goals defined for each indicator were met in general terms.

Legal risk.

Policies are established that allow for identifying, measuring, and recording provisions and/or contingencies for potential losses, due to unfavorable rulings handed down in a legal proceeding derived from litigations in which the Bank is a plaintiff or defendant, in order to mitigate the impact on the Institution's patrimony.

With the application of that policy, reserves created for legal risks amounted to $355 at December 2010, which consist of: $172 for commercial action lawsuits, $71 for labor litigations, $17 for civil trials, $10 for costs and expenses, including administrative expenses, and $85 for international operations.

Unquantifiable Risks.

These are the result of unforeseen losses or external events that can not be associated to a likelihood of occurrence. Moreover, economic losses caused can be transferred to external risk takers.

At December 31st, 2010, there were neither losses nor damages that were reflected in economic impacts for the Institution.

4. FOREIGN EXCHANGE CURRENCY

As of December 31st, 2010 and 2009, the amount of the transactions denominated in foreign currency of the foreign currencies used by the Institution and its own positioning is as follows:

As of December 31st, 2010.

FOREIGN CURRENCY	ASSETS (ORIGIN CURRENCY IN THOUSANDS)	LIABILITIES (ORIGIN CURRENCY IN THOUSANDS)	LONG (SHORT) POSITION	EXCHANGE RATE PESOS		MEXICAN PESOS MILLON
U.S. Dollars	3,825,028	3,836,188	(11,160)	12.3496000	$	(137)
Swiss Francs	104	-	104	13.2676700		1
Pound Sterling	52	-	52	19.3345300		1
Canadian Dollars	37	-	37	12.4279000		-
Japanese Yens	12,726	-	12,726	0.1525200		2
Euros	64,898	64,134	764	16.5632800		13
					$	(120)

As of December 31st, 2009.

FOREIGN CURRENCY	ASSETS (ORIGIN CURRENCY IN THOUSANDS)	LIABILITIES (ORIGIN CURRENCY IN THOUSANDS)	LONG (SHORT) POSITION	EXCHANGE RATE PESOS		MEXICAN PESOS MILLION
U.S. Dollars	4,990,672	4,987,350	3,322	13.0659000		$43
Swiss Francs	105	-	105	12.6447900		1
Pound Sterling	74	-	74	21.0975100		2
Canadian Dollars	38	-	38	12.4733614		-
Japanese Yens	12,975	-	12,975	0.1404600		2
Euros	46,163	45,276	887	18.7456500		17
					$	65

5. LIQUID ASSETS

		2010		2009
Deposits in Domestic Banks	$	2,488	$	2,499
Deposits in Foreign Banks		108		736
Demand Deposits		2,344		4,150
Call Money		1,045		148
Time Deposits		2,402		18,181
Currency Buys (Spot)		4,987		186
Others		(2,458)		(170)
	$	10,916	$	25,730

As of December 31st, 2010 and 2009, the liquid assets are composed as follows:

Deposits in Domestic Banks.

	2010		2009	
	USD THOUSANDS	MEXICAN PESOS	USD THOUSANDS	MEXICAN PESOS
Banco de México - Foreign Currency	487	$ 6	758	$ 10
Banco de México - National Currency	-	2,465	-	2,465
Other Banks in Foreign Currency	221	3	937	12
Other Banks in National Currency	-	14	-	12
	708	$ 2,488	1,695	$ 2,499

Deposits in Foreign Banks.

	2010		2009	
	ORIGIN CURRENCY IN THOUSANDS	MEXICAN PESOS	ORIGIN CURRENCY IN THOUSANDS	MEXICAN PESOS
Mexican Pesos	165	-	1,665	$ 2
U.S. Dollars	2,736	34	52,775	690
Swiss Francs	104	2	105	1
Pound Sterling	52	1	14	-
Canadian Dollars	37	-	38	-
Japanese Yens	12,726	2	12,975	2
Euros	4,170	69	2,163	41
		$ 108		$ 736

Demand Deposits.

	2010				2009			
ORIGIN CURRENCY	RATE	TERM DAYS	ORIGIN CURRENCY IN THOUSANDS	MEXICAN PESOS	RATE	TERM DAYS	ORIGIN CURRENCY IN THOUSANDS	MEXICAN PESOS
USD	From 0.001% to 0.1%	3	177,778	$ 2,196	From 0.001% to 0.1%	4	300,705	$ 3,929
EUR	0.6%	3	8,949	148	0.2%	4	11,782	221
				$ 2,344				$ 4,150

Documented Call Money.

	2010				2009			
ORIGIN CURRENCY	RATE	TERM DAYS	ORIGIN CURRENCY THOUSANDS	MEXICAN PESOS	RATE	TERM DAYS	ORIGIN CURRENCY THOUSANDS	MEXICAN PESOS
Domestic Banks Local Currency	4.50%	3	303,547	$ 304	4.10%	4	148,551	$ 148
Domestic Banks Foreign Currency	0.20%	3	60,000	741			-	-
				$ 1,045				$ 148

Time Deposits.

2010					2009				
RATE	TERM DAYS	ORIGIN CURRENCY	ORIGIN CURRENCY THOUSANDS	MEXICAN PESOS	RATE	TERM DAYS	ORIGIN CURRENCY	USD THOUSANDS	MEXICAN PESOS
From .02% to .22%	De 4 a 29	USD	$ 179,000	$ 2,210	From .06% to .22%	From 5 to 29	USD	585,904	$ 7,656
From .69% to 1.07%	De 181 a 364	USD	15,515	192	From .1% to .25%	From 30 to 180	USD	789,749	10,319
			194,515	2,402	From .69% to .85%	From 181 to 310	USD	10,041	131
					0.23%	7	EURO	4,013	75
								1,389,707	$ 18,181

In 2009, this line includes a deposit in the amount of USD 112 million as a restricted liquid assets in an escrow account abroad, in order to guarantee and, if applicable, pay the eventual indemnifications, derived from the stock purchase and credit assignment contract, wich was settled on May 2010 (Note 20.3).

Foreign Currency Buys (Spot).

	2010			2009		
	ORIGIN CURRENCY	ORIGIN CURRENCY IN THOUSANDS	MEXICAN PESOS	ORIGIN CURRENCY	ORIGIN CURRENCY IN THOUSANDS	MEXICAN PESOS
Foreign Banks	USD	403,861	$ 4,987	USD	14,276	$ 186
			$ 4,987			$ 186

Others

	2010	2009
Cash	$ 3	$ 2
Foreign Bills and Coins	2	3
Currency Sales (Spot)	(2,471)	(184)
Drawn Interests from Investing Deposits	8	9
	$ (2,458)	$ (170)

In 2009, the Institution had 10 Centenaries that were valued with the month-end quote of the gold coin worth \$0.146. These Centenaries were sold in December 2010, thereby generating a gain of \$0.039.

6. INVESTMENT IN SECURITIES.

As of December 31st, 2010 and 2009 the investment in securities are composed as follows:

6.1 Trading Securities.

	2010	2009
Government securities	$ 106	$ 2,058
Bank securities	3,000	2,904
Securities delivered in Guarantee	-	3,474
Pledged Securities under repurchase agreements	48,451	33,234
	$ 51,557	$ 41,670

- **Government securities.**

Government securities as of December 31st, 2010 and 2009 are as follows:

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Unrestricted Governmental Securities	$ 106	$ 106	$ -	$ 2,058	$ 2,058	$ -

- **Bank securities.**

Bank securities as of December 31st, 2010 and 2009 are summarized as follows:

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	CARRYING VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Debt securities	$ 3,000	$ 3,000	$ -	$ 2,904	$ 2,904	$ -

- **Securities delivered in guarantee.**

Securities delivered in guarantee as of December 31st, 2010 and 2009 are comprised as follows:

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Government Securities	$ -	$ -	$ -	$ 3,473	$ 3,474	$ 1

- **Pledged securities under repurchase transactions.**

Pledged securities under repurchase transactions as of December 31st, 2010 and 2009 are summarized as follows:

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Government Securities	$ 48,447	$ 48,451	$ 4	$ 33,240	$ 33,234	$ (6)

6.2 Available-for-sale securities.

	2010	2009
Debentures and other Securities in USD	$ 1,188	$ 1,244
Securities furnished as collateral	123	$ 129
Shares in Mexican Pesos	122	119
Shares in US Dollars	9	8
Hedge swaps valuation (net)	38	37
	$ 1,480	**$ 1,537**

- **Debentures and other securities.**

Debentures and other securities as of December 31st, 2010 and 2009 are composed as follows:

a) Debentures

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Debt Securities	**$ 1,205**	**$ 1,188**	**$ (17)**	**$ 1,275**	**$ 1,244**	**$ (31)**

b) Securities issued by foreign entities

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Foreing Bank	$ 25	$ -	$ (25)	$ 26	$ -	$ (26)
Total debentures and other securities	**$ 1,230**	**$ 1,188**	$ (42)	**$ 1,301**	**$ 1,244**	$ (57)

- **Securities delivered in guarantee.**

Securities collateralized at December 31st, 2010 and 2009 are summarized as follows:

	2010			2009		
	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)	BOOK VALUE	FAIR VALUE	SURPLUS (DEFICIT)
Debt Securities	$ 115	$ 123	$ 8	$ 122	$ 129	$7

- **Shares in Mexican Pesos.**

Shares in Mexican Pesos as of December 31st, 2010 and 2009 are summarized as follows;

	2010			2009		
	COST OF ACQUISITION	FAIR VALUE	UNREALIZED LOSS	COST OF ACQUISITION	FAIR VALUE	UNREALIZED LOSS
Not quoted	$ 205	$ 122	$ (83)	$ 205	$ 119	$ (86)

- **Shares in foreign currency – valued in Mexican Pesos.**

Shares in foreign currency as of December 31st, 2010 and 2009 are as follows:

	2010			2009		
	COST OF ACQUISITION	FAIR VALUE	UNREALIZED INCOME	COST OF ACQUISITION	FAIR VALUE	UNREALIZED INCOME
Not quoted in USD	$ 5	$ 9	$ 4	$ 5	$ 8	$ 3

Dividends collected on available-for-sale shares amounted to $0.322 thousand and $0.373 thousand in fiscal years 2010 and 2009. The gain or loss on valuation recognized in other items of comprehensive income in stockholders' equity in the 2010 and 2009 period amounts to $(16) and $175.

