



# Financial Report

Third Quarter · 2012

**m·n·ex**  
Holding

Mexico, Federal District - October 25, 2012 - Holding Monex, S.A.P.I.B. de C.V. announced its results for the third quarter ended on September 30, 2012. All figures have been prepared in accordance with the provisions of the Comisión Nacional Bancaria y de Valores (CNBV) and are expressed in millions of pesos.

### General Outlook

Holding Monex is a 100% Mexican holding company, whose subsidiaries are Monex Grupo Financiero and other two non-financial corporations: Pagos Intermex and Prestaciones Universales.

The Subsidiary companies of Monex Grupo Financiero are Banco Monex, Monex Casa de Bolsa and Monex Fondos, through which we provide our clients with the following products: foreign exchange, capital market trading (debt, stock market and investment banking), investment funds, risk management products, international investment, trust services, loans and letters of credit, among others

Monex has 26 years experience in the financial market, period during which it has shown a constant and solid growth in traded volume and number of clients.

Through a successful promotional force distributed in 40 cities in Mexico, Monex offers financial products that satisfy foreign exchange, payment, investment and financial coverage and consultancy needs of its clients.

Pagos Intermex is a holding Monex subsidiary company through which it participates in the remittance payment business: Pagos Intermex is a company dedicated to the fast and secure payment of family remittances by account of money transfers or remittance companies located mainly in the USA. In order to carry out the business in Mexico, Pagos Intermex has a network of 61 branch offices for payment distribution, as well as correspondents with nearly 1,301 payment locations in Mexico.

Through Prestaciones Universales, Monex participates in the prepaid cards, food stamp and gasoline voucher markets with the "Si Vale" commercial brand.

Tempus consulting, Inc, subsidiary of Banco Monex, is an independent U.S. non-bank company focused on foreign exchange and international payments. Tempus has presence in USA: Washington, D.C., Los Angeles, and Houston and Asturias, Spain.

### Accounting Series

According to the "General arrangements applicable to securities issuers and other participants in the stock market is the eighth title" Article 78 Title VIII, states: Financial statements of financial institutions should be prepared and audited in accordance with the accounting and auditing standards issued by Mexican authorities.

Preceding paragraph arrangements also apply to the financial statements of companies through its subsidiaries performs predominantly financial activities which are subject to Mexican authorities supervision.

Through its subsidiaries Monex performs predominantly financial activities which are subject to Mexican authorities supervision that's why Monex develops and audits its financial statements on the same basis that those refer subsidiaries, in order to have comparable financial information consistent with financial entities regulated by the CNBV ("Banking and Securities National Commission").

For more information visit [www.holdingmonex.com](http://www.holdingmonex.com)

Contact: Alfredo Gershberg Figot

Director of Planning

Telephone: 01 (52) 55 5231 0870

E-mail: [agershberg@monex.com.mx](mailto:agershberg@monex.com.mx)

E-mail: [relacionconinversionistas@monex.com.mx](mailto:relacionconinversionistas@monex.com.mx)

## Relevant Information

The following comments refer to accrued figures.

Balance Sheet (millions of pesos)	Sep 11	Dec 11	Sep 12	Variation Sep 12 vs. Dec 11
Liquid Assets	2,588	6,474	2,279	-65%
Investment in securities, repos and derivatives	15,281	13,546	12,034	-11%
Client Account Receivables	20,026	18,127	16,736	-8%
Deposits	3,323	3,769	4,346	15%
Repo Creditors	9,617	10,044	9,203	-8%
Total Equity	3,142	3,354	3,661	9%

Profitability Indicators	Sep 11	Sep 12
ROE (annualized)	24.99%	31.41%
ROA (annualized)	1.83%	3.04%
Banco Monex* ICAP (Capitalization Index)	19.62%	24.77%

Ratios	Sep 11	Sep 12
Past due reserves ratio (IMOR) **	2.05%	0.73%
Coverage ratio (ICOR)***	2.02%	1.71%

