



COMISIÓN NACIONAL
BANCARIA Y DE VALORES

ANNUAL REPORT 2013



CONTENTS

PRESIDENT'S MESSAGE	6
EXECUTIVE SUMMARY	10

FINANCIAL REFORM

16

1.1. Introduction	16
1.2. Development	17
1.3. Scope	17

SUPERVISION

18

2.1. Introduction	18
2.2. Supervision methodologies and procedures	19
2.3. Specialized thematic supervision	19
2.3.1. Analysis and management of information	20
2.3.2. Supervision of financial risks	21
2.3.3. Supervision of operational and technological risk	21
2.3.4. Supervision of investment advisory activities	23
2.3.5. Macro-prudential metrics and systemic risk follow-up	23
2.3.6. Supervision of stock markets	24
2.4. Supervision related to the prevention of illicit operations	26
2.5. Investigation visits	26
2.6. Sectorial supervision by type of entity	27
2.6.1. Multiple banking institutions	27
2.6.2. Development banking institutions and promotion entities	31
2.6.3. Brokerage firms	36
2.6.4. Mutual funds	39
2.6.5. Auxiliary credit activities and organizations	40
2.6.6. Credit unions	47
2.6.7. Popular finance sector's entities	49
2.6.8. Credit bureaus	55
2.6.9. Representative offices of banks and brokerage firms	56



REGULATION

58

- 3.1. Introduction 58
- 3.2. Regulation issued by the CNBV 59
- 3.3. Regulation issued with CNBV opinion 65

AUTHORIZATIONS

66

- 4.1. Introduction 66
- 4.2. New entities and companies of the financial system 67
- 4.3. Corporate restructurings 76
- 4.4. Operative and legal aspects 77
- 4.5. New issuances in the stock market 80

INTERNATIONAL AFFAIRS, ECONOMIC STUDIES AND FINANCIAL INCLUSION

86

- 5.1. Introduction 86
- 5.2. Presence of the CNBV in multilateral organizations 87
- 5.3. Cooperation through bilateral mechanisms 87
- 5.4. Research and economic studies 90
- 5.5. Financial inclusion 90

LEGAL MANAGEMENT

94

- 6.1. Introduction 94
- 6.2. Offenses and sanctions 95
- 6.3. Contentious affairs 95
- 6.4. Attention to other authorities 98

ADMINISTRATIVE MANAGEMENT

100

7.1. Introduction	100
7.2. Processes and projects management	101
7.3. Information technologies	101
7.4. Human resources and organizational culture	102
7.5. Material and financial resources	104
7.6. Organizational project	105

INSTITUTIONAL REINFORCEMENT

106

8.1. Introduction	106
8.2. Strategy	107
8.3. Communication	107

ANNEXES

108

Annex A. Inspection visits carried out	108
Annex B. Regulations issued	110
Annex C. Sanctions imposed and fines paid	120



COMISIÓN NACIONAL
BANCARIA Y DE VALORES



PRESIDENT'S MESSAGE

It is an honor for me to have the chance to share all the goals accomplished by the Comisión Nacional Bancaria y de Valores (CNBV – National Banking and Securities Commission) during the last year and to present the 2013 Annual Report which outlines its performance.

First, it should be noted that, in 2013, the CNBV faced one of the periods with the most intense activity in its history: the year began with the implementation of new capitalization rules known as Basel III within the banking sector regulations. Moreover, it concluded with the design of the regulation that shall shape and bring the Financial Reform to life, which shall rule the Mexican financial system for the upcoming years. Between these two milestones, the CNBV carried out several actions in order to address the tasks in its charge, according to the applicable regulations, inherent to the role it plays as an authority within the financial system, such as, authorizing, regulating, supervising and, if necessary, sanctioning the financial entities and individuals within its jurisdiction.

In this sense, during the period covered by the Report, almost a hundred authorizations were granted to organize financial entities across several supervised sectors. Among them, the outstanding fact that, during the year, almost half of the savings and loan cooperatives (SCAP, in Spanish), which are now in operation, were authorized, as well as the first community financial company (SOFINCO, in Spanish), and five new multiple banking institutions, that already began to operate. Also, six banking correspondents, which



Jaime González Aguadé
PRESIDENT

shall strengthen the achievement of one of the main objectives of the ongoing federal administration, promoting the financial inclusion. It is very important to mention the over 300 authorizations granted to carry out issuances in the stock market, which allowed the performance of placements whose amount and variety is unparalleled in this country.

Moreover, in order to face the constant evolution in the financial sector and to count on a cutting-edge regulatory framework, the design and elaboration of the regulation are permanently being updated. In this sense, this year over thirty resolutions were issued in order to modify the provisions applicable to virtually all the supervised sectors, which covered a number of subjects like the adoption of capitalization rules derived from the Basel III Capital Agreement; the instrumentation of processes to prevent money laundering; electronic banking and the operation of banking correspondents, among others.

Likewise, the CNBV supervised the financial entities in operation and reached high efficiency levels regarding the task of verifying the timely compliance of the valid regulations by a great number of supervised entities. As a result, several offenses were detected and, finally, the imposition of over 300 sanctions was supported, which have not only corrected the offensive conducts identified, but have also maintained the healthy operation of the financial sector.

Along with the previous activities, the assignments of the Institution have been widened and, particularly, efforts have been

made, along with other agencies of the federal public administration, in order to detect and timely eradicate the offenses. Hence, the CNBV supervises, within its jurisdiction, several financial entities subjected to the appropriate regulations, in order to demand them to put money laundering and terrorism financing prevention programs (PLD/FT) in place. In the year covered by the Report, the progress in this respect were evident, in addition, virtually every supervised sector was reached.

The tasks of the CNBV —this means, assuring stability, correct functioning and healthy development of the Mexican financial system— is of public interest, hence, it has been very important to strengthen the institutional communication in order to transmit to society, clearly and regularly, the results obtained from the efforts made by the CNBV. Consequently, during 2013 the digital communication means of the Institution were updated and used intensively and extensively, in order to timely spread the most prominent information regarding the supervised sectors, the most relevant data on its situation and self-elaborated set of analysis, among other things. As a result, better responses from the participants in the system have been obtained, as well as from other interested parties and general audience, with which we are building a permanent space for dialogue with the society.

It is also very satisfying to notice that the work performed by the CNBV is transcending and that it has an increasingly outstanding presence in the international field. In this



year, the Institution maintained a vigorous participation in several international forums and was invited to join new groups, to coordinate others and even to preside some cooperation efforts.

The comments outlined above succinctly reveal the advancements accomplished by the CNBV in twelve months of productive work. The positive results reached up to now represent the first step towards the right track. The task now is to continue with the previous efforts and surpass these accomplishments. In this sense, the CNBV will continue to be responsible and strict in the accomplishment of the regulation and supervision functions in its charge regarding the national financial sector; it will keep strengthening the interinstitutional relations with other financial authorities in order to harmonize the public policies of the sector; it shall assume new commitments as the representative of the country in the world financial system, and it shall pay attention to the international trends regarding global financial markets. In addition, it shall target its efforts to accomplishing the mission of establishing the foundations put the Financial Reform in place and it will issue the appropriate regulations to make the approved instructions come true in such Reform, which is the cornerstone of the future of the Mexican financial system.

The future challenges demand a huge commitment and high responsive abilities from the CNBV. Both myself and all the officials collaborating in the National Banking and Securities Commission are committed to keep working responsibly in order to protect Mexico's interests by supporting the construction of a robust financial sector, to the service of the country, its companies and citizens.

Jaime González Aguadé
President



COMISIÓN NACIONAL
BANCARIA Y DE VALORES





EXECUTIVE SUMMARY

The current 2013 Annual Report of the National Banking and Securities Commission (CNBV, in Spanish) contains the main activities carried out during the period, as well as a description of the challenges faced and the most relevant results achieved. This report's submission is a duty complying with Article 16, Section VII of the Law of the National Banking and Securities Commission.

The first chapter of the Annual Report describes the process followed for the approval of the Financial Reform, which consists of thirteen initiatives that amend, add and derogate several provisions of thirty-four judicial regulations in the financial matter. Likewise, the impacts of such Reform on the assignments and charges of the CNBV are presented.

The second chapter outlines the supervision tasks performed by the CNBV within its jurisdiction. In that regard, in 2013 these activities focused on three main aspects: strengthening the applicable processes and methodologies; developing and applying specialized techniques on subjects of systemic interest, and carrying out the inspection visits and monitoring tasks regarding the different types of financial entities supervised. Regarding the first point, the efforts were focused on establishing homogeneous criteria to assess the risks of the institutions and on updating the generic processes used. These tasks were complemented with the redesign of the integral supervision process and its documentation through a new manual.

Regarding specialized thematic supervision, we worked on several issues. As to information analysis and management, the improvement of processes such as gathering, exploitation and verification of financial information reported by institutions was maintained, mostly focusing on quality and reliability analysis. On the other hand, the CNBV kept elaborating exercises on financial projections under adverse conditions scenarios for the main multiple banking institutions, including, for the first time, the Institute of National Housing Fund for Workers (INFONAVIT, in Spanish).

Regarding the supervision of financial risks, we worked with a supervision approach based on the risks management processes, in order to promote the implementation of systems that consider risk appetite monitoring and the adoption of mitigation measures.

As to the systemic risk, we worked on a vulnerability-measuring model that was used in order to calculate the potential impacts of different unfavorable macroeconomic scenarios. Likewise, these calculations were used to analyze





COMISIÓN NACIONAL
BANCARIA Y DE VALORES





macro-prudential subjects within the CNBV and to provide the Financial Stability Board (CESF, in Spanish) with an analysis of potential vulnerabilities for the stability of the Mexican banking system.

Similarly, the institutional methodologies and practices to monitor operational and technological risk were adjusted to reflect changes in the regulatory framework, to maintain a standardized review of control points in supervised entities and to accurately measure every inspection results. In general, related visits focused on reviewing internal controls, infrastructure, security and customer service schemes, among other relevant issues. Likewise, there was a continuous improvement on the approach for monitoring investment assessment activities, specially emphasizing on verifying the new provisions in this respect and ensuring that the institutions are able to comply with the obligations established as appropriate.

Regarding the stock markets, during this year a continuous monitoring of its evolution was maintained, in order to analyze, when opportune, the potential impact of the volatility registered in the international filed. In this respect, the capital and debt markets, and derived instruments showed a positive behavior and, in some cases, they even registered placement levels that were higher than the levels of the previous year. Furthermore, strategies were promoted to raise the technical level of the staff that belongs to the financial system and tasks were performed to adopt international standards on payment and settlement.

As to the prevention of operations with resources of financial illicit origin and terrorist financing (PLD/FT), in 2013 the CNBV maintained the efforts to automatize the information reception process in this matter, of both the financial entities supervised and the compelled subjects (multiple object financial companies, not regulated entities, currency exchange offices and money transfer companies). Based on this, 95% of the information transfers are now automated, which saves time and money to all the people involved.

Finally, a big portion of the resources was targeted to carrying out the supervision of the entities that belong to the Mexican financial system, in order to facilitate its correct functioning and to verify the compliance with the applicable regulation in each case. In total, there 495 inspection visits, both regular and special.

At the end of the year, the financial system showed positive results, such as the following: capitalization of the

multiple banking institutions was maintained over the legal minimum; the development banking institutions and other promotion entities are still in a stable financial situation, and the situation of the brokerage firms is stable in terms of profitability and solvency. In addition, the remaining sectors and financial markets supervised keep an appropriate level of stability, solvency and development.

The third chapter presents the new issuances in the regulation and relevant changes to the active one, through general provisions to which several entities and persons must be subjected. Part of these efforts was focused on updating, consolidating and simplifying the regulations framework, in order to have better tools to carry out the inspection and monitoring tasks in the different entities.

Likewise, the CNBV issued opinions on the minimum capital for auxiliary credit organizations and activities, as well as on the paid-up capital investment and capital reserves of the exchange offices.

The fourth chapter of the report is related to the activities performed in the exercise of the authorization functions of the CNBV, for the organization and operation of entities, and for the execution of several acts established in the laws. In this respect, throughout the year, five new multiple banking entities were authorized, as well as a brokerage firm, two companies that manage systems to facilitate operations with securities and three foreign institutions' representative offices.

In addition, an authorization was granted for the operation of 62 savings and loan cooperatives, which represents a huge accomplishment to regulate this sector and to provide greater security to the users of this kind of services. Regarding the currency exchange offices and money transfer companies, the CNBV granted, as a whole, 170 registrations and, simultaneously, cancelled 61 registrations previously granted.

On the other hand, several issuances in the stock market were performed, among them, five new companies made public offers and eight more made subsequent public offers. Regarding the development capital certificates (CKD, in Spanish) there was an initial public offer of four certificate issuances, two subsequent offers and four capital calls. In addition, there was an initial offer of four real estate trust certificates (FIBRA, in Spanish) and two subsequent offers of this same kind of certificates. It is worth noting that the first issuance was authorized as well as the public offer of debt instruments.

In the fifth section of the Report, the CNBV activities in the international field are presented, this means, its involvement in multilateral, global or regional cooperation schemes, and in bilateral collaboration agreements. One of the most outstanding aspects is that, during 2013, the CNBV was involved in groups focused on subjects such as prevention of operations with resources of financial illicit origin and financial inclusion; as well as the contribution to the development of international standards, principles, recommendations and guidelines in order to reach a more stable, upright and transparent international financial system. The CNBV requested, and received, international cooperation for exchanging information about different aspects and for carrying out the technical assistance and abilities strengthening activities.

In this same chapter, the achievements in economic research on the Mexican financial system and issues related to the CNBV's mandate are described. Throughout the year, the second volume of the collection of Economic Studies was elaborated, along with six research works with a methodological approach; two reports on a regional approach to financial savings and financing in Mexico; and an economic and markets report in a weekly format.

Finally, this chapter contains a description of progress achieved in financial inclusion, a subject in which the CNBV has been active for several years. In 2013, a fifth Report of Financial Inclusion (RIF5) was published, which provides valuable elements for discussion and decision-making of actors interested in this matter. Internationally, there was an intense collaboration with multilateral organization specializing in this area and, specifically, a role of leadership was assumed in measurement and generation of information initiatives. On this regard, in the international field, it emphasizes the collaboration of the CNBV as a member of the National Council for Financial Inclusion (CONAIF, in Spanish) where it was actively involved.

The sixth chapter deals with the CNBV legal proceedings, which groups functions like ensuring an adequate internal legal control; providing legal advice on various issues; stating crime opinions and imposing penalties; representing CNBV in proceedings in which it is involved and meet the information and documentation requirements asked by other national authorities (judicial, treasury or administrative).

In 2013, positive results were accomplished in all the previously mentioned matters, as well as a significant number of resolutions favorable to the CNBV's interests.

Efforts implemented to streamline the procedure for sanctioning are worth mentioning, as, throughout the year, sanctions were imposed to 221 entities for a total amount over \$265 million pesos. Likewise, it continued improving attention paid to a large number of information requests received from several authorities.

The seventh chapter of the Report contains the main tasks performed by the CNBV internal management, which supported its performance and guaranteed its operation.

Regarding process management in this year, the CNBV focused its efforts on redesigning the supervision process, in order to standardize the practices used by several areas and to make them more efficient, which was document in the Manual del Proceso de Supervisión (Supervision Process Manual).

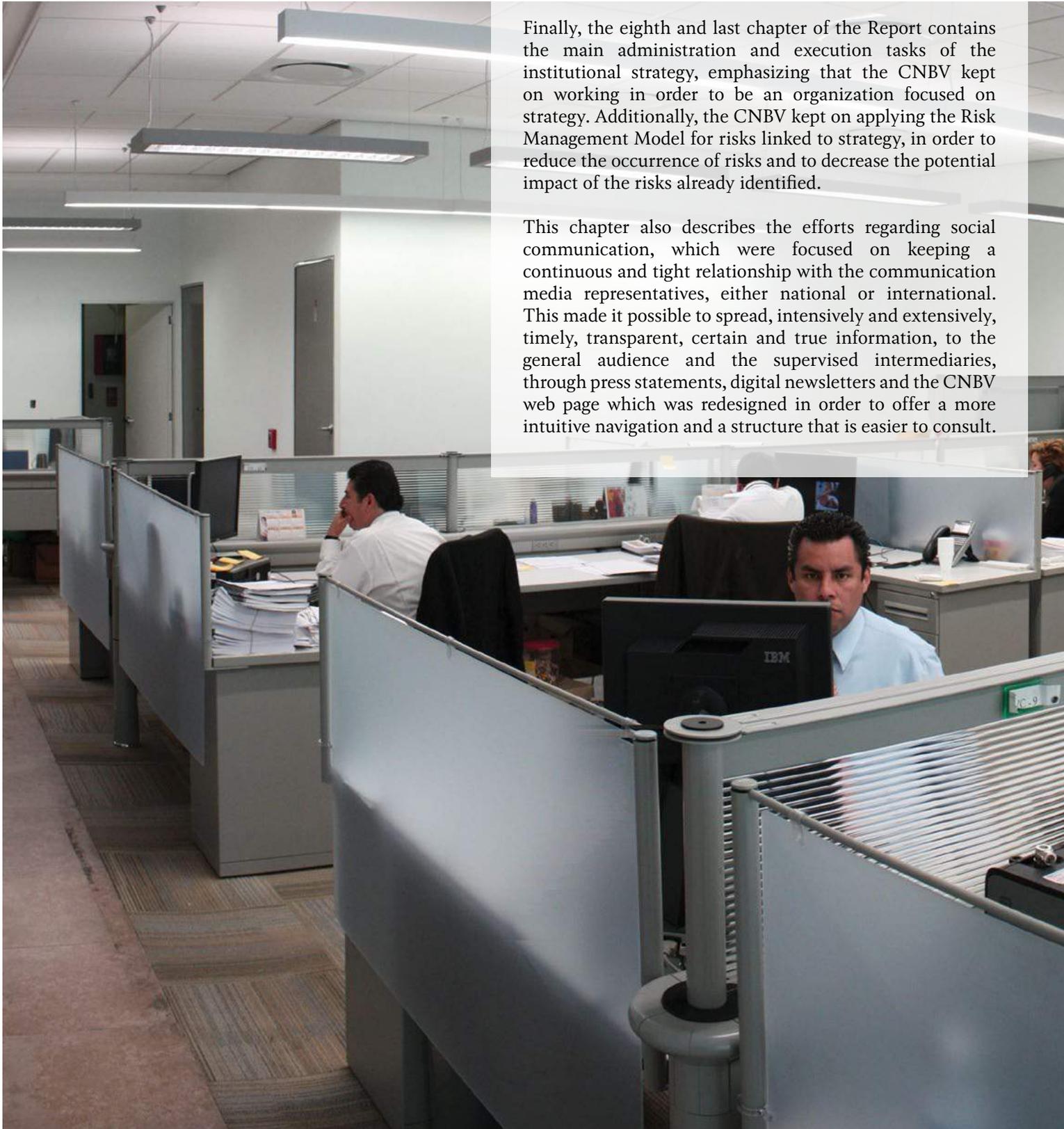
As to Project management, the CNBV administered a portfolio that consisted of ten strategic projects, five of them were suggested and created in 2013, all of them aligned with the institutional strategic objectives.

Regarding information technologies and communication, computer goods and services, required by every administrative unit of the CNBV were updated and supplied. Specifically, the development of the following projects: Supervision and Sanctions Dashboard; Business Intelligence Platform and, Knowledge Center for Decision-making.

Regarding human resources development and organizational culture, the CNBV implemented, among others, the Leadership Program and the Substantive Technical Program, which made it possible to count on better qualified staff to perform the Institution's tasks. As to the organizational environment, and as a part of the efforts made to promote a favorable working environment, the CNBV is evaluated, in an annual basis, by the Great Place to Work® Institute, Mexico.

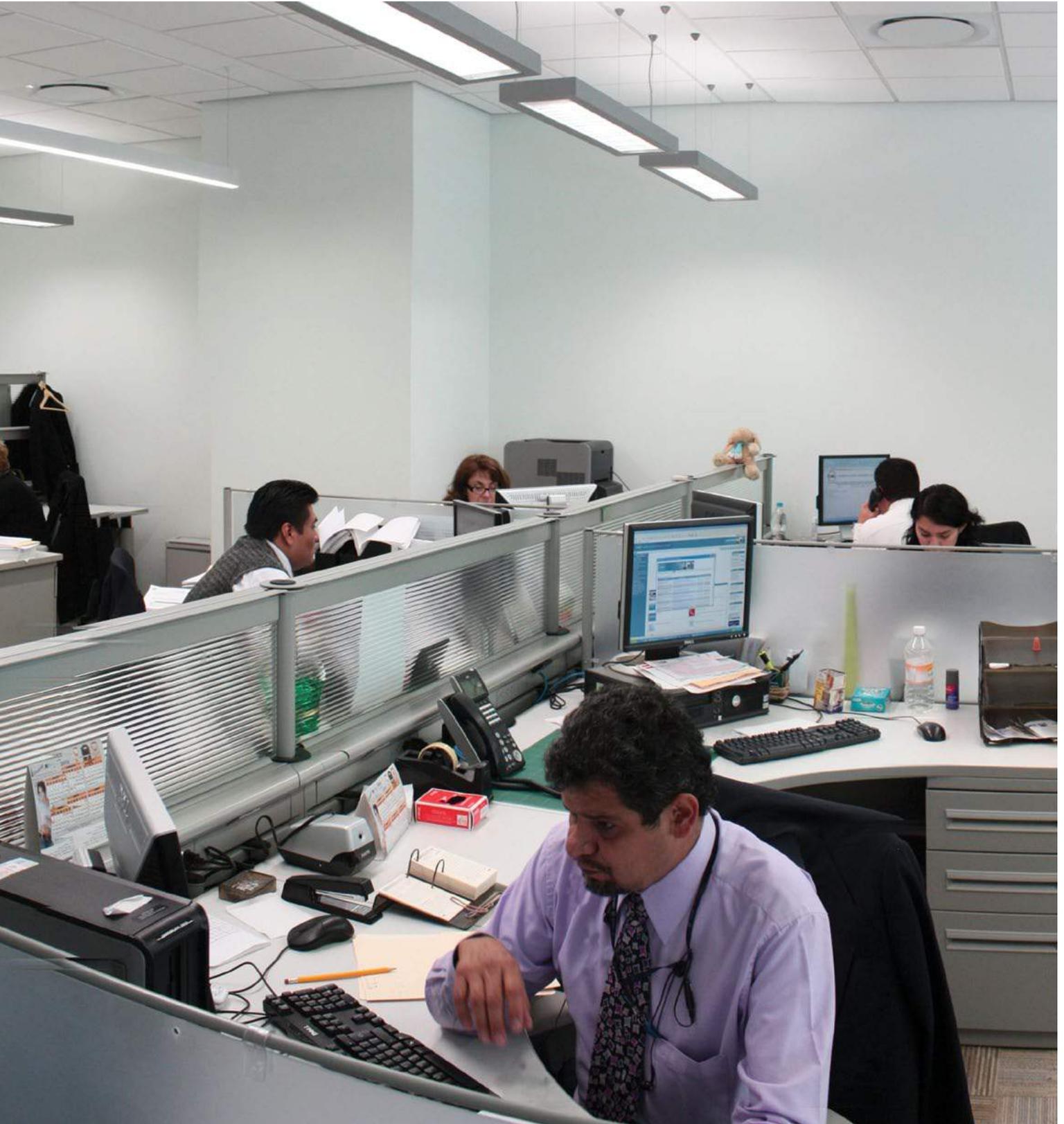
Additionally, as a part of the actions to strengthen and improve the work environment, in 2013, a campaign was established to advance a healthier and more sustainable environment in the facilities; and to take care of the welfare and health of the collaborators and strengthening the kindness of public officers.

Lastly, in the face of the challenges derived from the new functions the CNBV counts on due to the Financial Reform, the Integral Organizational Project was implemented.



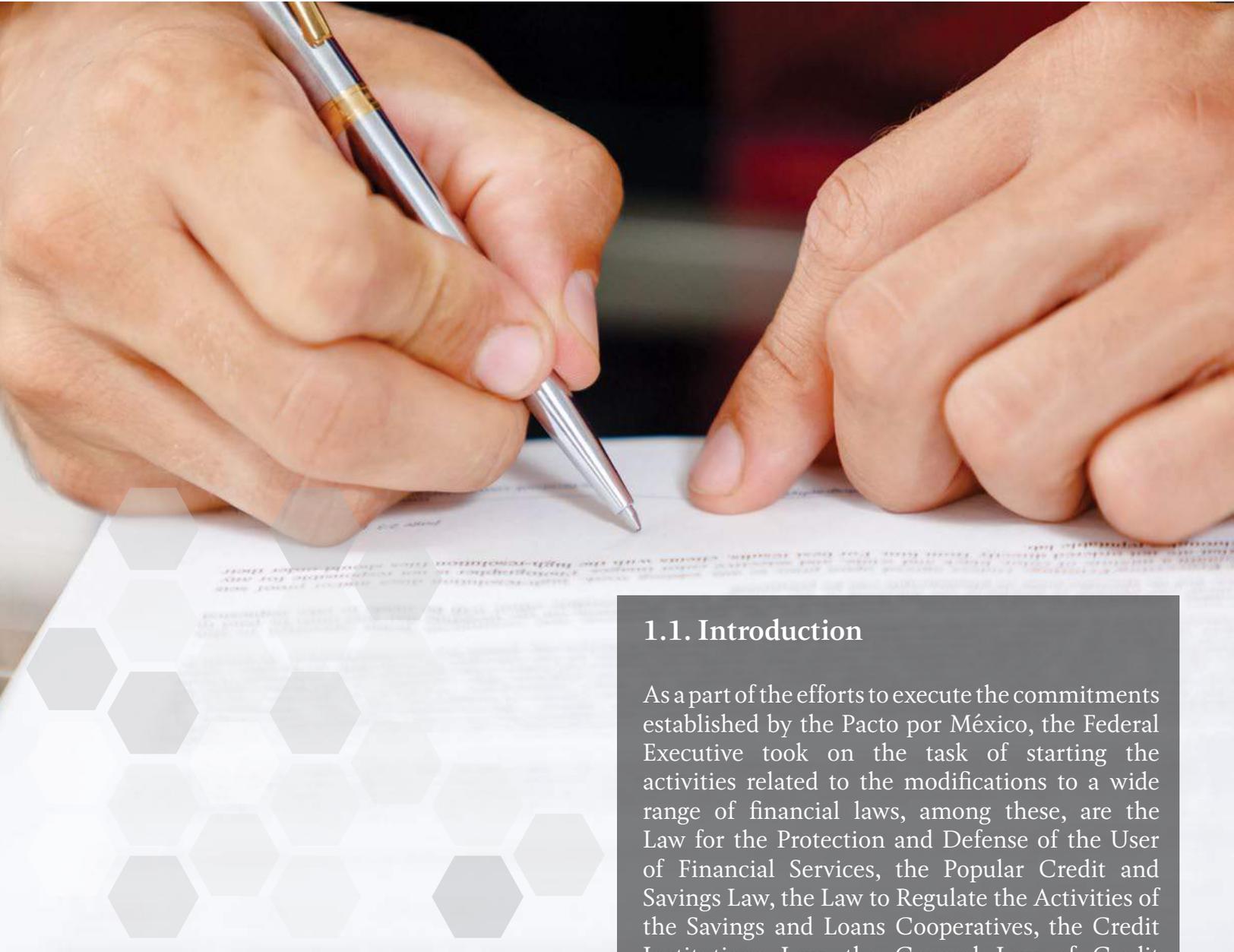
Finally, the eighth and last chapter of the Report contains the main administration and execution tasks of the institutional strategy, emphasizing that the CNBV kept on working in order to be an organization focused on strategy. Additionally, the CNBV kept on applying the Risk Management Model for risks linked to strategy, in order to reduce the occurrence of risks and to decrease the potential impact of the risks already identified.

This chapter also describes the efforts regarding social communication, which were focused on keeping a continuous and tight relationship with the communication media representatives, either national or international. This made it possible to spread, intensively and extensively, timely, transparent, certain and true information, to the general audience and the supervised intermediaries, through press statements, digital newsletters and the CNBV web page which was redesigned in order to offer a more intuitive navigation and a structure that is easier to consult.





FINANCIAL REFORM



1.1. Introduction

As a part of the efforts to execute the commitments established by the Pacto por México, the Federal Executive took on the task of starting the activities related to the modifications to a wide range of financial laws, among these, are the Law for the Protection and Defense of the User of Financial Services, the Popular Credit and Savings Law, the Law to Regulate the Activities of the Savings and Loans Cooperatives, the Credit Institutions Law, the General Law of Credit Securities and Operations, the Organic Law of each Development Banking Institution, the Credit Unions Law, the General Law of Auxiliary Credit Organization and Activities, the Stock Market Law, the Investment Companies Law, the Law for the Protection of Banking Savings, the Bankruptcy Proceedings Law and the Trade Code.

Such tasks were performed along with law initiatives that were meant to promote the growth of the Mexican financial system, the strengthening of the financial intermediaries, the protection of the interests of the users of the financial services, as well as strengthening the financial authorities' functions.

1.2. Development

According to the aforementioned information, in 2013 the CNBV was actively involved, in coordination with the Ministry of Finance and Public Credit (SHCP), in the elaboration of several projects to internalize thirteen initiatives with decree projects that reform, add and derogate several provisions of the thirty-four financial legal regulations that belong to the so-called "Financial Reform".

On May 8, 2013, the Federal Executive presented these initiatives to the Permanent Commission of the H. Congress of the Union, which were referred to the Chamber of Deputies so they were examined and determined.

The aforementioned initiatives considered the modifications to several financial legal regulations, and the issuance of the Law to Regulate Financial Groups, which were grouped in thirteen specific subjects, as follows:

1. Reinforcement of the National Commission for the Protection of Users of Financial Services (CONDUSEF, in Spanish).
2. Popular savings and credit correspondents.
3. Credit unions.
4. Development banking.
5. Granting and execution of guarantees.
6. Bankruptcy proceedings.
7. Multiple object financial companies and warehouses.
8. Banking liquidation.
9. Investment funds.
10. Stock markets.
11. Sanctions and foreign investment.
12. Financial groups.
13. Guaranteed credit.

Then, on September 10, 2013, the Chamber of Deputies focused such initiatives on just one "Decree Project with which several financial provisions are Reformed, Added and Derogated and the Law to Regulate Financial Groups is issued", which was referred to the Chamber of Senators so it was analyzed and determined.

In this sense, on November 21, 2013, the Chamber of Senators approved the decree project mentioned in the previous paragraph.

Finally, the Financial Reform was published in the Official Gazette of the Federation (DOF, in Spanish) on January 10, 2014.

1.3. Scope

Derived from the analysis performed on the Financial Reform mentioned in the previous paragraph, several impacts on the CNBV were detected, which basically deal with the internalization of new supervision, opinions and authorizations functions, as well as the issuance of additional regulations and modifications to the existing one, and the need to adequate the internal regulations of the CNBV, supervision manuals, among others.



SUPERVISION



2.1. Introduction

One of the core functions of the CNBV is to supervise, within its jurisdiction, the entities that belong to the Mexican financial system, as well as individuals (legal entities and natural persons) that perform financial activities, in order to ensure stability, development and healthy functioning of such system. To accomplish this task, it has broad authority to carry out inspection visits to entities, monitor their situation and assess their performance, monitor the adequate compliance with the laws and financial provisions, carry out investigations, determine and apply preventive or corrective measures, if necessary, and, finally, to request all the information necessary to accomplish these goals. In 2013, the CNBV carried out a broad supervision program regarding the sectors within its jurisdiction and implemented some actions to improve the quality of the results obtained. This chapter of the Annual Report talks about the most outstanding aspects in this matter.

2.2. Supervision methodologies and procedures

In this term, the supervision activities were performed according to the established in the applicable regulations, this means, articles 4 and 43 of the Supervision Regulations of the CNBV and, specially, article 5 of the CNBV Law, which establishes that the main objective of financial entities supervision is to assess the risks they are subjected to, their control systems and the quality of their management, in order to ensure the keep adequate levels of liquidity, solvency and stability, as well as adjusting their operations to the provisions that regulate them and to the uses and healthy practices of financial markets.

In this regard, the CNBV kept on applying the rating of financial entities with risk approach – designed to evaluate the main changes in risk level, tendency and type as to the significant activities, by sector, and the main business lines, by entity – and it focused its efforts on reinforcing the integral supervision, promoting their continuous improvement and incorporating international standards, to efficiently accomplish their assignments.

Supervision methodologies

In reference to some recommendations formulated by international organisms and derived from a diagnosis performed in order to reinforce the supervision process, during this term the implementation of improvement actions related to the rating of financial entities with risk approach methodology was emphasized. The most outstanding activities are the following:

- Homogeneous criteria were defined, which form a common reference framework to elaborate the risk matrix and evaluate the entities overtime.
- The use of quantitative information (traffic lights) was introduced based on a standard methodology for multiple banking, development banking and promotion entities.
- The ranking categories were reduced from five to four, in order to avoid the concentration of rankings in the intermediate levels.
- The activities considered significant were made equivalent by sector.
- Exclusion criteria were introduced to determine the performance of inspection visits to the entities.
- A differentiated treatment was established to

evaluate the liquidity and solvency management of the institutions.

Supervisory procedures

In 2013, the periodical update of the processes used to carry out the inspection and monitoring activities for the supervised entities was maintained. Specifically, a total amount of 175 generic procedures, proposed and developed by the supervisory areas were identified, reviewed and incorporated to the internal practices and to the supervision manuals. Such generic procedures are applicable to perform the supervision of financial entities from several sectors and they have the following characteristics:

- They ensure better quality supervision, its homogeneity and attachment to the established valid regulations.
- They help improve the coordination between different supervision areas (consolidated and specialized)
- They gather experiences and knowledge acquired by the members of the supervision teams.
- They provide the supervisor with more legal security in the scope of their functions.
- They facilitate the induction process for the newly hired staff.

Integral Process of Supervision

A project was integrated in order to align efforts to standardize and reinforce the supervision task of the CNBV, in which the supervision process was completely redesigned. This was documented in the new manual.

This allowed the standardization of the due dates for the issuance of observations and corrective measures, as for citations and sanctions imposition.

2.3. Specialized thematic supervision

For some years ago, the CNBV has tried to modernize the supervision and complement the tasks performed by type of entity with transversal supervisory activities, this means, the ones that are performed uniformly in all sectors, through techniques specializing in subjects that can be evaluated in a standardized way for different entities and that are relevant from a systemic point of view. These activities allow the application of standardized judging elements and, in turn, the elaboration of aggregated diagnosis on aspects of common interest.



The following sections present the main activities performed in 2013 in this regard.

2.3.1. Analysis and management of information

In 2013, the CNBV kept making efforts to reinforce the processes to collect, use and verify the financial information reported by supervised institutions, in order to offer better timeliness in the spreading of figures to the people interested in this matter and the general audience. In addition, there was special consideration for the quality analysis of the reported information, in order to encourage the entities to repair the deficiencies detected.