6.3 Held-to-maturity securities.

	2010		2009	
Govermment securities	$	1,365	$	1,361
Bonds from Domestic Companies		2,163		4,061
	$	3,528	$	5,422

- **Government securities.**

Government securities as of December 31st, 2010 and 2009 are summarized as follows:

	2010			2009		
	Amount	Provision	Total	Amount	Provision	Total
Government Securities 1/	$ 1,257	$ 108	$ 1,365	$ 1,310	$ 51	$ 1,361

- **Bonds from domestic companies.**

Bonds from domestic companies as of December 31st, 2010 and 2009 are integrated as follows:

	2010			2009		
	Amount	Provision	Total	Amount	Provisión	Total
Debt securities Mexican Pesos 1 /	$ 2,120	$ 43	$ 2,163	$ 4,002	$ 59	$ 4,061

1/ They w ere collateralized in 2009.

6.4 Interest income, Gain or loss on market-to-market. Trading securities income as of December 31st, 2010 and 2009.

	2010		2009	
Securities trading revenues	$	263	$	14
Interest earned	$	3,050	$	4,705
Gain or loss on mark-to-market	$	9	$	(5)

7. RECEIVABLE BALANCES IN REPURCHASE TRANSACTIONS.

Repurchase agreements (Repo Operations) celebrated as of December 31st, 2010 and 2009 are comprised mainly by Savings Protective Bonds, Development Bonds; Fixed Rate Bonds, Cetes, Udibonos, Stock Exchange Certificates, liquidation terms of repurchase transactions vary from 1 to 28 days.

BORROWING PART

	2010	2009
Collateral received and pledged		
Government Securities	$ 10,895	$ 8,822
Bank Securities	-	1,014
Total Collateral received and pledged	**$ 10,895**	**$ 9,836**

Payables under Repurchase Agreements	2010	2009
- Securities held by the Institution 1/		
Government Securities	$ 48,313	$ 33,129
Total Payables under Repurchase Agreements	**$ 48,313**	**$ 33,129**

1/ Securities reported that are recorded in the item of Trading securities (Note 6.1).

	2010	2009
- Securities received as collateral under repurchase transactions		
Government Securities	$ 10,850	$ 8,850
Bank Securities	-	1,000
Subtotal A	**$ 10,850**	**$ 9,850**

LENDING PART

	2010	2009
Receivables under repurchase agreements		
Government Securities	$ 35,028	$ 8,850
Bank Securities	-	1,000
Subtotal B	**$ 35,028**	**$ 9,850**
Receivables under repurchase agreements (B minus A)	**$ 24,178**	**$ -**

Collateral received

	2010	2009
Government Securities	$ 35,085	$ 8,822
Bank Securities	-	1,014
Total Collateral received	**$ 35,085**	**$ 9,836**

As of December 31st, 2010 and 2009 premiums generated by Repo Operations amounted to $782 and $1,389, respectively and premiums paid on Repo Operations amounted to $2,567 and $2,965.

8. LOAN PORTFOLIO.

8.1 As of December 31st, 2010 and 2009, the loan portfolio is composed as shown below:

Foreign Currency Portfolio – Valued in Mexican Pesos.

TYPE OF LOAN	2010			2009		
	CURRENT	OVERDUE	TOTAL	CURRENT	OVERDUE	TOTAL
Commercial Loans	$ 17,637	$ 654	$ 18,291	$ 18,185	$ 782	$ 18,967
Loans to Financial Entities	2,564	-	2,564	2,097	-	2,097
Loans to Government Entities	9,266	-	9,266	11,466	-	11,466
Subtotal	**$ 29,467**	**$ 654**	**$ 30,121**	**$ 31,748**	**$ 782**	**$ 32,530**

Portfolio in Mexican Pesos.

TYPE OF LOAN	2010			2009		
	CURRENT	OVERDUE	TOTAL	CURRENT	OVERDUE	TOTAL
Commercial Loans	$ 11,171	$ 867	$ 12,038	$ 8,620	$ 416	$ 9,036
Loans to Financial Entities	3,589	-	3,589	3,410	-	3,410
Loans to Government Entities	7	-	7	55	-	55
Consumer Loans	25	4	29	26	8	34
Housing Loans	186	9	195	203	9	212
Subtotal	**$ 14,978**	**$ 880**	**$ 15,858**	**$ 12,314**	**$ 433**	**$ 12,747**
Total	**$ 44,445**	**$ 1,534**	**$ 45,979**	**$ 44,062**	**$ 1,215**	**$ 45,277**

8.2 Nonperforming loan portfolio as of December 31st, 2010 and 2009, is composed as shown below:

	2010		2009	
TERM	AMOUNT	%	AMOUNT	%
From 1 to 180 days	$ 1,023	67%	$ 637	53%
From 181 to 365 days	244	16%	187	15%
From 1 to 2 years	64	4%	211	17%
Over 2 years	203	13%	180	15%
Total	$ 1,534	100%	$ 1,215	100%

8.3 Significant changes in the nonperforming loan portfolio:

CONCEPT	2010	2009
Initial Balance in Past-Due loan Portfolio	$ 1,215	$ 830
Minus:		
Exchange rate change on opening balance	42	42
Payments	39	410
Acquittances	-	1
Write-offs	317	335
Transfers to current portfolio	563	323
Cancellation for restructuring	194	5,223
Plus:		
Opening for restructurings	206	5,540
Transfers to past-due loan portfolio	1,266	$ 1,179
Others	2	-
Past-due Portfolio loan Balances at end of year	**$ 1,534**	**$ 1,215**

The percentage of non-performing portfolio increased due to financing granted to a trust related to the aeronautic sector, which is properly guaranteed and in the process of recovery. Management considers that losses will not be incurred on this financing.

8.4 Integration of the loan portfolio by economic sector as of December 31st, 2010 and 2009, as shown below:

	2010		2009	
ECONOMIC SECTOR	AMOUNT	%	AMOUNT	%
Agriculture	$ 16	0.05	$ 140	0.50
Mining	0	0.00	125	0.44
Food, Beverages and Tobacco	5,027	16.47	5,161	18.29
Textiles, Garment and Leather	517	1.69	783	2.78
Lumber and its Products	155	0.51	89	0.32
Paper, Printing and Publishing	90	0.29	98	0.35
Chemical Products and Plastic or Rubber Products	2,188	7.17	2,611	9.26
Non-metallic Minerals	4,213	13.80	5,363	19.01
Siderurgy	1,732	5.67	1,577	5.59
Mining and metallurgy	0	0.00	3	0.01
Metallic Products, Machinery and Equipment	5,268	17.26	2,539	9.00
Other manufacturing industries	9	0.03	8	0.03
Construction	2	0.01	297	1.05
Electricity, Gas and Water Supply	522	1.71	187	0.66
Trade	447	1.46	464	1.64
Tourism	6,200	20.31	4,378	15.52
Transportation and Communications	1,384	4.53	1,573	5.58
Real Estate and Leasing Services	1,927	6.31	1,876	6.65
Professional, Personal and Social Services	149	0.49	191	0.68
Unclassified Services	0	0.00	83	0.29
Individuals	224	0.73	247	0.88
Primary position valuation of subject portfolio with no sector	453	1.48	418	1.48
Private Sector	30,523	100	28,211	100
Public Sector	9,308		11,576	
Financial Sector	6,148		5,490	
Total	**$ 45,979**		**$ 45,277**	

8.5 Restructured loans and renewed loans as of December 31st, 2010 and 2009:

TYPE OF LOAN	2010 OUTSTANDING PORTFOLIO	2010 PAST-DUE PORTFOLIO	2010 TOTAL	2009 OUTSTANDING PORTFOLIO	2009 PAST-DUE PORTFOLIO	2009 TOTAL
Commercial Loans						
Restructured	$ 9,651	$ 385	$ 10,036	$ 11,682	$ 755	$ 12,437
Renewed	-	-	-	-	5	5
Subtotal	9,651	385	10,036	11,682	760	12,442
Loans to Financial Entities						
Restructured	13	-	13	-	-	-
Housing Loans						
Restructured	28	1	29	30	1	31
Consumer Loans						
Restructured	2	-	2	3	-	3
Loans to Government Entities						
Restructured	-	-	-	-	-	-
Renewed	-	-	-	99	-	99
Subtotal	-	-	-	99	-	99
Total	**$ 9,694**	**$ 386**	**$ 10,080**	**$ 11,814**	**$ 761**	**$ 12,575**

8.6 Restructured Credit additional Guarantees and Concessions Granted.

The amount and nature of guarantees for the restructured loans were as follows:

ADDITIONAL GUARANTEES	2010	2009
Trust	$ 52	$ 6,552

8.7 Interests and Commissions as of December 31st, 2010 and 2009, were as follows:

Type of Loan	2010 Collected Interests	2010 Collected Commissions	2010 Total	2009 Collected Interests	2009 Collected Commissions	2009 Total
Commercial Loans	$ 1,723	$ 63	$ 1,786	$ 1,584	$ 44	$ 1,628
Loans to Financial Entities	335	-	335	371	-	371
Loans to Government Entities	420	-	420	627	-	627
Consumer Loans	2	-	2	3	-	3
Housing Loans	10	-	10	13	-	13
Total	**$ 2,490**	**$ 63**	**$ 2,553**	**$ 2,598**	**$ 44**	**$ 2,642**

8.8 Fees on initial granting of credit.

Unamortized fees on initial granting of credit as of December 31st, 2010 and 2009, amount to $131 and $118, which are amortized against income for the year as interest income, under the straight-line method over the life of the credit.