Relevant Indicators	Sep 11	Sep 12	Variation
Average deposits (millions of pesos)	2,547	3,456	36%
Pesos	1,428	1,900	33%
Foreign Currency	1,119	1,556	39%
Assets under management (millions of pesos)	9,937	10,257	3%
Funds	5,111	5,031	-2%
International investments	4,826	5,226	8%
Average loan portfolio (millions of pesos)	3,212	4,573	42%
Forex Volume (millions of dollars)****	72,185	57,568	-20%
Derivatives traded volume (millions of pesos)	86,421	129,364	50%
Equities traded volume (millions of pesos)	72,883	74,441	2%

Stock Information (BMW:MONEX)*****	1Q12	2Q12	3Q12
Minimum	18.10	17.70	17.30
Maximum	20.00	18.90	19.00
Closing Price ( September 30, 2012)	19.00	18.00	18.39
Volume	202,050	397,590	3,078,366
Number of shares (millions)	398.70	398.46	395.62
Market Cap (millions of pesos)	7,575	7,172	7,276
Book value per share	8.99	9.38	9.25
Earnings per share (LTM)	2.27	2.52	2.84
Price to earnings (LTM)	8.35	7.14	6.48
Price to book ratio	2.11	1.92	1.99

## Repurchase Fund

By July 1, 2012 the Repurchase Fund had 1,535,085 shares, during the third quarter acquired 2,846,976 shares showing a balance of 4,376,961 shares by September 30, 2012.

\*Latest figure published by BANXICO (August 2012). \*\*Due credit portfolio/Total net portfolio \*\*\*Preventive credit risks estimation / Total net portfolio. \*\*\*\*Traded volume with clients according to internal source. \*\*\*\*\*Source: INFOSEL.

## Rating Companies

On May 14, 2012, Fitch Ratings assigned their national long and short term rating for Holding Monex, S.A.P.I.B. de C.V. ("Holding Monex") at 'A (mex)' and 'F1 (mex)', respectively. The long-term credit outlook is stable. For the issuance of long term debt certificates, Fitch assigned them their long-term local rating of 'A (mex)'. On a side note, Banco Monex and Monex Casa de Bolsa, both rated by Fitch at 'A + (mex)' and 'F1 (mex)', are given a stable credit outlook.

**FitchRatings**

On May 17, 2012, Standard & Poor's Rating Services assigned Holding Monex it's short and long term rating of 'mxA' and 'mxA-2', due to its strong capacity to pay both interests and principal. Regarding the issuance of long term debt certificates, S&P assigned its 'mxA' rating.

**STANDARD  
&POOR'S**

On May 17, 2012, Standard & Poor's Ratings Services assigned its 'BB+/B' global scale issuer credit ratings to Banco Monex S.A. At the same time, affirmed the 'mxA+/mxA-1' Mexican national scale ratings for the bank and Brokerage House. The outlook is stable.

## Business Areas

Holding Monex is integrated by: Monex Grupo Financiero, Prestaciones Universales and Pagos Intermex.

Monex Grupo financiero reported an accumulated income of 3,025 million pesos at the end of the third quarter of 2012, which represents 90.0% of the Holding's net income. Showing an increase of 14.7% compared with the same period the previous year. This consists principally in foreign exchange trading operations.

Prestaciones Universales reported 254 million pesos of accumulated revenue up to the third quarter of 2012, showing an increase of 10.9% when compared to the same period the year prior. This amount represents 7.6% of the Holdings revenue.

Pagos Intermex, reported 80 million pesos of accumulated revenue in the third quarter of 2012, an 11.1% increase compared to the same period the year before. This amount represents a 2.4% of Holding Monexs revenue.

## Outstanding Events

- At the Ordinary Shareholders General Assembly held on July 2, 2012, a dividend payment for a total of 120 million Mexican pesos was announced. This dividend will be paid in cash in three exhibitions of 70 million Mexican pesos each in accordance with the following schedule:
  - First payment: July 9, 2012. (Paid \$ 0.1756 pesos per share outstanding)
  - Second payment: October 8, 2012. (Paid \$0.1769 pesos per share outstanding)
  - Third payment: 14 January 2013.
- On July 2, 2012, Holding Monex announced the acquisition of 100% of the shares in Schneider Foreign Exchange Limited. Schneider Foreign Exchange Limited is a British payment institution that participates in the field of buying and selling of foreign exchange and international payments based in London, England. The bank changed its name to Monex Europe and is a subsidiary of Monex Bank.

