Holding Monex, S.A.
de C.V. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2009 and 2008, and Independent Auditors' Report Dated April 9, 2010

Holding Monex, S.A. de C.V. and Subsidiaries

Independent Auditors' Report and Consolidated Financial Statements 2009 and 2008

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Independent Auditors' Report to the Board of Directors and Stockholders of Holding Monex, S.A. de C.V. and Subsidiaries

We have audited the accompanying consolidated balance sheet of Holding Monex, S.A. de C.V. and Subsidiaries (the "Holding Monex") as of December 31, 2009 and the related consolidated statements of income, changes in stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of Holding Monex's Management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended December 31, 2008 were audited by other auditors whose report dated February 26, 2009, expressed an unqualified opinion on such statements. Such financial statements were prepared in conformity with Mexican Financial Reporting Standards (MFRS), and have been reclassified to conform to the accounting criteria established by the Mexican National Banking and Securities Commission (the "Commission") and the presentation of the 2009 financial statements.

We conducted our audit in accordance with auditing standards generally accepted in Mexico, which require that we plan and conduct the audit to obtain reasonable assurance that the financial statements are free from material misstatements and that they are prepared in accordance with the accounting criteria established by the Commission included in the "General Provisions Applicable to Credit Institutions and Securities Firms". An audit includes examining, on a test basis, the evidence supporting the figures and disclosures in the financial statements. An audit also includes assessing the financial reporting standards used, the significant estimates made by management and the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Notes 1, 2 and 4 to the accompanying consolidated financial statements describe the operations and the operating regulatory environment that affects Holding Monex. Note 4 to the consolidated financial statements describe the accounting criteria prescribed by the Commission in the Provisions, which are used by Holding Monex to prepare its financial information. Similarly, Note 4 describes the amendments to the accounting criteria that went into effect in 2009, some of which were prospectively applied. Note 2 to the consolidated financial statements establishes the main differences between the accounting criteria prescribed by the Commission and MFRS, which are commonly used to prepare the financial statements of other non-regulated entities.

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In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Holding Monex, S.A. de C.V. and Subsidiaries, as of December 31, 2009, and the consolidated results of their operations, changes in their stockholders' equity and their cash flows for the year then ended, in conformity with the accounting practices prescribed by the Mexican National Banking and Securities Commission.

This independent auditors' report and the consolidated financial statements have been translated into English for the convenience of readers.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu

CPA Ricardo A. García Chagoyán
April 9, 2010

Holding Monex, S.A. de C.V. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2009 and 2008
(In millions of Mexican pesos)

Assets

Assets	2009	2008
Funds available	$ 4,934	$ 3,147
Margin accounts (derivative)	147	11
Investment in securities:		
Trading securities	7,329	6,171
Securities available for sale	219	161
Securities held to maturity	18	53
	7,566	6,385
Repurchase agreements		
Securities and derivative transactions:		
Debit balances under repurchase and resale agreements		
Debit balances in loan securities transactions	1	6
	1	6
Derivatives:		
Trading purposes	47	621
	47	621
Current loan portfolio:		
Commercial loans-		
Commercial or financial activity	1,418	1,128
Government entities loans	45	124
	1,463	1,252
Consumer loans	1	-
Total current loan portfolio	1,464	1,252
Past-due loan portfolio:		
Commercial loans-		
Commercial or financial activity	34	7
Total past-due loan portfolio	34	7
Total loan portfolio	1,498	1,259
Allowance for loan losses	(49)	(42)
Loan portfolio (net)	1,449	1,217
Other receivables (net)	3,133	5,482
Properties furniture and fixtures (net)	159	155
Long-term investment in shares	22	23
Deferred taxes (net)	28	79
Other assets:		
Goodwill	15	102
Deferred charges, advance payments and intangibles	541	314
Other assets	48	41
	604	457
Assets of discontinued operations	-	68
Total assets	$ 18,090	$ 17,651

Liabilities

Liabilities	2009	2008
Deposits:		
Demand deposits	$ 2,639	$ 605
Time deposits -		
General public	38	10
Money market	-	183
	2,677	798
Bank and other loans:		
Demand loans		
Short-term loans	360	34
Long-term loans	14	41
	374	75
Resale agreements	1,709	4,935
Sold collaterals or granted in guarantee:		
Repurchase and resale agreements	3,334	6
Loan securities	38	-
Other sold collaterals	171	192
	3,543	198
Derivatives	76	435
Other payables:		
Income taxes and employee profit sharing payables	86	270
Employee profit sharing payable	16	11
Creditors due to liquidations of operations	4,345	5,935
Sundry creditors and other payables	3,082	3,020
	7,529	9,236
Deferred charges and prepaid income	8	2
Liabilities of discontinued operations	-	5
Total liabilities	15,916	15,684
Stockholders' equity		
Capital stock:		
Capital stock	402	402
Additional paid-in capital	823	823
	1,225	1,225
Earned capital:		
Capital reserves	36	8
Accumulated results from prior years	125	-
Gain from valuation of securities available for sale, net	123	136
Net income	665	567
	949	711
Minority interest	-	31
Total stockholders' equity	2,174	1,967
Total liabilities and stockholders' equity	$ 18,090	$ 17,651

Memorandum accounts	2009	2008
Proprietary record accounts:		
Loan commitments	$ 2,097	$ 2,139
Goods in custody or under administration:		
Trusts	4,288	1,082
Goods in custody or under administration	-	9
	6,385	3,230
Collateral received	4,572	1,461
Collateral received and sold or pledged as guarantee	3,648	1,461
Investment banking transactions on behalf of third parties (net)	51,377	68,548
Uncollected interest earned on past due loan portfolio	3	2
Loan under administration	83	105
Other record accounts	60	250
	$ 66,128	$ 75,057

The accompanying notes are part of these consolidated financial statements.

Holding Monex, S.A. de C.V. and Subsidiaries

Consolidated Statements of Income

For the years ended December 31, 2009 and 2008
(In millions of Mexican pesos)

	2009	2008
Trading and sales gains, net		
Foreign exchange	$ 2,006	$ 2,256
Derivative instruments	61	34
Bonds and securities	133	(13)
Equity instruments	4	(1)
Trading and sales gains, net	2,204	2,276
Interest income	506	522
Interest expense	(327)	(470)
Financial margin	2,383	2,328
Provision for loan losses	(24)	(34)
Financial margin after provision for loan losses	2,359	2,294
Commission and fee income	736	373
Commission and fee expense	(123)	(105)
Net commissions	613	268
Total operating revenues	2,972	2,562
Administrative and promotional expenses	(2,236)	(1,857)
Operating income	736	705
Other income	193	211
Other expense	(37)	(121)
Income before current and deferred income taxes	892	795
Current income taxes	(271)	(260)
Deferred income taxes (net)	44	32
	(227)	(228)
Income before equity in results of subsidiaries and associated companies	665	567
Net income from investment in subsidiaries and associated companies	-	6
Net income before discontinuing operations	665	573
Discontinuing operations (net)	-	(13)
Consolidate net income	665	560
Participating – Not controller	-	7
Net income controller	$ 665	$ 567

The accompanying notes are part of these consolidated financial statements.

Holding Monex, S.A. de C.V. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2009 and 2008
(In millions of Mexican pesos)

	Paid in capital		Earned capital					
	Capital Stock	Premium on shares sold	Capital reserves	Accumulated results from prior years	Gain from valuation of securities available for sale, net	Net income	Minority interest	Total Equity
Balances as of December 31, 2007	$ 402	$ 842	$ -	$ -	$ -	$ 153	$ 39	$ 1,436
Transfer of prior year's result	-	-	-	153	-	(153)	-	-
Creation of reserve	-	-	8	(8)	-	-	-	-
Dividends canceled	-	- (19)	-	(145)	-	-	-	(164)
Total entries approved by stockholders	-	(19)	8	-	-	(153)	-	(164)
Comprehensive income-								
Result from valuation of securities available for sale, net	-	-	-	-	136	-	-	136
Net income	-	-	-	-		-	-	567
Minority interest	-	-	-	-	-	567	(8)	(8)
Total comprehensive result	-	-	-	-	136	567	(8)	695
Balances as of December 31, 2008	402	823	8	-	136	567	31	1,967
Transfer of prior year's result	-	-	28	539	-	(567)	-	-
Purchase minority interest	-	-	-	-	-	-	(31)	(31)
Dividends declared	-	-	-	(450)	-	-	-	(450)
Total entries approved by stockholders	-	-	28	89	-	(567)	(31)	(481)
Comprehensive income-								
Result from valuation of securities available for sale, net	-	-	-	-	23	-	-	23
Net income	-	-	-	-	-	665	-	665
Others	-	-	-	36	(36)	-	-	-
Total comprehensive result	-	-	-	36	(13)	665	-	688
Balances as of December 31, 2009	$ 402	$ 823	$ 36	$ 125	$ 123	$ 665	$ -	$ 2,174

The accompanying notes are part of these consolidated financial statements.

Holding Monex, S.A. de C.V. and Subsidiaries

Consolidated statement of cash flows

For the year ended December 31, 2009
(In millions of Mexican pesos)

Net income:	$ 665
Provision for loan losses	24
Allowance for bad debts or doubtful accounts	11
Depreciation and amortization	90
Incurred and deferred income taxes	227
Adjustment for line items that do not require cash flows	1,017
Operating activities:	
Change in margin accounts	(136)
Change in investments in securities	(1,158)
Change in loan securities transactions (net)	5
Change in derivatives (asset)	574
Change in loan portfolio (net)	(256)
Change in collection rights acquired	2,338
Change in other operating assets	(23)
Change in deposits	1,879
Change in bank and other loans	299
Change in creditors under repurchase agreements	(3,226)
Change in collateral sold or pledged as guarantee	3,345
Change in derivatives (liability)	(359)
Change in other operating liabilities	(1,977)
Net cash provided by operating activities	2,322
Investing activities:	
Increase in stockholder's equity	(58)
Collection from disposal of property, furniture and equipment	4
Payments for acquisition of property, furniture and equipment	(31)
Net cash provided by investing activities	(85)
Financing activities:	
Dividends paid	(450)
Net cash used in financing activities	(450)
Net increase in cash	1,787
Cash and cash equivalents at the beginning of the year	3,147
Cash and cash equivalents at the end of the year	$ 4,934

The accompanying notes are part of this consolidated financial statement.

Holding Monex, S.A. de C.V. and Subsidiaries

Consolidated Statement of Changes in Financial Position

For the year ended December 31, 2008
(In millions of Mexican pesos)

Operating activities:	
Income from continuing operations	$ 567
Add (less) items that did not require (generate) resources:	
Result from valuation associated with investing or financing activities	(423)
Depreciation and amortization	37
Provision for loan losses	34
Allowance for bad debts or doubtful accounts	3
Equity in the results of subsidiaries and associated companies	(6)
Deferred income taxes	(32)
	180
(Increase) decrease in operating assets and liabilities:	
Investments in securities and repurchase agreement transactions (net)	(5,139)
Securities and derivatives transactions, (net)	(623)
Loan portfolio (net)	(588)
Other accounts receivable (net)	(2,323)
Deposits	(566)
Bank and other loans	(92)
Derivatives	4,934
Resale agreements	429
Other payables	3,510
Net resources used in operating activities	(278)
Financing activities:	
Increase (decrease) in:	
Dividends declared	(164)
Minority interest	(8)
Net resources used in financing activities	(172)

Investing activities:	
Increase (decrease) in:	
Purchase of property, furniture and fixtures	(46)
Investments in shares	15
Decrease in other assets (net)	(414)
Net resources used in investing activities	(445)
Net decrease in funds available	(895)
Funds available at beginning of year	4,042
Funds available at end of year	$ 3,147

The accompanying notes are part of this consolidated financial statement.

(In millions of Mexican pesos)

1. Activities, regulatory environment and relevant events

Holding Monex, S.A. de C.V. (hereinafter, the "Holding Monex") was established on July 10, 2007. Holding Monex's main activities are to promote, establish, acquire and manage any kind of entities in order to be its holding.

The main activity of the subsidiaries is to carry out financial transactions that include the rendering of full-banking services and stock exchange intermediation, as well as the emission, distribution and commercialization of any kind of vouchers, passwords coupons, pay stubs and payment orders, through printed or electronic media.

Due to the global economic slowdown, which increased during the last quarter of 2008, worldwide financial markets have experienced great volatility that triggered the bankruptcy and the financial bailout of some financial institutions, mainly in the United States. As a consequence, in the local environment investors are averse to risk, which has led to a drop in stock markets, a credit reduction and liquidity crisis in the markets. However, as Holding Monex operates on the foreign exchange market and given the profiles of the customers with which it performs transactions, it was able to maintain its operating margin based on purchase and sale exchange rate differences.

During 2009 as a result of economic recession, there were mixed signals in macroeconomic indicators in Mexico, which illustrate the economic environment in which Holding Monex operates. Some relevant indicators are: a) decrease in inflation from 6.53% in 2008 to 3.57% in 2009, b) appreciation of the Mexican peso exchange rate to the U.S. dollar for 5.54%, c) reduction in interbank interest rates, d) increase in unemployment rate, e) drop in the gross domestic product (GDP) to levels of negative 8% and f) decrease in investment and private consumption.

Significant events in 2009-

The following corporate breakup and merger transactions were performed during 2009:

- *Corporate breakup of the Brokerage House.* Pursuant to November 26, 2009 General Ordinary and Extraordinary Stockholders' Meeting resolution, was approved the corporate breakup of certain assets of Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero (the Brokerage House), whereby two legal entities were spun-off: a) ActiMonex, S.A. de C.V. (ActiMonex) and b) Escin Monex, S.A. de C.V. (EscinMonex). This transaction was authorized by the Commission on October 28/2009, through Resolution Number 310/87120/2009. The assets subject to the spun-off are detailed below:

	ActiMonex	EscinMonex	Total
Spun-off assets-			
Funds available	$ -	$ 383	$ 383
Securities available for sale	215	-	215
Furniture and fixtures	42	-	42
Long-term investment in shares	13	-	13
Deferred charges, advance payments and intangibles	19	-	19
	$ 289	$ 383	$ 672

- *Merger of ActiMonex with the Bank*- Pursuant to November 26, 2009 General Ordinary and Extraordinary Stockholders' Meeting resolution, ActiMonex (absorbed entity) merger with Banco Monex, S.A. Institución de Banca Múltiple, Monex Grupo Financiero (the Bank) (surviving company). The merger was performed with figures as of October 31, 2009, and involved the aforementioned assets and capital. This transaction was authorized by the aforementioned resolution.

- *Incorporation of EfectiMonex*- On November 26, 2009, Escin Monex incorporated a new entity denominated EfectiMonex, S.A. de C.V. (EfectiMonex) through a capital contribution of $383.

- *Merger of EscinMonex and EfectiMonex with the Financial Group*- Pursuant to November 26, 2009 General Ordinary and Extraordinary Stockholders' Meeting resolution, EscinMonex and EfectiMonex (absorbed entities) merger with Monex Grupo Financiero, S.A. de C.V. (the Financial Group) (surviving company). The merger was performed based on figures as of October 31, 2009, and involved the aforementioned assets and capital.

- *Acquisition of Monex Servicios, S.A. de C.V.* (formerly Pagos Dimex, S.A. de C.V.) (Monex Servicios). On December 23, 2009, through the execution of a stock purchase agreement, the Bank acquired 99.99% of the shares of Monex Servicios from Holding Monex for an amount of $1. The sales price reflected the accounting value of the total capital of Monex Servicios at the transaction date. This transaction was authorized by the Commission with Resolution Number 312-2/82141/2009.