8.9 Rediscounts.

Amount related to rediscounts during 2010 and 2009 was $3,667 and $2,505 respectively.

8.10 Loans with and without Collection Problems Layout

Breakdown of commercial loans, identifying them as loans with or without collection problems, outstanding and past due, is presented as follows:

As of December 31st, 2010

	PORTFOLIO		
	OUTSTANDING	PAST-DUE	TOTAL
Portfolio without collection problems	$ 49,218	$ 834	$ 50,052
Portfolio with collection problems	332	654	986
Past-due Interest	-	33	33
Total rated portfolio	**$ 49,550**	**$ 1,521**	**$ 51,071**

1_/ Valued at the prevailing exchange rate as of December 31st, 2010
2_/ Ratable Portfolio
3_/ Commercial Portfolio, Government Entities, Financial Intermediaries and Guarantees included and confirmed irrevocable letters of credit
4_/ Consumer and Mortgage Portfolio not included
5_/ Past-due Interest are included for information purposes only, since according to portfolio rating, it is reserved at the moment it is generated.

As of December 31st, 2009

	PORTFOLIO		
	OUTSTANDING	PAST-DUE	TOTAL
Portfolio without collection problems	$ 47,852	$ 430	$ 48,282
Portfolio with collection problems	199	767	966
Past-due Interest	-	21	21
Total rated portfolio	**$ 48,051**	**$ 1,218**	**$ 49,269**

1_/ Valued at the prevailing exchange rate as of December 31st, 2009
2_/ Ratable Portfolio
3_/ Commercial Portfolio, Government Entities, Financial Intermediaries and Guarantees included and confirmed irrevocable letters of credit
4_/ Consumer and Housing Portfolio not included
5_/ Past-due Interest are included for information purposes only, since according to portfolio rating, it is reserved at the moment it is generated.

8.11 Allowance for Credit Risks as of December 31st, 2010 and 2009.

The balance of this item was determined considering the loan portfolio rated in December 31st, 2010, in accordance with the applicable regulations issued by the SHCP and the CNBV authorities for Development Banking Institutions, showing the following results:

TOTAL RATABLE PORTFOLIO BY TYPE OF LOAN AS OF DECEMBER 31st, 2010

RATING	COMMERCIAL	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES	GUARANTEES	HOUSING	CONSUMER	TOTAL PORTFOLIO
A	$ -	$ -	$ -	$ -	$ 140	$ 15	$ 155
A-1	9,308	9,186	2,028	2,639	-	-	23,161
A-2	7,224	-	3,905	71	-	-	11,200
B	-	-	-	-	36	6	42
B-1	4,704	-	-	148	-	-	4,852
B-2	7,817	-	-	1,087	-	-	8,904
B-3	1,356	-	-	7	-	-	1,363
C	-	-	-	-	-	1	1
C-1	460	-	48	-	-	-	508
C-2	58	-	-	3	-	-	61
D	648	-	-	-	2	1	651
E	339	-	-	-	15	6	360
Subtotal	**$ 31,914**	**$ 9,186**	**$ 5,981**	**$ 3,955**	**$ 193**	**$ 29**	**$ 51,258**
Interest Due	33	-	-	-	-	-	33
Total	**$ 31,947**	**$ 9,186**	**$ 5,981**	**$ 3,955**	**$ 193**	**$ 29**	**$ 51,291**

ALLOWANCE REQUIRED BY RISK AS OF DECEMBER 31st, 2010

RATING	COMMERCIAL	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES	GUARANTEES	HOUSING	CONSUMER	TOTAL PORTFOLIO
A	$ -	$ -	$ -	$ -	$ -	$ -	$ -
A-1	47	46	10	13	-	-	116
A-2	72	-	39	1	-	-	112
B	-	-	-	-	1	1	2
B-1	119	-	-	5	-	-	124
B-2	645	-	-	109	-	-	754
B-3	218	-	-	1	-	-	219
C	-	-	-	-	-	1	1
C-1	100	-	19	-	-	-	119
C-2	23	-	-	1	-	-	24
D	478	-	-	-	2	1	481
E	339	-	-	-	15	6	360
Subtotal	**$ 2,041**	**$ 46**	**$ 68**	**$ 130**	**$ 18**	**$ 9**	**$ 2,312**
Interest Due	33	-	-	-	-	-	33
Total	**$ 2,074**	**$ 46**	**$ 68**	**$ 130**	**$ 18**	**$ 9**	**$ 2,345**
Generic Reserves							89
Flow received for equity in a credit risk							772
Total Constituted							**$ 3,206**

As for the fiscal year 2010 credit portfolio rating, the Institution applied the Methodology established by the General Provisions Applicable to Credit Institutions.

As of December 31st, 2010, the estimate for credit risks valued in local currency amounted to $3,206, proceeds from increases in the amount of $227, as well as decreases in remissions in the amount of $79, applications amounting to $319, and the effect of exchange rate fluctuations amounting to $98; the flow received for equity in a credit risk derived from the financing granted to a trust related to the aeronautic sector amounting to $772 is included in this caption.

The additional estimates reported to the CNBV amount to $89, and were determined considering the historic annual migration matrices and percentages of credit reserves according to the degree of risk for the commercial portfolio. A comparison was made between the theoretical regulatory reserve and the regulatory reserve, considering migration movements.

Criterion B-6 "Loan Portfolio" of exhibit 33 of the Sole Circular sets forth the possibility that the Institution may choose to eliminate those overdue credits that are totally provided for (100%) from its assets. The Institution eliminated the amount of $15.1 and USD 23.7 million from the assets of the loan portfolio versus the preventive estimate for credit risks. The pertinent amounts were $31.2 and USD 23.1 million in 2009. Loan portfolio recoveries amount to $121 in 2010. These recoveries amount to $292 in 2009, recovery of the debts written off of a Bank (National Lending Institution) is included in liquidation in the amount of $243.

The portfolio exempted for the rating amounts to $289.

The balance of this item was determined considering the loan portfolio rated in December 31st, 2009, in accordance with regulations issued by the SHCP and the CNBV applicable to the Development Banking Institutions, obtaining the following results:

TOTAL RATABLE PORTFOLIO BY TYPE OF LOAN AS OF DECEMBER 31st, 2009

RATING	COMMERCIAL	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES	GUARANTEES	HOUSING	CONSUMER	TOTAL PORTFOLIO
A	$ -	$ -	$ -	$ -	$ 159	$ 18	$ 177
A-1	8,364	11,323	987	1,762	-	-	22,436
A-2	3,552	-	4,391	1,737	-	-	9,680
B	-	-	-	-	33	4	37
B-1	5,624	-	-	175	-	-	5,799
B-2	5,910	-	90	1,086	-	-	7,086
B-3	1,641	-	39	11	-	-	1,691
C	-	-	-	-	-	1	1
C-1	1,042	-	-	1	-	-	1,043
C-2	544	-	-	1	-	-	545
D	72	-	-	-	-	2	74
E	775	99	-	1	20	10	905
Subtotal	**$ 27,524**	**$ 11,422**	**$ 5,507**	**$ 4,774**	**$ 212**	**$ 35**	**$ 49,474**
Interest Due	21	-	-	-	-	-	21
Total	**$ 27,545**	**$ 11,422**	**$ 5,507**	**$ 4,774**	**$ 212**	**$ 35**	**$ 49,495**

ALLOWANCE REQUIRED BY RISK GROUP AS OF DECEMBER 31st, 2009

RATING	COMMERCIAL	GOVERNMENT ENTITIES	FINANCIAL INTERMEDIARIES	GUARANTEES	HOUSING	CONSUMER	TOTAL PORTFOLIO
A	$ -	$ -	$ -	$ -	$ -	$ -	$ -
A-1	42	57	5	9	-	-	113
A-2	35	-	43	17	-	-	95
B	-	-	-	-	1	-	1
B-1	156	-	-	4	-	-	160
B-2	416	-	9	109	-	-	534
B-3	187	-	4	1	-	-	192
C	-	-	-	-	-	1	1
C-1	260	-	-	-	-	-	260
C-2	224	-	-	-	-	-	224
D	47	-	-	-	-	1	48
E	774	99	-	2	19	10	904
Subtotal	**$ 2,141**	**$ 156**	**$ 61**	**$ 142**	**$ 20**	**$ 12**	**$ 2,532**
Interest Due	21	-	-	-	-	-	21
Total	**$ 2,162**	**$ 156**	**$ 61**	**$ 142**	**$ 20**	**$ 12**	**$ 2,553**
Generic Reserves							150
Total Constituted							**$ 2,703**

8.12 Interest income recognized in credits at the time it is capitalized.

Interest income recognized at the time of capitalization for fiscal years 2010 and 2009 amount to $302 and $478.

