INBURSA
Grupo Financiero

Annual Report **2010**

Mission:

A Financial Group committed to working for Mexico, and consisting of the best human capital, created to watch over and make grow as efficiently as possible our customers' and partners' resources.

Vision:

Be leaders in Mexico's growing financial sector with profitability for our customers, collaborators and partners.

Values:

- Commitment to Mexico
- Long-term vision
- Comprehensive staff development
- Integrity
- Austerity
- Innovation

Key Capacities:

- Operating Efficiency
- Customer & Service oriented
- Lean structure with good communication and clear leadership
- Focused on results
- Wise selection of risks

2010 Annual Report

Grupo Financiero Inbursa

Contents

Salvador Dalí
(Figueras, Spain, 1904 - 1989)

Perseus. Homage to Benvenuto Cellini

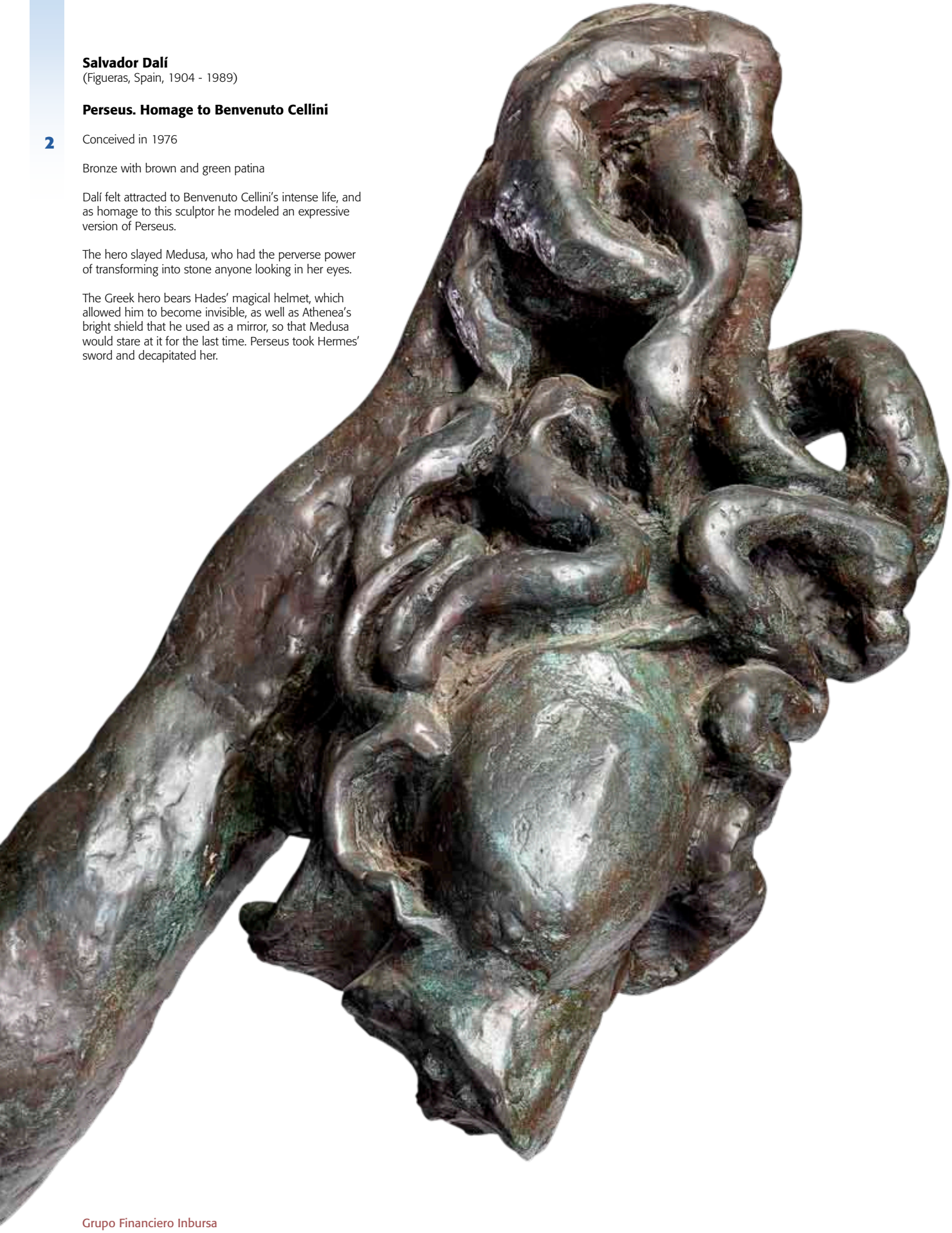
Conceived in 1976

Bronze with brown and green patina

Dalí felt attracted to Benvenuto Cellini's intense life, and as homage to this sculptor he modeled an expressive version of Perseus.

The hero slayed Medusa, who had the perverse power of transforming into stone anyone looking in her eyes.

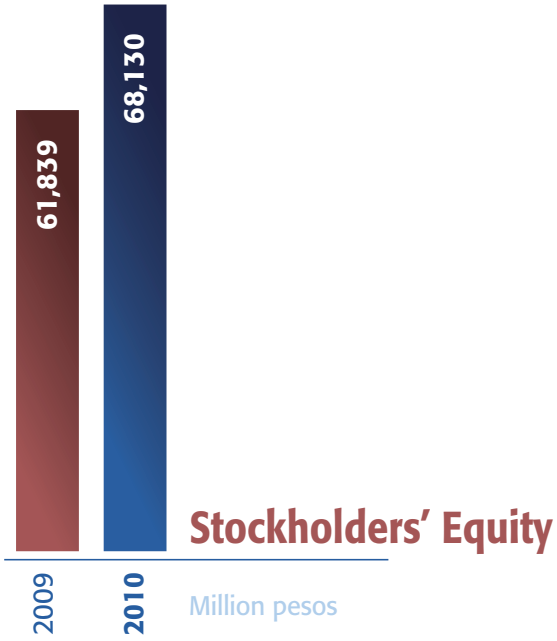
The Greek hero bears Hades' magical helmet, which allowed him to become invisible, as well as Athenea's bright shield that he used as a mirror, so that Medusa would stare at it for the last time. Perseus took Hermes' sword and decapitated her.

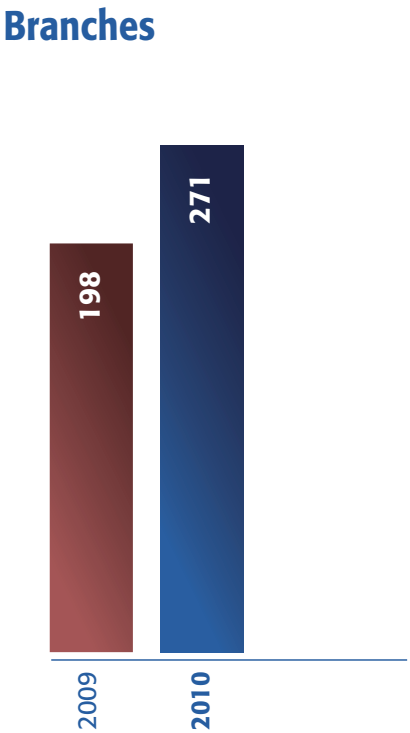


Stockholders' Equity

(Million pesos)

Relevant Figures





Grupo Financiero Inbursa

Assets	2009 Million pesos	2010 Million pesos	% chg. ('09 vs. '10)
Grupo Financiero Inbursa	**225,984**	**263,856**	**17%**
Banco Inbursa	191,528	235,331	23%
Inversora Bursátil	17,523	12,449	-29%
Operadora Inbursa	1,129	1,199	6%
Seguros Inbursa	45,835	43,009	-6%
Pensiones Inbursa	20,725	22,798	10%
Fianzas Guardiana	2,948	3,727	26%

Stockholders' Equity	2009 Million pesos	2010 Million pesos	% chg. ('09 vs'10)
Grupo Financiero Inbursa	**61,839**	**68,130**	**10%**
Banco Inbursa	43,077	47,427	10%
Inversora Bursátil	3,938	4,869	24%
Operadora Inbursa	971	980	1%
Seguros Inbursa	5,408	6,302	17%
Pensiones Inbursa	5,377	6,042	12%
Fianzas Guardiana	1,866	2,302	23%

Net Result	2009 Million pesos	2010 Million pesos	% chg. ('09 vs'10)
Grupo Financiero Inbursa	**8,068**	**7,803**	**-3%**
Banco Inbursa	4,816	4,308	-11%
Inversora Bursátil	588	931	58%
Operadora Inbursa	208	277	33%
Seguros Inbursa	1,107	951	-14%
Pensiones Inbursa	941	582	-38%
Fianzas Guardiana	347	436	26%

Managed & Custody Assets	2009 Million pesos	2010 Million pesos	% chg. ('09 vs'10)
Managed Assets	758,724	1,083,823	43%
Custody Assets	2,005,073	2,629,070	31%

Customers	2009	2010	% chg.
Customers	7,235,484	8,093,973	12%

Indicators	INBURSA	Market Avg.
Capitalization Index **(Bank)**	20.5%	17.4%
Past due Portfolio / Total Portfolio **(Bank)**	2.0%	2.3%
Reserves / Past due Portfolio **(Bank)**	5.4	2.0
Investment / Total Policies **(Insurance)**	2.0	1.7

Infrastructure	2009	2010
Employees	5,994	6,356
ATMs	689	753
Branches	198	271
Sales Force	14,055	14,542

Report to the Shareholders

Economic Environment

In 2010, the world's economic activity showed signs of a slow recovery. The negative real interest rate levels helped to alleviate the payments of debt by the world countries, companies, and individuals, making also possible a number of investment projects. However, there is still uncertainty due to several factors, such as unemployment, the difficult financial situation of several countries and financial institutions, and the possibility of a higher inflation.

In this environment, the opportunity for growth and employment is more promising in the economies of the emerging countries, mainly in Asia and Latin America, including Mexico, of course, which has healthy public finances, a sound financial system with liquidity, a controlled inflation, and low interest rates. Mexico possesses great advantages that, if we know how to profit from them, could lead us to a high and sustainable growth. We have ahead significant investment opportunities and needs that are convenient and fully feasible.

The main risks for Latin America are the prices of commodities, and the excess valuation of currencies, as a result of substantial amounts of external resources, mostly as speculative financial investment. After a 6.5% fall in 2009, Mexico's economic activity posted a 5.5% growth in 2010. The peso depreciation in 2009, along with the reactivation of the American economy, and the oil prices boosted exports, which increased 29.8% to USD$298,361 million. The trade balance showed a USD$3,121 million deficit compared to a USD$ 4,602 million deficit in 2009.

In a low-inflation environment, Mexico's Central Bank (Banco de México) kept unchanged the reference interest rate, in contrast with the rate reduction policy leading to a 375 basis point cut, between January and July, 2009, so that in 2010 a flattening of the yield curve was observed due to several factors: a lower inflation, an improvement in the country-risk perception, and a concentration in the demand of long-term government bonds.

International reserves grew by USD$22,759 million to close the year with USD$ 113,597 million. Furthermore, on March 2010 the flexible credit line was renewed for an amount of up to USD$48,000 million.

The exchange rate was volatile throughout the year, with an appreciation trend over the last months due to a significant capital inflow, but mainly as a result of a rate differential, with an amount of foreign investment of USD$ 41,495 million, of which USD$ 23,769 million were in portfolio, and USD$17,726 million was direct investment consisting of USD$ 11,355 million in new investment, USD$2,783 million in profit reinvestment, and USD$3,588 million of accounts among companies. Worth noting is that the flow of these resources was substantial over the year's last quarter as a result of the inclusion of the Federal Government long-term bonds in the World Government Bond Index (WGBI). In 2010, revenues from family remittances to Mexico amounted to USD$21,271 million, similar to the one posted in 2009.

Mexico faces significant challenges due to a lower foreign demand, but with a healthy financial sector, such challenge and opportunities represent the strengthening of the domestic sector. Boosted by investment in physical capital and addressing backlogs in human capital a long-term sustainable growth could be generated, thus creating more and better jobs.