- *Merger of Precard, S.A. de C.V.* - On July 16, 2009, the merger between Precard, S.A. de C.V. (Precard) (absorbed entity) and Prestaciones Universales, S.A. de C.V. (Prestaciones) (surviving company) with figures as of April 30, 2009, was carried out. Given that both companies were under control of Holding Monex, the merger was recorded at the book value of the absorbed entity.

  The corporate events previously mentioned did not impact the financial statements of Holding Monex.

- Acquisition of 51% of the AdmiMonex shares – Pursuant to two stock purchase agreements, Holding Monex acquired 51% of the stock of AdmiMonex, S.A. de C.V. (formerly Afore Ahorra Ahora, S.A. de C.V.) (AdmiMonex) from third parties.

2. Main differences with Mexican Financial Reporting Standards

Due to the fact that most operations of Holding Monex are regulated by the Commission, the consolidated financial statements have been prepared in complying with the accounting criteria issued by the Commission, which, in the following cases, differs from Mexican Financial Reporting Standards (MFRS, individually referred to as *Normas de Información Financiera* or NIFs) commonly applied in preparing financial statements for other kinds of unregulated companies:

- Since May, 2009, repurchase transactions are recorded based on their economic substance and not on the legal effects of the transaction i.e., they are considered as guaranteed financing in which the buying party provides cash as financing in exchange for financial assets that serve as protection in the event of default. Interest on repurchase agreements is recorded in results as earned, based on the effective interest method. This change was also prospectively applied. Up to April 30, 2009, repurchase agreements were recorded as a purchase-sale transaction based on how they were contracted, rather than the economic substance of the transaction. The premium on repurchase agreements was recognized at the present value of the transaction's price at maturity instead of by using the straight line method.

- The accrual of interest earned on credit transactions is suspended when the unpaid balance is considered past due. Insofar as the credit is maintained in the past due portfolio, interest earned is controlled in memorandum accounts. When such past due interest is collected, it is recognized directly in results for the year as part of the interest income line item. NIFs require the recognition of earned interest and, if applicable, the creation of an allowance for doubtful accounts based on a study of their recoverability.

- Depending on their nature, sundry debtor amounts that are not collected in 60 days are reserved in the income statements, regardless of the likelihood of recovery by Holding Monex.

- The Commission establishes methodologies to determine an allowance for loan losses based on the expected loss. NIFs require the creation of an allowance for doubtful accounts based on a study of their recoverability, without establishing a specific methodology.

- The accounting criteria of the Commission establishes the possibility of transferring securities classified as "held to maturity" to "securities available for sale" only if the entities do not have the intention or the ability to hold them to maturity. On November 9, 2009, the Commission issued a Ruling that modifies the "General provisions applicable to credit institutions" to allow reclassifications to the securities held to maturity classification or from trading securities to securities available for sale, with the Commission's previous express authorization. However, according to Financial Reporting Standard Interpretation No. 16 (INIF 16), express authorization is only required in unusual cases and these transfers are allowed when the financial instruments are no longer actively traded, when they have a defined maturity date, and the entity has the intention and the ability to hold them to maturity.

- Collateral granted in cash, securities, or other funds available in transactions with derivatives in recognized markets or stock exchanges are presented under a specific balance sheet line item called "Margin Accounts", instead of under the "Derivatives" line item as required by NIFs.

- The contribution or margin accounts (delivered and received) used when derivative financial instruments are negotiated in non-recognized markets are recorded under "Funds Available" and "Sundry creditors and other accounts payable", respectively, instead of under the "Derivatives" line item as required by NIFs.

- In accordance with the accounting and information practices established by the Commission, Holding Monex presents the statements of changes in financial position for the year 2008 instead of the statement of cash flows in accordance with NIF B-2, which provides that as of 2008 non-regulated entities are obligated to prepare the statement based on cash flows. For 2009, as required by the accounting criteria of the Commission, Holding Monex presents the statement of cash flows, which does not include the excess cash for financing activities line item as required by NIFs.

- In the statement of cash flows, the net result is increased by the allowance for loan losses and the allowance for bad debts or doubtful accounts, a situation that is not required by NIFs.

- The Commission's treatment establishes that segregated embedded derivatives must be presented together with the host contract, instead of separately as required by NIFs. Similarly, the Provisions establish that for fair value hedges, the book value adjustment for the valuation of the hedged item must be presented in a separate balance sheet line item, instead of presenting it in the primary hedged position, as required by NIFs.

- The new Provisions issued by the Commission establish definitions for related parties that differ from those established by NIFs.

3. Basis of presentation

Explanation for translation into English - The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. These consolidated financial statements are presented on the basis of accounting criteria prescribed by the Commission. Certain accounting practices applied by Holding Monex may not conform to accounting principles generally accepted in the country of use or NIFs.

Consolidation of financial statements - The consolidated financial statements include the financial statements of Holding Monex and those of its subsidiaries in which it holds control. The shareholding percentage in their capital stock is shown below:

Company	Ownership percentage 2009	Ownership percentage 2008	Activity
1. Prestaciones Universales, S.A. de C.V. (Prestaciones)	99.66%	83.33%	It is a direct subsidiary of Holding Monex. The main activity of Prestaciones is the emission, distribution and commercialization of any kind of vouchers, passwords coupons, pay stubs and payment orders, through printed or electronic media.
1.1 Precard, S.A. de C.V. (Precard)	-	83.33%	Until June, 2009, it was a direct subsidiary of Holding Monex. The main activity was to manage or promote the stockholders' equity of any all types of companies. In such month, the merger between Precard and Prestaciones was carried out.
2. Pagos Intermex, S.A. de C.V. (Intermex)	99.99%	99.99%	It is a direct subsidiary of Holding Monex. Its main activity is to pay remittances in Mexico from Mexicans relatives who reside in the United States of America. Payments are mainly accomplished through branches and correspondents in the country.
3. AdmiMonex, S.A. de C.V. (formerly Afore Ahorra Ahora, S.A. de C.V.) (AdmiMonex)	99.99%	49%	It is a direct subsidiary of Holding Monex. Until July 2009, it manages and operates individual savings from the Pension System. Nowadays, Admimonex is not operating.
4. Grupo Financiero Monex, S.A. de C.V. (the Financial Group)	99.99%	99.99%	It is a direct subsidiary of Holding Monex, established on May 23, 2003. It is authorized by the Treasury Department (SHCP) to operate as a financial group under the form and terms established by the Financial Group Law (the Law). Per legal requirements, the Financial Group has unlimited liability for the obligations assumed and losses incurred by each of its subsidiaries.
4.1 Banco Monex, S.A. de C.V., Institución de Banca Múltiple, Monex Grupo Financiero (the Bank).	99.99%	99.99%	It is a direct subsidiary of the Financial Group. The Bank is authorized to perform full-service banking transactions including, among others, granting loans, performing securities transactions, receiving deposits, accepting loans, performing currency purchase-sale transactions and executing trust contracts.
4.1.1 Monex Servicios, S.A. de C.V. (Monex Servicios)	99.99%	99.99%	It is an indirect subsidiary of the Financial Group. Monex Servicios provides supplemental and ancillary services to the Bank per article 88 of the Law on Credit Institutions. Monex Servicios currently sub-lets the premises and assets of the Bank and its 61 branches.
4.2 Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero (the Brokerage House)	99.99%	99.99%	It is a direct subsidiary of the Financial Group. The Brokerage House acts as a financial intermediary for transactions involving securities and derivative financial instruments authorized under the Stock Market Law (LMV) and the general provisions issued by the Commission.
4.2.1 Monex Securities, Inc. (Monex Securities)	100%	100%	It is an indirect subsidiary of the Financial Group. Monex Securities acts as a stock market intermediary in the U.S. market.
4.2.2 Monex Assets Management, Inc. (Monex Assets)	100%	-	It is an indirect subsidiary of the Financial Group. Monex Assets acts as a stock market intermediary in the U.S. market.
4.3 Monex Operadora de Fondos, S.A. de C.V., Monex Grupo Financiero, Sociedad Operadora de Sociedades de Inversión (Operadora)	99.99%	99.99%	It is a direct subsidiary of the Financial Group. Its main activity is to mange mutual funds and to promote its shares.

Until June 2009, AdmiMonex was engaged in the administration and operation of individual retirement savings accounts. However, at that time, the company sold its customer portfolio through the portfolio assignment contract executed on August 7, 2009, for the amount of $17, after which the assets it administered were transferred to the buyer.

With Resolution number D00/100/047/2009 of June 24, 2009, issued by the National Commission of the Retirement Savings System (CONSAR) canceled AdmiMonex's license to legally act as a Retirement Savings Fund Administrator.

The "Assets from discontinued operations" and "Discontinued operations, net of tax" headings of the consolidated financial statements for the year ended December 31, 2008, present the balances and results of AdmiMonex, respectively.

Trading and sales gains, net - In order to emphasize its main activity, Holding Monex presents "Trading and sales gains, net" as the first line in the statement of income as of December 31, 2009 and 2008.

Conversion of the 2008 consolidated financial statements to the accountant criteria of the Commission - The consolidated financial statements as of December 31, 2008 were prepared in accordance with NIFs. Some accounts have been reclassified in order to conform to the presentation of the 2009 financial statements.

Translation of financial statements of foreign subsidiaries- To consolidate financial statements of foreign subsidiaries, the accounting policies of the foreign entity are converted to NIF using the currency in which transactions are recorded. The financial statements are subsequently translated to Mexican pesos considering the following methodologies:

Foreign operations whose functional currency is not the Mexican peso are translated into financial statements using the following exchange rates: 1) closing exchange rate for monetary assets and liabilities; 2) the historical exchange rate for stockholders' equity; and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in the equity.

The currency in which transactions are recorded and the functional currency of foreign operations are the same. The exchange rates used in the different translation processes are as follows:

Company	Recording currency	Exchange rate to translate from recording currency to Mexican pesos
Monex Securities	U.S. dollar	$13.0659
Monex Assets	U.S. dollar	$13.0659

Holding Monex´s functional currency is the Mexican peso, due to Holding Monex has investments in foreign subsidiaries, which functional currencies, are not the Mexican peso, Holding Monex is exposed to translation adjustments. In addition, Holding Monex has monetary assets and liabilities in foreign currencies, mainly in U.S. dollars and Euros; therefore, over the normal course of business, it is also exposed to foreign currency exchange risks (refer to Note 31 Comprehensive risk management for further details).

4. Significant accounting policies

The significant accounting policies applied by Holding Monex are in compliance with the accounting criteria established by the Commission in the "General provisions applicable to Financial Groups, Credit Institutions, Brokerage Houses, Mutual Funds and companies that provide it services ", in its Rulings and in general and specific official letters issued for such purposes, which require Management to make certain estimates, use certain assumptions to determine the valuation of items included in the consolidated financial statements and make the disclosures required for their presentation. Although the final effect could differ, Management considers that the estimates and assumptions used were adequate under the circumstances.

Based on accounting criteria A-1 of the Commission, the accounting of Holding Monex and its main subsidiaries will be adjusted to MFRS defined by the Mexican Board for the Research and Development of Financial Reporting Standards (CINIF), except when the Commission believes that a specific regulation or accounting treatment should be applied on the basis that the institutions carry out specialized transactions.

Changes in accounting policies -

Changes in the Accounting Criteria of the Commission -

Changes which occurred during 2009

During 2009, the Federal Official Gazette published certain modifications to the accounting criteria for Credit Institutions, effective as of the day following their publication.

The purpose of these changes is to achieve consistency with International Accounting Standards, and to provide more complete financial information with greater and better disclosures, and they focus principally on the subject of investments in securities, derivatives and hedging operations and credit portfolio, and on the presentation of the basic financial statements.

The most significant effects of these changes are as follows:

– *Repurchase agreements and securities loans* - Up to April 30, 2009, repurchase agreements were recorded based on the legal basis of the transaction as a sale of securities in which an agreement to repurchase the transferred securities is established. The transactions in which Holding Monex acted as the securities vendor and/or purchaser were shown net in the consolidated balance sheets. As of May 1, 2009, these transactions are recognized based on the economic substance of the transactions as guaranteed financing. In the case of securities loans, the accounting treatment is similar insofar as both transactions imply the temporary transfer of financial assets in exchange for collateral. This treatment also allows institutions to report securities regardless of the category in which they are located under the Investments in securities line item. The accounting and disclosure policies are further discussed in this Note.

– The transaction costs for the acquisition of financial instruments are recognized depending on the category in which the acquired securities are classified. If they are classified as trading securities, the transaction costs are recognized in results of the year on the acquisition date. If they are classified as securities available for sale and held to maturity, they are recognized initially as part of the investment.

– The concept of the impairment of the value of a security or a net asset instrument is incorporated, if there is an objective evidence of events subsequent to the initial recording of the security, which have an effect on the expected cash flows of the security, the impairment in the value of the security must be recorded, and, depending on its intention, its effect will be recognized in comprehensive income or in income statement of the year.

– For all those derivative financial instruments designated as hedges, effectiveness testing must be applied prospectively and retrospectively at least once every quarter, even if the critical terms of the derivative and the hedged item match. Furthermore, the transaction costs which are directly attributable to the acquisition of derivative financial instruments must be recognized directly in the income statement.

– The accounting definition and treatment for "costs and expenses associated to initial loan granting" are incorporated in order to defer such costs and expenses based on the life of the loan. Costs and expenses associated with initial loan grants must be recognized as a deferred expense that will be amortized as an interest expense during the period in which income on commissions charged is recognized; this definition only includes incremental costs and expenses. These changes will be applied prospectively due to the impracticality of determining them for prior years.

- The definition of related parties is expanded to include spouses or individuals who have kinship with individuals who were already considered related parties and individuals other than key management or executive personnel who may generate obligations for the entity.

- Changes in the presentation of basic financial statements as a result of various accounting changes and changes in the disclosure and analysis requirements in the notes to the financial statements to enable the reader to obtain a greater understanding of the financial information.

- A statement of cash flows must be presented instead of a statement of changes in financial position, on a prospective basis, for that reason the statement of cash flows and the statement of changes in financial position are presented for the years ended December 31, 2009 and 2008, respectively. Furthermore, employee statutory profit sharing is presented in 2009 as part of operating expenses, and not as part of taxes on income. In general, the structure of the financial statements is changed and the disclosure requirements are increased in different headings.

- Subsequently, on November 9, 2009 the Commission issued a Ruling which modifies the "General provisions applicable to credit institutions", and allows reclassifications to be made to the category of securities held to maturity or from trading securities to securities available for sale, with the prior express authorization of the Commission, in both cases.

- On August 12, 2009, the Commission issued a Ruling which modifies the "General provisions applicable to credit institutions" the consumer portfolio rating methodology so that the parameters used for the allowances for loan losses reflect, based on the current environment, the expected 12-month loss on credit cards.

Changes in NIF applicable to Holding Monex

On January 1, 2009, the following NIFs went into effect:

NIF B-7, "Business Acquisitions" - Establishes the general standards for valuation of the net assets of one or more "businesses" acquired and controlled at the acquisition date, as well as of the non-controlling interest (minority interest) and other items that may be generated upon acquisition, such as goodwill and the gain on the acquisition.

