

2011

ANNUAL REPORT



BANCOMEXT
Banca de Desarrollo

INFORME ANUAL 2011
BANCOMEXT INFORME ANUAL | ANNUAL REPORT 2011
ANNUAL REPORT 2011

CONTENTS



Message from Chief Executive Officer

7



Highlights

9



Economic Environment

10



Financial Services

22



Treasury and Financial Markets

40



Legal Situation

48



Corporate Governance and Internal Control

56



Management Model

66



Internal Control Entity

78



Financial Situation

88



Board of Directors

100



Main Officers

105



Offices

106



2011 Audited Financial Statements

108



MESSAGE FROM CHIEF EXECUTIVE OFFICER

During 2011 the business model applied by Banco Nacional de Comercio Exterior (Bancomext) was focused on high-impact sectors involved in Mexican exports and foreign currency generation, as well as on the consolidation of financing programs targeting the country's main foreign currency-generating sectors such as the automotive and auto-parts, maquiladora (in-bond), transportation and logistics, and tourism sectors. The Bank also began to promote its services in other sectors such as the electric-electronic and energy sectors.

At the same time, a new set of Eximbank-type products was created with the aim of promoting the development of Mexican firms that participate in foreign trade and contribute directly to Mexico's development and to a stronger economy.

It is important to highlight that the Institution significantly increased the total amount of its credit and guarantees portfolio to the private sector, generating operating profits above one billion pesos, and 11% growth in stockholders' equity.

Due to the aforesaid, together with full funding of the Bank's Retirement Fund, as required by the applicable regulations, we

can affirm that Bancomext is a solid, financially sound institution. Furthermore, it has strengthened its strategic alliances with an extensive network of financial intermediaries, to provide the services needed by the country's small and medium-size export and import firms.

In 2012, Bancomext will continue its efforts to implement strategies for financing foreign trade, to assure that Mexico and its products are increasingly known around the globe.

Héctor A. Rangel Domene

CHIEF EXECUTIVE OFFICER

HIGHLIGHTS

	MILLIONS OF PESOS	MILLIONS OF US DOLLARS ^{1/}
FINANCING		
Total	67,126	5,287
Credit ^{2/}	61,538	4,840
Guarantees	5,588	447
RESULTS		
Net profit (loss)	681	49
Interest income	7,327	525
Interest expense	(5,559)	(398)
Provision for credit losses	(7)	(0.5)
YEAR-END BALANCE		
Total assets	195,334	14,005
Total loan portfolio ^{3/}	57,366	4,113
Financial Markets and Treasury	117,408	8,418
Total liabilities	186,310	13,358
Stockholders' equity	9,024	647

1/ Figures in US dollars for descriptive purposes only. The exchange rate used for the Results and Year-end Balance corresponds to December 2011, at MXP\$13.9476/USD

2/ Includes first and second-tier credit

3/ Does not include solidary obligations or guarantees



ECONOMIC ENVIRONMENT



Emerging and developing economies had the greatest impact on the world economy in 2011.



INTERNATIONAL ENVIRONMENT

In 2011 international economic activity grew at a rate below that of the previous year, while the discrepancy in the rhythm of economic growth between advanced and emerging economies continued. The world's Gross Domestic Product (GDP) grew at a rate of 3.8% in 2011, in comparison with 5.2% growth the previous year.

For the third consecutive year, emerging and developing economies, which registered overall positive performance, were those having the greatest impact on international economic activity. These economies grew at an average rate of 6.2%, with China's economy especially noteworthy, with an outstanding annual growth rate of 9.2%. In contrast advanced economies experienced a growth rate even lower than the year before: the average rate was 1.6%, or 1.6 percentage points below the rate observed in 2010. This situation is an ongoing consequence of the mortgage and financial crisis that occurred in industrialized countries which, despite the anti-crisis policies applied, continue to confront unemployment problems. Emerging economies, for their part, continue to experience a period of relative prosperity, with rising tendencies in prices derived in part from significant capital inflow. The growth rates for US and European economies in 2011 were 1.8% and 1.6%, respectively, compared with 3.0% and 1.9%, respectively, in 2010.

GROSS DOMESTIC PRODUCT (GDP) IN SELECTED ECONOMIES

Growth rate (%)

AREA	2010	2011
World	5.2	3.8
Advanced economies	3.2	1.6
United States	3.0	1.8
Japan	4.4	(0.9)
Eurozone	1.9	1.6
Emerging and developing economies	7.3	6.2
China	10.4	9.2

Source: World Economic Outlook Update, January 2012, FMI

The inflation rate in advanced economies was 2.7% for 2011, above that registered in 2010, which was 1.6%. Emerging and developing economies experienced an inflation rate of 7.2%, which was higher than the rate in advanced economies, and slightly higher than their own rate in 2010, at 6.1%.

CONSUMER PRICE INDEX (CPI) IN SELECTED ECONOMIES

Growth rate (%)

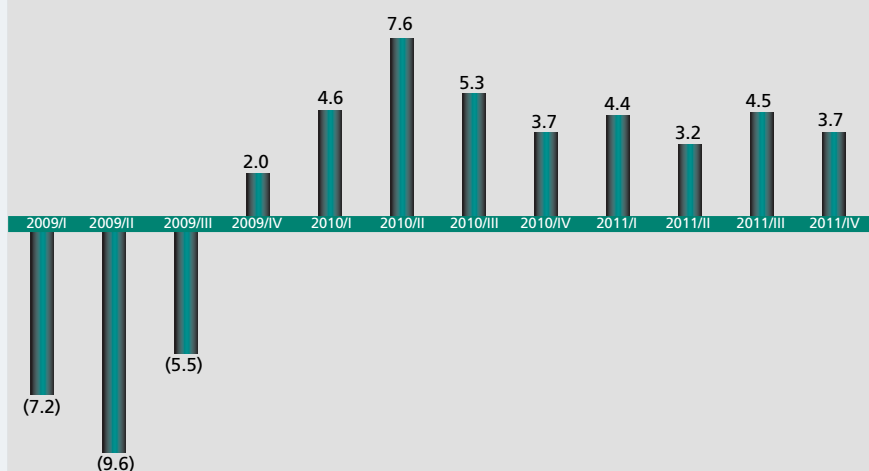
AREA	2010	2011
Advanced economies	1.6	2.7
Emerging and developing economies	6.1	7.2
United States	1.4	2.6
Japan	(1.0)	(0.3)
Eurozone	1.6	2.7
Latin America	6.3	6.7

Sources: Morgan Stanley and World Economic Outlook Update, January 2012, FMI

NATIONAL ENVIRONMENT

The Mexican economy grew at a rate of 3.9% in 2011, below the rate of 5.6% registered in 2010. Growth during 2011 can be largely explained by the reactivation of the foreign demand, particularly from the United States, giving a notable impulse to Mexican exports. In particular, exports in the automotive sector increased by 53.3% in comparison to 2009, while the trade balance surplus for oil products 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 INEGI*).

The annual inflation rate, as measured by the variation in the consumer price index, was 3.8% in 2011, below the rate registered in 2010, which was 5.1%. This decrease in the inflation rate was due, among other causes, to factors outside the Mexican economy, primarily the increased rhythm of growth in international prices for raw materials in the food and energy sectors.

The increases observed in international prices—a tendency that began in mid-2006—have 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 applied in 2010 and 2011, in line with those implemented in most countries. The sectors with the greatest impact on price increases were livestock products, food, beverages and tobacco, and the energy sector. The sectors that contributed somewhat to price increases were education, other services and housing sectors; and those contributing only minimally to price increases included the fruit and vegetables sector and government-administered tariffs.

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

The federal funding rate decreased in 2011, in line with variations 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 2011 was 4.35%, in comparison to 4.57% in 2010.

The average annual exchange rate for 2011 was 12.43006 Peso/Dollar, which is below the rate corresponding to 2010, which was 12.62869 Peso/Dollar.

FOREIGN TRADE

During 2011, Mexico's total foreign trade clearly expanded due to an increase in both oil and non-oil exports. Once again, this behavior was corresponded by an increase in domestic demand, both in terms of consumption and gross fixed capital formation, with a positive impact on import dynamism.

Total exports in 2011 reached a level of 349,676 million US Dollars, representing an increase of 17.2% in relation to foreign sales the previous year. Meanwhile, total imports rose to 350,842 million US Dollars, which is 16.4% higher than in 2010. The trade balance registered a deficit of 1,167 million US Dollars, signifying a 61.2% decrease in relation to the deficit of 3,009 million US Dollars registered in 2010.

MEXICAN FOREIGN TRADE, 2010-2011
Millions of US Dollars

ITEM	JAN – DEC		VARIATION	
	2010	2011	Amount	%
Total Trade Balance	(3,009)	(1,167)	1,842	61.2
Total Exports	298,473	349,676	51,203	17.2
Oil exports	41,693	56,426	14,733	35.3
Non-oil exports	256,780	293,250	36,470	14.2
Agricultural	8,610	10,560	1,950	22.7
Extractive	2,424	4,063	1,639	67.6
Manufacturing	245,745	278,626	32,881	13.4
Total Imports	301,482	350,842	49,360	16.4
Consumer goods	41,423	51,790	10,367	25.0
Intermediate goods	229,812	264,020	34,208	14.9
Capital goods	30,247	35,032	4,785	15.8

Source: Central Bank (*Banco de México*).

EXPORTS

In 2011 exports of goods reached a total of 349,676 million US Dollars, with 16.1% corresponding to oil exports and 83.9% to non-oil exports.

Oil exports increased to a total of 56,426 million US Dollars for the year, 35.3% above the amount exported in 2010. This increase can be 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 39.4% in 2011 in comparison to 2010, from 72.46 to 101.00 US Dollars per barrel. The highest average price of 104.94 US Dollars per barrel was registered last December. Nonetheless, this increase in the value of exports was not associated with a greater volume sold on the foreign market, in fact there was a decrease in the latter, from 1,361,000 barrels of crude oil a day

in 2010 to 1,338,000 barrels of crude oil a day in 2011, signifying a 1.7% decrease.

Non-oil exports totaled 293,250 million US Dollars, signifying an increase of 14.2% in comparison to the previous year. Exported manufacturing goods totaled 278,626 million US Dollars, 13.4% above the amount for 2010. There were also increases in the agricultural and extractive sectors, of 22.7% and 67.6%, respectively.

NON-OIL MANUFACTURING EXPORTS, 2010 – 2011

Millions of US Dollars

INDUSTRIAL ACTIVITIES			VARIATION	
	2010	2011	Amount	%
TOTAL	245,745	278,626	32,881	13.4
1. Food, beverages and tobacco	9,552	11,531	1,979	20.7
2. Textiles, apparel and leather goods	7,151	7,856	705	9.9
3. Lumber industry	493	531	37	7.6
4. Paper, printing and publishing industry	1,960	2,119	159	8.1
5. Chemical	8,522	9,910	1,389	16.3
6. Plastic and rubber products	6,870	8,095	1,224	17.8
7. Non-metallic mineral product manufacturing	2,952	3,095	143	4.9
8. Iron and steel	6,542	7,913	1,371	20.9
9. Mining-metallurgy	12,334	17,398	5,064	41.1
10. Metal products, machinery and equipment	182,697	202,353	19,656	10.8
11. Other industries	6,673	7,826	1,153	17.3

Source: Central Bank (Banco de México).

Once again, export sales in all eleven manufacturing activities increased in 2011 over the previous year. The activities with the greatest increases were, first of all, mining-metallurgy, increasing 41.1%, from 12,334 million US Dollars in 2010 to 17,398

million US Dollars in 2011; followed by iron and steel, increasing 20.9%; and then food, beverages and tobacco, increasing 20.7%; and metal products, machinery and equipment, with a 10.8% increase, from 182,697 million US Dollars in 2010 to 202,353 million US Dollars in 2011.

Of the total exports, 81.6% were exported to the United States and Canada, 7.6 % to Latin America and the Caribbean, 6.0% to Europe, 4.2% to Asia, and 0.5% to Oceania and Africa. All the regions except North America slightly increased their relative importance as destinations for Mexican exports. Particularly worth noting is the increase in the case of Europe, from 5.3% in 2010 to 6.0% in 2011.

A generalized increase in the sale of Mexican products to other countries of the world was observed in the different regions. Mexican products exported to the European continent increased by 33.7%; those to Latin America increased by 25.7%; those to the Asian continent increased by 33.0%; and exports to Mexico's partners in the North American Free Trade Agreement (NAFTA) increased overall by 14.4%, although a decrease of 0.08% was registered for Canada.

IMPORTS

Imports reached a total of 350,842 million US Dollars in 2011, an amount 16.4% higher than the level observed the previous year, which was 301,482 million US Dollars.

According to amount, imports of intermediate goods were those with the highest growth, with a 14.9% growth rate in 2011. Imports of capital goods also registered significant growth, rising from a negative 1.3% in 2010 to 15.8% in 2011. Imports of consumer goods continued to recuperate significantly,

with a 25.0% increase in 2011 following a 26.2% increase in 2010.

Of total imports, intermediate goods accounted for 264.0 billion US Dollars, or 75.3%; while consumer goods accounted for 51.8 billion US Dollars (or 14.8%); and capital goods, 35.0 billion US Dollars (or 10.0%).

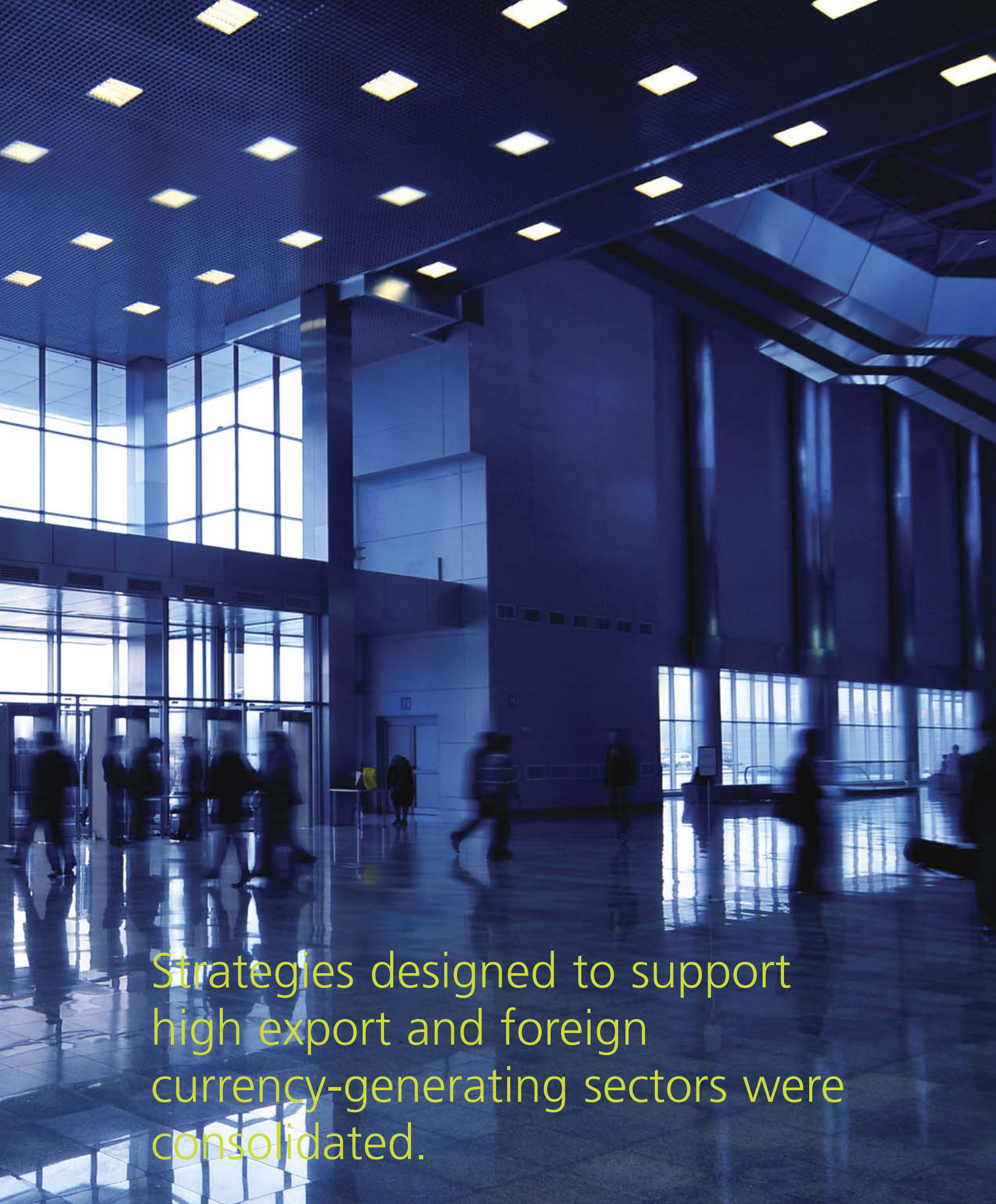
Imports from North American countries corresponded to 52.4% of the total; imports from Asia, 30.5%; from Europe, 11.8%; from Latin America and the Caribbean, 4.3%; and from Africa and Oceania, 0.9%.

It is important to mention that with the exception of North America, which increased its participation in supplying products to Mexico by 1.5%, the other regions reduced their participation in this area. Specifically, Europe, Asia and Latin America and the Caribbean reduced their participation by 0.08, 1.29 and 0.22 percentage points, respectively.

A comparison by country indicates that 76.9% of the total value of imports was concentrated in five countries: the United States, with 49.7%; China, with 14.9%; Japan, with 4.7%; Korea, with 3.9%; and Germany, with 3.7%.

FINANCIAL SERVICES



A photograph of a large, modern airport terminal interior. The ceiling is high and features a grid of square recessed lights. The walls are light-colored with large windows. People are walking through the terminal, some carrying luggage. The floor is polished and reflects the lights and people. The overall atmosphere is bright and modern.

Strategies designed to support high export and foreign currency-generating sectors were consolidated.



TOTAL FINANCING

During 2011, Bancomext continued to consolidate its strategies to support those sectors particularly associated with exports and foreign currency generation, with the goal of exerting a greater impact on job creation and the financing and development of the country's export chain.

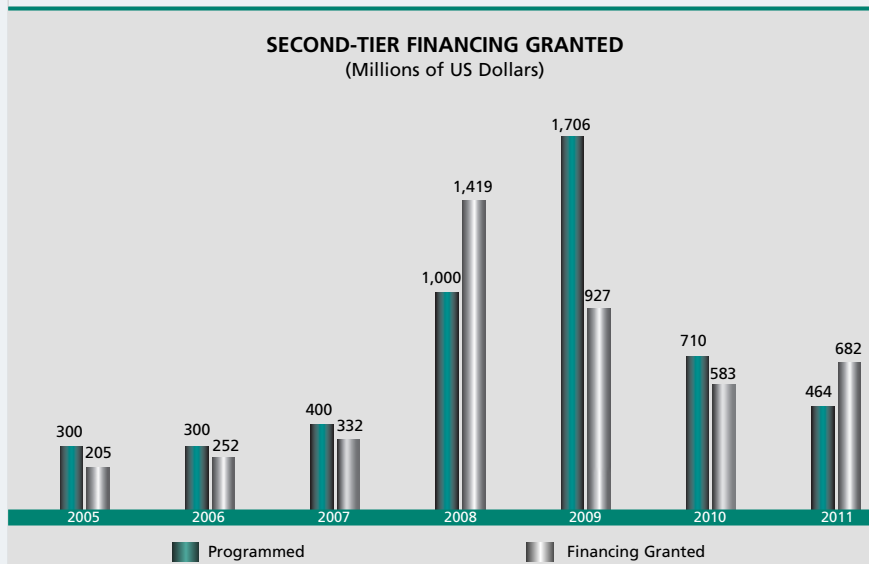
With this focus, Bancomext granted a total of 5,287 million US Dollars in financial assistance, of which 4,839 million US Dollars corresponded to financing, and 448 million US Dollars to guarantees and solidary obligations. In addition, Bancomext granted 45 million US Dollars through induced financing and solidary obligations, higher than the proposed goal of 16 million US Dollars. The induced total financing represented an increase of 166.8% on the budgeted figure.

In comparison with the figures for 2010, the total amount of financing provided in 2011, including Guarantees, signified a net increase of 2,249 million US Dollars. This was due primarily to an increase of 4,132 million US Dollars in the private sector, and 448 million dollars in Guarantees.

TOTAL FINANCIAL ASSISTANCE, 2010 AND 2011
(Millions of US Dollars)

DECEMBER 2010 FINANCED	ITEM	DECEMBER 2011				VARIATION FINANCED 11/10	
		BUDGETED		FINANCED		BUDGETED	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
	Financing First Tier						
3	Public Sector	99	25	22	-	(74)	25.3
2,147	Private Sector	2,350	4,132	1,985	92.5	1,782	175.8
2,150	Total First Tier	2,449	4,157	2,007	93.4	1,708	169.7
583	Second Tier	705	682	99	17.0	(23)	96.7
2,733	Total Financing	3,154	4,839	2,106	77.1	1,685	153.4
300	Guarantees	27	448	148	49.3	421	1,659.3
5	Securities Guarantees	-	-	(5)	(100.0)	-	-
3,038	Total Financing	3,181	5,287	2,249	74.0	2,106	166.2
19	Induced and Solidary Obligations	16	45	26	136.8	29	281.3
3,057	Total Induced Financing	3,197	5,332	2,275	74.4	2,135	166.8

SECOND-TIER FINANCING



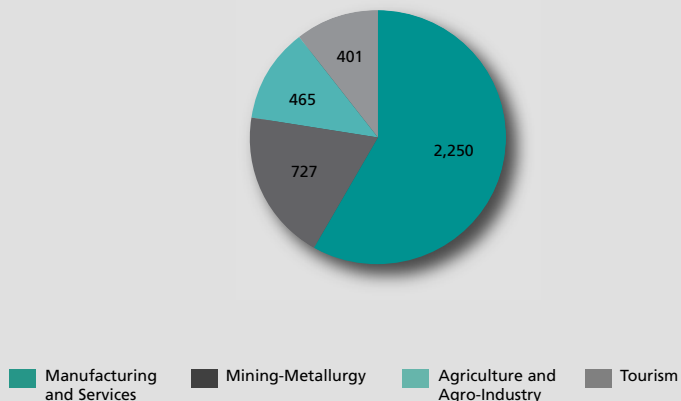
Source: National Institute of Statistics, Geography and Informatics (*Instituto Nacional de Estadística Geografía e INEGI*).

In 2011, second-tier financing totaled 682 million US Dollars, reflecting a 17.0% increase with respect to the same period in 2010. This can be explained primarily by the consolidation of the “Sector-Product-Geography” Business Model, with specialized attention to priority sectors.

FINANCING BY SECTOR

The economic sectors receiving the greatest volume of first-tier financing were the following: Manufacturing and Services, with 2,250 million US Dollars; Mining-Metallurgy, with 727 million US Dollars; Agricultural and Agro-Industrial sector, with 465 million US Dollars; and Tourism, with 401 million US Dollars. Together, the financing granted to these sectors corresponded to 77% of the total first-tier financing granted.

FINANCING GRANTED BY ECONOMIC SECTOR
(Millions of US Dollars)



SERVICES PROVIDING CHANNELS

Bancomext has consolidated its model for providing foreign trade services through two specialized areas, classified according to the size of clients, their characteristics and projects, and the sector-based programs, that permit an increased level of service:

SMALL BUSINESS DEVELOPMENT (SECOND-TIER FINANCING)	BUSINESS FINANCING (FIRST-TIER FINANCING)
<ul style="list-style-type: none"> Credit Buyer Guarantee Selective Guarantee International Export Factoring International Import Factoring Letters of Credit Export Credit Insurance 	<ul style="list-style-type: none"> First-Tier Credit Inventory Financing (Repurchase Agreements) Letters of Credit Derivatives Buying-selling of foreign currency Appraisals Structured Projects (Corporate Financing)
<p>SECTOR-BASED PROGRAMS</p> <ul style="list-style-type: none"> Tourism <i>Maquiladora</i> (In-bond) Export Industry Automotive – Auto-parts Transportation and Logistics Electric – Electronic Energy 	

SMALL BUSINESS DEVELOPMENT

The purpose of the Small Business Development Department is to provide foreign trade financing to small and medium-size Mexican export and import firms, developing products and programs with this aim; and also to provide these firms with services that allow them to diversify their markets and enhance their competitiveness abroad.

STRATEGIC BUSINESS PLAN

During 2011 the strategy implemented by the Small Business Development Department was primarily aimed at fulfilling the following objectives:

- 1) Develop products and programs oriented toward meeting the needs of export and foreign currency-generating firms.
- 2) Promote participation by commercial banks and intermediaries specializing in financing small and medium-size export firms.
- 3) Maintain second-tier financing in Bancomext's portfolio.
- 4) Generate more liquidity in export firms through international factoring.
- 5) Focus on products with a 100% electronic platform.

2011 was another year for implementing financial products, and one particularly worth highlighting is International Export and Import Factoring, through Bancomext's incorporation in the world's largest association of factoring companies, **Factors Chain International (FCI)**. By becoming a member of this network, we are able to finance accounts receivables in 67 countries, and also assist Mexican import firms whose suppliers need risk coverage in order to sell their products. The latter is provided

through the 260 members of this important global network of factoring companies.



Member of
**FACTORS
CHAIN
INTERNATIONAL**

Also during 2012, we implemented our Buyer Guarantee Program. It enables Bancomext to offer guarantees to foreign financial institutions in order to hedge against the risk of non-payment on financing granted to their clients that import Mexican goods and services. In the current stage, the Bank is able to provide this service to Mexican export firms that conduct operations in Colombia and Peru.

The Bank continued to strengthen its network of financial intermediaries, making it possible to channel financing to small and medium-size export and tourism firms for acquiring working capital or fixed assets through discount and guarantees programs for projects of less than 3 million US Dollars.

The Bank also strengthened its network of international financial intermediaries, to make ready the implementation of our Foreign Trade Programs. Currently, there are 92 lines of credit with international financial institutions in 23 countries as counterparties.

In addition the Bank continued to work with a number of entities in both the public and private sectors (ProMexico, CESCEMEX, COMCE, ANIERM, as well as state governments, and others) with the objective of consolidating the link between our Institution and these entities, to assist Bancomext in fulfilling its mission of vigorously promoting foreign trade in our country.

BUSINESS FINANCING

The Business Financing Department is responsible for promoting and granting the Institution's financial assistance to participants in the various activities associated with foreign trade and foreign currency generation, and is focused on assisting the firms in their target markets to increase their competitiveness at the international level and strengthen their participation in the export chain.

BUSINESS DE NEGOCIOS

During 2010 the Business Financing Department initiated the implementation of what is referred to as the “Sector-Product-Geography” Business Model, and in 2011 it continued to consolidate this model, focusing primarily on the following guidelines:

1. Direct credit to private and public sectors.
2. Lines of credit above 3 million US 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 – Auto-parts
 - Transportation and Logistics
4. National coverage through 3 Regional Offices:
 - Northeastern Regional Office (located in Monterrey, Nuevo León)
 - Central Regional Office (located in Mexico City)
 - Western Regional Office (located in Guadalajara, Jalisco)
5. Expanded coverage of business groups receiving services (with a focus on the country’s 400 primary business groups).

The application of the Business Model during 2011 led to significant results such as:

- 32% increase in the Business Financing Department's first-tier portfolio of assistance to the private sector, from 39,686 million Pesos in 2010 to 52,415 million Pesos at the end of 2011, surpassing the goal programmed for this area by 15%.
- Three new Business Area Departments were established, with the aim of strengthening and addressing in a specialized manner the Electric-Electronic, Automotive-Auto-parts and Public Sectors.
- At the end of 2011, the total Pipe Line consisted of operations in the amount of 43,552.00 million Pesos, surpassing the total at the end of 2010, which was 21,194.00 million Pesos.
- The placement of resources for granting first-tier financing was doubled this year in relation to last year, from 2,157 million US Dollars in 2010 to 4,146 million US Dollars in 2011.
- The process of integrating the functions of Credit Analysis and Portfolio Rating into the role of "Liaison Executives" or Promoters-Analysts was concluded, with the objective of meeting more comprehensively the needs of potential clients.