Grupo Financiero Inbursa

Throughout 2010 **Grupo Financiero Inbursa (GFI)** was very active, giving impulse to its development and presence in the Mexican financial market.

Worth mentioning is that as of the end of 2010 **GFI** provides services to over 8 million customers, which means a great crossed sales potential which will allow the business to grow, consolidating at the same time its customer loyalty.

Grupo Financiero Inbursa posted net profits for $7,803 million pesos in 2010, mainly due to better results in the banking business and asset management.

Under a strict risk selection which has characterized Inbursa's decision-making since its creation, and taking advantage of the Mexican market opportunities, Inbursa ended 2010 with a $176,211 million pesos loan portfolio, or a 10.1% increase.

In 2010 the Group kept its conservative policy of reserve creation by increasing it by $3,149 million pesos in such period. This growth allowed Banco Inbursa to close 2010 with $18,515 million pesos in loan reserves, representing a 5.4 times past due portfolio hedging. This figure is positive in comparison to the market average which is 2.0 times.

Worth noting is Inbursa's leadership in the loan support to small and medium companies with over 32,000 borrowers in 2010.

During 2010 Inbursa strengthened its position in the consumer credit market, particularly in car loans, with the acquisition of Chrysler Financial Services Mexico.

This operation increases Inbursa's presence in this market and allows it to have a solid platform for its future growth in the retail market.

Likewise, Inbursa opened 108 new branches in the year for a total of 271. Retail deposits amounted to $51,737 million pesos.

To diversify funding composition and terms, Banco Inbursa made three placements of Stock Exchange Certificates for a total amount of $15,669 million pesos.

In July, SINCA sold its stocks of Controladora Vuela Compañía de Aviación, S.A. de C.V. in $1,030 million pesos.

The asset management business had a 43% increase to $1.08 billion pesos, as well as a 31% growth in custody assets, for an amount of $2.6 billion pesos. Worth noting is the increase in profits of Afore Inbursa and Operadora Inbursa with growths of 101% and 33%, respectively.

In May 2010, **Grupo Financiero Inbursa** paid a dividend of 55 cents per share, which represented a total amount of $1,833 million pesos.

With a 45 year experience, over 8 million customers, and a united, committed, talented and focused human team we can be sure that Inbursa's future will keep on being successful in its mission of taking care of and making grow the money of our customers and partners.

Marco Antonio Slim Domit
Chairman of the Board of Directors

Structure of the Board of Directors

Non-independent Directors

Regular	Alternate
Marco Antonio Slim Domit (Chairman)	
Eduardo Valdés Acra (Vice Chairman)	
Arturo Elías Ayub	
Isidro Fainé Casas	Gonzalo Gortazar Rotaeche
Javier Foncerrada Izquierdo	
José Kuri Harfush	
Juan María Nin Genova	Tomás Muniesa Arantegui
Juan Antonio Pérez Simón	
Leopoldo Rodés Castañé	
Héctor Slim Seade	

Independent Directors

Antonio Cosío Pando
Laura Diez Barroso Azcárraga
Agustín Franco Macías
Claudio X. González Laporte
Guillermo Gutiérrez Saldivar
David Ibarra Muñoz

José Pablo Antón Sáenz Padilla	Guillermo René Caballero Padilla
Non-member Secretary	Non-member Pro-secretary

CEOs

		Date of entrance to GFI
Grupo Financiero Inbursa	Marco Antonio Slim Domit	1992
Inversora Bursátil	Eduardo Valdés Acra	1986
Banco Inbursa	Javier Foncerrada Izquierdo	1992
Seguros Inbursa	Rafael Audelo Méndez	1980
Operadora Inbursa	Guillermo Robles Gil Orvañanos	1992
Fianzas Guardiana Inbursa	Alfredo Ortega Arellano	1991
Pensiones Inbursa	Rafael Audelo Méndez	1980
Afore Inbursa	Rafael Mendoza Briones	1993

Curriculum of Directors

Marco Antonio Slim Domit
GRUPO FINANCIERO INBURSA, S.A.B. DE C.V.
Chairman of the Board of Directors and CEO

Antonio Cosío Pando
COMPAÑÍA INDUSTRIAL DE TEPEJI DEL RÍO, S.A. DE C.V.
CEO

Laura Diez Barroso de Laviada
LCA CAPITAL
President and CEO

Arturo Elías Ayub
TELÉFONOS DE MÉXICO, S.A.B. DE C.V.
Communications, Institutional
Relations and Strategic Alliances Executive Officer

Isidro Fainé Casas
CAIXA D´ESTALVIS I PENSIONS DE BARCELONA
"LA CAIXA"
FUNDACIÓN "LA CAIXA"
CRITERIA CAIXACORP, S.A.
President

Javier Foncerrada Izquierdo
BANCO INBURSA, S.A.
INSTITUCIÓN DE BANCA MÚLTIPLE
GRUPO FINANCIERO INBURSA
CEO

Agustín Franco Macías
GRUPO INFRA, S.A. DE C.V.
Chairman of the Board

Claudio X. González Laporte
KIMBERLY CLARK DE MÉXICO, S.A. DE C.V.
CEO

Gonzalo Gortazar Rotaeche
CRITERIA CAIXA CORP
Director - CEO

Eduardo Valdés Acra
GRUPO FINANCIERO INBURSA, S.A.B. DE C.V.
Vice Chairman of the Board of Directors
INVERSORA BURSÁTIL, S.A. DE C.V., CASA DE BOLSA
GRUPO FINANCIERO INBURSA
CEO

Guillermo Gutiérrez Saldivar
GRUPO IDESA, S.A. DE C.V.
Chairman of the Board of Directors

David Ibarra Muñoz
Independent Advisor

José Kuri Harfush
JANEL, S.A. DE C.V.
CEO

Tomás Muniesa Arantegui
CAIXA D´ESTALVIS I PENSIONS DE BARCELONA
"LA CAIXA"
Assistant CEO

Juan María Nin Genova
CAIXA D´ESTALVIS I PENSIONS DE BARCELONA
"LA CAIXA"
CEO
CRITERIA CAIXACORP, S.A.
Vice President

Juan Antonio Pérez Simón
TELÉFONOS DE MÉXICO, S.A.B. DE C.V.
Vice Chairman of the Board

Leopoldo Rodés Castañé
MEDIA PLANNING GROUP
ASEPEYO
President
CAIXA D'ESTALVIS I PENSIONS DE BARCELONA
"LA CAIXA"
CRITERIA CAIXACORP
HAVAS, S.A
Director

Héctor Slim Seade
TELÉFONOS DE MÉXICO, S.A.B. DE C.V.
CEO

Banco Inbursa

Banco Inbursa posted net profits of $4,308 million pesos in 2010 compared to $4,816 million pesos in 2009.

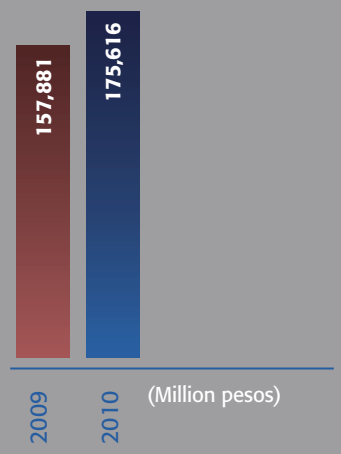
Banco Inbursa's loan portfolio registered an 11.2% increase in the year compared to 2009 to $175,616 million pesos, mainly due to higher commercial loans. Funding to small and medium companies had an outstanding growth reaching 32,632 companies financed for a total amount of $2,149 million pesos, which represents increases of 55% and 39%, respectively.

In early June 2010, the acquisition of the car financing business, Chrysler Financial Services Mexico was completed, which had $5498 million pesos in loans and nearly 60,000 customers. With this acquisition, Inbursa strengthens its consumer loan market position by extending its car loan customer portfolio and allowing it to have a sound platform for future growth.

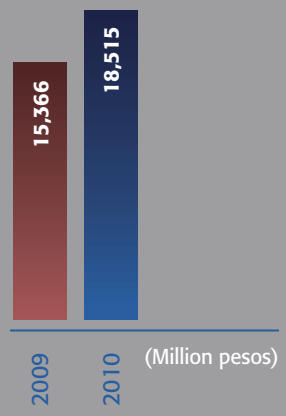
Furthermore, the past due portfolio accounted for 2.0% of the total portfolio. Worth mentioning is that such portfolio is mostly guaranteed with assets with a current value above the amount of the loans.

Preventive reserves were $18,515 million pesos, which represents a 20.5% increase, and equals a hedging of 5.4 times the past due portfolio.

Loan Portfolio

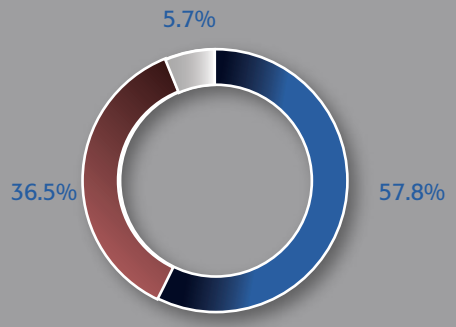


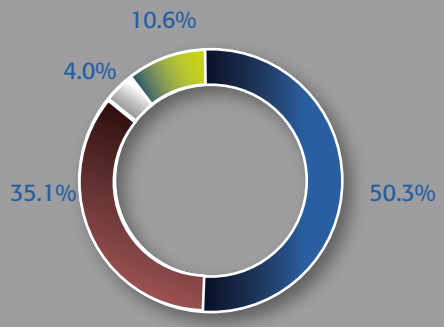
Reserves



Deposits

	2009	2010
	Million pesos	Million pesos
Deposits	132,152	147,483





Notes with Interest Payable at Maturity (PRVLs)

Demand Account Deposits

Bank Loans

Cebures (Stock Exchange Certificates)

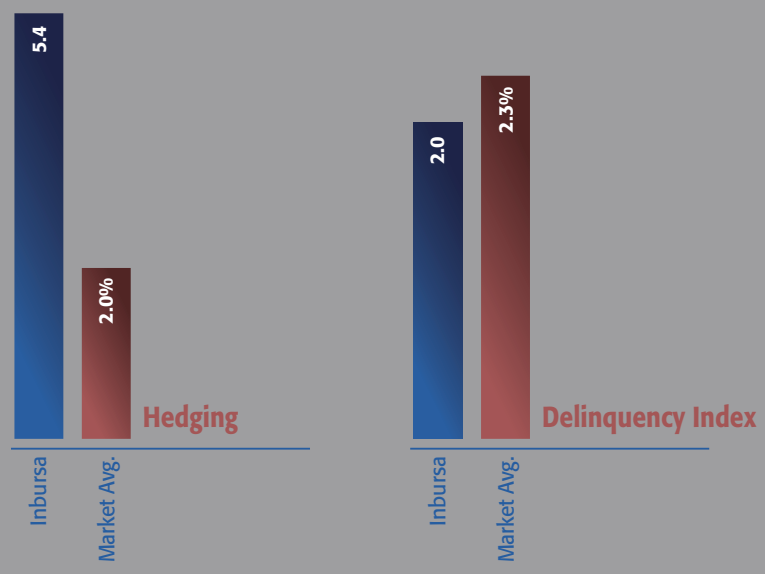
The total of loan reserves represents 10.5% of the total loan portfolio.

Banco Inbursa opened 108 new branches to close the year with a total 271 branches. Retail deposits amounted to $51,737 million pesos, 7.1% higher than last year.

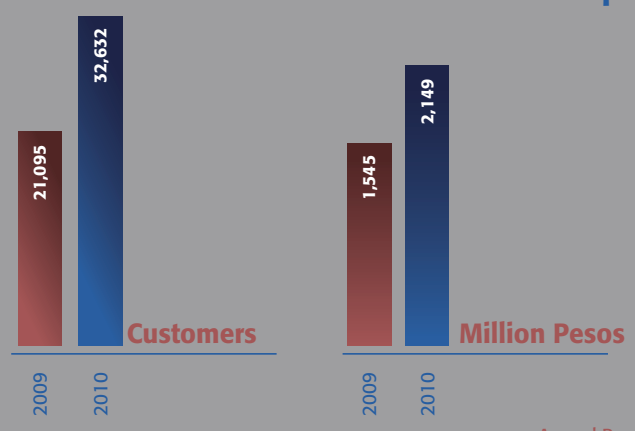
Likewise, three Stock Exchange Certificate placements were made for a total amount of $15,669 million pesos, $5.0 billion pesos each. The first one was made in August at a 5-year term and a cost of 24 basis points above the TIIE (Interbank Equilibrium Interest Rate). The second placement took place in October, with a 3-year term and a cost of 20 basis points above TIIE, while the last one was placed in December, at a 2-year term and a cost of 13 basis points above TIIE. Standard & Poor's rating for each issuing was "mxAAA", and from HR Ratings, "HR+1". Both ratings show a stable outlook.