NIF B-8, "Consolidated or Combined Financial Statements" - Updates the general standards for preparation and filing of consolidated and combined financial statements and for the disclosures included in those financial statements. Consolidated financial statements are the basic consolidated financial statements of an economic entity composed of the controlling entity and its subsidiaries. Combined financial statements are the basic financial statements of affiliated entities that belong to the same owners.

NIF C-7, "Investments in Associated Companies and Other Permanent Investments" - Defines the standards for accounting recognition of investments in associated companies and other permanent investments over which no control, joint control, or significant influence is exercised.

NIF C-8, "Intangible Assets" - Establishes the general standards for the initial and subsequent recognition of intangible assets acquired individually or through a business acquisition or that are internally generated during an entity's regular course of business.

NIF D-8, "Share-based Payments" - Establishes the valuation and recognition standards for share-based payments.

Similarly, on December 18, 2009, the CINIF issued Financial Reporting Standard Interpretation 18 (INIF 18) "Recognition of the effects of the 2010 Tax Reform on income taxes", requiring its application to financial statements with accounting periods ended as of December 7, 2009, the date on which the Decree to amend, incorporate, and eliminate various tax provisions was published in the Federal Official Gazette.

INIF 18 was issued to deal with various tax inquiries related to tax consolidation, changes in the ISR rate, and the recognition due to the impossibility of crediting IETU tax loss carryforwards against ISR.

The significant accounting policies of Holding Monex are as follows:

Recognition of the effects of inflation - Since the cumulative inflation for the three years prior to those ended December, 31, 2009 and 2008, was 15.01% and 11.56%, respectively; the economic environment may be considered non-inflationary in both years. Inflation rates for the years ended 2009 and 2008 were 3.57% and 6.53%, respectively.

Beginning on January 1, 2008, given that Holding Monex operates in a non-inflationary environment, it suspended its recognition of the effects of inflation in the financial statements, however, assets, liabilities and stockholders' equity included the restatements effects recognized through December, 31, 2007.

Funds available - Funds available are valued at face value; foreign currency funds available are valued at fair value using the year end quotation.

Foreign currency acquired which it is agreed will be settled on a date subsequent to the purchase-sale transaction is recognized as restricted funds available (foreign currency receivable). Foreign currency sold is recorded as a credit to funds available (foreign currency deliverable). The offsetting entry is recorded in a debit or credit settlement account when a sale or purchase is performed, respectively.

For financial information presentation purposes, foreign currency settlement accounts receivable and payable are offset by contract and term and are presented under other accounts receivable (net) or other accounts payable, as applicable.

Interbank loans executed for a term of three working days or less, as well as other funds available such as correspondent banks or other liquid notes, are also included in this line item.

Margin accounts - Margin accounts (guarantee deposits) for transactions with derivative financial instruments in recognized markets are recorded at face value.

Guarantee deposits are used to ensure compliance with the obligations related to the derivatives executed in recognized markets and refer to the initial margin, and subsequent contributions and withdrawals made during the term of the respective contracts.

Trading securities - Trading securities represent investments in debt and equity securities, in proprietary position and pledged as guarantee, which are acquired with the intention of selling them to obtain gains resulting from the price differences in the purchase sale transactions. Upon acquisition they are initially recorded at fair value (which includes the discount or markup, as applicable). They are subsequently valued at the fair value determined by the price supplier engaged by Holding Monex in accordance with the provisions of the Commission. The cost is determined using the average cost method. The difference between the cost of the investments in debt and equity securities and their fair value is recorded in the consolidated statements of income. The effects of valuation will be treated as unrealized and, therefore, cannot be distributed to stockholders until the securities are sold.

Fair value is the amount at which an asset may be exchanged or a liability may be settled by informed, willing and interested parties in an arm's length transaction.

The transaction costs for the acquisition of trading securities are recognized in results for the year on the acquisition date.

Cash dividends of share certificates are recognized in results for the year in the same period in which the right to receive such payment is generated.

The exchange gain or loss on foreign currency-denominated investments in securities is recognized in results for the year.

This heading records “Value date transactions”, which refer to purchase and sale transactions of unsettled, assigned securities, which are valued and recorded as trading securities, recording the receipt and expense (debit or credit balance) of the securities subject to the transaction when they are agreed, against the respective debit or credit settlement account.

In November and December, 2009, the Commission issued a Ruling that modifies the “General provisions applicable to credit institutions and brokerage houses” respectively in order to allow reclassifications to securities held to maturity from any other classification, or from trading securities to securities available for sale, previous express authorization from the Commission.

Securities available for sale - Securities available for sale are debt instruments and shares that are not for purposes of obtaining gains derived from the price differences resulting from purchase and sale transactions and, in the case of debt instruments, those that the entity does not intend or is able to hold to maturity and, therefore, represent a residual category, i.e., they are acquired for purposes other than those of trading securities or securities held to maturity because the entity intends to trade them at some point in the future but before they mature.

Upon acquisition they are initially recorded at fair value plus the acquisition transaction cost (including the discount or markup, as applicable), which is the acquisition cost for Holding Monex. They are subsequently valued at fair value.

Holding Monex determines the increase or decrease in the fair value valuation using restated prices provided by the price supplier, which uses various market factors for their determination. The yield on debt securities is recorded using the imputed interest or straight line method depending on the nature of the security; such yield is recognized as realized in the consolidated statement of income under “Interest income”. Unrealized gains or losses resulting from the valuation according to the price supplier are recorded in other comprehensive income items under stockholders’ equity, specifically, under the "Result from valuation of securities available for sale” deferred relative tax net, line item, provided such securities were not defined as hedged in a fair value hedging relationship through a derivative financial instrument, in which case they are recognized in results for the year.

Cash dividends of share certificates are recognized in results for the year in the same period in which the right to receive such payment is generated.

The exchange gain or loss on foreign currency-denominated investments in securities is recognized in results for the year.

The accounting criteria of the Commission allow the transfer of securities classified as “held to maturity” to the “securities available for sale” classification provided Holding Monex does not have the intention or the ability to hold them to maturity.

In November and December, 2009, the Commission issued Rulings that modified the general provisions applicable to credit institutions and brokerage houses, respectively, to allow reclassifications to the securities held to maturity classification or from trading securities to securities available for sale with the Commission’s previous express authorization.

Securities held to maturity - Securities held to maturity are securities whose payments can be determined with known maturity, which the entity has the intention and capability to hold it until its maturity. They are initially recorded at its fair value plus the acquisition cost (which includes the discount or overpayment). Subsequently, they are valued to their accrued cost. Accrued interest is recorded in the consolidated statements of income using the straight-line method, based on the type of instrument.

The accounting criteria of the Commission establishes that transfers can only be made from this heading to that of Securities available-for-sale, whether or not Holding Monex is capable of holding them to maturity.

On November 9, 2009, the Commission issued a Ruling that modifies the "General provisions applicable to credit institutions and brokerage houses" to allow reclassifications to the securities held to maturity classification with the Commission's previous express authorization.

The cash dividends of share certificates are recognized in the results of the year during the same period in which the right to receive the payment is generated.

Impairment in the value of a credit instrument -Holding Monex must evaluate whether there is objective evidence that a credit instrument is impaired as of the balance sheet date.

It is considered that a credit instrument is impaired and, therefore, a loss from impairment is incurred if, and only if, there is objective evidence of the impairment as a result of one or more events that took place after the initial recognition of the credit instrument, which had an impact on its estimated future cash flows that can be determined reliably. It is very unlikely that one event can be identified that is the sole cause of the impairment, and it is more feasible that the combined effect of different events might have caused the impairment. The expected losses as a result of future events are not recognized, regardless of how probable they are.

Repurchase transactions - Repurchase transactions are those in which the buying party acquires, for a sum of money, the ownership of securities and undertakes to transfer the ownership of similar securities to the selling party within the agreed-upon term and upon payment of the same price plus a premium. Unless otherwise agreed, the premium is for the buying party.

For legal purposes, repurchase transactions are considered as a sale in which an agreement to repurchase the transferred financial assets is executed. Notwithstanding, the economic substance of repurchase transactions is that of guaranteed financing in which the buying party provides cash as financing in exchange for obtaining financial assets that serve as protection in the event of default.

On the contracting date of the repurchase transaction, when Holding Monex acts as the selling party, the entry of the cash or asset or a debit settlement account is recognized, as well as an account payable at fair value, initially at the price agreed, which represents the obligation to repay such cash to the buying party. The account payable will be valued subsequently during the useful life of the repurchase transaction at fair value, recognizing the interest on the repurchase agreement based on the effective interest method in results of the year.

Regarding collateral, Holding Monex will present financial assets as restricted in the balance sheet and valued according to the above criteria until the maturity of the repurchase agreement.

When Holding Monex acts as the buying party on the contracting date of the repurchase transaction, the withdrawal of funds available or a credit settlement account is recognized, recording an account receivable at its fair value, initially at the price agreed, which represents the right to recover the cash delivered. The account receivable will be valued subsequently during the useful life of the repurchase agreement at fair value, recognizing the interest on the repurchase agreement based on the effective interest method in results of the year.

When the transactions performed are considered as cash-oriented, the transaction is intended to obtain cash financing by using financial assets as collateral for such purpose; by the same token, the buying party obtains a return on its investment at a certain rate, and as it is not seeking a specific value, receives financial assets as collateral to mitigate the exposure to credit risk which it faces in relation to the selling party. In this regard, the selling party pays the buying party the interest on the cash that it received as financing, calculated based on the repurchase agreement rate agreed. Also, the buying party obtains yields on its investment, whose payment is assured through the collateral.

When the transactions performed are considered as securities-oriented, the intention of the buying party is to temporarily accept certain specific securities held by the selling party, by granting cash as collateral, which serves to mitigate the exposure to risk faced by the selling party in relation to the buying party. In this regard, the selling party pays the buying party the interest agreed at the repurchase agreement rate for the implicit financing obtained on the cash that it received, in which such repurchase rate is generally lower than that which would have been agreed in a "cash-oriented" repurchase agreement.

Regardless of the economic intent, the accounting for "cash-oriented" or "securities-oriented" repurchase transactions is the same.

Collateral granted and received other than cash in repurchase transactions - In relation to the collateral granted by the selling party to the buying party (other than cash), the buying party recognizes the collateral received in memorandum accounts, following the valuation guidelines for the securities recognized established in treatment B-9 in the account named "Custody and management of assets". The selling party reclassifies the financial asset in its consolidated balance sheets, and it is presented as restricted, for which purpose the rules for valuation, presentation and disclosure are followed, in accordance with the respective accounting treatment established for credit institutions.

When the buying party sells the collateral, the proceeds from the sale are recorded, and an account payable for the obligation to repay the collateral to the selling party (measured initially at the fair value of the collateral) is valued at fair value (any difference between the price received and the fair value of the account payable is recognized in results of the year).

Similarly, if the buying party becomes a selling party due to another repurchase transaction with the same collateral as the initial transaction, the interest on the second repurchase transaction must be recognized in results for the year as earned, using the effective interest method and affecting the account payable valued at amortized cost.

Memorandum accounts recognized for collateral received by the buying party are cancelled when the repurchase transaction matures or when the selling party defaults.

For transactions where the buying party sells or pledges the collateral received (for example, when another repurchase or securities loan transaction is agreed), memorandum accounts are used to control such collateral sold or pledged, which is valued using the standards applicable to custody transactions included in Criterion B-9.

Memorandum accounts which are recognized for collateral received that in turn was sold or pledged by the buying party are cancelled when the collateral sold is purchased to return it to the selling party, or when the second transaction matures or the other party defaults.

Securities loans- A securities loan is a type of transaction in which the transfer of securities is agreed between the lender and the borrower, with the obligation to return such securities or other substantially similar instruments on a given date, or upon request, with a premium received as consideration. In this transaction, collateral or guarantee is requested by the lender from the borrower, other than cash and those permitted under current regulations.

For legal purposes, securities loans are considered as a sale in which an agreement is reached to return the securities subject matter of the transaction on a specific date. Notwithstanding, the economic substance of securities loans is that the borrower can temporarily access certain types of securities in which the collateral serves to mitigate the exposure to risk of the lender in regard to the borrower.

Securities loans are recorded as indicated below:

At the contracting date of the securities loan, when it acts as the lender, Holding Monex records the entry of the security subject matter of the loan transferred to the borrower as restricted, for which reason it applies the rules for valuation, presentation and disclosure in accordance with the respective accounting treatment.

The premium is recorded initially as a deferred credit, recording the debit settlement account or the entry of the cash. The amount of the premium accrued is recognized in results of the year through the effective interest method over the effective term of the transaction.

When it acts as the borrower, at the contracting date of the securities loan, Holding Monex records the security subject matter of the loan received in memorandum accounts, following the valuation guidelines established for securities in the accountant criteria B - 9 "Custody and management of assets".

The premium is recorded initially as a deferred charge, recording the credit settlement account or the withdrawal of the cash. The amount of the premium accrued is recognized in results of the year through the effective interest method over the effective term of the transaction.

The security subject matter of the transaction, as well as the collateral delivered, are presented as restricted, based on the type of financial asset in question.

The security subject matter of the transaction, as well as the collateral received, are presented in memorandum accounts under the heading of Collateral received by Holding Monex.

Derivative instrument transactions (trading purposes) - Holding Monex recognizes all its derivatives (including hedging derivatives) as assets or liabilities (depending on the related rights and/or obligations) in the balance sheet, initially at fair value, which presumably is equal to the price agreed in the transaction.

Transaction costs that are directly attributable to the purchase of the derivative are recognized directly in results.

Subsequently, all derivatives are valued at fair value without deducting any transactions costs incurred during the sale or any other type of disposal, recognizing the valuation effect in results for the period under "Trading and sales gains, net".

The rights and obligations of derivatives that are traded in recognized markets or stock exchanges are considered to have matured when the risk position is closed, i.e., when an opposite derivative with the same characteristics is traded in such market or stock exchange (for example, when a call option is contracted to cancel the effects of a put option (issued) on the same underlying asset, with the same maturity date and, in general, under conditions that offset the gain or loss of both).

The rights and obligations of derivatives that are not traded in recognized markets or stock exchanges are considered to have matured when they reach their maturity date, when the rights are exercised by either party or when the parties exercise the rights early in accordance with the related conditions and the agreed consideration is settled.

For financial information classification purposes, the asset and liability positions of derivatives that have both rights and obligations, such as futures, forwards, or swaps, are offset on a contract by contract basis; if the result is a debit balance, the difference is presented under the asset line item "Derivatives"; and if it is a credit balance, under the liability line item "Derivatives".

Similarly, Holding Monex presents the derivatives line item (debit or credit balance) in the balance sheet, separating trading from hedging derivatives.

Forward and future contracts for trading:

Forward and future contracts for trading are those that establish an obligation to buy or sell an underlying asset on a future date at a pre-established amount, quality and price on a trading contract. Both forward and futures contracts are recorded by Holding Monex as assets and liabilities in the consolidated balance sheets at the exchange rate established in the related underlying asset purchase-sale contract, to recognize the right and the obligation to receive and/or deliver the underlying asset, and the right and the obligation to receive and/or deliver cash equivalent to the underlying asset subject matter of the contract.

Transaction costs that are directly attributable to the purchase of the derivative are recognized directly in results.

The exchange difference between the exchange rate agreed in the contract and the monthly forward exchange rate, as well as the valuation effects, are recorded in the statement of income under “Trading and sales gains, net”.