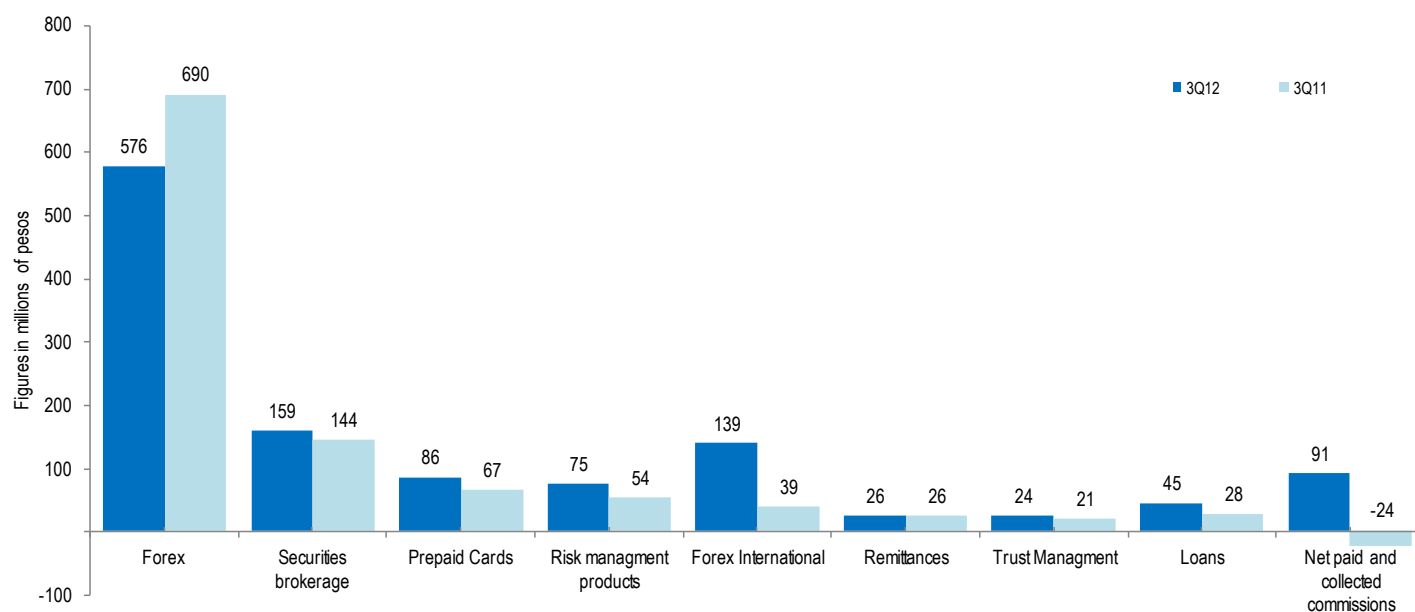
## Financial Information Holding Monex and Subsidiary Companies

### HOLDING MONEX, S.A.P.I.B. de C.V. y Subsidiaries Income Statement 3<sup>rd</sup> Quarter 2011 and 2012 (Figures in millions of pesos)

Income Statement	3Q11	3Q12	Variation
Total Operations Revenue	1,045	1,221	16.9%
Management and Promotions Expenses	709	743	4.8%
Operating Income	334	478	43.2%
Other income and expenses	-14	0	101.5%
Income before taxes	320	479	49.6%
Taxes	96	137	43.0%
<b>Net Income</b>	<b>224</b>	<b>341</b>	<b>52.5%</b>

Total revenue for the third quarter 2012 totaled \$ 1,221 million pesos. Management and promotion expenses for the third quarter 2012 showed no significant changes compared with the same period in 2011, thus casting a net profit 52.45% higher than the same period in 2011 of \$ 341 million pesos.