8.13 Credit Lines.

Credit openings recorded in memorandum accounts as of December 31st, 2010 amount to $2,606 and USD $3,534, as well as $3,533 and USD $4,005 as of December 31st, 2009.

9. REPOSSESSED ASSETS.

9.1 As of December 31st, 2010 and 2009, such property is comprised as follows:

CONCEPT	MEXICAN PESOS		USD MILLIONS		MEXICAN PESOS		2010		2009	
Personal Property	$	19	$	-	$	-	$	19	$	20
Securities		27		10		129		156		162
Collection Rights		2		-				2		3
Subtotal	**$**	**48**	**$**	**10**	**$**	**129**	**$**	**177**	**$**	**185**
REAL ESTATE										
Rural Lots	$	101		-		-	$	101		67
Urban Lots		56		-		-		56		50
Industrial Plants		265		-		-		265		489
Commercial Premises		146		-		-		146		143
Others		11		-		-		11		12
Subtotal	**$**	**579**	**$**	**-**	$	-	**$**	**579**	**$**	**761**
Property held for sale										
Real Estate	$	32		-		-	$	32		32
Personal Property		1		-		-		1		1
Subtotal	**$**	**33**	**$**	**-**	**$**	**-**	**$**	**33**	**$**	**33**
Minus: Reserves Constituted	$	659	$	10	$	129		788		975
Total	**$**	**1**	**$**	**-**	**$**	**-**	**$**	**1**	**$**	**4**

9.2 Provision for Holding Repossessed Assets or Payment in Kind.

The provision for holding repossessed assets or payment in kind as of December 31st, 2010 and 2009 was as follows:

	2010		2009	
Personal Property	$	20	$	20
Securities		155		163
Collection Rights		2		2
Real Estate		579		761
Property held for sale		32		29
Total Reserves	**$**	**788**	**$**	**975**

The charge to income for this item amounted to $143 and $57 at December 31st, 2010 and 2009, respectively.

10. PROPERTY, FURNITURE AND EQUIPMENT.

As of December 31st, 2010 and 2009 this item is integrated as follows:

	2010		2009	
Office Furniture	$	183	$	192
Computer Equipment		226		262
Transportation Equipment		3		4
Minus: Accrued Depreciation		(394)		(435)
Office Furniture revaluation surplus		1		2
Total Office Furniture	**$**	**19**	**$**	**25**
Property		420		340
Minus: Accrued Depreciation		(153)		(97)
Land		132		161
Property Revaluation Surplus		69		76
Total Property	**$**	**468**	**$**	**480**
Others (net)		29		49
Total	**$**	**516**	**$**	**554**

The depreciation debited to the Income Statement as of December 31st amounted to $36 in 2010 and $33 in 2009.

11. PERMANENT STOCK INVESTMENTS.

11.1 The companies in which the equity method was used, as well as the shareholdings of BANCOMEXT in those companies at December 31st, 2010, are as follows:

COMPANY	% OF EQUITY SERIES A	SERIES B	MAIN ACTIVITY	
Cesce México, S.A. de C.V. (CESCEMEX)	48.99		Insurance	
Exportadores Asociados, S. A. de C. V. (EASA)	100.00	100.00	Commerce	a/
Corporación Mexicana de Inversiones de Capital, S.A. de C.V. (CMIC)	19.00	12.50	Investment Fund	

a/ On June 10th, 2004, the Board of Directors of BANCOMEXT authorized that during 2004, were started actions intended to dissolve Ocean Garden Products, Inc. (A subsidiary company of Exportadores Asociados, S. A. de C. V.) On May 2nd, 2005, a call was published for participation in the bidding process for the sale of Ocean Garden Products, Inc. The buy and sell contract was signed on December 13th, 2005. On February 23th, 2006, the buyer furnished evidence of compliance with the contractual conditions related whith the transfer of ownership of shareholdings. Accordingly, the sale was formally executed on March 2nd, 2006. On February 22nd, 2007, the Board of Directors of EASA approved the liquidation of the company. The company is currently in that process.

Subsidiary companies are audited by an independent Public Accountant other than the auditor of BANCOMEXT.

11.2 The amounts used to recognize equity method at December 31st, 2010 and 2009, are mentioned below:

	STOCKHOLDERS' EQUITY	RETAINED EARNINGS (LOSSES)	GAIN OR LOSS ON VALUATION	NET - INCOME	2010 TOTAL	2009 TOTAL
EASA	153	(139)	-	-	15	14
CESCEMEX 1/	96	(1)	-	8	104	93
CIMC	198	18	(14)	37	238	235
Otras	-	-	-	-	29	30
				Total	$ 386	$ 372

11.3 As of December 31st, 2010 and 2009, assets, liabilities and the significant items in the statement of income from the subsidiary companies are as follows:

BALANCES AS OF DECEMBER 31st, 2010

	TOTAL ASSETS	TOTAL LIABILITIES	INCOME	EXPENSES
EASA	15	-	-	-
CESCEMEX	295	121	21	18
CMIC	2,078	171	665	244

BALANCES AS OF DECEMBER 31st, 2009

	TOTAL ASSETS	TOTAL LIABILITIES	INCOME	EXPENSES
EASA	14	-	-	2
CESCEMEX	253	101	17	22
CMIC	2,043	164	302	169

11.4 Investments in stock in associated companies in which the Institution has no control or significant participation is shown valued by using the acquisition cost method. Acquisition cost of other permanent investments in stock amounts to $ 2 in 2010 and $ 2 in 2009.

12. OTHER ACCOUNTS RECEIVABLE.

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

	2010	2009
Sundry debtors	$ 36	$ 294
Debtors for commissions on current transactions	12	12
Guarantee deposits	5	6
Value Added Tax	5	6
Loans to personnel of the Institution	2,038	2,067
Debtors for credit guarantees	-	2
Assigned accounts receivable	237	288
Debtors for settlement of foreign currency transactions	2,468	185
Receivables under repurchase agreements	1	-
Allowance for write-offs	(24)	(24)
Total	**$ 4,778**	**$ 2,836**

As of December 31st, 2010 and 2009, accounts receivable are included in foreign currency valued in Mexican Pesos in the amount of $89 and $95 respectively.

13. TIME DEPOSITS.

The balance of this item as of December 31st, 2010 and 2009, is composed as follows:

CONCEPT	2010	2009
Fixed-term deposits in Mexican Pesos	$ -	$ 86
Promissory notes with interest payable at maturity	40,395	30,485
Deposits of special loans for savings	717	719
Fidex-term deposits in USD	6,894	7,273
Valuation of swaps with hedging purposes (net)	(2)	(732)
TOTAL	$ 48,004	$ 37,831

13.1 The characteristics of fixed term deposits in local currency at December 31st, 2009 are discussed below:

As of December 31st, 2009.

RATE	TERM DAYS	MATURITY	AMOUNT	INTEREST	TOTAL
9.05%	294	21/10/2010	$ 85	$ 1	$ 86
			$ 85	$ 1	$ 86

13.2 The situation of the Promissory Notes with interest payable upon maturity in 2010 and 2009 were as follows:

CONCEPT	TERM	INITIAL AMOUNT	INTERESTS EARNED	2010	2009
Promissory Note	1 to 28 days	$ 37,248	$ 33	$ 37,281	$ 17,697
Promissory Note	30 to 180 days	656	4	660	11,910
Promissory Note	180 to 365 days	2,400	54	2,454	878
		$ 40,304	$ 91	$ 40,395	$ 30,485

14. NEGOTIABLE INSTRUMENTS ISSUED.

The balance of this item is comprised as follows:

	2010	2009
Stock Certificates	$ 1,507	$ 4,019
Bond issues in national currency	(7)	-
	$ 1,500	$ 4,019

14.1 The situation of the Stock Certificates were as follows:

As of December 31st, 2010.

RATE	TERM DAYS	MATURITY	AMOUNT	INTEREST	TOTAL
8.15% to 8.54%	1799	04/Dic/2015	$ 1,500	$ 7	$ 1,507

As of December 31st, 2009

RATE	TERM DAYS	MATURITY	AMOUNT	INTEREST	TOTAL
8.15% to 8.54%	From 344 to 2164	10/Dic/2010 to 04/Dic/2015	$ 4,000	$ 19	$ 4,019

15. INTERBANK AND OTHER ENTITIES LOANS.

The balances comprising the Interbank and other entities loans as of December 31st, 2010 and 2009, are summarized as follows:

	2010	2009
Guaranteed lines	$ 1,255	$ 1,671
Commercial lines	21,718	19,663
Domestic debt	-	7,840
Executor	118	386
Development banking	1,531	1,580
Call Money Transactions	616	843
Loans from the Federal Government	1,475	1,640
Interest allowance	50	58
	$ 26,763	$ 33,681

15.1 As of December 31st, 2010 is comprised as follows:

a) Guaranteed Lines.

	CURRENCY	WEIGHTED RATE	MEXICAN PESOS
Foreign Banks	USD	From 1.04% to 1.25%	$ 898
Foreign Banks	EURO	From 2% to 2.25%	357
			$ 1,255

b) Commercial Lines.

	CURRENCY	AVERAGE RATE	MEXICAN PESOS
Foreign Banks	USD	0.92%	**$ 21,718**

c) Balances of loans when acting as Executor Agent.

CURRENCY	RATE	ORIGIN CURRENCY MILLIONS	MEXICAN PESOS
USD	1.18%	9	**$ 118**

d) Development banking.