Data collection and quality analysis

Regarding the reports received by the CNBV with information from the supervised entities, in 2013, the tasks were focused on reaching a more efficient delivery-reception and improving the quality if the information received, through the following measures:

- The analysis and communication strategy designed to establish incentives was maintained so the institutions improve the quality of the information they send to the CNBV. In this regard, the scope of the methodology to measure the quality of the information sent was widened (which is used to assign scores to the entities based on the how timely the CNBV receives their reports) moreover, the traffic light system for the quality of information was still applied (which lets the users know about the consistency of data). On the other hand, with the press releases, the interested parties and the general audience were informed about the problems in some institutions regarding the quality of their information.
- Several observations were sent and corrective measures were imposed to several multiple banking institutions related to the quality of the information sent to the CNBV through the regulatory reports. Through these actions, such institutions managed to present work plans related to the prevention on inconsistencies in the information.
- Untimely deliveries were detected, as well as information forwarded for the 2007-2013 term, for all supervised entities.

- The popular savings and loan entities sector was divided by type of entity, to implement the differentiated information requirements for the savings and loan cooperatives (SCAP), the popular financial companies (SOFIPO) and the community financial companies (SOFINCO).
- Courses were provided regarding the regulatory requirements for information and support mechanisms were created in order to train the representatives of new supervised entities that were approved in 2013, to facilitate the information-delivery process of such entities.

New information requirements

In 2013, given the changes due to the introduction of the methodology of commercial portfolio reserves based on expected loss, new regulatory reports were requested, as well as the modifications to the information requirements that already existed. This was performed in order to count on more complete data on the noncompliance potential and the expected loss of each portfolio. Likewise, in order to facilitate the compliance with these new requirements, work groups were organized, as well as conferences, workshops and personalized counseling sessions with credit institutions representatives.

Use and publication of information

In the last years, the CNBV has been positioned as one of the main sources of information about the participants of the Mexican financial system. The published financial information lets other regulators, analysts, reporters and the general audience count on timely figures and statistics, which are useful to know the performance of entities, and to perform analysis that support decision-making processes. In order to reinforce the trend, in 2013 actions were implemented to reduce the processing times and increase the efficiency in order to improve the timeliness of the information publication. These efforts were focused, mainly, on the multiple banking institutions, that is the reason why, during the year, information was timely published, as well as the press releases about the sector (before 30 calendar days after the end of the period of delivery by the supervised entities).

On the other hand, the technological infrastructure of the use of information systems was consolidated, in coordination with the strategy of the CNBV regarding technological infrastructure, and operations were started in order to improve the way the information is used and published,

through the development of business intelligence tools that allow better timing in the spreading of information and a more friendly environment for their management and consult.

Financial analysis

As a part of the follow-up and monitoring tasks of the CNBV, in 2013, a financial projection exercise was performed, under an adverse condition scenario, for the main multiple banking institutions (classified by the market involvement of their credit card) and, for the first time, the Institute of National Housing Fund for Workers (INFONAVIT, in Spanish) was included in the exercise, as a relevant actor of the financing sector for housing acquisition. The objectives of the exercise were the following:

- Verifying that the institutions count on enough capital to keep affording resources and granting credit in short and mid-term, before an adverse scenario.
- Making institutions aware of the possible response strategies when facing macroeconomic adverse conditions, as well as creating a financial statement projection culture in such conditions.
- Identifying the main vulnerabilities at an individual and systemic level, as well as estimating the growth and operation perspectives of the institutions before an adverse macroeconomic scenario.

On the other hand, the evolution of debt of developed housing companies was monitored, to assess the impact on the capital of multiple banking institutions which are their creditors, of a possible noncompliance of these companies, given the problems they face and their poor financial performance. Finally, along with the Ministry of Finance and Public Credit (SHCP) and Nacional Financiera (NAFIN), the financial features that the multiple banking grants to micro, small and medium companies (MIPYME) were analyzed, in order to perfect the segmentation criteria by company size based on the number of employees and income of the accredited.

2.3.2. Supervision of financial risks

The assessment performed by the CNBV regarding the risk management of the financial institutions is based on a supervisory approach based on risk management processes, whose purposes are, basically, verifying the existence of a risk management process within the entities; assessing the

effectiveness of their design to manage risks according to the organizational culture and the objectives of the entity; evaluating its operative efficiency and identifying the opportunity areas to introduce potential improvements to the risk management of the entity. According to this approach, in 2013, the supervisory activities regarding financial risks were focused on the following aspects:

- Promoting the development and implementation of a formal risk management system in the supervised entities, designed to help with the accomplishment of the business objectives, as well as mitigating the materialization of the risks assumed.
- Reinforcing the establishment and monitoring of the risk appetite in the entities, though the subscription of a risk appetite declaratory and the elaboration of an exhibition prospective plan, as useful tools to harmonize the corporate strategy, the operative activities and the internal control.
- Reinforcing the decision-making processes by promoting the definition and calculation of prospective metrics to perform financial projections and to estimate the business risks; the establishment of risk tolerance limits and thresholds, in normal market conditions and stress conditions, as well as a preventive scheduling of mitigation actions to increases in the risk level of entities or the environment.

2.3.3. Supervision of operational and technological risk

In accordance with best practices on this field, during 2013 the institutional methodology and tools were reinforced to supervise operational and technological risk, in order to adjust them to changes in the regulatory framework; to maintain the unified reviews of the control points in the entities; properly measuring the results of each inspection visit and presenting observations and recommendations of higher quality.

Inspection

The CNBV carried out 72 inspection visits in the field of technological risks and eight regarding operational risk, mostly in entities of the following sectors: brokerage firms, development banking institutions, multiple banking institutions, savings and loan cooperatives (SCAP), and popular financial societies (SOFIPO). In general, visits were focused on internal controls regarding the use of

technological infrastructure for the operation of entities; safeguarding their information and their clients, as well as the continuity of the services in case of interruption. The technological risk evaluation of some activities and businesses (ATMs and point of sale terminals; operations through the Internet; start-up operations of banking commission agents and equity market), as well as the assessment, in general, of the following aspects:

- Information technology area management.
- Computing and telecommunication centers infrastructure.
- Measurement infrastructure and models of operational risk management.
- Claims management.
- Contingency plans.
- Computer security.

For this part, the inspection visits regarding operational risk had as their main objective the following aspects:

- Management and control of the database of loss events for operational risk (regulatory report R28).
- Controls and follow-up of the identified operational risks.
- Coordination of operational risk unit with business and support units.
- Process documentation and mapping.
- Organizational structure.
- Identification of operational risks.
- Reports generated for the Risks Committee and the business and support units.
- Management methodologies and operational risk measurement.
- Capital requirement for operational risk.

Lastly, the adaptation process of the ATMs and point of sale terminals of the credit institutions was monitored in order to comply with the initiatives when substituting the use of the magnetic bands in banking cards by the use of



an integrated circuit (chip), to prevent frauds and cloning. This follow-up was carried out through inspection visits and it was complemented with information requirements to the entities. Based on this, it was managed to accomplish that, today, 98% of ATMs and point of sale terminals in Mexico are enabled for the use of banking cards (debit and credit) with chip.

Monitoring

Along with the inspection tasks, the institutional methodology to follow-up on observations was reinforced, as well as the corrective actions, sanctions, information requirements and analysis regarding operational and technological risk, in order to adjust it to the needs of the CNBV and establishing unified control points in this matter. In this regard, the Technological and Operational Risk Integral System (SI-ROT) was developed, which makes it possible to gather relevant information to monitor the following aspects of the supervised entities: the inspection visits performed, the attention to the observations and the fulfilment of the corrective action plans. In addition, the system makes it possible to organize the information on sanctions, applications, suppliers and risk ranking, among other things. Based on this, the SI-ROT database is a supporting tool to know the situation of entities, make decisions, develop new supervisory tools and programming activities.

In addition, regarding the new regulatory reports on electronic banking sent to the CNBV by the multiple banking and development banking institutions from the third quarter of 2013 some reports have been elaborated, individual and by sectors, and statistical information has been gathered about the potential loss events due to operational risk for financial entities supervised.

2.3.4. Supervision of investment advisory activities

During the year, five regular inspection visits were carried out, three in brokerage firms and two in credit institutions, in order to verify the scope of the implementation of the new provisions regarding investment services, as well as to examine the work programmes laid put to comply with the obligations that come into force on June, 2014.

On the other hand, derived from the supervisory tasks performed regarding the investigation processes, a case linked to a brokerage firm was determined, seven of its agents and an officer, because of alleged offenses to the

Stock Market Law (LMV, in Spanish). While in another process, sanctions were imposed for \$15 million pesos to another brokerage firm, as well as administrative fine to four natural persons that acted as representatives to hold operations with investors and, in addition, those people were suspended from the Mexican financial system in activities related to the functions they carried out at the moment the offenses were committed. In general, the offenses to the LMV they committed were:

- Holding operations with the investment profiles of their clients.
- Not giving the clients the necessary information for an accurate investment decision and about the implicit risks of the financial products or services offered.
- Not providing evidence or not counting on the purchase instructions for certain securities, dealing with contracts of stock-market intermediations with non-discretionary handling.
- Contravening the healthy uses and practices in the market.

2.3.5. Macro-prudential metrics and systemic risk follow-up

Development of macro-prudential metrics

The CNBV reinforced the set of macro-prudential measures it uses to evaluate and monitor the stability of the financial system, as well as the tools that let it intervene promptly in case of identifying any eventual vulnerability. Among the efforts regarding risks targeted to this field, the following stand out:

- A model was finalized to estimate the systemic impact that several scenarios of representative macroeconomic variables could have— on the losses and/or profits of the credit and securities portfolios of the Mexican banking sector, based on the use of the platforms developed to analyze the credit and market risks, and using the relevant risk factors as well as the dependency between them.
- The project to change the estimation method of the reserves for credit risk was finalized for all the credit portfolio of the bank —consumption, housing loan and commercial— from the incurred loss approach to the expected loss approach. With this, it is possible to elaborate a quantitative diagnosis at a systemic level of three basic



metrics: noncompliance probability, loss severity and exposure at the time of noncompliance.

- The criteria to assign a risk level to every financial institution supervised was defined from the metrics generated to estimate the credit, market and liquidity risks, in order to provide quantitative elements that support the elaboration of inspection visits annual programs.

Systemic risk follow-up

Based on the use of the macro-prudential metrics mentioned before, the foundations were laid for the analysis and discussion of subjects related to the stability and development of the financial system, within the CNBV. In addition, with such metrics, the contribution of the CNBV was elaborated to the analysis of potential vulnerabilities in the stability of the Mexican banking system that belongs to the Annual Report on the status of the stability of the financial system in México and about the activities performed by the Financial Stability Board (CESF, in Spanish), in March 2013.

2.3.6. Supervision of stock markets

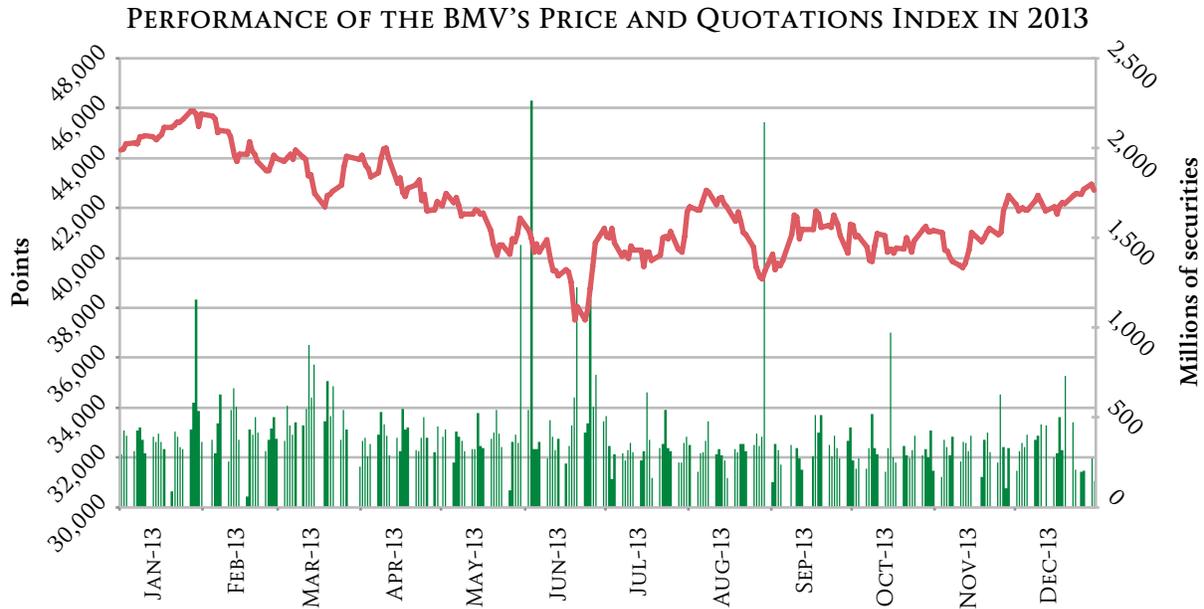
To supervise the stock markets in the country, the CNBV analyzes their evolution and maintains a continuous monitoring of its behavior. As every year, in 2013, the CNBV focused on analyzing, in a timely manner, the difficulties encountered due to the volatility in the international arena, and on designing and implementing measures to promote the strength and growth of stock markets in México. In addition, in the term reported the following actions are worth noting:

- *Self-regulatory bodies*: Regarding the technical capacity certification of the stock market operators, the representatives of the stock market intermediaries and the investment counsels, the CNBV focused its supervisory strategies on making sure that the Mexican Association of Securities Intermediaries (AMIB, in Spanish) puts in place some improvements, especially regarding the following actions:
 - Gradually increasing the percentage of minimum right answers to pass the certification exams, in order to ensure a higher technical level of the staff that belongs to the financial system.

- Implementing changes to the certification revalidation procedures, in order to strengthen and adequate them to the needs of the market.
- *Adoption of international standards*: As a member of the International Organization of Securities Commissions, IOSCO, the CNBV seeks the adoption of recommendations and/or better international practices for the supervision of stock markets. In this sense, it was established that the entities within the stock market sector that were considered relevant systemic infrastructures (institution for securities deposit, security central counterparties and the clearing house) must follow the Principles for the financial market infrastructures, published by IOSCO and the Committee on Payment and Settlement Systems, CPSS, for which it shall exercise its jurisdiction in order to ensure their compliance.

Capital markets

Due to the complex world economic scenario in 2013, the Mexican capital market reached a Price level lower than the one in 2012. The Price and Quotations Index (IPC, in Spanish) of the Mexican Stock Exchange (BMV, in Spanish), recorded a volatile behavior because of international news: in reached its higher level on January 28 with 45,912.51 units and it recorded its lower level on June 20 with 37,517.23 units. In that sense, its value in pesos decreased by 2.2% in annual terms and the year ended with 42,727.09 units, with an operation average daily volume, on December 31, 2013 of almost 400 million stocks and an average price slightly over \$13,000 million pesos, which implied growth rates of 8.7% and 17.7%, respectively, after 2012.



SOURCE: Mexican Stock Exchange (BMV).

In order to reinforce the operational framework of the capital market, the CNBV advanced the establishment of new controls that will make it possible to suspend the quotation of securities in presence of transactions considered unexpected in the IPC (Circuit Breakers). In addition, it promoted the modification to the fund investment policy formed by the Safeguard Network of the Securities Central Counterparty, in order to prioritize, at all times, liquidity over profit, thus incrementing the resources availability of such central counterparty to fulfil its obligations. On the other hand, regarding the institution for security deposit, it promoted the establishment of a methodology to assign the type of security, the issuer and series to the instruments issued abroad, which will make it possible to identify them in a clearer way.

As for the securities issuers, the information sent to the CNBV through the STIV2 system was monitored, as well as its relevant events. In addition, there was a detailed analysis of the financial information presented by some issuers, regarding their possible incorporation to the new regulatory scheme to perform recurring placements according to the new provisions in this matter.

Finally, regarding the securities ranking agencies, the supervision standard was maintained, the first regular inspection visit was performed to the newly authorized Verum and, through the CNBV website, the information on the imposition of fines was published. Likewise, in order to exchange strategies and experiences that can strengthen the inspection work of the sector, the CNBV joined the Grader Supervision College, an international cooperation body created this year, which groups the leading countries regarding the supervision of graders.

Debt market

The Mexican debt market recorded levels of placement higher than the ones in 2012, encouraged by the numerous issuances of short, medium and long-term instruments performed by several participants. The CNBV maintained a constant monitoring of the evolution of the market as a whole, as well as the performance and regulatory compliance of its participants.



Derivatives market

Regarding the derivative financial instruments, in 2013 the CNBV focused its supervisory tasks on promoting the transparency of the Mexican market, on mitigating the systemic risk and on protecting the investors from bad practices in the negotiation systems.

2.4. Supervision related to the prevention of illicit operations

The CNBV supervises the program of prevention of operations with resources of financial illicit origin of the financial entities within its jurisdiction and other compelled subjects —multiple object financial companies, not regulated entities; currency exchange offices and money transfer companies—, according to the established in the financial laws and the general provisions derived from it. Based on this, the CNBV implemented several actions for a better supervision performance, among them, the measures described below:

Automation

In January and February 2013 provisions regarding the information sent to the CNBV about several aspects of the rules for the prevention of money laundering and terrorist financing (PLD/FT, in Spanish) were published in the Official Gazette of the Federation (DOF, in Spanish), such as auditing reports; internal identification policies and knowledge about clients and users; other internal procedures to comply with the applicable provisions; integration of the communication and control committee, and the person or group of people that have control.

In response to these two provisions, the CNBV targeted its efforts to receiving information outlined by an organization and automation process, which was fully implemented in the second quarter of 2013. Likewise, the information related to the internal structures, the audit report and the manual about PLD/FT are received electronically since July, while, from August, the reports on international fund transfers of the banking institutions are received likewise.

As a result, the obligations related to PLD/FT that involve the transfer of information to the CNBV are 95% automated, which saves time and money to the supervised financial entities and to the compelled subjects, as well as being certain, in real time, about the compliance with their obligations in this matter.

Coordination with authorities from United States of America

In order to reinforce the cooperation bonds and design supervision strategies jointly, in 2013 inspection visits were carried out in both countries with the Financial Crimes Enforcement Network (FinCEN) and the Department of Treasury of the United States of America (USA). These visits were carried out to know some of the characteristics of the entities subjected to the supervision of both countries (market niche, types of clients, offered products and services), as well as the measures and procedures regarding PLD/FT they have implemented.

As a part of the problems during the termination of accounts to several entities, derived from the performance of operations in U.S. dollars in cash, in September 2013, the CNBV issued a statement which highlighted the measures implemented by the Mexican government to mitigate the risks related to such operations —restrictions over amounts and geographic areas for legal entities and natural persons—, for the financial institutions in Mexico and USA to count on the elements needed to reevaluate the level of risk assigned to these kind of operations. Likewise, a better practices document was issued, in which a series of recommendations are outlined for the credit institutions that open accounts or hold contracts with banking institutions abroad —including the ones that involve U.S. dollars in cash—, in order to provide, reciprocally, the information needed about the compliance with the program of PLD/FT, to determine if the establishment of a commercial relationship is possible. Simultaneously, the FinCEN issued a statement (advisory) targeted to the financial institutions in the US, which referred to the efforts made by the CNBV.

In this context, and in order to count on the tools to facilitate the exchange of information regarding PLD/FT, in October 2013 the CNBV signed a memorandum of understanding (MOU) with FinCEN, which constitutes a platform of international cooperation to accelerate and reinforce the interaction between such authorities and the exchange of information, as well as to strengthen the supervision regarding PLD/FT.

2.5. Investigation visits

In a broad view, the CNBV counts on the jurisdiction to investigate the acts of legal entities and/or natural persons who, without being a part of the financial sector, allegedly perform activities that involve the violation to the laws that regulate the financial system or who perform activities

that require authorization in terms of financial regulation, without counting with that authorization. In this sense, the CNBV can order the suspension of operations of the companies or establishments of such infringer legal entities and/or natural persons. It is worth noting that the function regarding investigation carried out by the CNBV are essentially targeted to performing visits to detect and/or prevent illegal conducts that are usually qualified as irregular capturing of public resources, as well as to investigate the people who perform financial activities without counting on the corresponding registration.

Based on this, in 2013, 336 inspection visits were processed and finalized for investigative reasons, 252 were started in 2012 and the other 84 were started and finalized in the term. As a result of these activities, in 34 cases it was determined that there were enough elements to issue possible criminal opinions and/or administrative sanctions, 21 of them were related to savings and loans cooperatives, and the other thirteen were related to currency exchange offices and/or money transfer companies.

2.6. Sectorial supervision by type of entity

According to its mandate, the CNBV targets a great portion of its resources and efforts to carry out the supervision of the entities that belong to the Mexican financial system within its jurisdiction, as it is a primary function in order to favor its strength and correct functioning.

This section of the Annual Report presents the main activities and results obtained regarding the inspection and monitoring by sector or type of financial entity.

2.6.1. Multiple banking institutions

Integration and current situation

In 2013, it is six years from the start of the global financial crisis, while there were some signs of recovery in the United States of America and the Euro zone, the crisis has not been completely overcome. Along with this, during this

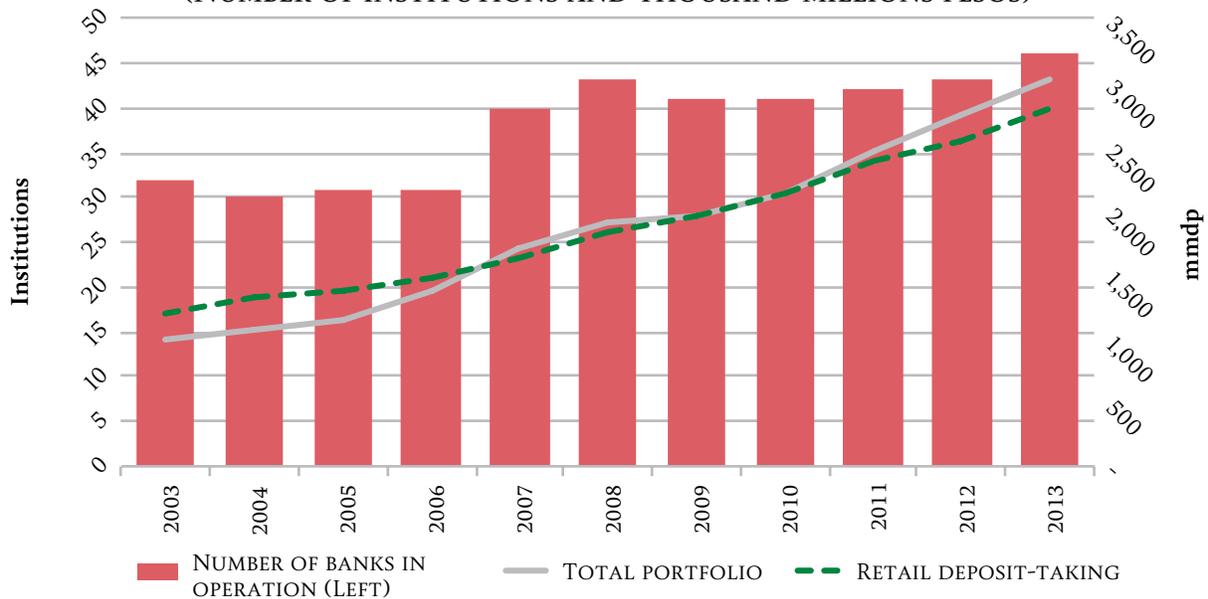
year, the main emerging economies presented a significant deceleration. All of this formed an international context that had a certain negative impact on the national economy. Nevertheless, the banking system was healthy and strong, mainly because of the capitalization levels, liquidity and reserves of its members, along with the results of the financial and tax policy, that have managed to maintain a low and stable inflation, as well as a sustainable level of the public debt indicator on Gross Domestic Product (GDP).

The multiple banking is still the most important sector of the financial system. At the end of 2013, 46 operating institutions, five of which started to operate during this year, formed this sector. In addition, the sector grew with the authorization of five banks that started their operation (three of them were specialized) and it kept on widening its coverage with the establishment of new banking commission agents that make it possible to offer basic financial services to sectors of the population and regions that are traditionally unattended and/or unbanked.

The total assets of the sector were over \$6.5 trillion pesos, with a real annual growth of 4.9% explained, at least partially, by the contribution of the newly created banks. In the case of the group of the seven main institutions of the sector (G-7), the increase in the assets is explained, in most part, by the effect of the merge of Banorte and IXE Banco.

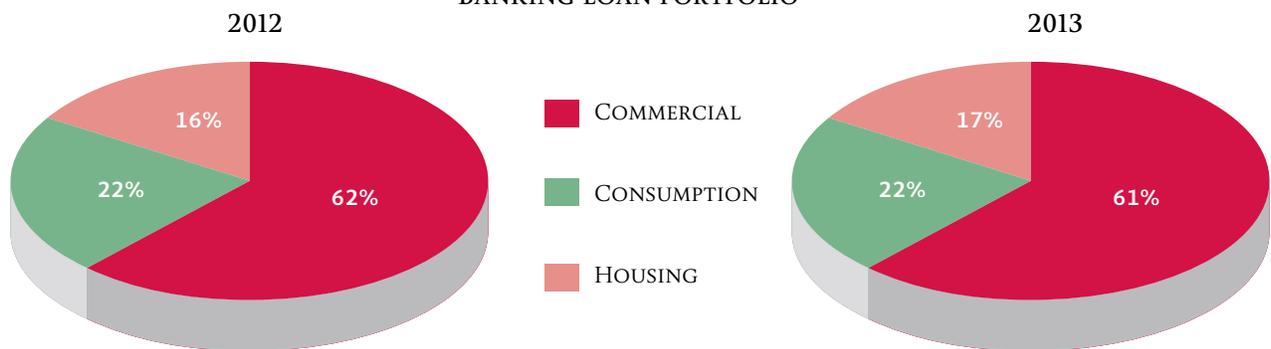
Financing kept an increasing trend, reflected in the annual real increase of the credit portfolio (7.3% of the consumption portfolio, 8.9% in housing loans and 4.6% in commercial). The fact that most of the portfolio is funded by stable liabilities and composed by deposit-taking of public, sight and term savings. For this part, the traditional banking capturing is observed with a slight growth from 2012, with a greater increase in sight deposits. Likewise, the number of accounts increased (from 82 to 101 million) and the number of contracts as well) from 159 to 198 million).

EVOLUTION OF THE MULTIPLE BANKING INSTITUTIONS SECTOR (NUMBER OF INSTITUTIONS AND THOUSAND MILLIONS PESOS)



MULTIPLE BANKING INSTITUTIONS LOAN PORTFOLIO (PERCENTAGES)

BANKING LOAN PORTFOLIO



FINANCIAL INDICATORS OF PORTFOLIO %

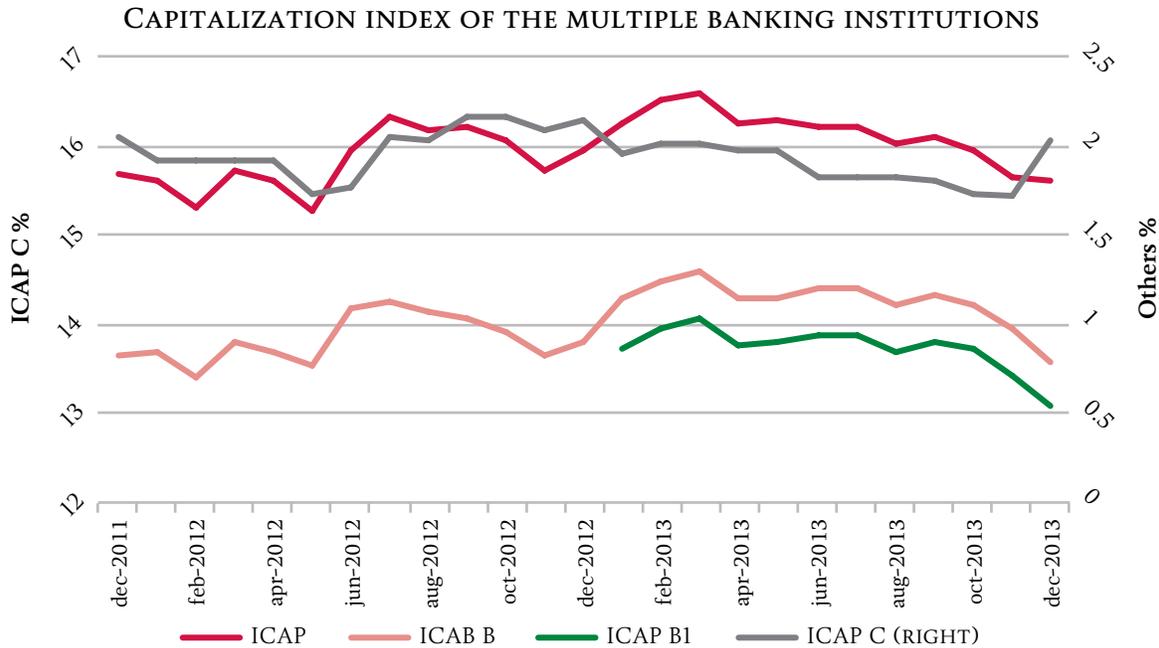
Type of portfolio	IMOR	TDA	ICOR
Commercial	1.5	2.1	220.5
Consumption	4.7	11.8	200.3
Housing	3.4	5.3	47.8
TOTAL	2.5	4.8	185.4

FINANCIAL INDICATORS OF PORTFOLIO %

Type of portfolio	IMOR	TDA	ICOR
Commercial	2.6	2.9	141.1
Consumption	5.0	13.9	193.3
Housing	4.0	5.1	49.2
TOTAL	3.4	5.9	147.5

NOTES:

The commercial portfolio includes the government portfolio.
 IMOR = Delinquency index. ICOR = Coverage index.
 TDA = Adjusted impairment rate.



NOTE:
 ICAP = Capitalization index. ICAP B: Basic capitalization index.
 ICAP B1 = Basic capitalization index II.
 ICAP C: Supplementary capitalization index.

Supervisory activities

During the year, the CNBV performance was focused on coordinating the actions to maintain the stability of the banking sector, in order to avoid potential systemic risks and potential negative impacts. In addition, measures were taken to advance an appropriate risk management and transparency in the sector, in order to promote the trust of the financial services users. In particular, the efforts were focused on specifically monitoring the multiple banking institutions that were considered a priority due to their size, relevance in the system and/or risk profile, while, at the same time, the necessary tasks were maintained in order to effectively follow-up on the other entities of the sector. This was carried out so the multiple banking institutions could jointly present the following relevant features:

- An average capitalization of 16.1% by the end of the year, which is located over the minimum 10.5% established in the regulation.
- A profitability similar to the previous years, in spite of the unfavorable international macroeconomic context.
- A sustained growth of the loan portfolio encouraged by a greater granting of resources to households, especially with non-revolving consumption products, and to the non-financial companies, including small and medium ones.
- An increase in the traditional deposit-taking, which enables a better margin for the management of liquidity of the credit institutions.



MULTIPLE BANKING INSTITUTIONS

Concept	2012	2013
Number of entities in operation	43	46
Total number of banking correspondent modules	22,332	32,941
Total assets (mmdp)	6,021	6,568
Net earning assets (mmdp)	4,030	4,318
Total portfolio (mmdp)	2,752	3,030
Commercial	1,696	1,845
Consumption	603	673
Housing	453	513
Preventive estimates (mmdp)	129	151
Traditional deposit-taking (mmdp)	2,984	3,172
Net earnings (mmdp)	87	107
Main indicators (%)		
IMOR	2.53	3.37
TDA	4.82	5.91
ICOR	185.45	147.54
EPRC / CT	4.70	4.972
ICAP	15.95	15.60
CCPT	2.57	2.08
ROE	13.96	15.78
ROA	1.46	1.70

NOTES:

mmdp: thousand million pesos.

IMOR = Delinquency index: Nonperforming loan portfolio/total portfolio.

TDA = Adjusted impairment rate: Average nonperforming loan of twelve months of the sector aggregated with write-offs for twelve months/Average total portfolio of twelve months of the sector aggregated with write-offs of twelve months.

ICOR = Coverage index., Preventive estimates for credit risks/Nonperforming loan portfolio.

EPRC / CT = Preventive estimates for credit risks / total loan portfolio.

ICAP = Capitalization index: Net capital / assets subject to total risks.

CCPT = Total average deposit-taking cost (Source: Banco de México).

ROE = Net earnings accumulated in twelve months / Average stockholders' equity in twelve months.

ROA = Net earnings accumulated in twelve months / Total average assets in twelve months.

SOURCE: CNBV, with information supplied by entities as of January 31, 2013 (figures to December 2013, not determined by an auditor.

Regular reviews

- 39 regular inspection visits were carried out in banks whose assets represent 96.6% of the total assets in the banking system.
- The permanent monitoring activities were maintained in all banking institutions in order to verify the appropriate compliance with the regulation.
- Periodic reports of analysis were performed on all the institutions, in order to monitor their financial situation and their strategic business plans.
- The institutions were informed about the observations derived for, the inspection and monitoring activities.
- Appropriate corrective actions and measures were established, in order to ensure the attention to the conducts that do not conform to the valid regulatory framework.

Reviews associated with relevant and/or conjunction issues

Other than performing the supervisory activities by entity, whose priorities are determined, basically, from the risk profiles of the intermediaries; during the year, the efforts were focused, mainly, in the following aspects:

- *Non-revolving consumption portfolio (payroll and personal loans):* Monitor the origination practices, reserves calculations, evolution and quality of the information reports sent by the banks to the credit bureaus, in order to verify the orderly growth, based on healthy practices and in compliance with the valid regulation.
- *New regulation about reserves for credit risk for commercial portfolio and capital requirements:* The appropriate implementation of the rules was monitored, as well as the potential impact on the banks' situations. In the case of the calculation of reserves for expected losses, due to the early adoption of the new Company portfolio ranking methodology, special attention was given to the financing granted to the house building companies.
- *Restructure and renovation of loans:* The mechanisms applicable to their operations were assessed, in order to help to the appropriate measuring and monitoring of the credit risk, as well as the generation of reserves in accordance with the regulatory framework.
- *Internal control:* It was verified that the banks counted on the appropriate internal control mechanisms for the management of daily liquidity, the management of financial instruments and risk management.
- *Quality of information:* The processes related to the elaboration of different operative and accounting information was verified in order to improve the quality of the information the institutions regularly send to the CNBV.

- *Banking correspondents:* The performance of the existing ones was monitored, as well as the incorporation of the new participants authorized this year. From the creation of this legal entity, its use has increased, just as the average amount per transaction.

Achievements

The CNBV is still a key participant for the banking sector to stay stable and solid, and for it to operate according to high quality standards and the best international practices. In this sense, the institutions registered appropriate solvency and capitalization levels, so no bank showed solvency issues, even considering that 2013 was the first year the new capital regulation was applied, based on the Basel III guidelines.