Banco Inbursa still maintains itself as one of the world's best reserved and capitalized banks, with a 20.5% capitalization index. This indicator shows, in addition to a financial sound condition, the capacity to keep on taking part actively and wisely in the loan market.

Delinquency and Hedging Index



Small & Medium Companies



Afore Inbursa

In 2010 **Afore Inbursa** posted $1,410 million pesos in revenues from fees, 15% higher than over the same period last year.

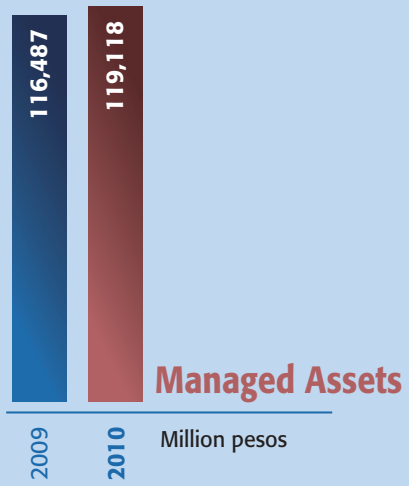
Managed assets amounted to $119,118 million pesos in 2010 compared to $116,487 million in 2009, with a 9.1% market share.

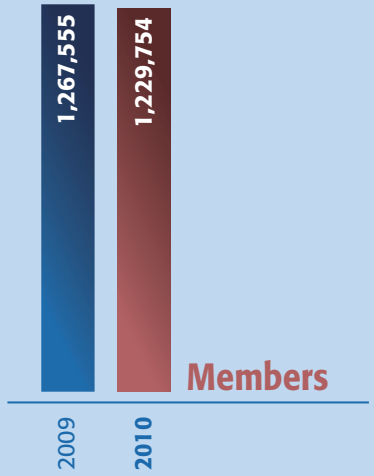
The market share in the number of members was 8.3% in 2010, closing the year with 3,326,797 customers. **Afore Inbursa's** net profits as of the end of 2010 were $801 million pesos, compared to $398 million pesos as of 2009 closing. This result is partially mainly explained by a 72.9% reduction in the acquisition cost.

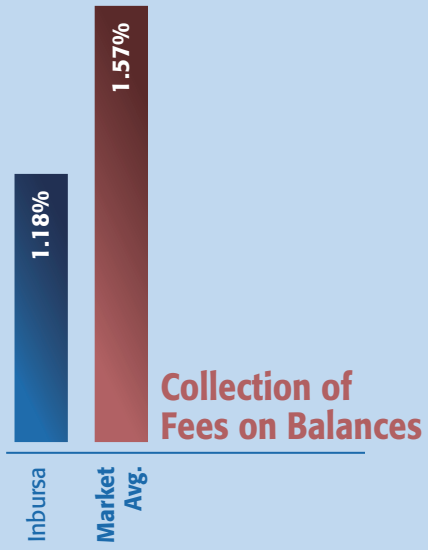
The stockholders' equity was $1,711 million pesos as of the end of 2010, compared to $1,597 million as of 2009 closing, which represents a 7% increase.

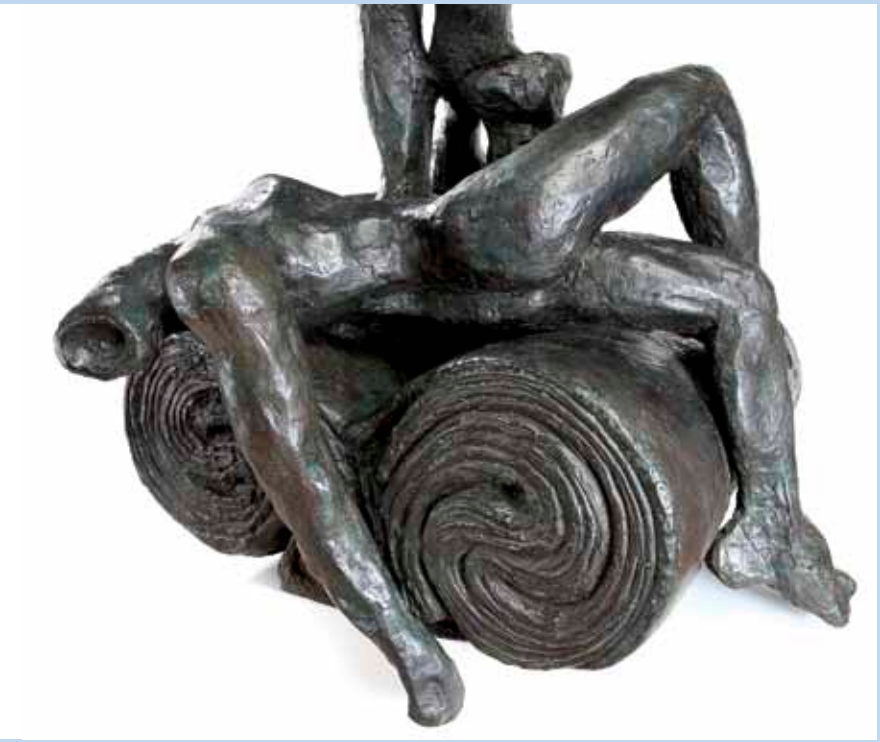
Given a historically low interest-rate scenario, Inbursa's Siefores keep low risk levels, thus avoiding that a rise in rates results in portfolio lower prices.

Indicators









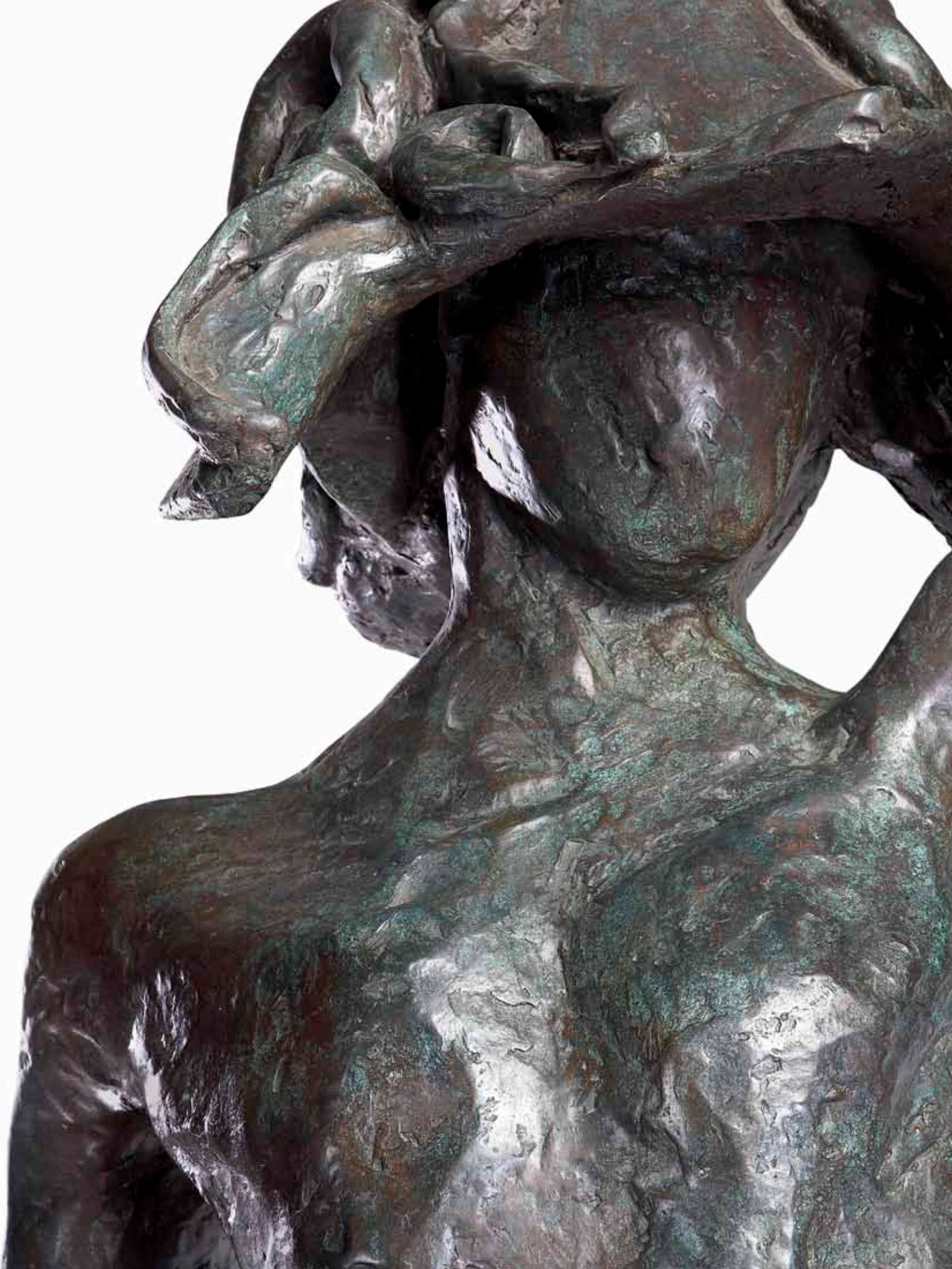
Sinca Inbursa

In 2010, **Sinca Inbursa** posted net profits of $882 million pesos. Worth mentioning is that the stockholders' equity went from $3,393 million pesos as of 2009 closing, to $4,209 million pesos at the end of 2010.

In July, SINCA sold its shares in Vuela Compañía de Aviación, for a total amount of $1,030 million pesos.

Million pesos	Acquisition Date	% Shareholding	Book Value	%
1. Infrastructure & Transportation				
1.1 Infraestructura y Transporte México S.A. de C.V. y Subsidiarias	NOV 2005	8.25%	1,076	26.9%
1.2 Gas Natural, S.A. de C.V.	SEP 2008	15.00%	762	19.1%
1.3 Giant Motors, S.A. de C.V.	JULY 2008	50.00%	213	5.3%
1.4 Grupo Idesa, S.A de C.V. and Subsidiaries	AUG 2006	9.45%	87	2.2%
1.5 CELSOL S.A. DE C.V.	DEC 2007	38.90%	58	1.5%
Total			**2,196**	**55.0%**
2. Health				
2.1 Salud Interactiva, S.A. de C.V. and Subsidiaries	JAN 2008	50.00%	371	9.3%
2.2 Grupo Landsteiner, S.A. de C.V. and Subsidiaries	JUNE 2008	25.00%	286	7.2%
2.3 Enesa, S.A. de C.V.	NOV 2010	69.92%	250	6.3%
2.4 Progenika	AUG 2010	10.00%	19	0.5%
Total			**926**	**23.2%**
3. Software Development				
3.1 Aspel Grupo, S.A. de C.V. and Subsidiaries	JUNE 2008	64.00%	339	8.5%
3.2 Hilderbrando, S.A. de C.V.	APR 2009	24.15%	237	5.9%
Total			**576**	**14.4%**
4. Financing				
4.1 Pure Leasing, S.A. de C.V.	JAN 2006	49.00%	127	3.2%
4.2 SOFICAM	SEP 2009	9.00%	9	0.2%
Total			**136**	**3.4%**
5. Entertainment				
5.1 Quality Films, S. de R.L. de C.V.	DEC 2005	30.00%	61	1.5%
5.2 Argos Comunicación, S.A. de C.V. and Subsidiaries	MARCH 2007	30.00%	41	1.0%
5.3 Movie Risk, S.A. de C.V.	DEC 2007	99.99%	58	1.5%
Total			**160**	**4.0%**
TOTAL PROMOTED COMPANIES				**3,994**
6. Other investments				
6. C.I.C.S.A. (61,015,990 shares)*	NOV 2007	2.34%		269

*URVITEC merged with CICSA on November, 2007.