COUNTERPARTY	TYPE OF CURRENCY	RATE	ISSUE DATE	MATURITY DATE	LOCAL CURRENCY
Domestic Banks	USD	From .60% to .87%	24/08/2010	22/02/2011	$1,482
Domestic Banks	Euros	0.10%	31/12/2010	03/01/2010	49
					$ 1,531

e) Call money.

COUNTERPARTY	CURRENCY	ORIGIN CURRENCY MILLIONS	RATE	MEXICAN PESOS
Domestic Banks	USD	4	0.18%	$ 46
Domestic Banks	USD	46	0.25%	570
				$ 616

f) Loans from the Federal Government.

COUNTERPARTY	CURRENCY	ORIGIN CURRENCY MILLIONS	RATE	MEXICAN PESOS
Domestic Banks	M.N.	49	3.84%	$ 49
Domestic Banks	USD	116	From 0.23% to 6.00%	1,426
				$ 1,475

15.2 As of December 31st, 2009, it is integrated as follows:

a) Guaranteed lines.

	CURRENCY	WEIGHTED RATE	MEXICAN PESOS
Foreign Banks	USD	From .48% to 1.25%	$ 1,134
Foreign Banks	EURO	From 2% to 2.25%	537
			$ 1,671

b) Commercial lines.

	CURRENCY	AVERAGE RATE	MEXICAN PESOS
Foreign Banks	MN	5.50%	$ 2,500
Foreign Banks	USD	0.31%	17,163
			$ 19,663

c) Domestic debt.

GUARANTOR	CURRENCY	ISSUE DATE	MATURITY DATE	RATE	COUNTERPARTY	MEXICAN PESOS
Federal Government	USD	23/04/2009	12/01/2010	0.67%	Banxico	$ 7,840

d) Balances of loans when acting as Executor Agent.

CURRENCY	RATE	ORIGIN CURRENCY MILLIONS	MEXICAN PESOS
USD	1.51%	19	$ 261
USD	1.60%	9	125
		Total	$ 386

e) Development banking.

COUNTERPARTY	TYPE OF CURRENCY	RATE	ISSUE DATE	MATURITY DATE	LOCAL CURRENCY
Development Banking	USD	0.58%	02-oct-09	18-mar-10	**$ 1,580**

f) Call money.

COUNTERPARTY	CURRENCY	ORIGIN CURRENCY	RATE	MEXICAN PESOS
Domestic Banks	USD	65	0.25%	**$ 843**

g) Loans from the Federal Government.

COUNTERPARTY	CURRENCY	ORIGIN CURRENCY MILLIONS	RATE	MEXICAN PESOS
Domestic Banks	M.N.	47	4.49%	$ 47
Domestic Banks	USD	122	From 0.23% to 6%	1,593
				$ 1,640

16. INCOME TAX, CORPORATE FLAT TAX AND EMPLOYEE STATUTORY PROFIT SHARING

16.1 Income Tax, Corporate Flat Tax and Employee Statutory Profit Sharing.

In fiscal 2008, Bancomext paid income tax in the amount of $483 in Chile on the sale of stock and assignment of a loan in that country. That tax was recognized in income of fiscal 2008, even when there is the option to credit that tax against income tax that the Institution is subject to in the ten subsequent years. There is presently no high likelihood of generating taxable income in the future to assure that the pertinent tax loss carryforward can be realized.

	2010	2009
Income Tax and Corporate Flat Tax:		
Incurred	$ 4	$ 7
Deferred	12	-
	$ 16	$ 7
Employee Statutory Profit Sharing:		
Incurred	-	17
Deferred	-	-
	$ -	$ 17

In the event that income tax should be due in the term indicated, BANCOMEXT may credit the tax paid in Chile against income tax assessed on the Institution, properly restated from the date it was paid and up to the date on which it is credited. Toward that end, the amount of that tax was recorded in memorandum accounts.

The disposal of stock and uncollected documents are not subject to paying corporate flat tax (IETU), therefore, it is not admissible to credit the tax paid in Chile against IETU payable by the Institution.

The Institution and it subsidiaries are subject to Income Tax and Corporate Flat Tax (IETU).

Taxable income or tax loss of the year is determined for Income Tax purposes, by increasing or reducing those items that have exclusive tax effects from book income, and those book items are increased or decreased that have no tax effect.

Tax loss carryforwards, if any, may be applied against taxable income. Taxable income that exceeds tax losses will provide a base for taxable income for income tax purposes.

In accordance with the Income Tax Law, the applicable rate for fiscal 2010 is 30%. A 30% rate will apply for fiscal years 2011 and 2012. A 29% rate will apply for fiscal 2013 and, effective fiscal 2014, a 28% rate will apply.

Pursuant to the foregoing, the Institution and each subsidiary that consolidates determined their bases and taxes.

The amounts of the above captions applicable to the Institution were the following for fiscal years 2010 and 2009, since it does not consolidate for tax purposes with its subsidiaries.

	2010	2009
Restated book income (loss)	$ 768	$ 515
Application of restatement to 2007 nonmonetary items	25	19
Historical book income (loss)	**793**	**534**
Increases		
Taxable non-book income	312	255
Taxable non-book deductions	1,821	1,223
Decreases		
Taxable non-book deductions	2,015	1,480
Employee profit sharing paid in the year	17	92
Taxable non-Book income	1,323	410
(Loss) Income of the year a/	**(429)**	**30**
Prior year tax loss carryforwards	-	(30)
Taxable income of the year	**$ (429)**	**$ -**

a/ Taxable income of fiscal 2010 is prior to the special statutory tax report.

In accordance with the IETU Law, the tax base will be the difference resulting from reducing the deductions authorized by this Law from the total revenues for taxed activities. Toward that end, those items that have exclusive tax effects are increased or reduced from book income and those items that are increased or decreased that have no tax effect.

In the event that authorized deductions should exceed taxed income, the Institution will be eligible for a tax credit that will result from applying the factor applicable to the tax rate enacted in the year at issue to the difference (0.165 for 2008, 0.17 for 2009, and 0.175 effective 2010).

The amount of the tax credit discussed in the foregoing paragraph may be offset against the tax generated on the base (revenues received over authorized deductions), as well as the tax credit obtained by applying the 0.165 factor for 2008 (0.17 for 2009 and 0.175 effective 2010) to the amount of salaries and wages taxed, as well as the amount of social security contributions paid in the fiscal year involved. Income tax of the year may also be reduced up to the amount of that difference. The result obtained will be IETU payable of the year.

In accordance with the IETU Law, a 17% rate will be applicable in 2009, and 17.5% effective 2010.

The amounts of the above captions applicable to the Institution were the following for fiscal 2010:

	2010	2009
Book income	$ 3,581	$ 2,650
Other income, taxed	358	240
Total revenues received	3,939	2,890
Book Income, Not Taxed (exempt)	(1,319)	(460)
Revenues for purposes of IETU	2,620	2,430
Book deductions	2,787	2,111
Book disbursements, nondeductible	(2,401)	(1,778)
Other deductible disbursements	583	498
Authorized deductions	969	831
Tax base (credit base)	1,651	1,599
Tax rate	17.5	17
Tax determined (Tax Credit)	289	272
IETU tax credit		
Deductions authorized that exceed revenues received	289	272
Salaries	-	-
Income treated as salaries	-	-
Contributions to social security	-	-
Investments (acquired between 1998 and 2007)	-	-
Income Tax of the year, actually paid	-	-
Tax credits	289	272
Tax payable	$ -	$ -

The amounts of fiscal 2010 presented are prior to the special tax audit report.

The Institution and subsidiaries are bound to distribute the profit sharing among its workers that is obtained by applying a 10% to the taxable income of the year, determined pursuant to the terms set forth in the Income Tax Law.

As of December 31st, 2010 and 2009, the Institution maintains an unpaid Employee Profit Sharing balance in the amount of $0 and $1 of fiscal 2009 and 2008, respectively.

16.2 No Deferred Income Tax was generated pursuant to the regulations set forth in NIF D-4 and considering that there is a high likelihood of not generating taxable income in the future that allows for, among other things, realizing prior year tax loss carryforwards. The Institution did not generate Deferred income tax.

Deferred Employee Profit Sharing has not been generated even when the Institution had Employee Profit Sharing payable in fiscal 2009. It did not obtain a taxable income base in fiscal 2010. This is why there is not a high likelihood of obtaining a tax base, together with the fact that, in accordance with NIF D-3, there should be no indicator that the situation that generates the temporary differences relative to deferred Employee Profit Sharing is going to change.

In accordance with NIF D-4, deferred IETU should be recognized. However, a favorable tax credit (authorized deductions in excess of revenues received) was obtained in fiscal 2008. Considering that there is no high likelihood of obtaining a tax base in future years, the Institute wrote off Deferred IETU in the amount of $12 in 2010 that it had generated in 2007, in accordance with the provision set forth in paragraph 12 of INIF -8.

16.3 At December 31st, 2010, the Institution and its subsidiaries have tax loss carryforwards that can be offset against taxable income generated, as well as an amount of recoverable IETU tax credit against this tax in subsequent years, and asset tax that can be recovered by meeting certain requirements. Since the Institution does not consolidate with its subsidiaries for tax purposes, the restated amounts, in accordance with currently enacted legislation for Income Tax, IETU, and Asset Tax, are:

YEAR GENERATED	TAX LOSS	LOAN IETU	ASSETS TAX	MATURITY DATE
2000	-	-	11	2010
2001	-	-	11	2011
2002	-	-	11	2012
2003	-	-	10	2013
2004	-	-	9	2014
2005	-	-	8	2015
2006	1,450	-	7	2016
2007	-	-	4	2017
2008	-	83	-	2018
2009	-	-	-	2019
2010	429	-	-	2020

17. EMPLOYEE BENEFITS.

Pension Plans and the Special Loan Program for Savings (PEA), and Spread Rates and Defined Benefit Loan Interest Rate Spread.