2.6.2. Development banking institutions and promotion entities

Integration and current situation

The CNBV supervises several financial entities whose mission is to promote the country's development by financial activities and whose main functions are granting commercial loans (preferably, as second-tier banks) and guarantees; providing technical assistance and other supports; granting mortgage loans for housing or consumption to workers in the formal sector of the country and, finally, promoting savings and supporting the popular savings and loan sector. Such entities include the development banking institutions, the promotion bodies and the public trust funds that belong to the Mexican financial system.



INTEGRATION OF DEVELOPMENT BANKING AND PROMOTION ENTITIES SECTOR

Sector attended	Type of entity		
	Development banking institutions	Promotion entities	Public trusts
Farming and rural	NA	Financiera Rural	FIRA
Savings and consumption	BANJÉRCITO BANSEFI	INFONACOT	NA
Industrial, government and infrastructure	NAFIN BANCOMEXT BANOBRAS	NA	FIFOMI
Housing	SHF	INFONAVIT FOVISSSTE	FOVI

Full name	Acronym
Banco del Ahorro Nacional y Servicios Financieros	BANSEFI
Banco Nacional de Comercio Exterior	BANCOMEXT
Banco Nacional de Obras y Servicios Públicos ^{1/}	BANOBRAS
Banco Nacional del Ejército, Fuerza Aérea y Armada	BANJÉRCITO
Fideicomiso de Fomento Minero	FIFOMI
Fideicomisos Instituidos en Relación con la Agricultura ^{2/}	FIRA
Financiera Rural ^{3/}	NA
Fondo de la Vivienda del ISSSTE ^{4/}	FOVISSSTE
Fondo de Operación y Financiamiento Bancario a la Vivienda	FOVI
Instituto del Fondo Nacional para el Consumo de los Trabajadores	INFONACOT
Instituto del Fondo Nacional para la Vivienda de los Trabajadores	INFONAVIT
Nacional Financiera	NAFIN
Sociedad Hipotecaria Federal	SHF

NOTES:

NA = Not applicable.

1/ The subsidiary Arrendadora BANOBRAS, Multi-purpose finance Company (currently in process of settlement of dissolution) is also supervised.

2/ Fondo de Garantía y Fomento para la Agricultura, Ganadería y Avicultura (FONDO); Fondo Especial para Financiamientos Agropecuarios (FEFA); Fondo Especial de Asistencia Técnica y Garantía para Créditos Agropecuarios (FEGA), and Fondo de Garantía and Fomento para las Actividades Pesqueras (FOPESCA).

3/ From January 11, 2014 it changed its name to Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero.

4/ Social Security and Services Institute for the Workers of the State.

The six institutions of development banking recorded total assets for \$1,244 billion pesos (mmdp) by the end of 2013, Nacional Financiera (NAFIN) and the Banco Nacional de Obras y Servicios Públicos (BANOBRAS) represented 68% of the total. On this part, the four promotion entities in operation finished this year with assets with an estimated value of \$1,057 mmdp, with the main participation of INFONAVIT (83%). Finally, by the end of the year, the assets of the three public trusts for promotion reached a value of around \$119 mmdp, 80% corresponds to the active assets of FIRA.

Regarding 2012, the total assets of the development banking institutions, the promotion entities and the public trusts were increased by 15%, 10% and 4%, respectively. The growth by 49% recorded by the Banco del Ahorro Nacional y Servicios Financieros (BANSEFI) stands out, followed by BANOBRAS (38%). It is worth noting that, in 2013, the institutions in general maintained and stable situation, based on appropriate levels of solvency, liquidity and profitability, as well as a satisfactory management of the loan processes, the internal control system and the integral risks management.

DEVELOPMENT BANKING INSTITUTIONS AND PROMOTION ENTITIES

Concept	2012	2013
A. Development banking institutions		
Total assets (mdp)	1,079,341	1,244,231
BANOBRAS	354,249	488,498
NAFIN	349,074	352,157
BANCOMEXT	215,821	219,034
SHF	96,612	101,508
BANJÉRCITO	41,780	50,586
BANSEFI	21,805	32,448
Total portfolio plus guarantees and endorsements (mdp)	567,770	665,767
BANOBRAS	239,130	287,523
NAFIN	156,763	168,395
BANCOMEXT	73,650	94,819
SHF	79,249	94,287
BANJÉRCITO	18,731	20,245
BANSEFI	247	498
IMOR (%)	3.5	4.2
BANOBRAS	0.2	0.1
NAFIN	0.1	1.4
BANCOMEXT	0.1	1.2
SHF (3)	27.4	29.6
BANJÉRCITO	0.4	0.9
BANSEFI	0.0	0.0



DEVELOPMENT BANKING AND PROMOTION ENTITIES

Concept	2012	2013
B. Promotion entities		
Total assets (mdp)	963,136	1,056,574
INFONAVIT	795,045	872,894
FOVISSSTE	135,479	146,699
Financiera Rural	27,996	30,709
INFONACOT	4,616	6,272
Total loan portfolio (mdp)	1,021,430	1,084,848
INFONAVIT (housing loans)	858,099	917,794
FOVISSSTE (housing loans)	142,992	139,379
Financiera Rural	18,389	25,326
INFONACOT (consumption loans)	1,950	2,349
IMOR (%) ^{1/}	6.6	6.7
INFONAVIT (housing loans)	5.9	6.5
FOVISSSTE (housing loans)	11.3	9.1
Financiera Rural	4.4	3.5
INFONACOT (consumption loans)	1.9	2.0
Securitized loan portfolio (mdp) ^{2/}	199,808	233,292
INFONAVIT	107,593	114,988
FOVISSSTE	92,215	118,304

DEVELOPMENT BANKING AND PROMOTION ENTITIES

Concept	2012	2013
C. Public promotion trusts		
Total assets (mdp)	114,066	118,748
FIRA	85,738	95,485
FOVI	22,618	18,301
FIFOMI	5,710	4,962
Total portfolio plus guarantees and endorsements (mdp)	132,033	144,641
FIRA	99,962	115,962
FOVI	28,704	26,369
FIFOMI	3,367	2,310
IMOR (%)	10.6	11.7
FIRA	2.2	1.8
FOVI	36.8	48.2
FIFOMI	5.9	8.9

NOTES:

mdp = Million pesos.

1/ IMOR = Delinquency index = Nonperforming loan portfolio / total loan portfolio.

2/ Balance.

3/ It includes trust's loan portfolio of portfolio in management and guaranteed amount of its insurer.

SOURCE: CNBV, with information supplied by entities as of February 20, 2014.

Supervisory activities

In 2013, the routine supervision work was continued for entities, that is, performing regular inspection visits; reporting every quarter about the financial and risk analysis; monitoring compliance with parameters and standards established in the regulations and following up relevant events, risks and operations presented. Additionally, the new programs or products put in place by the new administrations were monitored, in order to assess their potential impact on profitability, liquidity or solvency of the entities. In this context, particularly, follow-up, evaluation and verification tasks were performed on the following issues:

Farming and rural sectors

- Operation of the guarantees programmed, which represent one of the main products this sector is promoted with.
- Controls implemented by the supervised entities in order to monitor the final destination of resources, for both loans and supports, in first and second tier operations.

Savings and consumption sector

- Incorporation of new establishment to the banking correspondents network (eleven DICONs stores and nine PEMEX service stations) to a development banking institution, to perform service payment operations, balance inquiries and cash deposits and withdrawals.
- Level of progress of the registration of work centers in a promotion entity, due to the amendment of the Federal Work Law.

Industrial, Government and Infrastructure sectors

- Implementation of new products offered by development banks to its target sectors, such as guarantees to export or import companies, the international factoring operations and the granting of bonding guarantees.
- Design of new products, as the one meant to attend the refinancing of the teachers debt.
- Control environment of the fiduciary activities in development banking.
- Potential impact of the deterioration of the financial situation of some of the main housing

developers on profitability or solvency of the development banks.

- Systems, controls and practices related to the knowledge of the client, regarding PLD/FT and in collaboration with a supervisory authority abroad, for some development banking institutions.
- Enough preventive measures for the loan risks associated with the guarantees granted by a development banking institution for loans carried out by states and municipalities, banking issuances of state governments and service provision projects.

Housing

- Management of a development banking institution regarding the mortgage and bridging loans that were granted as nonrecourse debt, as well as the respective good awarded.
- Origination process and management of loans for housing of the corresponding promotion entities.
- Financial situation and the appropriate level of preventive estimations for loan risks of the financial societies that operate with second-tier housing loans with a development banking institution.
- Design and implementation of special programs to reactivate the loans through new products,, such as first-tier loans and guarantees, for housing developers; financing for loan and guarantee programs, for issuances of the housing institutions, and financing programs to attend the accredited in the open market (non-registered).

Achievements

As a result of the efforts mentioned, the CNBV determined that, in general, both the development banking institutions as the entities, trusts and funds for promotion keep having a stable financial situation. Likewise, the supervisory activities promoted the improvement or reinforcement of process and controls that promote a healthy loan and fiduciary operation, an appropriate internal control environment and an efficient integral risk management. Finally, the CNBV also contributed for the entities to get registered, to present and appropriately disclose their financial situation and risk profile.



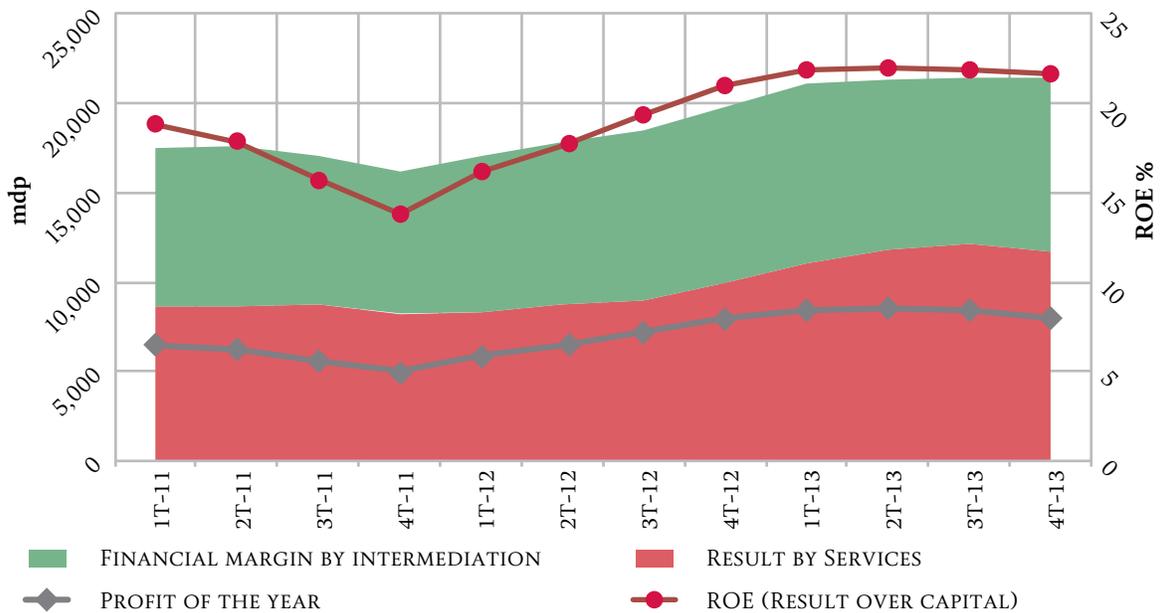
2.6.3. Brokerage firms

Integration and financial situation

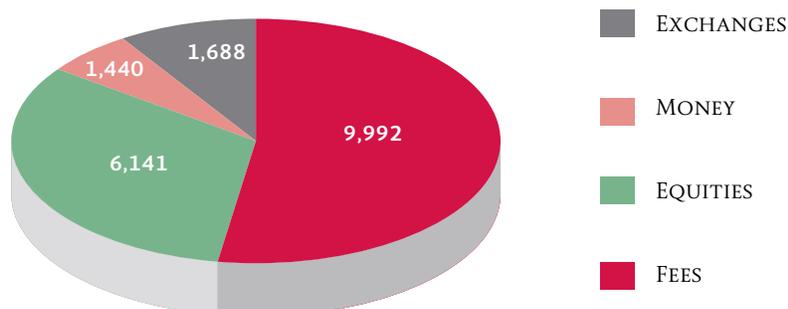
During most of the year, the international financial markets presented major volatilities, which is why the investment portfolios were subjected to multiple adjustments, specially the generation of depreciations. This was mainly due to the stress caused by the restrictive tax policy in the United States of America, the unbalance in its public finance and the deceleration of its economy, as well as the uncertainty about the strength of European banks and the deceleration of the main emerging economies.

In this context, the brokerage firms sector showed a stable operative and financial performance. By the end of 2013, this sector was formed by 33 intermediaries, 52% of which were members of financial groups. According to the origin of their capital, thirteen of them are subsidiaries of financial entities abroad and the rest of them are national capital intermediaries. It is worth noting that, during the year, the organization and operation of two new entities acting as subsidiaries was authorized and, on the other hand, the authorization of one entity was reversed.

EVOLUTION OF INCOMES AND PROFITABILITY OF THE BROKERAGE FIRMS (MILLION PESOS AND PERCENTAGES)

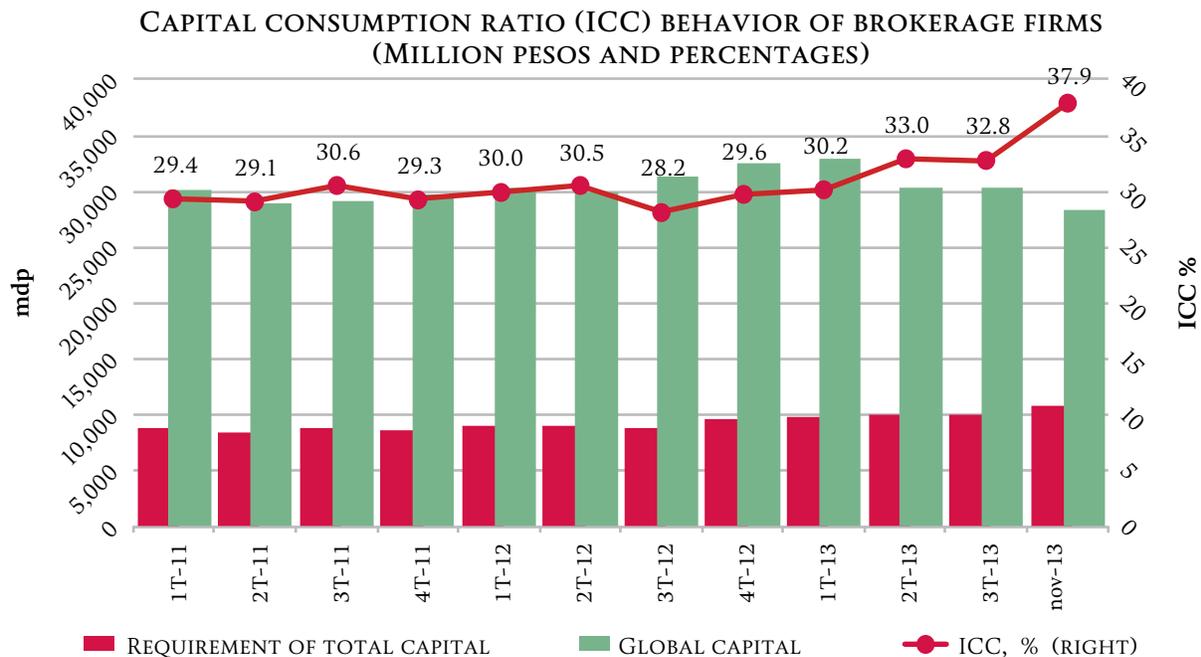


BEHAVIOR OF THE INCOME OF THE BROKERAGE FIRMS SECTOR (DECEMBER 2013, MILLION PESOS)



In general, the financial situation of entities is still solid regarding profitability and solvency. By December 2013, the profits of the sector recorded an approximate amount of \$8,027 million pesos (mdp), which represents a growth of 1% as for the same month in 2012. Nevertheless, the return on equity (ROE) was 21.6% by the end of the year. The main income sources of the sector are the commissions collected for the buying and selling operations of mutual funds securities, followed by the product incomes of the public offers they are involved in and the buying and selling operations of investment companies.

While 2013 was a year with low economic growth, low interest rates and uncertainty in the international security market, the brokerage firm sector reached moderate growth in both the customers' securities custody and their assets. For this part, the volume of operations in the capital market in 2013 was favored by the use, by the financial intermediaries, of the direct electronic access channels. Likewise, the buying and selling orders increased by 61% compared to the previous year and recorded an approximate amount of \$7,450 mmdp (12% more than 2012). This, is within a framework of strength of the sector capital, as the risks assumed by the brokerage firms barely demanded 35.6% of their global capital, indicating that the brokerage firms count on enough resources to increase their operation margin and to face potential contingencies.



Supervisory activities

The criteria used to determine which entities would be visited during the year focused on, mainly, the systemic relevance of the brokerage firms in the stock market and in its risk profile. For this part, the subjects that were mainly verified were the compliance and attachment to the regulatory framework regarding internal controls and the integral risk management, as well as the processes within the assignment systems when holding buying and selling operations on clients' accounts and their own accounts.



BROKERAGE FIRMS

Concept	2012	2013
Number of entities	34	33
Customers' securities received in custody (mmdp)	6,389.3	6,802.9
Government debt	1,226.1	1,215.4
Bank debt	291.2	301.6
Other debt securities	342.7	418.8
Net wealth instrument	4,517.3	4,856.9
Securities in trust	11.8	10.1
Others	0.2	0.1
Total assets (mmdp)	469.2	527.4
Investments in securities (mmdp)	351.1	368.9
Negotiable securities	305.9	344.7
Securities available for sale	31.3	21.6
Securities held until maturity	13.8	2.7
Debtors under repurchase agreement (mmdp)	36.2	40.9
Creditors under repurchase agreement (mmdp)	319.8	351.1
Net earnings (mmdp)	7.949	8.027
Main financial reasons:		
Solvency (number of times) ^{1/}	1.09	1.07
Liquidity (number of times) ^{2/}	1.02	1.02
Leverage (number of times) ^{3/}	10.46	14.27
ROE (%) ^{4/}	21.00	21.61
Administrative and promotion costs / total operating incomes (%)	57.61	61.12
Personnel costs / total operating incomes (%)	33.42	32.98
Net result / Total operating incomes (%)	37.74	36.84
Capital consumption ratio (%) ^{5/}	29.65	32.80

NOTES:

mmdp = Thousand million pesos.

1/ Solvency = total asset / Total liability.

2/ Liquidity = Current assets / Current liability.

Current asset = Availabilities (Cashier + Banks + Other availabilities + currencies exchange to receive to receive) + Securities to negotiate without restriction + Debtors under repurchase agreement + Accounts receivable.

Current liability = Banking loans and from other entities in the short term + Creditor under repurchase agreement + Other accounts payable.

3/ Leverage = (Total liabilities – Creditors for operations liquidation) / Net worth.

4/ ROE = net earnings (12 months flow) / Net worth, average in 12 months.

5/ Capital consumption ratio = Total of capital requirements / global capital.

Source: CNBV, with information supplied by entities as of January 29, 2014.

Regular reviews

During the year, analysis periodical reports were issued to all institutions in the sector, in order to evaluate its financial situation permanently. In addition, 26 regular inspection visits were carried out, which represented 70% of the sector. The aspect reviewed, among other, were the following:

- The assignation system and the attachment to the corresponding authorized manual.
- The regulation compliance during the performance of operations.
- The effectiveness of internal control systems and the appropriate integral risk management.
- The sales practices in the areas of capital markets, money and foreign exchange market.
- Compliance with the policies regarding remuneration.
- Attention to corrective actions determined by the CNBV.

Reviews associated with relevant and/or conjuncture issues

In addition to the above mentioned, six special visits were carried out, in which, among other, work programs regarding risk administration, internal control, capital adaptation and review of the operations of purchase agreements carried out with Banco de México were applied, in order to provide liquidity intraday to the banking intermediates. For this part, modifications to the reception and assignation system for the operation of several brokerage firms were authorized, as well as to the corresponding manuals.

Achievement

The CNBV contributed to an organized and equilibrated performance of brokerage firms through described supervisory Works, whereupon the following benefits were achieved for the sector:

- Regular monitoring of the brokerage firms' financial situation, allowing to keep adequate levels of liquidity and capitalization.
- Better control of the risks limits, as a consequence of using automated systems and a proper integral risks management, mainly in the interday operations.

- A proper and opportune performance of the bodies responsible for the operation of internal control systems and integral risks management.
- A higher quality in the provision of services and in the offering of products to its customers, to ensure that the recommendations or operations performed are consistent with the interests of investors.
- A modern operating scheme of capital market, through the adequate functioning, according to international standards of reception systems and allocation of orders.

2.6.4. Mutual funds

Integration and current situation

The mutual funds sector had a good performance in 2013, since at the end of the year the amount of total assets showed an increase by 9.3%, going from \$1,510 billion pesos (mmdp) to \$1,650.39 mmdp. Nevertheless, the number of contracts reported decreased by 5.4%, compared to the previous year. By type of company, equity mutual fund companies had a growth of 30.5%, whereas net assets under management of mutual funds in debt instruments increased by 3.9%. As for mutual funds companies, by the end of the third quarter, the number of entities decreased to 15 (one less than by the end of 2012) and the total assets were close to eight billion pesos (3% less than the previous year).

Sector supervision

The supervisory efforts were directed to design and implement an agenda for inspection and surveillance, in order to identify, prevent and, where applicable, penalize those activities that damage investors, jeopardize the sector's stability, or generate any significant negative impact in economic and/or reputation terms. According to this, the supervision was focused on the following conducts:



MUTUAL FUNDS

Concept	2012	2013
Total number of entities	635	631
Operators	42	41
Comprehensive distributors	6	6
Referring distributors	3	2
Debt mutual funds	306	298
Equity mutual funds	260	267
Capital mutual funds (SINCAS)	16	15
Appraisers	2	2
No. of contacts	2,227,737	2,108,227
Debt mutual funds	2,059,140	1,909,295
Equity mutual funds	168,520	198,846
Capital mutual funds (SINCAS)	77	86
Total assets by SI (mdp)	1,509,767	1,650,397
Debt mutual funds	1,224,843	1,279,467
Equity mutual funds	276,708	362,957
Capital mutual funds (SINCAS)	8,216	7,973
Total assets by operator type (mdp)	1,509,767	1,650,397
Credit institutions	41,939	52,034
Brokerage firms	450,951	516,349
Financial groups	955,716	1,013,492
Independent	61,161	68,522
Total investment portfolio (mdp)	1,505,858	1,642,104
Government securities	963,516	1,035,043
Bank securities	190,996	170,485
Equity and options	159,749	225,077
Mutual funds shares	109,364	121,800
Private paper	74,347	82,027
Promoted companies	7,778	7,543
Obligations	108	129

NOTES:

mdp = Million pesos.

SI = Investment societies.

SOURCE: CNBV. The information on mutual funds in debt instruments and of equity as of December, 2012 and 2013. The information of the SINCAS, as of September of each year.

- Compliance with the investment program established by the Mutual Funds Law the applicable provisions and the investor public information leaflet.
- Execution of operation with interest conflicts.
- Acquisition of low quality securities, high risk and complexity that were not foreseen in the investment program.
- Disclosure of false or misleading information to the audience.

2.6.5. Auxiliary credit activities and organizations

By the end of 2013, the only auxiliary credit organization supervised by the CNBV were the general deposit warehouses, because ever since the amendment to the General Law of Auxiliary Credit Activities and Organizations, the financial leasing companies and the financial factoring companies no longer belonged to its jurisdiction, as the sections of the Law that originated them were derogated. For this part, the auxiliary credit activities include the currency exchange

offices and the limited purpose financial companies (SOFOM, in Spanish). Regarding the latter, the only supervised ones in a prudential way by the CNBV, are the ones that have property linkages with some credit institution, so they are considered regulated entities (SOFOMER).

Finally, limited purpose finance companies (SOFOL, in Spanish), previously considered in the Law of Credit Institutions, will be deregulated on July, 2013, with the exception of equity-linked entities with some bank, thus having to comply with the banking regulation, which will still be subjected to the CNBV supervision.

Based on the described issues, this section of the Report presents the integration and current situation, supervision activities and achievements obtained regarding the sectors of general bonded warehouses, currency exchange offices and regulated limited purpose finance companies. Likewise, as it is considered important, there is a brief explanation of the organized exit of the limited purpose finance companies from the Mexican financial system.

Bonded warehouses

Integration and current situation

On December, 2013, the sector of bonded warehouses comprised sixteen entities in operation, whose total assets are higher than \$11,282 million pesos (mdp). The five largest entities accounted for 85.3% of such assets.

BONDED WAREHOUSES

Concept	2012	2013
Total number of entities	18	16
Level I	9	9
Level II	8	7
Certification	53,407	41,852
Direct warehouses	19,533	17,180
Empowered warehouses	33,874	24,671
Total assets (mdp)	10,300	11,282
N5 (%)	84.77	85.28
IHH (entities)	4	4
Real state (mdp)	2,997	2,859
N5 (%)	77.79	76.40
IHH (entities)	5	6
Main indicators (%)		
Use of legal capacity to certify	12.20	6.08
Leverage	66.99	66.74
ROE	-1.69	20.21
ROA	-0.68	6.30

NOTES:

mdp = Million pesos.

N5 = Percentage share of the 5 main institutions in the assets of the sector.

IHH = Inverse of the Herfindahl-Hirschman index. The figure indicates the number of entities shared out the market.

Use of legal capacity to certify = Marketable deposit certifications issued in empowered warehouses/legal capacity to certify total issued.

Leverage = Total liability / Total asset.

ROE = Net earnings accumulated in 12 months / Average stockholders' equity in twelve months.

ROA = Net earnings accumulated in 12 months / Total assets in 12 months.

COURCE: CNBV, with information supplied by entities as of January 2014.



Supervisory activities

In the year, surveillance and follow-up efforts were focused on the preparation of periodical reports from the financial analysis on quantitative and qualitative aspects, in order to verify the attachment to the regulatory framework as well as studying the structure and financial, variation and tendency indicators. Likewise, the entities were provided with support through the opportune attention to opinion and advice requests.

For this part, the inspection activities were focused on carrying out, selectively, an optical verification of the physical existence of certain types of merchandise supported by deposit certificates; on checking the operative and accounting process of the stored merchandise certification; on making sure the information of the accounting system matches the one in the published financial statements and the regulatory reports sent to the CNBV, as well as on monitoring the observations determined in previous inspection visits.

Achievements

As a result of these supervision activities, the CNBV promoted the improvement of internal control processes and administrative management to enhance the quality and reliability of the financial information in the general bonded warehouses. In addition, a better communication with the entities was ensured, which favored the attention to requirements, observation and corrective measures instructed, as well as the opportune transfer of reliable and high-quality financial information.

Currency exchange offices

Integration and current situation

By the end of 2013, the sector consisted of eight exchange firms in operation, with total assets of \$568 mdp. The five largest entities accounted for 70.6% of such assets.

CURRENCY EXCHANGE OFFICES

Concept	2012	2013
Total number of entities	8	8
Non-grouped	8	8
Grouped without bank	0	0
Total number of offices in the country and abroad ^{1/}	114	79
N5 (%)	74.56	86.08
IHH (entities)	4	3
Total assets (mdp)	775	568
N5 (%)	76.11	70.62
IHH (entities)	6	8
Liquid assets margin	367.51	297.37
N5 (%)	72.04	67.89
IHH (entities)	6	8
Main indicators (%)		
Leverage	35.84	24.64
Capital stock yield	87.72	82.23
ROE	-6.80	-1.91
ROA	-4.83	-1.40

NOTES:

1/ In December, 2013 Globo Cambio Foreign Exchange did not deliver this information on time and according to the Provisions.

mdp = Millions of pesos.

N5 = Percentage share of the 5 main institutions in the assets of the sector.

IHH = Inverse of the Herfindahl-Hirschman index. The figure indicates the number of entities shared out the market.

Liquid assets margin = Liquid assets / Current liabilities.

Liquid assets = Availabilities + Investments in securities + Accounts receivable.

Liquid liabilities = Banking loans and from other bodies in the short term + Other accounts payable.

Capital stock yield = Stockholders' equity / Capital stock.

Leverage = Total assets / Total liabilities.

ROE = Net earnings accumulated in 12 months / Average stockholders' equity in 12 months.

ROA = Net earnings accumulated in 12 months / Total assets, average in 12 months.

SOURCE: CNBV, with information supplied by the entities as of January, 2014.

Supervisory activities

In 2013, surveillance and follow up efforts were focused on the preparation of quarterly reports derived for the financial analysis, verifying the attachment of the operations of currency exchange offices to the regulatory framework, in the analysis of their main financial indicators, and in attention to the opinion and advisory requests received.

Inspection activities were focused on verifying, mainly, that the currency exchange offices counted on enough liquid resources to meet the immediate obligation of payment, that they have implemented the proper controls in the areas involving recruitment, settlement and accounting record of foreign exchange trading operations and that the information in the accounting system meets the one in the published financial statements and the regulatory reports submitted to the CNBV.

Achievements

The supervision efforts of the CNBV contributed, among other aspects, to improve internal control processes; to inhibit both concealment and deliberate distortion of facts in financial information and to avoid the execution of unauthorized operations. This contributed to the reinforcement of operational stability and efficiency of currency exchange offices, as well as to improve their administration and risk management.

Multi-purpose finance companies, regulated entities

Integration and current situation

At the end of 2013, the multi-purpose financial companies, regulated entities (SOFOMER), consisted of 27 companies, this figure includes the three entities that used to be SOFOLES and that, as they have property linkages with a bank, transformed their legal entity. In addition, it includes two companies in the process of merging and a new entity that started to operate by the end of the year. In this regard, the following seven companies consolidate their figures with the ones in the banks they belong to, so they are not considered in the rest of the section.

GROUPS COMPANIES CONSOLIDATED WITH BANKS

SOFOMER	Multiple Banking Institutions
Tarjetas Banamex	Banamex
Servicios Financieros Soriana	
Banorte IXE Tarjetas	Banorte IXE
CF Credit Services	Inbursa
Santander Consumo	Santander
Santander Hipotecario	
Santander Vivienda	

Without including these entities the total assets of the twenty-one remaining SOFOMER were \$71,140 mdp (28.3% more than in 2012). The five largest entities accounted for 78.7% of total credit: three of them specializing in financial factoring and leasing (65%), one specializing in loan granting (13%) and one more focused on the recovery of assets that are hard to recover (1%).

Supervisory activities

The efforts regarding surveillance and follow up were focused on eliminating the delays in the SOFOMER regarding the compliance with the regulations applicable to banks. Based on this, periodical reports were elaborated derived from, the financial analysis of the entities and fourteen regular inspection visits were performed. The regular reviews covered aspects regarding the credit process of the entities, the submission of information to the credit information companies (SIC, in Spanish), the risk management inherent to the credit portfolio, the calculation of capitalization, the internal control environment and the follow up of observations derived from previous visits.

Likewise, supervision efforts were assigned in order to contribute to the evolution of the sector, so a special visit was carried out.

Regarding conjuncture subjects, there was an opportune follow up on the solvency of the entities regarding the compliance with the capital indicators applicable to the new rules in the banking sector and four investigation visits were carried out in order to supervise the proper implementation and monitoring of the loans granted to the housing sector.



MULTI-PURPOSE FINANCE COMPANIES, REGULATED ENTITIES ^{1/}

Concept	2012	2013
Total number of entities	23	20
Total number of offices	n. d.	n. d.
Total assets (mdp)	55,455	71,140
NS (%)	73.92	81.06
IHH (entities)	5	6
Total portfolio (mdp)	46,569	49,834
Commercial	39,708	40,339
Consumption	6,479	9,496
Housing	382	0
Concentration indicators NS (%)		
Total portfolio	77.73	78.76
Commercial	84.84	85.15
Consumption	38.72	51.59
Housing	n. a.	n. a.
Concentration indicators IHH (%), entities		
Total portfolio	5	5
Commercial	4	4
Consumption	3	3
Housing	n. a.	n. a.
Main indicators (%)		
IMOR	4.62	3.63
ICOR	113.48	158.56
Capitalization index	13.66	12.14

NOTES:

1/ Entities that are no consolidated with multiple banking.

mdp = Million pesos.

NS = Percentage share of the five main institutions.

IHH = Inverse of the Herfindahl-Hirschman index. The figure indicates the number of entities shared out the market.

IMOR = Delinquency index: Nonperforming loan portfolio / total portfolio.

ICOR = Coverage index: preventive estimates for credit risks / nonperforming loan portfolio.

n. a. Not applicable, as only one entity recorded this type of portfolio in December 2012 and that kind of portfolio did not exist on December 2013.

n. d. = Not available.

SOURCE: CNBV, with information supplied by the entities as of January, 2014.

Achievements

As a result of the supervision work carried out by the CNBV, there have been contributions to the organized development of the sector, and the entities processes have been improved, aligning their performance to the compliance of the regulation applicable. The following aspects stand out:

- The favorable evolution of the sector as for the portfolio management, which led to the reduction of the delinquency index and the improvement of the reserves coverage, compared to the numbers in 2012.

- The reinforcement of the control environment at the event of potential exposure to credit and legal risks, in the implementation of loans and factoring operations.

Limited purpose finance companies

Integration and current situation

According to the established by the applicable financial laws, the limited purpose finance companies (SOFOL) sector has been fully deregulated since July, 2013. Before that date, the twelve entities that existed by the end of 2013

finished the processes to transform their legal entity into a multi-purpose finance company, not regulated (SOFOM ENR) or, if appropriate, a regulated multi-purpose finance company (SOFOMER), in case of a property linkage with some multiple banking institution.

By the end of 2013, five entities kept operating as SOFOL with total assets of \$2,708 mdp; four of these entities were specializing in commercial loans and accounted for 78% of the total, while the credit activity of the other entity was focused on consumption financing. According to the last available figures, during the last months in which they still were regulated entities, the loan portfolio of the SOFOL kept deteriorating, and they face a detriment in their capital.

Supervisory activities

As the entities of this sector obtained part of their financing from the government development funds, as well as from the issuance and allocation of paper in the market, a wide surveillance was kept on their process of transformation and deregulation.





LIMITED PURPOSE FINANCE COMPANIES^{1/}

Concept	2012	2013
Total number of entities	12	5
Grouped	n. d.	n. d.
Non-grouped	n. d.	n. d.
Total number of offices	n. d.	n. d.
Total assets (mdp)	32,039	2,708
N5 (%)	88.57	100.00
IHH (entities)	4	4
Total portfolio (mdp)	27,922	2,088
Commercial	5,690	1,859
Consumption	2,572	229
Housing	19,661	0
Concentration indicators N5 (%)		
Total portfolio	90.34	100.00
Commercial	65.62	100.00
Consumption	93.65	100.00
Housing	97.39	n. a.
Concentrations indicators IHH (%), entities		
Total portfolio	3	3
Commercial	7	3
Consumption	1	1
Housing	2	n. a.
Main indicators (%)		
IMOR	17.42	11.84
ICOR	42.05	84.37
Capitalization index	12.60	26.53

NOTES:

1/ Entities that are not consolidated with the multiple banking.

mdp = Million pesos.

N5 = Percentage share of the five main institutions.

IHH = Inverse of the Herfindahl-Hirschman index. The figure indicates the number of entities shared out the market.