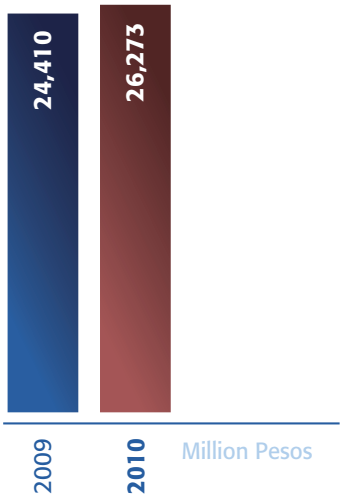
Seguros y Patrimonial Inbursa

In 2010, **Seguros Inbursa's** total policies were $13,142 million pesos, a 39.2% decline if compared to last year. Such reduction is mainly explained by PEMEX's damage coverage for an amount of USD$519 million, and a term from February 20th, 2009 to June 30th, 2011. If such effect is not considered, policies would have increased 7.6%.

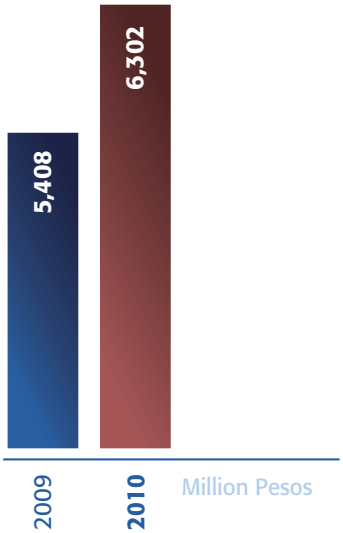
The car and accident/illness insurance areas showed growths of 29.4% and 9.7%, respectively, compared to last year.

Patrimonial Inbursa's premiums amounted to $1,107 million pesos in 2010, compared to $1,001 million pesos in 2009, a 10.6% increase.

Investments



Stockholders' Equity



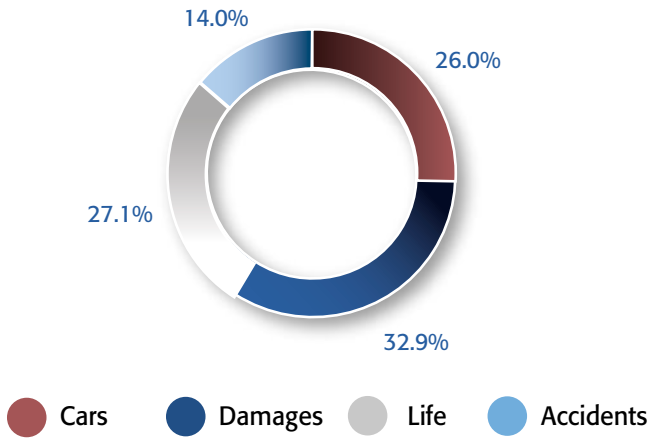
Seguros Inbursa and Patrimonial Inbursa posted profits of $951 million pesos at the end of 2010, compared to $1,107 million pesos as of FY2009 closing. This result is mainly explained by two factors: 1) A higher number of damages due to the earthquake in Mexicali, and the floods in Mexico's northern and northeast areas (Alex and Karl hurricanes), and 2) PEMEX's damage business.

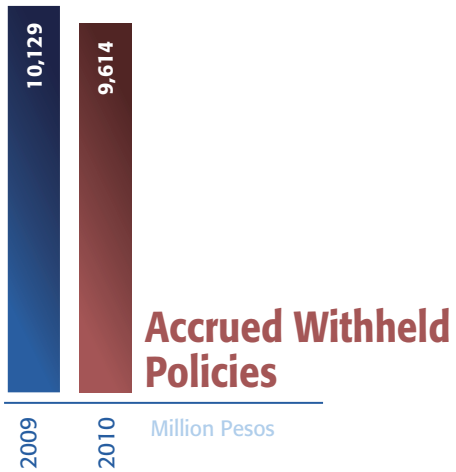
The stockholders' equity was $6,302 million pesos, which represents a 16.5% increase compared to last year.

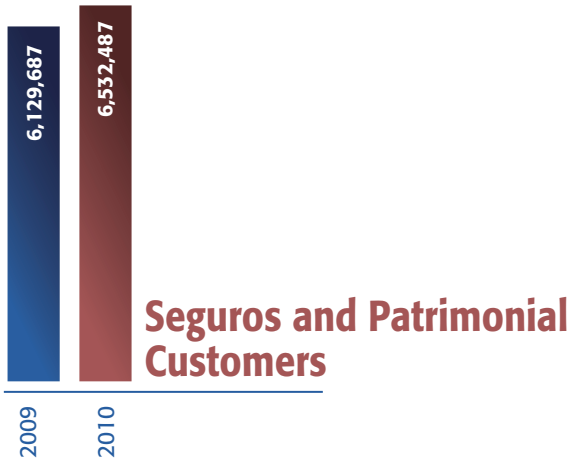
The combined index, that is, the operating, acquisition, and damage cost related to withheld policies, was 100.1% for **Seguros Inbursa**, and 74.8% for **Patrimonial Inbursa** in 2010.

The costumer base of both companies grew by 6.6% in 2010 to 6.5 million.

Business Line







Pensiones Inbursa

By 2010's end, **Pensiones Inbursa** reported profits of $581 million pesos, in contrast to $941 million pesos last year. This difference is mainly due to an extraordinary gain in 2009 resulting from the valuation in the shares of its subsidiary Promotora Inbursa.

Investment in the pension business kept growing, from $18,229 million pesos in 2009 to $20,052 million pesos in 2010.

The stockholders' equity of **Pensiones Inbursa** increased to $6,042 million pesos under the National Commission of Insurance and Bonds' accounting rules, 12.4% if compared to 2009 closing.

Million Pesos	2009	2010
Total Premiums	18	**44**
Reserves	156	**228**
Technical Profits	(977)	**(1,045)**
Result of Investments	2,327	**2,081**
Net Profits	**941**	**582**
Assets	20,725	**22,798**
Investments	18,229	**20,052**
Technical Reserves	14,697	**15,075**
Stockholders' Equity	**5,377**	**6,042**

Operadora Inbursa

The assets managed by **Operadora Inbursa** amounted to $80,684 million pesos as of the closing of FY2010, which represented a 27% increase compared to the previous fiscal year.

INBURSA's variable income fund reported, as of December 31st, 2010, $11,398 million pesos in assets and showed a dollar compound annual yield of 20.4% for the period between March 31st, 1981 and December 31st, 2010. IBUPLUS and FONIBUR funds posted at the end of the year portfolios of $24,220 million pesos and $18,602 million pesos, respectively.

As regards the performance of mutual funds in debt instruments, INBUREX and INBUR LP had an annual yield of 6.58%, ending FY2010 with $11,319 million pesos in assets; DINBURI posted a 3.72% annual yield and assets for $5,513 million pesos. Furthermore, INBUMAX had an annual yield of 5.05%, and a $9,632 million pesos portfolio.

In 2010, **Operadora Inbursa** reported $277 million pesos in profits compared to $208 million pesos in 2009, or 33.2% higher.

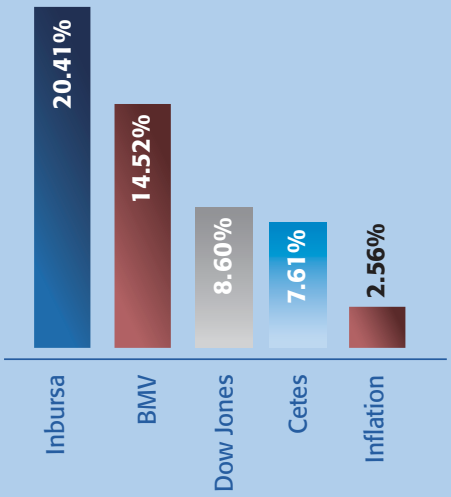
The stockholders' equity was $980 million pesos, with a dividend payment of $268 million pesos. If adjusted by this effect, the stockholders' equity would have increased 28.5%.

Fund	Portfolio	Assets in 2009 Million Pesos	Assets in 2010 Million Pesos	% chg. ('09 vs. '10)	Annualized Yield	Market Avg. Annualized Yield	CPI Annualized Yield
DINBUR	Fixed Income	4,307	5,513	28.0%	3.72%	3.70%	
INBUREX	Fixed Income	10,842	11,319	4.4%	6.58%	4.48%	
INBUMAX	Fixed Income	5,026	9,632	91.6%	5.05%	3.70%	
INBURSA	Variable Income	9,697	11,398	17.5%	13.79%	12.78%	
FONIBUR	Variable Income	15,962	18,602	16.5%	14.81%	12.78%	20.02%
IBUPLUS	Variable Income	17,522	24,220	38.2%	12.68%	12.78%	
TOTAL		**63,356**	**80,684**				

Inbursa Fund

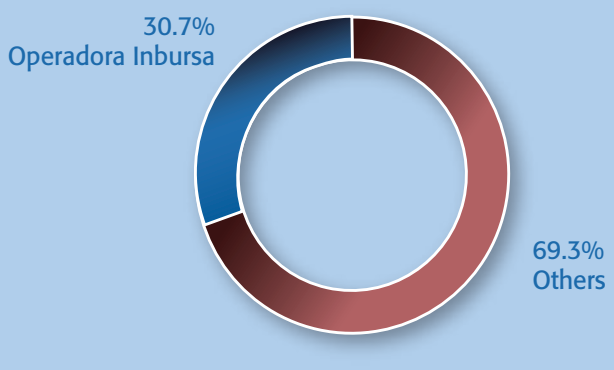
(Yield in Dollars)

Inbursa shows the highest USD compound yield over the last 29 years (March '81 – Dec '10).



Market Share (Variable Income)

VARIABLE INCOME	
INBURSA	11,398
FONIBUR	18,602
IBUPLUS	24,220
TOTAL	**54,220**



Inversora Bursátil

In 2010, **Inversora Bursátil** (Stock Exchange Investor) reported profits of $931 million pesos, in comparison with $588 million pesos as of FY2009 end, a 58.3% increase. This was due to higher revenues from fees resulting from a higher-than-expected volume in the Mexican Stock Exchange during 2010, compared to the previous year, as well as higher prices in investments.

Moreover, in 2010 custody assets amounted to $2.67 billion pesos.

The stockholders' equity of **Inversora Bursátil** showed a 23.6% increase in 2010, to $4,869 million pesos compared to $3,938 million pesos last year.

Million Pesos	2009	2010
Collected Fees and Rates	674	**776**
Purchasing profits	665	**438**
Operating Result	801	**1,186**
Net Profits	**588**	**931**
Stockholders' Equity	**3,938**	**4,869**
Custody Assets	2,054,019	**2,677,079**

Fianzas Guardiana Inbursa

As of December 31st, 2010 **Fianzas Guardiana Inbursa** (Bonds) reported premiums of $963 million pesos, or a 4.8% increase compared to $919 million pesos last year.

Net profits were $436 million pesos, in comparison with $347 million pesos in 2009.