BANCOMEXT has a pension plan with defined benefits that covers all employees who meet the requirements set forth in the General Labor Conditions, which consist of granting them a pension calculated on the base of the average salary obtained during the last year worked, integrated with a year-end bonus and vacation premium, to which the percentage is applied in accordance with their age and pertinent years of service.

This plan also covers seniority bonuses, which consist of a sole payment of 12 days of salary for every year worked, based on the last salary (the salary is limited to double the bank minimum wage in effect at the date of the retirement), as well as payment of other retired personnel benefits, among other things: medical expenses, medicines, hospitals, and athletic clubs.

The PEA Program consists of a credit that Banco Nacional de Comercio Exterior, S.N.C. grants to its retired, active personnel that can only be used as an investment (term-deposit) in the same Institution, which guarantees a minimum yield. There is a spread payable by the Institution against the funding rate. Effective 2008, the Institution recognized the liability for this item and created the fund to cover these obligations in 2009.

The relative liability and annual cost of those benefits are calculated by an independent actuary, in accordance with the bases defined in the plans, as well as the provisions of the CNBV and NIF D-3 of the CINIF.

Circular S-22.2, which was issued by the National Insurance and Surety Bond Commission and announces the New EMSSA 2009 Mortality Table for men and women, was published in the Official Daily Gazette on November 19, 2009. Application of the EMSSA 2009 Mortality Rate generated an additional actuarial loss amounting to $1,348.9.

As a result of the decrease recorded in interest rates of government securities and the decrease in estimated long-term inflation, the Actuarial Firm that determines the Institution's pension obligations recommended that the rate be adjusted to 7.50%, based on Financial Reporting Standards. An increase was determined in obligation in the amount of $909.7.

The accounting treatment applied by the Institution to both increases in obligations is that set forth for actuarial gains or losses in paragraphs 86 and 87 of NIF D-3, consistent with the accounting policy adopted by the institution upon the effectiveness of this standard in 2008. This standard consists of the amortization of actuarial gains or losses not contributed in the remaining average labor life of active personnel.

In order to maintain financial soundness of pension funds, Management determined the advisability of making the necessary contribution to cover the increase in labor obligations derived from retired personnel in the amount of $962.7 in the case of Mortality Tables and $209.2 in the case of the decrease in the rate for other postretirement benefits, which was carried out in December 2010 by applying the cost for the year in those amounts. The effect on the net cost for the period in income of 2009 amounted to $62, due to the effect of the Mortality Tables.

Pursuant to the foregoing, the total contributed to the Pension Fund in 2010 amounted to $1,340 and $95 to the PEA Fund.

During 2009, the Reengineering Program was carried out whereby 60 retirements and 34 terminations of the employment relationship were authorized with funds from BANCOMEXT. The impact on income as part of the net cost for the period by this Program amounted to $149, net of the effect by reduction and early liquidation of obligations amounting to $82.

Defined Contribution Pension Plan.

Effective January 1st, 2007, Banco Nacional de Comercio Exterior, S.N.C. amended the General Work Conditions, based on the trends and better practices in connection with handling and operating retirement schemes and pensions to incorporate new employees, as well as those who decide to migrate from the current Defined Benefits System to the Defined Contribution System. The new scheme allows for having greater control over the costs and liabilities of the plan, maintain an adequate cost-benefit ratio for the institution and for the workers, and it sets clear rules for contribution or retirement as well. At December 31st, 2010 and 2009, the defined Contribution Trust amounts to $176.2 and $166.4, respectively.

As of December 31st 2010, the gain or loss on the actuarial valuation performed by an independent actuary expert are as follows:

	RETIREMENT PENSIONS	SENIORITY BONUSES	BENEFITS AT RETIREMENT DIFFERENT FROM PENSIONS	PEA AND FINANCIAL COST FOR CREDITS
Obligation for acquired rights	$ 5,571	$ -	$ 3,030	$ 2,282
Obligation for defines benefits	(6,526)	(12)	(3,550)	(2,796)
Plan assets	6,153	22	3,112	2,207
Fund status	(373)	10	(438)	(589)
Prior service for opening transition liability (asset)	-	(4)	-	-
Prior service for amendments of plan	-	-	(8)	-
Actuarial loss (assumption changes)	636	2	544	592
Projected net asset	263	8	98	3
Historical net cost of the period	634	(2)	706	95
Labor cost	44	1	24	26
Financial cost	492	1	269	219
Expected returns	471	2	214	177
Annual amortization	-	(2)	24	27
Effect of EMSSA 2009 Mortality tables	569	-	394	-
Effect of Rate Change	-	-	209	-
Contributions to fund	634	-	706	95
Payments	388	-	137	124
Amortization period of unamortized items:				
Prior service for opening transition liability (asset)	n/a	2 años	n/a	n/a
Prior service for amendments of plan	n/a	3.77 y 2 years	8.57 years	n/a
Actuarial loss (assumption changes)	9.30 years	10.40 years	13.30 years	9.30 years
Estimated discount rate	7.5%	7.5%	7.5%	7.5%
Rate of estimated salary increase	4.0%	4.0%	4.0%	4.0%
Rate of increase of medical expenses	n/a	n/a	6.0%	n/a
Estimated rate of return	7.5%	7.5%	7.5%	7.5%
Effect of increasing the rate of cost of other benefits by one point, considering the other unchanged assumptions in:				
Total labor cost and financial cost			$ 322	
Accrued obligation			4,101	
Effect of decreasing the rate of cost of other benefits by one point, considering the other unchanged assumptions in:				
Total labor cost and financial cost			158	
Accrued obligation			3,106	

As of December 31st, 2009, the gain or loss on the actuarial valuation performed by an independent actuary expert are as follows:

	RETIREMENT PENSIONS	SENIORITY BONUSES	BENEFITS AT RETIREMENT DIFFERENT FROM PENSIONS	PEA AND FINANCIAL COST FOR CREDITS
Obligation for acquired rights	$ 5,077	$ -	$ 2,775	$ 2,162
Obligation for defined benefits	(5,835)	(10)	(3,168)	(2,605)
Plan assets	5,281	20	2,266	2,080
Fund status	(554)	10	(902)	(525)
Prior service for opening transition liability (asset)	-	(6)	-	-
Prior service for amendments of plan	-	-	(8)	-
Actuarial loss (assumption changes)	817	2	1,009	528
Projected net asset	263	6	99	3
Historical net cost of the period	135	(5)	163	107
Labor cost	49	-	27	26
Financial cost	412	1	173	184
Expected returns	411	2	169	104
Annual amortization	-	(2)	(1)	-
Effect of retirements	118	-	95	23
Effect of reduction of obligations	38	2	21	20
Effect of EMSSA 2009 Mortality tables	5	-	59	(2)
Contributions to fund	135	-	162	2,160
Payments	364	3	139	159
Amortization period of unamortized items:				
Prior service for opening transition liability (asset)	n/a	3 years	n/a	n/a
Prior service for amendments of plan	n/a	4.77 and 3 years	9.57 years	n/a
Actuarial loss (assumption changes)	9.86 years	10.90 years	12 years	9.86 years
Estimated discount rate	8.68%	8.68%	8.68%	8.68%
Rate of estimated salary increase	4.52%	4.52%	4.52%	4.52%
Rate of increase of medical expenses	n/a	n/a	6.60%	n/a
Estimated rate of return	8.68%	8.68%	8.68%	8.68%
Effect of increasing the rate of cost of other benefits by one point, considering the other unchanged assumptions in:				
Total labor cost and financial cost			$ 306	
Accrued obligation			$ 3,677	
Effect of decreasing the rate of cost of other benefits by one point, considering the other unchanged assumptions in:				
Total labor cost and financial cost			173	
Accrued obligation			2,817	

18. DERIVATIVE FINANCIAL INSTRUMENTS TRADING.

Derivative financial instruments for hedging risk positions at December 31st, 2010 and 2009 consist of fair value hedge swap trades as follows:

	2010		2009		
	PURCHASE	SALE	PURCHASE	SALE	
Swaps					
For hedging portfolio	$ 6,907	7,420	7,834	8,289	
For hedging securities – asset position	996	1,316	1,054	1,389	
For hedging securities – liability position	5,064	5,189	12,725	14,262	
	$ 12,967	**$ 13,925**	**$ 21,613**	**$ 23,940**	1/

1/ The net of this amount between buy and sell amounts to $958 and $2,327 at 2010 and 2009, respectively.