IMOR = Delinquency index: Nonperforming loan portfolio / total portfolio.

ICOR = Coverage index: preventive estimates for credit risks / Nonperforming loan portfolio.

Capitalization index = Stockholders' equity / Total assets.

n. a. Not applicable, as this type of portfolio was not recorded.

n. d. = Not available.

SOURCE: CNBV, with information supplied by the entities as of January, 2014.

Achievements

Once the entities formalized their transformation process, the status was updated as not regulated entities, except for the entities that chose to become SOFOMER, as, in the case of these entities, the CNBV contributed for the transformation program, to be organized and strictly attached to the applicable regulations.

2.6.6. Credit unions

Integration and current situation

In 2013, the main challenge faced by the credit unions sector was the finalization of the transitory term of five years, established by the Decree through which the Credit Unions Law (LUC, in Spanish) was issued, so the entities performed the actions needed to comply with the new regulations, in particular, regarding the capital requirements. When the LUC entered into force, the minimum capital amount that the credit union must count on in order to operate was modified and it was defined that they must preserve a fixed paid up capital equivalent to two million investment units.

According to the aforementioned Decree, the authorization to operate as credit unions would be revoked by the Law ministry in case the credit unions did not pay the minimum capital at the end of the five-year term. Consequently, from December 6 to 10, 2013, the reversal announcements were published in the Official Gazette of the Federation for the thirteen credit unions that did not comply with such requirement.

In addition to this group of unions that are no longer a part of the sector, the approval for other three companies to operate as credit unions was reversed, either because they became banks, by the decision of their stockholders or for

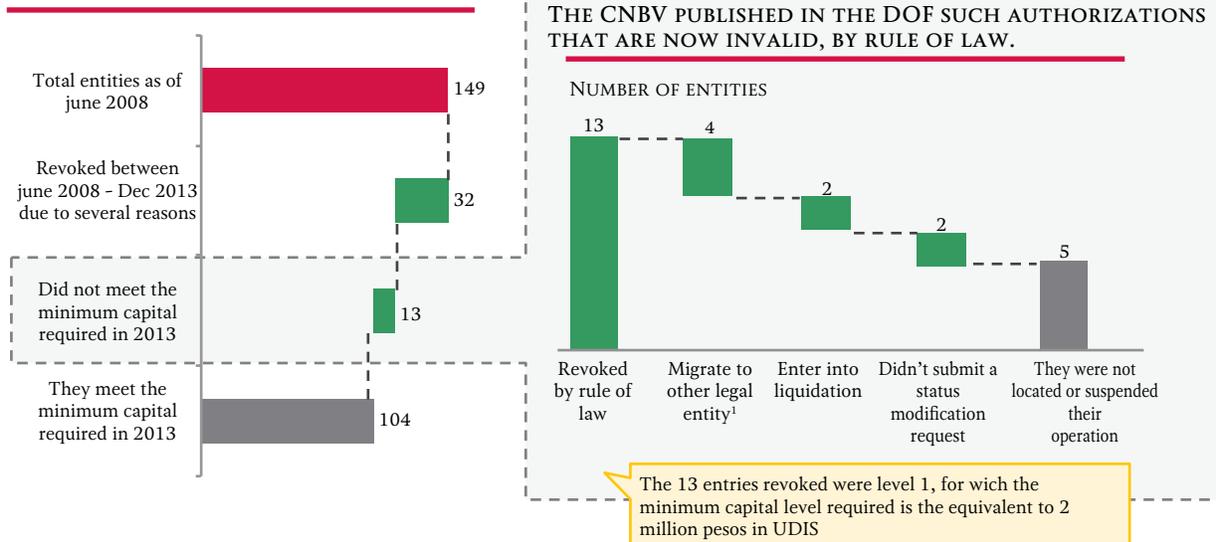
suspension of their activities. Likewise, by the end of the year the sector consisted of 104 entities.

The capitalization process implied an effort for an important number of unions, which, especially in the first quarter of 2013, performed the necessary actions to cover the minimum capital, through the necessary contributions or capitalizations (formalized through agreements of the Stockholders General Assembly), the modification of their social status and the corresponding authorization request to the CNBV. In this process, the necessary authority acts were performed so the unions that still presented a capital lower than the minimum attached to the LUC, and there was involvement in the authorization processes through opinions and advices to the companies on this subject.

For this part, in the financial aspect, in 2013, the three-year term established for the constitution of preventive estimations for holding of assets was concluded, according to the required by the regulation. In particular, during 2013, the remaining 50% of the estimations had to be constituted according to the gradualness granted by the regulations. In particular cases, this represented a financial impact on the results of that year for the unions that presented a high amount of unproductive assets as net capital ratio. This problem focused on a few unions, so it did not affect the sector in general.

EVOLUTION OF THE CREDIT UNIONS SECTOR

CREDIT UNIONS STATUS 2013
ENTITY NUMBER



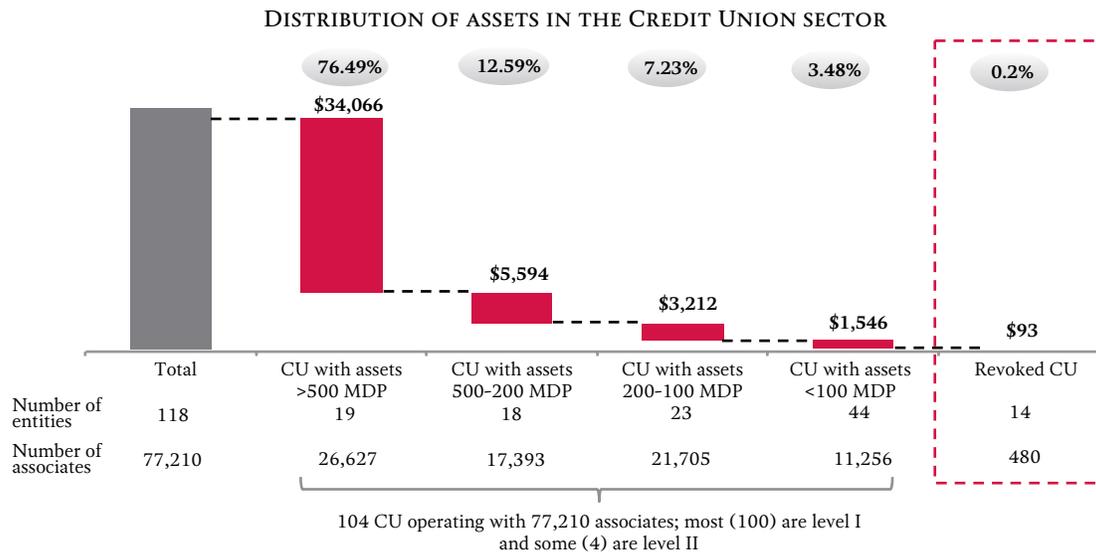
1/ They turned into public limited companies 2. To public company promoted investments (SAPI)1 and to Multi-Purpose Financial Company (SOFOM1)



For this sector, the amount of assets awarded was decreased by 19.6% between 2012 and 2013 which resulted in \$582 million pesos (mdp) figure that represents 1.3% of the total assets, while the estimations for holding assets awarded increased by 33.7% between 2012 and 2013, which resulted in \$193 mdp, which account for 33.2% of the assets awarded balance, compared to 19.95% at the end of the previous year.

On the other hand, the growth of the credit unions is still a positive trend, as the assets and the total loan portfolio of the sector increased by 7.8% and 4.5% during the year, respectively. Nevertheless, these increases also reflect the economic deceleration as they are under the averages presented between 2010 and 2012, which were over 10% and 7%, respectively. This trend is explained by the nineteen largest entities, whose assets are over \$500 mdp, that account for almost three fourth parts of the total assets of the sector.

ASSETS OF THE CREDIT UNIONS SECTOR



The delinquency index (IMOR) of the sector was 2.8% and the index of preventive estimates regarding nonperforming portfolio (ICOR) was 83.6%. The IMOR decreased by 0.59% while the ICOR increased by 13.60 % compared to the end of the previous year.

In regard to funding, credit unions are still funded, mainly, by associate loans, which experienced a growth of 8.4% in the year. In this part, funding by banks and other bodies increased by 15.5%, higher than previous years. Nevertheless it still represents less than 27% of the total funding of the sector. In contrast, the stockholders' equity increased by 4.4%, which reflects the capitalization process, in some cases, through the conversion of associates' loan liabilities into stockholders' equity.

On the other hand, in 2013, the sector's profitability improved, in comparison to the previous year, with an increase of 45.4% in the clear profit. The net earnings

(ROE) went from 4.4% to 6.1%, while the net earnings on assets went from 0.688% to 0.92%. This behavior is explicable, as in 2012 the constitution of estimates for credit risks affected some companies for important amounts. Regarding the solvency of the sector, with the capitalization process aforementioned, the aggregated capitalization index (ICAP) was 16.17%.

Supervisory activities

In 2013, the supervision of credit unions through surveillance activities focused on analyzing and evaluating the financial information of companies, in order to verify their compliance with the applicable regulations. This has allowed the protection of the stability of the sector; pointing out measures so the credit unions with problems put in place corrective actions or, if necessary, the promotion of the organized exit of the not feasible entities through the revocation of their authorization.

In 2013, regular inspection visits were performed on 34 credit unions. Through these visits, the assets situation was verified, as well as the operative processes, the operation registration, the administrative management and the solvency of the intermediaries, as well as the compliance with the applicable legislation. In addition, two special visits were performed, linked to the attention and processing of request received from the credit unions in order to change their operations to reach Level II; also, five investigation visits were performed, mainly related to the capitalization or particular situations of some units.

CREDIT UNIONS

Concept	2012	2013
Total number of entities in operation	120	104
Number of entities that submitted information	108	97
Total assets (mdp)	41,199	44,418
N5 (%)	41.21	44.83
IHH (%)	21	19
Total portfolio (mdp)	31,858	33,290
N5 (%)	41.97	44.27
IHH (%)	21	20
Main indicators (%)		
IMOR	3.41	2.82
ICOR	70.05	83.64
ICAP	15.94	16.17
ROE	4.40	6.13
ROA	0.68	0.92

Notes:
mdp = Millions of pesos.

IMOR = Delinquency index: nonperforming loan portfolio / total portfolio.

ICOR = Coverage index: preventive estimates for credit risks / nonperforming loan portfolio.

ICAP = Capitalization index = Stockholders' equity / total assets.

ROE = Net earnings accumulated in twelve months / Average stockholders' equity in twelve months.

ROA = Net earnings accumulated in twelve months / Total average assets in twelve months.

N5 = Percentage share of the five main institutions.

IHH = Inverse of the Herfindahl index. The figure indicates the number of entities shared out the market.

Source: CNBV, with information supplied by the entities as of December 31, 2013.

Main achievements

The supervisory actions implemented by the CNBV, presented and improvement in the opportunity of authority actions, compared to previous years, with a notable decrease in the timing of submission and notification of documents of observations and corrective actions and measurements.

Among the main observations are the ones that warn the credit unions about maintaining their solvency through the restoration of their net capital when they have a capitalization index below the minimum and the adequate application of the methodology for rating the portfolio. Likewise, a better presentation and disclosure of financial information kept by the supervised was promoted, through the verification of their attachment to the accounting criteria and presentation and disclosure of financial information rules.

During the year, the prudential supervision was focused on the review of the origination process and monitoring of the loans, as well as the verification of the proper application of the portfolio ranking methodology and the creation of preventive estimates for credit risks and awarded assets. Likewise, the supervision of the proper application of the regulations on accounting records has improved the presentation and disclosure of financial information of credit unions.

2.6.7. Popular finance sector's entities

The popular finance sector (or popular savings and loan sector) consists of entities aimed to provide financial services, mainly savings and loans, in order to accomplish a healthy economic development of economic and social



sectors that are unattended by other intermediaries. It consists of savings and loan cooperatives (SCAP, in Spanish) and popular financial companies (SOFIPO, in Spanish), regulated, respectively, by the Law to Regulate Activities of Savings and Loan Cooperatives (LRASCAP) and the Popular Savings and Credit Law (LACP). Also, since 2009 the LACP acknowledges the existence of other two legal entities in the sector: the community financial companies (SOFINCO) and the rural finance integration organisms (OIFR).

Savings and loan cooperatives (SCAP)

Integration and current situation

According to the information from the registry of the Protection Fund (Fondo de Supervisión Auxiliar de Sociedades Cooperativas de Ahorro y Préstamo y de Protección a sus Ahorradores (www.focoop.com.mx), as for December 31, 2013 640 SCAP were in operation, with total assets around 93,400 million pesos (mdp), which provide their services to 6.1 million partners, which are classified as follows:

SAVINGS AND LOAN COOPERATIVES

Concept	2012	2013
Number of authorized entities	70	131
Total number of entities in operation	69	124
Operation Level I	23	39
Operation level II	19	48
Operation level III	27	36
Operation level IV	0	1
Total number of branches	1,253	1,718
Operation level I	96	139
Operation level II	162	318
Operation level III	995	1,219
Operation level IV	--	42
Total assets (mdp)	61,580	76,185
N5 (%)	65.82	56.41
IHH (entities)	5	7
Total loan portfolio (mdp)	41,617	51,145
N5 (%)	65.94	56.44
IHH (entities)	5	7
Total traditional deposit-taking (mdp)	49,958	61,148
N5 (%)	67.31	58.02
IHH (entities)	5	6
Main indicators (%)		
IMOR	5.97	6.11
ICOR	117.57	113.04
ROE	10.36	9.63
ROA	1.56	1.52
Capitalization level	251.58	266.56

NOTES:

mdp = Million pesos.

IMOR = Delinquency index: nonperforming loan portfolio / total portfolio (outstanding + nonperforming).

ICOR = Coverage index: preventive estimates for credit risks / nonperforming portfolio.

ROE = Net earnings accumulated in twelve months / Total average assets in twelve months.

ROA = Net earnings accumulated in twelve months / Total average assets in twelve months.

Capitalization Level = Net capital / requirement of risk capital.

N5 = Percentage share of the five main institutions.

IHH = Inverse of the Herfindahl index. The figure indicates the number of entities shared out the market.

SOURCE: SITI, with information received as of February 4, 2014.



At the end of the year, 131 SCAP were authorized and supervised by the CNBV, whose partners count on protections, worth for up to 25,000 investment units (UDI), of the deposits insurance of the Protection Fund, 62 were authorized in 2013.

SAVINGS AND LOAN COOPERATIVES

Situation of the Company	SCAP	Assets		Partners	
		(mdp)	(%)	(thousands)	(%)
SCAP authorized under CNBV's supervision	131	76,185	82%	4,657	76%
Under CNBV's consideration	14	1,343	1%	126	2%
SCAP in extension ^{1/}					
Under the Supervision Committee's consideration	16	3,054	3%	194	3%
Other that have not submitted an authorization request	64	5,549	6%	425	7%
Subtotal entities in extension	94	9,945	11%	745	12%
SCAP under other situations					
Not assessed	46	2,414	3%	273	4%
Under Assessment	14	921	1%	87	1%
Classified under category D by the Committee ^{2/}	25	1,534	2%	138	2%
Subtotal entities under other situations	85	4,870	5%	500	8%
SCAP of basic level ^{3/}	330	1,417	2%	205	3%
Total	640	93,401	100%	6,088	100%

1/ These are working under the protection of LRASCAP transitory regimen.

2/ Companies legally unable to perform fund raising operations.

3/ Companies with assets under 2.5 million UDIs, which do not require authorization form the CNBV, they do not count on the protection from the Protection Fund and they only have to register in the Supervision Committee.

SOURCE: Protection Fund – Information from the Savings and Loans Cooperatives registry as of December 31, 2013.

Without considering the contributions of the 62 newly authorized participants in 2013, the savings and loans cooperatives sectors reports the following advancements in the year in question:

- The total assets increased by 6.1%, resources which were mainly used in credit activity, operations that report a growth of 6.6%.
- The growth of the sector was mainly funded by traditional deposit-taking, an activity increased by 5.6%.
- The preventive estimates for the credit risks covered 113.04% of the nonperforming portfolio that did not mean there were no positive results generated.
- The compliance with the capitalization requirements is still at levels over 200%.

The rest of the sector subscribed in the SCAP registry kept by the Protection Fund (Comité de Supervisión Auxiliar del Fondo de Protección), consists of entities that are in several different situations, or, they are not compelled to request the authorization of the CNBV, as their assets are equivalent to less than 2.5 million UDIs, in national currency (basic level SCAP).

Supervisory activities

In 2013, supervision actions were taken in order to maintain the proper function of the authorized SCAP, in compliance with the applicable regulation and according to the healthy financial practices. In this sense, corrective programs were established to compensate the observations detected in the inspection activities, surveillance and internal control; regarding financial information registration; insufficiency of preventive estimates for credit risks derived from deficient credit processes, as well as the portfolio ranking, noncompliance with the demanded liquidity levels, as well as corrective actions and measures derived from the category at a capitalization level, according to the early alert mechanism. In addition, the due attention too such corrective measures as monitored and the general evolution of the entities of the sector was monitored too.

Additionally, a great portion of the efforts made by the supervision team focused on the analysis and resolution of 97 authorization requests submitted form September, 2012, with previous favorable ruling of the Fund Protection. In this regard, in 2013, 62 of such requests were authorized by the Government Board of the CNBV, 21 companies withdrew their requests, while the other 14 are still under



assessment by the CNBV, which shall be determined in the first months of 2014.

On the other hand, there was a collaboration along with the Supervision Committee in the efforts to consolidate the registration and evaluation of the cooperative companies with assets over 2.5 million UDIs; to verify the files of the authorization requests presented and to issue the corresponding rulings.

Achievements

The supervision actions by the CNBV, as well as the attention to the authorization requests from SCAP for them to continue operating as savings and loan cooperatives, contributed to the consolidation of the sector, thus, facilitating their incorporation as a relevant actor of the Mexican financial system. Among the main achievement, the following are worth mentioning:

- 62 SCAP were authorized so they keep performing savings and loans operations, promoting the registration and consolidation of the savings and loan cooperatives, given their relevance for an inclusive development of the Mexican Financial System, promoting the interests of society.
- The authorization was revoked for Caja Crescencio A. Cruz, S.C. de A.P. de R.L. de C.V., and, through an assets and liabilities cession mechanism with Caja Popular Mexicana, S.C. de A.P. de R.L. de C.V., the partners were able to keep their properties and the savings and loan services.
- The reinforcement of capital of the entities was promoted, mainly in the ones whose solvency was weak or required to comply with capital restoration programs.
- Actions were taken regarding the improvement of the internal control system of the authorized SCAP, as well as the credit process, which has resulted in a reasonable delinquency level for a sector that assists, in many cases, non-salaried population that cannot reliably confirm their level of income, or that is simply not assisted by other intermediaries.
- It has been promoted, through authority actions, that the authorized SCAP use the services offered by the Credit Information Companies in order to consult and report information related to the payment behavior of their accredited, as well as incorporating such information to the granting

process as consumable for the analysis of the payment capacity, which has allowed to maintain reasonable levels of delinquency.

- Through authority acts, the critical impact factors that have an impact on the profitability of authorized companies have been informed.
- The proper transparency and financial information disclosure was monitored.
- The deposit insurance of the Protection Fund was reinforced with the contributions of the authorized SCAP and the Federal Government, which as of December 31, 2013 counts on resources worth \$618 mdp.
- More information was provided to the public regarding the status of the registration process of the cooperatives, contributing to the SCAP registry kept by the Protection Fund, which resulted in a considerable reduction of consults in this regard, as there is information available.

Popular financial companies and community financial companies

Integration and current situation

The popular financial companies (SOFIPO) and community financial companies (SOFINCO) sector consisted of 71 entities, with assets close to \$25,971 mdp. Out of this total, around 94% of the assets are focused on 44 authorized companies, which are supervised by the CNBV, with assets of \$24,520 mdp. The rest corresponds to 3 companies authorized in their way to start operating as they were recently constituted and 24 that, while they have gone to the CNBV to obtain their authorization to be constituted and function as SOFIPO or SOFINCO, it is necessary that the companies interested comply with several legal, financial, administrative and operative requirements in order to finalize their request process.

In 2013, most authorized entities complied with the capitalization requirements in virtue of the resources contributions made by partners and new investors, even though several entities did not generate any profit during the year. In addition, the sector showed the following progress:

- It reported the opening of 116 new subsidiaries for customer service.
- It widened the range of products and services offered to its clients.

- It increased, by 28%, the traditional deposit-taking, through sight and term savings deposits.
- It increased, by 9%, the allocation of loans and reached a higher presence in the market.
- It maintained preventive estimates for credit risks, enough to cover the total amount of nonperforming portfolio.
- The deposit insurance worth was reinforced, which covers the protection fund in order to reach accumulated contributions of \$228 mdp.

Supervisory activities

The CNBV focused on reviewing the adequate risk management, the financial and operative performance of companies and the efficacy of their internal control systems and information technologies, as mechanisms to ensure its proper functioning according to the healthy financial practices and in compliance with the applicable regulation. The commitments assumed by the entities were monitored, regarding the attention to corrective programs and resolution of observation and indicated opportunity areas.

Likewise, the supervision actions were targeted to encourage the federation to, while exercising their capacities, generate synergy that allow the improvement auxiliary supervision in their charge and the incorporation of a larger number of entities registered.

Specifically, the following activities stand out:

- It was supervised that the sector maintained an organized growth in their credit portfolio and deposit-taking of resources.
- Preventive measures were promoted to prevent the entities from incurring in risks that limited or compromised their feasibility.
- Corrective actions were implemented to assist and solve noncompliance and opportunity areas.
- The proper transparency and disclosure of financial information of the sector was monitored.
- Along with the CONDUSEF there was involvement in the inspection areas of the CNBV to several companies.
- The integration and functioning of the technical committee and the Fund Protection savings protection committee were verified; the transparency and disclosure of their financial situation and the fees given by the participants of the sector was reviewed as well.
- There was involvement in several forums organized by government institutions and non-governmental bodies that represent these companies, in which the financial reform was analyzed and discussed and the benefits of the regulation were highlighted, as well as the opportunities to reach consolidation and strength of the sector.



POPULAR FINANCIAL COMPANIES

Concept	2012	2013 ^{1/}
Number of authorized entities	43	47^{2/}
Total number of entities in operation	42	44
Operation level I	32	32
Operation level II	4	6
Operation level III	6	6
Operation level IV	0	0
Total number of branches	911	1,027
Operation level I	264	373
Operation level II	162	155
Operation level III	485	499
Operation level IV	0	0
Total assets (mdp)	20,323	24,520
N5 (%)	71.76	70.83
IHH (entities)	4	5
Total loan portfolio (mdp)	16,643	18,167
N5 (%)	78.86	75.85
IHH (entities)	3	4
Total traditional deposit-taking (mdp)	13,460	17,163
N5 (%)	79.18	76.69
IHH (entities)	3	4
Main indicators (%)		
IMOR	8.66	7.38
ICOR	122.45	122.23
ROE	3.74	-2.432.45
ROA	0.69	-0.44
Adequacy to capital requirement	189.05	177.74

Notes:

mdp = Million of pesos.

1/ Information as of December, 2013.

2/ It includes a SOFINCO with assets of \$121 mdp.

N5 = Percentage share of the five main institutions.

IHH = Inverse of the Herfindahl index. The figure indicates the number of entities shared out the market..

IMOR = Delinquency index: nonperforming loan portfolio / total portfolio (outstanding + nonperforming).

ICOR = Coverage index: preventive estimates for credit risks / nonperforming portfolio.

ROE = Net earnings of annualized period / Total average assets of annualized period.

ROA = Net earnings of annualized period / Total assets.

Adequacy to capital requirement = Net capital / requirement of risk capital.

SOURCE: CNBV, with information supplied by the entities as of January 16, 2014.

Achievements

The supervisory actions of the CNBV contributed to the consolidation of the sector and, consequently, to its incorporation as a relevant actor of the Mexican financial system. Within the main results obtained, it is worth mentioning the encouragement for all supervised companies to maintain adequate capital levels, especially the ones involved in capital restoration programs or those whose solvency showed weaknesses, as well as informing companies about key aspects that influence their financial, operative and business operation situation, in an environment of full regulatory compliance.

2.6.8. Credit bureaus

Integration and current situation

Credit Bureaus (SIC, in Spanish) which collected, managed and integrated information on credit history of natural and legal persons in 2013 – which is used by financial and non-financial entities to support decision-making within their procedures for granting loans - were Círculo de Crédito, S.A. de C.V, Trans Union de México, S.A. and Dun & Bradstreet, S.A. The last two companies operated jointly under the branch Buró de Crédito.

At the end of 2013, Círculo de Crédito recorded, in its database, information about 258 million of loans regarding 61 million of natural persons, in addition to 0.8 million of loans regarding 0.2 million of legal persons. While Trans Union de México managed information about 272 million of loans corresponding to 87 million of natural persons; meanwhile Dun & Bradstreet gathered information of almost 17 million of loans, spread over 3 million of borrowers registered as natural and legal persons with business activities.

Supervisory activities

The CNBV focused its inspection and surveillance activities on reviewing policies and processes established by the SICs, in order to determine their compliance with the regulation and best practices. During the year, there was one inspection visit to every company, verifying the following activities:

- Reception and validation of information submitted by loan grantors.
- Issuance of credit reports with information of other companies.

- Attention to claims submitted by the borrowers.
- Ensuring the computer systems reliability as well as the reliability of the systems targeted to the protection of customers data.

On the other hand, during the second half of the year, the SICs adopted a new scheme of information exchange, through which they started to include, in one report, the information of the three companies in operation. This report methodology was authorized by the CNBV and it is available for the borrowers and grantors to consult it. Likewise, the CNBV evaluated an authorization request processed before the SHCP to constitute and operate a new SIC. While the interested parties chose to withdraw their request during the process, the CNBV confirms its willingness to ensure that the regulatory framework and the market conditions in this sector allow the entrance to new participants and promote competition, to benefit the financial system, and the general audience.

Achievements

The CNBV made contributions so that important advancements were achieved in the sector of credit bureaus, among them, the following stand out:

- In order to provide greater certainty to the clients, the credit information companies were encouraged to include, for every loan in the special credit reports, an approximate date of elimination.
- The forms of the information reports for the SICs were updated, and new measures were implemented to improve the quality of databases of the SICs.
- The reporting an elimination processes of the prevention codes reported to the SICs were adjusted, asking the grantors to relate each code to an specific loan in order to protect the right of the customers to, according to the conditions established in the regulation, have the negative information of their credit history eliminated.
- The supervision methodology of the loan grantors was updated in order to standardize the supervision practices and to establish better practices in the institutions for a higher quality of the information contained in the credit bureaus. This methodology was applied first in inspection visits performed on several institutions that use the SICs throughout the year.

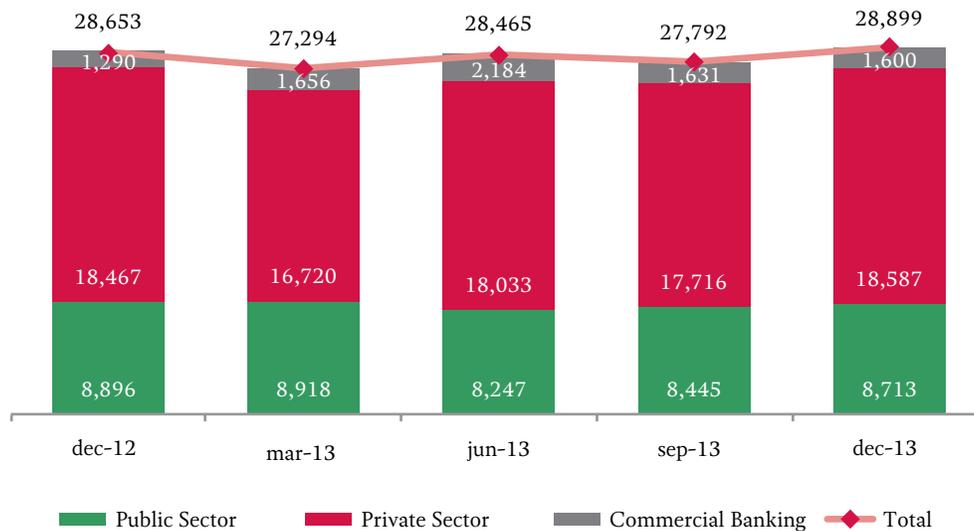


2.6.9. Representative offices of banks and brokerage firms

Integration and current situation

At the end of 2013, the sector of foreign financial institutions' representative offices was composed by 57 entities. Among them, 53 were representative offices of banks from twenty countries; 49 of them were in regular operation, 3 in closure and revocation process and 1 was in suspension of operations. Furthermore, four representative offices of foreign brokerage firms participated in this sector, one of them was in suspension of operations and three operated normally.

CREDIT PROMOTED BY THE BANK REPRESENTATIVE OFFICES
(BALANCES BY DESTINATION SECTOR OF THE CREDIT, MILLION DOLLARS)



SOURCE: CNEV, with information from the representative offices of foreign banks.

In 2013 the credit promoted by the representation offices increased by 0.9% compared to the end of 2012, going from \$28,653 million dollars (mdd) to \$28,899 mdd in December 2013; this last figure accounts for 12.5% of the credit granted by the multiple banking institutions to that date. The credit promotion of the banking offices is mostly focused on the private sector, then on the public sector and, lastly, too commercial banking.

The repercussions of the crisis faced by European economies have forced several representations offices' headquarters to reduce their credit activities in our country and even to close some of them. Nevertheless, the reduction of credits promoted by the European banks' representative offices to the private sector has been compensated by the increase of financing to specific productive activities (as the automobile

and manufacturing industries) by the offices of financial entities from the United States of America and Japan.

Supervisory activities

During the year, inspection visits were performed in 27 bank representative offices and there was one more in a representative office of a foreign brokerage firm, in order to verify that their functioning is subjected to the activities they are allowed to perform.

Achievements

As a result of the activities undertaken, it was found that the operations of the visited banking offices are subjected to the regulatory framework applicable.



COMISIÓN NACIONAL
BANCARIA Y DE VALORES





REGULATION

3.1. Introduction

During 2013, the CNBV, in compliance with its legal mandate, issued several general provisions in order to update the valid rules, or, to attend the new situations to ensure the proper functioning of the entities subjected to its supervision, to promote the healthy and balanced development of the financial system, as a whole; to implement the best international practices and to count on the best tools to perform the supervision, inspections and monitoring activities.

3.2. Regulation issued by the CNBV

Below, a summary of the provisions that the CNBV issued, according to the sector the regulation in question is targeted to is presented.

Auditing norms applicable to several entities

In virtue of the adoption of the International Auditing Norms (NIAS) by the Commission of Auditing and Assurance Norms of the Mexican Institute of Public Accountants, A.C., issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants the elimination of several newsletters regarding auditing applicable to credit institutions, limited purpose financial companies and regulated multi-purpose financial companies turned out to be necessary at the time several references were updated in order to substitute them by the applicable NIAS.

Provisions related to the requirements regarding information protected for banking and fiduciary secrets

In the face of the increase of information and documentation requirements formulated by the judicial, treasury and administrative authorities of the CNBV, the process of attention to these was updated, through electronic media, in order to speed up the procedures using a safer technological tool.

This, derived from the capacities conferred through the several legal regulations (117 of the Credit Institutions Law, 34 of the Popular Savings and Loan Law, 44 of the Credit Unions Law, 69 of the Law to Regulate Activities of the Savings and Loans Cooperative), to several authorities to request and receive information and documentation protected because of banking and fiduciary secrets, from the financial entities regarding their partners, clients and users, through the CNBV, which shall be duly founded and motivated.

Credit institutions

Net capital integration and capitalization requirements

- The “General provision applicable to credit institutions” were amended (Bank Provisions) in order to incorporate provisions related to capital integration and capitalization requirements in line with international standards in the agreement issued on December 16, 2010 by the

Basel Committee on Banking Supervision called Basel III. These norms were published for the first time in the DOF on November 28, 2012.

- It is worth mentioning that such regulation established, additional to the guidelines of the aforementioned Basel III, that in order for the subordinate obligations issued by the multiple banking institutions to be considered within their net capital, the issuing institution or the controlling Company of their financial group have to subscribe their shares to the National Security Registry and comply with the listing and stock maintenance requirements in which they shall list their shares, according to the established in the Security Market Law (LMV), except for the exception cases previously incorporated, in the same regulation valid today.
- Then, in 2013, the aforementioned provisions were amended through the Resolution published on April 16, 2013 in the DOF, which focused on modifying the temporary regime originally foreseen, as well as the maximum amount with which the capital instruments (subordinate obligations) issued by the credit institutions could be recognized as on January 1, 2013 as a part of their net capital, in order to facilitate such institutions to gather resources derived from the market, without affecting their net capital.

Commercial Portfolio Ranking

- The amendments to the Bank Provisions regarding the commercial credit portfolio ranking were published in the DOF on June 24, 2013. According to the recommendations issued by the Basel Committee regarding credit reserves estimate of the credit institutions in the sense of allowing the early identification of losses incorporating more credit information, also for that reserves estimate to be based on methodologies that reflect the expected loss the incurred loss model that was previously valid was modified in order to establish an agreement methodology to rate and cover the commercial credit portfolio according to the expected loss model, in which the losses of the following 12 months is estimated with the credit information that anticipate the better.



- The new methodology based on such expected loss model takes into account the following parameters: noncompliance probability, severity of the loss and exposure to noncompliance. Additionally, the aforementioned methodology classifies the commercial portfolio in different groups, to which the different variables will be applied for the estimate of the noncompliance probability.
- Now, when modifying the elements related to the ranking methodology of the commercial portfolio of the credit institutions, the different references for ensuring the consistency between the capitalization regulatory framework and the ranking criteria were updated, at the time the participations granted to states and municipalities were recognized as admissible guarantees in the federal income, for capital requirements for credit risk and for the portfolio ranking.
- On the other hand, the coverage schemes of the first losses granted by the credit institutions or other financial entities were recognized, in order to cover the losses of credit portfolios of the housing mortgage loans portfolio; as well as establishing the mechanic to adjust the percentage of preventive reserves both beneficiary institutions of the schemes and the institution granting these guarantees have to constitute.
- Then, through a publication dated December 24, 2013, the Bank Provisions were modified in order to add new regulatory reports to consider the parameters related to the probability of noncompliance, severity of the loss and exposure to noncompliance, contained in the new methodology applicable to the commercial portfolio ranking that changed the incurred expected loss model into an expected loss approach, so the institutions send complete, homogeneous and transparent information.

Commission agents and electronic banking

- Derived from the CNBV supervision activities regarding the hiring by third parties of commissions by the credit institutions, as well as the use of electronic banking and in attention to several consults and requests submitted in that

regard by the sector, the regulation applicable to such institutions was adjusted as for the operation and provisions of such services to the public.

In this sense, as for commission agents, the modifications were carried so the credit institutions counted on the possibility to request the authorization of the CNBV to use schemes through which the information on the client's balance is stored in devices such as credit cards that count on an integrated circuit or equipment located within the facilities of their commission agents, so the institutions are able to transfer funds on line, only affecting the balance stored in the corresponding disposition media.