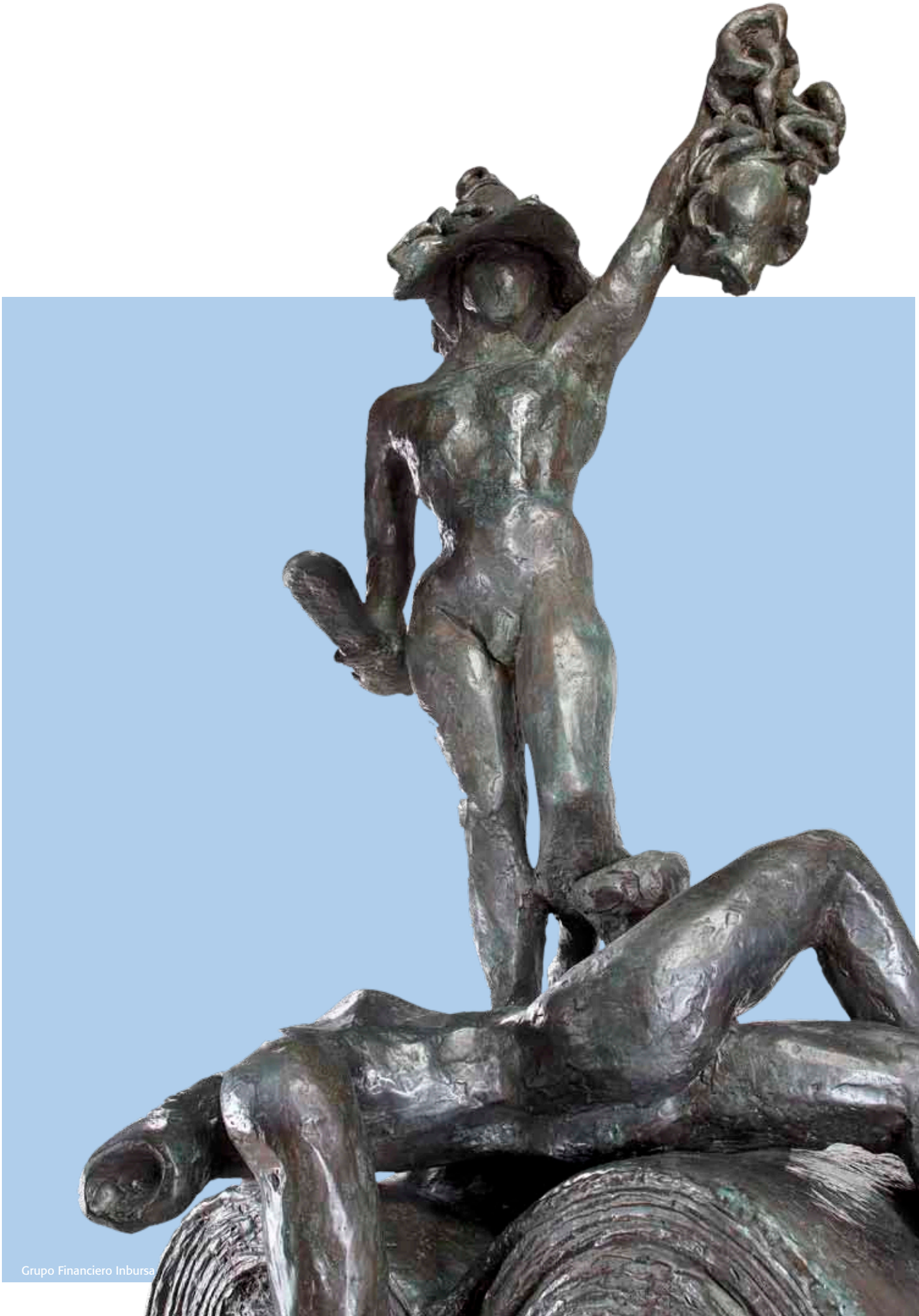
The stockholders' equity was $2,302 million pesos, representing a 23.4% increase, if compared to the closing of FY2009, which was $1,866 million pesos.

Million Pesos	2009	2010
Premiums	919	**963**
Reserves	63	**71**
Technical Profits	201	**345**
Result of Investments	220	**252**
Net Profits	**347**	**436**
Total Assets	2,948	**3,727**
Investments	1,427	**2,095**
Reserves	941	**1,127**
Stockholders' Equity	**1,866**	**2,302**

Consolidated Financial Statements

Years ended December 31, 2010 and 2009

Contents:



Grupo Financiero Inbursa

Report of Independent Auditors

To the Shareholders of Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries (the Group), as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are prepared in conformity with the accounting criteria mentioned in the following paragraph. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting criteria used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As mentioned in Note 2 to the accompanying financial statements, the Group is required to prepare and present its financial statements on the basis of the accounting criteria established by the Mexican National Banking and Securities Commission for controlling entities of financial grouPs.In the instances mentioned in the aforesaid note, such criteria are at variance with Mexican Financial Reporting Standards.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries, at December 31, 2010 and 2009, and the consolidated results of operations and changes in the shareholders' equity and cash flows for the years then, in conformity with accounting criteria mentioned in the preceding paragraph.

Mancera, S.C.
A Member Practice of
Ernst & Young Global

Miguel Mosqueda

Mexico City,
February 28, 2011

Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1 and 2)

	2010	2009
Assets		
Cash and cash equivalents (Note 5)	**Ps. 19,221**	Ps. 15,865
Margin accounts (Note 6)	**57**	211
Investments in securities (Note 7)		
Securities for trading	**23,598**	27,912
Securities available for sale	**1,563**	1,545
Securities held-to-maturity	**896**	2,230
	26,057	31,687
Debit balances under repurchase agreements (Note 8)	**5,112**	206
Derivatives (Note 9)		
For trading	**9,216**	6,356
For hedging purposes	**-**	569
	9,216	6,925
Valuation adjustment for financial asset hedges (Note 10)	**2,160**	2,887
Performing loan portfolio		
Commercial loans		
Business or commercial activity	**124,714**	128,974
Financial entities	**9,903**	8,872
Government entities	**27,066**	10,565
Consumer loans	**9,727**	6,091
Mortgage loans	**1,195**	1,123
Total performing loan portfolio	**172,605**	155,625
Past-due loan portfolio		
Commercial loans		
Business or commercial activity	**3,177**	3,905
Financial entities	**-**	-
Consumer loans	**325**	438
Mortgage loans	**104**	106
Total past-due loan portfolio	**3,606**	4,449
Total loan portfolio (Note 11)	**176,211**	160,074
Preventive provision for credit risks (Note 12)	**(18,846)**	(15,920)
Total loan portfolio (Net)	**157,365**	144,154
Other accounts receivable (Net) (Note 13)	**21,005**	2,526
Foreclosed and repossessed property (Net)	**563**	613
Property, furniture and equipment (Net) (Note 14)	**1,204**	1,385
Long Term equity investments (Note 15)	**20,426**	18,132
Other assets, deferred charges and intangibles (Net) (Note 16)	**1,470**	1,393
Total assets	**Ps. 263,856**	Ps. 225,984

	2010	2009
Liabilities		
Traditional deposits (Note 17a)		
Demand deposits	**Ps. 51,734**	Ps. 48,272
Time deposits (Note 17b)		
General public	**4,541**	2,960
Money market	**69,393**	73,233
	73,934	76,193
Debt securities issued (Note 17 c)	**15,669**	-
	141,337	124,465
Interbank and other borrowings (Note 18)		
Demand deposits	**-**	8
Short-term	**5,025**	8,217
Long-term	**849**	1,314
	5,874	9,539
Creditors under security repurchase agreements (Note 8)	**6,973**	13,092
Derivatives (Note 9)		
For trading	**8,915**	5,552
For hedging purposes	**-**	3,956
	8,915	9,508
Other accounts payable		
Taxes on profits payable (Note 19)	**559**	221
Creditors on settlement of transactions (Note 5c)	**24,743**	1,575
Creditor on margin accounts (Note 20)	**1,865**	239
Sundry creditors and other accounts payable (Note 21)	**1,849**	3,283
	29,016	5,318
Deferred income tax (Net) (Note 22)	**2,491**	2,168
Deferred credits and early settlements	**1,120**	55
Total liabilities	**195,726**	164,145
Commitments and contingencies (Note 23)		
Shareholders' equity (Note 24):		
Contributed capital		
Capital stock	**14,207**	14,207
Stock premium	**13,201**	13,201
	27,408	27,408
Earned capital		
Capital reserves	**3,098**	3,098
Retained earnings	**30,595**	24,360
Result from holding non-monetary assets	**(971)**	(971)
Equity interest in other shareholders' equity accounts of subsidiaries	**99**	(216)
Net income	**7,803**	8,068
Minority interest	**98**	92
	40,722	34,431
Total shareholders' equity	**68,130**	61,839
Total liabilities and shareholders' equity	**Ps. 263,856**	Ps. 225,984

Memoranda accounts

Transactions on behalf of others	2010	2009
Customers' current accounts		
Customers' banks	Ps. 1	Ps. 3
Settlement of customers' transactions	(159)	(95)
	(158)	(92)
Customers' securities		
Customers' securities received for safekeeping (Note 30)	2,629,070	2,005,073
Securities and notes received in guarantee	-	113
	2,629,070	2,005,186
Transactions on behalf of customers		
Customers' repurchase agreements	48,683	66,127
Managed trusts	33	-
	48,716	66,127
Total transactions on behalf of others	Ps. 2,677,628	Ps. 2,071,221

Proprietary transactions	2010	2009
Proprietary memoranda accounts		
Contingent assets and liabilities (Note 30)	Ps. 52,493	Ps. 52,561
Loan commitments (Note 30)	2,816	1,982
Property held in trust or under mandate (Note 30)	412,132	331,423
Property held for safekeeping or under management (Note 30)	1,083,823	758,724
Uncollected accrued interest	104	59
Other memoranda accounts	989,632	847,653
	2,541,000	1,992,402
Security repurchase agreements		
Collateral securities received (Note 8)	59,723	62,359
Collateral securities received and delivered in guaranty (Note 8)	54,569	62,139
Total proprietary transactions	Ps. 2,655,292	Ps. 2,116,900

The Group's historical capital stock at December 31, 2010 and 2009 is Ps.2,758.

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

These balance sheets, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on Article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated balance sheets were approved by the Board of Directors.

Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Income

Years ended December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1 and 2)

	2010	2009
Interest income	Ps. 18,113	Ps. 21,271
Interest expense	9,225	11,859
Financial margin (Note 27)	8,888	9,412
Preventive provision for credit risks (Note 12d)	4,427	4,062
Financial margin adjusted by credit risks	4,461	5,350
Commissions and fees collected (Note 28)	3,580	3,556
Commissions and fees paid	333	180
Intermediation income (loss) (Note 29)	1,899	1,689
Other operating income	684	522
	5,830	5,587
Total operating revenues (Note 26)	10,291	10,937
Administrative and promotional expenses	3,975	3,809
Operating income	6,316	7,128
Other income	1,077	1,061
Other expenses	95	738
	982	323
Income before tax and equity interest in net income of unconsolidated subsidiaries and associates	7,298	7,451
Income tax (Note 19)	1,476	1,004
Deferred income tax (Note 22)	212	905
	1,688	1,909
Income before equity interest in net income of unconsolidated subsidiaries and associates	5,610	5,542
Equity interest in net income of unconsolidated subsidiaries and associates (Note 15)	2,239	2,549
Net income	7,849	8,091
Minority interest	(46)	(23)
Net majority income	Ps. 7,803	Ps. 8,068

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

These statements of income, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on Article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the revenues and costs relating to the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of income were approved by the Board of Directors.

Lic. Marco Antonio Slim Domit
Director General

C.P. Raúl Reynal Peña
Director de Administración y Finanzas

C.P. Federico Loaiza Montaño
Director de Auditoría Interna

C.P. Alejandro Santillán Estrada
Subdirector de Control Interno

Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1, 2 and 24)

	Contributed capital	
	Capital stock	Stock premium
Balances at December 31, 2008	Ps. 14,207	Ps. 13,201
Resolutions adopted by shareholders		
Appropriation of net income of year ended December 31, 2009 to retained earnings		
Dividend declared as per ordinary shareholders' meeting held on April 30, 2009		
Total		
Recognition of comprehensive income (Note 25b)		
Net income		
Unrealized loss on valuation of instruments available for sale		
Equity interest in other shareholders' equity accounts of subsidiaries, net of deferred taxes		
Total		
Non-controlling interest		
Balances at December 31, 2009	14,207	13,201
Resolutions adopted by shareholders		
Appropriation of net income of year ended December 31, 2010 to retained earnings		
Dividend declared as per ordinary shareholders' meeting held on April 30, 2010		
Total		
Recognition of comprehensive income (Note 25b)		
Net income		
Unrealized gain on valuation of instruments available for sale		
Equity interest in other shareholders' equity accounts of subsidiaries, net of deferred taxes		
Total		
Balances at December 31, 2010	**Ps. 14,207**	**Ps. 13,201**

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

The consolidated statement of changers in shareholders' equity, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on Article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the all of the changes in shareholders' equity accounts by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted aboce. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

These consolidated statements of changes in shareholders' equity were approved by the Board of Directors.