PRIORITY SECTORS

TOURISM SECTOR

During 2011 Bancomext continued to diversify the portfolio, segments and destinations for this sector. The number of firms included in this portfolio represents 32% of all the private sector firms in the Bank's first-tier credit portfolio.

Added to this portfolio was the credit granted in new destinations attended by Bancomext, such as La Paz, Baja California Sur and Huatulco, Oaxaca.

In 2011 nine new investment projects (hotels) were concluded and placed into operation, representing over two million keys, thus improving the infrastructure in beach destinations such as the Riviera Maya and Huatulco, and in cities such as Puebla, Mérida and Monterrey.

These new investments have generated between 2.5 and 3 million new direct jobs in projects in operation, not including the jobs generated during the construction phase.

2011 was declared by the Mexican President as the International Year of Tourism. As part of this agreement, Bancomext assumed a commitment to channel first-tier resources to this sector, and met its goal by 143%.

FIGURES IN MILLIONS OF PESOS

	DECEMBER 2009	DECEMBER 2010	DECEMBER 2011
TOURISM	6,038	6,100	10,042

TRANSPORTATION AND LOGISTICS

In 2011 Bancomext granted financing to this sector through the development of financing structures that enabled the Institution to mitigate credit risks in the sector's operations. It also carried out actions to diversity the Transportation Sector portfolio, promoting the incorporation of aviation, maritime, bus transportation and railway companies.

Bancomext worked in a coordinated manner with various chambers and entities (CANACAR, CAMEINTRAM, FEMIA, CMET, AMF) to provide services to this sector.

To enhance the Institution's presence in the sector, it participated in important forums and events, making presentations and speaking to groups, and also participated in meetings with federal government offices.

At the end of 2011, the sector had a Pipe Line of 4,863 million Pesos.

FIGURES IN MILLIONS OF PESOS

	DECEMBER 2009	DECEMBER 2010	DECEMBER 2011
TRANSPORTATION	1,335	1,503	1,992

MAQUILADORA (IN-BOND) EXPORT INDUSTRY

During 2011 this sector presented the Institution's highest level of growth in terms of its first-tier portfolio, with an increase of

4,750 million Pesos. It is especially worth highlighting that over 80% of the resources channeled to this sector were allocated to assisting projects in the country's regions characterized by security problems (Chihuahua, Nuevo León, Tamaulipas and border areas).

The results obtained were derived from the implementation of strategies for developing and diversifying Bancomext's direct and indirect client base, and from adjusting various internal processes in line with best practices for this sector. There was also a focus on long-term operations with characteristics that offer stability to the Institution.

During 2011 Bancomext participated in the first syndicated loan to the real estate sector specialized in industry.

FIGURES IN MILLIONS OF PESOS

MAQUILADORA INDUSTRY	DECEMBER 2009	DECEMBER 2010	DECEMBER 2011
	26	1,669	6,419

AUTOMOTIVE—AUTO-PARTS

In order to enhance the Institution's presence in the automotive-auto-parts sector, representatives intensified efforts to establish contact with chambers and associations in 2011, through participation in various forums.

With the goal of creating more synergy with public sector entities, Bancomext worked together with ProMexico and state-level Secretariats of Economic Development to detect foreign investment projects in the terminal and auto-parts industries.

In 2011 Bancomext assisted the suppliers sector, facilitating financing through commercial banks, particularly to Ford and General Motors suppliers.

Bancomext played a role in structuring a syndicated loan in the amount of 3,000 million Pesos granted to an assembly company for installing a production line for a new freight and passenger vehicle in the Saltillo, Coahuila plant, thus generating approximately 800 new direct jobs.

The main operations in this sector in 2011 included a loan granted to a 100% Mexican bus transportation company, to support the exporting of buses to Central America, enabling the company to reactivate its presence in international markets.

FIGURES IN MILLIONS OF PESOS

AUTOMOTIVE-AUTOPARTS	DECEMBER 2009	DECEMBER 2010	DECEMBER 2011
	6,621	12,044	15,226

ELECTRIC-ELECTRONIC

In mid-2011 Bancomext created the Department for Electric-Electronic Sector Financing in order to offer specialized attention to these economic activities. A study was conducted with the main chambers associated with these branches, in order to identify the target market and detect the sector's needs, particularly with the National Chamber of Electric Manufacturing (Cámara Nacional de Manufacturas Eléctricas—CANAME) and the National Chamber of the Electronics, Telecommunications and Information Technologies Industries (Cámara Nacional de la Industria Electrónica, de Telecomunicaciones y Tecnologías de la Información—CANIETI).

FIGURES IN MILLIONS OF PESOS

ELECTRIC-ELECTRONIC	DECEMBER 2010	DECEMBER 2011
	3,360	3,751



TREASURY AND FINANCIAL MARKETS



The accumulated results from Treasury and Financial Markets management rose to 830 million Pesos.

Global economic growth was positive in 2011, but at a lower rhythm than in 2010. In the United States, while the Gross Domestic Product (GDP) grew at 1.8%, this rate was 40% lower than the rate in 2010. Nevertheless, by the fourth quarter of 2011, a 3.5% growth rate was projected, above the 1.3% and 2.0% rates registered in the two previous quarters.

The unemployment rate did not decrease to the levels prior to the mortgage crisis, instead remaining at 9% of the economically active population, although it was projected at 8.8% for the fourth quarter of 2011. The stock exchange indexes in developed markets were mixed during 2011 compared to the levels at the end of 2010. Thus the United States ended the year on positive terms, while European and Asian markets fell significantly in comparison to the beginning of the year.

Sovereign debt problems continued in several European countries, exacerbated by effects from the 2009 crisis. The value of the euro diminished with respect to the US Dollar. Discounted interest rates applied by central banks remained low, particularly in the case of the US Federal Reserve, which also applied a quantitative easing policy.

On its side, the Mexican market registered significant growth in economic and industrial activity, driven by exports, and

managed to recover some jobs previously lost. Prices increased at a moderate rate; the Central Bank's (Banco de México) objective interest rate continued to be relatively low and stable, while the stock exchange market ended the year at a level below the one registered at the beginning of the year.

In the economic and financial environment described here, the accumulated positive results from Bancomext's Treasury and Financial Markets management rose to 830 million Pesos.

The Treasury and Financial Markets Department carefully observed market tendencies in order to detect business opportunities and to base portfolio management on profitability criteria, while taking into consideration potentially impacting events.

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 funding costs.

Average daily funding through clients' bank deposits in foreign currencies amounted to 771 million US Dollars and 16 million Euros. With regard to funding contracted with foreign commercial banks, these operations amounted to over 2,900 million US Dollars during 2011. In addition the number of correspondent banks granting commercial credit lines 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 2011 the financial margin generated by the Treasury Department rose to 601 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. It maintained daily average transactions of 92,537 million Pesos, generating income in the amount of 199 million Pesos. It also placed securities issued for funding the Treasury's obligations in national currency among its clients and counterparties, at the different terms required, and at a daily average of 19,228 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 income obtained through the Bank's own trading operations, operations with clients, holding operations and foreign exchange swaps reached a total of 30 million Pesos.


OTHER RESULTS

- The Bank issued CEBURES at a four-year term for a total of 5,000 million Pesos, at a 28 days TIIE rate minus one base point. Fitch Mexico and Moody's of Mexico assigned an AAA (mex) and Aaa.mx rating, respectively, to such issuance.
- In relation to activities with International Organizations, and specifically with Bilateral and Multilateral Medium and Long-Term Lines of Credit, and those for Environmental Projects, operations were allocated to resources from the Line of Credit with Kreditanstalt für Wiederaufbau (KfW) of Germany; projects were presented for approval by the European Investments Bank (EIB); and with regard to the "San José Agreement" mandate, disbursements for authorized projects continued. Also, a line of credit for environmental projects was signed with the Japan Bank for International Cooperation (JBIC), the International Arm of the Japan Finance Cooperation; and an Agent Bank agreement was signed with the Royal Bank of Scotland to operate under Euler Hermes coverage.
- The Central Bank (Banco de México), after conducting a review of technical ability, renewed Bancomext's authorization to operate in the Derivatives Market.



LEGAL SITUATION





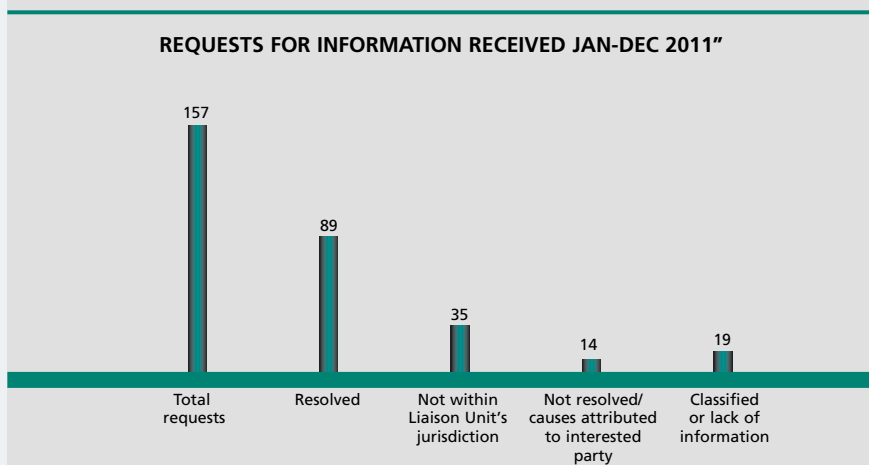
The implementation of strategies made it possible to achieve better results in portfolio recovery from cases with payment problems.

STANDARDS ON TRANSPARENCY

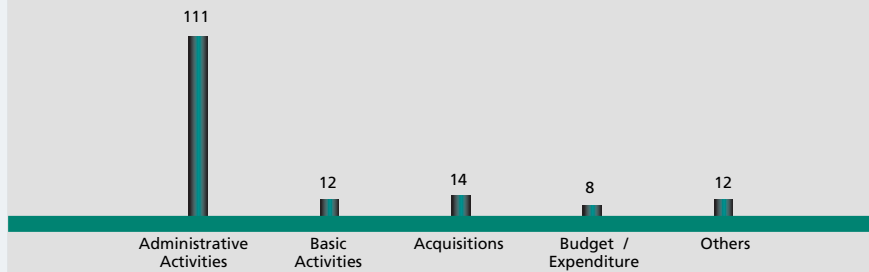
From January to December 2011, Bancomext gave particular attention to compliance with obligations in this area and to aligning criteria with the Federal Institute for Access to Information and Data Protection (*Instituto Federal de Acceso a la Información y Protección de Datos—IFAI*). This included addressing legal provisions and administrative regulations in the areas of transparency and data protection.

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

- A total of 157 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:

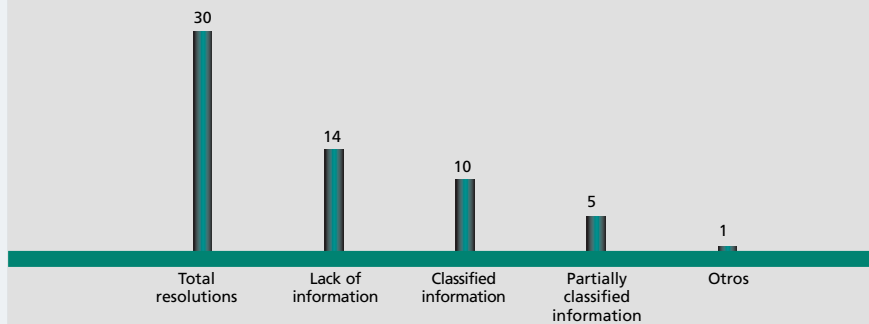


TOPICS OF REQUESTS CORRESPONDING TO LIAISON UNIT'S JURISDICTION



- One request for revision was filed, and was addressed in a timely manner.
- Bancomext's Information Committee met on 30 occasions to resolve a range of cases within its jurisdiction, categorized in the following graph:

RESOLUTIONS FROM INFORMATION COMMITTEE (2011)



- Required information was provided to the Federal Institute for Access to Information and Data Protection (*Instituto Federal de Acceso a la Información y Protección de Datos*—IFAI) for its annual report to the National Congress.
- Activities were carried out to update the IFAI's "Reserved File Index System" (*Sistema de Índice de Expedientes Reserva-*

dos) and “Reserved Information System” (*Sistema Persona*) in the periods established in the applicable regulations for this area.

- Work corresponding to the implementation of the IFAI’s Transparency Obligations Program (*Programa de Obligaciones de Transparencia—POT*) was carried out, and its coordination at the institutional level was continued, with the objective of continually updating information related to the transparency obligations in Article 7 of the Federal Law on Transparency and Access to Governmental Public Information (*Ley Federal de Transparencia y Acceso a la Información Pública Gubernamental—LFTAIPG*) that are contemplated in the POT.
- The Institution continued to adopt measures and actions that enable it to provide more efficient services to the public, specifically through a Liaison Unit office for providing services to the public and through training for personnel on channeling requests appropriately.

TRUST FUNDS

In 2007 a program was initiated to close trust funds offering only low earnings for the Institution, as well as those whose objectives were not in line with the Institution's mission. As a result, during the second half of 2011, a total of 18 trust fund businesses were closed or replaced. As of December 31, 2011, Bancomext was managing a total of 316 trust fund businesses.

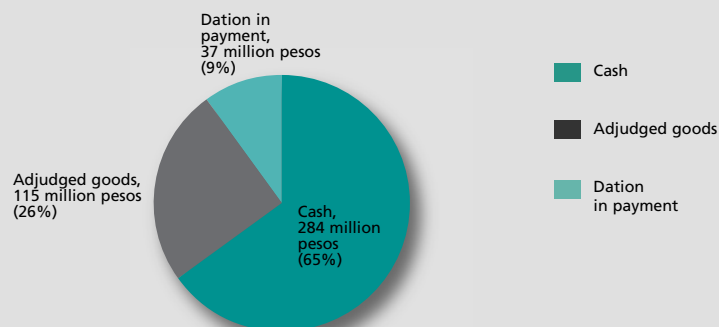
Together, all the trust fund businesses managed by Bancomext maintained total assets in the amount of 51,893 million Pesos, of which 16,798 million Pesos correspond to liquid funds.

PORTFOLIO RECOVERY

In March 2011, Bancomext's Board of Directors authorized the creation of the Special Credit Recovery Department. Its primary objective is to coordinate efforts in implementing strategies, managing extrajudicial recovery, and monitoring judicial recovery proceedings, in order to achieve better results in recovering financial income for the Institution from cases of the portfolio with payment problems.

As of December 31, 2011, the results from these efforts amounted to 436 million Pesos, primarily from payment and liquidation of the overdue loan portfolio, extraordinary B-6 portfolio recovery, dation in payment and property obtained through judicial proceedings.

PORTFOLIO RECOVERY



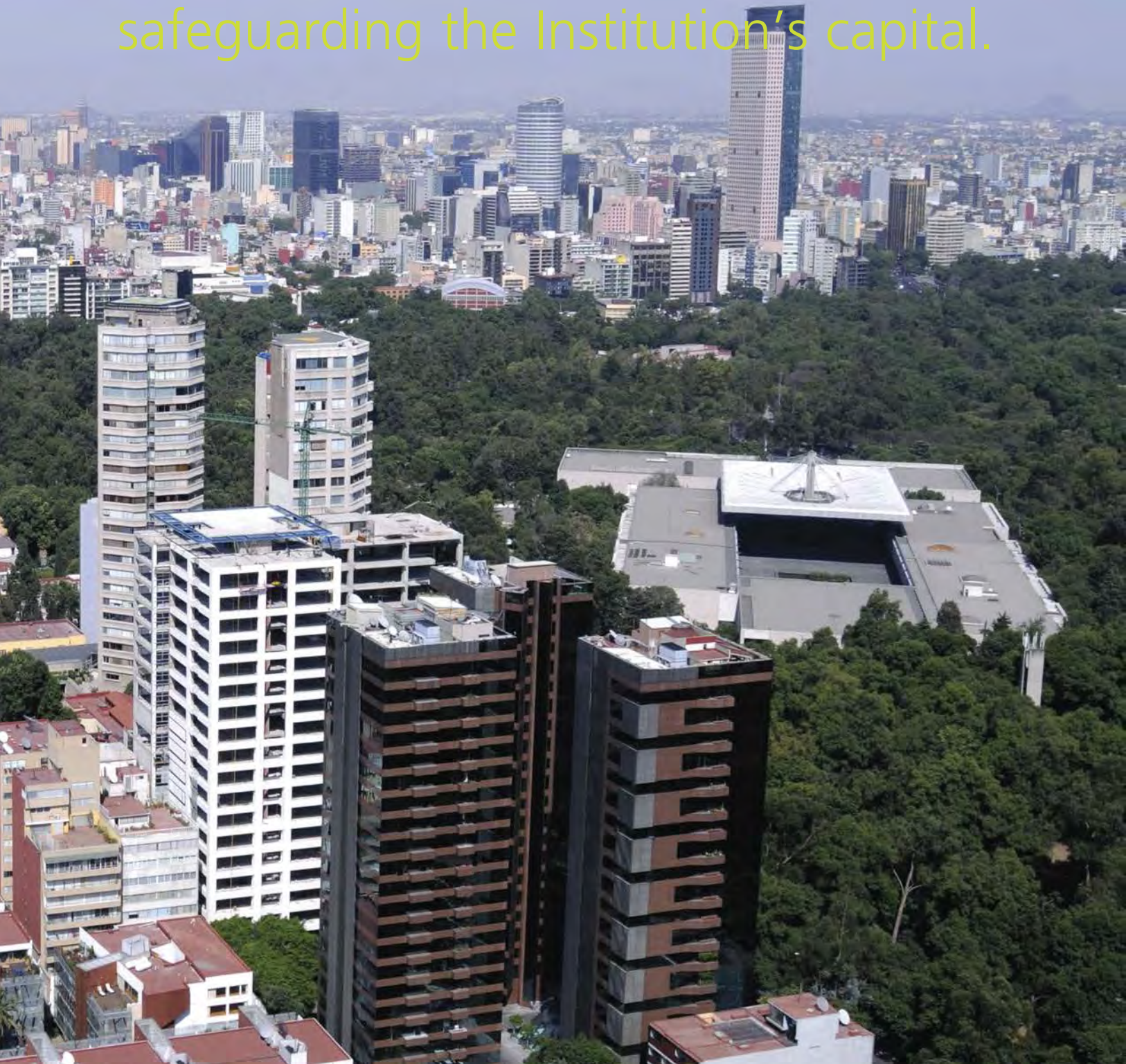
The recovery of 284 million Pesos in cash corresponded primarily to 55% overdue portfolio recovery, 21% B-6 portfolio recovery, and 24% other portfolio debts.

In addition a certain number of work-out schemes were carried out for closing out and restructuring the overdue portfolio, amounting to 161 million Pesos, and permitting the regularization of the impaired loan portfolio, loan payment and the release of the corresponding reserves.

CORPORATE GOVERNANCE AND INTERNAL CONTROL



Best practices in corporate governance and internal control contributed to consolidating business strategies and safeguarding the Institution's capital.



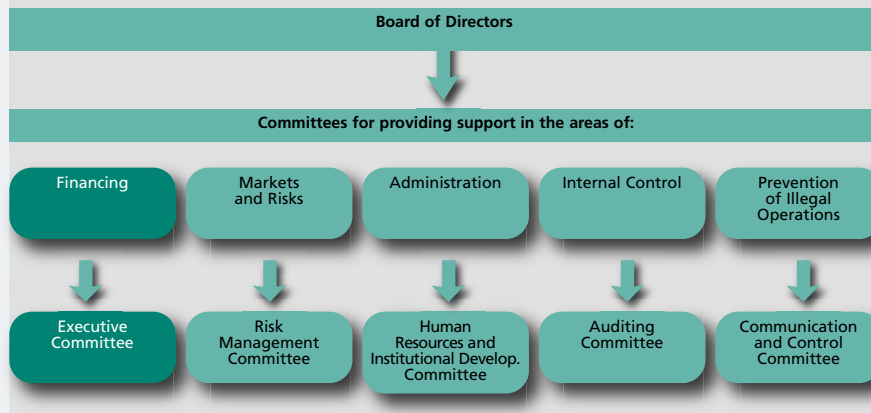


CORPORATE GOVERNANCE AND INTERNAL CONTROL

Bancomext has a governance structure, composed of a Board of Directors, which is the highest-level decision-making body, 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 2011 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

Bancomext has an Institutional Model of Internal Control that includes objectives and guidelines designed to establish a general framework to be used by the Institution's personnel in the implementation and functioning of the Internal Control System at all organizational levels.

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

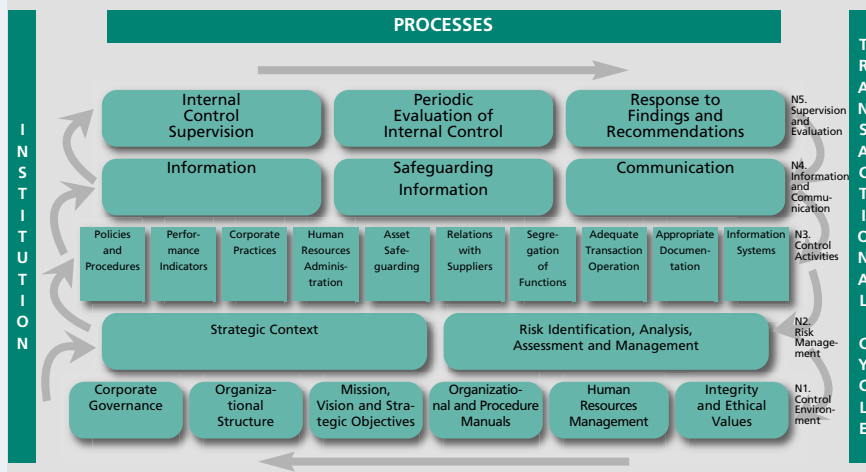
- **Internal Control System**

In 2011 the objectives and guidelines in the Institutional Model of Internal Control, which must be observed by the Institution's members, were updated. The guidelines are formulated to comply with regulations from the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público—SHCP*), 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 Internal Control provisions established by the Secretariat of Public Service (*Secretaría de la Función Pública—SFP*).

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

The National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores—CNBV*) concluded an inspection visit at Bancomext, with the primary objective of evaluating the degree to which it has implemented the Internal Control System. In general, the visit's conclusion was that the Institution is complying to a reasonable degree with regulatory requirements in the area of internal control.

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



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

During 2011 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 México) and the Federal Audit Office (*Auditoría Superior de la Federación*).

- **Bancomext's Code of Conduct**

Bancomext's Code of Conduct was updated in 2011 and presented to the Auditing Committee as well as to 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. Corrective measures must be applied in the case of failure to adhere to this Code.

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:

- **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.

- **Attention to requirements for information and documentation established by the National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*)**

Bancomext complied with requirements for information and documentation established by the corresponding authorities for application to the financial entities subject to supervision by the National Banking and Securities Commission, through investigation and sanctions for behaviors linked to potential crimes of money laundering and financing of terrorism.

- **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 required to receive such training in the area of preventing money laundering and the financing of terrorism.

- **Requirements established by the Organization for Economic Cooperation and Development (OECD)**

Bancomext addressed the requirements established by the Organization for Economic Cooperation and Development (OECD) in relation to Mexico's Evaluation in Phase III of the Implementation of the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

TRANSPARENCY AND ACCOUNTABILITY PROGRAM

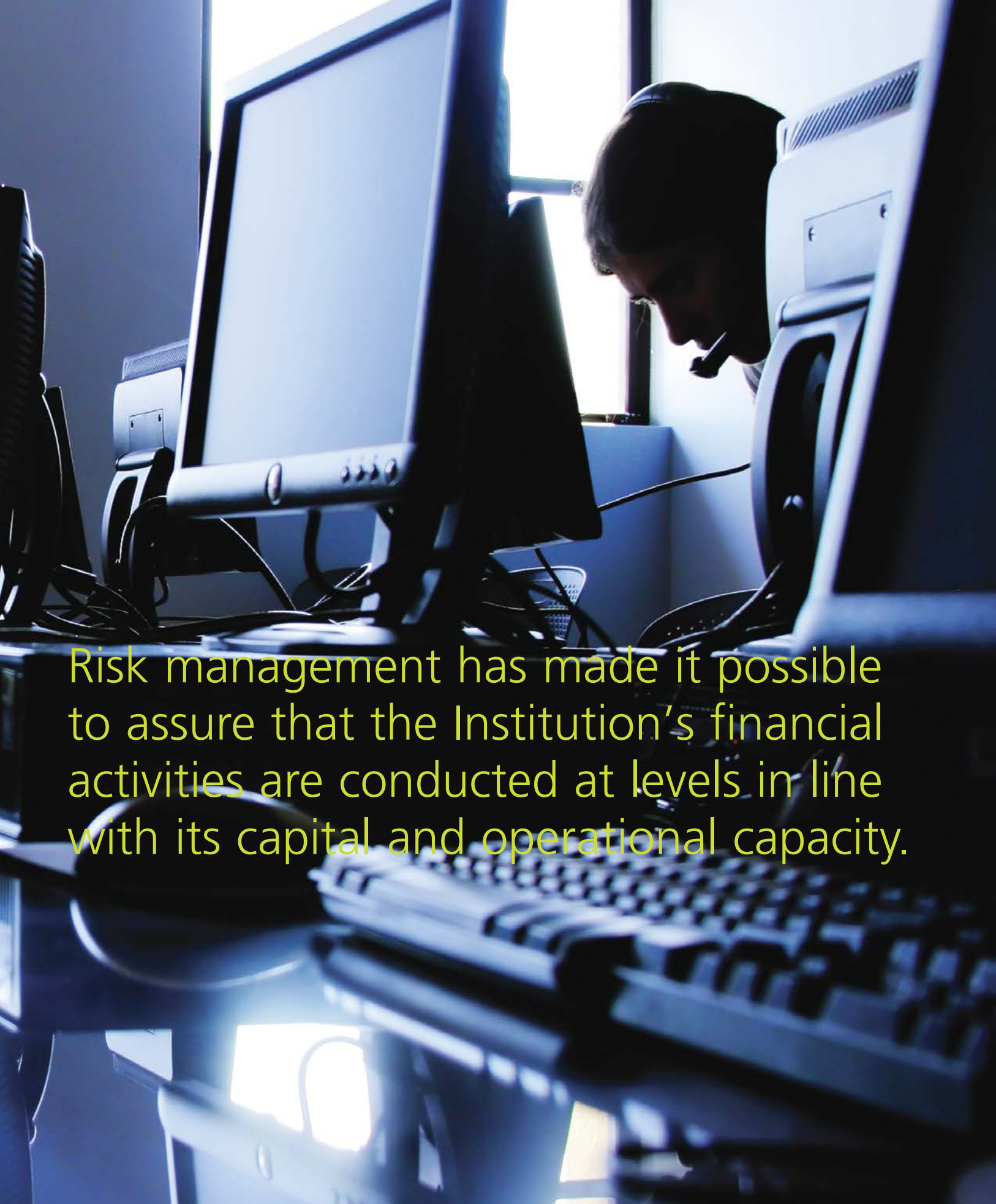
This program is obligatory for all entities, offices and institutions of the Federal Public Administration (*Administración Pública Federal*—APF). Its purpose is to strengthen practices and values in public service, with a management focus that is more open to society's participation and characterized 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 were the following:

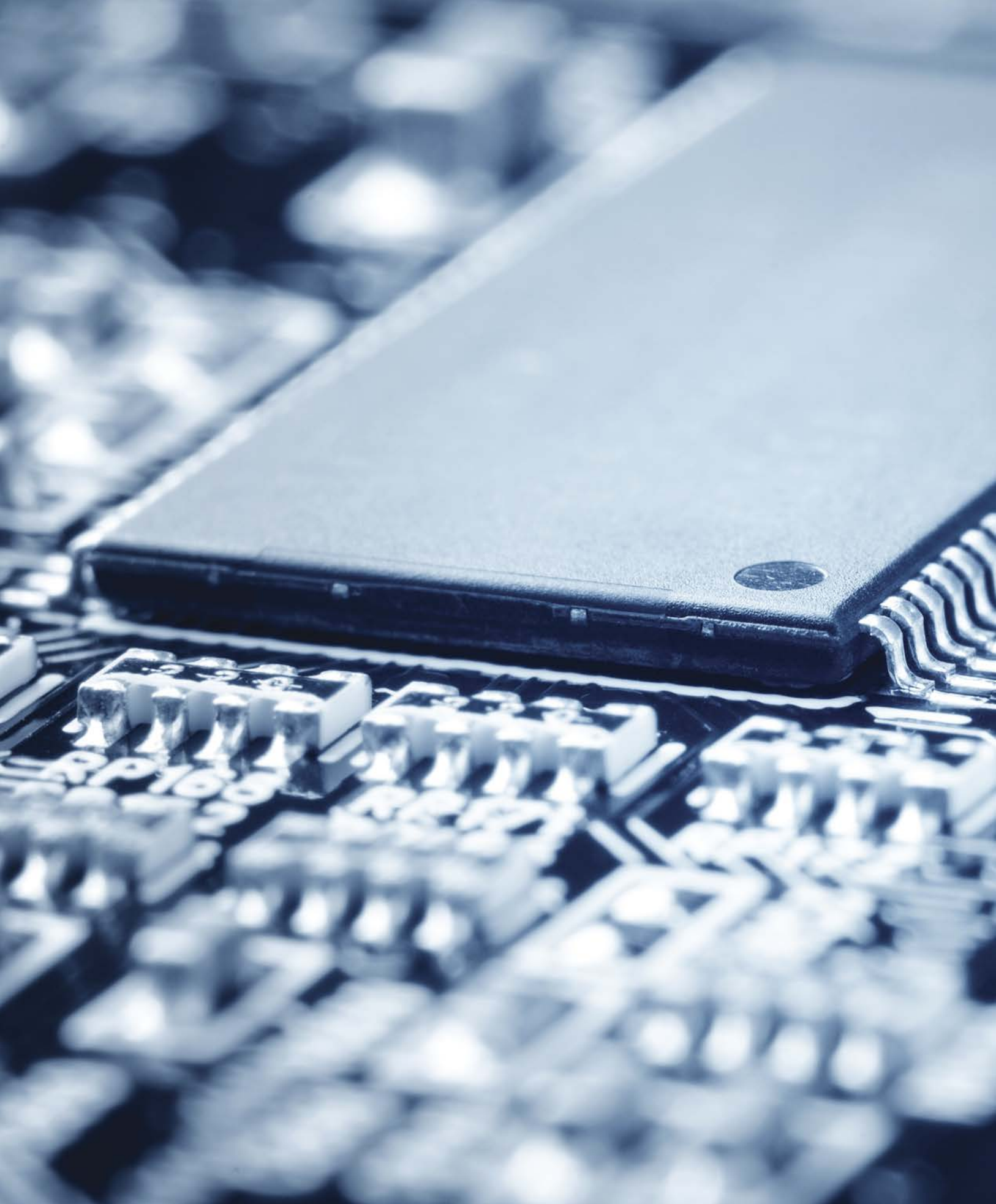
- Updating and improvement of the Institution's web page.
- Actions corresponding to the area of transparency of socially useful or focalized information.
- Activities corresponding to the guidelines on citizen participation.