### Net Revenue per line of business for 3<sup>rd</sup> quarter 2012



	Forex	Securities brokerage	Prepaid Cards	Risk management products	Forex International	Remittances	Trust Management	Loans	Net paid, collected commissions and others
Net Income Share	47.17%	13.05%	7.04%	6.13%	11.39%	2.10%	2.00%	3.68%	7.44%
Growth vs 3Q11	-16.47%	10.52%	28.72%	38.97%	261.30%	-0.36%	16.67%	59.46%	N/A

Total revenue for the third quarter of 2012 is composed primarily of Forex with 47.17%, Brokerage with 13.05%, prepaid cards with 7.04% and risk management products with 6.13%, showing an increase of 38.97% when compared to same period in 2011.

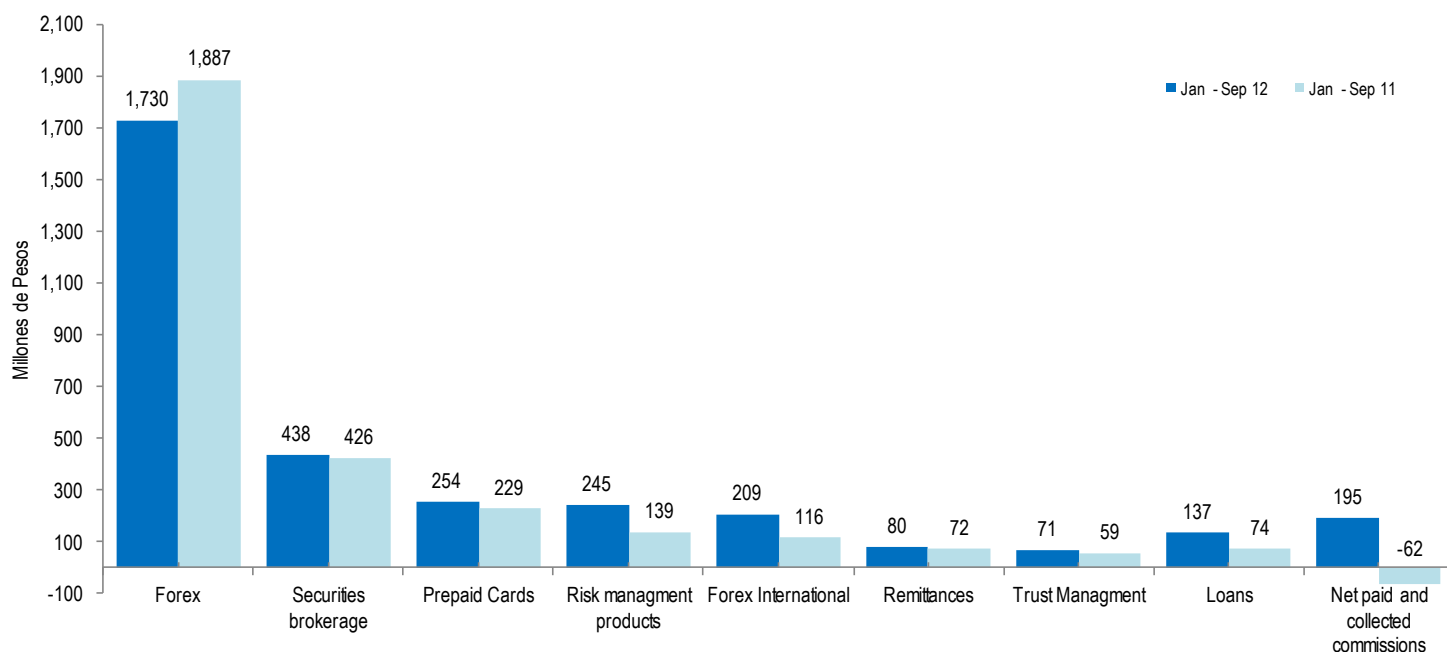
## Financial Information Holding Monex and Subsidiary Companies