Futures for trading purposes are recorded at market value and the difference between such value and the agreed price is recorded in the statement of income.

The debit or credit balance resulting from offsetting the asset and liability positions is included under “Derivatives”.

For financial information classification purposes, the asset and liability positions of derivatives that have both rights and obligations, such as futures, forwards, or swaps, are offset on a contract by contract basis; if the result is a debit balance, the difference is presented under the asset line item “Derivatives”; and if it is a credit balance, under the liability line item “Derivatives”.

Option contracts:

Options are contracts that, in exchange for a premium, grant the right, but not the obligation, to buy or sell a specified number of underlying instruments at a fixed price within a specified period.

Considering the rights granted, options are divided into buy options (calls) and sell options (puts).

Options may be exercised at the end of the specified period (European options) or at any time during such period (American options); the exercise price is established in the contract and may be exercised at the holder’s discretion. The instrument used to set this price is the reference value or underlying asset. The premium is the price paid by the holder to the issuer in exchange for the rights granted by the option.

The holder of a call has the right, but not the obligation, to buy from the issuer a specified number of underlying assets at a fixed price (exercise price) within a specified period.

The holder of a put has the right, but not the obligation, to sell a specified number of underlying assets at a fixed price (exercise price) within a specified period.

Holding Monex records the premium paid for the option on the transaction date as an asset or liability. Any fluctuations from valuation of the premium at market are recognized in the consolidated statements of income under trading and sales income, with the adjustment to the appropriate consolidated balance sheets account. When an option matures or is exercised, the premium recognized against results for the year, also under “Trading and sales gain”, is cancelled.

Recognized options that represent rights are presented, without offsetting, as a debit balance under the asset line item “Derivatives”. Recognized options that represent obligations are presented, without offsetting, as a credit balance under the liability line item “Derivatives”.

Trading option contracts are recorded in memorandum accounts at their exercise price, multiplied by the number of securities, distinguishing between options traded on the stock market from over-the-counter transactions, in order to control risk exposure.

All valuation gains or losses recognized before the option is exercised or before its expiration, are treated as unrealized and are not capitalized or distributed to stockholders until realized in cash.

Embedded derivatives - An embedded derivative is a component of a hybrid (combined) financial instrument that includes a non-derivative contract (known as the host contract) in which certain cash flows vary in a manner similar to that of an independent derivative. An embedded derivative causes certain cash flows required by the contract (or even all cash flows) to be modified according to changes in a specific interest rate, the price of a financial instrument, an exchange rate, a price or rate index, a credit rating or index, or other variables allowed by applicable laws and regulations, as long as any non-financial variables are not specific to a portion of the contract. A derivative that is attached to a financial instrument but that contractually cannot be transferred independently from that instrument or that has a different counterparty, is not an embedded derivative but a separate financial instrument (for example, in structured transactions as defined in this treatment).

An embedded derivative is separated from the host contract for purposes of valuation and to receive the accounting treatment of a derivative, only if all the following characteristics are fulfilled:

a. The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract;

b. A separate financial instrument that has the same terms of the embedded derivative would comply with the definition of a derivative, and

c. The hybrid (combined) financial instrument is not valued at fair value with changes recognized in results (for example, a derivative that is not embedded in a financial asset or a financial liability valued at fair value should not be separated).

The effects of the valuation of embedded derivatives are recorded under the same line item in which the host contract is recorded.

According to the analysis of the management, at December 31, 2009 Holding Monex did not have hybrid financial instruments that result in the recognition of any type of embedded derivatives.

Foreign currency transactions - Foreign currency transactions are recorded at the exchange rate in effect on the transaction date. Assets and liabilities denominated in foreign currency are adjusted at the year-end at exchange rates determined and published by Banco de México (the Central Bank).

Revenues and expenses from foreign currency transactions are translated at the exchange rate in effect on the transaction date.

Foreign exchange fluctuations are recorded in the consolidated statements of income of the year in which they occur.

Past-due loan portfolio - Holding Monex applies the following criteria to classify uncollected loans as past due:

– Loans with a single payment of principal and interest at maturity are considered past due 30 days after the date of maturity.

– Loans with a single payment of principal at maturity and with periodic interest payments are considered past due 90 days after interest is due or 30 days after principal is due.

– Loans whose principal and interest payments have been agreed in periodic installments are considered past due 90 days after they become due.

– Customer checking accounts showing overdrafts will be reported in the past-due portfolio at the date of the overdraft.

Restructured past-due loans will remain classified in the past-due portfolio with their respective allowance for loan losses until proof exists of sustained payment, as prescribed by the Commission.

Renewed loans where the debtor does not pay accrued interest on time and at least 25% of the original loan amount, according to contractual terms, will be considered past due until proof exists of payment receipt, as required by the accounting criteria prescribed by the Commission.

Once the portfolio is classified as past due, interest no longer accrues. This includes loans that capitalize interest according to contractual terms.

For accrued but uncollected regular interest on past due loans, Holding Monex creates an allowance for an equal amount when the loan is transferred to the past-due portfolio.

Classification of the loan portfolio and allowance for loan losses - According to the general provisions, the loan portfolio must classify in commercial and consumer loans. As of December 31, 2009 and 2008 Holding Monex has classified its loan portfolio as follows:

a. Commercial: direct or contingent credits, including bridge loans denominated in Mexican pesos, foreign currency, investment units or times minimum salary, together with any interest generated, which are granted to corporations or individuals with business activities, intended for their commercial or financial activity; discount, rediscount, factoring operations and leasing operations executed with such corporations or individuals; credits granted to trustees who act under the protection of trusts, and the credit schemes commonly known as "structured", in which there is an adjustment to net worth that enables the individual evaluation of the risk related to the scheme. Also, credits granted to the states, municipalities and their decentralized agencies will be included when they can be classified in accordance with applicable regulations.

b. Consumer loans: direct loans denominated in Mexican or foreign currency, investment units or times minimum salary, together with the interest generated, granted to individuals derived from credit card and personal loan transactions, loans for acquiring durable consumer goods and financial leasing transactions performed with individuals, including loans granted for such purpose to former employees of Holding Monex.

Holding Monex recognizes reserves created to cover credit risks in conformity with such provisions, based on the following:

Commercial portfolio:

a. Individual method - For borrowers with balances of over 4,000,000 Investment Units (UDIs), entails evaluating:

   – The creditworthiness of the debtor based on the result obtained from rating, as applicable, 1) the likelihood of default of the borrower using the proprietary methodology authorized by the Commission for these purposes, or 2) the application of the standard methodology, specifically and independently rating country risk, financial risk, industry risk, and payment experience aspects, as established in those provisions.

   – A differentiation is made between personal and real collateral, based on an estimate of probable loss. As a result of the analysis of real collateral, loans are classified into two groups, based on the discounted value of collateral: a) loans fully collateralized and b) loans with an exposed portion.

b. Non-individualized method - For borrowers with balances less than 4,000,000 UDIs:

   – Parametric calculation of the allowance for loan losses based on the debtor's payment history over the last 12 months and its credit behavior.

The commercial portfolio is classified every quarter and filed with the Commission within the 30 days following the classification date. The allowance for loan losses is recorded based on the balance of the accounts on the last day of each month, considering the classification levels of the classified portfolio as of the latest known quarter, which includes the updated risks as of the current month-end.

Consequently, the allowance for loan losses shown in the consolidated balance sheets as of December 31, 2009 and 2008 considers the year-end risks and balances.

The allowance for loan losses to be established by Holding Monex under the individual method equals the amount generated by applying the respective percentage to the collateralized portion and, if applicable, to the unsecured portion of the credit rating, based on the following table:

Table of sites within the range of reserves

Risk level	**Low**	**Intermediate**	**High**
A-1	0.50%	0.50%	0.50%
A-2	0.99%	0.99%	0.99%
B-1	1.00%	3.00%	4.99%
B-2	5.00%	7.00%	9.99%
B-3	10.00%	15.00%	19.99%
C-1	20.00%	30.00%	39.99%
C-2	40.00%	50.00%	59.99%
D	60.00%	75.00%	89.99%
E	100.00%	100.00%	100.00%

Consumer loan portfolio:

As of December 31, 2009, Holding Monex rates, establishes, and records the allowances for loan losses related to the non-revolving consumer loan portfolio that does not include credit card transactions at the end of each month, as follows:

I. The total portfolio is stratified based on the number of cases of noncompliance reported in each billing period at the classification date regarding the due or minimum payments established by Holding Monex, based on payment history data from at least 9, 13 or 18 periods prior to that date. When the credit has been offered inside the above – mentioned period, Management uses the information that they have at such date.

II. The reserves resulting from applying the reserve percentages detailed below and depending on whether billing periods are weekly, biweekly or monthly, to total unpaid loan balances, are created. Nevertheless, Holding Monex does not include uncollected interest recorded in the consolidated balance sheets accrued by loans forming part of the overdue portfolio. Uncollected interest accrued on the overdue portfolio is fully reserved when the respective loans are transferred.

Evidence of sustained payment:

Holding Monex maintains loans reporting payment noncompliance and the need for restructuring at the level in effect prior to such restructuring, until it obtains evidence of sustained loan payment under the terms established by the Commission.

Distressed portfolio:

For the purpose of financial statement disclosures, Grupo Financiero considers commercial loans with C, D and E risk ratings as distressed, without excluding risk rating improvements derived from the loan portion covered by guarantees, as well as loans resulting from negotiations in which debt forgiveness, reductions or rebates are authorized at the end of the agreed period or are payable by individuals or entities classified as undesirable customers.

After completing procedures to recover loans classified as bad debts, the latter are submitted to the Board of Directors for write-off purposes.

Loans considered as bad debts are applied to the allowance for loan losses when their recovery is considered to be practically impossible. Any amounts recovered as regards previously written-off loans are recognized in results of the year.

Other receivables and payable accounts, net - These items primarily represent receivable or payable amounts derived from the purchase-sale of currency in which immediate settlement was not agreed (value date exchange transactions). These transactions are recorded on the day they are agreed and settled within a period of 24 or 48 hours.

Holding Monex has a policy of reserving those accounts receivable identified and not identified within 90 days and 60 days, following the initial recording, respectively.

Property, furniture and equipment, net - Property, installation expenses, leasehold improvements and equipment are recorded at acquisition cost. The assets that come from acquisitions up to December 31, 2007, were restated by applying factors derived from the UDIs from the date of acquisition until such date. The related depreciation and amortization are recorded by applying a percentage determined based on their estimated economic useful life.

Real property intended for sale is recorded at the lower of its net realizable value, estimated by the Management of Holding Monex, or at its restated value at December 31, 2007.

Long-term investment in shares - As of December 31, 2009 such line item is represented by investments in shares of investment funds, which therefore are not subject to consolidation with Holding Monex. Holding Monex recognizes the value of these types of investments using the equity method based on the last available financial statements.

Other assets - Other assets are mainly represented by agencies contracts, correspondents, and not competition, as well software, system developments and prepaid payments. The contracts of agencies, correspondents and noncompete, were recorded at their acquisition cost. Software and system developments are recorded originally at its acquisition cost disbursed according the costs incurred in the development phase.

The amortization of agencies, correspondents, and non-compete contracts are calculated using the straight line method, according with their estimated useful life, as well as periodically evaluating if there could be an impairment.

The amortization of software and system developments is calculated using the straight line method by applying the respective rates to the restated asset based on their estimated economic useful life.

Furthermore, the heading of “Other assets” includes financial instruments of the pension and retirement fund held in a trust administrated by the Bank. Those investments in the fund are maintained to cover the obligations for the employee pension plan and seniority premiums.

The investments in securities acquired to cover the pension plan and seniority premium are recorded at market value.

For the purposes of presentation in the consolidated financial statements, if the investment in securities acquired to cover the pension plan and seniority premium exceed the liability recognized, such excess will be presented under the heading of “Other assets”. If it is less, such balance will be presented by decreasing the heading of “Sundry creditors and other accounts payable”. As of December 31, the balance applicable to Holding Monex is presented by decreasing the heading of “Sundry creditors and other accounts payable”.

Impairment of long-lived assets in use - Holding Monex reviews the book value of long-lived assets in use when detecting any sign of impairment that could indicate that this book value might not be recoverable, by considering the higher of the present value of net future cash flows or the net sales price, in the event of its disposal. The impairment is recorded when the book value exceeds the higher of the aforementioned values. The impairment indicators considered for this purpose are, among others, operating losses or negative cash flows generated during the period which, if combined with a history or projection of losses, depreciation and amortizations charged to results as revenue percentages, are significantly higher than those of prior years, the services rendered, competition and other economic and legal factors.

Deposits - This heading is composed by call deposits made by the general public, including money market funds. Interest is recognized in results when accrued. In the case of securities placed at prices differing from their face value, the difference between the latter and the amount effectively received is recognized as a charge or deferred credit and applied to results by using the straight line method during the period of the security in question.

Interbank loans and those from other entities - Direct short and long-term loans received from Mexican and foreign banks are recorded under this heading, together with loans obtained from credit auctions organized by the Central Bank. Interest is recognized in results when accrued.

Provisions - Provisions are recognized when there is a present obligation derived from a past event, which will probably result in the use of economic resources, and can be reasonably estimated.

Direct employee benefits - These are valued in proportion to the services rendered, considering the current wages, and the liability is recognized as it is accrued. It includes mainly employee profit-sharing (PTU) payable and incentives (bonuses).

Labor obligations - In accordance with the Federal Labor Law, Holding Monex has obligations for severance, and seniority premiums payable to employees who cease rendering their services under certain circumstances. Holding Monex's policy is to record the liabilities for severance and seniority premiums, as they are accrued based on actuarial calculations using the projected unit credit method, applying nominal interest rates. Therefore, the liability is being recognized which at present value is estimated will cover the obligation for these benefits at the estimated retirement date of all the employees working in Holding Monex.

Holding Monex amortizes in future periods the actuarial gains and losses for the pension, seniority premium, in accordance with the terms of NIF D-3, *Employee benefits*. In relation to severance payments, the actuarial gains and losses are recognized in results in the year in which they arise.

Income tax - Income tax (ISR) and the business flat tax (IETU) are recorded in results of the year in which they are incurred. To recognize the deferred tax it will be determined whether, based on financial and tax projections, Holding Monex and its subsidiaries will incur ISR or IETU, and they must recognize the deferred tax applicable to the tax which it essentially pay. Holding Monex determines the deferred tax on the temporary differences, tax losses and tax credits, from the initial recognition of the items and at the end of each period. The deferred tax derived from the temporary differences is recognized by using the assets and liabilities method, which compares the accounting and tax values of the assets and liabilities. This comparison produces temporary differences, both deductible and taxable, are then multiplied by the tax rate at which the items will reverse, together with the recoverable tax asset. As of December 31, 2009 and 2008, Holding Monex has not recognized any advance effect of employee statutory profit-sharing, because it calculates such obligation based on section III of the Federal Labor Law.

The deferred tax is recorded in the income statement or in the stockholders' equity; depending on the item originating such deferred tax effect.

Effects of restatement of net worth - This represents contributed and earned capital restated up to December 31, 2007 using the factor derived from the value of the UDI. As of 2008, given that Holding Monex operates in a noninflationary environment, the effects of inflation of the period for contributed and earned capital are not recognized.

Recognition of revenues derived from securities transactions and the result of the purchase-sale of securities - The commissions and tariffs generated by transactions performed with customers' securities are recorded when the transaction is agreed. The results derived from the purchase-sale of securities are recorded when each transaction is performed.