- Additionally, as for the regulation regarding electronic banking, modifications were carried out so the institutions can: i) omit the notification mechanisms and procedures in operations performed by electronic banking, when talking about level 1 banking accounts, ii) with previous authorization of the holder, charge another account to transfer money to the associated account as a mobile payment service, iii) including, within the authentication factors, the signature captured in digital image optical devices, and iv) using Point of Sale Terminals (TPV, in Spanish) that do not count on integrated circuit readers, previously authorized by the CNBV in order to assess the employed safety scheme.

Valuation

- The guidelines that regulate the process of valuation of mortgage guarantees were included in the Bank Provisions as a part of the credit process in charge of the credit institutions, according to the established in the Transparency and Promotion of Competition in Guaranteed Loans Law, in order to ensure that the value of such mortgage guarantees is objective and independent, even in case the institutions provide the valuation services, in order to standardize the process of valuation of estate object of guaranteed housing loans.

Likewise, terms and conditions were established, under which the credit institutions will be able to provide the valuation service, standardizing the process of valuation of real estate, which are the object of the guaranteed housing loans.

Attachment 43 to the Bank Provisions

- Coming from a review performed jointly with the Institute for the Protection of Banking Savings, several concepts contained in Attachment 43 to the Bank Provisions were removed, regarding the calculation methodology for the basis for collection of fees the multiple banking institutions must cover in the aforementioned Body, in order to comply with the minimum catalogue issued by the CNBV.

Brokerage firms

- The “General provisions applicable to the brokerage firms” (Brokerage Firms Provisions) were amended in order to supplement the requirements to be fulfilled by the external independent auditor of the brokerage firms and the firm hired for the professional provision of auditing services.
- An obligation was established for the brokerage firms under which they must gather the statements of the officials responsible for signing their ruled financial statements, at the time it was foreseen that this obligation shall be demanded from the ruling of the financial statements corresponding to the year 2013.
- The Brokerage Firm Provisions were also amended in order to specify the date certain provisions shall be derogated, taking into consideration the progressive entry into force of the “General provisions applicable to brokerage firms and credit institutions regarding investment services”, issued by the CNBV and published on April 24, 2013.

Brokerage firms and credit institutions

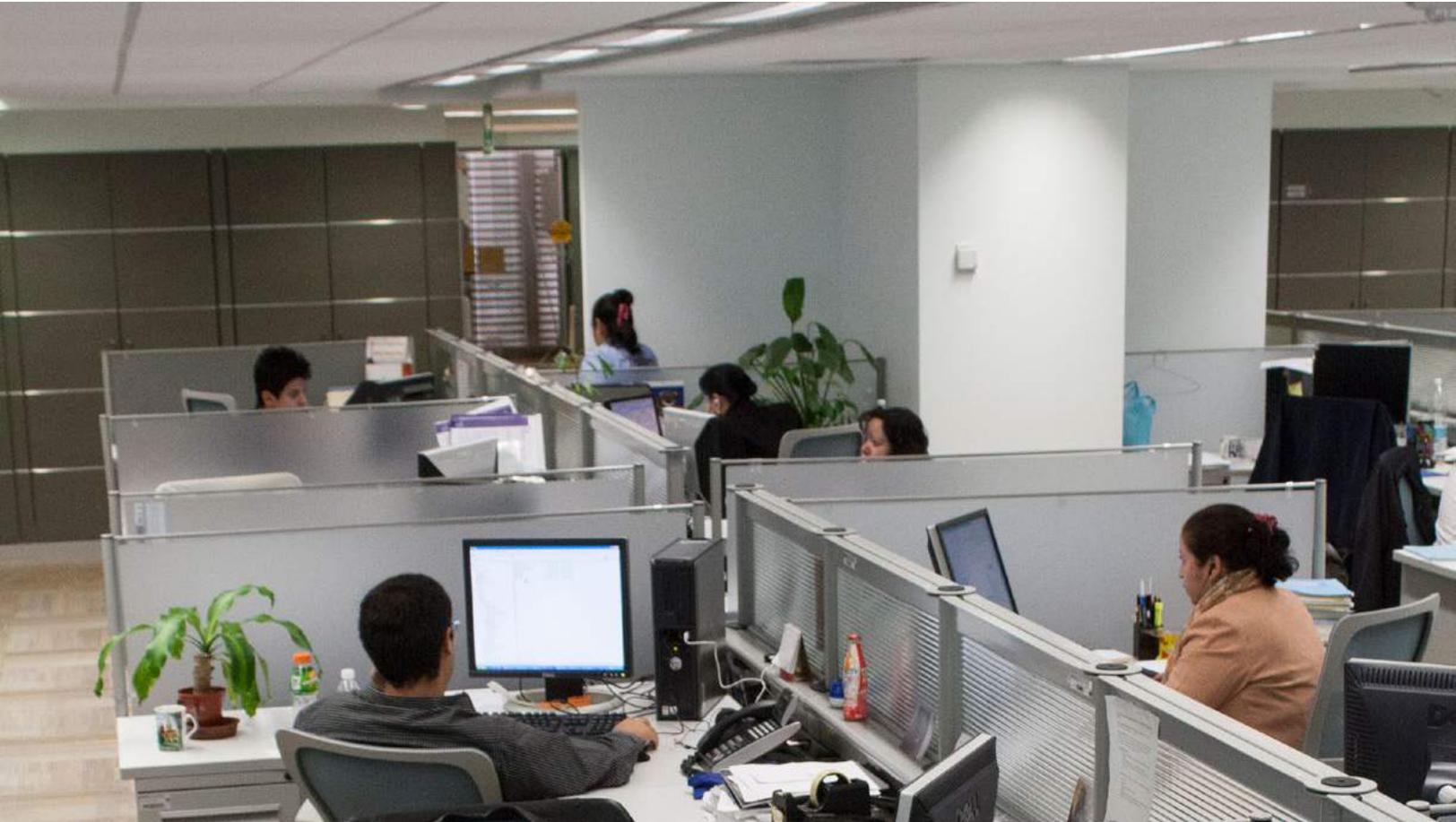
- On November 28, 2012, the “General provisions applicable to brokerage firms and credit institutions regarding investment services” (Provision regarding investment services) were published in the DOF, issued by the CNBV, which were focused on regulating the activities of the brokerage firms and credit institutions when providing investment services. This way, the provision of assessed investment services (investment consulting and investment

management) and the not assessed investment services (trading or promotion and execution of operations) was regulated.

- Then, the CNBV issued, again, the Provisions regarding the investment services which were published in the DOF on April 24, 2013, in order to perform several adjustments regarding capacities of the committee that is responsible for the analysis of financial products, securities that can be the object of the commercialization or promotion service and interests conflicts, among others, as well as relocating, in attachment, some norms contained in the provisions, for a better Reading and understanding.
- The Provisions regarding investment services were amended through resolutions published in the DOF on July 11 and September 23, 2013, in order to specify the date the provisions published in the aforementioned spreading body on November 28, 2012 would be abrogated, excluding from its application the subjects that count on a wide specialization and professionalization, as well adjusting their content regarding interest conflicts; widening the security variety that can be the object of the commercialization or promotion service; standardizing the regulatory framework applicable to the actions of the fiduciary securities referred to in Article 7, section II, subsection c) of the “General provisions applicable to issuers and other participants of the stock market”, account statements; manifestations of risks knowledge and prohibition to perform operations on their own, among other modifications.

Derivatives market participants.

- On April 19, 2013, it was published, in the DOF, the “Resolution for the amendment of the general provisions that establish the accounting criteria the participant of options and future exchanges shall be subjected to”, in order make them consistent with the amendments made to the “Rules the derivatives contracts market participants, listed in the stock market shall be subjected to”, in which they foresaw the possibility of liquidating members to be able to compensate and settle the derivatives contracts listed in the stock market on their own or through



third parties or both, in addition to establishing the norms for the derivatives market participants when holding operations with derivatives contracts in renowned foreign markets, some specifications were performed on the accounting norms applicable to such participants.

- Likewise, the name of the provisions was changed into “General provisions that establish the accounting criteria the derivatives market participants listed in the stock market shall be subjected to.
- On the other hand, the security valuation norms were incorporated, as well as other financial instruments that belong to the general balance of liquidating members and compensation chambers, specifying that the valuation of such securities and other financial instruments shall be reasonable, in order to be consistent with the accounting norms applicable to the other

financial entities supervised by the CNBV, also for the integrations and disclosure of information provided by the compensation chambers and the liquidating members can be better analyzed by the authorities, the audience and the derivatives market, in virtue of the specialized operations such entities carry out.

Stock Market Participants and Instruments

Issuers

- Through the resolution published in the DOF on April 30, 2013, the “General provisions applicable to securities issuers and other participants in the stock market” (Issuers Provisions) were amended, in order to specify that, as for the rulings on the credit quality of every issue to be presented by the issuers of trust certificates on goods other than shares or debt instruments, in order to register their securities in the National

Securities Registry (RNV, in Spanish), a letter shall be submitted in which they state that they have informed the security ranking institution about the securities in question.

- Likewise, within the information checked and authorized by the CNBV for the spreading of information targeted to the general audience in order to promote, commercialize or advertise securities, the informative supplements and notifications forms are included, whose information is contained in the placement prospect, so they can be used in the following issuances performed to support the placement or issuances programs in one or more series, without requiring the corresponding authorization for each allocation, in order to accelerate the corresponding procedure. This has to do with allocation programs, issuances in series as well as regarding the inscription, without public offer mediation, of debt instrument securities, structural securities and securities supported by assets, all of these have a term more than a year long.
- Similarly, the issuers are compelled to submit a legal opinion in terms of the applicable provisions, in case updates are performed on the inscription of their securities due to reductions in share capital or any kind of transformation of the latter. At the same time, it was established that the issuers of debt instrument securities, trust certificates on goods other than shares, optional certificates and structured securities are compelled to submit an informative notification containing the general features of the corresponding updates.
- It was established that the public offer of securities notice must be published on the date the price is fixed or when the logbook is closed and every day during the validity of such offer; and the obligation to publish this in printed media was eliminated.
- Amendments were done in regard of the auditing rules based on which the external auditors must elaborate their rulings, opinions and corresponding reports. The entities that are considered public entities under the General

Law of Governmental Accounting shall submit their financial statements according to such legal regulation.

- Then, through the resolution published in the DOF on July 15, 2013, the Issuers Provisions were amended, in order to extend the terms for the submission of financial information and annual reports to the trust certificates provided in article 7, section II, subsection c) in the aforementioned provisions that prominently invest in collective investment mechanisms that are not listed in any stock market, provided that they disclose this information in the placement project or, in case they are authorized to modify it once the placement is performed, they shall publish it as a relevant event.
- In case the issuers of the aforementioned trust certificates invest in shares or securities that represent them and that are registered in the RNV or that have been subjected to public offer abroad, such investment shall be performed to obtain, at least, 20 per cent of the share capital of the issuer in question. The characteristics needed to be able to invest in other instruments were pointed out.
- The issuers of the instruments above are compelled to publish, as a relevant event, the information needed for the decision-making process regarding matters of the general assembly of holders. The latter must gather to approve larger issuances, and in case of any changes on the commission or compensation payments scheme in favor of the manager, members of the technical committee or any other party.
- The placement project and annual reports of the issuers of the trust certificates aforementioned were updated, in order to reveal information referring to the operation with related people.
- In case of corporate restructuring of any issuer, the value of the operation to be taken into account shall be the higher one between the accounting and the market value.



Securities rating agencies

Through the resolution performed on April 30 2013, the “General provisions applicable to the securities rating agencies” were amended, in order to establish that, when hiring the provision of services between the securities rating agencies and their clients, every time the institutions themselves grant a ruling on the credit quality of their securities, the clients must inform the agency whether they have received any ratings from a different rating agency on the same securities, in order to publish that information in the market.

Not regulated multi-purpose financial companies, currency exchange offices and money transfer companies

- According to the different general provisions regarding prevention of operations with resources of financial illicit origin and terrorist financing, the not regulated multi-purpose financial companies, the currency exchange offices and the money transfer companies (Compelled Subjects) must establish measures and procedures to prevent and detect acts, omission or operations that could favor, aid or cooperate with any kind of offenses.
- Based on this, the “Guidelines for the elaboration of the auditing report to evaluate the compliance with the general Provisions regarding prevention of operations with resources of financial illicit origin and terrorist financing” were issued, which the Compelled Subjects must observe in order to evaluate and rule, during the term from January to December of every year, the compliance with the provisions applicable to them in the matter in question.

Rural Finance Companies

- As a consequence of the impact derived from natural disasters, as from market contingencies, in the productive economic cycles of the farming sector, the affected borrowers are unable to meet their loan obligations in the term initially established, which has led the Rural Finance Companies to authorize renewals or restructures of the corresponding loans. In view of this situation, the B-4 criteria “Loan Portfolio” was updated, which is contained in

Attachment 10 of the “general Provisions in prudential and accounting matters and for the information requirement applicable to Financial Rural Companies”, in order to standardize some of the concepts contained in these, such as restructuration, renewals and lines of credit. Some of the concepts contained in the accounting criteria and the regulatory reports applicable to the Rural Financial Companies were modified.

- Additionally, the regulation related to the diversification of risks within the granting on loans by the Rural Financial Companies was modified, increasing the top financing limits such entity can grant to its borrowers.
- On the other hand, regarding the calculation of financial limits, only the part effectively exposed of the guaranteed short-term operations must be recognized, specifically, the repurchase orders.

CNBV’s internal regulations

During the fiscal year 2013, the following CNBV’s internal regulations were modified:

- By agreement, CNBV’s Chairman delegates faculties to the Vice Presidents, General Managers and Assistant General Managers of the Commission.
- Agreement by which the administrative units are organically ascribed to CNBV.

The amendments to the stated legal instruments were carried out to:

- Modify the distribution of the Assistant General Managements that aid the General Supervision Managements of Financial Intermediary Groups A and C, ascribed to the Supervision Vice-Presidency of Financial Intermediary Groups A.
- Standardize the name of the General Assistant Management that aids and assists the procedure and resolution of matters regarding the General Supervision Management of Savings and Loans Cooperatives B, ascribed to the Vice-Presidency of Supervision of the Popular Finance and Development Banking, with the name of the other positions within the CNBV.

3.3. Regulation issued with CNBV opinion

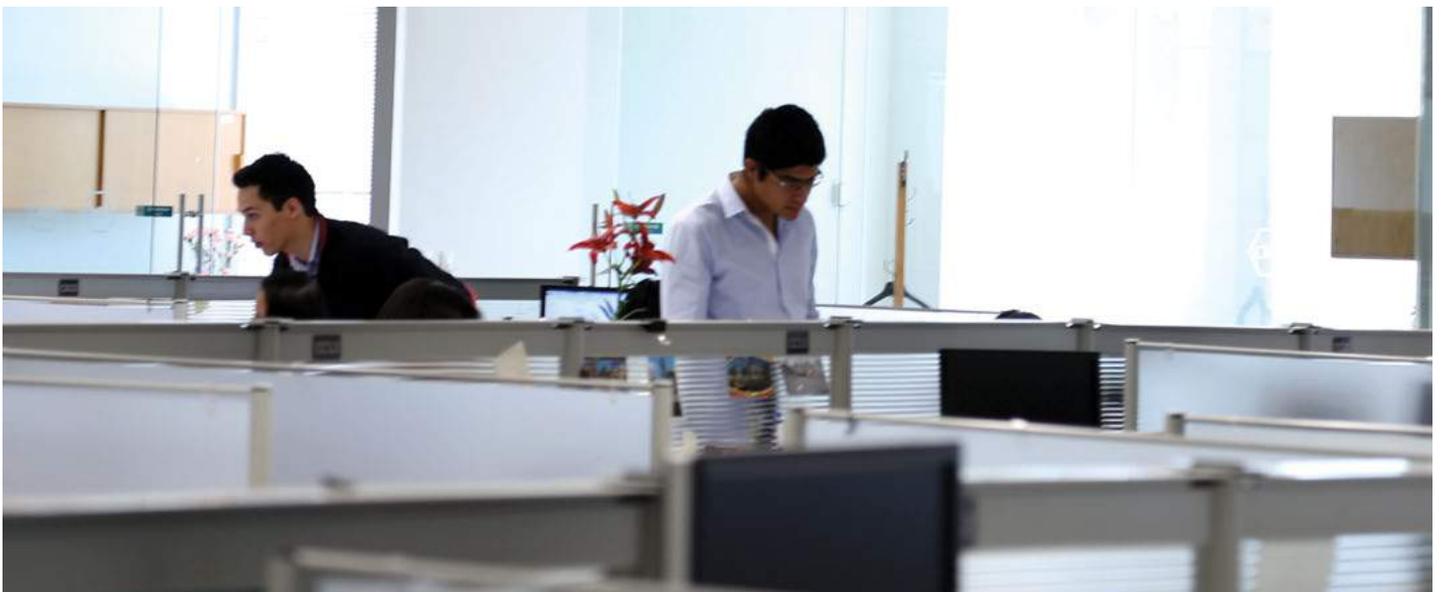
As a consultation body of the Federal Government in financial affairs, the CNBV collaborates with other national authorities in the preparation and restatement process of the norms applicable to the financial system that such authorities issue, upon contributing with technical opinions. This section presents the provisions issued during 2013 in which the Commission participated.

Minimum capital for auxiliary credit organizations and activities

In February 2013, the CNBV issued an opinion about the “Agreement by which the minimum capitals are determined whereupon the bonded warehouses, the financial leasing companies, the financial factoring companies and the brokerage firms should count on for the year 2013”, based on the established in section I of article 8 of the General Law of Auxiliary Credit Organizations and Activities, which was published by the Treasury Ministry, in order to establish the minimum capital amounts required to constitute and organize new general bonded warehouses and currency exchange offices, as well as the amounts required to operate this type of entities which are already authorized, such as financial leasing companies and financial factoring companies that are already in operation.

Paid-up capital investments and capital reserves of currency exchange offices

In March 2013, the CNBV issued an opinion related to the “Agreement by which the general rules for the paid-up capital investments and capital reserves of currency exchange offices are issued”, according to the established in article 84-A of the General Law of Auxiliary Credit Organizations and Activities. Such instrument was published by the Treasury Ministry and ensures that the fund that come from the paid-up capital and the capital reserves for the currency exchange offices are properly applied and count on enough percentage to allow their growth, maintaining and promoting the stability and strength of such financial entities.





AUTHORIZATIONS



4.1. Introduction

The CNBV counts on authorization capacities regarding the organization and operation of the financial entities in its jurisdiction, as well as the execution of several acts established in the corresponding financial laws. When exercising these capacities, the CNBV targets its activities to ensuring the legality of the acts carried out by those entities, to contribute to healthy and balanced development of the domestic financial system. This section of the report contains the main activities and achievements obtained during 2013 in this matter.



4.2. New entities and companies of the financial system

This year several projects for the development of financial businesses were authorized, which led to the establishment of new banking, stock market and popular savings and loans intermediaries. With these actions, these sectors will be strengthened in the future, as new participants were incorporated offering innovative products and services, as well as a wider coverage at a national and regional level, which will generate a greater competitiveness of the Mexican financial system.

Multiple banking institutions

In the banking field, the business plans of the authorized entities are focused on offering services to both the audience that is traditionally unattended and the economy sectors that promote development. This year, the Commission authorized the organization and operation start-up of five new multiple banking institutions, two of them have a wide social object, which comprises the whole range of banking activities and services, and three more with limited social object, part of the so-called niche banks.

- **Fundación Dondé Banco:** This bank started to operate in October 2013, with a general functioning plan targeted to, in the first stage, the granting of pawnbroking loans and, in subsequent stages, the allocation of personal, productive, individual and solidary loans, as well as offering several deposit-taking products.
- **Banco Inmobiliario Mexicano:** This institution started offering its services from October, 2013. Its objective is to attend the credit needs of the real estate sector, with financial products meant for developers, small and medium companies (PYME) and natural persons, and designed to finance the design, construction and commercialization of all kind of real estate and related businesses.
- **Banco Bancrea:** This entity started to operate in December 2013, with a business model based on the offering of loans (revolving and in terms) to the business market of the PYMEs in the metropolitan area in Monterrey, N.L., with resources that mainly come from deposit-taking products for legal entities and natural persons, placed through branches and agents. Its object



comprises all banking and loans operations, including Internet banking services.

- Banco Forjadores: It started to operate on February, 2013. It has a business model focused on the microfinance sector through collective, individual, corporate, commercial and housing loan products.
- Banco Bicentenario: Its banking activities started on April, 2013. It is oriented to the customs and foreign trade sector in general; it is present in harbours and custom offices in the country.

- GFI Group México: This entity, with headquarters in the United States of America and international presence, was authorized to operate electronic negotiation systems with debt instruments, derivatives and other financial assets, since October, 2013.
- Tullett Prebon México: Part of the Tullett Group —interdealer broker present around the world—, Tullett Prebon México started its electronic brokerage operations on December 2013, with sovereign debt instruments and derivatives.

Stock-market sector

As for the stock-market sector, the incorporation of new participants shall ensure a greater diversification of the offering of products and services to the investors in the stock market. In this term, one brokerage firm and two companies managing systems to facilitate operations with securities were authorized.

- BTG Pactual Casa de Bolsa: The constitution of this entity was authorized in October 2013 and, by the end of the year, it was in the preoperative stage. This brokerage firm with headquarters in Brazil will offer products and services from the capital, money and exchange markets, as well as corporate financing. Its market will consist, mainly, of local and foreign institutional investors, corporate governments, retirement funds management companies and pension funds.

Representative offices of foreign financial entities

Likewise, in 2013, the establishment in national territory of the following representative offices in Mexico of foreign financial entities was authorized, which promote financing of projects from the public and private sectors:

- Japan Bank for International Cooperation (Japan).
- BAC Florida Bank (United States of America).
- Banco Lafise (Honduras, Costa Rica, Nicaragua and Panama).

Popular savings and loan sector

For this part, the operations of 62 savings and loan cooperatives were authorized, as well as three popular financial companies and a community financial company. This will widen the offer of financial services that are safe and adequate to the needs of the population attended by this sector.

SAVINGS AND LOAN COOPERATIVES AUTHORIZED BY THE CNBV IN 2013

No.	Name of entity
1	Caja Arturo Márquez Aguilar, S.C. de A.P. de R.L. de C.V.
2	Caja Buenos Aires, S.C. de A.P. de R.L. de C.V.
3	Caja de Ahorros Unifam, S.C. de A.P. de R.L. de C.V.
4	Caja La Sagrada Familia, S.C. de A.P. de R.L. de C.V.
5	Caja Polotitlán, S.C. de A.P. de R.L. de C.V.
6	Caja Popular Comonfort, S.C. de A.P. de R.L. de C.V.
7	Caja Popular Cristo Rey, S.C. de A.P. de R.L. de C.V.
8	Caja Popular Dolores Hidalgo, S.C. de A.P. de R.L. de C.V.
9	Caja Popular Florencio Rosas de Querétaro, S.C. de A.P. de R.L. de C.V.



SAVINGS AND LOAN COOPERATIVES
AUTHORIZED BY THE CNBV IN 2013

No.	Name of entity
10	Caja Popular Inmaculada Concepción de La Huerta, S.C. de A.P. de R.L. de C.V.
11	Caja Popular La Merced, S.C. de A.P. de R.L. de C.V.
12	Caja Popular Lagunillas, S.C. de A.P. de R.L. de C.V.
13	Caja Popular Nuestra Señora de Tonaya, S.C. de A.P. de R.L. de C.V.
14	Caja Popular Peñitas, S.C. de A.P. de R.L. de C.V.
15	Caja Popular Rosario, S.C. de A.P. de R.L. de C.V.
16	Caja Popular Sahuayo, S.C. de A.P. de R.L. de C.V.
17	Caja Popular San José Iturbide, S.C. de A.P. de R.L. de C.V.
18	Caja Popular San Juan Bosco, S.C. de A.P. de R.L. de C.V.
19	Caja Popular San Miguel de Allende, S.C. de A.P. de R.L. de C.V.
20	Caja Popular Santiago Apóstol, S.C. de A.P. de R.L. de C.V.
21	Caja Popular Santuario Guadalupano, S.C. de A.P. de R.L. de C.V.
22	Caja Popular Tata Vasco, S.C. de A.P. de R.L. de C.V.
23	Caja Popular Tecuala, S.C. de A.P. de R.L. de C.V.
24	Caja Popular Teocelo, S.C. de A.P. de R.L. de C.V.
25	Caja Popular Tepeyac Mazatlán, S.C. de A.P. de R.L. de C.V.
26	Caja Popular Villanueva, S.C. de A.P. de R.L. de C.V.
27	Caja Popular Yuriria, S.C. de A.P. de R.L. de C.V.
28	Caja Solidaria Aguascalientes, S.C. de A.P. de R.L. de C.V.
29	Caja Solidaria Ayotl, S.C. de A.P. de R.L. de C.V.
30	Caja Solidaria Casa de Ahorro Campesino, S.C. de A.P. de R.L. de C.V.
31	Caja Solidaria Dos Ríos, S.C. de A.P. de R.L. de C.V.
32	Caja Solidaria Dr. Arroyo, S.C. de A.P. de R.L. de C.V.
33	Caja Solidaria El Limón, S.C. de A.P. de R.L. de C.V.
34	Caja Solidaria Galeana, S.C. de A.P. de R.L. de C.V.
35	Caja Solidaria Jala, S.C. de A.P. de R.L. de C.V.
36	Caja Solidaria José Carrillo García, S.C.A.P. de R.L. de C.V.
37	Caja Solidaria La Huerta, S.C. de A.P. de R.L. de C.V.
38	Caja Solidaria Magdalena, S.C. de A.P. de R.L. de C.V.
39	Caja Solidaria Nueva Galicia, S.C. de A.P. de R.L. de C.V.
40	Caja Solidaria Puente de Camotlán, S.C. de A.P. de R.L. de C.V.
41	Caja Solidaria San Miguel de Cruces, S.C.A.P. de R.L. de C.V.
42	Caja Solidaria Santa María del Oro, S.C.A.P. de R.L. de C.V.
43	Caja Solidaria Santiago Papasquiario, S.C.A.P. de R.L. de C.V.
44	Caja Solidaria Sierra de San Juan, S.C. de A.P. de R.L. de C.V.
45	Caja Solidaria Sur de Jalisco, S.C. de A.P. de R.L. de C.V.
46	Caja Solidaria Tala, S.C. de A.P. de R.L. de C.V.
47	Caja Solidaria Xochitlán, S.C. de A.P. de R.L. de C.V.
48	Caja Solidaria Zapotitlán, S.C. de A.P. de R.L. de C.V.
49	Caja Zongolica, S.C. de A.P. de R.L. de C.V.
50	Cooperativa Acajiotzin, S.C. de A.P. de R.L. de C.V.
51	Cooperativa de Ahorro y Préstamo Caja Popular Atemajac, S.C. de A.P. de R.L. de C.V.
52	Cooperativa Nuevo México, S.C. de A.P. de R.L. de C.V.
53	Cooperativa San Andrés Coyutla, S.C. de A.P. de R.L. de C.V.
54	Cooperativa Yolomecatl, S.C. de A.P. de R.L. de C.V.
55	El Rosario, S.C. de A.P. de R.L. de C.V.



SAVINGS AND LOAN COOPERATIVES AUTHORIZED BY THE CNBV IN 2013

No.	Name of entity
56	Esperanza Indígena Zapoteca, S.C. de A.P. de R.L. de C.V.
57	FINAGAM, S.C. de A.P. de R.L. de C.V.
58	IFR Tlapanaltomin, S.C. de A.P. de R.L. de C.V.
59	MANXICO, S.C. de A.P. de R.L. de C.V.
60	Progreso de Vicente Guerrero, S.C. de A.P. de R.L. de C.V.
61	Tosepantomin, S.C. de A.P. de R.L. de C.V.
62	Unidos por el Progreso de Sayula, S.C. de A.P. de R.L. de C.V.

POPULAR AND COMMUNITY FINANCIAL COMPANIES AUTHORIZED IN 2013

No.	Name of entity
1	CREDICLUB, S.A. de C.V., S.F.P.
2	Financiera Sustentable de México, S.A. de C.V., S.F.P.
3	KU-BO Financiero, S.A. de C.V., S.F.P.
4	SMB Rural, S.A. de C.V., S.F.C.

Currency exchange offices and money transfer companies

The CNBV granted 170 registrations this year, 151 of them correspond to currency exchange offices and 19 to money transfer companies. At the same time, 61 registrations were cancelled, which corresponded to 52 currency exchange offices and nine money transfer companies in the Registry of Currency Exchange Offices and Money Transfer Companies.

By the end of 2013, 1,667 currency exchange offices were recorded, as well as 72 money transfer companies subjected to the CNBV's supervision in order to verify the compliance with the applicable regulation regarding the prevention of money laundering and terrorist financing.

CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER COMPANIES REGISTERED IN 2013

Registry	Name of the Company	Type of Company	
		CC	TD
21656	Centro Cambiario Reyla, S.A. de C.V.	✓	
21657	Centro Cambiario Salper, S.A. de C.V.	✓	
21658	Centro Cambiario Don Francisco, S.A. de C.V.	✓	
21659	DIRA Centro Cambiario, S.A. de C.V.	✓	
21660	Centro Cambiario LG, S.A. de C.V.	✓	
21661	Centro Cambiario Orco, S.A. de C.V.	✓	
21662	Centro Cambiario Sanzio, S.A. de C.V.	✓	
21663	Centro Cambiario Arabeug, S.A. de C.V.	✓	
21664	Centro Cambiario Invergreen, S.A. de C.V.	✓	
21665	Centro Cambiario Money House, S.A. de C.V.	✓	
21666	Centro Cambiario Inmaculada, S.A. de C.V.	✓	
21667	Centro Cambiario Siglo XXI, S.A. de C.V.	✓	
21668	Centro Cambiario Lisag, S.A. de C.V.	✓	



CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER
COMPANIES REGISTERED IN 2013

Registry	Name of the Company	Type of Company	
		CC	TD
21669	Zugarazo Centro Cambiario, S.A. de C.V.	✓	
21670	Centro Cambiario Pontevedra, S.A. de C.V.	✓	
21671	Centro Cambiario Ichange, S.A. de C.V.	✓	
21672	Centro Cambiario Imperial, S.A. de C.V.	✓	
21673	Fran Divisas Centro Cambiario, S.A. de C.V.	✓	
21674	Euro Divisas Sombrerete Centro Cambiario, S.A. de C.V.	✓	
21675	Essentials Centro Cambiario, S.A. de C.V.	✓	
21676	Empire RGR Centro Cambiario, S.A. de C.V.	✓	
21677	Centro Cambiario Sinacam, S.A. de C.V.	✓	
21678	Centros Cambiarios de la Península, S.A. de C.V.	✓	
21679	Centro Cambiario Valentina, S.A. de C.V.	✓	
21680	Centro Cambiario Divisas del Sureste, S.A. de C.V.	✓	
21681	Centro Cambiario El Capi, S.A. de C.V.	✓	
21682	Centro Cambiario Rivera, S.A. de C.V.	✓	
21683	Centro Cambiario Cocol, S.A. de C.V.	✓	
21684	Monedas del Mundo, Centro Cambiario, S.A. de C.V.	✓	
21685	Security Centro Cambiario, S.A. de C.V.	✓	
21686	Centro Cambiario Moneyflow, S.A. de C.V.	✓	
21687	ALL-MEX Centro Cambiario, S.A. de C.V.	✓	
21688	Centro Cambiario Dinero de Juárez, S.A. de C.V.	✓	
21689	Quant Centro Cambiario, S.A. de C.V.	✓	
21690	Centro Cambiario Las Dos Divisas, S.A. de C.V.	✓	
21691	El Gallo Centro Cambiario, S.A. de C.V.	✓	
21692	Centro Cambiario Grupo Donald, S.A. de C.V.	✓	
21693	Centro Cambiario Guaycura, S.A. de C.V.	✓	
21694	DRM Centro Cambiario, S.A. de C.V.	✓	
21695	Centro Cambiario Flores Divisas, S.A. de C.V.	✓	
21696	Centro Cambiario Interplus, S.A. de C.V.	✓	
21697	Itzan Centro Cambiario, S.A. de C.V.	✓	
21698	Centro Cambiario Constansa, S.A. de C.V.	✓	
21699	Centro Cambiario Boston Exchange, S.A. de C.V.	✓	
21700	Centro Cambiario Green Bucks, S.A. de C.V.	✓	
21701	Centro Cambiario El Cedral, S.A. de C.V.	✓	
21702	Centro Cambiario Beluga, S.A. de C.V.	✓	
21703	Centro Cambiario Casa Felipe, S.A. de C.V.	✓	
21704	Centro Cambiario Los Llanos, S.A. de C.V.	✓	
21705	Centro Cambiario El 0.720, S.A. de C.V.	✓	
21706	Centro Cambiario Quality Exchange, S.A. de C.V.	✓	
21707	Centro Cambiario Divisas Real de Minas, S.A. de C.V.	✓	
21708	Centro Cambiario La Hacienda, S.A. de C.V.	✓	
21709	Baja FX Centro Cambiario, S.A. de C.V.	✓	
21710	Centro Cambiario JGP, S.A. de C.V.	✓	
21711	Centro Cambiario Korima, S.A. de C.V.	✓	
21712	Wealth Connection Mexico, S.A. de C.V.		✓
21713	Aplicadora de Transacciones Electrónicas, S.A. de C.V.		✓
21714	Centro Cambiario La Huatapera, S.A. de C.V.	✓	



CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER COMPANIES REGISTERED IN 2013