MANAGEMENT MODEL





Risk management has made it possible to assure that the Institution's financial activities are conducted at levels in line with its capital and operational capacity.



INFRASTRUCTURE AND TECHNOLOGY

In February 2011 the Strategic Technology and Communication Plan (*Plan Estratégico de Tecnología y Comunicaciones—PETIC 2011*) was authorized. The objective is 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.

While addressing business projects, prioritized with a focus to attend, first of all, the following criteria:

- Obsolescence
- Regulations
- Income from New Products

And secondly, addressing the projects that respond to Improvements and Savings criteria.

From January to December 2011, 99.92% compliance with the Strategic Technology and Communications Plan (PETIC 2011) was achieved. The initial portfolio was composed of 34 business projects; their performance throughout the year varied, leading to a final portfolio of 27 projects, of which a total of 22 were concluded.

HUMAN RESOURCES MANAGEMENT

This area has been created because of the value of the Institution's human capital that enables Bancomext to maintain the competitive advantage needed in today's economic environment. For this reason the priority of Human Resources, Materials and Services is to provide the Institution with the human talent it requires, as well as the necessary services for the optimal performance of its functions, and thus comply with its Mission and fulfill the Vision it has proposed.

Some of the most important results obtained in the Human Resources area were the following:

- A reordering of the structure for supporting business areas, primarily Small Business Development and Business Financing.
- Integration of the inventory of human resources / job-description-person, and the implementation of the Performance Management and Evaluation scheme.
- Implementation of a skill training program with the objective of building and strengthening the skills required by personnel in order to achieve greater organizational efficiency and to comply with the Institution's strategy.

- A diagnostic assessment of the Institution's business areas in order to establish a Strategic Training Plan for providing tools to promoters that will allow them to improve their sales strategy and support our clients throughout the credit process, from credit research to credit recovery.
- An updating of the assets inventory and restructuring of the program for the sale, donation and destruction of assets.

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 the 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 its

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.

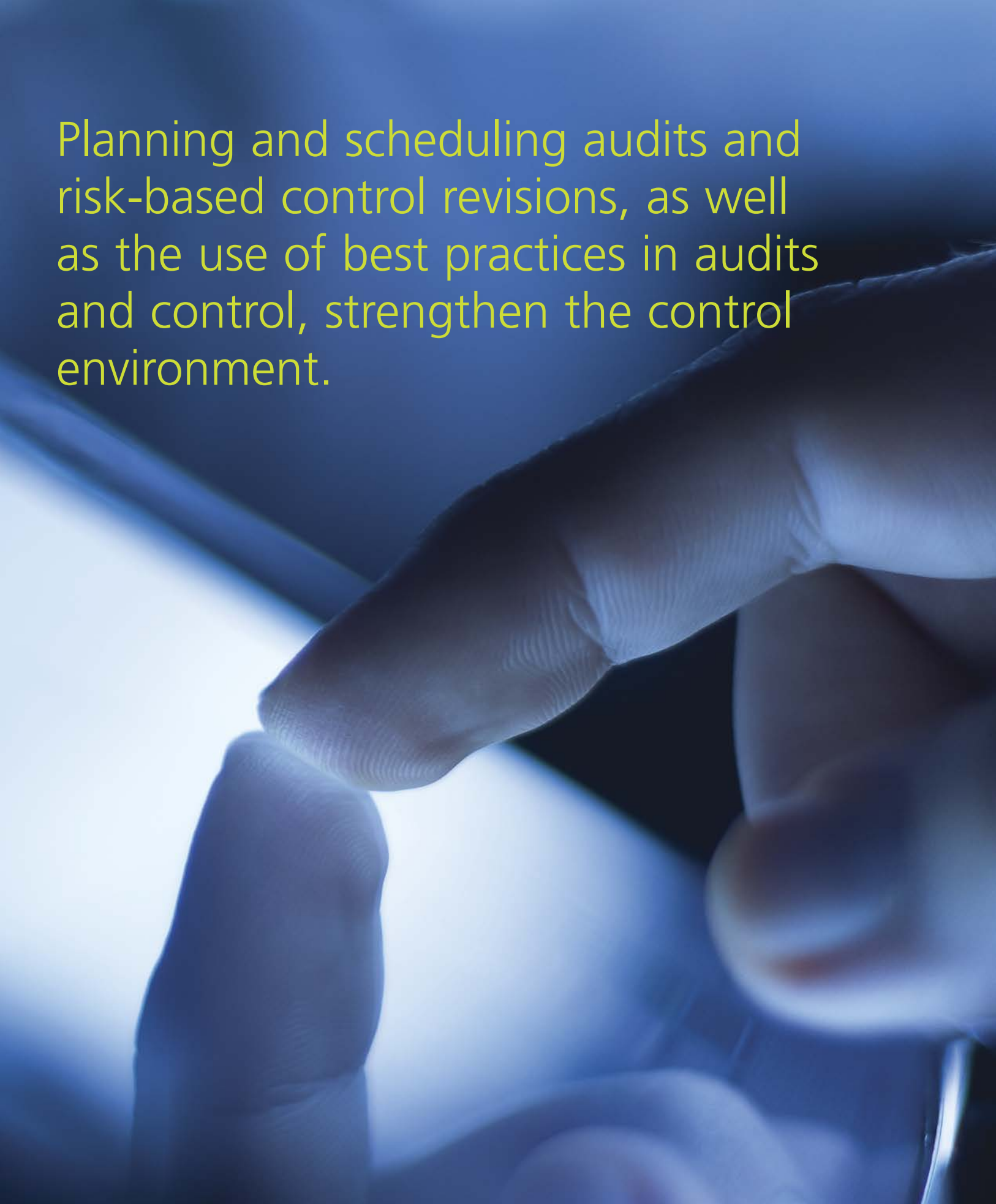
In 2011 Bancomext achieved important advances in risk management, with the following especially worth mentioning:

- Central Bank (Banco de México) authorization for derivatives operations. The Central Bank has authorized the Institution, for a period from April 2011 to September, 2012, 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 2011, 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.
- Market and Liquidity Risk. Compliance was assured with national and foreign regulations in the area of market and liquidity risks, by observing the authorized risk limits monitored through daily reports that consider the risk level of Business and Treasury portfolios.
- Counterparty Risk. Compliance with national and foreign regulations in the area of credit risks was assured through 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 correspond to the spread and guarantee premium, respectively, derived from the operation's credit risk.
- **Non-discretionary Quantifiable Risks.** Events from operational risk, with and without economic impact, are reported periodically. The level of operational risk of critical processes is measured on the basis of their nature (monetary exposure) and level of efficiency, and is also reported periodically. In addition, tests for Business Continuity Plans (BCPs) were updated and conducted, and tests for the Disaster Recovery Plan (DRP) and the Institution's Operations Continuity Plan (PCOOP) 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 (DRP), with satisfactory compliance.

INTERNAL CONTROL ENTITY

Planning and scheduling audits and risk-based control revisions, as well as the use of best practices in audits and control, strengthen the control environment.





AUDITS AND CONTROL REVISIONS

In order to confront the challenges in formulating the 2011 Annual Work Program, the Secretariat of Public Service (*Secretaría de la Función Pública—SFP*) instructed Internal Control Entities to consolidate best practices in the areas of auditing 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 2011 program was registered with the Secretariat of Public Service (*Secretaría de la Función Pública—SFP*), and received 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, audits and control revisions were scheduled and conducted. Especially worth mentioning here were those

corresponding to Credit Auditing, Reserved Accounts, Legal Recovery, Benefits, New Products, Foreclosed Assets, Subsidiary Companies, Financial Information, Expenditure Budget, Outsourcing and Systems, as well as those which are obligatory, including Money Laundering, Risk Management, Derivatives and Legal Auditing, among others.

These control revisions made it possible to contribute to improving processes and seeking a balance between what is strategic and what has been mandated, favoring effectiveness in achieving the Institution's objectives, as in the case of Financial Resources Contracted and Dispersed, Training, and Administrative Processes Implemented.

Of the observations issued by the Internal Control Entity and other auditing authorities, the initial balance for 2011 was 6 observations to be addressed, and another 59 observations were made during the year. Of this total of 65 observations, 46 were resolved, and a balance of 20 observations remained by the fourth quarter. The most relevant corresponded to Credit, Legal Recovery, New Products, Subsidiary Companies and Financial Information, classified as low and medium 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.

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: Monitoring actions taken in the various areas for implementing seven of the nine Manuals for General Application (Auditing, Acquisitions, Human Resources, Material Resources, Information Technologies, Transparency and Internal Control).

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. These projects were: first, Automation of the Prices and Tariffs System, which is currently making it possible to optimize the time frame for delivering services to clients, specifically providing quotes for rates and commissions, in line with the Institution's policies; and secondly, the New Derivatives System, which will permit Bancomext to expand its participation in the derivatives market, and at the same time, respond to the requirements from regulatory entities.

PREPARATION OF DIAGNOSTIC ASSESSMENTS

In order to comply with the objectives of the Program for Improvement in Management, a total of eight diagnostic assessments were conducted in 2011. One was proposed by the Internal Control Entity for Bancomext's web page and seven were instructed by the Secretariat of Public Service. Of the latter, three were related to Efficiency of Administrative Operations and four were related to Improvement and Monitoring of High-Impact Proceedings and Services, Phase I, II, III and IV. With the aim of assessing the current status of service provision to clients, surveys on public satisfaction were conducted, with the following results: First-tier Credit, a score of 9.94; Fiduciary, 10; Letters of Credit, 9.45; and Bank Deposits, 9.55. The opinions offered by clients receiving these services, as well as by public servants, when applicable, are useful for identifying opportunities.

AUDITING COMMITTEE

The Internal Control Entity participates in Bancomext's various committees, in an advisory role, with the right to speak but not to vote. It uses 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, Internal Control Entity staff participates together with committee 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. During the period from January 1 to December 31, 2011, this committee met in four ordinary sessions and eight special sessions.

It is important to point out that the Extraordinary Committee is composed of Financial Expert Members and the heads of the Auditing Committee, with participation by the Commissioners in Series "A" and "B," the Director of the Internal Comptroller's Office (*Contraloría Interna*) and the head of the Internal Auditing area. The objective of this Committee is basically to review, express opinions, and when applicable, issue recommendations to the

Board of Directors for the authorization of the Bank's financial statements.

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

In 2011 the Internal Control Entity initiated 24 administrative procedures addressing responsibilities, and responded to 38 complaints and denouncements presented against the Institution's public servants. At the same time, firm decisions were obtained in response to dispute measures, derived from the administrative resolutions issued, in which their validity was acknowledged.

One case of inconformity was received, in relation to bidding processes convoked by the Institution, but it was withdrawn by the party involved.

In addition the Internal Control Entity addressed 30 administrative notices related to the delivery/reception of areas or positions by public servants, and provided consultation for presenting a declaration of modifications in assets.

Responses were provided to 72 requests for information, in relation to the Federal Law on Transparency and Access to Government Public Information (*Ley Federal Transparencia y Acceso a la Información Pública Gubernamental*). Also, Bancomext fulfilled obligations with respect to its reserved files and its web site on the Institution's Obligations with regard to Transparency.

FINANCIAL SITUATION

2008 Butrass Inc.


2008

Nov

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■ Fast Stochastic: %K(5) 77.33 ■ %D(3) 75.31

■ Volume 3,820,00 ■ MA(13) 4,898,306

The background features a dark blue grid with several financial charts. At the top, there is a candlestick chart with white and blue bars. Below it, a line chart with a white and blue line fluctuates across the grid. At the bottom, a bar chart with white bars is visible. The text is overlaid on the lower half of the image.

With the implementation of the “Sector-Product-Geography” business model, designed to focus attention on the prioritized high export and/or foreign currency-generating sectors, as well as on growth in operations and increased efficiency in expenditures, Bancomext has reported profits in the last few years, thereby strengthening the Institution’s capital in accordance with its mandate.

17,42	17,19	-0,06	-0,14%
17,12	17,19	+0,56	1,91%
23,86	42,14	+0,17	3,52%
25,96	27,07	+0,26	0,89%
22,74	21,18	-1,14	-4,08%
25,18	27,33	+13,53	3,32%
27,17	31,58	+0,82	0,54%
9,73	9,51	+0,41	1,62%
25,78	25,32	+0,28	1,33%
27,18	29,81	+0,17	3,52%
28,02	31,47	+0,17	3,52%

RESULTS

A) OPERATION RESULTS

INCOME STATEMENTS (Figures in millions of pesos)

	FOR THE YEARS ENDED JANUARY 1ST TO DECEMBER 31, 2011 AND 201				
	BUDGET 2011	ACTUAL 2010	ACTUAL 2011	ACTUAL % VS. 2010	ACTUAL VARIATION 2011 % VS. BUDG
Financial Markets and Treasury	888.5	889.4	821.1	(7.7)	(7.6)
Credit	1,220.1	1,299.2	1,228.2	(5.5)	0.7
Guarantees	65.6	57.4	64.6	12.5	(1.6)
Trust funds	27.6	35.9	27.4	(23.7)	(0.8)
Total Net Income	2,201.8	2,281.9	2,141.3	(6.2)	(2.7)
Active Personnel Expenses	633.6	499.9	519.9	4.0	(18.0)
Retirees Expenses	195.7	201.0	194.7	(3.1)	(0.5)
Operational Expenses	486.1	425.3	420.1	(1.2)	(13.6)
Arbitrage Process Expenses	0.0	49.1	0.0	(100.0)	n.c.
Operations Expenses	1,315.4	1,175.2	1,134.6	(3.5)	(13.7)
Operations Profit (Loss)	886.3	1,106.7	1,006.6	(9.0)	13.6
Pensions Provision Fund, 2009					
Tables & Rate change	525.5	1,171.9	525.5	(55.2)	0.0
Allowances and Write-off of Loans	64.4	407.2	80.7	(80.2)	25.4
Profit (Loss) without Subsidiaries	296.5	(472.4)	400.4	n.c.	35.1
Results from Subsidiaries	35.0	67.5	31.0	(54.1)	(11.7)
Profit (Loss) with Subsidiaries	331.5	(404.9)	431.4	n.c.	30.1
Net B-6 Recovery & Sale of Foreclosed Assets	40.3	197.2	66.7	(66.2)	65.6
Other Net Income (Expenses)	137.7	987.8	153.0	(84.5)	11.1
Profit (Loss) without Taxes	509.5	780.0	651.1	(16.5)	27.8
ISR, IETU & PTU	47.1	11.8	(30.3)	n.c.	n.c.
Net Profit (Loss)	462.4	768.2	681.4	(11.3)	47.3

The net results of the period totaled 681.4 million Pesos, an amount 86.8 million Pesos below that reported for 2010, primarily due to extraordinary portfolio recovery that year. The 2011 results are summarized below:

Net returns generated by the Loan Portfolio amounted to 1,228.2 million Pesos, most of which corresponded to loans granted to the private sector, specifically 864.3 million Pesos, plus 227 million Pesos from commissions charged, and 92.2 million Pesos from overdue portfolio recovery and restructured loans.

A decrease of 71 million Pesos can be observed in comparison to the same period in 2010, since that year 57.6 million Pesos were charged in default interest and 56.1 million Pesos in restructuring fees, while in 2011, 15.2 million pesos were charged in origination fees derived from prepayments and 30 million Pesos were received in restructuring fees.

Financial Markets and Treasury operations reported 821.1 million Pesos in earnings, an amount 68.3 million Pesos below that obtained at the end of 2010, and derived primarily through the national currency desk, due to the Bank's position in terms of government securities, with a spread that has been very sensitive to market shifts. Nevertheless, 60.5 million Pesos more in Treasury revenue was obtained, primarily due to balance management and an increase of 3.5 million Pesos in profits obtained through Foreign Currency Desk operations, as a result of foreign exchange swaps, a business that began during 2011.

Revenue from trust fund activity totaled 27.4 million Pesos, or 8.5 million Pesos less than the amount obtained in 2010, as a result of the closing of several trust funds.

As a result of the Loan Portfolio Rating, 326.5 million Pesos less in credit reserves were established in 2011 than in the previous year. Although 44.6 million Pesos more in reserves were

released in 2010, the rating requirement in December 2010 was 489.9 million Pesos (of which 155.9 million Pesos correspond to generic reserves), while the requirement for the same period in 2011 was 261.5 million Pesos.

Administration and Promotion Expenditures decreased by 30.1% with respect to 2010, primarily due to diminished pension costs and a reduction in legal expenses paid in 2010 in association with extraordinary portfolio recovery.

The amount under the balance sheet heading "Other Operational Income" at the end of 2011 was 217 million Pesos, an amount 894 million Pesos less than the amount at the end of 2010. This is due primarily to 22 million Pesos in profits from a property sale in June 2011, and the April 2011 cancellation of the provision of 59.5 million Pesos for fiscal years 2003 and 2004, while in 2010 a total of 750 million Pesos in legal risk reserves were cancelled, as were 128 million Pesos of reserves in the Guarantees Fund.

B) FINANCIAL SITUATION

GENERAL BALANCE DECEMBER 31, 2011 AND 2010

(Figures in millions of pesos)

ITEM	DECEMBER	DECEMBER	VARIATION	
	2010	2011	AMOUNT	%
Deposits and Investments in Securities	43,077	45,106	2,029	5
Securities Restricted by Repurchase Agreements	48,451	86,746	38,296	79
Stock Portfolio Available for Sale	90	(41)	((31)	
Permanent stock investments	872	784	(88)	(10)
Stock Market Investment	1,004	874	(130)	(13)
Private Sector Portfolio	36,701	49,857	13,157	36
Public Sector Portfolio	9,278	7,509	(1,769)	(19)
Total loan portfolio	45,978	57,366	11,388	25
Allowance for credit risks	(3,206)	(2,384)	822	(26)
Net Loan Portfolio	42,772	54,983	12,210	29
Other Assets	5,321	7,625	2,305	43
Total Assets	140,625	195,334	54,709	39
Payables under repurchase transactions	48,446	86,750	38,303	79
Domestic Debt	55,042	59,145	4,103	7
Foreign Debt	21,980	27,308	5,329	24
Other Liabilities	7,046	13,107	6,062	86
Total Liabilities	132,514	186,310	53,796	41
Stockholders' Equity	8,111	9,024	913	11
Total Liabilities and Stockholders' Equity	140,625	195,334	54,709	39

I. ASSETS

At the end of December 2011, the Institution's total assets amounted to 195,334 million Pesos, which is 39% or 54,709 million Pesos above the amount registered at the end of 2010. Below is a summary of the items in which substantial modifications occurred.

Securities Restricted by Repurchase Agreements increased to 86,746 million Pesos, which is 38,296 million Pesos above the amount in the previous period, due primarily to an increase in money desk operations for repurchase agreements for the Bank's own securities.

The amount of the Current Credit Portfolio totaled 56,907 million Pesos at the end of December 2011, or 28% higher than the amount in December 2010. The increase was due primarily to loans to the private sector, which were greater than maturities and prepayments, and the increase in the exchange rate at the end of December 2011. The overdue portfolio of 459 million Pesos in December 2011 was 70% less than that reported in December 2010. This is due to the elimination of loans from assets in accordance with Criteria B-6 "Loan Portfolio," which establishes that the Institution may opt to eliminate fully advanced overdue loans from its assets. Such action was taken primarily because financing granted to a trust fund associated with the aeronautical sector was transferred to the overdue portfolio in 2010, and is currently in a recovery process, however since it was properly guaranteed, the Bank's administration does not expect any losses to be generated.

The Bank's credit reserves were 5.2 greater than the amount of the overdue portfolio for 2011. In the previous year these reserves were 2.09 times greater than the overdue portfolio.

II. LIABILITIES

At the end of 2011, the Bank's total liabilities came to 186,310 million Pesos, an amount 41% greater than that reported at the end of 2010, in line with an increase in assets. The increase in liabilities from 2010 to 2011 was generated basically through the increase of 38,303 million Pesos in the balance sheet heading "Creditors from Repurchase Agreements."

III. STOCKHOLDERS' EQUITY

In 2011 Bancomext requested resources of up to 250 million Pesos from the Secretariat of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*—SHCP) for the purpose of strengthening social capital, and this amount was provided on December 29, 2011.

A total of 9,024 million Pesos in stockholders' equity was reported at the end of 2011, an amount 913 million Pesos greater than that reported at the end of 2010. This increase was derived from profits of 681.4 million Pesos at year's end and the contribution of 250 million Pesos from the federal government mentioned in the previous paragraph.

PROGRAMMABLE EXPENDITURES

The **modified 2011** budget for programmable expenditures authorized by the Secretariat of Finance and Public Credit rose to a total amount of 1,782 million Pesos.

2011 BUDGET

ITEM	MILLIONS OF PESOS
Current Expenditures	988
Physical Investment	7
Other Current Expenditures	787
Total Programmable Expenditures	1,782

During 2011 Bancomext utilized 1,593 million Pesos, or 89% of the funds authorized for such year, signifying a savings of 189 million Pesos.

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

- Structures were strengthened in the Institution's business areas, and the reduction in structures as contemplated in the National Program for Reducing Public Spending (*Programa Nacional de Reducción del Gasto Público*—PNRGP) was completed. It is important to mention that this reduction was formalized ahead of schedule, beginning in 2010, and including fiscal years 2011 and 2012.

- In terms of acquisitions, Bancomext has continued to contract services under the multi-annual modality, enabling the Institution to obtain a number of benefits, including better price conditions and increased certainty in budget use, with commitments to established amounts.
- In terms of optimizing the physical space in the buildings owned by the Institution, CENCACI was sold in order to eliminate under-used spaces, thereby contributing to reducing operating costs, and also to continue to emphasize compliance with the Property Reduction Program. The latter is 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, resources were allocated for new business projects such as the Derivatives System and the International Factoring System. The goal is to promote the Bank's new financial products and thus contribute to generating more income. Also, it is important to highlight that the strategy for modernizing the technological platform was consolidated in 2011, under the outsourcing scheme instead of acquiring goods through investment. In this way, in addition to optimizing time and diminishing costs, the Institution complied with the Guidelines for Austerity and Discipline in Spending.
- Physical investment was once again subject to cost-benefit criteria.
- All contributions to Public Trust Funds in 2011 were allocated to cover Contributions to the Personnel Retirement Fund. These contributions were made on the basis of an actuarial study issued by a specialized, independent office, and in the case of Other Current Expenditures, needs not originally foreseen were covered in the area of surcharges and legal resolutions.