	Earned capital						
	Capital reserves	Retained earnings	Result from holding non-monetary assets	Equity interest in other shareholders' equity accounts of subsidiaries	Net income	Non-controlling interest	Total shareholders' equity
	Ps. 3,098	Ps. 22,359	Ps.(971)	Ps.(1,028)	Ps. 3,668	Ps. 70	Ps. 54,604
		3,668			(3,668)		-
		(1,667)					(1,667)
		2,001			(3,668)		(1,667)
					8,068	23	8,091
				947			947
				(135)			(135)
				812	8,068	23	8,903
						(1)	(1)
	3,098	24,360	(971)	(216)	8,068	92	61,839
		8,068			**(8,068)**		**-**
		(1,833)					**(1,833)**
		6,235			**(8,068)**		**(1,833)**
					7,803	**46**	**7,849**
				97			**97**
				218		**(40)**	**178**
				315	**7,803**	**6**	**8,124**
	Ps. 3,098	**Ps. 30,595**	**Ps.(971)**	**Ps. 99**	**Ps. 7,803**	**Ps. 98**	**Ps. 68,130**

Grupo Financiero Inbursa, S.A.B. de C.V. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1 and 2)

	2010	2009
Net income	Ps. 7,849	Ps. 8,091
Adjustment of items not affecting cash flow:		
Preventive provision for credit risks (Note 12)	4,427	4,062
Depreciation and amortization	325	298
Expense provisions	121	140
Current year and deferred taxes on profits	1,688	1,909
Equity interest in net income of unconsolidated subsidiaries and associates	(2,239)	(2,549)
	12,171	11,951
Operating activities		
Margin accounts	154	(200)
Investments in securities	5,630	21,563
Debtors under security repurchase agreements	4,906	8,000
Derivatives (asset)	(2,860)	(2,139)
Loan portfolio	(17,638)	(18,997)
Foreclosed and repossessed assets	50	(584)
Other operating assets	(18,479)	12,126
Traditional deposits	16,872	(22,779)
Interbank and other borrowings	(3,665)	7,655
Creditors under security repurchase agreements	(6,119)	(12,625)
Derivatives (liability)	3,363	(837)
Other operating liabilities	23,581	(3,445)
Instruments for hedging (items hedged with operating activities)	(2,660)	(3,966)
Net cash flow provided by operating activities	(6,677)	(16,228)
Investing activities		
Payments for the acquisition of property, furniture and equipment	(82)	(373)
Payments for the acquisition of other long-term equity investments	(55)	416
Payments for the acquisition of intangibles	(139)	(270)
Net cash flow provided by investing activities	(276)	(227)
Financing activities	(1,833)	(1,667)
Cash dividend paid	(29)	(90)
Non-controlling interest	(1,862)	(1,757)
Adjustments to cash flows due to exchange rate and inflation rate fluctuations	3,356	(6,261)
Cash and cash equivalents at beginning of year	15,865	22,126
Cash and cash equivalents at end of year	$ 19,221	$ 15,865

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

The consolidated statement of cash flows, consolidated with those of the financial and other entities comprising the Group that are subject to consolidation, were prepared in accordance with the accounting criteria for financial group holding companies issued by the National Banking and Securities Commission based on Article 30 of the Law that Regulates Financial Groups, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the incoming and outgoing cash relating to the transactions carried out by the Holding Company and the financial and other entities comprising the Group that are subject to consolidation, through the dates noted above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions.

The consolidated statement of cash flows was approved by the Board of Directors.

Notes to Consolidated Financial Statements

December 31, 2010 and 2009 (In millions of Mexican pesos, except for foreign currency and exchange rates)

1. Description of the business and relevant events

Grupo Financiero Inbursa, S.A.B. de C.V. (the Group) conducts its transactions in conformity with the regulations established in the Mexican Law Regulating Financial Groups, the general rules for the incorporation and functioning of financial groups, as well as the general dispositions of the Mexican National Banking and Securities Commission (the CNBV or the Commission). The Group is engaged primarily in acquiring and managing the voting shares issued by its subsidiaries. Such shares must represent at least 51% of the paid-in capital of each company.

The Group is currently authorized by the Mexican Central Bank (Banxico) to engage in transactions with derivatives.

The Group is subject to the money laundering prevention regulations issued by the Ministry of Finance and Public Credit (SHCP).

In conformity with the Mexican Law Regulating Financial Groups, the Group is liable alternatively and unconditionally for the liabilities and losses of its subsidiaries.

In conformity with the requirements of the CNBV applicable to controlling entities of financial groups, the accompanying financial statements include the consolidated financial information.

On February 28, 2011, the accompanying consolidated financial statements and these notes were authorized by the undersigned officers for their issuance and subsequent approval by the Board of Directors and Shareholders, who have the authority to modify the Group's financial statements. These financial statements were approved by the Board of Directors on January 24, 2011.

When reviewing the financial statements of controlling entities of financial groups, the CNBV has, within its inspection and oversight powers, the right to demand those modifications and corrections that it considers necessary prior to their publication.

A description of the activities performed by the companies in which the Group is the majority shareholder is as follows:

I. Companies regulated by the CNBV

• Banco Inbursa, S.A.

Is a multiple-type banking institution engaged in providing banking and credit services and acting as a trust company, in conformity with the requirements of the Mexican Credit Institutions Act, as well as the rules issued by the Commission and Banxico. Banco Inbursa holds a majority equity interest in the following entities:

Afore Inbursa, S.A. de C.V.: This entity is engaged in receiving retirement savings funds, in conformity with the Mexican Retirement Savings System Act. This Bank is regulated by the Mexican National Retirement Savings System Commission (CONSAR).

Sinca Inbursa, S.A. de C.V., Sociedad de Inversión de Capitales (Sinca Inbursa): Is engaged in investing in shares and securities issued by Mexican stock corporations which require long-term financing and whose activities are closely linked to the goals of Mexico's national development plan, thus contributing to Mexico's social and economic growth. This entity is regulated by the CNBV.

Sinca Inbursa does not exercise control over promoted companies. Therefore, such companies are not subject to consolidation, except for Movie Risk, S.A. de C.V., a company over which the Group exercises control, since it holds 99.99% of its outstanding shares.

Inmobiliaria Inbursa, S.A. de C.V.: Is a real estate company authorized and supervised by the CNBV.

Seguridad Inbursa, S.A. de C.V.: Supplementary services company engaged in providing consulting services and developing security, protection and surveillance policies, standards and procedures. At December 31, 2010 and 2009, this entity has not started up operations and the balance of its net assets is immaterial with respect to the Group's consolidated financial statements taken as a whole.

• Inversora Bursátil, S.A. de C.V.

This entity acts primarily as an intermediary in the trading of securities and currencies in terms of the Mexican Securities Trading Act and the general dispositions established by the Commission.

• Operadora Inbursa de Sociedades de Inversión, S.A. de C.V.

Conducts its transactions in conformity with the Mexican Investment Funds Act, the Mexican Corporations Act and the general regulations established by the Commission. This company is engaged primarily in providing administrative and stock distribution and repurchasing services, as well as in managing its investment fund portfolio.

• Sociedad Financiera Inbursa, S.A. de C.V., SOFOM ER.

Is a regulated financial institution of multiple objet that operates under the regulations established by the CNBV, the SHCP and Banxico. This company is engaged primarily in leasing all types of property under financial and operating agreements.

II. Companies regulated by the Mexican National Insurance and Bonding Commission (CNSF)

• Seguros Inbursa, S.A.

Is engaged in selling fire, automobile, maritime and transportation, civil and professional liability, crop, sundry, individual, group and collective life, accident and health insurance. This company is also authorized to engage in reinsurance and rebonding business.

• Fianzas Guardiana Inbursa, S.A.

This company is authorized to guarantee, for a fee, the fulfillment of contracted financial obligations of individuals or corporate entities to other individuals or corporate entities, public or private. This company is also liable for the payment of claims arising under bonds extended.

• Pensiones Inbursa, S.A.

Is engaged in life insurance activities that involve exclusively the handling of pension insurance derived from social security legislation. This company is also authorized to engage in reinsurance, co-insurance and counter-insurance business.

III. Companies providing supplementary services

• Out Sourcing Inburnet, S.A. de C.V.

Is engaged in providing professional, administrative, accounting, information technology and management services exclusively to its affiliated companies.

• Asesoría Especializada Inburnet, S.A. de C.V.

Provides promotional services for the sale of financial products offered exclusively by companies in the Group.

Relevant events

Loan portfolio acquisition – Chrysler Financial Services México, S.A. de C.V.

At December 2, 2010, the Group entered into a transfer of collection rights agreement with Chrysler Financial Services México, S.A. de C.V. (Chrysler Financial), whereby the Bank acquired Chrysler Financial's total retail, wholesale and capital loan portfolio whose total value was Ps.5,498. The Group paid Ps.4,392 for the creditor's rights acquired. Also, around the same date, it acquired Chrysler Financial. At the date of the accompanying financial statements, the Group is in the process of allocating the purchase prices of said transaction.

2. Summary of significant accounting policies and practices

- Relevant events

During the year ended December 31, 2010, the Group was affected by the following relevant events:

Preventive provisions for credit risks - On October 25, 2010, the Mexican National Banking and Securities Commission (the Commission) published changes to the general provisions applicable to credit institutions. Among these changes are new methodologies for computing preventive provisions for credit risks for non-revolving consumer loans and mortgages. These new methodologies establish the use of formulas for quantifying the expected loss on these types of loans. Based on the transitory provisions, the effects of these new rules must be adopted as of March 1, 2011.

At the date of issuance of these financial statements (February 28, 2011), management is in the process of determining the amount of the preventive provisions that the Group will have to recognize under the aforementioned provisions.

- Preparation of financial statements

The financial statements of the Group are prepared on the basis of the accounting criteria established by the Commission, which are in conformity with the Mexican Financial Reporting Standards (hereinafter Mexican FRS) issued and adopted by the Mexican Financial Information Standards Research and Development Board (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C. or CINIF). Such criteria include specific rules with respect to the recording, valuation, presentation and disclosure of the financial information, as determined by the Commission.

In certain instances, the accounting criteria established by the Commission are at variance with Mexican FRS. The main differences applicable to the Group are as follows:

i) Under Mexican FRS, the assets and liabilities of those companies over which the Group exercises significant control must be consolidated. However, CNBV accounting criteria establish exceptions to this rule for companies in the insurance and bonding sector, which are not consolidated despite the fact that the Group controls them.

ii) The Commission accounting criteria establishes the offsetting of the accounts receivable and payable that derive from security repurchase agreements, when the credit institutions repurchase, sell directly or pledge in guarantee any collateral securities they receive as a buyer. Under Mexican FRS, these items cannot be offset unless they are with the same counterparty.

iii) The Commission accounting criteria establishes the deferred recognition of commissions collected on loan transactions when they are collected at the time financing is granted, annual credit card, fees or upon opening a line of credit against which no funds have been drawn down. Mexican FRS establish that credit institutions must determine whether the commissions the collect represent adjustments to the returns on loans granted and, if so, to recognize the as deferred revenues in the income statement.

iv) Under Commission criteria, the incremental costs associated with the granting of loans must be recognized on a deferred

basis when there are commissions collected related to such loans that are subject to deferral. Mexican FRS establishes the deferral of such incremental costs separately from the revenue.

v) Under Commission accounting criteria, transaction costs incurred in carrying out transactions with derivative financial instruments must be recognized directly in results of operations as they are incurred. Mexican FRS require that such costs be amortized based on the terms of the related derivative agreements.

vi) Commission accounting criteria allow hedging relationships to be established for assets and liabilities that are valued at fair value for purposes of results of operations. Mexican FRS do not allow for these types of hedges.

vii) The CNBV accounting criteria establish the following considerations to recognize lease agreements as capital leases in addition to those established by Mexican FRS. i) the lessee may cancel the agreement, but any losses related to the cancellation must be covered by the lessee; ii) gains or losses derived from fluctuations in residual value must be attributed to the lessee; and iii) the lessee has the option to renew the lease agreement for an additional period with a rent substantially lower than market value.

viii) Commission accounting criteria require provisions for bad debts and impairment to be created for certain accounts receivable and foreclosed and repossessed property. These provisions must be created based on the age of the items, and specific provision percentages must be established. Under Mexican FRS, these provisions are computed based on the probability of recovering the assets.

ix) Commission accounting criteria require that capital risk investments be recognized in the caption Long-term equity investments and that they be valued using the equity method. Under Mexican FRS, these investments are treated as financial instruments (investments in securities) and are valued at their fair value.

x) Commission accounting criteria establish specific rules for the grouping and presentation of financial statements.