Registry	Name of the Company	Type of Company CC	TD
21715	Cloud-Transfer, S.A. de C.V.		✓
21716	Centro Cambiario Macro, S.A. de C.V.	✓	
21717	Centro Cambiario D'Aya, S.A. de C.V.	✓	
21718	Finacsa, S.A. de C.V.		✓
21719	Coppel Transfer, S.A. de C.V.		✓
21720	Money Money 3 Ríos Centro Cambiario, S.A. de C.V.	✓	
21721	Associated Foreign Exchange, S.A. de C.V.		✓
21722	Aguacaliente Centro Cambiario Express de Divisas, S.A. de C.V.	✓	
21723	Senart Money Exchange Centro Cambiario, S.A. de C.V.	✓	
21724	Machasa Centro Cambiario, S.A. de C.V.	✓	
21725	Centro Cambiario Tower Bridge, S.A. de C.V.	✓	
21726	Centro Cambiario La Entrada, S.A. de C.V.	✓	
21727	Centro Cambiario El Licenciado, S.A. de C.V.	✓	
21728	Foreign Exchange Centro Cambiario, S.A. de C.V.	✓	
21729	Centro Cambiario Imperio, S.A. de C.V.	✓	
21730	Centro Cambiario Ro-Bles, S.A. de C.V.	✓	
21731	Cyndi Centro Cambiario, S.A. de C.V.	✓	
21732	Centro Cambiario San Isidoro, S.A. de C.V.	✓	
21733	Centro Cambiario El Inicio, S.A. de C.V.	✓	
21734	Famsa México, S.A. de C.V.		✓
21735	Centro Cambiario La Peseta, S.A. de C.V.	✓	
21736	Ordaz Centro Cambiario, S.A. de C.V.	✓	
21737	Centro Cambiario Mana, S.A. de C.V.	✓	
21738	Centro Cambiario Penny, S.A. de C.V.	✓	
21739	Centro Cambiario El Lago, S.A. de C.V.	✓	
21740	JR Auto Centro Cambiario, S.A. de C.V.	✓	
21741	IBN Exchange Centro Cambiario, S.A. de C.V.	✓	
21742	Centro Cambiario Inza, S.A. de C.V.	✓	
21743	Centro Cambiario Silverio, S.A. de C.V.	✓	
21744	Centro Cambiario Airmar, S.A. de C.V.	✓	
21745	Centro Cambiario de Divisas Líder, S.A. de C.V.	✓	
21746	Divisas Abad Centro Cambiario, S.A. de C.V.	✓	
21747	Cidd Querétaro Centro Cambiario, S.A. de C.V.	✓	
21748	Megadivisas del Bajío Centro Cambiario, S.A. de C.V.	✓	
21749	Ágape Centro Cambiario, S.A. de C.V.	✓	
21750	Centro Cambiario Top Money, S.A. de C.V.	✓	
21751	Manitoba Centro Cambiario, S.A. de C.V.	✓	
21752	Centro Cambiario Prime, S.A. de C.V.	✓	
21753	Centro Cambiario Hermanos Martínez de Tecate, S.A. de C.V.	✓	
21754	LC Centro Cambiario, S.A. de C.V.	✓	
21755	Centro Cambiario Roms, S.A. de C.V.	✓	
21756	Centro Cambiario Mava, S.A. de C.V.	✓	
21757	Centro Cambiario Phoenix, S.A. de C.V.	✓	
21758	Lana Verde Centro Cambiario, S.A. de C.V.	✓	
21759	Transfex, S.A. de C.V.		✓
21760	Cibeles Centro Cambiario, S.A. de C.V.	✓	

CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER
COMPANIES REGISTERED IN 2013

Registry	Name of the Company	Type of Company	
		CC	TD
21761	Centro Cambiario FGB, S.A. de C.V.	✓	
21762	Centro Cambiario Multidivisas Global Gold, S.A. de C.V.	✓	
21763	Zona Express Centro Cambiario, S.A. de C.V.	✓	
21764	Centro Cambiario Galaxis, S.A. de C.V.	✓	
21765	El Dolarote Centro Cambiario, S.A. de C.V.	✓	
21766	Centro Cambiario Don Tino, S.A. de C.V.	✓	
21767	Virgo Centro Cambiario, S.A. de C.V.	✓	
21768	Operadora Monetaria Internacional, Centro Cambiario, S.A.	✓	
21769	Centro Cambiario Ares, S.A. de C.V.	✓	
21770	B & V Centro Cambiario, S.A. de C.V.	✓	
21771	Multired Pagos y Transferencias, S.A. de C.V.		✓
21772	Intercas Centro Cambiario, S.A. de C.V.	✓	
21773	Kashmart México, S.A. de C.V.		✓
21774	Centro Cambiario Navojoa, S.A. de C.V.	✓	
21775	MG Centro Cambiario, S.A. de C.V.	✓	
21776	ARKA Centro Cambiario, S.A. de C.V.	✓	
21777	Centro Cambiario Best Value, S.A. de C.V.	✓	
21778	AIFCO, S.A. de C.V.		✓
21779	Centro Cambiario Chapalita, S.A. de C.V.	✓	
21780	Prochange Centro Cambiario, S.A. de C.V.	✓	
21781	Zaak Centro Cambiario, S.A. de C.V.	✓	
21782	Centro Cambiario City Dollar, S.A. de C.V.	✓	
21783	Centro Cambiario HRM Easy Center, S.A. de C.V.	✓	
21784	Centro Cambiario Elife, S.A. de C.V.	✓	
21785	Centro Cambiario Intereuros, S.A. de C.V.	✓	
21786	Centro Cambiario Las Morelianas, S.A. de C.V.	✓	
21787	Servicio Sicomoro, Centro Cambiario, S.A. de C.V.	✓	
21788	Rodal Centro Cambiario, S.A. de C.V.	✓	
21789	Centro Cambiario Sandoval, S.A. de C.V.	✓	
21790	FFSCAPITAL, S.A. de C.V.		✓
21791	CTRL ALT Payment Solutions, S.A. de C.V.		✓
21792	Startups México, S.A. de C.V.		✓
21793	Tecnológico Centro Cambiario, S.A. de C.V.	✓	
21794	Centro Cambiario Carrousel, S.A. de C.V.	✓	
21795	Centro Cambiario Gael, S.A. de C.V.	✓	
21796	Zitro Divisas Centro Cambiario, S.A. de C.V.	✓	
21797	ORVAR Centro Cambiario, S.A. de C.V.	✓	
21798	IKU Centro Cambiario, S.A. de C.V.	✓	
21799	Centro Cambiario Cinco de Mayo, S.A. de C.V.	✓	
21800	Farmacias San Francisco de Asís, S.A. de C.V.		✓
21801	Centro Cambiario Acosta Velázquez, S.A. de C.V.	✓	
21802	Grupo Gisram Centro Cambiario, S.A. de C.V.	✓	
21803	Ana Mar Money Exchange Centro Cambiario, S.A. de C.V.	✓	
21804	Centro Cambiario Villafontana, S.A.	✓	
21805	Centro Cambiario Mundollar, S.A. de C.V.	✓	
21806	Remesadora Internacional Corporativa, S.A. de C.V.		✓



CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER COMPANIES REGISTERED IN 2013

Registry	Name of the Company	Type of Company	
		CC	TD
21807	Lemoon I Goss Centro Cambiario, S.A. de C.V.	✓	
21808	Invex Centro Cambiario, S.A. de C.V.	✓	
21809	Centro Cambiario Mi Pueblito, S.A. de C.V.	✓	
21810	Centro Cambiario Infiser, S.A. de C.V.	✓	
21811	Texas G&S Investments Incorporated, S.A. de C.V.		✓
21812	Gisell Centro Cambiario, S.A. de C.V.	✓	
21813	Tesored, S.A. de C.V.		✓
21814	Macci Centro Cambiario, S.A. de C.V.	✓	
21815	Centro Cambiario El Súper Cambio, S.A. de C.V.	✓	
21816	Centro Cambiario Santa Rosalía, S.A. de C.V.	✓	
21817	Centro Cambiario Andador, S.A. de C.V.	✓	
21818	Centro Cambiario Flamingos, S.A. de C.V.	✓	
21819	Takamex Centro Cambiario, S.A. de C.V.	✓	
21820	San Patricio Centro Cambiario, S. A. de C.V.	✓	
21821	Centro Cambiario Alfe, S.A. de C.V.	✓	
21822	Alica Centro Cambiario, S.A. de C.V.	✓	
21823	Centro Cambiario Proocambios, S.A. de C.V.	✓	
21824	Centro cambiario Mexjal, S.A. de C.V.	✓	
21825	Ria Money Transfer, S.A. de C.V.		✓

NOTE:

CC: Currency exchange offices; TD: Money transfer companies.

NOTE-TAKING OF THE REGISTRATIONS CANCELLED BY THE CNBV IN 2013

Registry	Name of the Company	Type of Company	
		CC	TD
20006	Grupo Trumex Centro Cambiario, S.A. de C.V.	✓	
20011	Centro Cambiario La Monedita, S.A. de C.V.	✓	
20035	El Portal Centro Cambiario, S.A. de C.V.	✓	
20041	Tres Ríos Centro Cambiario, S.A. de C.V.	✓	
20059	Divex Centro Cambiario, S.A. de C.V.	✓	
20086	El Trébol Centro Cambiario, S.A. de C.V.	✓	
20114	Centro Cambiario Divisas Tulancingo, S.A. de C.V.	✓	
20115	Centro Cambiario El Campeón, S.A. de C.V.	✓	
20164	Centro Cambiario La Fidelita, S.A. de C.V.	✓	
20251	Proveedora de Servicios del Sol, Centro Cambiario, S.A. de C.V.	✓	
20309	Centro Cambiario Guerreros, S.A. de C.V.	✓	
20340	Ruiz Limón Centro Cambiario, S.A.	✓	
20380	Centro Cambiario Central, S.A. de C.V.	✓	
20404	Centro Cambiario Jm Divisas, S.A. de C.V.	✓	
20452	Centro Cambiario Valle Verde, S.A. de C.V.	✓	
20453	Centro Cambiario Yesan, S.A. de C.V.	✓	
20459	Centro Cambiario De Los Altos, S.A. de C.V.	✓	
20476	Centro Cambiario Vázquez, S.A. de C.V.	✓	
20499	Centro Cambiario La Cascada, S.A. de C.V.	✓	
20501	Centro Cambiario Riba, S.A. de C.V.	✓	



NOTE-TAKING OF THE REGISTRATIONS CANCELLED BY THE CNBV IN 2013

Registry	Name of the Company	Type of Company	
		CC	TD
20556	Centro Cambiario Sociedad De Cambios Panindícuaro, S.A. de C.V.	✓	
20657	Centro Cambiario Multiservicio Lomas, S.A. de C.V.	✓	
20694	Centro Cambiario Divisas del Paseo, S.A. de C.V.	✓	
20699	Centro Cambiario Multidólar Jacona, S.A. de C.V.	✓	
20752	Centro Cambiario Sinaí, S.A. de C.V.	✓	
20771	Centro Cambiario Ramírez, S.A. de C.V.	✓	
20831	MJJ Centro Cambiario, S.A. de C.V.	✓	
20866	Centro Cambiario Cambios 20 de Noviembre, S.A. de C.V.	✓	
20867	Divisas Madero Centro Cambiario, S.A. de C.V.	✓	
20883	Centro Cambiario Frankfurt, S.A. de C.V.	✓	
20888	Centro Cambiario Luna, S.A. de C.V.	✓	
20892	Centro Cambiario Ruiz y Asociados, S.A. de C.V.	✓	
20902	Centro Cambiario Valencia, S.A. de C.V.	✓	
20906	Divisas Ecuandureo Centro Cambiario, S.A. de C.V.	✓	
20955	Centro Cambiario Difusa, S.A. de C.V.	✓	
21059	Centro Cambiario Regional SA de CV	✓	
21064	Centro Cambiario Italcambio SA de CV	✓	
21067	Centro Cambiario Money World, S.A. de C.V.	✓	
21126	Centro Cambiario Hidalgo, S.A. de C.V.	✓	
21146	Centro Cambiario De Zacoalco, S.A. de C.V.	✓	
21154	Centro Cambiario La Cora, S.A. de C.V.	✓	
21161	Centro Cambiario Fival, S.A. de C.V.	✓	
21352	Centro Cambiario El Padrino, S.A. de C.V.	✓	
21361	Centro Cambiario Tasquillo, S.A. de C.V.	✓	
21459	Kalosan Exchange Divisas Centro Cambiario, S.A. de C.V.	✓	
21475	Centro Cambiario Kyan, S.A. de C.V.	✓	
21482	Centro Cambiario Elian, S.A.	✓	
21527	Bali Centro Cambiario, S.A. de C.V.	✓	
21545	Anita Centro Cambiario, S.A. de C.V.	✓	
21570	Centro Cambiario Heras Cash, S.A. de C.V.	✓	
21578	Mi Divisa Centro Cambiario, S.A. de C.V.	✓	
21630	Centro Cambiario Tecali, S.A. de C.V.	✓	
20037	Red Efectiva, S.A. de C.V.		✓
20262	Famsa del Centro, S.A. de C.V.		✓
20263	Famsa Metropolitano, S.A. de C.V.		✓
20264	Fabricantes Muebleros, S.A. de C.V.		✓
20265	Famsa del Pacífico, S.A. de C.V.		✓
20950	Opcipres, S.A. de C.V. SOFOM E.N.R.		✓
21140	Enramex, S.A. de C.V.		✓
21461	Corporativo San Francisco S.A. de C.V.		✓
21556	Gutiérrez Money Transfers, S.A. de C.V.		✓

NOTE:
CC: Currency exchange offices; TD: Money transfer companies.



4.3. Corporate restructurations

In 2003, corporate restructurations were authorized for several financial entities. The main purpose was making their organization and functioning more efficient, improving their profitability expectations and operating in more competitive conditions. In this sense, two capital investments were authorized too, from national entities abroad, as a part of their business expansion plan to have presence in other markets:

Share transfer, control changes and other restructuration

A. Financial groups

- InterBanco, InterCam Casa de Bolsa and InterCam Fondos: These entities transferred representative shares of their share capital, in order to form the Grupo Financiero InterCam.

B. Multiple banking institutions

- Banco Forjadores: After this banking institution started to operate in Mexico, the majority shareholder (Grupo ACP Inversiones y Desarrollo, from Peru) transferred the control of the institution to a subsidiary of the group which, at the same time, placed its shares through public offer in the main stock-markets in Latin America.
- Banco Mercantil del Norte: The Grupo Financiero Banorte carried out a restructuration for the consolidation of entities, which included the merge of Banco Mercantil del Norte with Ixe Banco and Fincasa Hipotecaria, Multi-Purpose Financial Company, Regulate entity (SOFOMER), as well as the Split of Banco Mercantil del Norte to disinvest the share capital of the Solid Portfolio Manager.
- Banco Multiva: This entity withdraw its participation in the banking real estate agency it owned, which led to greater resources to reinforce its capital structure.

C. Brokerage firms

- Invex Casa de Bolsa: Invex Grupo Financiero carried out a corporate restructuration that comprised the split of Invex Casa de Bolsa. The main objective was relocating Invex Inc.,

financial intermediary with headquarters in Miami, Florida, to integrate it to the international business block under the management of the non-financial holding Company of the group.

- Merrill Lynch México: The Bank of America Group carried out a corporate restructuration at an international level and, as a part of such restructuration; it relocated the holding of Merrill Lynch México Brokerage Firm to a subsidiary of the same group.
- Somoza Finamex Inversiones: Finamex Brokerage Firm acquired representative shares of the share capital of Somoza Finamex Inversiones, Operative Company of Investment Companies, in order to increase its participation to up to 99% of the capital of such society.

D. Investment companies

- Covaf: There was a share transfer to concentrate the holding of this investment valuer company in only one shareholder.
- Gestión Santander: There was a share transfer of the shares of this investment company operator and integral distributor of shares company, in order to relocate the holding of the entity in an English subsidiary of Grupo Santander España.

Capital investments in entities abroad

- Banco Monex: It was authorized to invest in the financial markets in the United Kingdom and Luxembourg. The objective of this investment was supplementing its offer of international transfers and international payments with the derivative products for the coverage of risks offered by the authorized institutions in these countries.
- Bolsa Mexicana de Valores: It was authorized to indirectly acquire 9.9% of the share capital of the Bolsa de Valores de Lima, Peru. The objective of this investment was to formalize agreements that benefit the operation of both institutions.

4.4. Operative and legal aspects

Operative models

Banking brokers

Six new banking brokers were authorized, as well as 1,555 new establishments. In turn, regarding the commission agents that were operating, new operations or other financial entities were authorized to 234 banking brokers and 25,514 establishments.

Capital investments

In 2013, the following capital investments were authorized:

CAPITAL INVESTMENTS AUTHORIZED BY THE CNBV IN 2013

Investing entity		Receiving entity	
Sector	Name	Name	Activity ^{1/}
Multiple Banking Institutions	Banco Inmobiliario Mexicano	CECOBAN	Services
	Banco Multiva	Savella Empresarial	Services
	Banco Nacional de México	Tarjetas Banamex	SOFOMER
	Banco Santander	ING Hipotecaria	SOFOMER
	BBVA Bancomer	Avamex	Services
	Bicentenario	CECOBAN	Services
	Fundación Dondé	CECOBAN	Services
Brokerage firms	Acciones y Valores Banamex	Schroders Cambio Climático Global, Schroders Commodity, Schroders Acciones Asiáticas y Schroders Acciones Europeas	SIRV
Stock-market entities	Bolsa Mexicana de Valores	Contraparte Central de Valores de México	Stock-market entities

1/ SOFOMER: Multi-purpose finance company, regulated entity; SIRV: Equity Mutual Funds.

Corporate bylaws and reforms

In 2013, the corporate bylaws statutes of three credit institutions were authorized (Banco Bancrea, Banco PagaTodo and Fundación Dondé Banco) and two brokerage firms (BTG Pactual, Casa de Bolsa y Goldman Sachs México, Casa de Bolsa). Likewise, 48 reforms to the corporate bylaws of financial entities subjected to the regulation and supervision of the CNBV were authorized.



STATUTARY REFORMS AUTHORIZED BY THE CNBV IN 2013

Sector	Entity's name	Approval of corporate bylaws and amendments			
		Capital stock	Corporate purpose	Corporate name	Management
Multiple banking institutions	Banorte	2			
	Banco Ahorro Famsa	1			
	Interbanco				1
	Banco Regional Monterrey				1
	The Royal Bank of Scotland	1			
	Agrofinanzas			1	1
	Barclays Bank	1			
	Banco WalMart de México Adelante	4			
	Banco Azteca	2			
	Banco Compartamos	2			
	CI Banco	1			
	Banco Santander (México)				1
	Banco Bicentenario	1			
	HSBC México	1	1		
	Banca Mifel	1			
	Banco Inmobiliario Mexicano	1			
	Intercam				1
	Brokerage firms	Banorte – Ixe	1		
BBVA Bancomer		1			
Invex		1			
UBS		1			
Kuspit			1		
ABN AMRO Securities (México)				1	
Acciones y Valores Banamex					1
Punto		1			
Finamex					1
JP Morgan		1			
Operative companies of mutual funds	Schroders		1		
	O'Rourke & asociados	1			
	Ixe Fondos			1	
	Operadora Agros		1		
	Intercam Fondos				1
Mutual fund distributors	Skandia		1		
	Operadora Financiera de Inversiones		1		
	Impulsora de Fondos Banamex				1
	Invercap		1		
	Sura Investment Management México				1
	Gestión Santander	1			
Service enterprises	Solium		1	1	
Total (48)		26	8	4	10

Authorization of popular savings and loan entities and credit unions

During the year, 165 applications from savings and loan cooperatives, popular financial companies, federations and hedge funds were attended, in terms of the Popular Savings and Loans Law and the Law to Regulate Activities of Savings and Loans Cooperatives, as well as 79 applications from credit unions according to the Credit Unions Law. All these requests were aimed to obtain approvals or authorizations established in such regulation in order to:

- Carrying out transfers and acquisitions of stock capital shares.
- Changing the level of operations and performing additional, analogous or connected operations they are authorized to perform in terms of the applicable regulation.
- Incorporating modifications to the corporate bylaws.

Regarding the latter item, it is worth noting the modifications to corporate bylaws requested by nineteen credit unions to increase their paid-up capital equivalent to 2,000,000 investment units, as a minimum, to keep their authorization valid to operate as financial intermediaries.

Opinions from the Treasury Ministry

While exercising the capacities conferred to the CNBV by several regulations, during the year thirteen opinions from the Treasury Ministry (SHCP, in Spanish) were reported, as a part of the process of verification of acts of different nature whose authorization corresponds to the capacities of this agency.

OPINIONS ABOUT AUTHORIZATION PROCESSES ISSUED BY THE CNBV TO THE SHCP IN 2013

No.	Name of entity	Subjects
1	Contraparte Central de Valores	<ul style="list-style-type: none"> • Statutory reform. • Merge of Operadora e Impulsora de Negocios SOFOMER with Tarjetas Banamex, SOFOMER.
2	GF Banamex	<ul style="list-style-type: none"> • Disincorporation of Operadora e Impulsora from the group. • Statutory modification to the sole liabilities agreement.
3	GF Banorte	<ul style="list-style-type: none"> • Merge of Ixe Soluciones as merging company with Sólida Administradora de Portafolios as merged company. • Statutory modification and approval of the sole liabilities agreement.
4	GF Banorte	<ul style="list-style-type: none"> • Statutory modification by change of name of Seguros Banorte y Pensiones Banorte.
5	GF HSBC	<ul style="list-style-type: none"> • Split of HSBC. • Statutory modification.
6	GF HSBC	<ul style="list-style-type: none"> • Merge of HSBC Seguros as merging with HSBC Vida as merged.
7	GF Interacciones	<ul style="list-style-type: none"> • Statutory modification by capital increase. • Disincorporation of Gestión Santander.
8	GF Santander México	<ul style="list-style-type: none"> • Statutory modification and sole liability agreement.
9	GF Ve por Más	<ul style="list-style-type: none"> • Statutory modification and sole liabilities agreements by change of name of Arrendadora Ve por Más.
10	Indeval	<ul style="list-style-type: none"> • Analogous activities performance.



OPINIONS ABOUT AUTHORIZATION PROCESSES ISSUED BY THE CNBV TO THE SHCP IN 2013

No.	Name of entity	Subjects
11	ING GF(México)	<ul style="list-style-type: none">• Group dissolution.• Holding the termination of the sole liability agreement.• Invalidate the authorization granted to the financial group for its organization and operation.
12	Intercom GF	<ul style="list-style-type: none">• Financial group constitution.
13	Invex GF	<ul style="list-style-type: none">• Merge of Invex GF as merging with Invex Administración I as merged, as part of an internal restructure.

4.5. New issuances in the stock market

According to the Securities Market Law (LMV, in Spanish), it is essential that any claim or security is entered in the National Securities Registry (RNV, in Spanish) before being publicly offered or intermediated in the Mexican stock market. The CNBV is responsible for the organization of such Registry and it is the empowered authority for the registration of securities, as well as the updating, modification, note taking, suspension or cancellation of the registrations carried out. Moreover, the CNBV also has the power to authorize public offers and the public dissemination of the corresponding information through leaflets, supplements and allocations notifications.

While exercising these capacities, in 2013, the CNBV granted the following authorizations:

Capital markets

A. Stocks

In 2013, five new companies joined the securities market to get resources and/or for the stockholders to liquidate their investment through primary and/or secondary offers of their capital stock among the investing audience. Grupo Sanborns, S.A.B. de C.V., Infraestructura Energética Nova, S.A.B. de C.V. and Grupo Lala, S.A.B. de C.V. made primary public offers of subscription for amounts close to \$12,000 million pesos (mdp), \$7,400 mdp and \$14,000 mdp, respectively. For this part, Hoteles City Express, S.A.B. de C.V. and Controladora Vuela, Compañía de Aviación, S.A.B. de C.V. made mixed public offers for amounts around \$2,900 mdp and \$5,100 mdp, respectively.

In addition, there were eight subsequent international public offers (Organización Cultiba, S.A.B. de C.V.; OHL México, S.A.B. de C.V.; Grupo Financiero Inbursa, S.A.B. de C.V., Corporación Inmobiliaria Vesta, S.A.B. de C.V., Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., Grupo Financiero Banorte, S.A.B. de C.V., Grupo Financiero Interacciones, S.A. de C.V. and Corporación Actinver, S.A.B. de C.V.), by a total amount around \$66,000 mdp, 45% of these was placed in the Mexican market.

On the other hand, because of the corporate restructuring performed during the year, three issuers made four takeover bids of shares (OPA, in Spanish). Nutrisa, S.A.B. de C.V. made one of the offers in order to cancel the registration in the RNV and the listing of the Mexican Stock Market (BMV, in Spanish) of its shares. Maxcom Telecomunicaciones, S.A.B. de C.V. and Grupo Modelo, S.A.B. de C.V. changed the group holding through such offers. The operation of Grupo Modelo, by an amount close to \$230 mil mdp, was the biggest purchase offer in the last ten years.

Finally, 43 share issuer companies performed updates on the registration of their securities in the RNV, mainly due to increases in their capital stock.

B. Development capital certificates (CKD)

In 2013 the public offer of four issuances of development capital certificates (CDK) was made for an approximate amount of 3,744 mdp, two subsequent offers for around 1,384 mdp and four capital calls of certificates already placed for the amount of 2,805 mdp. These ten placements were focused on performing housing investments (22%), on infrastructure and energy projects (35%), and private capital (43%).

Additionally, the update to the registration in the RNV of four issuances of CKD was carried out, two of them were made to carry out capital calls and two others were made to carry out an increase the issued amount.

C. Real estate trust certificates (FIBRA)

In 2013, there was an initial public offer of four issuances of real estate trust certificates for an approximate amount of \$25,428 mdp as well as two subsequent public offers by a joint amount of around \$26,928 mdp. In Addition, the FIBRA in which Fibra Uno Administración, S.A. de C.V. acts as trustee and DEUTSCHE acting as the beneficiary (FUNO 11) was the first to obtain authorization for the issuance and public offer of debt instruments. In this regard, it established a stock-market certificates program for \$25,000 mdp and allocated three issuances for a total amount of \$8,500 mdp.

FIBRA ISSUANCES PUBLIC OFFERS PERFORMED IN 2013

Issuer Trustee	Manager	Code	Type of offer	Total amount (mdp)
Deutsche Bank México, S.A., I.B.M. (DEUTSCHE)	Fibra Uno Administración, S.A. de C.V.	FUNO 11	Subsequent	22,050
	Concentradora Fibra Hotelera Mexicana, S.A. de C.V.	FIHO 12	Subsequent	4,878
	Asesor de Activos Prisma, S.A.P.I. de C.V.	FINN 13	Initial	4,460
The Bank of New York Mellon, S.A., I.B.M. (BONYM)	PLA Administradora Industrial, S. de R.L. de C.V.	TERRA 13	Initial	9,522
	Fibra Shop Portafolios Inmobiliarios, S.A.P.I. de C.V.	FSHOP 13	Initial	5,466
	Concentradora Fibra Danhos, S.A. de C.V.	DANHOS 13	Initial	5,980
Banco Nacional de México, S.A., Integrante del Grupo Financiero Banamex (BANAMEX)				

D. Optional bonds

The CNBV recorded a total of 161 series of optional bonds during the year, for an approximate amount of \$9,371 mdp.

E. Structured securities

As for issuances of structured securities, the following transactions were performed along the year:

- Structured bank bonds. BBVA Bancomer, S.A., I.B.M., Grupo Financiero BBVA Bancomer (BANCOMER), registered in the RNV fifteen placements of structured bank bonds for a cumulative amount of \$5,000 mdp. Scotiabank Inverlat, S.A. I.B.M., Grupo Financiero Scotiabank Inverlat, registered four placements of these instruments for an amount close to \$620 mdp.
- Structured securities certificates. Banco Invex, S.A., I.B.M., Invex Grupo Financiero, acting in its capacity as an issuer trustee and Autopistas Tijuana – Mexicali, S.A. de C.V.; CFC Concesiones, S.A. de C.V.; Concesionaria de Vías Troncales, S.A. de C.V. and Concesionaria de Carreteras, Autopistas y Libramientos de la República Mexicana, S.A. de C.V., as trustors (in a trust whose patrimony mainly consists of collection rights of the remaining resources transferred by the trustor and the resources and liquid amounts obtained derived from the collection of remains) performed an issuance of structured securities certificates by a total amount of \$5,000 mdp. For this part, Nacional Financiera, S.N.C., I.B.D., (NAFIN), Dirección Fiduciaria, in its capacity as issuer trustee and BANAMEX as trustor (in the trust whose patrimony is integrated, mainly, by debt instrument and rights over derived financial operations) placed an issuance of structured securities certificates, without public offer mediation, for an approximate amount of \$205 mdp.



Debt market

A. Short-term securities certificates

With regard to this kind of securities, there were 25 new preventive registrations in the RNV under the placement program mode, for a total amount of \$61,460 mdp.

B. Medium and long term securities certificates

Corporate companies and non-banking financial bodies carried out 42 medium and long-term securities certificates issuances, which were placed directly for a total amount around \$61,492 mdp.

C. Bank stock certificates

As for the development banking institutions, in 2013, the Banco Nacional de Obras y Servicios Públicos, S.N.C., I.B.D., the Banco Nacional de Comercio Exterior, S.N.C., I.B.D. and NAFIN issued, under protection of generic registrations, bank stock certificates for amounts of \$14,000, \$3,000 and \$5,000 mdp, respectively. Meanwhile, seven multiple banking institutions placed bank stock certificate issuances.

ISSUANCES OF BANK STOCK CERTIFICATES PLACED IN 2013

Multiple banking institution	No. of issuances	Total amount (mdp)
Banco Compartamos, S.A., IBM	1	2,000
Banco Inbursa, S.A., IBM		
Grupo Financiero Inbursa	4	29,500
Banco Multiva, S.A., IBM	1	750
Banco Interacciones, S.A., IBM		
Grupo Financiero Interacciones	4	4,900
Consubanco, S.A., IBM	1	600
HSBC México, S.A., IBM		
Grupo Financiero	2	5,000
Scotia Inverlat Casa de Bolsa S.A. de C.V.		
Grupo Financiero Scotiabank Inverlat	2	4,600
Total	15	47,350

D. Securities certificates issued by states, municipalities and state-owned entities

In this year, no issuance of direct municipal certificates was done, but two Free and Sovereign States in the Republic, Chihuahua and Oaxaca, directly placed around \$14,800 mdp and \$1,200 mdp, respectively, in security certificates through an issuer trust. In this part, Petróleos Mexicanos obtained resources from the stock market for a total amount of \$30,000 mdp, through six of securities certificates, while the Comisión Federal de Electricidad made three issuances for \$22,000 mdp.

E. Trust securities supported by assets (Securizations)

- Securitization of mortgage loans. The amount of the securitization operations of mortgage loans through trust securities certificates in 2013 decreased by approximately 31% compared to the previous year, and for the fifth year in a row, the two issuances were driven by the Federal Government state-owned entities, as detailed below:
 - Three issuances of trust securities certificates performed by NAFIN, for a total amount of \$13,569 mdp, in trusts whose assets are integrated by loans assigned by the Institute of National Housing Fund for Workers (INFONAVIT, in Spanish).
 - Three issuances placed by HSBC México, S.A., I.B.M., Grupo Financiero HSBC, in its capacity as issuer trustee for a total amount of about \$16,967 mdp, in the trust whose assets consist of the collection rights of mortgage loans granted by the Housing Fund of the Institute of Security and Social Services for State Workers (FOVISSSTE, in Spanish) in its capacity as trustor.
- Securitization of accounts receivable. Seven issuances of this nature were performed, by which trust security certificates were placed

for an amount of \$8,426 mdp, whose trusts were constituted with accounts receivable of the following trustors: Unifin Financiera, SAPI de C.V., SFOM, ENR; Instituto del Fondo Nacional para el Consumo de los Trabajadores (INFONACOT); AB&C Leasing de México, S.A. de C.V.; Navistar Financiera, S.A. de C.V.; FINAE, S.A.P.I. de C.V., S.F.O.M., E.N.R.; and several subsidiaries of Vitro, S.A.B. de C.V.

- Securitization of toll fees. Six issuances of this kind were made, placing trust securities certificates for an approximate amount of \$26,712 mdp, whose trusts were constituted by the following trustors: Concesionaria Autopista Monterrey-Salttillo, S.A. de C.V.; Autopista Tijuana-Mexicali; Red Estatal Autopista de Nuevo León y el Estado Libre y Soberano de Chihuahua.
- Securitization of other assets. Nineteen securitizations were made for an approximate amount of \$32,351 mdp, regarding several assets, such as collection right derived from leasing contract, purchase of tickets and services under credit cards contracts and car insurances, among others. These included the issuance made by Banco de México, in its capacity as trustor of the Fondo Especial para Financiamientos Agropecuarios (FEFA), and the Treasury Ministry, as trustee, for \$6,000 mdp, as well as the three debt issuances made by DEUTSCHE and Fibra Uno Administración, S.A. de C.V., as trustor and trustee, respectively, for about \$8,500 mdp in total. Among the issuances in the year, it is worth noting the one made by Evercore Casa de Bolsa, S.A. de C.V., in its capacity as issuer trustor and Banco Santander (México), S.A., I.B.M., Grupo Financiero Santander, as trustee of the loan rights of the provisions made according to the simple opening of line of credit contract held by the Federal Government and the trustee, in which the Government of Mexico City acts as final recipient of the loan and only beneficiary of the resources, with an approximate amount of \$2,127 mdp.



MAIN SECURITIZATIONS OF OTHER ASSETS PERFORMED IN 2013

Trustor	Trustee	Type of asset	No. of issuances	Total amount (mdp)
DEUTSCHE	La Red Estatal de Autopistas de Nuevo León	Trust remains 80425 (REA fees)	1	576
	Servicios Integrados de Pasaje y de Turismo, S.A. de C.V.	Bus incomes	1	3,500
	Concesionaria Autopista Monterrey-Salttillo, S.A. de C.V.	Trust remains 591 (CAMS fees)	1	825
	Aerovías de México, S.A. de C.V.	Purchase of tickets and services under credit cards	1	1,500
Banco Invex	Desarrollo y Operación de Infraestructura Hospitalaria de Ixtapaluca, S.A.P.I. de C.V.	Loan rights of the contract between the Health Ministry and the trustee.	1	1,845
	Auto Ahorro Automotriz - Plan de Ahorro Automotriz	Car loans	1	386
BONYM	BBVA Bancomer, S.A., I.B.M., Grupo Financiero BBVA Bancomer	Mortgage loans	1	4,192
	Fin Útil, S.A. de C.V., S.F.O.M., E.N.R.	Factoring contracts	1	300
	Exitus Capital, S.A.P.I. de C.V., S.F.O.M., E.N.R.	Factoring contracts	1	200
	Arrendadora y Soluciones de Negocios, S.A. de C.V., SOFOM, E.N.R.	Factoring contracts	1	550
	Analistas de Recursos Globales, S.A.P.I. de C.V. y Rentas Y Remolques De México, S.A. de C.V.	Factoring contracts	1	550
BANAMEX	Dalton Efectivo Seguro GDL, S.A. de C.V.	Factoring contracts	1	300
	Sistema de Crédito Automotriz, S.A. de C.V.	Car loans	1	450
NAFIN	Aerolíneas, S.A. de C.V.	Purchase of tickets and services under credit cards	1	550
Evercore Casa de Bolsa	Banco Santander (México), S.A., I.B.M., Grupo Financiero Santander	Loan rights of the contract between the Federal Government and the trustee.	1	2,127
Total			15	17,851



F. Other placements

During this period, there were two global public offers of issuances of securities called Notes, with the following issuer companies: América Móvil, S.A.B. de C.V. and Grupo Televisa, S.A.B., which placed \$7,500 mdp and \$6,500 mdp, respectively.



INTERNATIONAL AFFAIRS, ECONOMIC STUDIES AND FINANCIAL INCLUSION



5.1. Introduction

This section presents the main achievements obtained throughout the year with the National Banking and Securities Commission (CNBV, in Spanish) participation in several schemes of international cooperation on banking and financial regulation and supervision matters, such as global or regional multilateral organization; specialized agencies of certain issues; as well as in other mechanisms, as the establishment of bilateral agreements and other technical assistance programs, exchange of information, training and/or support.

In addition, the major projects carried out are related to the elaboration of economic research studies are included, which contributed to a better understanding of the Mexican financial system and the enrichment of the discussion about vanguard topics. Finally, the last section of the chapter describes the progress and main activities of the CNBV regarding financial inclusion, regarding the promotion of a greater access of the population to the basic financial services.