BOARD OF DIRECTORS

840	806.81
115	321.95
959	999.32
308	075.82
361	804.23
513	176.00
624	730.14
437	



BANCOMEXT'S BOARD OF DIRECTORS
Board Members, Series "A"

Members	Deputy Members
José Antonio Meade Kuribreña Secretary of Finance and Public Credit and Chairman of the Board	Luis Madrazo Lajous Head of the Development Banking Unit Secretariat of Finance and Public Credit
Bruno Ferrari García de Alba Secretary of Economy	José Antonio Torre Medina Mora Deputy Secretary of Competitiveness and Normativity Secretariat of Economy
Francisco Javier Mayorga Castañeda Secretary of Agriculture	Ernesto Fernández Arias Deputy Secretary of Agribusiness Development Secretariat of Agriculture
Patricia Espinosa Cantellano Secretary of Foreign Affairs	Rogelio Granguillhome Morfín Executive Director of the Mexican Agency for International Development Cooperation Secretariat of Foreign Affairs
Jordy Hernán Herrera Flores Secretary of Energy	Jaime González Aguadé Deputy Secretary of Electricity Secretariat of Energy
Gerardo Rodríguez Regordosa Secretariat of Finance and Public Credit	Alejandro Díaz de León Carrillo Head of the Public Credit Unit Secretariat of Finance and Public Credit
Carlos Montaña Fernández Deputy Secretary of Expenditures Secretariat of Finance and Public Credit	Jaime Francisco Hernández Martínez General Director of Budget and Programming "B" Secretariat of Finance and Public Credit
Francisco de Rosenzweig Mendialdua 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 (<i>Banco de México</i>)	José Gerardo Quijano León General Director of Financial System Matters Central Bank (<i>Banco de México</i>)

Board Members, Series "B"

Members	Deputy Members
Mario Sánchez Ruiz Chairman, <i>Consejo Coordinador Empresarial</i> (CCE)	Gerardo Gutiérrez Candiani Chairman, <i>Confederación Patronal de la República Mexicana</i> (COPARMEX)

Valentín Díez Morodo
Chairman, *Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología* (COMCE)

Salomón Presburger Slovik
Chairman, *Confederación de Cámaras Industriales de los Estados Unidos Mexicanos* (CONCAMIN)

Jorge Enrique Dávila Flores
Chairman, *Confederación de Cámaras Nacionales de Comercio, Servicios y Turismo* (CONCANACO SERVYTUR)

Fernando Tamez Murguía
Chairman, *Asociación Nacional de Importadores y Exportadores de la República Mexicana* (ANIERM)

Sergio Enrique Cervantes Rodiles
Chairman, *Cámara Nacional de la Industria de la Transformación* (CANACINTRA)

Juan Gilberto Marín Quintero
Chairman, *Promotora de Negocios P.I. Mabe, S.A. de C.V.*, SOFOMENR

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*

José María Basagoiti Caicoya
General Director, *Basagoiti y Asociados Consultores Ejecutivos*

Commissioners

Members

Deputy members

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

SERIES "B"

Carlos Aguilar Villalobos
General Director, *Despacho Aguilar Villalobos Asociados, Consultoría y Auditoría*

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

Héctor Alejandro Rangel Domene
Chief Executive Officer

Anthony Maccarthy Sandland
Deputy General Director Business Financing

Rolando S. Vázquez Castellanos
Deputy General Director Small Business Development

Enrique Carrillo Aguilar
Deputy General Director Financing

Miguel Angel Ochoa Salas
Deputy General Director Credit

María del Carmen Arreola Steger
Deputy General Director Administration and Finances

Víctor Manuel Carrillo Ramos
Deputy General Director Legal and Fiduciary

Sergio S. Cancino y León
Head of Internal Control Entity

BANCOMEXT OFFICES IN MEXICO

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



NORTHEASTERN — MONTERREY
Av. Gómez Morin No. 320
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Fax (01-81) 83-69-21-66 y 55

WESTERN — GUADALAJARA
Blvd. Puerta de Hierro 5090-5,
Fracc. Puerta de Hierro,
45110 Zapopan, Jal.
Tel. (01-33) 36-48-27-00 y 36-48-27-46
Fax (01-33) 36-48-27-16 y 36-48-27-14

CENTRAL — MEXICO CITY
Periférico Sur No. 4333,
3er. piso Poniente
Col. Jardines en la Montaña
14210 México, D.F.
Tel. 54-49-90-00 / 54-49-92-84
Fax 54-49-92-48



2011 AUDITED FINANCIAL STATEMENTS



**BANCO NACIONAL DE COMERCIO EXTERIOR, S. N. C.
DEVELOPMENT BANKING INSTITUTION
CONSOLIDATED FINANCIAL STATEMENTS
WITH SUBSIDIARIES, FOR THE YEARS ENDED
DECEMBER 31, 2011 AND 2010 AND
INDEPENDENT AUDITORS' REPORT**

Banco Nacional de Comercio Exterior, S. N. C.
Development Banking Institution

Consolidated financial statements with subsidiaries
as of December 31, 2011 and 2010
and independent auditors' report

Table of Contents

<u>Contents</u>	<u>Page</u>
Independent auditors' report	1
Consolidated financial statements with subsidiaries:	
General balance sheets	2
Income statements	3
Statements of changes in stockholders' equity	4
Cash flows statements	5
Notes to the financial statements	6 to 65

Banco Nacional de Comercio Exterior, S. N. C.
Development Banking Institution

Periférico Sur 4333
Mexico City, Federal District

General consolidated balance sheets with subsidiaries
December 31, 2011 and 2010
(Figures in millions of pesos)

Assets	Note	2011	2010	Liabilities	Note	2011	2010
Liquid assets	5	\$ 14,535	\$ 10,916	Traditional deposits:			
Investments in securities:				Demand deposits	13	\$ 2	\$ 2
Trading securities	6-a	87,023	51,557	Time deposits:			
Securities available for sale	6-b	1,592	1,480	Money market	14	45,107	48,004
Securities held to maturity	6-c	2,068	3,528	Credit instruments issued		5,665	1,500
		90,683	56,565			50,774	49,506
Receivable under repurchase transactions	7	26,724	24,178	Interbank loans and loans from other entities:	15		
Current loan portfolio:	8			Immediately due and payable		1,255	616
Commercial loans:				Short term		29,677	22,816
Business or commercial activity		44,659	28,808	Long term		3,235	3,331
Financial entities		4,859	6,153			34,167	26,763
Government entities		7,192	9,273	Payables under repurchase transactions	7	86,731	48,313
Consumer loans		23	25	Derivatives:			
Housing loans		174	186	With hedging purposes	18	3,068	958
Total current loan portfolio		56,907	44,445			89,799	49,271
Past-due loan portfolio:	8			Other accounts payable:			
Commercial loans:				Income taxes payable	16	-	-
Business or commercial activity		447	1,521	Employee profit sharing payable		57	1
Consumer loans		3	4	Creditors for operation settlement		9,797	4,992
Housing loans		9	9	Sundry creditors and other accounts payable		1,416	1,534
Total past-due loan portfolio		459	1,534			11,270	6,527
Total loan portfolio		57,366	45,979	Deferred loans and advance collections		282	313
Allowance for credit risks	8-k	(2,383)	(3,206)	Total liabilities		186,292	132,380
Loan portfolio (net)		54,983	42,773	Stockholders' equity	19		
Other accounts receivable (net)	12	7,078	4,778	Contributed capital:			
Reposessed assets (net)	9	1	1	Capital stock		14,959	14,959
Property, furniture and equipment (net)	10	396	516	Contributions for future capital increases formalized by its governing body		250	-
Permanent stock investments	11	433	386	Paid stock premium		81	81
Deferred taxes and employee profit sharing (net)		78	-			15,290	15,040
Other assets:				Earned capital:			
Deferred charges, prepayments and intangibles		4	1	Capital reserves		141	141
Other short and long term assets		401	377	Prior periods result		(7,022)	(7,775)
				Result from valuation of securities available for sale		(41)	(38)
				Result from holding non-monetary assets		(25)	(25)
				Net result		681	768
				Non-controlling equity		-	-
						(6,266)	(6,929)
				Total stockholders' equity		9,024	8,111
Total assets		\$ 195,316	\$ 140,491	Total liabilities and stockholders' equity		\$ 195,316	\$ 140,491

MEMORANDUM ACCOUNTS (Notes 21, 22, 23 and 24)

	2011	2010
Guarantees granted	\$ 2,467	\$ 2,467
Contingent assets and liabilities	5,110	3,899
Credit commitments	3,105	2,102
Assets under trust or mandate		
Trusts	45,712	41,483
Mandates	6,944	6,261
Federal Government Financial Agent	-	73
Assets under custody or administration	423,721	240,177
Collaterals received and sold or delivered as guarantee by the entity	6,452	10,895
Collaterals received by the entity	33,174	35,085
Uncollected accrued interest derived from past-due loan portfolio	636	641
Loan portfolio rating	64,498	51,583
Other recording accounts	205,238	162,446

These consolidated general balance sheets were prepared in accordance with accounting criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Articles 99, 101 and 102 of the Law of Credit Institutions, of general and obligatory observance, consistently applied, in which the transactions carried out by the Institution until the above-mentioned dates are reflected, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated general balance sheets were approved by the Board of Directors under the responsibility of the directors that subscribe the same.

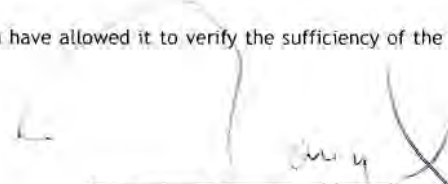
The amount of the historical capital stock subscribed as of the date of these statements is \$ 14,009 million.

The Capitalization Ratio on assets subject to credit risk is 16.45% and on assets subject to total risks is 12.37% as of the month of December, 2011.


The worldwide web page of Banco Nacional de Comercio Exterior, S.N.C. containing the information related to this statement is: <http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html>. The homepage of the National Banking and Securities Commission where the financial information of Bancomext can be viewed is: <http://www.cnbv.gob.mx/bancadesarrolloyentidadesfomento/informacionestadistica/Paginas/BancadeDesarrollo.aspx>.

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

The Head of the Internal Audit area signs these financial statements based on the results of the reviews made until such date, which have allowed it to verify the sufficiency of the process for the generation of financial information established by the management of the Institution and its capacity to generate reliable information.



Héctor A. Rangel Domene
General Director



Ma. del Carmen Arreola Steger
Deputy General Director, Administration and Finance



Martha Martínez Quiroz
Finance Director



Horacio Manuel Díaz Mercado Queijeiro
Head of the Internal Audit Area in
Banco Nacional de Comercio Exterior, S.N.C.

Banco Nacional de Comercio Exterior, S. N. C.
Development Banking Institution

Periférico Sur 4333
Mexico City, Federal District

Consolidated income statements with subsidiaries
For the years ended January 1st to December 31, 2011 and 2010
(Figures in millions of pesos)

	<u>Note</u>	<u>2011</u>	<u>2010</u>
Interest income		\$ 7,327	\$ 5,663
Interest expense		(5,555)	(3,979)
Financial margin	20-a	1,772	1,684
Allowance for credit risks		(7)	(227)
Financial margin adjusted for credit risks		1,765	1,457
Comission and fees collected	20-d	196	302
Comission and fees paid		(20)	(121)
Result from brokerage	20-b	24	275
Other operating income (expenses)	20-c	217	1,111
Administration and promotion expenses		(1,599)	(2,286)
Operating result		583	738
Equity in the result of non-consolidated subsidiaries and associated companies		17	46
Result before taxes on profit		600	784
Current income tax	16	(6)	(4)
Deferred income tax (net)	16	87	(12)
Majority net result		681	768
Non-controlling equity		-	-
Net result		\$ 681	\$ 768

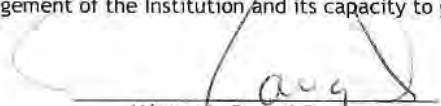
These consolidated income statements were prepared in accordance with accounting criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Articles 99, 101 and 102 of the Law of Credit Institutions, of general and obligatory observance, consistently applied, reflecting all the revenues and expenses derived from the transactions carried out by the Institution during the above-mentioned periods, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

These consolidated income statements were approved by the Board of Directors under the responsibility of the subscribing directors.


The worldwide web page of Banco Nacional de Comercio Exterior, S.N.C. containing the information related to this statement is: <http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html>. The homepage of the National Banking and Securities Commission where the financial information of Bancomext can be viewed is: <http://www.cnbv.gob.mx/bancadesarrolloyentidadesfomento/informacionestadistica/Paginas/BancadeDesarrollo.aspx>.

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

The Head of the Internal Audit area signs these financial statements based on the results of the reviews made until such date, which have allowed it to verify the sufficiency of the process for the generation of financial information established by the management of the Institution and its capacity to generate reliable information.


Héctor A. Rangel Domene
General Director


Martha Martínez Quiroz
Finance Director


Ma. del Carmen Arreola Steger
Deputy General Director,
Administration and Finance


Horacio Manuel Díaz Mercado Queijeiro
Head of the Internal Audit Area in
Banco Nacional de Comercio Exterior, S.N.C.

Banco Nacional de Comercio Exterior, S. N. C.
Development Banking Institution

Periférico Sur 4333
Mexico City, Federal District

Consolidated statements on changes in stockholders' equity with subsidiaries
For the years ended December 31, 2011 and 2010
(Figures in millions of pesos)

	Contributed capital			Earned capital					Total stockholders' equity
	Capital stock	Contributions for future capital increases formalized by its government body	Paid stock premium	Capital reserves	Prior periods result	Result from valuation of securities available for sale	Result from holding non-monetary assets	Net result	
Balances as of December 31, 2009	\$ 14,959	\$ -	\$ 81	\$ 141	\$ (8,290)	\$ (22)	\$ (25)	\$ 515	\$ 7,359
Movements inherent to decisions of the owners:									
Capitalization of results	-	-	-	-	515	-	-	(515)	-
	-	-	-	-	515	-	-	(515)	-
Movements inherent to the recognition of comprehensive income:									
Net result	-	-	-	-	-	(32)	-	768	736
Result from the valuation of securities available for sale	-	-	-	-	-	16	-	-	16
Balances as of December 31, 2010	\$ 14,959	\$ -	\$ 81	\$ 141	\$ (7,775)	\$ (38)	\$ (25)	\$ 768	\$ 8,111
Movements inherent to decisions of the owners:									
Contributions for future capital increases	-	250	-	-	-	-	-	-	250
Capitalization of results	-	-	-	-	768	-	-	(768)	-
	-	250	-	-	768	-	-	(768)	250
Movements inherent to the recognition of comprehensive income:									
Net result	-	-	-	-	(15)	(11)	-	681	655
Result from the valuation of securities available for sale	-	-	-	-	-	8	-	-	8
	-	-	-	-	(15)	(3)	-	681	663
Balances as of December 31, 2011	\$ 14,959	\$ 250	\$ 81	\$ 141	\$ (7,022)	\$ (41)	\$ (25)	\$ 681	\$ 9,024

These consolidated statements of changes in stockholders' equity were prepared in accordance with accounting criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions of Articles 99, 101 and 102 of the Law of Credit Institutions, of general and obligatory observance, consistently applied, reflecting all the movements in the stockholders' equity accounts derived from the transactions carried out by the Institution during the above-mentioned periods, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

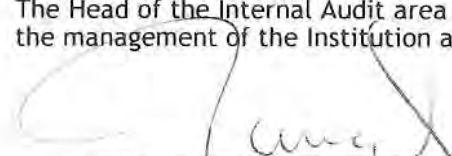
These consolidated statements of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the Directors who subscribe them.


The worldwide web page of Banco Nacional de Comercio Exterior, S.N.C. containing the information related to these statements is:
<http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html>.

The homepage of the National Banking and Securities Commission where the financial information of Bancomext can be viewed is:
<http://www.cnbv.gob.mx/bancadesarrolloyentidadesfomento/informacionestadistica/Paginas/BancadeDesarrollo.aspx>.

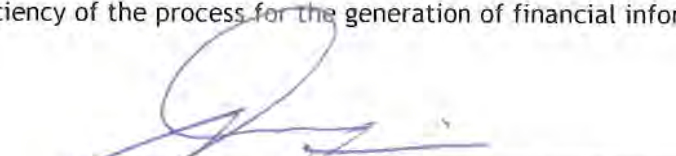
The accompanying explanatory notes are an integral part of these consolidated financial statements.

The Head of the Internal Audit area signs these financial statements based on the results of the reviews made until such date, which have allowed it to verify the sufficiency of the process for the generation of financial information established by the management of the Institution and its capacity to generate reliable information.


Héctor A. Rangel Domène
General Director


Ma. del Carmen Arreola Steger
Deputy Chief Executive Director,
Administration and Finance


Martha Martínez Quiroz
Finance Director


Horacio Manuel Díaz Mercado Queijeiro
Head of the Internal Audit Area in
Banco Nacional de Comercio Exterior, S.N.C.

Banco Nacional de Comercio Exterior, S. N. C.
Development Banking Institution

Periférico Sur 4333
Mexico City, Federal District

Consolidated cash flows statements with subsidiaries
For the years ended January 1st to December 31, 2011 and 2010
(Figures in millions of pesos)

	2011	2010
Net result	\$ 681	\$ 768
Adjustments for items not involving cash flow:		
Allowance for loan risks	7	227
Depreciations	11	16
Amortizations	10	20
Provisions	301	270
Income taxes current and deferred	(81)	16
Equity in the result of non-consolidated subsidiaries and associated companies	(17)	(46)
	<u>231</u>	<u>503</u>
Operating activities		
Change in investments in securities	(34,110)	(7,920)
Change in receivables under repurchase transaction	1,858	(25,178)
Change in derivatives (assets)	(5,005)	8,647
Change in loan portfolio	(12,217)	(426)
Change in repossessed assets	4	(77)
Change in other operating assets	(3,409)	(3,681)
Change in traditional deposits	1,268	7,655
Change in interbank loans and loans from other entities	7,404	(6,918)
Change in payables under repurchase agreements	38,417	15,184
Change in collaterals sold or delivered as guarantee by the entity	(4,404)	1,000
Change in derivatives (liabilities)	7,114	(10,016)
Change in other operating liabilities	5,437	5,644
Net cash flows from operating activities	<u>2,357</u>	<u>(16,086)</u>
Investing activities		
Collection (payments) from the acquisition of property, furniture and equipment	100	1
Net cash flows from investing activities	<u>100</u>	<u>1</u>
Financing activities		
Contributions for future capital increases	250	-
Net cash flows from financing activities	<u>250</u>	<u>-</u>
Net cash increase (decrease)	<u>3,619</u>	<u>(14,814)</u>
Cash and cash equivalents at beginning of the period	10,916	25,730
Cash and cash equivalents at end of the period	<u>\$ 14,535</u>	<u>\$ 10,916</u>

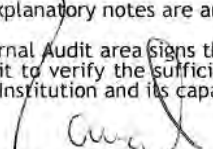
These consolidated cash flow statements were prepared in accordance with accounting criteria for Credit Institutions, issued by the National Banking and Securities Commission, based on the provisions in Articles 99, 101 and 102 of the Law of Credit Institutions, of general and obligatory observance, consistently applied, reflecting the cash inflows and outflows derived from the transactions carried out by the Institution during the above-mentioned periods, which were carried out and valued in accordance with sound banking practices and the applicable legal and administrative provisions.

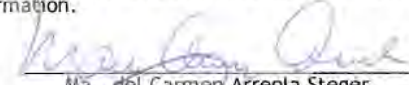
These consolidated cash flow statements were approved by the Board of Directors under the responsibility of the subscribing directors.

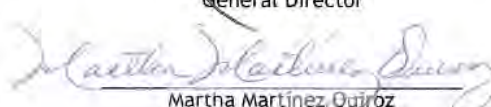
The worldwide web page of Banco Nacional de Comercio Exterior, S.N.C. containing the information related to this statement is: <http://www.bancomext.com/Bancomext/secciones/conoce-bancomext/bancomext-en-cifras/estados-e-indicadores-financieros.html>. The homepage of the National Banking and Securities Commission where the financial information of Bancomext can be viewed is: <http://www.cnbv.gob.mx/bancadesarrolloentidadesfomento/informacionestadistica/Paginas/BancadeDesarrollo.aspx>.

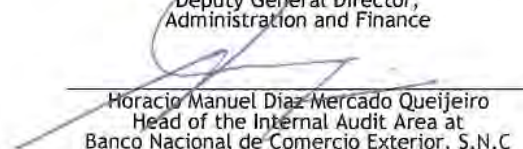
The accompanying explanatory notes are an integral part of these consolidated financial statements.

The Head of the Internal Audit area signs these financial statements based on the results of the reviews made until such date, which have allowed it to verify the sufficiency of the process for the generation of financial information established by the management of the Institution and its capacity to generate reliable information.


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Head of the Internal Audit Area at
Banco Nacional de Comercio Exterior, S.N.C

**Banco Nacional de Comercio Exterior, S. N. C.
Development Banking Institution and Subsidiaries**

**Notes to the consolidated financial statements
For the years ended December 31, 2011 and 2010
(In millions of pesos, except where otherwise stated)**

1. Compliance with financial reporting standards

The accounting policies of Banco Nacional de Comercio Exterior, S.N.C., Development Banking Institution (Bancomext, the Institution, the Bank), are in accordance with the accounting criteria applicable to Credit Institutions, established in the Third Title "Financial Information and its Disclosure" and Annex 33 of the General Provisions Applicable to Credit Institutions (Sole Circular Letter) issued by the National Banking and Securities Commission (CNBV) published on December 2, 2005 in the Official Gazette of the Federation and its amendments, the most recent being those published on December 28, 2011, as well as in the relevant part in accordance with the Financial Reporting Standards (NIF), issued by the Mexican Board for Financial Reporting Standards (CINIF).

The General Provisions Applicable to the Credit Institutions (Provisions), in force from December 3, 2005, are a legal instrument that compiles the provisions applicable to the Credit Institutions, issued by the CNBV, systematizing its integration and standardizing the terminology used, in order to provide thereby legal certainty regarding the regulatory framework to be complied with by the financial entities in the performance of their operation.

2. Incorporation, corporate purpose and basis for presentation

- a. Bancomext is an entity of the Federal Public Administration with its own legal capacity and assets, incorporated as a National Credit Corporation under the terms of the Law of Credit Institutions (LIC) and of its own Organic Law.

Banco Nacional de Comercio Exterior, S. A. was founded on June 8, 1937.

On July 12, 1985 and as a result of the nationalization of the banking system Banco Nacional de Comercio Exterior, S. N. C. was transformed into a Development Banking Institution.

On January 20, 1986, the Honorable Congress of the Union issued the "Organic Law of Bancomext". The Ministry of Finance and Public Credit (SHCP) through Provisions published in the Official Gazette of the Federation on June 24, 2002 amended, added and repealed various Provisions thereof, specifying aspects related to the purpose, operations, administration, surveillance and powers of the Board of Directors, as well as the powers of the Chief Executive Officer. On April 2, 1991 the SHCP issued the Organic Regulations of the Bank, which are still in force.

- b. Under the terms of the Organic Law of Bancomext, the corporation, in its capacity as Development Bank, will provide the public banking and credit service subject to the objectives and priorities of the National Development Plan and, particularly, of the National Programs for Development Financing, Industrial Promotion and Foreign Trade, in order to promote and finance the activities and sectors that are entrusted to it in said Law.

As a Development Banking Institution, it is aimed at financing the country's foreign trade and participating in the promotion of such activity.

- c. The accompanying consolidated financial statements include those of the Institution and those of the following subsidiaries:

Company	% interest		Activity
	Serie A	Serie B	
Desarrollo Inmobiliario Especializado, S. A. de C. V.	99.20	100	Real estate
Coordinadora de Asistencia Administrativa, S. A. de C. V., in liquidation	99.60	100	Services

The main activities of the subsidiaries of the Institution are as follows:

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

The purpose of the corporation is the acquisition, lease, administration, utilization, exploitation, disposal and use of real estate, as well as the performance of adaptation, conservation, construction, demolition, maintenance and modification works that may be carried out on them, provided these are assets in which offices of Banco Nacional de Comercio Exterior, S. N. C. are or will be located. Its total assets account for 0.18% of the total assets of the Institution.

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

The purpose of the corporation was to provide supplementary or auxiliary services in the performance of the corporate purpose of any National Credit Corporation that is or becomes its stockholder, as well as of auxiliary companies and their trusts, the installation, maintenance, cleaning, repair, review and operation of switchboards, management of executive dining rooms, courier services, personnel transportation, surveillance service, real estate, as well as the preparation of all types of printing works.

The Board of Directors of Bancomext, at the meeting held January 30, 2008, acknowledged and authorized the performance of all operational, administrative and legal procedures for the liquidation of CAASA. At the extraordinary Shareholders' Meeting of said company held on October 22, 2008, it was resolved to dissolve the company and start its liquidation. The period from January 1st to October 21st, 2008, was audited by an external accounting firm. After that date, the financial statements are prepared by the liquidator. As of December 31, 2011, the current assets of the company include what is required for its liquidation and the remainder will be refunded to Bancomext. Its total assets are not representative in comparison to the total assets of the Institution.

- d. The investment in subsidiaries is valued in accordance with the equity method. Investments in shares of associated companies over which there is no significant control or influence are valued at acquisition cost.
- e. The main activities of the Institution are regulated by the LIC and by the Law of *Banco de Mexico* (Mexican Central Bank). Said regulation includes several limitations that indicate the maximum leverage level, as well as the capitalization requirements that limit the investments and operations of the Institution.

Basis for the preparation of the financial statements

Main accounting policies

On January 27, 2011, the CNBV published amendments to various accounting criteria applicable to Credit Institutions, considering their continuous restatement, as well as the search for consistency with international regulations. These amendments did not affect the accounting records of the Institution and their main effects are related to the way items are broken down in the presentation of the statement of income and the cash flow statement, as in the former case the other operating income (expenses) are recognized within the operating result, considering as such the ordinary revenues and expenses referred to in NIF A-5 that are not a part of the administration and promotion expenses and that were previously presented separately within the item of Other income and other expenses and in the case of the cash flow statement, the items of depreciations and amortizations, which were previously presented in a single line item, are presented separately.

For comparative purposes, the statement of income and the cash flow statement from January 1 to December 31, 2010 are presented on the basis of the accounting criteria contained in the amendments indicated in the preceding paragraph.

- a. **Recognition of the effects of inflation on the financial information** - The Institution uses NIF B-10 "Effects of inflation" for the recognition of the effects of inflation in its financial statements, in accordance with the provisions in Criterion A-2 of Annex 33 of the Sole Circular Letter of the CNBV.

From January 1, 2008, NIF B-10 "Effects of inflation" came into effect, which establishes, among other changes, the recognition of the effects of inflation through the application of the comprehensive method only in inflationary environments (inflation equal to or higher than 26% accumulated in the three preceding annual periods), the elimination of the possibility to use specific indexation for fixed assets and the reclassification of the realized result from holding non-monetary assets and the result from monetary position accumulated to retained earnings.

Since the inflation accumulated in the previous years was lower than 26%, the economic environment has been qualified as non-inflationary. Therefore, the accompanying financial statements for years 2011 and 2010 are expressed in nominal pesos, except for some non-monetary items arising from 2007 or years before 2007, which include restatement to constant pesos as of December 31, 2007.

As a result of the fact that the accumulated inflation of the three years before 2011 and 2010 was 15.09% (Udis) and 14.55% (Udis) respectively, the Institution applied the disconnection from inflationary accounting, for which reason the following items are no longer recognized:

- Result from monetary position for the year (REPOMO).
- Restatement of the statement of income according to the dates the transactions were generated.
- The effects of inflation on non-monetary assets and in the stockholders' equity.

The application of Bulletin B-10 "Recognition of the effects of inflation on the financial information" was carried out in a comprehensive manner until December 31, 2007. Therefore, the financial statements being presented include all the effects required until said date, based on the value of the UDI published by Banco de México (Banxico), in accordance with the regulations established by the CNBV.

- b. **Transactions in foreign currency** - Transactions in foreign currency are recorded in accounting in the original foreign currency. Transactions involving the purchase and sale of foreign currencies are carried out at the exchange rate prevailing on the date they take place. The assets and liabilities in foreign currency are valued in Mexican currency, at the exchange rate published by Banxico corresponding to the date of the financial statements. Foreign exchange fluctuations are recorded in the results for the year.

The currencies used by the Institution are: US dollar, Swiss franc, Pound sterling, Canadian dollar, Japanese yen and Euro.

- c. **Liquid assets** - These are values at nominal value. Minted precious metals are valued at fair value. Returns on deposits and interbank loans at a term shorter than or equal to 3 bank working days are recognized in the results as they are earned.

- d. **Investments in securities**

- **Trading securities**

It includes those securities that the administration of the Institution keeps in a position of its own with the intention to operate as a market participant and recorded at the time of their acquisition at fair value. Subsequently, these are valued at their fair value provided by pricing suppliers authorized by the CNBV, taking as a basis the market value and recording the adjustments from valuation in the results for the period. In the case of debt instruments, returns are recorded in results in accordance with the effective interest method or the straight-line method, as the case may be.

On the date of their disposal, the difference between the net realizable value and the book value is recognized in results.

- **Securities available for sale**

This category includes debt instruments and shares that are acquired with an intention different from that of the trading securities or held-to-maturity securities. In the case of debt instruments, returns are recorded in results in accordance with the effective interest method or the straight-line method, as the case may be.

The financial instruments classified as available for sale are recorded at the time of their acquisition at fair value. These are subsequently recorded at fair value, recording the adjustments from valuation within the stockholders' equity.

The stock certificates are valued at fair value using prices provided by pricing suppliers and, in case of not being able to obtain the value mentioned above, this is determined on the basis of the equity method, in accordance with NIF-C7 "Investment in associated companies and other permanent investments".

- **Securities held to maturity**

These are those debt instruments with determinable payments acquired with the intention to hold them until maturity. On the date of disposal the result is recognized as a purchase/sale for the difference between the net realizable value and the book value thereof. The returns are recorded in results in accordance with the effective interest method or the straight-line method, as well as the discount or surcharge received or paid at the time of their acquisition.

On October 16, 2008, the CNBV issued Official Communication 100-035/2008, through which, in order to incorporate the changes issued by the International Accounting Standards Board (IASB) to its accounting standards, so as to assist in the stability and recovery of liquidity in the international markets, it allowed the Credit Institutions to reassess the intention they had regarding their holding of investments and to transfer investments in securities that were held in the category of "Trading securities" to that of "Securities available for sale" or to that of "Securities held to maturity", or else, from the category of "Securities available for sale" to that of "Securities held to maturity".