### HOLDING MONEX, S.A.P.I.B. de C.V. y Subsidiaries Income Statement From January 1 to September 30, 2011 and 2012 (Figures in millions of pesos)

Income Statement	Jan - Sep 11	Jan - Sep 12	Variation
Total Operations Revenue	2,940	3,359	14.3%
Management and Promotions Expenses	2,079	2,142	3.0%
Operating Income	860	1,217	41.5%
Other income and expenses	-3	3	194.3%
Income before taxes	857	1,220	42.4%
Taxes	268	358	33.7%
<b>Net Income</b>	<b>589</b>	<b>862</b>	<b>46.5%</b>

By September 30, 2012, total revenues amounted \$3,359 million pesos, exceeding in 14.28% the same period in 2011. Management and Promotion expenses accrued to September 30, 2012 showed no significant changes compared with the same period in 2011, showing a net profit of \$ 862 million pesos, a figure 46.46% higher than that reported in the same period in 2011.

### Net Revenue per line of business accrued from January 1 to September 30, 2012

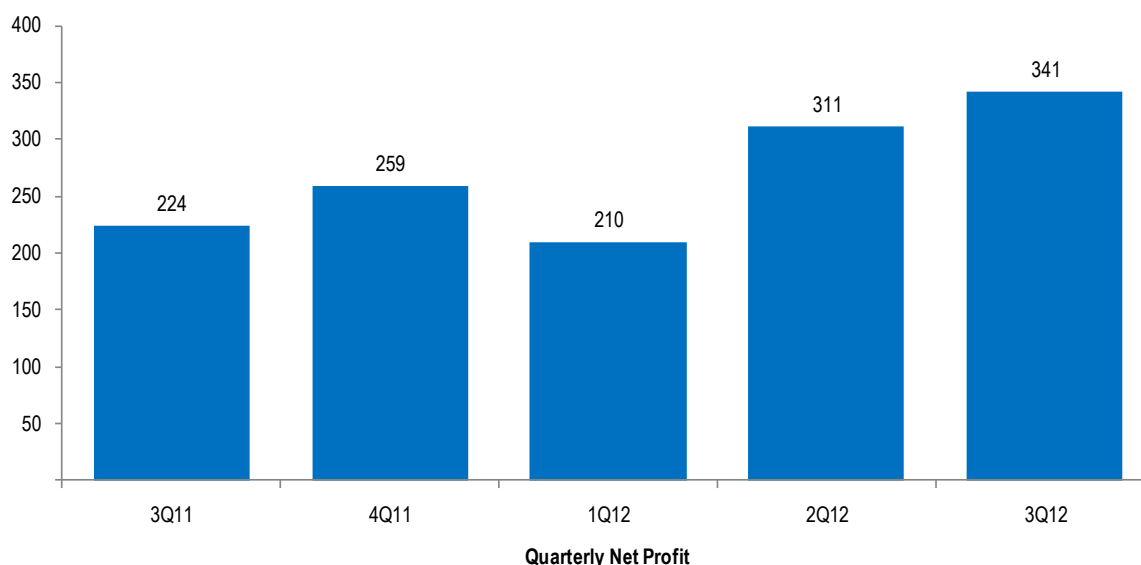


	Forex	Securities brokerage	Prepaid Cards	Risk management products	Forex International	Remittances	Trust Management	Loans	Net paid, collected commissions and others
Net Income Share	51.48%	13.03%	7.57%	7.30%	6.21%	2.39%	2.13%	4.08%	5.80%
Growth vs Jan - Sep 11	-8.33%	2.79%	10.86%	77.07%	80.07%	11.13%	21.59%	86.53%	N/A

As shown in the graph above, the composition of the accumulated income in September 2012 consists primarily in forex trading with 51.48%, 13.03% from market operations and 7.57% from prepaid cards. The accumulated income in risk management line of business increased its revenue in 77.07% when compared to the same period in 2011.



### Quarterly net profit



Net profit by the third quarter 2012 totaled \$341 million pesos, representing a 52.45% increase compared to the same period in 2011 and a 9.71% increase compared with the previous quarter.