For Hedging Portfolio for fiscal 2010:

	TYPE OF SWAP	ORIGIN CURRENCY	THOUSANDS PRINCIPAL	INTEREST	TOTAL	MEXICAN PESOS
Purchase	Rate	USD	518,658	1,627	520,285	$ 6,425
Purchase	Rate	Mexican Pesos	311,572	78	311,650	312
Purchase	Currency	USD	13,625	122	13,747	170
						$ 6,907
Sale	Rate	USD	518,658	4,038	522,696	$ 6,455
Sale	Rate	Mexican Pesos	311,572	20,308	331,880	332
Sale	Currency	EUROS	10,674	116	10,790	179
						$ 6,966
Valuatión	Rate	USD			36,230	$ 447
Valuatión	Rate	Mexican Pesos			2,737	3
Valuatión	Currency	EUROS			217	4
						$ 7,420

For Hedging Securities (Asset Position) for fiscal 2010:

	TYPE OF SWAP	ORIGIN CURRENCY	THOUSANDS PRINCIPAL	INTEREST	TOTAL	MEXICAN PESOS
Purchase	Rate	USD	80,000	646	80,646	$ 996
						$ 996
Sale	Rate	USD	80,000	2,683	82,683	$ 1,021
						$ 1,021
In advance	Rate	USD			20,788	257
Valuation	Rate	USD			3,095	38
						$ 1,316

For Hedging Securities (Liability Position) for fiscal 2010:

	TYPE OF SWAP	ORIGIN CURRENCY	THOUSANDS PRINCIPAL	INTEREST	TOTAL	MEXICAN PESOS
Purchase	Currency	Mexican Pesos	3,900,000	61,819	3,961,819	$ 3,962
Purchase	Currency	USD	90,000	33	90,033	1,112
Valuation	Currency	USD			(613)	(8)
Valuation	Currency	Mexican Pesos			(2,306)	(2)
						$ 5,064
Sale	Currency	USD	328,487	916	329,403	$ 4,068
Sale	Currency	Mexican Pesos	1,119,150	1,449	1,120,599	1,121
						$ 5,189

As of December 31st, 2010 and 2009, the gain or loss on valuation of fair value hedge instruments are summarized as follows:

	2010 Derivatives	2010 Primary Position	2009 Derivatives	2009 Primary Position
Swaps				
For hedging loan portfolio	$ (66)	$ 66	$ 216	$ (216)
For hedging securities – asset position	(5)	6	114	(118)
For hedging securities – liability position	723	(723)	3,294	(3,288)
	$ 652	**$ (651)**	**$ 3,624**	**$ (3,622)**

In order to manage the balance sheet risks, BANCOMEXT enters into contracts mainly for long-term operations, interest rate and/or foreign currency swaps, in order to hedge its lending and borrowing transactions. As of December 31st, 2010 and 2009 the Institution entered into swaps transactions for a total amount equivalent to USD 1,043 million and 1,701 million, respectively.

19. STOCKHOLDERS´ EQUITY

a. The stockholders´ equity as of December 31st, 2010 and 2009, is comprised as follows:

December 2010

	NUM. OF CAPITAL STOCK CERTIFICATES (CAP's)	PAR VALUE	RESTATEMENT EFFECTS	Total
Subscribed:				
Series A	92,460,098	$ 9,246	$ 627	$ 9,873
Series B	47,630,960	$ 4,763	$ 323	5,086
Subtotal	140,091,058	14,009	950	14,959
Paid Stock Premium		71	10	81
Capital Reserves		(547)	688	141
Prior year losses		(6,710)	(1,065)	(7,775)
Result from valuation of available-for-sale securities		(38)	-	(38)
Result from holding non-monetary assets		-	(25)	(25)
Net income (loss)		793	(25)	768
TOTAL		$ 7,578	$ 533	$ 8,111

December 2009

	NUM. OF CAPITAL STOCK CERTIFICATES (CAP's)	PAR VALUE	RESTATEMENT EFFECTS	Total
Subscribed:				
Series A	92,460,098	$ 9,246	$ 627	$ 9,873
Series B	47,630,960	4,763	323	5,086
Subtotal	140,091,058	14,009	950	14,959
Paid Stock Premium		71	10	81
Capital Reserves		(547)	688	141
Prior year losses		(7,245)	(1,045)	(8,290)
Result from valuation of available-for-sale securities		(22)	-	(22)
Result from holding non-monetary assets		-	(25)	(25)
Net income (loss)		534	(19)	515
TOTAL		$ 6,800	$ 559	$ 7,359

b. Capital stock is represented by credit instruments denominated Certificados de Aportación Patrimonial - Capital Stock Certificates (CAP's); registered, without coupons and broken down in the following series:

Series "A" will always represent 66% of the Capital Stock of the society and will be only subscribed by the Federal Government; only one certificate will be issued, it will be non-transferable and in any case it must not change its nature or the rights confered by to the Federal Government as the holder of the same.

Series "B" represents 34% of the Capital Stock and can be issued in one or several certificates of the same value. They can be subscribed by the Federal Government, the Governments of the States and the Municipalities or by individuals or Mexican entities of social and private sectors, favoring those related with the foreign trade. No individual or entity will be able to control the certificates for more than 5% of the paid-in capital owned by the Institution. No foreign legal entities or individuals may participate in any way in capital stock nor Mexican companies whose by-laws do not include direct or indirect exclusion of foreigners.

Capital Stock is represented by the Federal Government (99.9762%), BANXICO (0.0139%), Nacional Financiera, S. N. C. (0.0054%), and Banco Nacional de Obras y Servicios, S.N.C. (0.0045%).

c. The distribution or reduction of net worth once restated invested capital has been subtracted (CUCAP) and restated taxable profit (CUFIN) would be subject to Income Tax at a 30% rate charged to the Institution. For fiscal years 2011, and 2012 a 30% rate will apply 29% for fiscal 2013 and, effective fiscal 2014, a 28% rate will apply.

As of December 31st, 2010, since the Institution does not consolidate for tax purposes, its tax accounts related to stockholders' equity known as Cuenta de Capital de Aportación - Paid-in Capital Account (CUCAP) and Cuenta de Utilidades Fiscales Netas - Net Taxable Profit Account (CUFIN) are:

Paid-in Capital Accounts (CUCAP)	$	38,725
Net Taxable Profit Account (CUFIN)	$	5,345

d. On September 10th, 2009, the SHCP published the agreement in the Official Daily Gazette, whereby it provides the capital stock increase of BANCOMEXT and amends Article 7 of the Organic Rules of Procedure to reflect this increase. Accordingly, the contributions for future capital increases were formalized and capital stock increased in the amount from $5,000 to $14,009.

e. In accordance with the LIC, Development Banks should maintain a net minimum capital of 8% with respect to of their assets subject to risk.

Capitalization Risk as of December 2010 and 2009

		2010		**2009**
Net Capital	**$**	**7,867**	**$**	**7,108**
Basic		7,640		6,899
Complementary		227		209
Assets subject to risks		**51,830**		**49,226**
Credit		37,700		37,496
Market		12,154		10,508
Operational		1,976		1,222
Capitalization Index (%)		**15.18**		**14.44**

As of December 31st, 2010 and 2009, BANCOMEXT fulfills this requirement since it reports a capitalization index of 15.18% and 14.44%, respectively; this index was estimated based on the rules to determine capitalization requirements published by the SHCP in the Official Daily Gazette as of December 28th, 2005, with their respective changes.

The capitalization index is reported in a monthly basis to the Risk Management Committee and to the Board of Directors, explaining the main variations presented in the items integrating it.

20. INCOME STATEMENT.

20.1 Financial Margin.

As of December 31st, 2010 and 2009, the financial margin is integrated as follows:

2010 FINANCIAL MARGIN	MEXICAN PESOS	FOREIGN CURRENCY VALUED IN MEXICAN PESOS	TOTAL
INCOME:			
Income on loan portfolio	$ 1,257	$ 1,296	$ 2,553
Interest on securities portfolio receivable	2,945	105	3,050
Interest on liquid assets receivable	118	20	138
Gain or loss on valuation of derivative instruments	(82)	-	(82)
Others	3	1	4
Subtotal	**$ 4,241**	**$ 1,422**	**$ 5,663**
EXPENSES:			
Expenses from Repo operations	$ 2,567	$ -	$ 2,567
Interest payable on time deposits	1,068	15	1,083
Interest payable on negotiable instruments	324	-	324
Interest payable on bank loans and other entities	4	223	227
Gain or loss on valuation of derivative instruments	(540)	318	(222)
Subtotal	**3,423**	**556**	**3,979**
Total	**$ 818**	**$ 866**	**$ 1,684**

2009 FINANCIAL MARGIN	MEXICAN PESOS	FOREIGN CURRENCY VALUED IN MEXICAN PESOS	TOTAL
INCOME:			
Income on loan portfolio	$ 900	$ 1,742	$ 2,642
Interest on securities portfolio receivable	5,722	573	6,295
Interest on liquid assets receivable	144	37	181
Gain or loss on valuation of derivative instruments	(1,132)	(458)	(1,590)
Others	3	-	3
Subtotal	$ 5,637	$ 1,894	$ 7,531
EXPENSES:			
Expenses from Repo operations	$ 4,052	$ -	$ 4,052
Interest payable on immediately withdrawable deposits	-	5	5
Interest payable on time deposits	1,926	477	2,403
Interest payable on negotiable instruments	336	13	349
Interest payable on bank loans and other entities	(1,204)	155	(1,049)
Subtotal	**5,110**	**650**	**5,760**
Total	**$ 527**	**$ 1,244**	**$ 1,771**

20.2 Trading income.

As of December 31st, 2010 and 2009, gains or loss on brokerage is as follows:

	2010	2009
Result from securities valuation and metals	$ 11	$ (2)
Result from dealing securities	262	14
Result from dealing foreign currency	2	3
Total	**$ 275**	**$ 15**

20.3 Other Proceeds and Expenses.

As of December 31st, 2010 and 2009, the main accounts of other proceeds and expenses are summarized as follows:

	2010		2009	
Recoveries	$	40	$	21
Estimate for risk management		(124)		(551)
Reversal of legal risk and guarantee reserves		878		-
Income collected on loans to personnel		88		90
Gain (loss) on sale of property, furniture and equipment		8		(3)
Other items		18		77
Total	**$**	**908**	**$**	**(366)**

a/ The release of reserves in the amount of $624 is included in 2010, which had been created prudentially in 2008 and 2009, derived from the sale of shares of two companies located in Chile in 2008, as well as the assignment of a credit payable by one of them. The reserves were released since the favorable ruling was handed down by the arbitrator on May 3, 2010.