Based on this criterion, in 2008 Bancomext transferred securities recorded in the category of "Trading securities" to "Securities held to maturity", with the intention to hold said securities until maturity in the amount of \$ 5,376. The position that the Institution had in trading securities reported before reclassification was \$ 33 thousand. Had the reclassification not been made, the decrease in value that would have impacted the results of the Institution in 2008 amounts to \$ 31. These securities do not show an impairment in their value and as of December 31, 2011 their book value is \$ 2,068 and their valuation is of \$ 3.

- e. **Receivables under repurchase transactions** - The Institution acting as selling party, in the event of financial assets owned by the Institution, these are recorded in the relevant item as restricted; in the event of financial assets received in repurchase agreement transactions, these are recorded in memorandum accounts of collaterals received and sold. The same recording, presentation and disclosure standards are followed in accordance with the accounting criteria for the relevant credit institutions.

The account payable represented by the obligation to repay the cash to the buying party is valued at its amortized cost.

In the event the Institution acts as buying party, the account receivable that represents the right to recover the delivered cash is valued at its amortized cost. The financial assets received as collateral are recorded in the memorandum accounts of received collaterals, following for their valuation the standards related to the custody transactions of criterion B-9.

The result from valuation of repurchase agreement transactions is recorded in the results for the period.

For presentation purposes, the general balance sheet reflects within the assets the restricted financial assets in accordance with the presentation standards that may be applicable to them according to the type of asset in question. When the Institution in turn gives under guarantee the financial assets received under a repurchase agreement, the account receivable to which it is entitled in its capacity as buying party is offset with the account payable under which it is obligated in its capacity of selling party. In the case of a debit balance, this is presented in the assets, in the item of Debtors from repurchase agreement and, in case of a credit balance, this is presented in the liabilities in the line of Collaterals sold or given in guarantee.

In the event of the account payable that the Institution is obligated in its capacity as selling party of financial assets owned by the Institution, this is presented in the liabilities in the item of Creditors from repurchase agreements.

- f. **Transactions with securities and derivatives** - The Institution carries out transactions with derivative financial instruments for trading purposes, with the intention of obtaining profits in accordance with the policies and limits established by the Comprehensive Risk Management Committee and with hedging purposes, for the purpose of offsetting market risks arising from changes in interest rates and in the exchange rate, as well as at counterparty risk.

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

The risk management area developed the "Effectiveness model", which allows measuring the changes in fair value or cash flows of the hedging instrument in a hedging quotient or ratio fluctuating within a range between 80% and 125% of inverse correlation.

- Futures and forward contracts

Bancomext, as participant in the futures and forward market has as a main policy to hedge risk positions regarding the relation between assets and liabilities in US dollars, as well as by purchase/sale transactions of the Mexican peso against the US dollar or, else, of the latter against other foreign currencies.

Transactions with forward contracts for trading purposes refer to the Mexican peso against the US dollar and are offered to borrowers as a part of the credit support to financing programs of foreign trade transactions.

The selection of the various futures contracts being used is done by taking into account the market conditions and the conditions of liquidity and analysis of implied interest rates, related to funding and placement costs.

In the event of futures contracts, the entity participates in leading markets such as the Chicago Mercantile Exchange (CME) and Mercado Mexicano de Derivados, S. A. de C. V. (MexDer). In the event of forward contracts the entity participates in the interbank market with institutions that have an investment grade issued by risk rating agencies, with which the credit and legal risks are substantially mitigated.

Futures transactions carried out by Bancomext were with trading purposes. In forward contract transactions the fair value of the rights and obligations will be the theoretical value of the executed contracts, determined with formal valuation techniques and carried out by third parties without conflicts of interest. In the futures, the fair value corresponds to the face value at which a contract of the same nature would be agreed upon on each valuation date. Their balance represents the difference between the fair value of the contract and the stipulated forward price of it. The results of these instruments are presented as income from brokerage activities.

Regarding the creation of collaterals, these are established for the futures transactions carried out with CME and MexDer through cash or the transfer of securities documented in US dollars and in Mexican pesos, respectively, which are recorded as securities subject to guarantee in banks from abroad and in Mexican banks.

As of December 31, 2011 and 2010 there are no futures and forward contract transactions in force.

- Transactions with Swaps

The transactions that the Institution contracts under this type of instruments are considered fair value hedges, since these are aimed at hedging open risk positions, both of interest rates and foreign currencies.

The arrangement of swap transactions is done in order to hedge an interest rate or exchange rate risk, based on the conditions of the money-raising and placement amounts with the borrowers. The purpose of the foregoing is to exchange similar flows of fixed interest rates for variable rates or, otherwise, of different foreign currencies against the US dollar, in conditions opposite to those generated by the open risk position.

Transactions with swaps are contracted with financial institutions that have an investment grade rating issued by reputable risk rating agencies, thereby limiting the credit and legal risk inherent to this type of transactions.

Starting January 1st, 2007 the Institution measures the effectiveness of the hedge made with the swap derivative financial instruments, through a model defined by the risk management area.

- g. **Repossessed assets or assets received as payment in kind** - These are recorded at cost or fair value deducted from the costs and expenses strictly essential that may be disbursed in their foreclosure, whichever may be lower.

If the book value of the asset that gave rise to the foreclosure or payment in kind is lower than the value of the foreclosed asset, the value of the asset is adjusted to the book value the asset had.

From 2007, the foreclosed assets are considered non-monetary items.

Based on the Second Title "Prudential provisions", Chapter V "Portfolio rating", Section III, Paragraph D "Reserves from holding foreclosed assets or assets received as payment in kind" of the Sole Circular Letter issued by the CNBV, the Institution constitutes additional provisions for potential value losses of the assets foreclosed in court or out-of-court, either personal or real property, as well as the collection rights and the investments in securities.

From December 31, 2006, the Institution prudentially adopted the policy to establish 100% of the reserves of the assets foreclosed or received as payment in kind, in order to recognize the credit recovery at the time of the sale of the assets.

In the case of the assets promised for sale, the base foreclosure value for the determination of the estimate is the book value reduced by the collections received on account of the asset. Said value is applied the relevant reserve percentages in accordance with the tables contained in Section D of the above-mentioned Provisions.

- h. **Loan portfolio** - The loans granted are recorded as an asset from the funds disbursement date. The amount granted to the borrowers is added the interest being earned in accordance with the loan repayment scheme.

The interest on the loan transactions in force are recognized and applied to results as it is earned.

Starting in 2007, the loan opening fees are recorded as a deferred credit, which is amortized against the results for the year as interest income under the straight-line method during the life of the credit.

The following are considered as past-due portfolio:

- Loans with a one-time amortization of principal and interest upon maturity that are not paid within a term of 30 or more calendar days after maturity.
- Loans with a one-time amortization of principal and periodical payments of interest, when interest has been 90 or more calendar days overdue after maturity or when principal has been overdue for 30 or more calendar days after maturity.
- Loans with partial payments of capital and interest 90 or more calendar days past-due.
- Revolving loans when these are overdue for two invoicing periods or 60 or more calendar days past-due.

Interest accrued during the period in which the credit was considered past-due loan portfolio is recognized as income until the time it is collected and interest earned until the date its accrual was suspended is reserved at 100%.

Restructured and renewed loans - Loans that are restructured remain in past-due loan portfolio and their allowance level is maintained until there is evidence of sustained payment.

The renewed loans in which the borrower does not repay on time the accrued interest and 25% of the original loan amount are considered overdue as long as there is no evidence of sustained payment.

Distressed loans - Considered as distressed commercial loans are those loans, current and overdue, regarding which it is determined that on the basis of present information and facts, as well as on the reviewing process of the loans there is a substantial probability that both principal and interest may not be fully recovered in accordance with the terms and conditions originally agreed upon.

Suspension of the accrual of interest - The accrual of interest earned from credit transactions is suspended at the time the outstanding balance of the loan is considered overdue.

As long as the loan is maintained in past-due portfolio, the control of accrued interest is kept in memorandum accounts. In the event said overdue interest is collected, it is recognized directly in the income for the year.

Portfolio rating

The Second Title "Prudential provisions", Chapter V "Loan portfolio rating" of the Sole Circular Letter states that when rating the commercial portfolio the following should be evaluated:

- The debtor's credit quality.- It is determined according to the result obtained from rating in a specific and independent manner and in progressive order the aspects of country risk, financial risk, industry risk and payment history.
- Credit rating.- The loans in connection with the value of the guarantees or of the value of the assets in trusts or in schemes known as "Structured schemes" allow adjusting the debtor's credit quality rating through the estimate of a probable loss, in connection with the hedging level of the guarantees supporting each of the loans granted.

The hedging of guarantees determines the hedged and non-hedged portion of the loans so that in consideration thereof the amount of the necessary allowances is determined.

In order to determine the net value of the commercial loan portfolio, all loans are rated individually according to the methodology that may be applicable to them because of their balance, as follows:

- The loans with a balance lower than the equivalent in Mexican currency to four million UDIs as of the date of rating, including those loans payable by a same debtor, the total amount of which is lower than said amount, may be rated by using the parametric rating methodology.

For such purpose, the entire portfolio will be stratified on the basis of the number of periods reporting default in making the total or partial payment as of the rating date, using the data of at least the twelve months prior to said date and, in the case of new portfolio, the data available at the time of rating.

- Loans with a balance equal to or greater than an amount in Mexican currency equal to four million UDIs as of the date of rating, including those loans payable by a same debtor, whose overall amount is equal to or higher than said amount must be rated individually.

The rating of non-revolving consumer and housing mortgage portfolios is determined on the basis of the result determined by the effect of the probability of default on the severity of the loss associated to the value and nature of the loan guarantees. It is worth mentioning that the origin of these portfolios arises from loans granted to the employees that once their labor relation with the Institution ends, in accordance with the CNBV's regulations, become a part of the loan portfolio.

In accordance with the foregoing, Bancomext calculates the amount of the allowance for loan risks, which is recorded in the results for the relevant period and it evaluates periodically if an overdue credit should remain in the general balance sheet or, otherwise, be written off or eliminated, which is done by cancelling the outstanding balance of the loan against the allowance for loan risks.

The recoveries derived from loans previously written off or eliminated are recognized in the results for the year.

Excesses over the allowance for loan risks are cancelled against the income for the year, affecting the same item that generated them; namely, that of the own allowance. In those where the amount to be cancelled is higher than the recorded balance of said estimate, it is recognized in other income.

Policies and procedures established for loan granting, control and recovery - The Credit Manual contains the regulatory guidelines pertaining to the Credit Process (PDC), encompassing from the definition of the target market to the loan recovery.

The particular policies for each of the stages that make up the PDC, which are described below, are defined in the operation manuals and are an integral part of the Institution's regulatory credit framework.

I. Business Development

1. Promotion Management
 - 1.1 Promotion Management 1st Floor
 - 1.2 Promotion Management 2nd Floor
14. Development and/or Upgrade of Programs or Products
13. Credit File Management
 - 13.1 Credit File Management 1st Floor
 - 13.2 Credit File Management 2nd Floor

II. Analysis and Decision

2. Evaluation of Borrowers
 - 2.1 Evaluation of Borrowers 1st Floor:
 - A) Credit Analysis
 - B) Legal Opinion
 - 2.2 Evaluation of Borrowers 2nd Floor:
 - A) Credit Analysis
 - B) Legal Opinion
3. Authorization
 - 3.1 Authorization 1st Floor
 - 3.2 Authorization 2nd Floor

III. Implementation and Disbursement

4. Contracting
 - 4.1 Contracting 1st Floor
 - 4.2 Contracting 2nd Floor
5. Release of Credit Lines, Authorization of Disbursement and Letters of Credit
 - 5.1 Release of Credit Lines, Authorization of Drawdown and Letters of Credit 1st Floor

5.2 Release of Credit Lines, Authorization of Drawdown and Letters of Credit 2nd Floor

6. Safekeeping and Custody of Valuable Documents

6.1 Safekeeping and Custody of Valuable Documents 1st Floor

6.2 Safekeeping and Custody of Valuable Documents 2nd Floor

IV. Follow-up and Recovery

7. Portfolio Management and Control

7.1 Portfolio Management and Control 1st Floor

7.2 Portfolio Management and Control 2nd Floor

8-9. Supervision and Follow-up of Borrowers and Intermediaries

8-9.1 Supervision and Follow-up of Borrowers and Intermediaries 1st Floor

8-9.2 Supervision and Follow-up of Borrowers and Intermediaries 2nd Floor

10. Portfolio Rating

10.1 Portfolio Rating 1st Floor

10.2 Portfolio Rating 2nd Floor

11. Specialized Collection Function

11.1 Specialized Collection Function 1st Floor

11.2 Specialized Collection Function 2nd Floor

12. Collection Management

12.1 Collection Management 1st Floor

12.2 Collection Management 2nd Floor

15. Recovery of distressed portfolio

Supporting Processes

- Credit Regulations
- Application of Allowances and Write-off of Loans
- Investigation of Applicant
- Managerial Reports

Other Credit Programs

- Automatic Guarantee Program
- Management of Former Employees Portfolio
- Promotion, Implementation and Operation of the *Exporta Fácil* (Easy Export) Program and International Factoring with Electronic Platform (PET)
- Letters of Credit

- i. **Property, furniture and equipment** - From 1997, the net replacement value is restated by using the UDI value. Until December 31, 2006, real estate was restated at net replacement value based on appraisals carried out by independent experts and quarterly factors disclosed by the CNBV.

The depreciation of real estate is calculated through the straight-line method in accordance with the remaining useful life, determined by independent experts.

The depreciation of furniture and equipment is calculated through the probable life method (straight-line method) on the restated value, applying the following rates:

	<u>Rate</u>
Furniture	10%
Transportation equipment	25%
Computer equipment	30%

- j. **Impairment in the value of long-lived assets and their disposal** - The Institution applies Bulletin C-15 of the financial reporting standards, which establishes the criteria that will enable to identify situations that show evidences regarding a possible impairment in the value of long-lived assets, tangible and intangible. The Institution applies such accounting rule on the real estate under its ownership.
- k. **Expenses to be amortized** - The expenses for the issuance of liabilities are amortized under the straight-line method taking into consideration the term of the originating instrument.
- l. **Use of estimates** - The preparation of the financial statements in accordance with the accounting practices used require the Institution to make estimates, which affect the figures reported in the financial statements and the accompanying disclosures. The estimates are based on the best knowledge of management on current facts.

From December 31, 2006, the Institution constitutes reserves for contingent liabilities derived from lawsuits, in accordance with the legal risk policies and procedures authorized by the Comprehensive Risk Management Committee.

- m. **Assets under custody** - The securities issued and placed by Bancomext do not remain under custody at the Institution, since the holders deposit them in entities specialized in the deposit of international securities, such as Euroclear.

The Institution does not have goods in safekeeping and custody on account of third parties. Therefore, there are no revenues from this item.

There are no significant conditions and terms other than the Provisions established by the CNBV and Banxico affecting the transactions for the custody of goods related to investments in securities and repurchase agreement transactions that represent a transfer of ownership.

Also, Bancomext does not have in safekeeping and custody property rights or derivative financial instruments payable by clients.

- n. **Incurred and Deferred Income Tax, Flat Rate Business Tax and Employee Profit Sharing**

- Incurred - The provisions for Income Tax (ISR) and Flat Rate Business Tax (IETU) are recorded in results for the year when incurred and are recognized in accordance with the Provisions of NIF D-4 "Taxes on profit"; the provision for Employee Profit Sharing (PTU) is recognized in accordance with NIF D-3 "Employee benefits".

The incurred ISR, IETU and PTU are charged to income and represent the current liabilities maturing within a term of less than one year.

- Deferred - The deferred ISR and IETU are determined in accordance with the guidelines established in NIF D-4 and INIF 8; the PTU deferred in accordance with the provisions in NIF D-3, all of this in accordance with the provisions in Criterion A-2 of Annex 33 of the Sole Circular Letter.

Until year 2010 the Institution did not recognize the effects perform the application of the deferred taxes in accordance with NIFs D-3, D-4 and INIF 8, considering that there was not a high probability to obtain in the future tax bases and income that would allow amortizing the tax losses and credits maintained by the Bank. From year 2011 and derived from the results obtained and the prospects for the following years, mainly as regards IETU and PTU, the Institution recognized deferred taxes for these items.

- ñ. **Employee benefits** - The Federal Labor Law establishes the obligation to make certain payments to employees who cease to work under certain circumstances or fulfilling certain requirements, as well as the payment of the obligations established in the employment contracts.

The Institution has established payment plans for pensions, seniority premiums and post-retirement benefits for its personnel, additional to what is established in the Law.

The recognition of obligations is done in compliance with the complementarity of the accounting criteria established in criterion A-2 "Application of particular standards" of Annex 33 of the Sole Circular Letter, through the use of NIF D-3 "Employee benefits" of the NIF.

NIF D-3 in force from January 1st, 2008 considers shorter periods for the amortization of items pending to be amortized, even giving the option to be able to recognize directly in income the actuarial gains or losses.

The quantification of the obligations for benefits upon retirement is made under the projected unit credit method determined through an actuarial calculation prepared by independent experts. As of December 31, 2011 and 2010, the calculation was prepared and adjusted to the actual amount for the same year.

The net cost for the period, based on actuarial calculations on projected salaries is charged to the income for the year. The direct labor indemnities and costs are charged to income in the year when paid.

From 2007 the Institution established the defined contribution plan for newly hired employees who upon reaching 60 years of age and 30 in service will be entitled to a lifetime retirement pension that will be proportional to the total accumulated fund of their individual account.

- o. **Comprehensive income** - The amount of the comprehensive income presented in the statement of changes in stockholders' equity is the result of the total activity of the Institution during the period and it is represented by the net income, plus the effects that in accordance with accounting practices were taken directly to stockholders' equity.

Also, the increase or decrease in stockholders' equity derived from two types of movements is shown: inherent to the decisions of stockholders and to the recognition of comprehensive income.

- p. **Differences with the financial reporting standards** - The main differences between the accounting criteria followed by the Institution and the financial reporting standards are summarized below:

- Debtors - The NIF require an appropriate estimate of the collectability of debtors. The CNBV requires the charge to income through the creation of a 100% estimate for all those items not clarified and not identified within 60 days, as well as those identified as not collected or paid within 90 days. An estimate is created for those items agreed upon within a term longer than 90 days, according to their degree of non-recoverability.
- Investments in securities - The NIF require recording in income for the period the result from valuation. The accounting criteria of the CNBV require the effects of valuation arising from the securities available for sale to be taken to a stockholders' equity account.
- Balance sheet accounts - The NIF require that the items that make up the assets and liabilities should be presented in the general balance sheet in accordance with the availability or collectability, classified on a short and long term basis. The accounting criteria of the CNBV show another classification in the balance sheet.

- The effects of inflation on the financial information were recognized until December 31, 2007 through the restatement factor determined on the basis of the value of Investment Units (UDIS) instead of the National Consumer Price Index (INPC).

q. New regulations

NIF B-3 "Comprehensive statement of income"

Option for the presentation of the comprehensive income

The entity can elect to present the result in one or two statements, as follows:

- a. In one statement: All items that make up the net income and loss must be presented in a single document, as well as the Other Comprehensive Results (ORI) and the participation in the ORI of other entities and it must be called comprehensive statement of income.
- b. In two statements:
 - i. First statement: It must include only the items that make up the net income or loss and must be called statement of income.
 - ii. Second statement: It must start off from the net income or loss with which the statement of income ended and then present the ORI and the participation in the ORI of other entities. This must be called statement of other comprehensive income.

Structure of the financial statement

The ORI must be presented after the net income or loss, considering that these are a part of the revenues, costs and expenses that in an accounting period affected the stockholders' equity of the entity. In the event two statements are presented, the second one must begin with the net income and then the ORI must be presented.

Elimination of non-ordinary items

Items should not be presented in a separate manner as non-ordinary, either in the financial statement or in notes to the financial statements.

Other revenues and expenses

The item of other revenues and expenses must not include items that are regarded as operational. Hence, this item must normally contain non-material amounts. Therefore, this NIF does not require separate presentation. However, if an entity considers its separate presentation appropriate, it can do so. The CINIF will make the necessary changes in the rest of the NIFs in order to avoid that operational items such as the income or loss on the sale of property, plant or equipment or the PTU, which are considered operational items are recognized in other revenues and expenses.

NIF B-4 "Statement of changes in stockholders' equity"

Main characteristics

This NIF requires separate presentation in the body of the statement of changes in stockholders' equity:

- a. A reconciliation between initial and final balances of the items that make up the stockholders' equity.
- b. As the case may be, the retrospective adjustments for accounting changes and error corrections affecting the initial balances of each of the stockholders' equity items.

- c. Present in a separate manner the movements of owners related with their investment in the entity.
- d. The movements in reserves.
- e. The comprehensive result in a single line item but broken down in all of the items that compose it: net income or loss, other comprehensive results and participation in the other comprehensive results of other entities.

NIF C-6, Property, plant and equipment.- It establishes the obligation to depreciate components that may be representative of an item of property, plant and equipment, regardless of depreciating the rest of the item as if it were a single component.

Improvements to NIF 2012

In December 2011 the CINIF issued Improvements to Financial Reporting Standards 2012, the purpose of which is to incorporate changes and clarifications in the NIF themselves, so as to establish a more appropriate approach.

The improvements to the NIF 2012 are presented as being classified in two sections:

- a. Section I. Improvements to the NIF that generate accounting changes. These are changes to the NIF that in accordance with the NIF B-1, Accounting changes and error corrections, generate accounting changes in the valuation, presentation or disclosure in the financial statements of the entities.
- b. Section II. Improvements to the NIF that do not generate accounting changes. These are changes to the NIF aimed at making clarifications to them, which help to establish a clearer and more understandable regulatory approach. Since these are only clarifications, they do not generate accounting changes in the financial statements of the entities.

A summary of the main Improvements to the Financial Reporting Standards 2012 is presented below:

NIF A-7 "Presentation and disclosure"

- a. Disclosure of the key assumptions used at the close of the accounting period, in the determination of the accounting estimates that involve uncertainty with a relevant risk of causing major adjustments in the book value of the assets or liabilities within the fiscal year. In connection with such assets and liabilities, the disclosure must include details on:
 - Their nature.
 - Their book value at the close of the period being reported.
- b. The assumptions and other data on the uncertainty in the estimate to be disclosed are those that because of their nature offer more difficulty, subjectivity or complexity, in the opinion of an entity's management.
- c. Information must be disclosed in such a way that it helps users of the financial statements to understand the judgments made by management. This type of disclosures include, among others:
 - The nature of the assumptions or other uncertainties in the estimate.
 - The sensitivity of the book value through the methods, assumptions and estimates implied in its calculation, including the reasoning underlying said sensitivity.

- The expected resolution of an uncertainty, as well as the range of reasonably possible outcomes for the next period, regarding the book value of the affected assets and liabilities.
- When uncertainty remains, an explanation of the changes made to the assumptions made to the past assumptions regarding said assets and liabilities.

Bulletin B-14 "Profit per share"

Potentially dilutive shares on income for certain continuing operations will be considered in the calculation of the diluted profit per share and in the dilutive effects of the income from discontinued operations, even if they have an anti-dilutive effect on those items.

The effects of the income from discontinued operations, on the profit from continuing operations per common share and on the diluted profit from continuing operations per share, must be disclosed in the notes to the financial statements or as a footnote to the statement of income.

NIF C-1 "Cash and cash equivalents"

In the statement of financial position cash and cash equivalents must be presented in a single line as the first item of the short-term assets, including restricted cash and cash equivalents, provided said restriction expires within the twelve months following the date of the statement of financial position or in the course of the normal operating cycle of the entity; the item must be called cash and cash equivalents. If the restriction expires on a date subsequent to the above-mentioned references, said concept must be shown in the long-term assets and must be called restricted cash and cash equivalents.

Bulletin C-11 "Stockholders' equity"

The contributed capital is composed of the contributions from the entity's owners.

3. Comprehensive risk management

a. General policies

The policies and practices in matters of comprehensive risk management are mainly regulated by Chapter IV of the Title of the General Provisions Applicable to Credit Institutions (Provisions), regarding Risk Management, published on December 2, 2005.

Considering the Provisions of the CNBV, the risk management function at Bancomext is in charge of an independent area of the business areas and covers the market, credit, liquidity, operational, technological and legal risks. The Institution has policies and procedures aimed at the identification, analysis and control of these risks, which are included in the Comprehensive Risk Management Manual.

In order to ensure that the assumed risks remain at levels that do not exceed the financial capacity of the Institution, the Comprehensive Risk Management Committee proposes limits that are authorized by the Board of Directors, determined on the basis of a capital management model. This model will be based on the regulatory capital and it establishes limits at a strategic level, considering a distributable capital that is allocated to the different businesses of the Institution: credit, market, operational and stockholding. Also, limits are allocated at a tactical level to the different portfolios that make up each business. In the case of the market risk, the capital limits are translated into Value at Risk (VaR) for the different treasury portfolios.

The Comprehensive Risk Management Committee is formed by the Chief Executive Officer, three independent risk experts, a member of the Board of Directors and the Head of the Unit for Comprehensive Risk Management (UAIR). Furthermore, the business areas participate at the level of Deputy General Directors, Area Directors and the person responsible for the Internal Control Body with the right to speak but not to vote, in order to avoid possible conflicts of interest. The Comprehensive Risk Management Committee meets at least once a month. Said Committee monitors the various types of risks, issues recommendations and it is in charge of approving the methodologies, models, parameters and scenarios used in risk assessment and, also, it reviews the policies proposed for the control thereof.

b. Policies to control loan portfolio concentration

The Provisions in its Chapter III, regarding "Risk diversification", issued by the SHCP, establish limits to the loan risk concentration applicable to a person or group of persons that constitute common risks.

In accordance with Article 57 of the Provisions, the limits applicable to Bancomext on December 31, 2011 were determined by considering the capitalization ratio of 15.88% and the basic capital of \$ 8,022.9 for the month of May 2011 (*).

(*) Considering that the CNBV published in its report for the second quarter of 2011 the figures of the Capitalization Index (ICAP) and basic capital for May for the development banking system, the limits for the fourth quarter were established on the basis of the data for May 2011, instead of June 2011.

Article 54 of the Provisions establishes a financing limit for private sector companies, on the basis of the capitalization level and applying a predetermined factor on the basic capital of the Institution. With a capitalization ratio higher than 15%, the applicable factor in the fourth quarter of 2011 was 40% of the basic capital of Bancomext (\$ 3,209.1 equal to USD 230.0 million at the exchange rate of \$ 13.9476 for December 31, 2011).

Based on Article 59 of the Provisions, the CNBV authorized on November 13, 2009 temporary financing limits to three business borrower groups individually and to the three largest debtors as a whole, higher than the regulatory limits determined under the terms of Article 54 of the Provisions. These temporary limits regularized the excesses over the regulatory limits of these business groups and of the three largest debtors as a whole, as long as the standardization plans delivered to the CNBV were fulfilled. The excess over the above-mentioned regulatory limits and standardization plans were timely reported to the CNBV, in accordance with the applicable Provisions.

As of December 31, 2011, the commitments of these business groups and of the three largest debtors as a whole were below the regulatory limit, fulfilling the standardization plans before the stated dates of April 30, 2011, February 28, 2014, June 30, 2017 and February 28, 2014, respectively, a situation that was notified to the CNBV on December 21, 2010 and July 29, 2011. Therefore, the temporary limits were no longer applied.

The commitments of the three largest debtors as a whole account for 99.99% of their regulatory limit. It should be noted that none of the three largest business groups individually exceeded the financing limit to private sector companies.

Financings to the three largest debtors as a whole		
	US\$ Millions	
	December 2011	December 2010
Amount of commitments	575.08	755.6
Number of times the basic capital	0.99	1.26

On the other hand, the commitments in charge of a state-run public entity, which previously exceeded the limit established in Article 54 of the Provisions for this type of borrowers, equal to 100% of the basic capital of Bancomext, was regularized before the stated date of May 31, 2002, a situation that was notified to the CNBV on July 29, 2011.