5.2. Presence of the CNBV in multilateral organizations

The CNBV participated in the meetings of the most relevant international organisms regarding financial regulation and supervision of the banking, stock and popular saving and loan sectors. Likewise, it held an active collaboration with groups focused on particular topics, as the prevention of operations with financial resources of illicit resources and financial inclusion, among others. Due to its impact, the participation of the following organisms stands out:

- Financial Stability Board, FSB.
- Basel Committee on Banking Supervision, BCBS.
- International Organization of Securities Commissions, IOSCO.
- Financial Action Task Force, FATF.

Through these activities, the CNBV contributed to the development of the international standards and the best practices in this matter. In addition, these type of meetings favored the exchange of experiences with counterpart authorities of other countries and, through this, the allowed the reinforcement of the international positioning of the CNBV and the strengthening of the regulatory framework of the financial system valid in Mexico. Likewise, within these organisms, a perspective of the current trends of the markets is obtained, which allows the timely identification of the potential risks and vulnerabilities.

The participation of the CNBV in these forums is important too because it allows the introduction of a regional and emerging markets perspective in the discussions and dynamics of the main multilateral organisms in the financial field. As these Organisms issue recommendations that have a global impact, it is very important that the design of such recommendations include the point of view and perspective of the jurisdictions with financial markets of different sizes and strengths. The contributions of the CNBV in these forums help finding an adequate balance and building an inclusive reference framework.

In addition to the face-to-face participation, the CNBV contributes to the development on the most relevant documents elaborated, jointly, by several authorities and organisms at a global level, whose objective was to generate principles, standards, recommendations and guidelines to reach a more stable, honest and transparent international financial system.

5.3. Cooperation through bilateral mechanisms

International cooperation mechanisms

The CNBV has the capacity to elaborate and negotiate legal instruments and agreements with international organizations or authorities with other countries related to regulation and supervision activities similar to its own. These cooperation mechanisms allow the exchange of non-public information, or information protected by secrecy provisions, which is employed to ensure the compliance with the regulations and the healthy and proper development of the financial system. Likewise, the agreements facilitate the international cooperation to perform inspection visits to entities located in other jurisdictions, through the corresponding authorities; implement coordinated actions of common interests; providing and receiving technical assistance; and warn each other about the situations that could affect the stability of the financial systems. Due to their nature, the cooperation mechanisms can be bilateral or multilateral; they can refer to banking, stock or specific aspects, such as the prevention of money laundering and terrorist financing; and they can be signed with the local, national or supranational authorities.

In this sense, the CNBV kept up the reinforcement of their international cooperation platform through negotiating and signing 38 memoranda of understanding, MOU or inter-institutional agreements with 36 authorities of 34 jurisdictions. These instruments have the following features.

- Regarding their scope, eight of them are multilateral and 30 are bilateral.
- Regarding their subjects, one has to do with prevention of operation with financial resources of illicit origin, two are linked to the banking and securities sector and 35 deal with stock-market aspects.
- Regarding the involved jurisdictions, the countries agreements were signed with were: Andorra, Bangladesh, Belgium, Bulgaria, Cyprus, Denmark, Slovakia, Spain, United States of America, Estonia, Finland, Gibraltar, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malawi, Malta, Norway, the Netherlands, Poland, Portugal, Qatar, United Kingdom, Czech Republic, Romania, Sweden, Trinidad y Tobago and Vietnam.



With the signed memorandum, the CNBV reinforced the cooperation network it counts on to obtain information that lets it comply with its supervision tasks on time and it was positioned in the international field as an authority capable to support other authorities exercising their capacities. With this, by the end of 2013, the CNBV had 65 memoranda of understanding established.

Exchange of information

The obtaining of reliable and opportune information is essential for the decision-making processes and for an effective supervisory labor. The CNBV counts of wide capacities to request and provide assistance to the supervisory and regulatory institutions in other countries. In this regard, in 2013, the CNBV displayed an intense exchange of information activity with multiple foreign authorities to attend several international cooperation requests, which helped it reinforce its global presence as a reliable and cooperative authority.

In order to attend the information requirements formulated by several supervisory areas in the CNBV, the cooperation of 56 authorities in 34 countries was requested and received. Likewise, the CNBV attended the requirements formulated by 22 authorities in fifteen countries. In general, such information was mainly focused on the following:

- Supporting the decision-making of the authorization processes for the establishment of new intermediaries or the assignation of executives.
- Providing elements for the performance of an adequate supervision of the financial entities.
- Facilitating the investigation activities on some possible violations or noncompliance with the applicable regulations.
- Supporting the activities of prevention of operations with financial resources of illicit origin.

Inspection visits and international cooperation

The international cooperation between supervisory authorities is not limited to the exchange of information, but it also covers the performance of joint and/or coordinated actions to verify and assess the supervised entities. International visits are an essential part of the supervision,

as they inform about the situation of the supervised entities, first hand, and to define, in necessary, corrective measures that support its stability and healthy development. In this sense, the CNBV hosted several foreign authorities for the performance of inspection visits or cooperation in supervisory topics, and it also performed inspection visits abroad with these same purposes. The international visits performed, basically covered banking supervisory subjects and service outsourcing.

In addition, the international cooperation was also performed by the activities developed in supervisory and crisis handling colleges. These work groups provide a space for the supervisors of one same entity or global financial group with operations in multiple jurisdictions to be able to coordinate with each other to attend vanguard subjects. For this part, the participation in the college of supervision of securities rating institutions was particularly relevant as a starting point to begin with an international effort based on the recommendation issued by the International Organization of Securities Commissions, IOSCO.

Technical assistance

The regulation and supervisory methods show different levels of progress among countries. That is why, it is important to exchange experiences and share knowledge that can reinforce the work of the regulation and supervision agencies. The international positioning of the CNBV makes it necessary to reinforce its bilateral relationship with counterpart authorities abroad, financial industry participants and international bodies.

In this reference framework, the CNBV performs and receives technical assistance visits, whose objective is deeply analyzing subjects related to the financial regulation and supervision. In particular, due to the level of development of the financial supervision and regulation in Mexico, during the year, several authorities abroad seek the support of the CNBV to receive technical assistance and share experiences, through visits focused on several matters, such as banking brokers; compliance with the international standards regarding international cooperation; securities rating institutions; micro-financial institutions; regulation for the prevention of operations with financial resources of illicit origin; risks; investment companies and banking supervision. The visits received from foreign authorities and members of the private sector are described below:

TECHNICAL ASSISTANCE PROVIDED BY THE CNBV IN 2013

A. Visits from foreign financial authorities

Country	Financial Authority	Subjects discussed in the visit				
		Financial inclusion	Technological risk and mobile payments	Preventive processes	Banking supervision	Others
Bolivia	ASSF					Banking system and financial stability
Ecuador	SBS			X	X	
Fiji	Banco Central	X	X	X	X	
Honduras	CNBS	X	X	X		
Indonesia	Banco Central					Development banking
Nigeria	Banco Central	X	X			
Uganda	Banco Central	X	X			

Notes: ASSF: Supervision Authority of the Financial System; SBS: Supervision of Banks and Insurances; CNBS: National Commission of Banks and Insurances.

B. Visits of entities of the private sector

Name of entity	Subjects discussed in the visits		
	Situation of the Mexican financial system	Banking supervision	Others
Banco BPI Portugal	X		
Banco Plural de Brasil	X		Preventive processes
Banco Popular de Costa Rica			Stock entities
BNP Paribas	X	X	Tax reform
Causeway Capital		X	
Credite Suisse México			FIBRAS
International Anti-Corruption Academy (IACA) de Austria	X		Joint training
Japan Bank for International Cooperation	X		
Kilimo Salama-Kenia	X		SCAP

Notes: FIBRAS: Real State Trusts; SCAP: Savings and loan cooperatives.

In addition to the entities described in the previous charts, this year, the CNBV received the visit of an international body, the Inter-American Development Bank (IDB), in order to discuss banking supervision and preventive processes subjects and it provided specialized technical assistance on stock-market subjects (interests conflicts, alerts definition, market manipulation, market monitoring schemes, follow-up on suspicious operations and supervision of the behavior of participants) to the Supervision of the Financial System of El Salvador, through the discussion of the process used, the applicable criteria and some practical cases.

Negotiation for the reinforcement of the technical capacity

Finally, on order to stay at the international forefront regarding financial regulation and supervision, the CNBV tries to participate in specialized seminars given in coordination with their counterparts abroad and, sometimes, it tries to organize this kind of events. The participation in this kind of activities can be done in Mexico and abroad. In both cases, the objective is to provide the officials of the CNBV with updated knowledge, tools and supervision models according to the trends in the most developed markets worldwide, particularly in the countries with a tight business relationship with Mexico.



5.4. Research and economic studies

In 2013, the economic research continued to be consolidated about subjects linked to the CNBV mandate, in which, mainly, the impact of the regulation on the Mexican financial system is analyzed. These researches cover subjects of interest for the national and foreign financial authorities and for the academic community, and it has allowed to know the functioning system in a better way. In particular, the following projects stand out:

- The second volume of the CNBV Economic Studies was published, which included six research works with several methodological approaches, whose purpose is to generate a better understanding of the Mexican financial system, as well as to analyze several topics that belong to the discussion of public policies. Three of the texts analyze several aspects of the banking loans: one of them outlines the characteristics of the banking system and the efforts to understand the penetration level of the loans; another one assesses if the financing of suppliers to the companies in Mexico is considered as an indicator of the banking loans; and the last one seeks to evaluate the impact of a governmental guarantees program about loans for small and medium companies. The other three works discuss subjects like the use of the payroll account, the market discipline in the credit institutions and some concepts of behavioral economy.
- Two reports were developed about the Project A regional approach to financial savings and financing in Mexico, in collaboration with the Consortium on Financial Systems and Poverty, CFSP, with headquarters in the Chicago University that groups internationally renowned researchers that study financial systems in several parts of the world.
- The design of the Economic and Market Report, a weekly internal report that presents a summary of the main indicators and most relevant events in the Mexican and U.S. economy. In addition, it contains a synthesis on the development of the main international stock markets and on the evolution of other financial indicators, such as the country-risk indicator and the yield curve of the bonds in the Mexican debt market, among others. The report was elaborated and distributed periodically inside the CNBV in the second semester of 2013.

- The publication of updates to the databases of loans and financing and banking brokers. The first one contains figures at a national and municipal level with information up to June and March 2013, respectively. The second one contains information about the operations performed by the banking brokers, at a municipal level, for the term from March 2010 to June, 2013.
- The establishment of cooperation bonds with other bodies, as the Mexican Institute of Finance Executives (IMEF, in Spanish), and several authorities. In addition, collaboration schemes were created with researchers for, higher studies institutions and there was involvement in some forums and events, as the Financial Education week, elaborating informative leaflets about savings and financing.

5.5. Financial inclusion

Elaboration of studies and publication of measurements

During 2013, the CNBV worked in order to widen the dissemination of information and analysis on financial inclusion at a national level. In this regard, the quarterly update and publication of the database on financial inclusion elaborated since 2009 was continued. On the other hand, the Fifth Financial Inclusion Report (RIF5) was published, which provides valuable elements for the discussion and decision-making if the actors interested in the matter. To elaborate this fifth edition, the collaboration with the national financial authorities that belong to the National Council of Financial Inclusion (CONAIF) was maintained and, as a result, the report covers the four dimensions of financial inclusion: access, use, financial education and protection for the consumer. In addition, the subject of mobile financial services was added—as it is an innovative access channel with the potential to attend the population in places where financial infrastructure is lacking or even nonexistent—and, for the first time, data was presented from the perspective of the financial services demand, incorporating information of the National Financial Inclusion Survey (ENIF).

Involvement in the National Council for Financial Inclusion

The CNBV continued its Executive Secretariat tasks of the CONAIF. In this regard, coordination and planning tasks were carried out to perform ordinary sessions in the Council. Additionally, with the contributions of all

members, a Financial Inclusion National Policy proposal was elaborated, in which the first quantitative diagnosis about the situation of the financial inclusion in Mexico was integrated.

Involvement in forums and work groups

In 2013, the CNBV maintained an active involvement in work groups and forums, national and international, in which financial inclusion subjects are discussed. This is aimed to contribute with the design of strategies, programs and public policies to promote access to financial services.

Some of the main groups and forums regarding financial inclusion in which the CNBV was involved in the international field are mentioned below:

- Alliance for Financial Inclusion, AFI: There was collaboration in the elaboration of a document to spread the efforts several authorities of the region have made to promote a proper regulatory framework for the provision of mobile financial services. The study covers five countries (Colombia, Guatemala, Mexico, Paraguay and Perú) and it is called Regulatory approaches for the mobile financial services in Latin America. Likewise, there was involvement in several forums and meetings, in the AFI and its four work groups. It is worth noting that, during the Global Forum of Policies, held in Kuala Lumpur, Malaysia, the CNBV received an award for its wide involvement in the promotion of financial inclusion.





- G-20 Global Partnership for Financial Inclusion, GPMI: There were collaborative activities with the measuring and data work subgroup in several projects, such as: the development of new financial inclusion indicators to measure the quality of the financial services, the protection for the users and financial education of the population; the elaboration of a case study about the relevance of using access indicators and the use of the financial services to guide the development of public policies and, finally, the elaboration of a case study focused on the banking brokers model implemented in Mexico.
- Basel Consultative Group Work stream on Financial Inclusion, BCG FFI: There were collaborative activities in the Range of Financial Inclusion Practices survey, through which the identification of opportunities and challenges in the regulation and supervision of Banks and financial institutions which receive deposits and provide services to customers with low incomes is pursued. Likewise, there was involvement in the discussions about initial results of such survey and the Mexican experiences were shared on some subjects (simple file accounts and corporate government in the popular savings and loan and cooperatives sector).

In addition, in the international field, the CNBV was invited to participate as a speaker to talk about the Mexican case in some regional meetings about this matter, as the V Latin American Congress of Financial Inclusion, organized by the Bank Latin American Federation (FELABAN. In Spanish); the International Journey for Financial Inclusion, organized by the Banks Association in Peru; the XVI Micro companies Forum (FOROMIC, in Spanish), organized by the Inter-American Development Bank (IDB); and the Round Tables of Financial Inclusion, organized by the Multilateral Investment Fund (FOMIN, in English) of the IDB.

On the other hand, during this year, the CNBV was also actively involved in several national forums oriented to the promotion of several efforts regarding financial inclusion in the country, which were organized by financial and economic authorities, programs and institutes in the public sector interested in the subject, financial entities and academic institutions. In all cases, the representation of the CNBV was aimed to disseminating information, discussing proposals and sharing an expert point of view.



COMISIÓN NACIONAL
BANCARIA Y DE VALORES





LEGAL MANAGEMENT



6.1. Introduction

The main objectives of the legal management in the CNBV are ensuring a proper internal legal control by the ensurement of legal counseling, to ensure that the acts of the CNBV are well founded and motivated; promoting the strict attachment to the applicable regulations by the financial entities, through the issuance of criminal opinions and the imposition of sanctions; defending the legality of the CNBV acts, by representing it in the legal or administrative procedures in which it is involved and, finally, attending the requirements of information and documentation requested to the CNBV by the legal, tax and/or administrative authorities in the country. In this regard, the following section summarizes the main legal management tasks performed in 2013.

6.2. Offenses and sanctions

Imposition of administrative sanctions

During the period, 356 official letters were issued to impose administrative sanctions to the supervised financial institutions, as well as several legal entities and natural persons that violated the applicable regulation. In this regard, 2.5% of such sanctions were reprimands, while the remaining 97.5% of the cases fines were imposed for a total aggregated amount, at the end of the year, over \$265 million pesos (mdp).

Offense opinions and attention to technical consults

Among the capacities and powers on the CNBV, is the function of being an advisory body of the Federal Government on financial subjects. In this sense, throughout the year, the Federation's Fiscal Attorney General Office, among other authorities, required technical financial support regarding the special offenses established in the laws of the Mexican financial system. During the period, the CNBV issued 101 crime opinions to support criminal actions, which allowed the performance of the corresponding procedures against offenders of the aforementioned laws. Additionally, the notification of nineteen operation suspension orders to several savings and loan cooperatives was carried out, which were classified as unfeasible to request the authorization in the care of the CNBV by the Auxiliary Supervision Committee, in terms of the established in the Law to Regulate the Activities of the Savings and Loan Cooperatives.

6.3. Contentious affairs

Administrative appeals and trials of nullity

During the reported year, 78 administrative appeals promoted by sanctioned entities were processed, eighteen of these were still pending at the end of the year. The contested decisions were confirmed in almost all the 67 cases determined by the CNBV, eleven of them were promoted in previous years.

On the other hand, 31 claims for trials of nullity were received, challenging some decisions issued by the CNBV arguing, essentially, that the foundations and motivations were not appropriate; that the amount of the fine is not properly individualized, that the delinquent behavior is not properly classified, or that such sanctions infringement

was not perpetrated. In this regard, favorable rulings were obtained in over 60% of the trials of nullity against the sanctions imposed and confirmed by the CNBV, which were determined throughout the year.

Appeal for legal protection trials

Throughout the year, 1,893 injunctions were brought against the CNBV, of which 415 cases were fully completed, while the remaining are still pending. Considering these matters under procedure plus the unconcluded trials of the previous years, at the end of the year, 1,478 cases of appeal for legal protection trials were still being attended. Among the subjects dealt with in the trials mentioned are the following:

- Seizures or forfeiture of accounts orders by various authorities.
- Bank accounts information requirements.
- Inspection visits regarding investigation, suspension and/or liquidation of operations.
- Granting the right to a hearing.
- Administrative fine imposition.
- Mandatory acquisition bids.

Trials for winding-up and liquidation of entities

According to the General Law in Auxiliary Credit Organization and Activities and the Credit Unions Law, the CNBV has jurisdiction to request, before the judicial authority, the appointment of liquidators of entities subject to these laws and/or the cancellation of their registration at the Public Registry of Commerce, accordingly. In this sense, during the year, the CNBV had eight rulings that favored its interests, by which the liquidator appointed was the Asset Management and Disposition Agency (SAE, in Spanish) and/or it was ordered to cancel the registration at the Public Registry of the financial entities involved in the process that were finalized.

Labor lawsuits

During the year, the CNBV received thirteen claims on this matter and 226 labor lawsuits in which the CNBV is a party were followed. In nineteen of them the CNBV plays the role of employer, while in the remaining trials it plays the role of co-defendant. Regarding the former, the provisions claimed are, among others, the reinstatement and payment of wages, grant the usufruct of institutional medical service, granting of benefits contained in the General Conditions of Work; recognition of seniority and payment of the Non-



union Workers Support Fund. Regarding the latter, the CNBV has been asked to submit an accounting report and therefore, there is no risk of a contingency liability for the Institution. From the totality of the followed cases, 47 cases obtained favorable resolutions for the CNBV, while 179 were still pending at the end of 2013.

Civil and mercantile trials

Throughout the year, the CNBV was a party in 48 civil and mercantile trials, four of which ended favorably for the latter and the rest are pending. The CNBV played the role of third-party called to trial in 22 of the aforementioned legal processes and it is the defendant party in 26 trials, in most of them the CNBV is being sued by some of the following reasons: (a) damages; (b) invalidity of contracts and/or clauses of contracts entered between one entity and individual, and (c) intervention to sanction the entities for granting non-feasible loans.

Issued reversals and cancellations

In 2013, the authorization to a brokerage firms was cancelled, as well as the authorization of one multiple banking institution and three credit unions, according to the following:

FINANCIAL ENTITIES REVOKED BY THE CNBV IN 2013

No.	Sector	Name of entity
1	Brokerage firms	ING (México), S.A. de C.V., Casa de Bolsa, ING Grupo Financiero
2	Credit institutions	ING Bank (México), S.A., Institución de Banca Múltiple, ING Grupo Financiero
3		Unión de Crédito del Comercio, Servicios, Turismo y la Industria del Estado de Tabasco, S.A. de C.V.
4	Credit unions	Unión de Crédito de Distribuidores de Maquinaria Agrícola, S.A. de C.V.
5		Unión de Crédito Agroindustrial, Pesquera y de Servicios del Sur de Sinaloa, S.A. de C.V.



Likewise, in the reported term, the registrations of the following currency exchange offices and money transfer companies were cancelled:

**REGISTRATIONS CANCELLED BY THE CNBV IN 2013
(CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER COMPANIES)**

No.	Name of entity
1	Anita Centro Cambiario, S.A. de C.V.
2	Bali Centro Cambiario, S.A. de C.V.
3	Centro Cambiario Cambios 20 de Noviembre, S.A. de C.V.
4	Centro Cambiario Central, S.A. de C.V.
5	Centro Cambiario de los Altos, S.A. de C.V.
6	Centro Cambiario Difusa, S.A. de C.V.
7	Centro Cambiario Divisas Tulancingo, S.A. de C.V.
8	Centro Cambiario El Campeón, S.A. de C.V.
9	Centro Cambiario El Padrino, S.A. de C.V.
10	Centro Cambiario Elian, S.A. de C.V.
11	Centro Cambiario Fival, S.A. de C.V.
12	Centro Cambiario Frankfurt, S.A. de C.V.
13	Centro Cambiario Guerreros, S.A. de C.V.
14	Centro Cambiario Hidalgo, S.A. de C.V.
15	Centro Cambiario Italcambio, S.A. de C.V.
16	Centro Cambiario JM Divisas, S.A. de C.V.
17	Centro Cambiario Kyan, S.A. de C.V.
18	Centro Cambiario La Cora, S.A. de C.V.
19	Centro Cambiario La Fidelita, S.A. de C.V.
20	Centro Cambiario La Monedita, S.A. de C.V.
21	Centro Cambiario Luna, S.A. de C.V.
22	Centro Cambiario Money World, S.A. de C.V.
23	Centro Cambiario Multidolar Jacona, S.A. de C.V.
24	Centro Cambiario Multiservicios Lomas, S.A. de C.V.
25	Centro Cambiario Ramírez, S.A. de C.V.
26	Centro Cambiario Regional, S.A. de C.V.
27	Centro Cambiario Riba, S.A. de C.V.
28	Centro Cambiario RR, S.A. de C.V.
29	Centro Cambiario Ruíz y Asociados, S.A. de C.V.
30	Centro Cambiario Sinai, S.A. de C.V.
31	Centro Cambiario Sociedad de Cambios Panindicuario, S.A. de C.V.
32	Centro Cambiario Tasquillo, S.A. de C.V.
33	Centro Cambiario Tecali, S.A. de C.V.
34	Centro Cambiario Valencia, S.A. de C.V.
35	Centro Cambiario Valle Verde, S.A. de C.V.
36	Centro Cambiario Yesan, S.A. de C.V.
37	Corporativo San Francisco, S.A. de C.V.
38	Divex Centro Cambiario, S.A. de C.V.
39	Divisas Ecuandureo Centro Cambiario, S.A. de C.V.
40	Divisas Madero Centro Cambiario, S.A. de C.V.
41	El Portal Centro Cambiario, S.A. de C.V.
42	Enramex, S.A. de C.V.



**REGISTRATIONS CANCELLED BY THE CNBV IN 2013
(CURRENCY EXCHANGE OFFICES AND MONEY TRANSFER COMPANIES)**

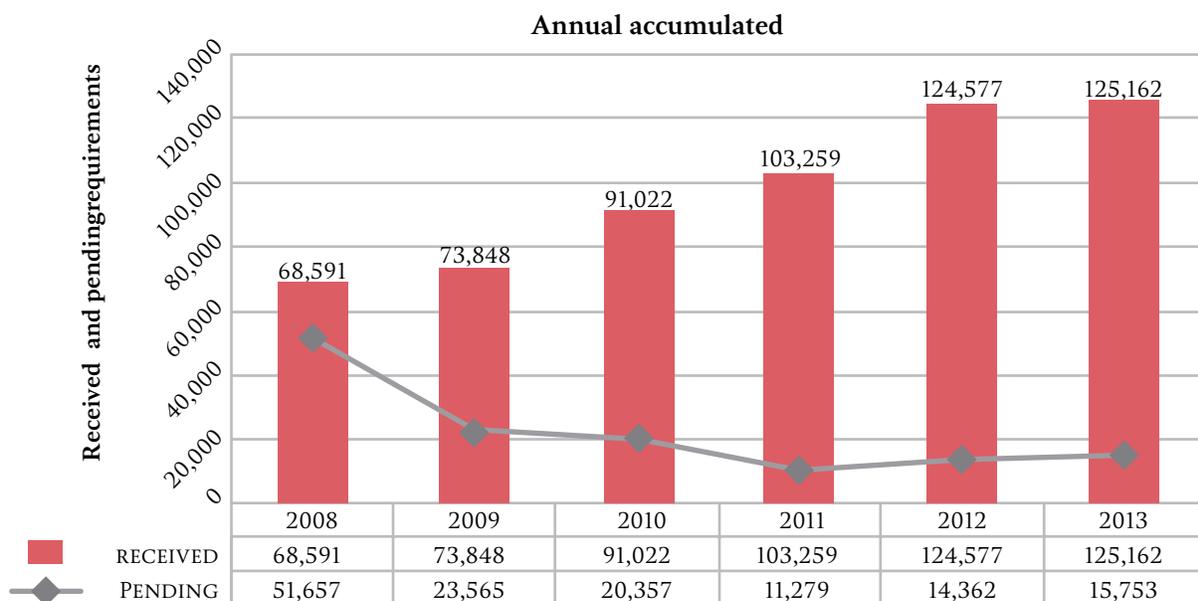
No.	Name of entity
43	Fabricantes Muebleros, S.A. de C.V.
44	Famsa del Centro, S.A. de C.V.
45	Famsa del Pacífico, S.A. de C.V.
46	Famsa Metropolitano, S.A. de C.V.
47	Grupo Trumex Centro Cambiario, S.A. de C.V.
48	Gutiérrez Money Transfers, S.A. de C.V.
49	Kalosan Exchange Divisas Centro Cambiario, S.A. de C.V.
50	Mi Divisa Centro Cambiario, S.A. de C.V.
51	MJJ Centro Cambiario, S.A. de C.V.
52	OPCIPRES, S.A. de C.V. SOFOM ENR
53	Provedora de Servicios del Sol Centro Cambiario, S.A. de C.V.
54	Red Efectiva, S.A. de C.V.
55	Ruiz Limón Centro Cambiario, S.A. de C.V.
56	Tres Ríos Centro Cambiario, S.A. de C.V.

6.4. Attention to other authorities

In 2013, the CNBV collaborated with the competent federal, tax, judicial and administrative authorities, in order to support and efficient and convenient exercise of their powers. In this sense, these authorities presented to the

CNBV more than 125,000 requirements on information and documentation, as well as orders of forfeiture and unlocking and availability of resources, which generated the issuance of 4.4 million official letters directed to the supervised financial institutions. At the end of the year, 87.4% of these were already replied and finalized.

**DEMANDED AND PENDING REQUIREMENTS FROM AUTHORITIES
(2008 – 2013)**



In order to optimize the attention to the requirements received considering all the interested parties, several integral action lines were put in place, such as the implementation of new authorities in the automated process of requirement attention and the reinforcement of the cooperation schemes, with both the authorities and the supervised entities.

Automation

The following authorities were incorporated to the Authority Requirements Processing System (SIARA, in Spanish):

- The Ministry of Finance of the Government of the States of Guanajuato, Sonora and Veracruz.
- The Justice Attorney General's Office of the States of Campeche, Chiapas, Tabasco and Zacatecas.
- The Special District Attorney's Office for Violence Offenses against Women and Human Trafficking of the Attorney General's Office (PGR, in Spanish).
- The Mexican Institute of Social Security in its Collecting coordination.
- The Management of Technical Tax Analysis and the General Management of Audits on Foreign Trade of the Tax Administration Service.

To promote a successful incorporation, training was provided to these authorities, in order to provide them with the necessary elements to operate the system, as well as the technical-computer knowledge, business knowledge and better practices to formulate the requirements in a more efficient way. As a result, these authorities report all their requirements to the CNBV on line, through the SIARA system, with which management costs were lowered and response times were reduced.

Coordination with the authorities

Several meetings were held with different authorities in order to solve some of the problems presented when formulating the requirements, as well as establishing strategies to process their requests more efficiently. In this context, several training courses were provided, which were attended by over 400 public officers. Likewise, the CNBV was involved in the National Conference of the Pursuit of Justice which was held in several locations in different regions of the country, which were attended by the General Attorneys of all States of the Mexican Republic, as well as

district attorneys and officers of the PGR, as well as invited speakers from other agencies of the Federal Government. Among other topics, during the Conference, the advantages of the Public Prosecutor's Office using the Authority Requirements Processing System (SIARA) to formulate the requirements to the CNBV were discussed, in order to speed-up the claims and investigation of all kind of offenses.

Coordination with the supervised financial entities

Meetings were held with the Association of Banks of Mexico (ABM, in Spanish) and the officers of the financial institutions regarding the requirements they receive from authorities through the CNBV. This was done to establish priorities and to define timely attention strategies, as well as establishing the standardization of criteria related to the matter, such as:

- Keeping video recordings for up to three months.
- Blocking the accounts only for the amount requested by the corresponding authorities.
- Indicating, in the replies to official forfeiture letters, the cases in which the balance of the accounts is affected due to the collection of commissions.
- Using the same document certification model in all cases.
- Training the staff that belongs to the institutions so they can guide their clients properly.
- Elaborating a document called non-location Act when the files are not found, so these cases are checked later in the inspection visits.



ADMINISTRATIVE MANAGEMENT



7.1. Introduction

This section presents the main management activities that supported the functioning and proper performance of the CNBV throughout the year, as well as the achievements reached in this matter. During 2013, the management areas faced the challenge of promoting the efficient use of the available resources and ensuring the proper internal operation regarding an austerity environment, at the same time, important projects were consolidated regarding the management of the Institution, the staff development, the improvement of the organizational environment and the execution of the institutional strategy.

7.2. Processes and projects management

Processes management

As for processes management, during the reported year, the CNBV focused its efforts on redesigning the integral supervision process, in order to standardize the practices used for several areas and make them more efficient. This redesign will provide a better and more effective supervision of the entities that belong to the CNBV's jurisdiction, with an integral approach that will favor the reduction of execution times and decision-making based on more opportune information. Additionally, the procedures used were documented in the new Integral Supervision Process Manual. Both the redesign and the documentation mentioned above were performed through the application of the Business Process Analysis (BPA) methodology and tools, implemented this year to accomplish a better management of the internal processes.

For this part, in 2013, the CNBV assessed the 402 procedures registered under its charge at the beginning of the year in the Federal Registry of Procedures and Services (RFTS, in Spanish) of the Federal Commission of Regulated Improvement (COFEMER, in Spanish). As a result of these efforts, not only the number of procedures was reduced to 338 at the end of the year, but they were also updated and simplified, which favored the managers of the CNBV.

Project management

During the year, the CNBV continued to manage the execution of strategic projects according to the project management methodology established according to the best practices of the Project Management Institute (PMI). This allowed the proper definition of objectives, scope, development and schedules of the projects performed, and it also facilitated the teamwork and the establishment of leadership lines and the compliance with quality standards. In addition, the use of the PMI methodology favored the proper monitoring and control of project execution and progress, to ensure the achievement of goals and the terms defined.

In this sense, the project portfolio of the CNBV consisted of ten strategic projects; five of them were proposed and created during 2013. In conformance with the institutional strategic objectives, the subjects of the projects were focused on the following topics: the reinforcement of the supervision, authorization and prevention processes of the irregular deposit-taking, and the automation of the

authorization processes for stock issuances, prevention of money laundering and internal management. Regarding the latter, a project was proposed and implemented, whose main objective is, among others, providing the CNBV with an organization structure consistent with its current responsibilities and needs, so it counts on enough elements to properly regulate and supervise the Mexican financial system.

7.3. Information technologies

During the year, the required goods and services were provided to all the management units of the CNBV, and the systems that are used were updated and new tools were developed. In particular, the following initiatives and projects are highlighted:

- The Supervision and Sanction Control Dashboard was developed. This platform is technological tool designed to monitor the supervision and sanction imposition processes, in order to support the implementation of institutional strategic projects in this regard.
- The development of an application for the institutional strategic project linked to the prevention of irregular deposit-taking. This system is aimed to support the attention to formal and informal claims received by the CNBV regarding the performance of alleged irregular deposit-taking activities by entities and individuals that are not authorized for this, for the CNBV to be able to perform the corresponding legal activities and face such practices on time.
- The start of the first stage of the start-up of the implementation of the Business Intelligence Platform, as a part of the information technologies (IT) strategy implemented. This new platform seeks to reinforce the use model of the databases contained in the Information Portfolio of the CNBV.
- The successful conclusion of the start-up of the Knowledge Center, Phase I. This system is focused on contributing to the proper decision-making, by centralizing the information of substantive processes of the CNBV and generating supporting elements. This was done through the integration of data, the application of statistical methods, the use of data mining algorithm and the design and construction of ergonomic reports dashboards.
- The finalization of the implementation of the Monitoring and Perimeter Security Service



of the Security Operation Center (SOC) and the Network Operation Center (NOC) as a part of the information safety operation and management strategy implemented during the year. The main purpose of this service is to monitor the information and communication technologies (CIT) systems of the CNBV, to reinforce the access mechanisms and controls and to minimize, in a preventive way, the risk of a possible operation continuity loss.

- The e-mail services were optimized. In this regard, the exchange tool was reinforced by implementing a redundant infrastructure that had higher capacities to offer the institutional e-mail service.
- The reinforcement of the licensing of the SOA platform, as part of the simplification strategy for platforms oriented to processes and services. This system consists of a toll with an architecture based on services, whose purpose is to generate an interoperability layer between the systems currently in operation and the new systems in development, in order to facilitate the data flow needed to support the processes transversally.
- The attention to policies and guidelines by the Federal Public Management regarding issues related to communication and information technologies. Regarding the scale economies and resource optimization policies, a contract was finalized with the Treasury Ministry (SHCP) regarding the integral service of wireless network and voice IP SILAN, which consisted on the installation of new communication equipment and new Wireless network and IP voice services (phones, commutator and wireless network antennas with consumption under demand). Likewise, according to the guidelines and standards of the Internet Portals established for the whole Federal Public Management, the redesign and launching of the New Internet Portal of the CNBV were concluded properly on time.

7.4. Human resources and organizational culture

Human resources are considered a valuable asset for the Institution, so several actions have been put in place to make the CNBV the best place to work. Likewise,

measures have been implemented to develop professional schemes increasingly capable; to recognize the effort and merit of capable and committed officers and employees, and to reinforce the organic structure of the areas with the incorporation of new members. Regarding the second issue, in 2013, 184 were promoted through contests, direct assignments, lateral operations and salary raises, meanwhile, regarding the last issue, 167 new members were recruited and hired according to the corresponding position profiles.