The gains or losses resulting from currency purchase-sale transactions are recorded in the statements of income under the "Purchase-sale profit" and "Purchase-sale loss" headings.

Financial margin - The financial margin of Holding Monex is composed of the difference between total interest incomes less interest expenses.

Interest income is composed of the yields generated by the loan portfolio, based on the terms established in the contracts executed with the borrowers, the agreed interest rates, the repayment of interest collected in advance, and the premiums or interest on deposits in financial entities, bank loans, margin accounts, investments in securities, repurchase agreements and securities loans, as well as debt placement premiums, commissions charged on initial loan grants, and net equity instrument dividends.

Interest expense is composed of premiums, discounts and interest on deposits in Holding Monex, bank loans, repurchase agreements and securities loans. The amortization of costs and expenses related to initial loan granting is also included under interest expense.

Both interest income and expense are periodically adjusted based on the market situation and the economic environment.

Loan interest is recognized in the statements of income as it is accrued and is based on the periods established in contracts executed with borrowers and agreed interest rates, which are normally periodically adjusted according to the market and general economic situation.

Expenses - Expenses are recognized as they accrue.

Comprehensive income - Comprehensive income presented in the accompanying consolidated statements of changes in stockholders' equity is the result of transactions other than those carried out by Holding Monex's stockholders during the period and consists of net income, the effect from the valuation of securities available for sale and a reclassification from net income to accumulated results from prior years, which is related to the valuation of the acquisition cost from securities available for sale.

Statement of cash flows - The consolidated statement of cash flows presents Holding Monex's ability to generate cash and cash equivalents and how it uses such cash flows to cover its needs.

The statement of cash flows, together with the rest of the financial statements, provides information that helps to:

- Assess changes in the assets and liabilities of Holding Monex and in its financial structure.
- Assess the amounts and dates of collection and payments to adapt to the circumstances and the opportunities to generate and/or apply cash and cash equivalents.

Statement of changes in financial position- According with Commission requirements, it should be presented for previous periods of 2009. The state of changes in the financial position presents the resources generated or used in the operation, main changes in the Institution financial structure and its final position in cash and equivalent from a specific period.

Memorandum accounts -

- *Contingent assets and liabilities:*

  According to the Mexican Authority for Banking Institutions, this heading considers the amount of the economic sanctions emitted by the Commission or any another administrative or judicial authority for as long as Holding Monex does not comply with the payment obligation of such sanctions or has not interposed some resource of appeal. No such contingencies exist as of December 31, 2009 and 2008.

- *Credit commitments*

  This item represents the amounts of unused letters of credit granted by Holding Monex, which are considered irrevocable commercial credit.

  Items under this account are subject to qualification.

- *Assets in trust or mandate:*

  Different management trusts are kept to independently account for assets received. Mandates include the declared value of the assets subject to mandate contracts entered into by Holding Monex.

- *Assets in custody or under administration:*

  This account includes the activity of third-party assets and securities received in custody or to be managed by Holding Monex.

- *Collateral received:*

  The balance is composed of all collateral received in repurchase transactions in which Holding Monex is the buying party.

- *Collateral received and sold or granted as guarantee:*

  The balance is composed of all collateral received in repurchase transactions in which Holding Monex is the buying party that in turn is sold by the Holding Monex as a selling party. This balance also includes the obligation of the borrower (or lender) to return to the lender (or borrower) the security subject matter of the securities loan transaction carried out by Holding Monex.

- *Customer cash and securities received in custody, pledged as collateral, guarantee and under administration:*

  Cash and securities owned by customers and held in custody, pledged as collateral and under administration with Holding Monex, are reflected in the respective memorandum accounts " Goods in custody or under administration" and are valued according to the latest market price provided by the price vendor.

  a. Cash is deposited outside in checking accounts other than those in the name of Holding Monex.

  b. Securities held in custody but under administration are deposited with S.D. Indeval, S.A. de C.V. (S.D. Indeval).

The Brokerage House's securities delivered in custody, in guarantee and derivative financial instruments are presented in the respective memorandum accounts "Securities delivered in custody, guarantee, and derivative financial instruments" and represent the following:

a. The Brokerage House's securities owned by Holding Monex are deposited with S.D. Indeval.

b. Derivative instruments represent options and together with the premium collected on their issue, are recorded at fair value.

5 Funds Available

As of December 31, 2009 and 2008, funds available were as follows:

Funds Available		**2009**	**2008**
Cash		$ 607	$ 264
Bank deposits		1,549	790
Correspondent cash		-	25
Interbank loans with maturity less than three days:			
"Call money"	(1)	948	485
Investments "overnight"	(2)	-	380
Documents recovered immediately		43	79
Restricted funds available:	(3)		
Foreign currency purchase 24 and 48 hours		4,199	5,935
Foreign currency sale 24 and 48 hours		(2,514)	(4,895)
Regulatory monetary deposits	(4)	100	100
Others		2	(16)
Total		$ 4,934	$ 3,147

(1) "Call money" transactions represent interbank loan transactions agreed for periods equal to or less than 2 business days; as of December 31, 2009 and 2008, these transactions are as follows:

	2009		
	Days	**Rate**	**Balance**
Mexican pesos	4	4.25%	$ 948
			$ 948

	2008		
	Days	**Rate**	**Balance**
Mexican pesos	2.4	8.71%	$ 485
			$ 485

(2) At December 31, 2008, "overnight" investments represent the amount of $380, with an 8.22% return rate. Interest of $21 was earned during the year.

(3) This item refers to foreign exchange transactions to be settled in 24 or 48 hours and which are considered as restricted funds until their settlement date. As of December 31, 2009 and 2008, balances denominated in foreign currency (in millions of U.S. dollars) and the equivalent amounts in Mexican pesos are composed as follows:

	2 0 0 9			
	US Dollars	Euros	Others	Total
Total in funds available.				
Purchase of foreign exchange receivable in 24 and 48 hours (Mexican pesos)	$ 4,100	$ 72	$ 27	$ 4,199
Sale of foreign exchange to be settled in 24 and 48 hours (Mexican pesos)	(2,859)	356	(11)	(2,514)
Total in funds available (Mexican pesos)	$ 1,241	$ 428	$ 16	$ 1,685

The exchange rate as of December 31, 2009 was $13.0659 Mexican pesos and $18.7456 Mexican pesos per the U.S. dollar and Euro, respectively.

	2 0 0 8			
	US Dollars	Euros	Others	Total
Total in funds available-				
Purchase of foreign exchange receivable in 24 and 48 hours (Mexican pesos)	$ 5,845	$ 86	$ 4	$ 5,935
Sale of foreign exchange to be settled in 24 and 48 hours (Mexican pesos)	(4,869)	(24)	(2)	(4,895)
Total in funds available (Mexican pesos)	$ 976	$ 62	$ 2	$ 1,040

The exchange rate as of December 31, 2008 was $13.8325 Mexican pesos and $19.5592 Mexican pesos per the U.S. dollar and Euro, respectively.

(4) In accordance with the monetary policy established by the Central Bank and in order to regulate money market liquidity, Holding Monex must maintain monetary regulation deposits for indefinite periods, which accrue interest at the average bank rate. At December 31, 2009 and 2008, these deposits were $100 in both periods. Interest income from these deposits is payable every 28 days by applying the rate established by Central Bank's regulation.

6 Margin accounts

As of December 31, 2009, margin accounts for collateral submitted and/or guarantees on derivative transactions in organized and non organized markets are as follows:

	Delivered			
Item	Type of collateral	Organized market/OTC	2009	2008
Funds available				
Scotiabank Inverlat, S.A. de C.V.	Cash	Organized market	$ 88	$ 3
Santander	Cash	Organized market	-	8
MF Global Inc.	Cash	OTC	49	-
Standard Chartered Bank	Cash	OTC	10	-
			$ 147	$ 11

Guarantee deposits cover transactions in rate futures, futures on CPI, U.S. dollar and Mexican peso futures and option futures.

7 Investment in securities

Trading securities - As of December 31, 2009 and 2008, trading securities were as follows:

	2009				2008
	Acquisition	Accrued	(Loss) Gain	Total	Total
Debt instruments:					
Government securities -					
Treasury bills (CETES)	$ 705	$ -	$ -	$ 705	$ 480
Banobra	-	-	-	-	92
Federal Government Development Bonds (BONDES)	889	-	1	890	1,967
M, M0 and M7 Bonds	3	-	-	3	-
Udibonds	219	-	1	220	-
Saving protection bonds	1,168	1	(11)	1,158	-
Stock certificates	586	-	1	587	-
Others	-	-	-	-	77
Private securities-					
Stock certificates	966	4	(1)	969	-
Private bank issued securities-					
Promissory note with yield payable at maturity (PRLV)	429	-	-	429	627
Bank bonds	1	-	-	1	-
Stock certificates	2,173	-	(2)	2,171	2,896
Obligations	2	-	-	2	-
International government securities					
Stock certificates	22	1	(1)	22	-
Capital market instruments:					
Shares quoted on the exchange	65	-	(6)	59	7
Investments in investment funds	111	-	-	111	25
Value date transactions:					
Government securities-					
Treasury bills (CETES)	(1)	-	-	(1)	-
M, M0 and M7 Bonds	3	-	-	3	-
Total trading securities	$ 7,341	$ 6	$ (18)	$ 7,329	$ 6,171

At December 31, 2009, the securities with held for trade positions are as follows are described in Note 8.

This position is recorded as trading securities and also is considered as restricted.

Securities available for sale - As of December 31, 2009, securities available for sale are represented by shares of the Mexican Stock Exchange (BMV). At December 31, 2009, the accrued valuation of these securities was recorded under the "Result of the valuation of securities available for sale" heading under earned capital, for the amount of $123.

Securities held to maturity – As of December 31, 2009 and 2008, securities held to maturity were as follows:

	2009				2008
	Acquisition	Accrued	(Loss) Gain	Total	Total
Bonds and debt securities:					
Government securities-					
Bonds M, M0 and M7	$ 1	$ -	$ -	$ 1	$ -
Stock market certificates	5	-	-	5	30
Private securities					
Stock market certificates	11	-	1	12	23
Total securities held to maturity	$ 17	$ -	$ 1	$ 18	$ 53

8 Repurchase and resale agreements

	2009			2008	
Selling party	Average term in days	Investment in securities	Cash to deliver	Investment in securities	Cash to deliver
From trading securities-					
Government securities-					
Mexican treasury bills	4	$ 520	$ 520	$ 426	$ 426
Federal government development bonds	5	361	361	2,066	2,066
Federal government development bonds in UDIS	2	221	219	-	-
Federal government stock market certificate	6	810	156	-	-
Saving protection bonds	1	1,660	501	-	-
Bonds with monetary regulation	2	22	22	-	-
Subtotal		3,594	1,779	2,492	2,492
Private securities-					
Stock market certificate	16	714	(148)	2,102	2,102
Subtotal		714	(148)	2,102	2,102
Banking securities-					
Long term promissory note with yield payable at maturity	7	346	307	341	341
Stock certificates	1	1,240	(229)	-	-
Deposit certificates	2	80	-	-	-
Subtotal		1,666	78	341	341
Total		$ 5,974	$ 1,709	$ 4,935	$ 4,935

	2009			
Buying party	Average term in days	Collaterals	Cash to receive	Position in liability
Repurchase with securities buying in repurchase				
Government securities-				
Stock certificates	3	$ 653	$ 2	$ (651)
Saving protection bonds	8	1,356	200	(1,156)
Subtotal		2,009	202	(1,807)
Private securities-				
Private stock certificates	9	862	-	(862)
Subtotal		862	-	(862)
Banking securities-				
Banking stock certificates	1	585	-	(585)
Deposit certificates	1	80	-	(80)
Subtotal		665	-	(665)
Total		$ 3,536	$ 202	$ (3,334)

9 Derivative financial instrument transaction

As of December 31, 2009 and 2008, the position for transactions with financial derivatives is as follows:

	2009		2008	
Asset position	**Nominal amount**	**Asset position**	**Nominal amount**	**Liability position**
Futures-				
Foreign currency futures	$ 1,207	$ -	$ 421	$ -
Index futures	-	-	36	-
	1,207	-	457	-
Forwards-				
Foreign currency forwards	3,102	43	11,691	424
Index forwards	1	-	81	(1)
Stock forwards	13	-	1,023	122
	3,116	43	12,795	545
Options-				
Foreign currency options	43	-	44	44
Rates options	603	10	32	32
Index options	(280)	(6)	-	-
Total trading	366	4	76	76
Total position	$ 4,689	$ 47	$ 13,328	$ 621

	2009		2008	
Liability position	**Nominal amount**	**Liability Position**	**Nominal amount**	**Liability Position**
Futures-				
Foreign currency futures	$ (133)	$ -	$ (409)	$ (12)
Index futures	(6)	-	(36)	-
	(139)	-	(445)	(12)
Forwards-				
Foreign currency forwards	(4,522)	(60)	(11,516)	(226)
Stock forwards	(1,632)	(14)	(1,025)	(124)
Index forwards	-	-	(82)	-
	(6,154)	(74)	(12,623)	(350)
Options-				
Foreign currency options	(214)	-	(42)	(42)
Rates options	(48)	(2)	(31)	(31)
	(262)	(2)	(73)	(73)
Total position	$ (6,555)	$ (76)	$ (13,141)	$ (435)

The valuation effect of the trading derivative instruments is reflected in the statements of income under "Trading and sales gains".

In conformity with the accounting criteria prescribed by the Commission, the valuation effect of futures is presented under "Margin accounts", together with minimum initial contributions, under the headings "Funds available" and "Margin accounts".

Derivatives and the underlying assets are as follows:

Futures	Forwards	Options
Foreign currency	Foreign currency	Foreign currency
Securities	Securities	Securities
Rate	Rate	Rate
Index	Index	Index

The guarantees and/or collateral received and delivered for the derivative financing transactions as of December 31, 2009 and 2008, are comprised as follows:

Delivered				
Heading	**Type of collateral**	**Recognized market/OTC**	**2009**	**2008**
Funds available				
Scotiabank Inverlat, S.A. de C.V.	Cash	Recognized market	$ 88	$ 3
Santander	Cash	Recognized market	-	8
MF Global Inc.	Cash	OTC	49	-
Standard Chartered Bank	Cash	OTC	10	-
			$ 147	$ 11

Receivable				
Heading	**Type of collateral**	**Recognized market/OTC**	**2009**	**2008**
Sundry creditors and other payables:				
Divers	Cash	OTC	$ 289	$ 192
			$ 289	$ 192

Upon executing transactions with OTC derivatives, Holding Monex agrees to deliver and/or receive collateral, to cover any exposure to market risk and the credit risk of such transactions. Such collateral is contractually agreed to with each of the counterparties.

Currently, debt securities, mainly government bonds, are posted as collateral for transactions with domestic finance companies; cash deposits are used for transactions with foreign financial entities and institutional customers.