The most important accounting policies and practices observed by the Group in the preparation of these consolidated financial statements are described below:

a) Consolidation of the financial statements

The consolidated financial statements include assets, liabilities and result of operations of the subsidiaries in which the Group holds equity interest in excess of 50% of the investee's capital stock, except for those carried out between companies in the insurance and bonding sector regulated by the CNSF.

Important intercompany balances and transactions have been eliminated in the consolidation. As specified by the CNBV, transactions conducted with unconsolidated subsidiaries have not been eliminated.

The condensed financial information of the Group's principal subsidiaries is presented in Note 3.

b) Basis of preparation of financial statements

CNBV regulations require that amounts shown in the consolidated financial statements of financial groups be expressed in millions of Mexican pesos. Consequently, the accounting records of certain captions of the accompanying financial statements show balances of less than one million and, therefore, these balances are not included in the captions at all.

c) Use of estimates

The preparation of the consolidated financial statements requires management to make certain estimates to determine the value of certain assets and liabilities. Actual amounts could differ from these estimates.

d) Recognition of the effects of inflation on financial information

For 2010 and 2009, the Group operated in a non-inflationary economic environment, as so defined under Mexican FRS B-10, since the cumulative inflation rate over the three prior years did not exceed 26%. As a result, beginning January 1, 2008, the Group ceased to recognize the effects of inflation on its financial information. Consequently, only non-monetary items that are from years prior to 2007 and are included in the balance sheets at December 31, 2010 and 2009, recognize the effects of inflation from the date they were acquired, contributed or initially recognized through December 31, 2007. Such non-monetary items include fixed assets, intangible assets, capital stock, capital reserves and retained earnings.

e) Recording of transactions

Transactions related to investments in securities, repurchase agreements and security loans, among others (both proprietary and on customer's behalf), are recorded at the time agreements are entered into, irrespective of the settlement date.

f) Valuation of financial instruments

In determining the fair value of both proprietary and customer positions in derivative financial instruments, the Group uses the prices, rates and other market information provided by a CNBV-authorized price supplier, except for futures transactions, which are valued using market prices determined by the clearinghouse of the respective stock market in which the Group operates.

g) Foreign currency balances and transactions

Foreign currency denominated assets and liabilities are recorded at the prevailing exchange rate on the day of the related transaction and are translated using the exchange rate of the date of the financial

statements, as published by Banxico on the immediately following bank-working day. Exchange differences are charged or credited to the statement of income under the caption Financial margin and Intermediation income (loss), based on the nature of the item that gave rise to them.

h) Cash and cash equivalents

Cash and cash equivalents consist basically of bank deposits and highly liquid investments with maturities of less than 90 days. Such investments are stated at acquisition cost plus unpaid accrued interest at the balance sheet date, similar to fair value.

Call money financing extended or acquired in the interbank market and whose repayment period may not exceed three bank-working days, are included as part of the captions Cash and cash equivalents in the case of financing extended, and Demand deposits in the case of loans received. Earned or accrued interest is charged to income under the caption Financial margin, using the accrual method.

Documents for immediate guaranteed collection are recognized as part of Other cash equivalents if they are collectible within two (in Mexico) or five (abroad) business days after the date of the transaction that gave rise to them. When these documents are not recovered within such terms, they are transferred to the Loan portfolio or Other accounts receivable caption, based on the nature of the initial transaction.

For those items transferred to the other accounts receivable caption, an allowance for the total debt is created within 15 business days after the transfer.

i) Unsettled transactions

- Securities trading

For unsettled securities trading, the related amount receivable or payable is recorded in the corresponding clearing account at the agreed on price at the time at the trade. The difference between the price of the securities and the agreed on price is recognized in results of operations as part of the caption Intermediation income (loss).

- Buying and selling of foreign currency

Transactions involving the buying and selling of foreign currency are recorded at the contracted price. When it is agreed that settlement shall be within a maximum of two bank-working days from the trade date, the traded currency is recorded as a restricted liquid asset (in the case of purchases) and a liquid asset disbursement (in the case of sales), against the corresponding clearing account. Gains or losses on the trading of foreign currency are recognized in results of operations as part of the caption Intermediation income (loss).

With respect to transactions involving the buying and selling of securities and foreign currencies that are not paid for immediately in cash or where settlement is not on a same-day basis, the related amount receivable or payable is recorded in Mexican pesos in clearing accounts, until the respective payment is made. Debit and credit balances in clearing accounts are included as part of the caption Other accounts receivable and Settlement of transactions, as the case may be, and can be offset only if and when the Group has the contractual right to do so and intends to settle the net amount, or to simultaneously realize the asset and settle the liability.

When debit balances in clearing accounts are not recovered within 90 days subsequent to the trade date, they are reclassified as outstanding debt under the caption Other accounts receivable and the Group creates an allowance for the entire balance.

j) Investments in securities

Investments in securities include debt instruments and shares. They are classified based on management's intentions with regard to each investment at the time of purchase. Each classification includes specific rules with respect to the way the investment is recorded, valued and presented in the financial statements, as follows:

- Securities for trading

These instruments are acquired for the purpose of obtaining gains from their returns and/or the changes in their market prices. These investments are initially recorded at cost, plus returns in the case of debt instruments, which is determined using the real interest or straight-line method, and is credited to income as part of the caption Interest income. Securities for trading are valued at fair value and the related gain or loss is credited or charged to operations under the caption Intermediation income (loss).

- Securities available for sale

These refer to cash surplus investments that are not intended for trading or to be held-to-maturity. They are initially recorded at cost, plus returns determined using the real interest or straight-line method, which are recognized in the statement of income as part of the caption Interest income.

Such securities are valued at fair value and the related gain or loss is credited or charged to the comprehensive income in the shareholders' equity. At the maturity date or at the time the instruments are sold, the difference between the selling price and carrying value is recognized in results of operations and the fair value adjustment of the instruments reflected in shareholders' equity is cancelled.

- Securities held to maturity

These are investments in debt instruments indented to be held holding them to maturity. These investments are recorded at cost, plus returns determined using the straight-line method, which are credited to income as part of the caption Interest income. Since these investments are recorded at their nominal value (amortized cost method), the effects of their mark-to-market valuation are not recognized for financial reporting purposes.

Management periodically determines whether there are any indicators of impairment in the value of its securities investments classified as held to maturity. When such indicators do exist, the

investments are tested to determine the present value of their recoverable cash flows and their book value is adjusted accordingly. The Group also performs impairment tests based on the market prices of securities held to maturity.

In conformity with the CNBV accounting criteria, a debt instrument cannot be classified as held-to-maturity if the Group, based on its experience during the current year or the two immediately preceding years, has sold or transferred a securities recognized in this category prior to their maturity, except for the following situations: i) when the security has been sold within 28 days prior to maturity or to the date of the issuer's repurchase option; and ii) when at the time of sale, more than 85% of the instrument's nominal yield has accrued.

In 2010 and 2009, the Group sold no instruments classified as to be held to maturity.

- Dividends

Stock dividends received are recorded recognizing the increase or decrease in the number of shares held and, at the same time, the average unit purchase cost of the shares. This is the same as assigning a zero value to the dividend.

Cash dividends received are recorded in results of operations as part of the caption Other operating income.

k) Repurchase agreements

In security repurchase agreements, the Group is required to recognize an account receivable (as buyer) or an account payable (as seller), at the agreed price. Such amounts must then be valued using the amortized-cost method during the effective term of the agreement. The total amount of premiums earned and paid is recognized under the captions Interest income and Interest expense, respectively.

Collateral securities received by the Group, as a buyer, are recognized in memoranda accounts under the caption Collateral securities received by the entity. Such amounts are valued at their fair value.

Whenever the Group sells or grants in guaranty (in security repurchase and/or loan agreements) any collateral securities received as a buyer, an account payable is recognized, which may be valued either at fair value in the case of security repurchasing or using the amortized-cost method in the case of loan agreements, respectively. In this instance, the difference between the value of the account payable and the amount of cash received is recognized in results of operations as part of the caption Intermediation income (loss). Securities sold or delivered in guaranty are recognized in Memoranda accounts under the caption Collateral securities received and sold or delivered in guaranty by the entity. These amounts are valued at fair value.

Collateral securities delivered by the Group as a seller, are reclassified as restricted securities in the Investments in securities category in which they are recognized.

- Offsetting financial assets and liabilities

Whenever the Group sells or pledges in guaranty any collateral securities received as a buyer, the account payable recognized is offset against the account receivable initially recorded when the Group acted as a buyer and the net debit or credit balance is presented as part of the caption Debtors under security repurchase agreements or Collateral securities sold or received in guaranty, as the case may be.

l) Derivatives

Derivatives are recognized in the balance sheet at fair value, regardless of whether they are classified as for trading or hedging purposes. Cash flows received or delivered to adjust the derivatives to their fair value at the inception of the hedge (excluding premiums on options) are recognized as part of the fair value of the instrument.

Transaction costs are recognized in results of operations as they are incurred.

The notional amounts of the derivatives are also recognized in memoranda accounts under the caption Other memoranda accounts.

Highlights of the accounting treatment of the Group's agreements involving financial instruments (derivatives) are as follows:

- Forwards

For forwards, an asset portion and a liability portion are recognized at the initially contracted price multiplied by the notional amount. The net balance (position) is presented in the balance sheet as part of the caption Derivatives.

For forwards for trading, the valuation effect resulting from the difference between the contracted price and the fair value of contractual obligations is recognized in the statements of income under the caption Intermediation income (loss).

At December 31, 2010 and 2009, the Group has no forwards for hedging purposes.

- Futures

For futures for trading, an asset portion and a liability portion are recorded at the initially contracted price multiplied by the notional amount. Collateral (margin calls) is presented in the balance sheet as part of the caption Margin accounts.

The net exchange differences in the market prices of futures contracts are recognized in the balance sheet as part of the caption Derivatives and charged or credited against results of operations under the caption Intermediation income (loss).

At December 31, 2010 and 2009, the Group has no futures for hedging purposes.

- Swaps

Swaps are recorded at the initially contracted price. The valuation of such transactions is made at fair value, which corresponds to the current value of future flows expected to be received and delivered, and projected in accordance with applicable future implicit rates discounted from prevailing market interest rates at the date of valuation. Changes in the fair value of swaps for trading are recognized in the statement of income as part of the caption Intermediation income (loss). The effects of valuation of swaps for hedging purposes are recognized in the statement of income, if the hedging strategy is based on fair value or in shareholders' equity if the hedging strategy is based on cash flows.

Interest generated on these instruments is recognized as part of Financial margin and includes exchange differences.

For presentation purposes, the net credit or debit balance (position) of anticipated future cash flows to be received and to be delivered is presented in the balance sheet as part of the caption Derivatives, based on their classification as either for trading or hedging.

At December 31, 2010, the Bank has entered into swaps agreement for trading. At December 31, 2009, the Bank has entered into swaps agreement for trading and fair value hedging purposes.

- Structured transactions

In these transactions there is a host contract that references non-derivative assets or liabilities and a derivative portion represented by one or more derivatives. Derivative portions of structured transactions do not constitute embedded derivatives, but rather, independent derivatives. Non-derivatives assets or liabilities are recognized and valued based on their nature (debt securities or loans), while derivative portions are recognized at fair value based on their economic substance (swaps or options).

Options are contracts under which the acquirer has the right, but not the obligation, to purchase or sell a financial or underlying asset at a determined price called the exercise price, at an established date or time.