### Balance Sheet HOLDING MONEX, S.A.P.I.B. de C.V. From January 1 to September 30, 2011, 2012 and December 31, 2011 (Figures in millions of pesos)

Assets	Sep 11	Dec 11	Sep 12	Variation Sep 12 vs. Dec 11
Liquid assets	2,588	6,474	2,279	-64.8%
Investment in securities, repos and derivatives	15,281	13,546	12,034	-11.2%
Loan portfolio (net)	3,145	3,643	4,344	19.2%
Other accounts receivables (net)	20,026	18,127	16,736	-7.7%
Real-estate, furniture ,equipment (net) and awarded assets	104	100	92	-8.2%
Other assets	1,696	1,406	2,388	69.9%
<b>Total Assets</b>	<b>42,840</b>	<b>43,297</b>	<b>37,872</b>	<b>-12.5%</b>

Liabilities	Sep 11	Dec 11	Sep 12	Variation Sep 12 vs. Dec 11
Deposits	3,323	3,769	4,346	15.3%
Loans from Banks and other institutions	1,530	741	1,277	72.4%
Transactions with securities, repos and derivatives	11,974	10,541	9,948	-5.6%
Other liabilities	22,871	24,893	18,640	-25.1%
<b>Total Liabilities</b>	<b>39,698</b>	<b>39,943</b>	<b>34,211</b>	<b>-14.4%</b>

Capital	Sep 11	Dec 11	Sep 12	Variation Sep 12 vs. Dec 11
Initial Equity	1,506	1,506	1,506	0%
Earned Equity	1,636	1,848	2,155	16.6%
<b>Total Equity</b>	<b>3,142</b>	<b>3,354</b>	<b>3,661</b>	<b>9.2%</b>
<b>Total Liabilities and Equity</b>	<b>42,840</b>	<b>43,297</b>	<b>37,872</b>	<b>-12.5%</b>

# Derivative Financial Instruments

Type of derivative, security or contract	Hedging or negotiation purpose	Notional value / nominal value	Value of the underlying asset / reference variable		Fair Value		Collateral / Credit Lines / Securities given as a guarantee
			Current Quarter	Past Quarter	Current Quarter	Past Quarter	
Futures	Negotiation	-496.00	CME MXUSD	CME MXUSD	-9.38	-8.21	Cash
		1.22	IPC MEX FUT	IPC MEX FUT	0.01	-0.17	Cash
		1.28	MXD EURMXP	MXD EURMXP	-0.17	-0.60	Cash
		14.77	MXD USD-MX	MXD USD-MX	-78.96	-156.38	Cash
Forward	Negotiation	-5.45	EUR/MXN	EUR/MXN	1.87	0.78	Cash
		3.04	EUR/USD	EUR/USD	-0.41	1.72	Cash
		23.74	USD/MXN	USD/MXN	24.04	399.39	Cash
		-654.49	Bono	Bono	-0.35	1.18	Cash
Options	Negotiation	0.00	EUR/MXN	EUR/MXN	0.00	-0.01	Cash
		0.00	MXD DOLAR	MXD DOLAR	0.00	-0.22	Cash
		842.21	MXN IPC	MXN IPC	-0.03	-1.48	Cash
		15.21	USD/MXN	USD/MXN	1.77	-0.89	Cash
Caps Floors	Negotiation	852.40	TIIE28 UHABMES	TIIE28 UHABMES	-2.58	11.09	Cash
Swaps	Negotiation	-2,009.77	TIIE UDI TIIE28_6M TIIELIBOR 28-1M TIIELIBOR 28-3M UDIFSTIIE28 M USD LIBOR 3 6M USD/MXN FIJAS VAN_SWAP_TIIE	TIIE UDI TIIE28_6M TIIELIBOR 28-1M TIIELIBOR 28-3M UDIFSTIIE28 M USD LIBOR 3 6M USD/MXN FIJAS VAN_SWAP_TIIE	-308.44	-278.37	Cash
		451.17	TIIE- LIBOR	TIIE- LIBOR	36.28	22.46	Cash

Impact on cash flow:

Account	Description	Balance to September 30, 2012
6301050100	Futures Cash Flow	-78.59
6301050200	Forwards Cash Flow	-30.24
6301050300	Options Cash Flow	2.08
6301050400	Swaps Cash Flow	-42.86
6301070400	Forwards for delivery Cash Flow	569.09
Total Cash Flows		419.49
Total Valuation		-318.64
Derivatives Total Income		100.85

As in equity and currency Exchange markets, in operations with derivative financial instruments, Monex, only acts as a broker with the purpose of covering its positions. The valuation effect of derivative financial instruments with negotiation purposes is reported in the statement of income under the "brokerage result" account heading. According to CNBV accounting criteria, the valuation effect shown in the general balance sheet of derivatives is presented under the heading "margin accounts" along with minimum initial contributions.



## Portfolio Distribution

Portfolio (millions of pesos)	Sep 11	Dec 11	Sep 12	Variation Sep 12 vs. Dec 11
Loan portfolio	3,142	3,648	4,386	20.2%
Commercial	2,222	2,275	2,822	24.0%
Mortgage Loans**	367	602	1,021	69.7%
Credit with financial entities	480	690	500	-27.5%
Credit with government entities	73	81	43	-47.1%
Past loans	66	62	32	-48.4%
Commercial	66	62	32	-48.4%
Loan risk reserves	64	67	74	10.3%
Total loans	3,145	3,643	4,344	19.2%

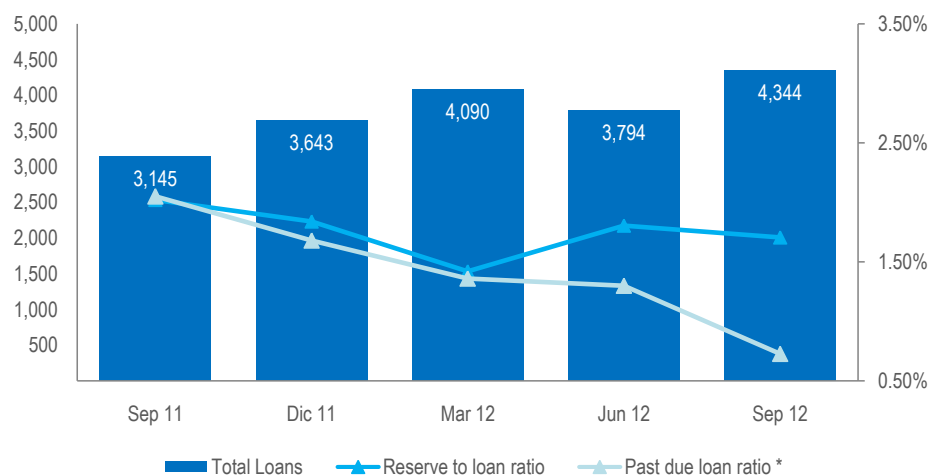
By September 30, 2012, the loan portfolio posts a total of \$4,386 million pesos, an increase of 20.2% over December 2011. Holding Monex grants credits mainly to financial and insurance services (21.59%). Geographically, 40.45% of its portfolio is concentrated in Mexico City and Nuevo León.

As shown in the graph below, the total portfolio posts an upward trend, standing at \$4,344 million pesos in the third quarter of 2012. Loan risk reserves totaled \$74 million pesos, which represents a 10.3% increase over December 2011.