Furthermore, in accordance with Article 60 of the Provisions it is disclosed that financings have been granted to 83 economic groups of debtors (128 counterparties) whose financings individually exceed the equivalent of 10% of the basic capital of the Institution, as shown below:

Financings to debtors in excess of 10% of the basic capital		
	US\$ Millions	
	December 2011	December 2010
Amount of commitments	18,437.75	8,983.3
Number of times the basic capital	32.05	15.00

The credit lines authorized by the private sector counterparties are considered in these financings. Also, since the mission of Bancomext as a development bank is focused on serving companies mainly through the financial institutions, the credit lines authorized to the national and foreign financial sector for asset and contingency businesses are included.

Market risk

Investments in securities.- On the reference account of the financial statements the market risk arises from interest rate movements. In the case of instruments in foreign currency, it additionally depends on exchange rate variations. This risk is measured by using the Value at Risk (VaR) methodology, based on the historical method taking 251 data, a one-day risk horizon and a 97.5% confidence level, which implies that there is only a 2.5% probability that these investments will experience a loss higher than that estimated for said period. These parameters were authorized by the Comprehensive Risk Management Committee at its extraordinary meeting held on August 15, 2011.

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 the positions and their value at risk in normal conditions, under scenarios of extreme sensitivity and conditions. A report is prepared and delivered to the Senior Management on a daily basis. It is delivered monthly to the Comprehensive Risk Management Committee and quarterly to the Board of Directors.

As of December 31, 2011, the position in money market securities in Mexican currency was in government instruments adjustable and at an actual rate. As of said date, the positions in these instruments accounted for 93% and the position in repurchase agreements accounted for 7% of the total; the VaR of said market was \$ 49.8, an amount that represented 94% of the authorized limit of \$ 53.0. The annual average of the value at risk was \$ 55.1. The capital consumption of this portfolio was \$ 881.3 accounting for 68.4% of the authorized limit.

As of December 31, 2011, the portfolio of investments in Mexican currency is composed of securities held to maturity in government and corporate instruments, at a discount, adjustable and at actual rate. At the close of December a \$ 2.4 VaR was recorded for the total position, which accounted for 48.4% of the authorized limit of \$ 5.0. The annual average of the value at risk was \$ 2.5. The capital consumption of this portfolio was \$ 40.6 accounting for 43.2% of the authorized limit.

As of December 31, 2011, the investment portfolio in foreign currency was composed of sovereign bonds. At the close of December a \$ 5.7 VaR was recorded for the total position investment in foreign currency, which accounted for 27.2% of the authorized limit of \$ 21.0. The annual average of the value at risk was \$ 6.1. The capital consumption of this portfolio was \$ 18.6 accounting for 29.1% of the authorized limit.

Derivative financial instruments.- The reference account of the financial statements is subject to a market risk derived from the variations in interest rates and the exchange rate, as well as to counterparty credit risk.

The VaR of the foreign currency and interest rate forward contracts and interest rate and foreign currency swaps for the authorized derivative instruments is measured. The VaR is estimated on the basis of the historical method taking 251 data, a one-day risk horizon and a 97.5% confidence level, which implies that there is only a 2.5% probability that these investments will experience a loss higher than that estimated for said period. These parameters were authorized by the Comprehensive Risk Management Committee at its extraordinary meeting held on August 15, 2011.

Regarding the credit risk (counterparty), the forwards and swaps are operated with national and international high credit quality financial institutions. The credit risk of forwards with clients is hedged through their credit lines with Bancomext, as well as through control mechanisms that allow monitoring positions in order to keep them within the authorized levels. As of December 31, 2011, the credit risk of the derivative transactions is within the authorized limits.

The policies and practices to control the risk of the derivative financial instruments are in line with the Provisions of Banxico. A capital and VaR limit per business line is established and reports are prepared on the market value of positions and their VaR in normal conditions, under scenarios of extreme sensitivity and conditions. A report is prepared on a daily basis, which is delivered to the Senior Management. It is delivered to the Comprehensive Risk Management Committee monthly and quarterly to the Board of Directors.

As of December 31, 2011 there are closed positions of foreign currency and interest rate forwards and a short position in foreign currency is in place for USD 1.0 million, equivalent to \$ 13.9. The VaR of foreign currency forwards, as well as that of the foreign exchange desk amounted to \$ 0.2, equal to 1.8% of the authorized limit of \$ 11.0; the annual average of the VaR of futures, forwards and foreign exchange desk was \$ 0.4. The capital consumption of this portfolio was \$ 1.7 accounting for 4.8% of the authorized limit.

As of December 31, 2011, the derivatives in place are for hedging purposes and refer to interest rate and foreign currency swaps, which are used as hedging in order to hedge mainly a portion of the loan portfolio, debt instruments, issue of paper in Mexican currency and dollar deposit-taking. The VaR of the swaps amounted to \$ 223.4, which is for reference purposes, since these transactions are not associated to a VaR limit because these are hedging derivatives.

Credit risk

In connection with the reference account of the financial statements, the credit risk is measured according to the expected losses resulting from the possible impairment of the loan portfolio, estimated from the calculation of annual and quarterly transition matrices. These matrices are composed of the probabilities for impairment or improvement of the loan portfolio rating, which are obtained from the historical information derived from the companies accredited by the Institution.

Thus, in order to evaluate the credit risk, estimates are made on probabilities of default, recovery rates, rating migration frequencies (transition matrices), Value at Risk (VaR) of loan, expected losses and not expected losses.

Every month a report is submitted to the Comprehensive Risk Management Committee and quarterly to the Board of Directors on the credit operation and position of the Institution which, among other issues, contemplates an analysis on the taxonomy of the loan portfolio, relevant information on portfolio movements, overall credit risk position and its integration by portfolio, overdue loan portfolio, movements in reserves, rating risk concentrations, portfolio diversification and main risk indicators, as well as estimates of credit VaR and expected and not expected losses.

As of December 31, 2011 the descriptive statistic of the credit risk of the private sector portfolio shows the following distribution per number of borrowers, regarding their average risk level.

Distribution of the private sector portfolio as of DECEMBER 2011

Number of Counterparties	Balance	Str. (%)	Accumulated Balance	Str. (%)	Reserves	Str. (%)	Risk Level (Average)
1 - 5	10,795	23.1	10,795	23.1	337.3	3.1	B1 Intermediate
6 - 10	6,222	13.3	17,017	36.5	251.2	4.0	B1 Higher
11 - 15	4,683	10.0	21,699	46.5	33.2	0.7	A2
16 - 20	3,393	7.3	25,092	53.8	30.5	0.9	A2
21 - 25	2,910	6.2	28,002	60.0	75.3	2.6	B1 Intermediate
26 - 30	2,372	5.1	30,374	65.1	141.3	6.0	B2 Lower
31- 196	16,284	34.9	46,658	100.0	1,213.3	7.5	B2 Intermediate
Total	46,658	100.0			2,082	4.5	B1 Higher

As of such date, the quarterly VaR (without considering the expected recovery from guarantees) of the private sector portfolio was \$ 2,320, a figure that accounts for an extreme value of the distribution of gains and losses for the probable portfolio impairment with a 99% confidence level and a one-quarter time horizon.

Regarding the net capital as of December 2011, the quarterly VaR represents 26.7%.

The estimate for annual losses is \$ 1,968.

Furthermore, the above-mentioned report presents the structure of capital limits at a strategic and tactical level, as well as the marginal behavior of the rated portfolio, the credit concentration by economic sector, by borrower companies and ranges of commitments.

The Board of Directors, at its meeting held on November 24, 2011 approved new capital limits for the loan portfolio.

Liquidity risk

The cash flow risk of credit transactions and their respective financing is measured by risk factor: the base rate and margin. A report is submitted every month to the Comprehensive Risk Management Committee on the structure of repricing and maturity gaps, with a sensitivity analysis that measures the effect of adverse movements in interest rates on the financial margin. Also, the extent of diversification of financing sources is estimated.

In accordance with the repricing and maturity structure of productive assets and interest-bearing liabilities of the balance sheet current as of December 2011, in the event an adverse variation of 25 base points occurs in each of the risk factors that make up the interest rate (base rate and margin), the net revenues would decrease by USD 13 thousand in average per day (approximately 4% of the daily financial margin).

Non-discretionary quantifiable risks

The non-discretionary risk management is aimed at identifying, measuring, overseeing, limiting, controlling and informing the operational, technological and legal risks associated to the critical processes of the Institution, which enable to identify the concentration levels in said processes, the efficiency with which these operate, as well as the estimate of the economic impact derived therefrom.

Operational risk

The risk is analyzed in a qualitative and quantitative manner and in terms of regulatory compliance.

- Qualitative analysis - It is carried out through the application of self-assessments to the critical processes selected, issuing a technical report of operational risk.
- Quantitative analysis - The losses are obtained from accounting entries defined for recording operational risk events.
- Regulatory compliance.- The Institution uses the basic indicator method to estimate its capital requirements due to operational risk, in accordance with the capitalization rules of Credit Institutions. The total capital requirement for operational risk amounted to \$ 230.9 at the close of December 2011.

Technological risk

The technological risk is measured and controlled by applying six critical indicators: 1) Level of availability of critical services, 2) Secure access to Bancomext network, 3) Virus detection, blocking and locking on Bancomext network; 4.a) Detection and blocking of access to restricted Web sites, 4.b) Detection and blocking of e-mails with AntiSPAM, 4.c) Detection and blocking of SpyWare, and 5) Test of the Disaster Recovery Plan (DRP). Furthermore, the Business Continuity Plans (BCP) of the processes identified as critical under the Corporate Business Continuity Plan (PCOOP). As of December 31, 2011, the indicators show that the defined goals for each indicator were generally fulfilled.

Legal risk

Policies are established that allow identifying, measuring and recording the provisions and/or contingencies on account of potential losses, caused by adverse resolutions in a lawsuit emanating from the litigations in which the Bank is a plaintiff or defendant, in order to mitigate the impact on the Institution's assets.

With the application of said policy as of the month of December, 2011 the reserves created on account of legal risk amounted to \$ 432, which are composed of: \$ 212 for mercantile lawsuits, \$ 83 for labor lawsuits, \$ 21 for civil lawsuits, \$ 28 for court costs and expenses, include legal costs and expenses, including the administrative ones and \$ 88 on account of international operations.

Non-quantifiable risks

Those derived from unforeseen external claims or events that cannot be associated to a probability of occurrence and that, also, the economic losses incurred can be transferred to external risk-taking entities.

As of December 31, 2011, there were no casualties or damages that would be reflected in economic impacts on the Institution.

4. Foreign currency transactions.

As of December 31, 2011 and 2010, the amount of the transactions denominated in foreign currency, arising from the foreign currencies used by the Institution, as well as the position in foreign currencies, are detailed below:

Foreign currency	As of December 31, 2011				
	Assets	Liabilities	Position in currency of origin	Exchange rate pesos	Mexican currency millions
	Currency of origin (In thousands)				
US dollar	4,670,625	4,671,827	(1,202)	\$ 13.9476000	\$ (17)
Swiss franc	101	-	101	14.8742800	2
Pound sterling	40	1	39	21.6759700	1
Canadian dollar	36	-	36	13.6807800	1
Japanese yen	12,483	-	12,483	0.1807600	2
Euro	41,627	40,833	794	18.1039900	14
					<u>\$ 3</u>

Foreign currency	As of December 31, 2010				
	Assets	Liabilities	Position in currency of origin	Exchange rate pesos	Mexican currency millions
	Currency of origin (In thousands)				
US dollar	3,825,028	3,836,188	(11,160)	\$ 12.3496000	\$ (137)
Swiss franc	104	-	104	13.2676700	1
Pound sterling	52	-	52	19.3345300	1
Canadian dollar	37	-	37	12.4279000	-
Japanese yen	12,726	-	12,726	0.1525200	2
Euro	64,898	64,134	764	16.5632800	13
					<u>\$ (120)</u>

5. Liquid assets

	2011	2010
Deposits in national banks	\$ 2,497	\$ 2,488
Deposits in banks from abroad	81	108
Demand deposits	561	2,344
Call Money	3,631	1,045
Time deposits	2,848	2,402
Spot purchase of foreign currency	9,790	4,987
Others	(4,873)	(2,458)
	<u>\$ 14,535</u>	<u>\$ 10,916</u>

As of December 31, 2011 and 2010, cash and cash equivalents are composed as follows:

Deposits in national banks:

	2011		2010	
	Thousands of USD	Mexican currency	Thousands of USD	Mexican currency
Banco de México Foreign Cy.	479	\$ 6	487	\$ 6
Banco de México MxCy.	-	2,465	-	2,465
Other bank Foreign Cy.	1,204	17	221	3
Other bank MxCy.	-	9	-	14
	<u>1,683</u>	<u>\$ 2,497</u>	<u>708</u>	<u>\$ 2,488</u>

Deposits in banks from abroad:

	2011		2010	
	Currency of origin thousands	Mexican currency	Currency of origin thousands	Mexican currency
Mexican pesos	\$ 135	\$ -	\$ 165	\$ -
US dollar	2,692	38	2,736	34
Swiss franc	101	2	104	2
Pound	40	1	52	1
Canadian dollar	36	-	37	-
Yens	12,483	2	12,726	2
Euros	2,109	38	4,170	69
		<u>\$ 81</u>		<u>\$ 108</u>

Demand deposits:

Currency of origin	2011				2010			
	Rate	Term days	Currency of origin thousands	Mexican currency	Rate	Term days	Currency of origin thousands	Mexican currency
USD	From 0.001% to 0.1%	4	7,186	\$ 100	From 0.001% to 0.1%	3	177,778	\$ 2,196
EURO	From 0.3% to 0.83%	4	25,435	461	0.6%	3	8,949	148
				<u>\$ 561</u>				<u>\$ 2,344</u>

Documented Call Money:

Currency of origin	2011				2010			
	Rate	Term days	Currency of origin thousands	Mexican currency	Rate	Term days	Currency of origin thousands	Mexican currency
National Banks MxCy.	4.25 to 4.50%	3	144,719	\$ 144	4.25 to 4.50%	3	303,547	\$ 304
National Banks Foreign Cy.	0.30 to 0.40%	4	250,000	3,487	0.20 to 0.35%	3	60,000	741
				<u>\$ 3,631</u>				<u>\$ 1,045</u>

Time deposits:

Rate	Term days	2011			Rate	Term days	2010		
		Currency of origin	Currency of origin thousands	Mexican currency			Currency of origin	Currency of origin thousands	Mexican currency
From .05% to .55%	From 4 to 29	USD	\$ 203,000	\$ 2,831	From .02% to .22%	From 4 to 29	USD	\$ 179,000	\$ 2,210
From .56% to 0.84%	From 181 to 364	USD	1,225	17	From .69% to 1.07%	From 181 to 364	USD	15,515	192
			<u>\$ 204,225</u>	<u>\$ 2,848</u>				<u>\$ 194,515</u>	<u>\$ 2,402</u>

Purchase of Foreign Currency (Spot):

	2011			2010		
	Currency of origin	Currency of origin thousands	Mexican currency	Currency of origin	Currency of origin thousands	Mexican currency
Foreign banks	USD	701,910	\$ 9,790	USD	403,861	\$ 4,987

Others:

	2011	2010
Cash	\$ 2	\$ 3
Foreign bills and currencies	2	2
Spot sales of foreign currency	(4,884)	(2,471)
Interest accrued on investments in deposits	7	8
	\$ (4,873)	\$ (2,458)

In December 2010, 10 centenarios (Mexican gold coins) were sold, which were valued with the end-of-month quotation of the gold currency, generating a profit of \$ 0.039.

6. Investments in securities

As of December 31, 2011 and 2010, investments in securities are composed as follows:

a. Trading securities:

	2011	2010
Government securities	\$ 277	\$ 106
Bank securities	-	3,000
Securities under guarantee in repurchase transactions	86,746	48,451
	\$ 87,023	\$ 51,557

- Government securities

Government securities as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	Book value	Fair value	Surplus (deficit)	Book value	Fair value	Surplus (deficit)
Non-restricted government securities	\$ 277	\$ 277	\$ -	\$ 106	\$ 106	\$ -

- Bank securities

Bank securities as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	Book value	Fair value	Surplus (deficit)	Book value	Fair value	Surplus (deficit)
Debt securities	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ -

- Securities under guarantee in repurchase transactions

The securities under guarantee in repurchase transactions as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	Book value	Fair value	Surplus (deficit)	Book value	Fair value	Surplus (deficit)
Government securities	\$ 86,750	\$ 86,746	\$ (4)	\$ 48,447	\$ 48,451	\$ 4

- b. Securities available for sale:

	2011	2010
Debentures and other securities in dollars	\$ 1,335	\$ 1,188
Securities subject to guarantee	137	123
Stock MxCy	81	122
Stock USD	9	9
Valuation of hedging swaps (net)	30	38
	<u>\$ 1,592</u>	<u>\$ 1,480</u>

- Debentures and other securities

Debentures and other securities as of December 31, 2011 and 2010 are composed as follows:

- Debentures

	2011			2010		
	Book value	Fair value	Surplus (deficit)	Book value	Fair value	Surplus (deficit)
Debt securities	\$ 1,205	\$ 1,335	\$ 130	\$ 1,205	\$ 1,188	\$ (17)

- Securities issued by entities from abroad

	2011			2010		
	Book value	Fair value	Surplus (deficit)	Book value	Fair value	Surplus (deficit)
Bank from abroad	28	-	(28)	25	-	(25)
Total debentures and other securities	<u>\$ 1,233</u>	<u>\$ 1,335</u>	<u>\$ 102</u>	<u>\$ 1,230</u>	<u>\$ 1,188</u>	<u>\$ (42)</u>

- Securities subject to guarantee

The securities subject to guarantee as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	Book value	Fair value	Surplus (deficit)	Book value	Fair value	Surplus (deficit)
Debt securities	\$ 130	\$ 137	\$ 7	\$ 115	\$ 123	\$ 8

- Stock in Mexican currency

Shares in Mexican currency as of December 31, 2011 and 2010, are composed as follows:

	2011			2010		
	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Unrealized loss</u>	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Unrealized loss</u>
Unlisted	\$ <u>142</u>	\$ <u>81</u>	\$ <u>(61)</u>	\$ <u>205</u>	\$ <u>122</u>	\$ <u>(83)</u>

- Shares in foreign currency - valued in Mexican currency.

The shares in foreign currency as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Unrealized gain</u>	<u>Acquisition cost</u>	<u>Fair value</u>	<u>Unrealized gain</u>
Unlisted in USD	\$ <u>6</u>	\$ <u>9</u>	\$ <u>3</u>	\$ <u>5</u>	\$ <u>9</u>	\$ <u>4</u>

The dividends collected for the shares available for sale during years 2011 and 2010 are \$ 0.410 and \$ 0.322. The result from valuation recognized in the other items of the comprehensive income within the stockholders' equity during the 2011 and 2010 period is of \$ (2) and \$ (16).

- c. Securities held to maturity:

	<u>2011</u>	<u>2010</u>
Government securities	\$ <u>134</u>	\$ <u>1,365</u>
Bonds of Mexican companies	<u>1,934</u>	<u>2,163</u>
	\$ <u>2,068</u>	\$ <u>3,528</u>

- Government securities

Government securities as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	<u>Amount</u>	<u>Allowance</u>	<u>Total</u>	<u>Amount</u>	<u>Allowance</u>	<u>Total</u>
Government securities	\$ <u>116</u>	\$ <u>18</u>	\$ <u>134</u>	\$ <u>1,257</u>	\$ <u>108</u>	\$ <u>1,365</u>

- Bonds of Mexican companies

The bonds of Mexican companies as of December 31, 2011 and 2010 are composed as follows:

	2011			2010		
	<u>Amount</u>	<u>Allowance</u>	<u>Total</u>	<u>Amount</u>	<u>Allowance</u>	<u>Total</u>
Debt securities MexCy.	\$ <u>1,895</u>	\$ <u>39</u>	\$ <u>1,934</u>	\$ <u>2,120</u>	\$ <u>43</u>	\$ <u>2,163</u>

d. Interest income, results from valuation and purchase-sale of securities as of December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Income from sale-purchase of securities	\$ 67	\$ 263
Interest income	4,712	3,050
Result from valuation	(8)	9

7. Balances in repurchase transactions

Repurchase transactions carried out as of December 31, 2011 and 2010 were mainly Savings Protection Bonds, Development Bonds, Fixed-Rate Bonds, Cetes, Udibonos and Stock Exchange Certificates. The terms of the repurchase agreement transactions ranged from 1 to 28 days.

a. Seller

- Collaterals received or delivered under guarantee

	<u>2011</u>	<u>2010</u>
Government securities	\$ 6,452	\$ 10,895
Total collaterals received or delivered under guarantee	\$ 6,452	\$ 10,895

- Payables from repurchase agreements

From instruments owned by the Institution (1): Government securities	\$ 86,731	\$ 48,313
Total Payables from repurchase agreements	\$ 86,731	\$ 48,313

(1) The repurchased instruments are recorded in the item of Trading securities (Note 6-a).

	<u>2011</u>	<u>2010</u>
From securities received as a collateral in repurchase transactions: Government securities	\$ 6,446	\$ 10,850
Subtotal A	6,446	10,850

b. Buyer

- Receivables from repurchase transaction

Government securities	33,170	35,028
Subtotal B	33,170	35,028
Receivables from repurchase transaction (B minus A)	\$ 26,724	\$ 24,178

- Collaterals received

	<u>2011</u>	<u>2010</u>
Government securities	\$ 33,174	\$ 35,085
Total collaterals received	\$ 33,174	\$ 35,085

As of December 31, 2011 and 2010 the premiums obtained from repurchase transactions amount to \$ 1,282 and \$ 782, respectively and the premiums paid on account of repurchase transactions are for the amount of \$ 3,864 and \$ 2,567.

8. Loan portfolio

a. As of December 31, 2011 and 2010, it is composed as follows:

Portfolio in foreign currency - valued in Mexican currency:

Type of loan	2011			2010		
	Current	Past-due	Total	Current	Past-due	Total
Commercial loans	\$ 33,939	\$ 369	\$ 34,308	\$ 17,637	\$ 654	\$ 18,291
Loans to financial entities	1,647	-	1,647	2,564	-	2,564
Loans to government entities	7,192	-	7,192	9,266	-	9,266
Subtotal	42,778	369	43,147	29,467	654	30,121

Portfolio in Mexican currency:

Commercial loans	10,720	78	10,798	11,171	867	12,038
Loans to financial entities	3,212	-	3,212	3,589	-	3,589
Loans to government entities	-	-	-	7	-	7
Consumer loans	23	3	26	25	4	29
Housing loans	174	9	183	186	9	195
Subtotal	14,129	90	14,219	14,978	880	15,858
Total	\$ 56,907	\$ 459	\$ 57,366	\$ 44,445	\$ 1,534	\$ 45,979

b. Past-due portfolio as of December 31, 2011 and 2010:

Term	2011		2010	
	Amount	%	Amount	%
From 1 to 180 days	\$ 179	39	\$ 1,023	67
From 181 to 365 days	22	5	244	16
From 1 to 2 years	258	56	64	4
More than 2 years	-	-	203	13
Total	\$ 459	100	\$ 1,534	100

c. Main variations of past-due portfolio:

	<u>2011</u>	<u>2010</u>
Initial balance in past-due portfolio	\$ 1,534	\$ 1,215
Minus:		
Variation due to exchange rate of initial balance	-	42
Payments	189	39
Write-offs and allocations	908	317
Transfers to current portfolio	262	563
Cancellation due to restructuring	67	194
Plus:		
Variation on exchange rate of initial balance	48	-
Opening due to restructurings	139	206
Transfers to past-due portfolio	164	1,266
Others	-	2
Final balance of past-due portfolio	<u>\$ 459</u>	<u>\$ 1,534</u>

The percentage of past-due portfolio declined because of the elimination of loans on assets in accordance with Criterion B-6 "Loan portfolio" of Annex 33 of the Sole Circular Letter, which stipulates that the Institution may elect to eliminate from its assets those past-due loans for which there is a 100% allowance, mainly from a financing granted to a trust related to the aeronautical sector, which in the process of being recovered since it is duly guaranteed and from which the administration considers that no losses will be generated.

d. Portfolio integration per economic sector as of December 31, 2011 and 2010:

Sector per economic activity	2011		2010	
	Amount	%	Amount	%
Agriculture and livestock	\$ -	-	\$ 16	0.05
Mining	-	-	-	-
Food, beverages and tobacco	2,680	5.91	5,027	16.47
Textiles, garments and leather industry	137	0.30	517	1.69
Wood and wood products industry	132	0.29	155	0.51
Paper, printing and publishing companies	186	0.41	90	0.29
Chemical substances and plastic or rubber items	4,192	9.25	2,188	7.17
Non-metallic mineral products	4,933	10.89	4,213	13.80
Iron and steel industry	2,420	5.34	1,732	5.67
Mining and metallurgy	-	-	-	-
Metallic products, machinery and equipment	10,472	23.11	5,268	17.26
Other manufacturing industries	9	0.02	9	0.03
Construction industry	263	0.58	2	0.01
Electricity, gas and water	964	2.13	522	1.71
Commerce	495	1.09	447	1.46
Tourism	10,066	22.21	6,200	20.31
Transportation and communications	742	1.64	1,384	4.53
Real estate and lease services	6,522	14.39	1,927	6.31
Professional, personal and social services	250	0.55	149	0.49
Non-classified services	27	0.07	-	-
Individuals	208	0.46	224	0.73
Without sector, valuation of primary position of portfolio subject to risk	<u>617</u>	<u>1.36</u>	<u>453</u>	<u>1.48</u>
Private sector	45,315	<u>100.00</u>	30,523	<u>100.00</u>
Public sector	7,192		9,308	
Financial sector	<u>4,859</u>		<u>6,148</u>	
Total	<u>\$ 57,366</u>		<u>\$ 45,979</u>	

e. Restructured and renewed loans as of December 31, 2011 and 2010:

Type of loan	2011			2010		
	Portfolio		Total	Portfolio		Total
	Current	Past-due		Current	Past-due	
Commercial loans: Restructured	\$ 6,363	\$ -	\$ 6,363	\$ 9,651	\$ 385	\$ 10,036
Loans to financial entities: Restructured	28	-	28	13	-	13
Housing loans: Restructured	27	-	27	28	1	29
Consumer loans: Restructured	1	-	1	2	-	2
Loans to government industries: Restructured	-	-	-	-	-	-
Renewed	-	-	-	-	-	-
Total	\$ 6,419	\$ -	\$ 6,419	\$ 9,694	\$ 386	\$ 10,080

f. Additional guarantees and concessions granted in the restructured loans

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

	2011	2010
Additional guarantees: Trust	\$ -	\$ 52

g. Interest and fees as of December 31, 2011 and 2010:

Type of loan	2011			2010		
	Interest charged	Fees charged	Total	Interest charged	Fees charged	Total
Commercial loans	\$ 1,814	\$ 136	\$ 1,950	\$ 1,723	\$ 63	\$ 1,786
Loans to financial entities	282	-	282	335	-	335
Loans to government entities	317	-	317	420	-	420
Consumer loans	1	-	1	2	-	2
Housing loans	9	-	9	10	-	10
Total	\$ 2,423	\$ 136	\$ 2,559	\$ 2,490	\$ 63	\$ 2,553

h. Loan opening fees

Loan opening fees pending to be deferred as of December 31, 2011 and 2010 amount to \$ 122 and \$ 131, which are amortized against income for the year as an interest income, under the straight-line method during life of the loan. The weighted term for the amortization of the fees as of December 31, 2011 is 1.5 years.

i. Rediscounts

The amount of rediscounts during year 2011 and 2010 was for \$ 3,671 and \$ 3,667, respectively.

j. Breakdown of distressed and non-distressed loans

The breakdown of the total balance of loans, identifying them as distressed and non-distressed, both current and overdue, is stated below:

	2011		
	Portfolio		Total
	Current	Past-due	
Non-distressed portfolio	\$ 63,086	\$ 138	\$ 63,224
Distressed portfolio	475	302	777
Overdue interest	-	8	8
Total rated portfolio	\$ 63,561	\$ 448	\$ 64,009

- (1) Valued at the exchange rates of December 31, 2011.
- (2) It corresponds to the ratable portfolio.
- (3) It is composed by the commercial portfolio, government entities, financial intermediaries, guarantees and irrevocable letters of credit.
- (4) It does not include consumer and housing portfolio.
- (5) The overdue interest is included for informative purposes, since in accordance with the provisions of this portfolio rating, these are reserved at the time these are generated.