10 Loan Portfolio

As of December 31, 2009 and 2008, the current loan portfolio and past-due loan portfolio granted by type of currency are as follows:

	2009	
	Current	Past-due
Mexican pesos:		
Commercial with guarantee	$ 871	$ 8
Loans to financial institutions	45	-
	916	8
Valued in U.S. dollars:		
Commercial with guarantee	548	26
Total	$ 1,464	$ 34

	2008	
	Current	Past-Due
Mexican pesos:		
Commercial with guarantee	$ 462	$ -
Loans to financial institutions	124	-
	586	-
Valued in U.S. dollars:		
Commercial with guarantee	666	7
Total	$ 1,252	$ 7

Holding Monex offers loans under the outline agreement executed with Exim-Bank and Private Export Funding Corporation (Pefco), through this agreement such loans are either entirely or partially sold to Pefco. Long-term loans granted have a guarantee covering 100% of known risks. Loan insurance is contracted for short-term loans granted by Exim-Bank (EX IM), which covers between 90% and 98% of loan amounts in the event of default. Loans are administered by Holding Monex; if guarantees or insurance policies are executed, Pefco and Holding Monex subrogate their rights to Exim-Bank, which then continues the necessary collection processes.

Except for loans guaranteed by Exim-Bank, the following procedure is utilized if original loan conditions require restructuring or modification:

– The department from which the loan originates or which requires the modification sends a study request to the risk analysis area together with any documentation and/or additional information required by the latter.
– Once this study has been completed, it is sent to the Credit and/or Risk Committee.
– Once the change is approved, the respective contract amendatory agreement, debt recognition agreement or any modification of pertinent or agreed conditions is prepared.
– After the new terms have been executed and depending on each individual case, the modified loan is operated like a regular loan, regardless of whether it involves cash flows or not, until obtaining control desk approval.
– Restructured loans are classified according to regulations; i.e., the borrower's credit rating is not increased until sustained payment is demonstrated, meaning that the prior credit rating is maintained.
– Prompt follow-up is given to all restructured loans by the Recovery area with specialist support.

No loan modifications are made unless the entire process is completed; furthermore, efforts are made to strengthen guarantees regardless of whether all other loan conditions remain in effect.

In the case of EX IM loans, any intended term modification is first submitted to Exim Bank, which can either accept or reject the proposed new conditions. However, short-term loans allow term modifications only when renewing, and not during the term of the credit line. Hence, although restructuring processes are not authorized, renewal is used and is also subject to study and recommendation of the risk analysis area, whose conclusion is subsequently presented to the Risk Committee. This Committee can reject the new conditions, despite their acceptance by Exim Bank.

Medium-term EX IM loans can be presented to Exim Bank during the loan term as they are granted for periods of between 3 to 5 years. Exim Bank usually only authorizes a period extension by requesting additional guarantees.

At December 31, 2009 and 2008, the portfolio with third party equity administered by Holding Monex and balances denominated in foreign currency and without third party equity are as follows:

	2 0 0 9		
	Original	**Sold**	**Owned**
Short-term	$ 138	$ 83	$ 55
Long-term	-	-	-
	$ 138	$ 83	$ 55

	2 0 0 8		
	Original	**Sold**	**Owned**
Short- term	$ 105	$ 100	$ 5
Long- term	7	5	2
	$ 112	$ 105	$ 7

Risk diversification -

According to the general provisions applicable to credit institutions regarding the diversification of risks derived from long and short transactions, at December 31, 2009, Holding Monex has the following credit risk transactions:

– Financing granted to debtors or groups of individuals or entities representing a joint risk, whose individual financing exceeds 10% of the Bank's basic capital (of the month immediately preceding the reporting date), is composed by 3 groups that represent a total amount of $389, equal to 20% of the Bank's basic capital.

– The greatest amount of loans granted to debtors or groups of individuals representing a joint risk equal to an aggregate amount of $389 equivalent to 20% of the Bank's basic capital.

Loans to related parties – As of December 31, 2009, there are no related party loans in terms of Article 73 of the Law on Credit Institutions. As of December 31, 2008, the loan amounts which were approved by the Board of Directors to related parties in terms of such Article amount to $124.

Credit lines unused by customers - As of December 31, 2009 and 2008, unused credit lines were authorized to customers for $2,097 and $2,139, respectively.

As of December 31, 2009 and 2008, aging of past due portfolio is as follows:

	2009	2008
From 180 to 365 days	$ 34	$ 6
Over 365	-	1
	$ 34	$ 7

11 Allowance for loan losses

As of December 31, 2009 and 2008, the allowance for loan losses was $49 and $42, respectively, and had been assigned as follows:

2009	Current portfolio	Past-due Portfolio	Assigned Allowance
Commercial with guarantee	$ 1,419	$ 34	$ 49
Loans to financial institutions	45	-	-
Total portfolio	$ 1,464	$ 34	$ 49

2008	Current portfolio	Past-due Portfolio	Assigned Allowance
Commercial with guarantee	$ 1,128	$ 7	$ 42
Loans to financial institutions	124	-	-
Total portfolio	$ 1,252	$ 7	$ 42

As of December 31, 2009 and 2008, Holding Monex maintained an allowance for loan losses equivalent to 144% and 600% of the past-due portfolio, respectively.

The allowance for loan losses resulting from the loan portfolio classification with responsibilities as of December 31, 2009 and 2008, reported by Holding Monex, is as follows:

	2009		2008	
Degree of risk	Classification of the portfolio by degree of risk	Amount of allowance recorded	Classification of the portfolio by degree of risk	Amount of allowance recorded
A-1	$ 1,238	$ 6	$ 972	$ 5
A-2	-	-	50	1
B-1	39	1	107	3
B-2	185	9	109	2
B-3	172	9	22	2
C-1	19	2	-	-
C-2	16	2	102	9
D	10	3	15	14
E	17	17	6	6
Base classification portfolio	$ 1,696	$ 49	$ 1,383	$ 42
Less – Letter of credit	(198)		(124)	
Loan portfolio, net	$ 1,498		$ 1,259	

The portfolio classified with "D" and "E" risks is identified as a distressed portfolio.

Below is the activity of the allowances for loan losses for the years ended December 31, 2009 and 2008:

	2009	2008
Opening balances	$ 42	$ 23
Provisions (applications) with a charge (credit) to:		
Results	24	34
Exchange result	(2)	2
Applications	(15)	(17)
Closing balances	$ 49	$ 42

12 Other receivables, net

As of December 31, 2009 and 2008, the other receivables, are as follows:

	2009	2008
Debtors due to liquidation of operations	$ 2,777	$ 4,985
Debtors by foreign exchange transactions	42	-
Recoverable taxes	129	228
Corporate financial intermediaries	-	73
Premiums and commissions receivable	11	-
Current account customers	16	-
Employee loans and other debits	36	11
Tickets customers	120	163
Other debtors	69	67
	3,200	5,527
Allowance for doubtful accounts	(67)	(45)
Total	$ 3,133	$ 5,482

As of December 31, 2009 and 2008, transaction liquidation debtors are as follows:

	2009	2008
Foreign currency	$ 2,739	$ 4,985
Derivatives	38	-
	$ 2,777	$ 4,985

13 Property, furniture and fixtures, net

As of December 31, 2009 and 2008, property, furniture and fixtures were as follows:

	2009	2008
Real estate	$ 18	$ 18
Buildings	43	43
Office furniture and equipment	80	72
Communications equipment	10	12
Computers	184	158
Vehicles	40	37
	375	340
Less - Accumulated depreciation and amortization	(216)	(185)
Total property, furniture and fixtures (net)	$ 159	$ 155

The annual depreciation and amortization rates were as follows:

	Percentage
Buildings	5%
Office furniture and equipment	10 %
Communications equipment	25 %
Computers	33 %
Vehicles	25 %

Annual depreciation expense for the years ended December 31, 2009 and 2008 was $55 and $43, respectively.

14 Other assets

As of December 31, 2009 and 2008, goodwill and other assets were as follows:

	2009	2008
Deferred charges, advance payments and intangibles:		
Goodwill	$ 15	$ 102
Advance payments	110	61
Patents and brands	156	40
Investment projects	16	7
Contracts of agencies, correspondents, and non-compete	137	142
Software	98	66
Other deferred charges	120	66
	652	484
Less – Accumulated amortization	(96)	(68)
	556	416
Other assets:		
Operating deposit	44	38
Interests of contingency fund	4	3
	48	41
	$ 604	$ 457

On December 4, 2009, the Bank executed a lease contract with Monex Servicios to incorporate 61 establishments which, as of that date, began to operate as bank branches.

Intermex

Pursuant to a purchase-sale agreement celebrated by Holding Monex with Intermex-Pue, S.A. de C.V. (Intermex-Pue, third party) on August 7, 2008, Intermex acquired some assets to immediately begin its remittance operations through 38 branches and 221 correspondents. Through such agreement, Intermex-Pue acquired the obligation of non-compete with Intermex in the remittance business.

Monex Servicios

Pursuant to a purchase-sale agreement celebrated by Holding Monex with Girotec, S.A. de C.V. (“Girotec”, third party) on September 23, 2008, Monex Servicios acquired some assets to immediately begin its remittance operations through 42 branches and 160 correspondents. Through such agreement, Girotec acquired the obligation of non-compete with Monex Servicios in the remittance business.

The assets acquired by Intermex, Monex Servicios and Monex Holding are as follows:

	Intermex	Monex Servicios	Total
Correspondents contracts	$ 33	$ 3	$ 36
Agency remittance contracts	57	5	62
Lease contracts	23	2	25
Software	-	1	1
Non-compete agreement	4	-	4
Furniture and equipment	4	1	5
Acquired by Intermex and Monex Servicios	$ 121	$ 12	$ 133
Acquired by Holding Monex:			
Non-competition agreement	40	-	40
Brands	39	1	40
	79	1	80
	$ 200	$ 13	$ 213

In 2009, goodwill generated by the acquisition of Prestaciones Universales, S.A. de C.V. (Prestaciones) was valued at $102.

As of December 31, 2009 and 2008, Monex Holding Management did not identify any sign of impairment related to the long-lived assets in use (i.e., in relation to brands and agreements with correspondents, agencies and non-compete contracts) that could affect their value.

As of December 31, 2009 and 2008, amortization of intangible assets is estimated by management, based on their economic useful lives.

15 Foreign currency position

As of December 31, 2009 and 2008, foreign currency assets and liabilities of Holding Monex were as follows:

	Millions of U.S. dollars		Millions of Euros		Millions of other foreign currency (expressed in Millions of U.S. dollars)	
	2009	2008	2009	2008	2009	2008
Funds available	$ 33	$ 35	$ 11	$ 3	$ 4	$ 2
Investment in securities	2	-	-	-	-	-
Securities and derivative transactions (assets)	369	551	5	24	-	2
Other assets	407	159	5	119	1	2
Bank and other loans	(1)	(5)	-	-	-	-
Securities and derivative transactions (liability)	(383)	(444)	(5)	(24)	(1)	-
Sundry creditors and other payables	(237)	(271)	(4)	(117)	(1)	(6)
Other liabilities	(188)	(30)	(11)	-	(2)	-
Asset (liability) position	2	(5)	1	5	1	-
Mexican peso equivalent	$ 26	$ (69)	$ 19	$ 98	$ 13	$ -

As of December 31, 2009 and 2008, the “Fix” (48-hour) exchange rate used was $13.0659 and $13.8325 per US dollar, respectively.

As of December 31, 2009 and 2008, the “Euro” exchange rate used was $18.74565 and $19.55916 per Euro, respectively.

The Central Bank sets ceilings for Holding Monex’s foreign currency net liabilities and liquidity ratio, either directly or through its foreign agencies, branches or affiliates, These limits must be verified daily to enable Holding Monex to elaborate a contingency plan and promote longer term funding within a reasonable time frame.

Holding Monex performs a large number of foreign currency transactions mainly in U.S. dollar, Euros and Japanese yen. Given that the parities of non-U.S. dollar currency transactions are linked to the U.S. dollar, the overall foreign currency position is consolidated into U.S. dollars at each month-end closing.

The foreign currency position of subsidiaries is not material.

16 Deposits

As of December 31, 2009 and 2008, deposits were as follows:

	2009	2008
Demand deposits	$ 2,639	$ 605
Time deposits:		
General public:		
Promissory notes with interest payable at maturity (1)	-	10
Money market:		
Promissory notes with interest payable at maturity (IBMONEX) (2)	38	183
Total deposits	$ 2,677	$ 798

(1) Short-term maturities which generated interest at an average 8% rate in 2008.

(2) Short-term maturities which generated interest at an average 1 % and 8.59% rate, in 2009 and 2008, respectively.

17 Bank and other loans

As of December 31, 2009 and 2008, bank loans were as follows:

	2009				2008
	Mexican pesos	Foreign currency	Rate	Total	Total
Short-term					
IXE Bank, S.A.	$ 131	$ -	10.45%	$ 131	$ -
Santander Bank, S.A.	200	-	7.95%	200	-
Productive Chains	29	-	6.51%	29	34
Total short-term loans	$ 360	$ -	TIIE	360	34
Long-term					
Interamerican Corporation of Investments	$ -	$ 10	Libor	$ 10	$ 16
CO Bank	-	4	Libor	4	25
Total long-terms loans	-	14		14	41
Total interbank loans and other loans	$ 360	$ 14		$ 374	$ 75

Loans with foreign banks (not including accrued interest) – As of December 31, 2009, the transactions with foreign institutions accrue interest at rates between 2.45% and 5.05%.

Loans with Development Bank Institutions- Loans are granted by Banco de Comercio Exterior (BANCOMEXT) through agricultural trusts (FIRA), which represent a direct obligation for Holding Monex with these entities. Accordingly, Holding Monex grants loans in Mexican pesos and U.S. dollars to their customers for financial support.

Lines of credit for discounts and loans, granted in Mexican pesos and U.S. dollars by the development funds mentioned above, operate under the authorizations of the internal risk units of Holding Monex. The financial conditions are set under fixed and variable rate programs, both in U.S. dollars and Mexican pesos, and the term is based on the specific program or transaction determined for each project.

18 Comparative maturities of principal assets and liabilities

The maturities of the significant assets and liabilities held as of December 31, 2009 were as follows:

		6 months	From 6 months to 1 year	From 1 year to 5 years	Over 5 years	Total
Assets:						
Funds available	(1)	$ 4,934	$ -	$ -	$ -	$ 4,934
Margin accounts		147	-	-	-	147
Trading securities		7,329	-	-	-	7,329
Available for sale securities		219				219
Held to maturity securities		-	18	-	-	18
Securities and derivative transactions		47	-	-	-	47
Current loan portfolio	(2)	1,085	52	314	13	1,464
Other receivables (net)		3,133	-	-	-	3,133
Total assets		$ 16,894	$ 70	$ 314	$ 13	$ 17,291
Liabilities:						
Demand deposits		$ 2,639	$ -	$ -	$ -	$ 2,639
Time deposits		38	-	-	-	38
Interbank and other loans		369	5	-	-	374
Resale agreements		1,709	-	-	-	1,709
Sold collaterals or dices in guarantee		3,543	-	-	-	3,543
Derivative financial instrument transactions		76	-	-	-	76
Sundry creditors and other payables		2,999	-	-	83	3,082
Total Liabilities		11,373	5	-	83	11,461
Assets less liabilities		$ 5,521	$ 65	$ 314	$ (70)	$ 5,830

(1) The heading of Funds available includes Monetary Regulation Deposits with the Central Bank. Such deposits as of December 31, 2009 are $100, cannot be disposed freely.

(2) The heading of current loan portfolio includes the consumer and credit card portfolio, which is recoverable depending on the individual credit circumstances.

19 Labor benefits

Under Mexican Labor Law, Holding Monex is liable for pensions, severance payments and seniority premiums to employees terminated under certain circumstances.