\* Due credit portfolio/ Total net portfolio

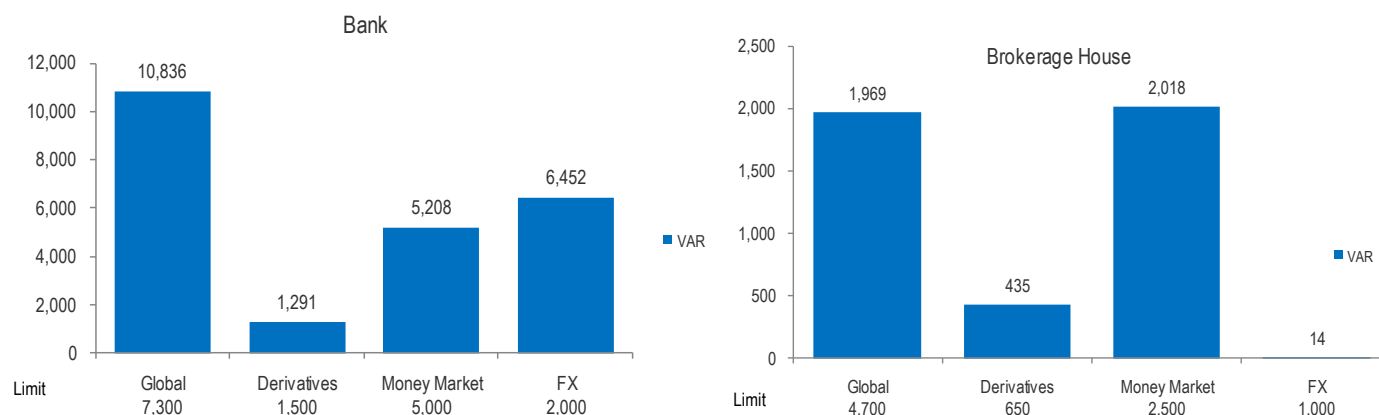
\*\* Renew your home program

## Quarterly Portfolio Evolution:



## Risk Management Process

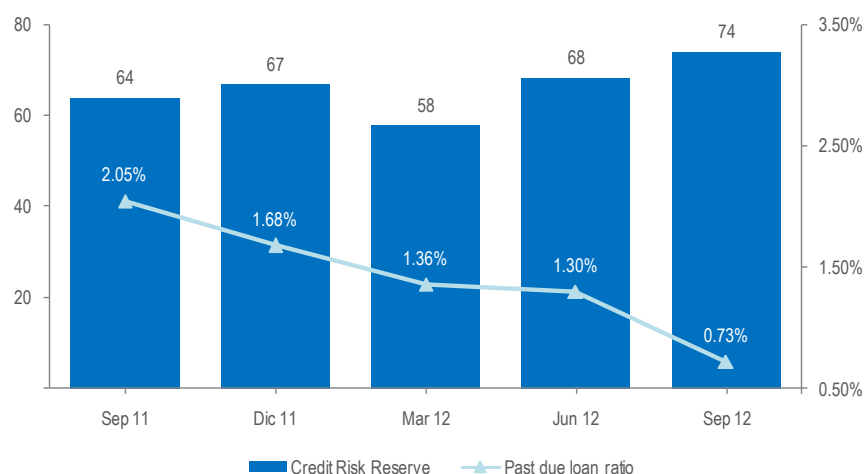
**Market Risk:** In order to mitigate the possibility of market risk affecting Holding Monex's revenue, we have implemented policies that allow market risk exposure identification and we have established VAR restrictions on a daily basis for global and business unit levels for the Bank as well as for the Brokerage Firm, according to the following graphs:



Foreign money market, risk management products and debt instruments positions are evaluated on a daily basis using a value-at-risk method along with a stress scenario analysis, according to certain parameters approved by the risk committee.

**Credit Risk:** Holding Monex is subject to credit risk in lending operations, foreign exchange and risk management products. All relevant exposure to credit risk needs to be approved by the subcommittee of credit risks.

The subcommittee establishes limits for credit exposure by analyzing financial information and creating credit reserves, as shown in the following chart:



\*Due credit portfolio / Total net portfolio

## Independent Analyst Coverage

As of June 28, 2012, we have joined the Mexican Stock Exchange Independent Analyst program, in order to provide investors with economic, administrative and financial information. Holding Monex S.A.P.I.B. de C.V. will be followed by the analyst listed below:

**MORNINGSTAR®** Investigaciones MS México, S de R L de CV "MORNINGSTAR"  
 Alejandro Francisco Ritch Grande Ampudia  
 alejandro.ritch@morningstar.com  
 Tel: (55) 91 71 16 47



[www.holdingmonex.com](http://www.holdingmonex.com)