	2010		
	Portfolio		Total
	Current	Past-due	
Non-distressed portfolio	\$ 49,218	\$ 834	\$ 50,052
Distressed portfolio	332	654	986
Overdue interest	-	33	33
Total rated portfolio	\$ 49,550	\$ 1,521	\$ 51,071

- (1) Valued at the exchange rates as of December 31, 2010.
- (2) It corresponds to the ratable portfolio.
- (3) It is composed by the commercial portfolio, government entities, financial intermediaries, guarantees and irrevocable letters of credit.
- (4) It does not include the consumer and housing portfolio.
- (5) The overdue interest is included for information purposes, since in accordance with the portfolio rating provisions the former are reserved at the time these are generated.

k. Allowance for credit risks as of December 31, 2011 and 2010

The balance of this item was determined on the loan portfolio rated as of December 31, 2011 in accordance with the rules issued by the authorities of the SHCP and the CNBV applicable to the Development Banking, with the following results:

Total ratable portfolio per type of loan as of December 31, 2011

Rating	Commercial	Government entities	Financial interme-diaries	Guarantees	Housing portfolio	Consumer portfolio	Total
A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A-1	16,395	7,102	930	6,204	-	-	30,631
A-2	10,397	-	3,727	34	-	-	14,158
B	-	-	-	-	169	21	190
B-1	8,751	-	-	1,492	-	-	10,243
B-2	5,338	-	10	10	-	-	5,358
B-3	1,946	-	6	2	-	-	1,954
C	-	-	-	-	5	2	7
C-1	558	-	-	1	-	-	559
C-2	320	-	-	1	-	-	321
D	345	-	-	-	9	2	356
E	405	-	22	5	-	1	433
Subtotal	44,455	7,102	4,695	7,749	183	26	64,210
Overdue interest	8	-	-	-	-	-	8
Total	\$ 44,463	\$ 7,102	\$ 4,695	\$ 7,749	\$ 183	\$ 26	\$ 64,218

Allowance required per risk group as of December 31, 2011

Rating	Commercial	Government entities	Financial interme-diaries	Guarantees	Housing portfolio	Consumer portfolio	Total
A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A-1	82	36	5	29	-	-	152
A-2	103	-	36	-	-	-	139
B	-	-	-	-	3	1	4
B-1	230	-	-	67	-	-	297
B-2	458	-	1	1	-	-	460
B-3	235	-	1	-	-	-	236
C	-	-	-	-	2	1	3
C-1	156	-	-	-	-	-	156
C-2	131	-	-	1	-	-	132
D	215	-	-	-	7	1	223
E	405	-	22	5	-	1	433
Subtotal	2,015	36	65	103	12	4	2,235
Overdue interest	8	-	-	-	-	-	8
Total	\$ 2,023	\$ 36	\$ 65	\$ 103	\$ 12	\$ 4	2,243
Generic allowances							140
Total constituted							\$ 2,383

Total ratable portfolio per type of loan as of December 31, 2010

Rating	Commercial	Government entities	Financial intermediaries	Guarantees	Housing portfolio	Consumer portfolio	Total
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
Overdue interest	33	-	-	-	-	-	33
Total	\$ 31,947	\$ 9,186	\$ 5,981	\$ 3,955	\$ 193	\$ 29	\$ 51,291

Allowance required per risk group as of December 31, 2010

Rating	Commercial	Government entities	Financial intermediaries	Guarantees	Housing portfolio	Consumer portfolio	Total
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
Overdue interest	33	-	-	-	-	-	33
Total	\$ 2,074	\$ 46	\$ 68	\$ 130	\$ 18	\$ 9	2,345
Generic allowances							89
Flow received from participation in credit risk							772
Total constituted							\$ 3,206

For the 2011 and 2010 loan portfolio rating exercise, the Institution applied the methodology established by the General Provisions Applicable to Credit Institutions.

As of December 31, 2011, the allowance for credit risks valued in Mexican currency amounted to \$ 2,383, as a result of increases of \$ 6 and an exchange rate effect of \$ 165, as well as decreases due to debt remissions of \$ 3 and allocations for \$ 991. In order to determine the additional allowances reported to the CNBV, the annual historical migration matrices and the percentages of allowances by degree of risk for the commercial portfolio corresponding to the March 2008 - December 2010 period were considered and a comparison was made between the theoretical regulatory reserve and the regulatory reserve, considering migration movements. As of December 2011 such additional allowances amount to \$ 140.

In criterion B-6 "Loan portfolio" of Annex 33 of the Sole Circular Letter it is established that the Institution may elect to eliminate from its assets those past-due loans for which there is a 100% allowance. In year 2011, the Institution eliminated from the assets of the loan portfolio with the allowance for loan risks the amount of \$ 27 and USD 15.7 million, whereas in year 2010 it amounted to \$ 15.1 and USD 23.7 million. Also, as mentioned in note 8-c, a financing granted to a trust related to the aeronautical sector was eliminated in 2011, which is now in the process of being recovered as it is duly guaranteed and from which management considers that no losses will be generated, applying the flow received from the participation in the credit risk in the amount of \$ 772.

The amount of the loan portfolio recoveries during 2011 and 2010 was \$ 150 and \$ 121, respectively.

The amount of the portfolio excepted from the rating is \$ 280 and \$ 289 in 2011 and 2010, respectively.

- l. Interest income recognized in the loans at the time of capitalization for years 2011 and 2010 amount to \$ 377 and \$ 302.

m. Credit lines

The amount of credit openings recognized in memorandum accounts as of December 31, 2011 is \$ 2,282 and USD 4,110 million and as of December 31, 2010 is \$ 2,606 and USD 3,534 million.

9. Repossessed assets or received as payment in kind

- a. The integration of these assets as of December 31, 2011 and 2010 is as follows:

Item	Mexican currency	Million USD	Mexican currency	2011	2010
Personal property	\$ 42			\$ 42	\$ 19
Securities	26	9	\$ 128	154	156
Collection rights	2			2	2
Subtotal	70	9	128	198	177
Real estate:					
Rural land	107			107	101
Urban land	118			118	56
Industrial plants	316			316	265
Mercantile establishments	151			151	146
Others	11			11	11
Subtotal	703			703	579
Assets promised for sale:					
Real estate	29	-	-	29	32
Personal property	1	-	-	1	1
Subtotal	30	-	-	30	33
Minus: constituted reserves	802	9	128	930	788
Total	\$ 1	\$ -	\$ -	\$ 1	\$ 1

b. Allowance for repossessed assets or received as payment in kind

The amount of the allowance for repossessed assets or received as payment in kind as of December 31, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Personal property	\$ 42	\$ 20
Securities	154	155
Collection rights	2	2
Real estate	703	579
Assets promised for sale	<u>30</u>	<u>32</u>
Total allowance	<u>\$ 931</u>	<u>\$ 788</u>

The charge to income for this item was \$ 150 and \$ 143 as of December 31, 2011 and 2010, respectively.

10. Property, furniture and equipment

As of December 31, 2011 and 2010 this item is composed as follows:

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 114	\$ 183
Computer equipment	225	226
Transportation equipment	3	3
Minus: accumulated depreciation	(326)	(394)
Surplus on revaluation of furniture and equipment	<u>1</u>	<u>1</u>
Total furniture and equipment	<u>17</u>	<u>19</u>
Real estate	198	420
Minus: accumulated depreciation	(146)	(153)
Land	40	132
Surplus on revaluation of real estate	<u>269</u>	<u>69</u>
Total real estate	<u>361</u>	<u>468</u>
Others, net	<u>18</u>	<u>29</u>
Total	<u>\$ 396</u>	<u>\$ 516</u>

The charge to income on account of depreciation as of December 31, 2011 was \$ 21 and \$ 36 in year 2010.

11. Permanent stock investments

- a. The main companies in which the equity method was used, as well as the shareholding of Bancomext in said corporations as of December 31, 2011, are as follows:

Company	% equity		Activity
	Series A	Series B	
Cesce México, S. A. de C. V. (CESCEMEX)	48.99		Insurance
Exportadores Asociados, S. A. de C. V. (EASA)	100.00	100.00	Commerce (1)
Corp. Mexicana de Inversiones de Capital, S. A. de C. V. (CMIC)	19.00	12.74	Mutual Fund

- (1) On June 10, 2004, the Honorable Board of Directors of Bancomext authorized to start during 2004 actions leading to the divestiture of Ocean Garden Products, Inc. (subsidiary company of Exportadores Asociados, S. A. de C. V.). On May 2, 2005, the call was published to participate in the bidding process for the sale of Ocean Garden Products, Inc., signing the purchase/sale agreement on December 13, 2005. On February 23, 2006, the buyer evidenced the fulfillment of the contractual conditions related to the transfer of the ownership of the stockholding, for which reason the sale was formalized on March 2, 2006. On February 22, 2007 the Board of Directors of EASA approved the liquidation of the company; a process in which the company is currently involved.

The condensed financial position of Desarrollo Inmobiliario Especializado, S. A. de C. V. (DIESA) and Coordinadora de Asistencia Administrativa, S. A. de C. V. (CAASA), subsidiaries of the Bank as of December 31, 2011 is presented for information purposes, as well as the condensed results of their operations for the year then ended.

	DIESA	CAASA	Sum
Statement of financial position:			
Assets			
Cash and its equivalents	\$ 18	\$ 1	\$ 19
Real estate and other assets	332	-	332
Liabilities and stockholders' investment			
Other liabilities	1	-	1
Stockholders' investment	335	1	336
Income statement:			
Revenues	\$ 51	-	\$ 51
Costs and expenses	(33)	-	(33)
Operating income	18	-	18
Other income	2	-	2
Income taxes	(6)	-	6
Net income	\$ 14	\$ -	\$ 14

The subsidiary companies are audited by a public accountant different from Bancomext auditor.

- b. The amounts used in the recognition of the equity method, as of December 31, 2011 and 2010 are stated below:

Company	Capital stock	(Losses) income from prior periods	Result from valuation of instruments available for sale	(Loss) income for the year	2011 Total	2010 Total
EASA	\$ 153	\$ (138)	\$ -	\$ -	\$ 15	\$ 15
CESCEMEX	78	7	-	18	103	104
CMIC	255	55	(22)	(3)	285	238
Others					30	29
Total					\$ 433	\$ 386

- c. As of December 31, 2011 and 2010, the assets, liabilities and main items of the statement of income of the subsidiary companies and associated companies are as follows:

	2011			
	Total Assets	Total Liabilities	Revenues	Expenses
EASA	\$ 15	\$ -	\$ -	\$ -
CESCEMEX	403	193	34	(2)
CMIC	2,320	56	107	127
2010				
EASA	\$ 15	\$ -	\$ -	\$ -
CESCEMEX	295	121	21	18
CMIC	2,078	171	665	244

- d. The investments in stock of associated companies over which there is no significant control or influence are presented as being valued with the acquisition cost method. The acquisition cost of the other permanent investments in stock amounts to \$ 2 in 2011 and \$ 2 in 2010.

12. Other accounts receivable

As of December 31, 2011 and 2010, the balance of this item is composed as follows:

	2011	2010
Sundry debtors	\$ 38	\$ 36
Debtors from fees on current operations	8	12
Guarantee deposits	5	5
Value Added Tax	6	5
Loans to the Institution's personnel	1,991	2,038
Accounts receivable assigned	162	237
Debtors from settlement of purchase and sale transactions of foreign currencies	4,884	2,468
Debtors from settlement of repurchase agreement transactions	1	1
Allowance for write-offs	(17)	(24)
Total	\$ 7,078	\$ 4,778

As of December 31, 2011 and 2010 these include accounts receivable in foreign currency valued in Mexican currency for \$ 39 and \$ 89, respectively.

13. Time deposits

Time deposits as of December 31, 2011 and 2010 are made up as follows:

	<u>2011</u>	<u>2010</u>
Promissory notes with yield payable at maturity	\$ 36,236	\$ 40,395
Deposits for a Special Loan for Savings	696	717
Fixed time deposits in USD	8,320	6,894
Valuation of swaps with hedging purposes, net	<u>(145)</u>	<u>(2)</u>
Total	\$ <u>45,107</u>	\$ <u>48,004</u>

- The characteristics of the promissory notes with yield payable at maturity for 2011 and 2010 are shown below:

<u>Issue</u>	<u>Term</u>	<u>Initial amount</u>	<u>Accrued interest</u>	<u>2011</u>	<u>2010</u>
Promissory Note	1 to 28 days	\$ 23,125	\$ 32	\$ 23,157	\$ 37,281
Promissory Note	30 to 180 days	8,383	30	8,413	660
Promissory Note	180 to 365 days	<u>4,634</u>	<u>32</u>	<u>4,666</u>	<u>2,454</u>
		<u>\$ 36,142</u>	<u>\$ 94</u>	<u>\$ 36,236</u>	<u>\$ 40,395</u>

14. Credit instruments issued

The balance of this item is composed as follows:

	<u>2011</u>	<u>2010</u>
Stock exchange certificates	\$ 6,508	\$ 1,507
Valuation of swaps with hedging purposes, net	<u>(843)</u>	<u>(7)</u>
	<u>\$ 5,665</u>	<u>\$ 1,500</u>

The characteristics of the stock exchange certificates are shown below:

<u>Rate</u>	<u>Term days</u>	<u>Maturity</u>	<u>2011</u>		
			<u>Amount</u>	<u>Interest</u>	<u>Total</u>
3.50% to 8.00%	1175	Mar-20-2015	\$ 5,000	\$ -	\$ 5,000
8.15% to 8.54%	1434	Dec-04- 2015	<u>1,500</u>	<u>8</u>	<u>1,508</u>
			<u>\$ 6,500</u>	<u>\$ 8</u>	<u>\$ 6,508</u>
<u>2010</u>					
8.15% to 8.54%	1799	Dec-04-2015	<u>\$ 1,500</u>	<u>\$ 7</u>	<u>\$ 1,507</u>

15. Interbank loans and loans from other entities

The balances of the item of interbank loans and loans from other entities as of December 31, 2011 and 2010 are composed as follows:

	<u>2011</u>	<u>2010</u>
Guaranteed lines	\$ 1,111	\$ 1,255
Commercial lines	28,137	21,718
Executing agent	822	118
Development Bank	1,194	1,531
Call money transactions	1,255	616
Loans from the Federal Government	1,573	1,475
Allowance for interest	<u>75</u>	<u>50</u>
	<u>\$ 34,167</u>	<u>\$ 26,763</u>

As of December 31, 2011 it is composed as follows:

a. Guaranteed lines

	<u>Currency</u>	<u>Rate</u>	<u>Mexican currency</u>
Foreign banks	USD	From 0.43829 to 1.25%	\$ 847
Foreign banks	EURO	From 2.00 to 2.25%	<u>264</u>
			<u>\$ 1,111</u>

b. Commercial lines

	<u>Currency</u>	<u>Average rate</u>	<u>Mexican currency</u>
Foreign banks	USD	1.29%	<u>\$ 28,137</u>

c. The balances of the loans where it operates as executing agent.

<u>Type of currency</u>	<u>Average rate</u>	<u>Currency of origin millions</u>	<u>Mexican currency</u>
USD	1.29%	59	<u>\$ 822</u>

d. Development Bank

<u>Counterparty</u>	<u>Type of currency</u>	<u>Rate</u>	<u>Date of beginning</u>	<u>Maturity date</u>	<u>Mexican currency</u>
National banks	USD	From 1.27 to 1.92%	30-06-2011	15-15-2025	\$ 796
National banks	Euros	0.20%	30-12-2011	03-01-2012	<u>398</u>
					<u>\$ 1,194</u>

e. Call Money

<u>Counterparty</u>	<u>Type of currency</u>	<u>Currency of origin millions</u>	<u>Rate</u>	<u>Mexican currency</u>
National banks	USD	75	From 0.18 to 0.25%	\$ 1,046
National banks	USD	15	From 0.18 to 0.25%	<u>209</u>
				<u>\$ 1,255</u>

f. Loans from the Federal Government

<u>Counterparty</u>	<u>Type of currency</u>	<u>Currency of origin millions</u>	<u>Rate</u>	<u>Mexican currency</u>
National banks	MexCy	51	4.37%	\$ 51
National banks	USD	109	From 0.24586 to 6.00%	<u>1,522</u>
				<u>\$ 1,573</u>

As of December 31, 2010 it is composed as follows:

a. Guaranteed lines

	<u>Currency</u>	<u>Rate</u>	<u>Mexican currency</u>
Foreign banks	USD	From 1.04% to 1.25%	\$ 898
Foreign banks	EURO	From 2.00% to 2.25%	<u>357</u>
			<u>\$ 1,255</u>

b. Commercial lines

	<u>Currency</u>	<u>Average rate</u>	<u>Mexican currency</u>
Foreign banks	USD	0.92%	<u>\$ 21,718</u>

c. The balances of the loans where it operates as executing agent.

<u>Type of currency</u>	<u>Average rate</u>	<u>Currency of origin millions</u>	<u>Mexican currency</u>
USD	1.18%	9	<u>\$ 118</u>

d. Development bank

<u>Counterparty</u>	<u>Type of currency</u>	<u>Rate</u>	<u>Date of beginning</u>	<u>Maturity date</u>	<u>Mexican currency</u>
National banks	USD	From .60% to .87%	08-24-2010	02-22-2011	\$ 1,482
National banks	EUROS	0.10%	31-12-2010	01-03-2011	<u>49</u>
					<u>\$ 1,531</u>

e. Call Money

<u>Counterparty</u>	<u>Type of currency</u>	<u>Currency of origin millions</u>	<u>Rate</u>	<u>Mexican currency</u>
National banks	USD	4	From 0.18% to 0.25%	\$ 46
National banks	USD	46	From 0.18% to 0.25%	570
				<u>\$ 616</u>

f. Loans from the Federal Government

<u>Counterparty</u>	<u>Type of currency</u>	<u>Currency of origin millions</u>	<u>Rate</u>	<u>Mexican currency</u>
National banks	MexCy	49	3.84%	\$ 49
National banks	USD	116	From 0.23% to 6.00%	1,426
				<u>\$ 1,475</u>

16. Current and deferred Income Tax (ISR), Flat Business Tax (IETU) and Employee Profit Sharing (PTU)

	<u>2011</u>	<u>2010</u>
Incurring:		
ISR	\$ -	\$ 4
IETU	(6)	-
	<u>\$ (6)</u>	<u>\$ 4</u>
Deferred:		
ISR	\$ -	\$ -
IETU	78	-
	<u>\$ 78</u>	<u>\$ -</u>
PTU:		
Incurring	\$ 57	\$ -
Deferred	9	-
	<u>\$ 66</u>	<u>\$ -</u>

- a. In year 2008, Bancomext paid \$ 483 of ISR (Income Tax) in the Republic of Chile, for the sale of the shares and the assignment of credit in said country, a tax that was recognized in the results for year 2008, since even though the option is available to be credited against the resulting Income Tax payable by the Institution within the following ten years, there is not a high possibility to obtain tax profits in the future that allows ensuring the offsetting of such tax.

In case of generating ISR (Income Tax) payable within the above-mentioned term, Bancomext may offset against it the tax paid in Chile, duly restated from the date of its payment to the date of its crediting, for which purpose the amount of said tax was recorded in memorandum accounts.

The disposal of shares and of documents pending collection is not subject to the payment of IETU. Therefore, it is not applicable to offset the tax paid in Chile against the IETU that may be payable by the Institution.

The Institution is subject to ISR and IETU, whichever may be higher.

In the case of the ISR, the tax income or loss for the year is determined by increasing or reducing to/from the accounting result those items that have tax effects only and those accounting items that do not have any tax effect are increased or decreased.

In case of having tax losses pending amortization, these may be offset against the tax income. If the latter is higher than the tax losses, a base tax result for ISR will be obtained.

In accordance with the ISR Law the rate applicable for year 2011 is 30%. For year 2012 the 30% rate will apply. For year 2013, the 29% rate will apply and from year 2014 onward the 28% rate will apply.

In accordance with the foregoing, the Institution and each subsidiary determined their bases and taxes.

For years 2011 and 2010, the previous items and their amounts were the following, as it does not consolidate with subsidiaries for tax purposes:

	<u>2011</u>	<u>2010</u>
Accounting result	\$ 681	\$ 768
Application of restatement to 2007 of non-monetary items	<u>40</u>	<u>25</u>
Historical accounting result	721	793
Increases:		
Non-accounting tax revenues	245	312
Non-tax accounting deductions	1,146	1,821
Decreases:		
Non-accounting tax deductions	1,139	2,015
PTU paid in the year	-	17
Non-tax accounting revenues	<u>669</u>	<u>1,323</u>
Income (loss) for the year (1)	304	(429)
Amortization of losses from prior periods	<u>(304)</u>	<u>-</u>
Tax result for the year	<u>\$ -</u>	<u>\$ (429)</u>

(1) The tax result for year 2011 is prior to the tax report.

For subsidiary DIESA, for years 2011 and 2010, the previous items and their amounts were as follows:

	<u>2011</u>	<u>2010</u>
Accounting result	\$ 14	\$ 22
Application of restatement to 2007 of non-monetary items	<u>9</u>	<u>9</u>
Historical accounting result	23	31
Increases:		
Non-accounting tax revenues	(14)	4
Non-tax accounting deductions	19	14
Decreases:		
Non-accounting tax deductions	41	39
PTU paid in the year	-	-
Non-tax accounting revenues	<u>15</u>	<u>12</u>
Loss for the year (1)	(28)	(2)
Amortization of losses from prior periods	<u>-</u>	<u>-</u>
Tax result for the year	<u>\$ (28)</u>	<u>\$ (2)</u>

(1) The tax result for year 2011 is prior to the tax report.

Regarding the IETU, according to its respective Law, the tax base will be the difference resulting from subtracting to the full amount of the revenues for the taxed activities the deductions authorized by the Law itself, for which purposes those items that have tax purposes only are increased or decreased from the accounting result and those accounting items that do not have any tax effect are increased or decreased.

In the event that the authorized deductions are higher than the taxed revenues, a right will be available to a tax credit that will result from applying to the difference the factor corresponding to the tax rate current in the year in question (0.175 from 2010).

The tax credit established in the preceding paragraph may be decreased against the tax obtained on the base (earned revenues higher than the authorized deductions), as well as the tax credit obtained from applying the 0.175 factor to the amount of the taxed salaries and wages and the amount of the social security contributions paid in the year in question. Also, the Income Tax for the period may be decreased up to the amount of said difference. The obtained result will be the IETU payable for the year.

For years 2011 and 2010, the foregoing items and their amounts were as follows:

	<u>2011</u>	<u>2010</u>
Accounting revenues	\$ 2,457	\$ 3,581
Other revenues, taxed	<u>313</u>	<u>358</u>
Sum of revenues earned	2,770	3,939
Accounting revenues, non-taxed (exempt)	<u>(671)</u>	<u>(1,319)</u>
Revenues for IETU purposes	<u>2,099</u>	<u>2,620</u>
Accounting deductions	1,737	2,787
Accounting disbursements, non-deductible	(1,586)	(2,401)
Other deductible disbursements	<u>534</u>	<u>583</u>
Authorized deductions	<u>685</u>	<u>969</u>
Taxable base (credit base)	1,414	1,651
Tax rate	<u>17.5</u>	<u>17.5</u>
Tax determined (tax credit)	<u>248</u>	<u>289</u>
IETU tax credit:		
For authorized deductions higher than the earned revenues	170	289
For salaries	78	-
For items similar to salaries	-	-
For social security contributions	-	-
For investments (acquired between 1998 and 2007)	-	-
For ISR corresponding to the year, effectively paid	<u>-</u>	<u>-</u>
Credited amounts	<u>248</u>	<u>289</u>
Tax payable	<u>\$ -</u>	<u>\$ -</u>

The figures presented for year 2011 are prior to the tax report.

The Institution is bound to distribute among its workers the PTU obtained from applying 10% on the taxable income for the year, determined under the terms established in the LISR (Income Tax Law).

As of December 31, 2011 and 2010, the Institution keeps an outstanding PTU balance for years 2010 and 2009 in the amounts of \$ 0 and \$ 0.16, respectively.

For subsidiary DIESA, for years 2011 and 2010, the previous items and their amounts were as follows:

	<u>2011</u>	<u>2010</u>
Accounting revenues	\$ 62	\$ 55
Other revenues, taxed	<u>-</u>	<u>-</u>
Sum of revenues earned	62	55
Accounting revenues, non-taxed (exempt)	<u>-</u>	<u>-</u>
Revenues for IETU purposes	<u>62</u>	<u>55</u>
Accounting deductions	26	33
Accounting disbursements, non-deductible	-	-
Other deductible disbursements	<u>-</u>	<u>-</u>
Authorized deductions	<u>26</u>	<u>33</u>
Taxable base (credit base)	36	22
Tax rate	<u>17.5</u>	<u>17.5</u>
Tax determined (tax credit)	<u>6</u>	<u>4</u>
IETU tax credit:		
For authorized deductions higher than the earned revenues	-	-
For salaries	-	-
For items similar to salaries	-	-
For social security contributions	-	-
For investments (acquired between 1998 and 2007)	-	-
For ISR corresponding to the year, effectively paid	<u>-</u>	<u>-</u>
Credited amounts	<u>-</u>	<u>-</u>
Tax payable	<u>\$ 6</u>	<u>\$ 4</u>

The figures presented for year 2011 are prior to the tax report.

- b. Based on the regulations established by NIF D-4 and INIF 8, considering that from year 2012 the Institution will have to pay IETU and that it is estimated that for the following years a taxable PTU base will continue to be generated, deferred taxes on account of IETU and PTU were determined and recognized in year 2011.

As regards the ISR, and despite the fact that it is contemplated to obtain tax income in the future that will allow, among other things, to amortize the tax losses from prior years and to credit the tax covered in Chile, in accordance with INIF 8 deferred ISR was not recognized, since in the coming years the Bank will be essentially a payer of IETU. Therefore, the deferred tax recognized in 2011 was on account of this latter tax.

In year 2010, the Institution cancelled \$ 12 on account of deferred IETU that it had generated in 2007, according to the provisions in paragraph 12 of the INIF-8.