Each year, Holding Monex records the net periodic cost to create an obligation from seniority premiums and pensions and severance payments as it accrues based on actuarial calculations prepared by independent actuaries, which are based on the projected unit credit method and the parameters established by the Commission. Therefore, the liability is being accrued which at present value will cover the obligation from benefits projected to the estimated retirement date of Holding Monex's employees.

As of December 31, 2009 and 2008, Holding Monex amortizes variances based on the seniority premiums plan, based on the average remaining years of service of Holding Monex's employees.

As of December 31, 2009 and 2008, balances and activity reflected in employee benefits, which include, seniority premiums and severance payments, were as follows:

	2009	2008
Projected benefit obligation	$ 113	$ 100
Plan assets	(25)	-
Underfunded status	88	100
Unamortized:		
Unrecognized actuarial profits	(5)	(19)
Net projected liability	$ 83	$ 81

As of December 31, 2009, the net projected liability for severance payments at the end of the employment relationship for reasons other than restructuring is $17.

Net periodic cost consists of the following:

	2009	2008
Service cost for the year	$ 26	$ 21
Financial cost	8	5
Amortization of transition liability	3	-
Net periodic cost	$ 31	$ 26

The economic assumptions used were as follows:

	2009	2008
Discount rate	8.60%	9.00%
Expected rate of return of assets	8.60%	-
Rate of wage increases	6.50%	7.64%

The changes in net projected obligations were as follows:

	2009	2008
Opening balance (face value)	$ 81	$ 55
Actuarial adjustment of opening balance	5	1
Payment of benefits	(9)	(1)
Provision for the year	31	26
Contributions for the year	(25)	-
Net projected liability	$ 83	$ 81

On December 29, 2009, the Bank in conjunction with the Brokerage House and Operadora, executed an irrevocable investment trust contract to administer the reserves created for seniority premiums and pensions of which the Bank is the trustee. At the date of incorporation, the trust contributions were as follows:

	Contribution
Banco Monex, S.A.	$ 20
Monex Casa de Bolsa, S.A. de C.V.	4
Monex Operadora de Fondos, S.A. de C.V.	1
Total	$ 25

As of December 31, 2009, such assets were invested as follows:

	Import	%
Shares in funds investments	$ 25	100%

As of December 31, 2009, there is no fund created for severance payments at the end of the employment relationship for reasons other than restructuring.

Changes in the present value of the defined benefits obligation are as follows:

	2009	2008
Present value of the defined benefit obligation as of January 1, of each year	$ 100	$ 55
Actual payment of benefits during the year	(9)	(2)
Actuarial loss	(9)	21
Cost of the year	31	26
Present value of the defined benefits obligation as of December 31, of each year	$ 113	$ 100

20 Creditors from settlements of transactions

As of December 31, 2009 and 2008, creditors from settlement of transactions are as follows:

	2009	2008
Foreign exchange	$ 4,345	$ 5,935

21 Sundry creditors and other payables

As of December 31, 2009 and 2008, sundry creditors and other payables were as follows:

	2009	2008
Employee retirement obligation provision	$ 108	$ 81
Funds	(25)	-
	83	81
Creditors from settlements of transaction by foreign exchange to 24 and 48 hours	594	613
Reclassification of creditors bank balances	476	379
Liquidation of entity, credit movement.	-	7
Deposits in guarantee	68	-
Reimbursements for third parties	-	37
Commissions payable	133	132
Taxes and social assurance contributions	45	-
Suppliers	251	274
Retained taxes	9	-
Agency funds	27	25
Creditors for food vouchers	1,071	1,111
Other sundry creditors	325	361
	$ 3,082	$ 3,020

22 Income taxes

Holding Monex is subject to ISR and IETU.

ISR - The ISR rate for 2009 and 2008 was 28%, and will be 30% for 2010 to 2012, 29% for 2013, and 28% for 2014.

On December 7, 2009 amendments to the ISR Law (LISR) were published, that became effective beginning in 2010. These amendments state that: a) ISR relating to tax consolidation benefits obtained from 1999 through 2004 should be paid in installments beginning in 2010 through 2015, and b) ISR relating to tax benefits obtained in the 2005 tax consolidation and thereafter, should be paid during the sixth through the tenth year after that in which the benefit was obtained. Payment of ISR in connection with tax consolidation benefits obtained from 1982 (tax consolidation starting year) through 1998 may be required in those cases provided by law. As Holding Monex does not consolidate for tax purposes, the amendments to the LISR will not affect its financial and tax structure.

IETU - Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. The IETU rate is 17.0% and 16.5%, in 2009 and 2008, respectively; and 17.5% as of 2010. The Asset Tax Law was repealed upon enactment of the IETU Law; however, under certain circumstances, Tax on Assets paid in the ten years prior to the year in which ISR is paid, may be recovered, according to the terms of the law.

Income tax incurred will be the higher of ISR and IETU.

Based on its financial projections and according to INIF 8, *Effects of the Business Flat Tax*, Holding Monex determined that it will basically pay ISR.

The provision created in results for ISR and PTU is as follows:

	2009	2008
ISR:		
Current	$ 271	$ 260
Deferred	(44)	(32)
	$ 227	$ 228

The provision created in results for deferred ISR and PTU is composed as follows:

	2009	2008
Current:		
ISR	$ 271	$ 260
Deferred:		
ISR	$ 44	$ 29
PTU	-	3
	$ 44	$ 32

Reconciliation of the accounting tax result - The main items affecting the determination of Holding Monex's tax result were the annual adjustment for inflation, provisions, the difference between depreciation and accounting and tax amortization, the difference between the accounting increase of the preventive credit risk estimate and the respective tax deduction, provisions created for the expenses of prior years which were settled this year, as well as the deduction for tax purposes of the contribution made to create the Trust to cover labor obligations.

Penalty interest for purposes of business flat tax - In accordance with the Business Flat Tax Law, Holding Monex must consider interest as taxable revenue for purposes of this tax as it is accrued, regardless of whether it is collected or not, which applies both to ordinary and penalty interest. Holding Monex considers all accrued interest, regardless of whether it is penalty or regular interest.

Tax loss carryforwards and IETU tax liabilities - As of December 31, 2009, tax loss carryforwards form Holding Monex's subsidiaries are as follows:

Holding Monex	$ 51
AdmiMonex	11
Monex Sevicios	24
Pagos Intermex	8
	$ 94

Employee statutory profit-sharing - Holding Monex entities determine employee statutory profit-sharing based on the guidelines established in Article 127 of the Federal Labor Law.

Deferred taxes - At December 31, 2009 and 2008, deferred taxes are composed as follows:

	2009	2008
Deferred ISR asset:		
Provisions	$ 56	$ 48
Labor obligations	28	28
Allowance for doubtful accounts	6	6
Exchange rate derivative operations	37	-
Others	8	9
Deferred ISR asset	135	91
Deferred ISR (liability):		
Surplus value of financial instruments	49	2
Prepaid expenses	43	10
Others	15	-
Deferred ISR liability	107	12
Deferred taxes (net)	$ 28	$ 79

Based on financial and tax projections, Management of Holding Monex does not record a reserve against the deferred income tax asset that they believe will be recovered.

Deferred taxes are recorded using results or stockholders' equity as the corresponding account, depending on how the item underlying the anticipated deferred tax was recorded.

The reconciliation of the legal and effective ISR rates of Holding Monex, expressed as a percentage of profit before ISR and PTU, is:

	Bank		Brokerage House	
	2009	2008	2009	2008
Legal tax rate	28%	28%	28%	28%
Valuation of investment securities	6%	-	(7%)	2%
Reserves	(3%)	-	-	4%
Prepaid expenses	(4%)	(4%)	-	-
Others	(2%)	1%	-	5%
Annual adjustment for inflation	-	-	(1%)	(7%)
Effect of permanent differences	-	-	2%	22%
Effective tax rate	25%	25%	22%	54%

Other tax issues:

As of December 31, 2009 and 2008, Holding Monex has the following balances related to significant tax indicators:

	Bank		Brokerage House	
	2009	2008	2009	2008
Contributed capital account	$ 1,227	$ 466	$ 366	$ 584
Net tax income account	$ 463	$ 559	$ 276	$ 798

23 Stockholders´ equity

As of December 31, 2009 and 2008, capital stock, was as follows:

	Number of shares
Equity	
Series "A" shares	50,000
Series "B" shares	391,063,492
Total shares	391,113,492

The minimum fixed capital stock is $50,000 (fifty thousand Mexican pesos 00/100 M.N.), represented by 50,000 series "A" shares, totally signed and paid.

The variable capital stock is unlimited and is represented by ordinary and nominative series "B" shares without nominal value.

Pursuant to the April 15, 2009 General Ordinary Stockholders' Meeting resolution, a dividend payment of $450 was approved, which was paid from retained earnings.

With the exception of preferential shares or shares with special rights or limitations that could be issued, all shares will have the same value and rights and shall be totally paid in cash at the subscription time.

The shares will be deposited in Holding Monex, which should appoint a financial intermediary to be the custodian and manager of the shares.

Any increase or decrease in fixed capital stock, should be approved by the Stockholders' Extraordinary General Meeting.

Holding Monex can emit unsubscribed shares, which should be kept in its treasury. Stockholders will receive the necessary records against full payment of the subscription.

According to Article 219 of the General Corporate Law, any increases or decreases in the minimum fixed capital stock, as well as an increase or decrease in the variable capital stock, should be recorded in the Capital Changes' Book Record.

An increase or decrease in the variable portion of capital stock should be agreed to at the Shareholders' Ordinary General Meeting, without modifications to the internal Statutes of Holding Monex. The Meeting minutes should be formalized and do not require its recording in the Public Record of Property and Commerce.

In case stocks previously issued by the Holding Monex are not fully subscribed and paid, a new capital stock increase must not be carried out. In case of a capital increase stockholders will have the option of subscribing the stocks issued, in the same proportion to the shares they hold, in accordance with Article 132 of the General Corporate Law.

If there were a reduction of the capital stock through a capital reimbursement, such amount will be available to stockholders without accruing interest.

Foreign corporations that exercise functions of authority may not participate under any circumstances in the capital of Holding Monex. National financial entities cannot do either, including those which form part of Holding Monex, except when they act as institutional investors, pursuant to article 19 of the Law to regulate financials groups.

If dividends are distributed without incurring the tax applicable to Holding Monex, such tax must be paid when the dividend is distributed. Therefore, Holding Monex must keep track of profits subject to each rate level.

Capital reductions will incur taxation over the excess of the amount distributed against its tax value, as set forth in the Income Tax Law.

Holding Monex and its subsidiaries, are subject to the legal provision whereby at least 5% of net profits each year must be separated and transferred to a capital reserve fund until reaching the equivalent of 20% of paid in common stock. With regard to the Bank, the legal provision requires the creation of a legal reserve equal to 10% of net profits until reaching 100% of paid-in common stock. The reserve funds cannot be distributed to the stockholders during the existence of the aforementioned entities, except when such distribution is in the form of a stock dividend.

24 Capital ratio

As of December 31, 2009 and 2008, in accordance with the capital requirements in effect, applicable to full service banks, these entities must ensure a minimum capital ratio. In this regard, the Bank presents the following capitalization ratio, which exceeds the minimum level required by the authorities:

	2009	2008
Net Capital / Required Capital	459.61%	569.06%
Basic Capital / Assets subject to Credit and Market Risk	36.59%	45.26%
Net Capital / Assets subject to Credit Risk	55.41%	50.08%
Net Capital / Assets subject to Credit and Market Risk (1)	36.77%	45.51%

(1) Latest data released by the Central Bank.

The amendments to the capital requirements established for multiple banking institutions were published on November 27, 2007, and were effective as of January 1, 2008.

As of December 31, 2009 and 2008, the net capital used to calculate the capital ratio is as follows:

	2009	2008
Basic capital:		
Stockholder's equity disregarding convertible securities and subordinate debt	$ 1,537	$ 967
Less:		
Organization costs and other intangible	(26)	(2)
Investment in shares of entities	(3)	(3)
Investment in shares of financial entities	(35)	-
	1,473	962
Complementary capital:		
Allowance for supplementary loan losses	7	5
Total net capital	$ 1,480	$ 967

At December 31, 2009 and 2008, the assets subject to market, credit and operating risks, and used to determine capital requirements are as follows:

	2009		2008	
	Equivalent amount position	**Capital requirement (8%)**	**Equivalent amount position**	**Capital requirement (8%)**
Market risk:				
Transactions with nominal rate and above par rate in Mexican pesos	$ 529	42.3	$ 62	5.0
Transactions with nominal rate in foreign currency	24	1.9	6	0.4
Transactions with shares and related to shares	548	43.9	-	-
Transactions with foreign exchange transactions	116	9.3	92	7.4
	1,217	97.4	160	12.8
Credit Risk:				
Deposits and Loan	1,788	143.0	1,435	144.8
From repurchase and derivatives transactions counterparties	27	2.1	64	5.1
From issuers of debt securities in position	424	33.9	-	-
From long-term investment in shares and other assets	430	34.4	434	34.7
	2,669	213.4	1,933	154.6
Operational risk:	135	10.8	33	2.6
Total assets at risk	$ 4,021	321.6	$ 2,126	170.0

At December 31, 2009 and 2008, weighted positions by market risk are as follows:

	2009		2008	
	Weighted assets by risk	**Capital requirements**	**Weighted assets by risk**	**Capital requirements**
Market risk	$ 1,217	97.4	$ 160	12.8
Credit risk	2,669	213.4	1,933	154.6
Operational risk	135	10.8	33	2.6
	$ 4,021	321.6	$ 2,126	170.0

25 Ratings

As of December 31, 2009, the Bank and the Brokerage House has been awarded the following ratings:

	Standard & Poor's	**Fitch Ratings**
National level-		
Short- term	mxA-2	F1(mex)
Long-term	mxA	A(mex)
Financial strength		
Perspective	Stable	Stable
Rate date	July 29, 2009	September 14, 2009

26 Contingencies and commitments

a. *Lawsuits.* In the normal course of business, Holding Monex and its subsidiaries have been involved in certain lawsuits which are not expected to significantly affect their financial position or future results of operations. The necessary reserves have been created for those situations representing probable losses. At December 31, 2009 and 2008, Holding Monex has recorded contingency reserves of $30 and $41, respectively, under the heading of "Sundry creditors and other accounts payable" which, based on the opinion of its internal and external legal advisors, the Management of Holding Monex consider it reasonable.

b. *Administered loan portfolio* As discussed in Note 10, the portfolio administered by Holding Monex derived from the sales made and equity held under the outline agreement executed with Exim-Bank and Pefco is for the amount of $83 and $105 in 2009 and 2008, respectively. In relation to this portfolio, Holding Monex has the commitment to assume all credit risks in the event of noncompliance with the terms agreed with Exim-Bank regarding the documentation of each loan. However, Management considers that the possibility of a refund to Exim-Bank is unlikely.