20.4 Other operating income (expenditures).

As of December 31st, 2010 and 2009, the main accounts of other operating income and expenditures are summarized as follows:

	2010		2009	
Gain (loss) on sale of repossessed assets	$	184	$	16
Recoveries a /		121		292
Reversal of provision for repossessed assets		7		51
Sale of collection rights		34		-
Write-dow n of repossessed assets		(143)		(57)
Other items		-		2
Total	**$**	**203**	**$**	**304**

a/ In 2009, recovery is included of the debt written off of a Bank (National Credit Institution) in liquidation in the amount of $243.

20.5 Commissions and fees earned.

As of December 31st, 2010 and 2009, commissions and fees earned are summarized as follows:

	2010		2009	
Loan Portfolio	$	194	$	323
Endorses		56		57
Credit cards		1		1
Trust		36		36
Valuations		9		9
Other commissions and fees earned		6		1
Total	**$**	**302**	**$**	**427**

21. COMMITMENTS AND CONTINGENCIES.

The Institution has commitments through irrevocable lines for granting Credits as of December 31st, 2010 and 2009, in the amount of $2,102 and $1,878, respectively.

22. GUARANTEES.

As of December 31st, 2010 and 2009, guarantees by endorsement are summarized as follows:

PURPOSE	2010		2009	
Partially guarantee or endorse the payment of capital and/or interest up to 35% of an issuance of stock exchange certificates up to $ 2,500 over a 7 year term, in order to improve the rating given to the stock exchange issues of the sector.		785		785
Partially guarantee or endorse the payment of capital and/or interest up to 35% of an issuance of stock exchange certificates up to $ 1,000 over a 7 year term, in order to improve the rating given to the stock exchange issues of the sector.		300		300
Partially guarantee or endorse the payment of capital and/or interest up to 40% of an issuance of stock exchange certificates up to $ 2,200 over a 12 year term, in order to improve the rating given to the stock exchange issues of the sector.		859		859
Partially guarantee or endorse the payment of capital and/or interest up to 35% of an issuance of stock exchange certificates up to $ 1,500 over a 15 year term, in order to improve the rating given to the stock exchange issues of the sector.		-		467
Partially guarantee or warrant up to 36% payment of principal plus the first interest period, two issues of stock certificates whose total amounts to $ 3.600, to a maximum of 12 years to improve the rating agencies that assign ratings in such equity instruments.		523		-
Guarantees by endorsement in Local Currency	**$**	**2,467**	**$**	**2,411**

The provisions created for this item amount as of December 31st, 2010 and 2009, is of $115 for both years.

23. TRUSTS AND MANDATES.

As of December 31st, 2010 and 2009, the balances of transactions where BANCOMEXT acts as trustee are comprised as follows:

	2010	2009
Guarantee Trusts	$ 9,511	$ 13,270
Management Trusts	21,954	23,363
Investment Trusts	242	248
Dominion Transfer Trusts	9,776	9,668
	41,483	46,549
Mandates	6,261	6,603
Total	$ 47,744	$ 53,152

Income from management trusts as of December 31st, 2010 and 2009, amounts to $36 for both years.

The balances of the Pension Fund Trusts as of December 31st, 2010 and 2009 are: a) Defined Benefit $9,287 and $7,567; and b) Defined Contribution $176 and $166, and that applicable to the Special Loan for Savings and Financial Cost of Credits amounts to $ 2,207 and $2,080.

24. PROPERTY HELD IN CUSTODY OR UNDER ADMINISTRATION.

As of December 31st, 2010 and 2009, operations regarding assets in custody and under administration are summarized as follows:

	2010			2009		
	USD MILLIONS	EUROS THOUSANDS	MEXICAN PESOS	USD MILLIONS	EURO THOUSANDS	MEXICAN PESOS
Transactions on behalf of third parties in repurchase agreements	-	-	$ 1,242	-	-	$ 1,430
Transactions on behalf of third parties, direct	-	-	3,339	-	-	3,497
Others instruments under administration 1/	15,144	68	234,865	9,196	2,705	161,360
Others securities under administration	1	-	16	13	-	174
Special loan for savings	-	-	715	-	-	717
	15,145	68	$ 240,177	9,209	2,705	$ 167,178

1/ This applies to the recording of instruments that supports the loan portfolio of BANCOMEXT.

25. FOREIGN CURRENCY RISK POSITION.

According to Official Notification 1/2006 issued by Banco de Mexico, the exchange risk position is within the limits, as a whole and for each currency.

The position of risk, both overall and in each currency, does not exceed the equivalent of 15% of basic capital of the institution, and these thousands of USD 91.675 and USD 74.549 thousand at December 31st, 2010 and 2009, respectively.

As of December 31st, 2010 and 2009 the foreign exchange risk position in U.S.D. is as follows:

	FOREIGN CURRENCY USD THOUSANDS 2010	FOREIGN CURRENCY USD THOUSANDS 2009
US Dollars	14,029	70,561
Swiss Francs	112	102
Pound Sterling	81	119
Canadian Dollars	37	36
Japanese Yens	157	139
Euros	1,026	1,282
Total	15,442	72,239

To determine foreign exchange risk positions, the following exchange rates were used (Foreign currency - US Dollar).

FOREIGN CURRENCY	EXCHANGE RATES 2010	EXCHANGE RATES 2009
US Dollar	1.000000	1.000000
Swiss Franc	0.930804	1.033303
Pound Sterling	0.638733	0.619310
Canadian Dollar	0.993700	1.047504
Japanese Yen	80.971660	93.023256
Euro	0.745601	0.697010

As of December 31st, 2010 and 2009, the exchange rates used to translate foreign currencies to Mexican Pesos are the following:

FOREIGN CURRENCIES	EXCHANGE RATES 2010	EXCHANGE RATES 2009
US Dollar	12.3496000	13.0659000
Swiss Franc	13.2676700	12.6447900
Pound Sterling	19.3345300	21.0975100
Canadian Dollar	12.4279000	12.4733614
Japanese Yen	0.1525200	0.1404600
Euro	16.5632800	18.7456500

26. INFORMATION BY SEGMENTS.

The information derived from the operation of each one of the segments in which the Institution's activity is mainly divided into, is itemized below:

Assets and Liabilities.

Business Segment	Assets		Liabilities		Revenues		Expenditures	
	Amount	% Equity	Amount	% Equity	Amount	% Equity	Amount	% Equity
First Floor Credit	$ 36,408	25.9	$ -	-	$ 1,318	37.3	$ 411	14.9
Second Floor Credit	6,141	4.4	-	-	157	4.4	119	4.3
Financial Markets and Deposits	91,660	65.2	125,540	89.4	610	17.3	175	6.3
Other areas	6,282	4.5	14,951	10.6	1,449	41.0	2,061	74.5
Total Institution	**$ 140,491**	**100.0**	**$ 140,491**	**100.0**	**$ 3,534**	**100.0**	**$2,766**	**100.0**

Gains or losses by segment.

	First tier	Second tier	Financial Markets and Deposits	Other areas	Total
Income					
Net Interest Income	$ 1,318	$ 157	$ 610	$ 1,449	$ 3,534
Expenses					
Operating expense	(337)	(107)	(175)	(1,921)	(2,540)
Loan Reserves	(74)	(12)	-	(140)	(226)
Total	**$ 907**	**$38**	**$ 435**	**$(612)**	**$ 768**

The First Floor Credit Operation applies to loans placed directly among companies. The Second Floor Credit Operation channels funds through bank financial brokers and other non-bank brokers. Financial Markets and Deposits apply to obtaining the funds necessary to comply with the Annual Financial Program authorized by the SHCP. It meets the Institution's liquidity needs and allocates transfer costs toward operating segments that require funds to carry out their operations.

Funding and Loan portfolio.

The balance of credit placement units amounted to $58,652 at December 31st, 2010, of which $9,278 (15.8%) apply to public sector operations, and $49,374 (84.2%) apply to private sector, of which $43,772 are first tier and guarantees.

Funds allocated toward granting credits are attracted mainly by loans from International Lending Institutions, and placements of bonds on foreign markets, as well as from the issuance of commercial paper in local currency, which are incorporated into a fund basket for obtaining an interest that allows competitive placement rates to be offered in first and second tier lending activities.

At December 31st, 2010, the balance of funds deposited from the issue of promissory notes payable upon maturity in local currency and loans through guaranteed lines account for 74.7% of the internal debt and 87.9% of the external debt, respectively.

Mexico City, February 21st, 2011.

ING. HÉCTOR A. RANGEL DOMENE
GENERAL DIRECTOR

LIC. MARIA DEL CARMEN ARREOLA STEGER
ASSISTANT GENERAL DIRECTOR OF FINANCE

C.P. MARTHA MARTÍNEZ QUIROZ
FINANCE DIRECTOR

L.C. ANGELA MA. MONTESINOS SAN MARTÍN
ACCOUNTING MANAGER

C.P. HORACIO MANUEL DÍAZ MERCADO QUEIJEIRO
HEAD OF THE INTERNAL AUDIT AREA

The Head of the Internal Audit Area signs these notes to the financial statements, based on the results of the audits performed to date, which have permitted that the sufficiency of the process of generating the financial information established by the Institution's Management be substantiated, as well as its capacity to generate reliable information covered by the same audits.