Training and human development

The CNBV performed several training activities to reinforce the technical and management skills of its staff. Such activities were designed in line with the institutional strategy, such as:

- Leadership program: The objective was promoting the leadership team building, establishing a common language and facilitating the building of an optimal management team. Two-hundred and fifty-seven public officers were trained, 51 in high management positions and 206 in medium management positions.
- Civil Protection and Human Resources Programs: The aim was to make the staff aware of the essential co-responsibility to maintain a safety and respect culture regarding diversity. Training was provided to 186 public officers regarding human rights and 101 attended several civil protection courses.
- Substantive Technical Program: Its objective was to cover the update needs of specialized technical knowledge regarding supervision and regulation. Forty-four courses were given in the CNBV's facilities.

Through these actions, important achievements were reached, such as:

- The CNBV officers and employees were involved in 1,378 courses on several topics and different level of complexity, 95% of them were given by national institutions and bodies and 5% were given with the collaboration of international bodies.
- The scope of the training courses covered 1,455 public officers, who invested around 102,000 man-hours to attend the sessions and the obtained very good grades (94 in average, in a

scale from 0 to 100). 90% of the staff subjected to the Professional Career Service (SPF, in Spanish) received, at least, 40 hours of training throughout the year.

In addition, the CNBV counts on a Financing Scholarship Program, through which the staff is supported in order to reinforce their skill and acquire new knowledge in high-level academic institutions. In this sense, in 2013 fifteen financing-scholarships were authorized, twelve of them to attend university programs in the country and three more to study abroad.

On the other hand, regarding the staff development, all the public officers with degrees (SPCT, in Spanish) subjected to the Professional Career Service (SPC) obtained their certifications properly on time. This was done through the punctual monitoring to the established terms to perform procedures; the application of schemes of permanent communication with the staff involved and the establishment of several dates for the application of exams. During the year, 53 officers were certified in order to stay.

Finally, in this year, the annual development evaluation as for 2012 was carried out for the executive staff, according to the regulations in the matter and the model authorized by the Public Function Ministry (SPF, in Spanish). Through this exercise, the job of 653 public officers with careers was evaluated and 260 public officers directly assigned. In addition, the performance in 2013 was successfully evaluated regarding 402 public officers at an operational level, with the same model and computer tools used for the executive staff, as in this year the SFP authorized the standardization of both procedures.

Institutional culture and environment

As a part of the efforts made to promote a favorable working environment, the CNBV is annually evaluated by the Great Place to Work® Mexico Institute, a company focused on rating the institutional culture and environment in several institutions, in both the public and private sectors, through the application of a survey in which all members of the rated institutions participate. The CNBV participates in this survey since 2011, and in 2013, it obtained the following results:





- Public sector: eighth position, among 14 governmental institutions.
- Financial sector: 14th position, among 40 institutions in both the public and private sectors.
- Gender equality 50th position, among 100 institutions in the public and private sectors.

Additionally, the CNBV was involved, for the first time, in the Organizational Culture and Environment Survey (ECCO, in Spanish) promoted by the SFP. This year, the whole governmental sector was evaluated, with the participation of 265 institutions. The CNBV obtained the second place in the Federal Government decentralized bodies sector.

Finally, as a part of the actions to reinforce and improve the working environment, as well as to adopt a responsible and effective organizational culture, in 2013, an internal campaigns addressing the so-called CNBV Community was established, which included the following projects:

- CNBVerde: Program that covers ecological actions and practices to ensure a healthier and more sustainable environment in the facilities.
- CNBVida: Program to take care of the welfare and health of the members, through the promotion of sports and a healthy diet in order to promote a culture of action and prevention.
- CNBValores: Program to reinforce the kindness of the public officers, through social responsibility actions and practices, such as volunteer work and work recognition measures.
- Queremos Escucharte: Program that invites the members to be involved in the development of the institutional culture by submitting proposal, through the installation of suggestion boxes.

7.5. Material and financial resources

Management, registry and report on the management and use of the resources available at the CNBV is always done in strict accordance with the regulations applicable to the agencies of the Federal Public Management and, throughout this year, it was performed in strict accordance with the austerity provisions dictated by the Federal Executive. In addition, the budget resources assigned were efficiently

managed, in a responsible and transparent way, to ensure the observance to the regulation, the proper functioning of the CNBV and the accomplishment of the tasks required. In this section, some relevant aspects on this subject are discussed.

Material resources

As mentioned before, contracting and procuring of goods and services being performed are agreed, paid and controlled in accordance with the regulation in force for the Federal Public Administration. In particular this year several contracts of goods and services were held under the purchase program implemented by the Federal Government to support micro, small and medium enterprises (MIPYME, in Spanish), which amounted to 35% of all procurements made by CNBV in the year 2013.

Financial resources

In terms of revenue, the financial entities subjected to the supervision and surveillance of the CNBV complied with the obligations established in the Federal Duties Law 2013 and covered the fees that have to be paid as compensation for the services they receive. These resources were collected by the Federal Treasury and the Treasury Ministry (SHCP) assigned them to the CNBV to finance its operation, according to the Expenses Budget approved by the Board of Governors of the CNBV and authorized by the SHCP, which amounted to \$1,569.7 million pesos (mdp).

Regarding expenses, 65.0% of the resources were destined to the personal services category, which includes wages and salaries of officers and employees of the CNBV, as well as other expenses linked to the payroll, 32.0% were assigned to the operating expenses category and, in this respect; the most important expenditures were related to the medical service (30.8% of such operating expenses); the improvement of the computer infrastructure and platform (21.8%); maintenance of facilities (8.3%) and, finally, the travel and per diem expenses, national and international (7.4%). The remaining operating expenses (31.7%) correspond to the payment of all the other services. Finally, the remaining 3.0% of the budget was assigned to the investment expenses, such as the acquisition and equipment of four spaces to install new offices, a project that accounted for 80.2% of this expense category.

BUDGET EXECUTION AS OF DECEMBER 31, 2013
(MILLION PESOS)

Chapter	Budget Modified-Executed
Personal services	1,021.7
Materials and supplies	7.5
General services	97.7
Transfers, assignments, subsidies and other aids	2.8
Operating expenses	1,529.7
Investment expenses	40.0
Total	1,569.7

7.6. Organizational project

The exponential growth of the Mexican financial system in the past ten years and the modifications to its regulations at the same period, as well as the Financial Reform and its subsequent effects, among other relevant facts, have brought to the CNBV new and more complex responsibilities to accomplish its mission, this is, safeguarding the stability and integrity of the Mexican financial system and promoting its efficiency and inclusive development to favor society.

In order to face this situation, from the second semester of 2013, the CNBV started the implementation of the so-called Integral Organization Project, which entails three

main objectives: a) documenting the substantive processes, as they are performed; b) valuing the effectiveness of the organizational structure to execute such substantive processes and covering the workloads derived from all the powers conferred to the CNBV, and c) performing a study on the financial fund raising so the CNBV turns into a self-sustainable institution.

In this regard, as for December 2013, the results of the first stages of this project have been highly enriching for both the CNBV and its officers, providing valuable elements to address the efforts and resources to accomplish—comprehensively, with high quality and an optimal performance— with the capacities conferred to the CNBV.



INSTITUTIONAL REINFORCEMENT



8.1. Introduction

In order to comply with its mandate and exercising its capacities, the CNBV carries out a wide range of activities to ensure, regarding its jurisdiction, the stability and proper functioning of the entities that belong to the Mexican financial system, as well as promoting the healthy and balanced development of such system. In order to do this, it must act as an efficient and modern Institution, thus, focusing its efforts on improving and reinforcing its presence through the start-up of a process of internal changed supported in an institutional strategy that captures the growth opportunities and a social communication program that widens the dissemination of information to the market and the general audience. In this regard, this last section briefly describes the activities performed around these aspects.

8.2. Strategy

Throughout the year, the CNBV kept working with the approach of being an organization focused on strategy. The execution of projects allowed the substantial progress and achievement in the strategic objectives established to accomplish the reinforcement of the supervision, an optimal application of the organizational structure and a greater efficiency in the operation of the Institution. Additionally, the CNBV kept applying the Risk Management Model linked to this strategy, in order to reduce the occurrence of risks and reduce the potential impact of the ones that have already been identified.

8.3. Communication

In 2013, the efforts regarding social communication focused on maintaining a continuous and tight approach to the representatives of communication media, national and international. This allowed the intensive and extensive dissemination of opportune, transparent, certain and true information, to both the general audience and the supervised intermediaries, favoring a healthy development of the Mexican financial system. The activities of the CNBV focused on the use of the following tools:

- Press releases: Throughout the year, 91 press releases were performed, ten of them discuss conjuncture topics and the other dealt with information from several sectors: 31 on multiple banking; twelve savings and loan cooperatives (SCAP); ten on brokerage firms; seven on credit unions; four on development banking; five on financial groups; four on credit auxiliary organizations and activities (OAAC); four on limited purpose financial companies (SOFOL)

and multi-purpose financial companies, regulated entities (SOFOM-ER), as well as four on popular financial companies (SOFIPO).

- Digital newsletters: In addition, 39 digital newsletters were elaborated and issued, which were distributed to almost 5,000 e-mail accounts of individuals and entities in all supervised sectors. The subjects of the newsletters were the following: thirteen were about public bids authorizations; twelve about multiple banking; four on the SCAP sector; three on brokerage firms; two about financial groups; one on development banking; one for the SOFOM-ER sector; one about credit unions; one about community financial companies (SOFINCO) and, finally, one more that talked about the results of the National Survey of Financial Inclusion (ENIF).
- CNBV Internet Portal: As a part of the effort of the Federal Government to make official information accessible and close to the general audience, the CNBV worked on the redesign of its web page. As a result, the new site offers a more intuitive navigation and a structure easier to consult, and a clear topic selection divided by sectors of the regulated and supervises financial entities, with updated content (statistical information, legal framework and valid regulations, frequently asked questions), among other incorporated improvements.
- Other communication media: The most relevant information of the CNBV's activities was spread through the institutional social networks accounts, which are an additional communication channel to assist and inform the general audience, in an accessible, useful and dynamic way.



Annex A. Inspection visits carried out

Types of inspection visits

According to the regulations, the CNBV can perform the following types of visits:

- Regular visits: The ones that are carried out according to the Annual Program of Inspection Visits elaborated by the CNBV in terms of the applicable legal regulations and its Internal Regulations.
- Special visits: Those that are not included in the Annual Program of Inspection Visits and that the CNBV can carry out in any of the alleged outlined in Article 8 of the Regulations.
- Investigation visits: Those that are carried out when the CNBV has suspicions from which some conduct contravening the laws that rule the supervised entities or individuals can be derived, as well as other provisions applicable.

Likewise, depending on the objective they seek, the visits can be of the following kinds:

- Supervision: Supervision areas are involved in this as well as the areas specializing in several matters (operational and technological risk, comprehensive risk management, investment services and/or prevention of money laundering).
- PLD: To verify only some aspects linked to the topic of money laundering prevention (PLD).
- Authorization: To confirm legal and operative aspects of the entities that have requested an authorization to be constituted under the terms of the Law.
- Operations start-up: To verify the operative requirements before the activities start-up of entities already authorized to be constituted under the rule of Law.

VISITS PERFORMED IN 2013, BY TYPE OF SUPERVISED ENTITY AND TYPE OF VISIT

Type of entity	Type of visit											
	Regular					Special					Total	
	Supervision	Money laundering prevention	Operations start-up	Other ^{1/}	Subtotal	Supervision	Money laundering prevention	Operations start-up	Authorization	Subtotal		
Financial groups	7				7							7
Multiple banking	33	3	3		39	28		2		30	16	85
Development banking and promotion entities	13				13	4				4		17
Brokerage firms	26				26	6				6	2	34
Limited purpose finance companies	2				2	1				1		3
Multi-purpose finance companies, regulated	11			3	14	1				1	4	19
Auxiliary credit organizations ^{2/} and currency Exchange offices	15	2			17							17
Credit unions	34				34	2				2	5	41
Savings and loan cooperatives	4				4				68	68		72
Popular finance companies	13	1			14	2		1		3		17
Protection fund for popular finance companies	1				1							1
Integration bodies	4				4							4
Securities rating companies	5				5							5
Participants of the securities and derivatives markets ^{3/}	12				12	4				4	1	17
Mutual funds	4			1	5	3				3		8
Representative offices	27				27							27
Credit information companies	3				3							3
Other entities ^{4/}				5	5						4	9
Subtotal	214	6	3	9	232	51	0	3	68	122	32	386
Not regulated entities ^{5/}		20			20		5			5	84	109
Total	214	26	3	9	252	51	5	3	68	127	116	495

NOTES:

1/ Visits that were performed as ordinary visits, substituting other scheduled visits that were not performed.

2/ General bonded warehouses, financial leasing companies and financial factoring companies.

3/ Brokerage firms, futures and options exchanges, depository institutions, price providers, companies managing systems to facilitate operations with securities, operators of exchange-traded options and futures market, liquidating members of exchange-traded options and futures market and makers of exchange options and futures market.

4/ Companies that provide supplementary services to financial groups (visits that were not scheduled from the beginning).

5/ Multi-purpose financial companies, not regulated, currency exchange offices and money transfer companies.



Annex B. Regulations issued

List of general provisions, amending provision, notifications, guidelines, agreements and internal regulations, issued by the CNBV

Credit institutions

“GENERAL PROVISIONS APPLICABLE TO THE CREDIT INSTITUTIONS”

No.	Issue date	Publication in the DOF	Objective
1	January 18, 2013	January 31, 2013	<ul style="list-style-type: none">• Eliminating the application of several newsletters regarding auditing, due to the adoption of the NIAS by the Commission of Auditing and Procurement Norms of the Mexican Institute of Public Accountants, A.C., issued by the Council of International Auditing and Procurement Norms.• Establishing the obligation for the external auditor of submitting a report on: i) operations with financial resources of illicit origin and, ii) documentation that, if necessary, they have presented to the financial authorities, which indicates its consistency with the accounting records of the institution.
2	January 18, 2013	January 31, 2013	Informing the coefficients of charge for market risk applicable to the credit institutions for 2013.
3	April 5, 2013.	April 16, 2013.	Modifying the temporary regime, as well as the top amount by which the capital instruments shall be recognized (subordinate obligations) issued by the credit institutions, as of January 1 2013, as a part of their net capital.
4	April 24, 2013.	May 3, 2013.	Incorporating the CNBV authorization, for the credit institutions to use schemes through which the customer's balance information is stored, such as, debit cards that count on integrated circuit or equipment located in the facilities of their commission agents, so they can transfer resources on line, only affecting the balance stored in the corresponding disposition media. Additionally, the institutions mentioned shall count on the necessary measures to ensure the safety of the information stored in the devices above, accredit the periodic consolidation of the information in their central systems and protect their users from the potential misuse of the cards in case of theft or loss.
5	May 23, 2013.	June 3, 2013.	Establishing that in the operation of electronic banking, the credit institutions can: i) omit the mechanisms and procedures of operation notification, regarding level 1 banking accounts, ii) performing charges to other accounts to transfer the resources to the associated account for the mobile payment service, previously authorized by the holder, iii) including the authentication factors, the signature captured in optical devices of digital imaging, and iv) using TPVs that do not count on integrated circuit readers, previously authorized by the CNBV in order to assess the safety program employed.
6	June 14, 2013.	June 24, 2013.	Modifying the rating methodology of commercial portfolio of the credit institutions based on the incurred loss model to an expected loss approach in accordance with the recommendations issued by the Basel Committee regarding estimation of credit reserves.

“GENERAL PROVISIONS APPLICABLE TO THE CREDIT INSTITUTIONS”

No.	Issue date	Publication in the DOF	Objective
7	July 4, 2013	July 12, 2013.	Establishing guidelines to regulate the mortgage guarantees valuing process within the credit process carried out by credit institutions.
8	September 23, 2013	October 2, 2013.	<ul style="list-style-type: none"> • Recognizing the first losses schemes granted by the credit institutions or other financial entities, to cover the losses of loan portfolios of housing mortgage credit portfolios. • Establishing the mechanics to adjust the percentage of preventive reserves to be constituted by the beneficiary institutions of the schemes mentioned, as well as the institutions that provide these guarantees.
9	November 29, 2013.	December 24, 2013.	<ul style="list-style-type: none"> • Adding regulatory reports in order to consider the methodology applicable to the commercial loan portfolio rating that changed the incurred loss model to an expected loss approach. • Disintegrating several concepts contained in Annex 43 of the “General dispositions applicable to credit institutions”, related to the calculation methodology of the basis for the collection of fees the multiple banking institutions must pay to the Institute for Banking Savings Protection.

Brokerage firms

“GENERAL PROVISIONS APPLICABLE TO BROKERAGE FIRMS”

No.	Issuance date	Publication in the DOF	Objective
1	January 18, 2013.	January 31, 2013.	<ul style="list-style-type: none"> • Eliminating the application of several newsletters regarding auditing, derived from the adoption of the NIAS by the Commission of Auditing and Procurement Norms of the Mexican Institute of Public Accountants, A.C., issued by the Council of International Auditing and Procurement Norms. • Complementing the requirements to be met by the independent external auditor of the brokerage firms, as well as the firm hired for the professional provision of auditing services. • Establishing the obligation for the brokerage firms to collect statements from the officers responsible for signing their ruled financial statements.
2	January 18, 2013.	January 31, 2013.	Informing about the coefficients of charges for market risk applicable to brokerage firms for 2013.
3	June 24, 2013.	July 2, 2013.	Specifying that the obligation of the brokerage firms of collecting the statement of the officers responsible for signing the ruled financial statements shall be demanded at the moment of the ruling of the financial statements corresponding to the year 2013.
4	July 4, 2013.	July 11, 2013.	Specifying the date the norms contained in the Brokerage Firms Provisions shall be derogated, regarding investment services.



Credit institutions and brokerage firms

“GENERAL PROVISIONS APPLICABLE TO BROKER FIRMS AND CREDIT INSTITUTIONS REGARDING INVESTMENT SERVICES”

No.	Issuance date	Publication in the DOF	Objective
1	April 17, 2013.	April 24, 2013.	Performing several adjustments regarding the committee responsible for the analysis of the financial products, the securities that can be the object of the commercialization service or promotion and interest conflicts, among others, and relocating in annexes, some of the norms contained in the provisions to achieve a better Reading and understanding.
2	July 4, 2013.	July 11, 2013.	Modifying the “General provisions applicable to brokerage firms and credit institutions regarding investment services”, published in the Official Gazette of the Federation on April 24, 2013 to specify the date the provision published in the same Gazette on November 28, 2012 were abrogated.
3	September 4, 2013.	September 23, 2013.	<ul style="list-style-type: none">• Excluding from their application the subjects that count on wide specialization and professionalization, provided that they are in the same circumstances as the brokerage firms and credit institutions that provide investment services.• Determining that the customer’s consent to operate with securities that do not match their investment profile for the provision of the operation execution service shall be required at the moment the service is hired.• Widen the range of securities that can be the object of the commercialization or promotion service.• Granting the same treatment of the shares to the trustor certificates referred to in article 7, section II, subsection c) of the Issuers Provisions.• Eliminating the account statements of the brokerage firms, the number of transactions performed in the period.• Eliminating the obligation of the brokerage firms and credit institutions of collecting from their customers the statements of knowledge on the risks of the securities to acquire, as well as to keep them, in accordance with the Provisions regarding investment services with robust rules related to the customer’s profile and the financial product.• Eliminating the obligation imposed to the brokerage firms and the credit institutions to collect from their customers, which are natural persons, the letter of statement of conformity regarding the operations to be held with securities related to the financial entities mentioned before.• Specifying the scope of the prohibition to the financial entities to perform operations on their own when having pending orders to perform on the same securities object of the public bidding,

Securities rating agencies

“GENERAL PROVISIONS APPLICABLE TO THE SECURITIES RATING AGENCIES”

No.	Issuance Date	Publication in the DOF	Objective
1	April 18, 2013	April 30, 2013.	Establishing that the securities rating agencies, at the moment of holding a contract with their customers, shall ask them to inform in the date the contract is held and the date of the ruling delivery of the respective rating, if 2 months before such dates, they received, from another rating agency, a rating on the same securities the customer is trying to or has hired the service for.

Rural Financial

“GENERAL PROVISIONS ON PRUDENTIAL AND ACCOUNTING MATTERS AND FOR THE REQUIREMENT OF INFORMATION APPLICABLE TO THE RURAL FINANCIAL COMPANIES”

No.	Issuance Date	Publication in the DOF	Objective
1	November 12, 2013.	November 22, 2013.	<ul style="list-style-type: none"> Updating some of the concepts contained in the accounting criteria and regulatory reports applicable to Rural Financial Companies, with the ones provided by the regulation applicable to the credit institutions, derived from the impact of natural disasters and market contingencies in the economic productive cycles of the farming sector. Modifying the regulations related to the diversification of risks within the granting of loans by Rural Financial Companies, increasing the top limits that such entity can grant to its borrowers. Finally, for the calculation of the financing for the acquisition of goods of capital subjected to the aforementioned limits, the effectively exposed part of the guaranteed short-term operations is acknowledged, specifically, the repurchase orders.



Securities issuers

“GENERAL PROVISIONS APPLICABLE TO SECURITIES ISSUERS AND OTHER STOCK MARKET PARTICIPANTS”

No.	Issuance date	Publication in the DOF	Objective
1	April 18, 2013.	April 30, 2013.	<ul style="list-style-type: none">• Specifying that the issuers of trust certificates on goods other than shares or debt instruments, in order to register their securities in the National Securities Registry (RNV, in Spanish), a letter shall be submitted in which they state they have informed the security rating institution if they obtained a rating from another rating institution about the securities in question.• Include within the information targeted to the public audience with promotion, commercialization or advertisement ends to be authorized by the CNBV, the informative supplements and notification forms, so they can be used in the subsequent issuances of securities performed under the program or the securities issuances whose placement is in one or more series, without requiring an authorization for each placement. This has to do with registration without public offer mediation, of debt instrument securities, structured securities and securities supported by assets, with a term over a year.• Establishing the obligation of the issuers that update the registration of their securities, to present the legal opinion when dealing with updates to the registration due to reduction in the capital stock or any kind of transformation in it.• Establishing the obligation of the issuers of securities of debt instruments, of trust funds on goods other than shares, optional certificates and structured securities, to present an informative notification that includes the general features of the corresponding updates.• Establishing the obligation of the issuers to publish the public bid notification, in the date the price is fixed or the logbook is closed, and daily during the validity of the offer, in accordance with the principle of information disclosure contained in the LMV, eliminating publications in printed media.• Updating the auditing rules based on which the external auditors must elaborate their rulings, opinions and corresponding reports.• Specifying that the entities that in terms of the General Law of Governmental Accounting are considered as public entities, can submit their financial statements according to such legal regulation.



“GENERAL PROVISIONS APPLICABLE TO SECURITIES ISSUERS
AND OTHER STOCK MARKET PARTICIPANTS”

No.	Issuance date	Publication in the DOF	Objective
2	July 4, 2013.	July 15, 2013.	<ul style="list-style-type: none">• Widening the submission terms of the financial information and the annual report for the issuers of the trust certificates mentioned in article 7, section II, subsection c) of the Issuers Provisions, to mainly invest on collective investment mechanisms not listed in any stock market.• Specifying for the issuers of such trust certificates, the percentage of investment allowed in shares or loan certificates that represent them registered in the RNV or that have been the object of a public bidding in public biddings abroad in order to avoid a regulatory inconsistency with the investment companies.• Establishing the characteristics to be able to invest in other instruments registered in the RNV or that have been the object of public biddings abroad.• Compelling the securities issuers mentioned before to publish as a relevant event all the necessary information for decision-making regarding issues of the general assembly of holders.• Establishing that the general assembly of holders shall approve the extensions to the issuance, as well as any other modification to the scheme of commission or compensation payments in favor of the manager, members of the technical committee, equivalent body or any third party.• Adjusting the forms of the placement prospect and annual report of the quoted trust certificates issuers, in order to reveal the information related to the operation with related individuals.• Specifying that the issuers shall perform corporate restructurings taking into account as value of the transaction the higher one between the accounting and market value.



Participants in the derivatives market

“GENERAL PROVISIONS THAT ESTABLISH THE ACCOUNTING CRITERIA THE PARTICIPANTS IN THE FUTURE AND OPTIONS MARKET VALUED IN THE STOCK MARKET SHALL BE SUBJECTED TO”

No.	Issuance date	Publication in the DOF	Objective
1	April 5, 2013.	April 19, 2013.	<ul style="list-style-type: none">• Modifying the name of the provisions as “General provisions that establish the accounting criteria the participants in the derivatives contracts listed in the stock market shall be subjected to”.• Establishing the possibility that the liquidating partners can compensate and liquidate the derivatives contracts listed in the stock market on their own or by third parties or both.• Establishing the norms for the participants of the derivatives market when holding operations with derivatives contracts in renowned markets abroad.• Perform specifications in the accounting norms.• Incorporating securities valuation norms as well as for other financial instruments that belong to the general balance of the liquidating partners and compensation chambers.

Auxiliary credit organizations, currency exchange offices, credit unions, limited purpose finance companies and regulated multi-purpose finance companies.

“GENERAL PROVISIONS APPLICABLE TO AUXILIARY CREDIT ORGANIZATIONS, CURRENCY EXCHANGE OFFICES, CREDIT UNIONS, LIMITED PURPOSE FINANCE COMPANIES AND REGULATED MULTI-PURPOSE FINANCE COMPANIES”

No.	Issuance date	Publication in the DOF	Objective
1	January 18, 2013.	January 31, 2013.	<ul style="list-style-type: none">• Eliminating the application of several newsletters regarding auditing, derived from the adoption of NIAS, by the Commission of Auditing and Procurement Norms of the Mexican Institute of Public Accountants, A.C., issued by the Council of International Auditing and Procurement Norms.

Credit institutions, popular finance companies, community finance companies, savings and loan companies and credit unions.

“GENERAL PROVISION APPLICABLE TO THE INFORMATION REQUIREMENTS FORMULATED BY THE AUTHORITIES REFERRED TO IN ARTICLES 117 OF THE CREDIT INSTITUTIONS LAW, 34 OF THE POPULAR SAVINGS AND LOAN LAW, 44 OF THE CREDIT UNIONS LAW AND 69 OF THE LAW TO REGULATE THE ACTIVITIES OF THE SAVINGS AND LOAN COOPERATIVES”

No.	Issuance Date	Publication in the DOF	Objective
1	February 1, 2013.	February 12, 2013.	<ul style="list-style-type: none"> Establishing a regulatory framework, in order to optimize the processing of the information and documentation requirements formulated by the legal, administrative and tax authorities regarding the banking and fiduciary sector.

Credit institutions, limited object financial companies, currency exchange offices, brokerage firms, operative companies of mutual funds, companies that distribute mutual funds shares, bonded warehouses, financial leasing companies, financial factoring companies, popular finance companies, community finance companies, savings and loan cooperatives, credit unions, currency exchange offices, money transfer companies and regulated and not regulated multi-purpose financial companies subjected to the CNBV.

“NOTIFICATION OF THE MEDIA THROUGH WHICH THE RESULTS OF THE ANNUAL EXAMINATION BY THE INTERNAL AUDITING AREA OR AN EXTERNAL AUDITOR SHALL BE SUBMITTED”

No.	Issuance date	Publication in the DOF	Objective
1	January 18, 2013.	January 31, 2013.	Inform the entities subjected to the supervision of the CNBV that the electronic media referred to in the valid regulation to submit the results of the annual examination of auditing by the area of internal auditing or an independent external auditor, as well as the document in which the identification policies and the knowledge of the customers and users and criteria, measures and internal proceedings to be adopted to comply with the general provision applicable are developed, is the Inter-institutional System of Information Transfer (SITI), located in the Internet portal of the CNBV.



Not regulated multi-purpose financial companies, currency exchange offices and money transfer companies

“GUIDELINES FOR THE ELABORATION OF THE AUDITING REPORT TO ASSESS THE COMPLIANCE WITH THE GENERAL PROVISIONS REGARDING PREVENTION OF OPERATIONS WITH FINANCIAL RESOURCES OF ILLICIT ORIGIN AND TERRORIST FINANCING”

No.	Issuance date	Publication in the DOF	Objective
1	October 30, 2013.	November 7, 2013.	Issuing the guidelines for the elaboration of the auditing report to evaluate the compliance with the general regulations regarding the prevention of operations with financial resources of illicit origin and terrorist financing.

AGREEMENTS AND PROVISIONS APPLICABLE TO ALL ENTITIES SUBJECTED TO THE CNBV SUPERVISION

No.	Issuance date	Publication in the DOF	Objective
1	November 29, 2013.	December 9, 2013.	Inform about the vacation period of the CNBV through the “Agreement to communicate the vacation period of the Comisión Nacional Bancaria y de Valores”, and informing that: the period shall cover from December 20, 2013 to January 6, 2014, such days shall be considered non-working days regarding the activities or updates to the pending procedures in the CNBV, and that activities shall be resumed on Tuesday January 7, 2014.
2	November 29, 2013.	December 13, 2013.	Informing about the financial calendar 2014 to all entities subjected to the CNBV supervision through the issuance of the “General provisions that outline the days in 2014 in which the financial entities subjected to the supervision of the National Banking and Securities Commission shall close their doors and suspend their operations”.



INTERNAL REGULATIONS OF THE CNBV

No.	Issuance date	Publication in the DOF	Objective
1	October 30, 2013.	November 7, 2013.	Modifying the “Agreement to organically ascribe the administrative units of the National Banking and Securities Commission”, in order to modify the distribution of the General Assistant Managements that aid the General Supervision Managements for Financial Intermediary Groups A and C, ascribed to the Supervision Vice-Presidency for Financial Intermediary Groups.
2	October 30, 2013.	November 7, 2013.	Modifying the “Agreement by which the President of the National Banking and Securities Commission delegates capacities to the Vice-presidents, General Managers and Assistant General Managers within the Commission”, in order to modify the distribution of the Assistant General Managements that aid the General Supervision Managements for the Financial Intermediary Groups A and C, ascribed to the Supervision Vice-Presidency of Financial Intermediary Groups.
3	December 18, 2013.	January 3, 2013.	Modifying the “Agreement by which the administrative units of the National Banking and Securities Commission” are organically ascribed, in order to standardize the name of the Assistant General Management that aids and assists the procedure and resolution of matters of the General Supervision Management of Savings and Loan Cooperatives B, ascribed to the Supervision Vice-Presidency of Development Banking and Popular Finance, with the name of the other existing positions within the CNBV.
4	December 18, 2013.	January 3, 2013.	Modifying the “Agreement by which the President of the National Banking and Securities Commission delegates capacities to the Vice-presidents, General Managers and Assistant General Managers within the Commission”, in order to standardize the name of the Assistant General Management that aids and assists on the procedure and resolution of matters of the General Supervision Management of Savings and Loan Cooperatives B, ascribed to the Supervision Vice-Presidency of Development Banking and Popular Finance, with the name of the other existing positions within the CNBV.



Annex C. Sanctions imposed and fines paid

Sanctioned entities		Fines (pesos)	
Sector	No. of entities	Imposed	Paid ^{1/}
A Bonded warehouses	13	10,218,335.60	888,809.00
B Financial leasing companies	1	344,490.00	369,775.00
C Brokerage firms	29	45,345,235.75	65,602,846.60
D Currency exchange offices	7	15,995,156.27	8,976,124.26
E Issuers	11	27,117,417.48	12,651,120.00
F Federations of popular savings and loans entities	2	1,254,106.30	157,264.00
G Banking real estate companies	1	154,592.49	123,673.99
H Development banking institutions and promotion entities	2	3,408,519.14	708,060.91
I Multiple banking institutions	41	74,919,410.60	35,126,615.43
J Representative offices of foreign financial institutions	8	318,803.00	416,374.00
K Natural persons	29	34,970,617.57	6,519,064.92
L Legal entities and natural persons (shareholders)	1	157,770.00	0
M Service providers (mutual funds)	18	4,378,171.00	774,150.95
N Holding companies of financial groups	2	448,514.00	448,514.00
Ñ Savings and loans cooperatives	17	2,627,071.13	1,975,442.90
O Financial factoring companies	1	344,490.00	344,490.00
P Limited purpose companies	2	122,418.73	73,222.18
Q Multi-purpose finance companies	11	18,315,483.64	2,575,568.11
R Popular financial companies	11	10,259,392.80	5,471,094.24
S Credit bureaus	2	194,583.00	113,595.00
T Ancillary services companies or related to banks	0	0	0
U Credit unions	5	12,103,836.74	9,803,819.38
V Securities rating companies	5	158,875.00	241,075.00
W Companies that manage systems to facilitate operations with securities	2	2,287,665.00	0
Total	221	265,444,955.24	153,360,699.87

NOTES:

1/ It includes fines paid in 2013 that were imposed in previous years.



ACKNOWLEDGEMENTS

We thank each Vice-President and General Manager for their participation and active contribution in the preparation of this Annual Report 2013, providing information about the most important actions that had a positive impact on the Mexican financial system.

President	Jaime González Aguadé
Supervision Vice-President of Financial Intermediary Groups A	Fernando Rodríguez Antuña
Supervision Vice-President of Financial Intermediary Groups B	Ricardo Medina Álvarez
Vice-President of Market Supervision	Carlos Quevedo López
Supervision Vice-President of Development Banking and Popular Finance	Gabriel Napoleón Díaz Leyva
Supervision Vice-President of Preventive Processes	Iván Aleksei Alemán Loza
Technical Vice-President	Jorge Palacios Goddard
Vice-President of Regulatory Policy	José Bernardo González Rosas
Vice-President of Administration and Strategic Planning	Mauro Sánchez Canales
Legal Vice-President	Jorge Leonardo González García
General Manager of Supervision Methodologies and Procedures	Alejandra Ángela Olivares Castorena
General Manager of Special Projects and Social Communication	Enrique Perret Erhard

In addition, we appreciate the work of the project team that conducted the Annual Report 2013:

Project Management and Coordination – General Management of Strategic Planning: Ian Sergio Malo Bolívar, Aura Ivett Villagrana Gómez, Michelle Ivonne Chabert Mendoza, Noemí Calderón Navarrete, Sara Lilia González Ángeles, Rodrigo Villaseñor Urbina and Héctor Olvera Villanueva.

Proofreading - Assistant General Management of Economic Studies: Nora García Medina

Creativity and design – Director of Internal Communication: Manuel Schutte Zúñiga, Mariana Erdheim Reta and Bernabé Zamora García.

Information Coordinators:

Presidency and General Management of Special Projects and Social Communication	Mary Carmen Hernández Gómez
Supervision Vice-Presidency of Financial Intermediary Groups A	Rosalía Godoy Ibarra
Supervision Vice-Presidency of Financial Intermediary Groups B	Ariadna Ortiz Sánchez
Vice-Presidency of Market Supervision	Bryan Lepe Sánchez
Supervision Vice-Presidency of Development Banking and Popular Finance	Soledad Flores Monter
Supervision Vice-Presidency of Preventive Processes	Viviana Santiago López
Technical Vice-Presidency	Andrea Vives Delgado
Vice-Presidency of Regulatory Policy	Nora García Medina
Vice-Presidency of Administration and Strategic Planning	Aura Ivett Villagrana Gómez
Legal Vice-Presidency	María del Socorro Aguirre Manzanares
General Management of Supervision Methodologies and Procedures	Beatriz Anaya Castro