27 Assets in trust or mandate

As of December 31, 2009 and 2008, Holding Monex managed trusts and mandates of $4,288 and $1,082, respectively:

28 Trading and sales gains, net

As of December 31, 2009 and 2008, the main items comprising trading and sales gains, net are as follows:

	2009	2008
Valuation result		
Trading securities	$ (20)	$ (17)
Derivatives	(195)	190
Foreign exchange	3	(1)
Repurchase agreements	4	-
	(208)	172
Realized gains on derivatives:	102	(194)
Purchase-sale result		
Gain in purchase-sale market securities	153	153
Gain in purchase-sale foreign exchange		
US Dollar	1,633	1,923
Euro	251	200
Others	129	101
Gain (Loss) in purchase-sale in derivatives	144	(79)
	2,412	2,104
	$ 2,204	$ 2,276

29 Financial margin

As of December 31, 2009 and 2008, the financial margin is as follows:

	2009	2008
Interest income	$ 37	$ 75
Interest and premiums on repurchase	56	142
Interest on investment securities	279	203
Premium on repurchase agreements	32	1
Loan portfolio	94	98
Others	8	3
	506	522
Interest expense		
Interest and premiums on repurchase agreements	291	390
Interest on bank and other loans (1)	17	2
Time deposits	6	75
Checking account deposits	11	-
Others	2	3
	327	470
Financial margin	$ 179	$ 52

(1) As of December 31, 2009 and 2008, the line item comprising interest expense in U.S. dollars for an amount that is equivalent in Mexican pesos of $1 to $1, respectively.

30 Segment information

As of December 31, 2009, Holding Monex identified operating segments within its different business and it considers each as part of its internal structure and with its own profit risks and opportunities. These segments are regularly reviewed in order to assign operating monetary resources and evaluate their performance.

	Credit Transactions	Capital markets Transactions	Foreign exchange Transactions	Money market Transactions	Trust services Transactions	Derivatives Transactions	Treasury Transactions	Remittance Transactions	Business Food stamps	Others	Total
Intermediate result	$ -	$ -	$ 1,964	$ (13)	$ -	$ 97	$ 150	$ 6	$ -	$ -	$ 2,204
Financial margin	93	-	-	36	-	-	8	6	36	-	179
Provisions for loan losses	(24)	-	-	-	-	-	-	-	-	-	(24)
Financial margin after provisions for loan losses	69	-	1,964	23	-	97	158	12	36	-	2,359
Net commissions	7	217	5	-	11	-	(16)	91	289	9	613
Total operating revenues	76	217	1,969	23	11	97	142	103	325	9	2,972
Administration and promotion expenses	(64)	(177)	(1,243)	(26)	(8)	(74)	(148)	(101)	(278)	(117)	(2,236)
Operating result	12	40	726	(3)	3	23	(6)	2	47	(108)	736
Other income (expenses), net	-	110	(186)	-	-	13	81	10	-	128	156
Income taxes and equity in the results of employees	(6)	(17)	(150)	(2)	(1)	(7)	(11)	(8)	(25)	-	(227)
Net income	$ 6	$ 133	$ 390	$ (5)	$ 2	$ 29	$ 64	$ 4	$ 22	$ 20	$ 665

31 Comprehensive risk management (unaudited)

a. ***Applicable standards -***

This disclosure is supplemental to the obligation to disclose information on adopted risk management policies, procedures and methodologies, together with information on potential losses by risk and market.

Management has policies and procedures manuals which follow the guidelines established by the Commission and Central Bank to prevent and control risks exposure that Holding Monex incurs, based on the transactions it performs.

The assessment of policies, procedures, functionality of risk measurement models and systems, compliance with risk management procedures and assumptions, parameters and methodologies used by risk analysis information systems is carried out by an independent expert, as required by the Commission.

This assessment is presented in "Prudential risk management provision" and "Review of risk measurement valuation and procedures model" reports, which are presented to the Board of Directors, Risk Committee and General Management.

b. ***Environment-***

Holding Monex identifies, manages, supervises, controls, discloses and provides information on risks through its Comprehensive Risk Management Unit (UAIR) and the Risk Committee, which jointly analyze the information received from business units.

To enable it to measure and evaluate the risks resulting from its financial transactions, Holding Monex has technological tools to calculate the Value at Risk (VaR), while also performing supplemental stress testing. Likewise, Holding Monex has developed a plan to allow operations continuity in the event of a disaster.

The UAIR distributes daily risk reports, together with monthly risk information to the Risk Committee and Audit Committee. Similarly, it presents quarterly risk reports to the Board of Directors.

c. ***Risk management entities-***

The Board of Directors is responsible for establishing risk management policies. However, according to established policies, it delegates responsibilities for implementing risk identification, measurement, supervision, control, information and disclosure procedures to the Risk Committee (RC) and General Management.

The policies approved by the Board of Directors are documented in the Comprehensive Risk Management Manual (MAIR), which includes risk management objectives, goals, procedures and maximum risk exposure tolerances.

The RC holds monthly meetings and ensures that transactions reflect the operating and control objectives, policies and procedures approved by the Board of Directors. Likewise, the RC delegates responsibility for providing comprehensive risk monitoring and follow-up to the UAIR.

In urgent cases and depending on market conditions or the specific needs of different business units, the RC holds extraordinary meetings to determine the increase of established limits or temporary limit excesses.

The Risk Lines Committee holds weekly meetings to evaluate the risk lines used for foreign exchange transactions.

d. ***Market risk-***

Holding Monex evaluates and provides follow-up on all positions subject to market risks based on Value at Risk models which measure the potential loss of a position or portfolio associated with risk factor movements with a 99% reliance level and a one-day horizon.

Market risk exposure is limited to the maximum VaR amount established by the Board of Directors.

The VaR is daily estimated based on a one-day horizon and a 99% reliance level. VaR limits in effect at December 31, 2009, are as follows: for business units, $5.5; $2.6 for Money Market (unaudited) transactions; $1.3 for OTC derivatives (including hedges) (unaudited) and $1 for the net global currency position (unaudited).

The VaR calculation is supplemented by the Stress Test, which allows the market valuation effect of different positions and adverse risk factor movements to be quantified.

The UAIR also prepares a GAP analysis among rates used for assets and liabilities denominated in Mexican pesos and foreign currency. The GAP analysis is represented by assets and liabilities with rates at different moments in time, while considering the characteristics of the respective rates and time frame.

e. ***Liquidity risk-***

The UAIR calculates daily liquidity GAPS (time at which interest or principal is received) based on the cash flows from total financial assets and liabilities of Holding Monex.

UAIR quantifies its liquidity risk exposure by preparing cash flow projections which consider all assets and liabilities denominated in Mexican pesos and foreign currency, together with the respective maturity dates.

Holding Monex's treasury business unit is responsible for ensuring the conservation of a prudent liquidity level in relation to Holding Monex's needs. In order to reduce its risk level, Holding Monex keeps call money lines open in US dollars and Mexican pesos with different financial institutions.

Daily follow-up is given to foreign currency liquidity requirements, as established by Central Bank's Ruling 2019/2005.

f. ***Credit risk-***

When performing transactions with derivative financial instruments, Holding Monex acts in its own name with authorized financial intermediaries and other participants to guarantee the transactions performed.

Holding Monex rates each customer according to the methodology established by the Commission, which takes into account the client's financial risk, payment experience and guarantees. Together with quarterly credit follow-up evaluations, credit risk concentrations are determined by borrower or risk group, economic activity and state.

As established by Commission's Banking Ruling, Holding Monex established a maximum credit risk exposure limit equal to 40% of basic capital for an individual or entity or group of entities constituting a joint risk. Furthermore, Holding Monex also complies with the standard applicable to related loans.

When performing customer transactions with over-the-counter derivatives, the risk unit determines transaction lines based on an analysis of the financial situation of each counterpart. The credit risk is covered by requesting margins from customers ranging from el 6% to 10% of the transaction amount. Lower percentages must be approved by the Risk Lines Committee, in which case a maximum loss amount is established. Customers are subject to margin calls either during the day or at the daily close whenever significant losses could be generated by the valuation of their open positions.

In the case of exchange transactions, the credit risk is analyzed based on a customer credit evaluation. Line settlement proposals are presented to the Lines Committee, which can either reject or approve them. This risk is controlled by matching the authorized line with that actually utilized.

Money market repurchase transactions are primarily performed with government debt instruments. If transactions are performed with private bonds, they are subject to a credit risk analysis, are invariably minimal and represent issuances with the highest credit rating.

Holding Monex has a transaction line equal to $163 with Scotiabank Inverlat to operate financial instruments on MexDer. As the counterpart of these transactions is the Chamber of Compensation and Settlement (ASIGNA), these transactions are free from all possible credit risks.

g. ***Operating risk-***

Holding Monex records all operating risk events occurring in its different business areas and presents a monthly report on the former to the Risk Committee.

Holding Monex is currently in the process of implementing a comprehensive operating risk management program, which will be applied to its different business units.

The Management of Holding Monex has requested that the Controllership area implement an operating risk management program, the activities of which should also be made known to the Risk and Audit Committees.

The MAIR and Operating Risk Management Manual (MARO) establish policies and procedures for the follow-up on and control of operating risks.

Risk frequency and impact classifications have been utilized to create risk maps for the different processes implemented by Holding Monex; these risk maps indicate the tolerance levels applicable to each risk, according to the following scale:

Scale	**Level**
1	Low
2	Medium
3	High

– The maximum tolerance level utilized by Holding Monex is 3.

– Accordingly, each identified operating risk must be classified at levels 1 and 2 (Low – Medium) of the established scale.

These levels indicate the possible economic loss that could be suffered by Holding Monex if a given risk materializes.

Holding Monex is currently developing a model with a statistical/actuarial approach or methodology to estimate losses derived from operating risk exposure.

h. ***Legal Risk-***

Holding Monex has established policies and procedures in the MARO and implements the same process as that used for operating risks.

i. ***Technological risk-***

Holding Monex has policies and procedures for systems operation and development.

Regarding technological risk, Holding Monex has policies and procedures contained in MARIO and implements the same process as that used for operational and legal risks.

Quantitative information (unaudited)

a. ***Market Risk-***

At December 31, 2009, the VaR was $1.197 (unaudited) and with a 99% reliance for one day. This value represents the maximum loss expected during one day and is situated within the limits established by Holding Monex.

At December 31, 2009 and 31, 2008, portfolio concentration by sector was as follows:

Portfolio concentration by segment	2009	2008
Farming and cattle-raising	51	66
Foods	273	181
Commercial	351	402
Financial	46	-
Industrial	328	298
Real estate	55	33
Services	352	235
Textile	42	44
Total	1,498	1,259

b. ***Credit Risk-***

At December 31, 2009, portfolio concentration by state was as follows:

Portfolio concentration by state	2009	2008
Aguascalientes	48	5
Baja California	39	33
Campeche	8	4
Chiapas	-	5
Chihuahua	16	18
Coahuila	28	22
Distrito Federal	484	515
Durango	23	23
Estado de México	139	107
Guanajuato	142	177
Hidalgo	9	3
Jalisco	106	69
Michoacán	-	28
Morelos	59	-
Nuevo León	123	60
Puebla	13	43

Portfolio concentration by state	2009	2008
Queretaro	84	19
San Luis Potosí	44	43
Sinaloa	45	37
Sonora	7	-
Tabasco	3	5
Tamaulipas	8	1
Veracruz	12	9
Yucatan	41	25
Zacatecas	11	8
Foreign locations	6	-
Total	1,498	1,259

At December 2009, the expected credit exposure loss associated with the reserve percentage determined for each rating is $36.7 (unaudited).

c. ***Operating Risk-***

At monthly Risk Committee meetings information on events related to the operating risks reported by different business units is presented. This information indicates the event, date, employee in charge, time of the event and its solution, as well as the rating given to each specific event.

Comptroller personnel keep a risk log that is used to quantify risks which are also detailed in the operating risk event database.

d. ***Risk policies applied to derivative financial instruments-***

Market risk of transactions involving derivative financial instruments are limited because customer transactions are hedged through organized markets or inverse transactions with financial intermediaries.

These transactions involve a counterpart risk which is analyzed by the UAIR based on balance sheet and statement of income information. Transaction amounts and initial margins are authorized and/or ratified by the Lines Committee.

The credit risks of these transactions are controlled by using guarantees and the implementation of daily margin calls or whenever the valuation loss reaches the upper limit authorized by the Lines Committee.

In order to monitor the risks inherent to transactions involving derivative financial instruments, Holding Monex has established the following control measures, among others:

- A Risk Committee, which is informed of these transaction risks.
- An UAIR, which is independent of business areas and permanently monitors risk positions.
- Transactions are primarily performed with financial intermediaries and non-financial customers approved by the UAIR and Lines Committee.
- Maximum amounts or credit limits have been established based on the initial risk classification given to each potential borrower

e. **Detection of transactions with illegal resources -**

Holding Monex has a Communication and Control Committee which monitors compliance with applicable standards, while also notifying the involved areas and respective authorities of any transactions considered as unusual, significant or worrying according to SHCP provisions.

32 New accounting principles

NIFs issued by the CINIF

The following accounting pronouncements were issued by the CINIF in 2009 and are effective as of January 1, 2010:

NIF C-1 "Cash and Cash Equivalents" - This NIF was issued so that provisions are consistent with the NIF B-2, "Statement of Cash Flows"; also, to improve the presentation of cash and cash equivalents in the financial statements and bring them closer to the concepts of cash and cash equivalents contained in International Financial Reporting Standards.

The following accounting principles were issued by the CINIF in 2009 and will go into effect on January 1, 2011:

NIF B-5, Financial information by segments - This NIF was issued for purposes of convergence with International Financial Reporting Standards regarding criteria to identify segments to be reported and financial information to be disclosed for each segment.

NIF B-9, Financial information at interim dates - This NIF was issued to incorporate changes derived to NIF's Conceptual Framework and other specific NIFs regarding financial information at interim dates, as well as new requirements regarding the presentation of the statement of cash flows pursuant convergence with International Financial Reporting Standards.

Also, during December 2009, the CINIF issued the "Improvements to the NIF's 2010"; a document which incorporates changes or clarifications to the NIF's for the purpose of establishing an adequate regulatory framework. These improvements are classified into two sections, based on the following:

a. Improvements to the NIF's that generate accounting changes, which are modifications that generate accounting changes in valuation, presentation or disclosure of financial statements. The NIF's subject to this kind of improvements are:

   NIF B-1 "Accounting Changes and Error Corrections"
   NIF B-2 "Statement of Cash Flows"
   NIF B-7, "Business acquisitions"
   NIF C-7, "Investments in associated companies and other permanent investments"
   NIF C-13 "Related Parties"

b. Improvements to the NIF's that do not generate accounting changes, which are modifications that clarify them and which help establish a clearer and more understandable regulatory framework; because they are clarifications, they do not generate accounting changes in financial statements. The NIF's subject to this kind of improvements are:

   NIF A-5 "Basic Elements of the Financial Statements"
   NIF B-2 "Statement of Cash Flows"
   NIF B-3 "Statement of Operations"
   NIF B-15 "Translation of foreign currencies"
   NIF C-7, "Investments in associated companies and other permanent investments"

As of the date of issuance of these consolidated financial statements, Holding Monex has not fully determined the effects of these criteria and standards in its financial information.

33 Reclassifications to the consolidated financial statements

The consolidated financial statements as of December 31, 2008, have been reclassified to conform to the consolidated financial statements as of December 31, 2009.

34 Authorization of the Financial Statements

On April 9, 2010, the issuance of the statements was authorized by Héctor Pío Lagos Dondé, Chief Executive Officer, Juan Pablo Carriedo Lutzenkirchen, Chief Financial Officer, Eduardo Antonio Mújica Dávalos, Chief Internal Auditor, Luis Eduardo López Martínez Account Deputy Director. These financial statements are subject to the approval at the General Ordinary Stockholders' Meeting (and the Commission), where they may be modified.

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