For year 2011, the temporary items and amounts that served as a basis for the deferred taxes were as follows:

For deferred IETU:

	<u>2011</u>
Assets:	
Valuation of investments	\$ 75
Valuation of primary position of portfolio subject to risk	(619)
Valuation of repurchase agreement transactions	4
OFD valuation	988
Debtors on account of fees	(8)
Prepayments	<u>3</u>
Total assets	<u>443</u>
Liabilities:	
Valuation of investments	(988)
Valuation of repurchase agreement transactions	-
OFD valuation	649
Pension fund allowance	-
Liabilities and expense provisions	64
Advance collections	67
Allowance for debts and foreclosures	<u>139</u>
Total liabilities	<u>(69)</u>
Base for temporary asset (liability) items	374
Rate	<u>17.5%</u>
Deferred IETU revenue (expense)	66
Balance of fixed asset tax credit	<u>12</u>
Results from deferred IETU: revenue (expense)	<u>78</u>
Capital:	
Valuation of securities available for sale	(33)
Rate	<u>17.5%</u>
Deferred IETU revenue (expense)	<u>(6)</u>
Deferred asset IETU	<u>\$ 72</u>

For deferred PTU:

	<u>2011</u>
Assets:	
Valuation of investments	\$ 75
Valuation of primary position of portfolio subject to risk	(619)
Valuation of repurchase agreement transactions	4
OFD valuation	988
Debtors on account of fees	(8)
Investments in stock	88
Fixed assets	(32)
Prepayments	<u>3</u>
	<u>499</u>
Liabilities:	
Valuation of investments	(988)
Valuation of repurchase agreement transactions	-
OFD valuation	649
Pension fund allowance	(372)
Advance collections	67
Allowance for debts and foreclosures	<u>239</u>
Total liabilities	<u>(405)</u>
Base for temporary asset (liability) items	94
Rate	<u>10%</u>
Deferred PTU income: revenue (expense)	<u>9</u>
Capital:	
Valuation of securities available for sale	(33)
Rate	<u>10%</u>
Deferred PTU stockholders' equity: revenue (expense)	<u>(3)</u>
Deferred PTU assets	<u>\$ 6</u>

- c. As of December 31, 2011, the Institution has tax losses that can be amortized against tax income that may be generated, a tax credit amount derived from the IETU creditable against this tax in subsequent years and Asset Tax (IMPAC) that can be recovered by fulfilling certain requirements. Their amounts restated in accordance with the current ISR, IETU and IMPAC provisions of the Institution, since it does not consolidate with its subsidiaries for tax purposes, are as follows:

<u>Year generated</u>	<u>Tax loss</u>	<u>IETU credit</u>	<u>IMPAC</u>	<u>Maturity date</u>
2001	\$ -	\$ -	\$ 11	2011
2002	-	-	11	2012
2003	-	-	10	2013
2004	-	-	9	2014
2005	-	-	8	2015
2006	1,192	-	7	2016
2007	-	-	4	2017
2008	-	83	-	2018
2009	-	-	-	2019
2010	442	-	-	2020

The amounts corresponding to subsidiary DIESA are as follows:

<u>Year generated</u>	<u>Tax loss</u>	<u>IETU credit</u>	<u>IMPAC</u>	<u>Maturity date</u>
2002	\$ 23	\$ -	\$ 10	2012
2003	2	-	10	2013
2004	11	-	10	2014
2005	-	-	10	2015
2006	-	-	10	2016
2007	-	-	6	2017
2008	7	-	-	2018
2009	1	-	-	2019
2010	3	-	-	2020

17. Employee benefits

a. Pension plan with defined benefits

Bancomext has a pension plan with defined benefits that covers all the employees who fulfill the requirements established in the general working conditions, which consists of granting to them a pension calculated on the basis of the salary average earned during the last year worked, integrated with Christmas bonus and vacation premium, to which the percentage corresponding to them according to their age and years in service is applied.

This plan also covers seniority premiums that consist of a one-time payment of 12 days of salary for each year worked, based on the last salary (which is limited to twice the minimum bank salary current as of the date they cease to work), as well as the payment of other benefits of the retired personnel, including, among others, medical expenses, medicines, hospitals, sports clubs.

The PEA program consists of a credit that Banco Nacional de Comercio Exterior, S.N.C. grants to its retired and active-service personnel and which may only be used as an investment (time deposit) in the Institution itself, the latter guaranteeing a minimum return, there being a spread payable by the Institution against the funding rate. Starting in 2008, the Institution recognized the liabilities for this item, creating in 2009 the fund to cover these obligations.

The related liabilities and the annual cost of post-retirement benefits are calculated by an independent actuary in accordance with the bases defined in the plans, the Provisions of the CNBV and of the NIF D-3 of CINIF.

As a result of the volatility seen during the last months of 2011 in the financial markets and based on the analysis done with the Actuarial Office that determines the obligations on account of pensions, the Institution deemed appropriate to reduce to 7.00% the discount rate used to determine pension obligations from this year on. The increase generated in the obligations due to this rate change was \$ 1,058.9.

During 2010, the Actuarial Office recommended adjusting the discount rate from 8.68% to 7.50%, as a result of the decline recorded in the interest rates of government securities and of the decrease of the estimated long-term inflation, determining an increase of \$ 909.7 in obligations.

Circular Letter S-22.2, issued by the National Insurance and Bonding Commission, was published in the Official Gazette of the Federation on November 19, 2009, disclosing the EMSSA 2009 Mortality Table for men and women. The application of this table generated an increase of \$ 1,348.9 in obligations.

The accounting treatment that the Institution applied for these increases in obligations is that established for actuarial gains or losses in paragraphs 86 and 87 of NIF D-3 and consistently with the accounting policy adopted by the Institution upon the coming into effect of this rule in 2008, which consists of the amortization of the actuarial gains or losses not contributed in the average remaining work life of the active-service personnel.

However, in order to maintain the financial solidity of pension funds, management determined the convenience of making the necessary contribution to cover the increase of the labor obligations arising from the retired personnel for \$ 321.1 due 2011 rate change, for \$ 204.4 in the case of the rate reduction for the other post-retirement benefits (\$ 209.2 in 2010) and for \$ 962.7 due to the effect of mortality tables in 2010, thereby affecting the relevant cost for the year by such amounts.

As a result of the foregoing, the total amount contributed in 2011 and 2010 was: \$ 678 and \$ 1,340, respectively, to the pension fund and \$ 102 and \$ 95, respectively, to the PEA Fund.

b. Defined contribution pension plan

Starting January 1st, 2007, Banco Nacional de Comercio Exterior, S.N.C. changed the general work conditions based on trends and best practices regarding management and operation of retirement and pension schemes, in order to incorporate the new employees, as well as those who decided to migrate from the Defined Benefit System to the Defined Contribution System. This scheme makes it possible to have better control over the costs and liabilities of the plan, maintain an adequate cost-benefit ratio for the Institution and the employees and it establishes clear contribution or retirement rules. As of December 31, 2011 and 2010, the Defined Contribution Trust amounts to \$ 189.9 and \$ 176.2, respectively.

As of December 31, 2011, the actuarial valuation carried out by an independent expert shows the following results:

	2011			
	Retirement pensions	Seniority premiums	Benefits upon retirement other than pensions	PEA and financial cost of loans
Obligation for acquired benefits	\$ 6,213	\$ -	\$ 3,314	\$ 2,573
Obligation for defined benefits	(7,352)	(13)	(4,090)	(3,099)
Plan assets	6,604	23	3,542	2,367
Situation of the fund	(748)	10	(548)	(732)
Past service for initial transition liabilities (assets)	-	(2)	-	-
Past service for changes to the plan	-	-	(7)	-
Actuarial loss (changes in assumptions)	1,011	3	654	759
Projected net assets	263	11	99	27
Net cost for the historical period	400	(2)	279	102
Labor cost	53	1	32	28
Financial cost	475	1	260	205
Expected returns	449	2	230	165
Annual amortization	-	(2)	13	34
Effect of rate change	321	-	204	-
Contributions to the fund	400	-	279	102
Payments	403	-	132	104
Period for amortization of items pending to be amortized:				
Past service for initial transition liabilities (assets)	N/A	1 year	N/A	N/A
Past service for changes to the plan	N/A	2.77 and 1 years	8.57 years	N/A
Actuarial loss (changes in assumptions)	8.73 years	8.94 years	11.60 years	8.73 years
Actuarial hypotheses:				
Estimated discount rate	7.00%	7.00%	7.00%	7.00%
Estimated salary increase rate	4.00%	4.00%	4.00%	4.00%
Increase rate of medical expenses	N/A	N/A	6.00%	N/A
Estimated rate of return	7.00%	7.00%	7.00%	7.00%
Effect of increasing by one point the rate of the cost of other benefits, considering the other assumptions without change, in:				
Sum of the labor cost and financial cost			324	
Accumulated obligation			4,100	
Effect of decreasing by one point the rate of the cost of other benefits, considering the other assumptions without change, on:				
Sum of the labor cost and financial cost			173	
Accumulated obligation			3,028	

As of December 31, 2010, the actuarial valuation carried out by an independent expert shows the following results:

	2010			
	Retirement pensions	Seniority premiums	Benefits upon retirement other than pensions	PEA and financial cost of loans
Obligation for acquired benefits	\$ 5,571	\$ -	\$ 3,030	\$ 2,282
Obligation for defined benefits	(6,526)	(12)	(3,550)	(2,796)
Plan assets	6,153	22	3,112	2,207
Situation of the fund	(373)	10	(438)	(589)
Past service for initial transition liabilities (assets)	-	(4)	-	-
Past service for changes to the plan	-	-	(8)	-
Actuarial loss (changes in assumptions)	636	2	544	592
Projected net assets	263	8	98	3
Net cost for the historical 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 the fund	634	-	706	95
Payments	388	-	137	124
Period for amortization of items pending to be amortized:				
Past service for initial transition liabilities (assets)	N/A	2 years	N/A	N/A
Past service for changes to the plan	N/A	3.77 and 2 years	8.57 years	N/A
Actuarial loss (changes in assumptions)	9.30 years	10.40 years	13.30 years	9.30 years
Actuarial hypotheses:				
Estimated discount rate	7.5%	7.5%	7.5%	7.5%
Estimated salary increase rate	4.0%	4.0%	4.0%	4.0%
Increase rate 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 by one point the rate of the cost of other benefits, considering the other assumptions without change, in:				
Sum of the labor cost and financial cost			322	
Accumulated obligation			4,101	
Effect of decreasing by one point the rate of the cost of other benefits, considering the other assumptions without change, in:				
Sum of the labor cost and financial cost			158	
Accumulated obligation			3,106	

18. Transactions with derivative financial instruments

The derivative financial instruments to hedge risk positions as of December 31, 2011 and 2010 are composed of fair value hedge swap transactions as follows:

	2011		2010		
	Purchase	Sale	Purchase	Sale	
Swaps:					
To hedge portfolio	\$ 8,251	\$ 8,903	\$ 6,907	\$ 7,420	
To hedge securities or asset instruments	1,124	1,473	996	1,316	
To hedge securities or liability instruments	<u>8,595</u>	<u>10,662</u>	<u>5,064</u>	<u>5,189</u>	
	<u>\$ 17,970</u>	<u>\$ 21,038</u>	<u>\$ 12,967</u>	<u>\$ 13,925</u>	(1)

(1) The net balance between purchase and sale amounts to \$ 3,068 and \$ 958 in 2011 and 2010, respectively.

To hedge the portfolio for year 2011:

	Type of swap	Currency of origin	Thousands			Mexican currency
			Principal	Interest	Total	
Purchase	Rate	USD	585,260	2,266	587,526	\$ 8,194
Purchase	Rate	MexCy.	56,656	112	56,768	<u>57</u>
						<u>\$ 8,251</u>
Sale	Rate	USD	585,260	4,591	589,851	\$ 8,227
Sale	Rate	MexCy.	56,656	259	56,915	<u>57</u>
						8,284
Valuation	Rate	USD			44,300	618
Valuation	Rate	MexCy.			1,429	<u>1</u>
						<u>\$ 8,903</u>

To hedge securities or asset instruments for year 2011:

	Type of swap	Currency of origin	Thousands			Mexican currency
			Principal	Interest	Total	
Purchase	Rate	USD	80,000	621	80,621	<u>\$ 1,124</u>
Sale	Rate	USD	80,000	2,682	82,682	\$ 1,153
Surcharge	Rate	USD			20,788	290
Valuation	Rate	USD			2,141	<u>30</u>
						<u>\$ 1,473</u>

To hedge securities or liability instruments for year 2011:

	Type of swap	Currency of origin	Thousands			Mexican currency
			Principal	Interest	Total	
Purchase	Foreign currency	MexCy.	9,543,858	39,916	9,583,774	\$ 9,584
Valuation	Rate	USD			(988,554)	<u>(989)</u>
						<u>\$ 8,595</u>
Sale	Foreign currency	USD	763,571	876	764,447	<u>\$ 10,662</u>

As of December 31, 2011 and 2010, the results from the valuation of fair value hedging instruments are composed as follows:

	2011		2010	
	Derivative	Primary position	Derivative	Primary position
Swaps:				
To hedge portfolio	\$ 86	\$ (86)	\$ (66)	\$ 66
To hedge securities or asset instruments	(46)	50	(5)	6
To hedge securities or liability instruments	<u>983</u>	<u>(983)</u>	<u>723</u>	<u>(723)</u>
	<u>\$ 1,023</u>	<u>\$ (1,019)</u>	<u>\$ 652</u>	<u>\$ (651)</u>

In managing balance sheet risks Bancomext mostly contracts long-term transactions, interest rate and/or foreign currency swaps that hedge the exposure for asset or liability transactions. As of December 31, 2011 and 2010 swaps have been contracted for an amount equal to USD 1,382 million and USD 1,043 million, respectively.

19. Stockholders' equity

a. The stockholders' equity as of December 31, 2011 and 2010 is composed as follows:

	2011			
	Number of equity contribution certificates (CAP's)	Face value	Restatement effects	Total
Subscribed:				
Series A	92,460,098	\$ 9,246	\$ 627	\$ 9,873
Series B	<u>47,630,960</u>	<u>4,763</u>	<u>323</u>	<u>5,086</u>
Subtotal	140,091,058	14,009	950	14,959
Contributions for future capital increases formalized by its governing body	-	250	-	250
Paid stock premium	-	71	10	81
Capital reserve	-	(547)	688	141
Prior periods result	-	(5,930)	(1,092)	(7,022)
Result from valuation of securities available for sale	-	(41)	-	(41)
Result from holding non-monetary assets	-	-	(25)	(25)
Net result	-	<u>721</u>	<u>(40)</u>	<u>681</u>
Total	<u>140,091,058</u>	<u>\$ 8,533</u>	<u>\$ 491</u>	<u>\$ 9,024</u>

	2010			
	Number of equity contribution certificates (CAP's)	Face value	Restatement effects	Total
Subscribed:				
Series A	92,460,098	\$ 9,246	\$ 627	\$ 9,873
Series B	<u>47,630,960</u>	<u>4,763</u>	<u>323</u>	<u>5,086</u>
Subtotal	140,091,058	14,009	950	14,959
Paid stock premium	-	71	10	81
Capital reserve	-	(547)	688	141
Prior periods result	-	(6,710)	(1,065)	(7,775)
Result from valuation of securities available for sale	-	(38)	-	(38)
Result from holding non-monetary assets	-	-	(25)	(25)
Net result	<u>-</u>	<u>793</u>	<u>(25)</u>	<u>768</u>
Total	<u>140,091,058</u>	<u>\$ 7,578</u>	<u>\$ 533</u>	<u>\$ 8,111</u>

- b. The capital stock is represented by instruments called Equity Contribution Certificates (CAP's); nominative, without coupons and being divided into the following series:

Series "A" will at any time represent 66% of the capital stock of the corporation and may only be subscribed by the Federal Government. A single certificate will be issued; this will be non-transferable and in no event whatsoever may have its nature or the rights it confers to the Federal Government as holder thereof changed.

Series "B" represents 34% of the capital stock and may be issued in one or several securities with the same value. These may be subscribed by the Federal Government, the Governments of the States and the Municipalities or by Mexican individuals or corporations of the social and private sectors, giving preference to those related with foreign trade. No individual or corporation may hold control of certificates for more than 5% of the paid-up capital of the Institution. Foreign industries or corporations or Mexican corporations whose bylaws do not include the direct or indirect foreigners' exclusion clause may not have an interest in the capital stock in no event whatsoever.

The capital stock is represented by the Federal Government (99.9762%), Banco de México (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 the stockholders' equity, after subtracting the restated contributed capital stock (CUCAP) and the restated tax income (CUFIN) would be subject to the Income Tax at the rate of 30% payable by the Institution. For years 2011 and 2012 the 30% rate will be applicable; for year 2013, the 29% rate will be applicable and the 28% rate will be applicable from year 2014.

As of December 31, 2010 the tax accounts related to the stockholders' equity called Capital Contribution Account (CUCA) and Net Tax Income Account (CUFIN), are:

CUCA	\$ 40,200
CUFIN	5,931

The subsidiary DIESA has a CUCA of \$ 532 and a CUFIN of \$ 0.

- d. During year 2011 Bancomext requested from the SHCP (Ministry of Finance and Public Credit) funds for an amount of up to \$ 250 for the strengthening of the capital stock, which was contributed on December 29, 2011.

- e. In accordance with the Law of Credit Institutions, the Development Banks must keep a minimum net capital of 8% regarding its assets subject to risk.

Capitalization index as of December 2011 and 2010:

	2011	2010
Net capital	\$ 8,789	\$ 7,867
Basic	8,497	7,640
Complementary	292	227
Assets subject to risk	71,055	51,830
Loan	53,442	37,700
Market	14,726	12,154
Operational	2,887	1,976
Capitalization index (%)	12.37	15.18

As of December 31, 2011 and 2010, Bancomext fulfills this requirement by having a capitalization index of 12.37% and 15.18% respectively. Said index was calculated on the basis of the rules for the determination of the capitalization requirements that were published by the SHCP in the Official Gazette of the Federation dated December 28, 2005, as amended.

The capitalization index is informed every month to the Comprehensive Risk Management Committee and to the Board of Directors, explaining the main variations that are presented in the items that compose it.

20. Income statement

a. Financial margin

	2011		
	Mexican currency	Foreign currency (valued in Mexican currency)	Total
Revenues:			
Revenues derived from the loan portfolio	\$ 1,198	\$ 1,361	\$ 2,559
Interest receivable from investments in securities	4,606	106	4,712
Interest receivable from cash and cash equivalents	115	21	136
Result from valuation of derivative instruments	(81)	-	(81)
Other items	1	-	1
	<u>5,839</u>	<u>1,488</u>	<u>7,327</u>
Expenses:			
Expenses for repurchase transactions	3,864	-	3,864
Interest payable for time deposits	1,039	26	1,065
Interest payable for credit instruments	318	-	318
Interest payable for interbank loans and loans from other entities	12	271	283
Result from valuation of derivative instruments	(304)	324	20
Other items	-	5	5
	<u>4,929</u>	<u>626</u>	<u>5,555</u>
Total	<u>\$ 910</u>	<u>\$ 862</u>	<u>\$ 1,772</u>

	2010		
	Mexican currency	Foreign currency (valued in Mexican currency)	Total
Revenues:			
Revenues derived from the loan portfolio	\$ 1,257	\$ 1,296	\$ 2,553
Interest receivable from investments in securities	2,945	105	3,050
Interest receivable from cash and cash equivalents	118	20	138
Result from valuation of derivative instruments	(82)	-	(82)
Other items	3	1	4
	<u>4,241</u>	<u>1,422</u>	<u>5,663</u>
Expenses:			
Expenses for repurchase agreement transactions	2,567	-	2,567
Interest payable for time deposits	1,068	15	1,083
Interest payable for credit instruments	324	-	324
Interest payable for interbank loans and loans from other entities	4	223	227
Result from valuation of derivative instruments	(540)	318	(222)
	<u>3,423</u>	<u>556</u>	<u>3,979</u>
Total	<u>\$ 818</u>	<u>\$ 866</u>	<u>\$ 1,684</u>

b. Result from brokerage

	2011	2010
Result from valuation of securities and metals	\$ (12)	\$ 11
Result from purchase and sale of securities	68	262
Result from purchase and sale of foreign currency	(32)	2
Total	<u>\$ 24</u>	<u>\$ 275</u>

c. Other operating income (expenses)

	2011	2010
Recoveries	\$ 167	\$ 161
Allowance for risk management	(37)	(124)
Cancellation of allowances for legal, tax and guarantee risks (1)	60	878
Interest charged for loans to the personnel	86	88
Profit from sale of real estate, furniture and equipment	22	8
Profit from sale of repossessed assets	5	184
Cancellation of the allowance of repossessed assets	17	7
Write-off for the withdrawal of repossessed assets	(150)	(143)
Sale of collection rights	-	34
Other items	47	18
Total	<u>\$ 217</u>	<u>\$ 1,111</u>

(1) In 2010 it includes the release of reserves for \$ 624, which had been prudentially created during 2008 and 2009 derived from the sale in 2008 of the stock of two companies located in Chile, as well as the assignment of a credit payable by one of them. The reserves were released since the favorable resolution of the arbitration judge was rendered on May 3, 2010.

d. Commission and fees collected

	<u>2011</u>	<u>2010</u>
Credit operations	\$ 78	\$ 194
Guarantees	60	56
Letters of Credit	4	1
Trusts	27	36
Appraisals	13	9
Other fees and rates collected	<u>14</u>	<u>6</u>
Total	<u>\$ 196</u>	<u>\$ 302</u>

21. Contingencies and commitments

The Institution has commitments through irrevocable lines to grant loans as of December 31, 2011 and 2010 for an amount of \$ 3,105 and \$ 2,102, respectively.

22. Guarantees granted

As of December 31, 2011 and 2010, the guarantees granted are composed as follows:

<u>Purpose</u>	<u>2011</u>	<u>2010</u>
To partially guarantee or secure the payment of capital or interest for up to 35% of an issue of stock certificates of up to \$ 2,500, for a term of up to 7 years, in order to improve the rating allocated to the sector's stock exchange issues.	\$ 785	\$ 785
To partially guarantee or secure the payment of capital and/or interest for up to 35% of an issue of stock certificates of up to \$ 1,000, for a term of up to 7 years, in order to improve the rating allocated to the sector's stock exchange issues.	300	300
To partially guarantee or secure the payment of capital and/or interest for up to 40% of an issue of stock certificates of up to \$ 2,200, for a term of up to 12 years, in order to improve the rating allocated to the sector's stock exchange issues.	859	859
To partially guarantee or secure up to 36% of the payment of capital plus the first interest period, for two issues of stock exchange certificates whose total amount is \$ 3,600, within a maximum term of 12 years, in order to improve the rating allocated by the rating agencies in this type of stock exchange instruments.	<u>523</u>	<u>523</u>
Guarantees in Mexican currency	<u>\$ 2,467</u>	<u>\$ 2,467</u>

The amount of the reserves created for this item as of December 31, 2011 and 2010 is \$ 61 and \$ 115, respectively.

23. Assets under trust or mandate

As of December 31, 2011 and 2010, Bancomext has the following trusts in the trust division:

	<u>2011</u>	<u>2010</u>
Guarantee trusts	\$ 12,079	\$ 9,511
Administration trusts	23,616	21,954
Investment trusts	243	242
Trusts for the transfer of ownership	<u>9,774</u>	<u>9,776</u>
	45,712	41,483
Mandates	<u>6,944</u>	<u>6,261</u>
Total	<u>\$ 52,656</u>	<u>\$ 47,744</u>

The amount of the revenues for the management of trusts as of December 31, 2011 amounts to \$ 27 and for year 2010 it amounts to \$ 36.

The balances of the Pension Fund Trusts as of December 31, 2011 and 2010 are: a) Defined Benefit \$ 10,169 and \$ 9,287 and b) Defined Contribution \$ 190 and \$ 176 and the balance corresponding to the Special Loan for Savings and Financial Cost of Loans is \$ 2,367 and \$ 2,207.

24. Assets under custody or administration

As of December 31, 2011 and 2010, the custody and administration transactions are composed as follows:

	<u>2011</u>			<u>2010</u>		
	<u>USD millions</u>	<u>Euros thousands</u>	<u>Mexican currency</u>	<u>USD millions</u>	<u>Euros thousands</u>	<u>Mexican currency</u>
Transaction on account of third parties on repurchase agreements	-	-	\$ 1,006	-	-	\$ 1,242
Transaction directly on account of third parties	-	-	3,189	-	-	3,339
Other Instruments under administration (1)	25,503	8	418,792	15,144	68	234,865
Others securities under administration	3	-	41	1	-	16
Special loan for savings	-	-	693	-	-	715
	<u>25,506</u>	<u>8</u>	<u>\$ 423,721</u>	<u>15,145</u>	<u>68</u>	<u>\$ 240,177</u>

(1) It corresponds to the recording of value documents supporting the Bancomext loan portfolio.

25. Foreign exchange risk position

In accordance with circular letter 1/2006 issued by Banco de Mexico (Mexican Central Bank), the foreign exchange risk position is within the established limits, in an overall manner and for each foreign currency.

The foreign exchange risk position, both as a whole and in each foreign currency, does not exceed the limit equivalent to 15% of the basic capital of the Institution, which amounted to USD 91,683 thousand and USD 91,675 thousand as of December 31, 2011 and 2010, respectively.

The foreign exchange risk position as of December 31, 2011 and 2010 is composed as follows:

	Foreign Currency USD (thousands)	
	2011	2010
US dollar	30,328	14,029
Swiss franc	108	112
Pound sterling	60	81
Canadian dollar	36	37
Japanese yen	162	157
Euro	1,090	1,026
Total	31,784	15,442

The following foreign exchange rates were used for the determination of the foreign exchange risk position (Foreign currency - US dollar):

Foreign currency	Exchange rates	
	2011	2010
US dollar	\$ 1.000000	\$ 1.000000
Swiss franc	0.937699	0.930804
Pound sterling	0.643459	0.638733
Canadian dollar	1.019503	0.993700
Japanese yen	77.160494	80.971660
Euro	0.770416	0.745601

As of December 31, 2011 and 2010, the exchange rates used for the conversion to Mexican currency are as follows:

Foreign currency	Exchange rates	
	2011	2010
US dollar	\$ 13.947600	\$12.3496000
Swiss franc	14.874280	13.2676700
Pound sterling	21.675970	19.3345300
Canadian dollar	13.680780	12.4279000
Japanese yen	0.180760	0.1525200
Euro	18.103990	16.5632800

26. Information by segments

The information derived from the operation of each of the segments into which the activity of the Institution is mainly divided is detailed below:

a. Assets and liabilities

Business segment	Assets		Liabilities		Revenues		Expenses	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
First-tier credit	\$ 49,950	25.6	\$ -	-	\$ 1,306	54.6	\$ 343	20.0
Second-tier credit	4,824	2.5	-	-	103	4.3	77	4.5
Financial markets and deposit-taking	131,942	67.5	174,740	89.5	519	21.7	174	10.2
Other areas	<u>8,600</u>	<u>4.4</u>	<u>20,576</u>	<u>10.5</u>	<u>464</u>	<u>19.4</u>	<u>1,117</u>	<u>65.3</u>
Total	\$ <u>195,316</u>	<u>100.0</u>	\$ <u>195,316</u>	<u>100.0</u>	\$ <u>2,392</u>	<u>100.0</u>	\$ <u>1,711</u>	<u>100.0</u>

b. Results by segment

	First Tier	Second Tier	Financial markets and deposit-taking	Other areas	Total
Revenues:					
Net financial revenues	\$ 1,306	\$ 103	\$ 519	\$ 464	\$ 2,392
Expenses:					
Operating expense	(353)	(80)	(174)	(1,061)	(1,668)
Credit reserves	<u>10</u>	<u>3</u>	<u>-</u>	<u>(56)</u>	<u>(43)</u>
Total	\$ <u>963</u>	\$ <u>26</u>	\$ <u>345</u>	\$ <u>(653)</u>	\$ <u>681</u>

The first-tier credit operation corresponds to loans placed directly on companies. The second-tier credit operation corresponds to the channeling of funds through financial banking intermediaries and other non-banking intermediaries and financial markets and deposit-taking targeted at obtaining the necessary resources to fulfill the Annual Financial Program authorized by the SHCP, to meet the liquidity needs of the Institution and the allocation of transfer costs to the operating segments that require resources to carry out their operations.

c. Loan portfolio and deposit-taking

The balance of the credit placement units as of December 31, 2011 amounted to \$ 72,108, of which \$ 7,509 (10.4%) correspond to public sector operations and \$ 64,599 (89.6%) to private sector operations, of which \$ 60,101 qualify as first-tier and guarantee operations.

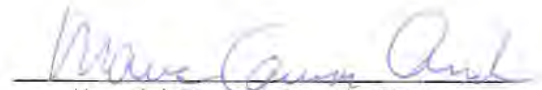
The resources allocated to the provision of credit are raised mainly through loans from international credit institutions and from the issuance of paper in Mexican currency, which are integrated into a basket of funds to obtain interest that allows offering competitive placement rates in the first and second tier credit activities.

As of December 31, 2011, the balance of fund-raising for the issuance of promissory notes payable at maturity and stock exchange certificates in Mexican currency accounted for 72.1% of the internal debt, whereas the loans through guaranteed lines accounted for 95.5% of the external debt.

Mexico City, Federal District, as of February 27, 2012



Héctor A. Rangel Domene
General Director



Ma. del Carmen Arreola Steger
Deputy General Director,
Administration and Finance



Martha Martínez Quiroz
Finance Director



Horacio Manuel Díaz Mercado Queijeiro
Head of the Internal Audit Area at Banco
Nacional de Comercio Exterior, S.N.C.

The Head of the Internal Audit Area signs these notes to the financial statements based on the results of the reviews made until the date hereof, which have allowed him to verify the sufficiency of the process for the generation of financial information established by the management of the Institution and its capacity to generate reliable information covered with the same reviews.