- Credit derivatives

Credit derivatives, in which the parties agree to exchange cash flows, are valued based on the fair value of the rights to be received and the cash flows to be delivered in each instrument. Credit derivatives whose primary contracts are options, are valued based on the fair value of the option's premium or premiums. These financial instruments are valued at fair value.

Investments in securities classified as credit linked notes contain an embedded credit derivative component that is valued at fair value.

At December 31, 2010 and 2009, the Group has no credit derivatives for hedging purposes.

The main comprehensive risk management practices, policies and procedures implemented by the Group are described in Note 32.

- Derivative financial instruments for hedging purposes

Until December 31, 2009, the Bank has the following derivative financial instruments acquired for hedging purposes:

Fair value hedges

These instruments hedge the exposure to changes in the fair value of a recognized asset or liability or unrecognized firm commitments, or an identified portion of such assets, liabilities or unrecognized firm commitments attributable to a particular risk and which may affect the Group's results of operations. The Group has contracted fair value hedges for market risks related to assets.

Changes in the fair value of instruments for hedging purposes are recognized in the same income statement caption in which the hedged positions and the fair value attributable to the risk being hedged are recorded. Changes in the fair value of hedged positions are also recognized on the balance sheet as part of the caption Valuation adjustment for financial asset hedges.

The effectiveness of the Group's hedges is evaluated monthly. Whenever it is determined that a derivative is no longer a highly effective hedge, the Group prospectively ceases to apply hedge accounting to the derivative. The derivative is reclassified to the trading position or dissolved.

As of January 1, 2010, the Bank reversed the recognition of hedges at the fair value of their primary position and thus, in 2010 the Bank began to amortize the revaluation effect accumulated through such date attributable to the risk being hedged over the term of the loan portfolio.

Embedded derivatives

Since the Group's functional currency is the Mexican peso, operating leases denominated in foreign currency (mainly U.S. dollars) give rise to embedded derivatives, which are measured and recognized at fair value, applying the forward exchange rates to projected cash flows.

Embedded derivatives are recognized in the balance sheet together with the host agreement as part of the loan portfolio. Changes in the fair value of derivatives are recognized in the statements of income as part of the caption financial margin.

m) Loan portfolio

Accounting recognition

- Loan portfolio recording

Lines of credit granted to customers are controlled in Memoranda accounts as part of the caption Loan commitments, at the time they are authorized by the Group's Loan Committee. Drawdowns made by borrowers on the authorized lines of credit are recorded as assets

(loan granted) at the time the related funds are transferred.

Commissions collected on the opening of lines of credit on which no drawdowns have currently been made are recognized in results of operations on a deferred basis over a term of twelve months. At the time drawdowns are made on the lines of credit, the deferred surplus is recognized directly in results on operations.

With respect to the discounting of notes, with or without recourse, the Group records the total amount of notes received under the loan portfolio, crediting the related cash disbursement, as agreed upon in the related agreement. Any difference between these amounts is then recorded in the balance sheet under the caption Deferred credits and advance collections as interest collected in advance, and is amortized using the straight-line method over the term of the loan.

Letters of credit are recorded in memoranda accounts as part of the caption Loan commitments and after being exercised by the customer or its counterparty, they are transferred to the loan portfolio, while the unsettled cash is applied to the caption Accrued liabilities and other accounts payable.

For revolving consumer loans provided through credit cards, the loan portfolio is computed based on the amount of purchases from merchants and ATM withdrawals. Interest is charged based on the average monthly balance of the line of credit through the invoicing or cut-off date.

Consumer loans other than those provided through credit cards and mortgages loans are recognized at the time the financing is granted and guarantees received by the Group are documented before making the cash available. Interest is accrued on unpaid balances.

Interest on performing loans is credited to income as it accrues, irrespective of the settlement date. The recognition of interest is suspended at the time the loan is transferred to the past-due portfolio.

Ordinary uncollected interest included in the past-due portfolio is not considered in grading the credit risk since such interest is reserved in full.

Commissions collected on the initial granting of loans are recorded in results of operations over the term of the loan. Commissions on the revolving credit card annual fee are being amortized in the statement of income over a twelve-month term.

Incremental costs incurred in the granting of loans are being amortized in the statement of income, based on the terms in which commissions collected on the assets are amortized.

Classification of leases

The Group classifies its asset lease agreements as either operating or capital leases, as established under the CNBV accounting criteria, and applies on a supplementary basis certain provisions and definitions established in Mexican FRS D-5, Leases.

When the risks and benefits inherent to the ownership of the leased asset remain mostly with the lessor, they are classified as operating leases; otherwise, they are recognized as operating leases. There is a transfer of risks and benefits if at the date on which the lease commenced any of the following conditions are met:

- The agreement transfers ownership of the leased good to the lessee for the term of the lease.
- The contract includes a purchase option at a reduced price.
- The lease period is fundamentally equal to the remaining useful live of the leased asset.
- The current value of the minimum rental payments is fundamentally equal to the market value of the leased asset, net of any benefit or scrap value.
- The lessee can cancel the lease agreement and any loss derived from the cancellation will be covered by the lessee.
- Gains or losses derived from changes in residual value are recognized by the lessee.
- The lessee has the option to renew the lease agreement for a second period for rent that is substantially lower than market value.

The aforementioned conditions are subject to the following specifications:

- The lease period is considered fundamentally equal to the remaining useful live of the leased asset when the lease agreement covers at least 75% of its useful life.
- The current value of the minimum rental payments is fundamentally equal to the market value of the leased asset if it represents at least 90% of said market value.
- Minimum rental payments consist of those payments that the lessee is required to make for the leased property and that must be guaranteed by a third party not related to the Group. Such payments consist of the residual value or rent payments that go beyond the term of the lease agreement.

The classification of leases based on the policies described above gives rise to differences with respect to their legal classification and their classification for tax purposes. Such differences are reflected in the recognition of preventive provisions for credit risks and deferred taxes.

Capital leases are recorded as direct financing, considering the total amount of rents agreed on under the related contracts as a loan portfolio. Financial income on these transactions is equal to the difference between the value of rents and the cost of leased assets and is recorded in results of operations as it accrues. The purchase option agreed on under capital leases is recognized as income on the date of collection or as amortized income during the remaining term of the lease from the time the lessee agrees to take such option. For presentation purposes, the balance of the portfolio corresponds to the outstanding balance of the loan granted, plus accrued interest not yet collected.

Over the term of the agreements, interest income is recognized as it accrues and the previously recognized deferred loan (financial burden) is cancelled. For loans considered overdue, the Group ceases to recognize interest.

Rent agreed on under operating leases is recognized using the accrual method. Costs and expenses incurred in the execution of the lease are recognized as deferred charges, which are amortized in results of operations, as part of the financial margin caption, as the rental revenues from the respective agreements are recognized.

- Transfers to the past-due portfolio

When payments of commercial loans or accrued interest are not made at the time they are due, the aggregate amount of principal and interest is transferred to the past-due portfolio. The transfer of loans to the past-due portfolio is as follows:

- When the Group learns that the borrower has declared bankruptcy in terms of the Mexican Bankruptcy Act or

- When the borrower fails to make payments within the originally stipulated terms, as follows:

  - If the loan is repayable in one single payment of principal and interest and is 30 days or more overdue;
  - If principal repayable in one single installment and interest is payable in installments and the loan is 90 days or more overdue in interest payments or 30 days or more overdue in repayment of principal;
  - If principal and interest are due and payable in installments, including home mortgage loans, and the loan is 90 days or more overdue; and
  - If the loan is revolving and is two months past due or, if applicable, is 60 days or more overdue.

Overdue loans are transferred back to the performing loan portfolio only when there is evidence of sustained payment of both principal and interest of at least three consecutive installments, though in the case of installments that cover periods in excess of 60 days, overdue loans are reverted back to the performing loan portfolio when the borrower has made at least one payment.

In the case of operating leases, rent that has not been paid 30 days after it becomes due is recognized as an overdue account. The Group ceases to recognize accrued rent after these overdue payments. As long as the transaction is recognized in the overdue portfolio, accrued interest is controlled in Memoranda accounts.

- Loan restructurings and rollovers

Loan restructurings consist of extensions made to the guarantees covering drawdowns made borrowers, as well as changes in the original loan conditions with respect to payments, interest rates, terms or currency. Restructured loans recorded in the performing loan portfolio are transferred to the overdue portfolio when they do not meet the maturity terms. Any restructured loans classified as overdue are transferred to and remain in the performing loan portfolio when there is evidence of sustained payment.

Loan rollovers are when a loan's repayment term is extended past the original date, or when the loan is repaid at any time using additional financing obtained from the Group by either the original debtor or any other person that because of common economic links with the debtor, constitutes a common risk. If the borrower fails to repay on time any accrued interest and 25% of the original amount of the loan, based on the conditions agreed on in the related contract, such loans are considered to be overdue until there is evidence of sustained payment.

- Purchase of loans

With respect to the purchase of unimpaired loans, the Group records all of the collection rights acquired as loan portfolio against the related cash outflows. When contractual terms and market conditions result in differences between the price paid for the loans and their actual contractual value, these differences are considered as either a premium paid or a benefit generated on the transaction, they are recorded as deferred charges or credits, respectively, and they are amortized using the straight-line method over the term of the loan. For tax reporting purposes, premiums are deducted at the time they are paid and benefits are considered taxable at the time the loan gives rise to a real increase in the Group's shareholders' equity. As a result, these items give rise to a temporary difference in balance sheet accounts for purposes of deferred income tax.

For the years ended December 31, 2010 and 2009, the Group acquired no impaired or overdue loans.

The main comprehensive risk management and loan management practices, policies and procedures implemented by the Group are described in Note 32.

n) Preventive provision for credit risks

The preventive provision for credit risks is created based on the grading rules established by the Commission, which include methodologies for the evaluation and creation of reserves by type of loan.

For commercial loans, the methodology requires an assessment of the debtor's creditworthiness and loans received in relation to the value of guarantees or the value of property held in trust or in so-called structured transactions, if applicable. In general terms, commercial loans are usually classified based on the following:

- Loans in excess of 4 million UDIs at the date of grading are valued individually based on quantitative and qualitative factors of the borrower and by type of loan, as well as an analysis of the country, industry, financial and payment experience risks.

- Loans of less than 4 million UDIs are classified based on a stratification of outstanding installments and then by assigning a risk grade and specific percentage of provision based on the number of outstanding installments.

The grading rules for loans exceeding 900,000 UDIs, granted to Federal and municipal entities and decentralized bodies establish the methodology based on risk grades assigned by a rating agency authorized by the Commission and an evaluation of guarantees.

The rules for commercial loan portfolio grading require a quarterly evaluation of credit risks considering the total amount of loans granted to the same debtor.

For grading purposes, the commercial loan portfolio includes contingent obligations derived from transactions involving letters of credit that are recorded in Memoranda accounts.

The methodology for the grading of the consumer loan portfolio other than the revolving credit card and home mortgage loan portfolio consists of creating preventive provisions for credit risks based on a classification of recoverable balances on outstanding installments at the date of grading, assigning a risk degree and specific percentage of provision.

Regarding revolving consumer loans provided through revolving credit cards, through August 31, 2009, the preventive provision for credit risks was determined using a methodology based on a classification of outstanding installments and specific percentage of provision. Effective September 1, 2009, the loan grading methodology is based on the individual application of a formula that considers the expected loss components, as well as variables related to maturities in the six months prior to the grading and accumulated maturities at the computation date. The change in the methodology generated an increase in the preventive provisions for credit risks of Ps.257 on 2009.

As a result of the grading process, any increase or decrease in the preventive provision for credit risks is credited or charged to results of operations, adjusting the financial margin accordingly.

o) Foreclosed and repossessed property or property received as payment in kind

Foreclosed and repossessed property is recorded at the lower of either the court-awarded value established in the foreclosure or repossession proceedings or the net realizable value of the property. Property received as payment in kind is recorded at the lower of the appraised value of the property or the agreed amount between the parties.

Allowances are created based on the book value of these assets using the percentages established by the CNBV by type of property (personal or real) and on the time incurred from the date the asset was foreclosed or repossessed or received as payment in kind.

p) Buildings, furniture and equipment

These assets are stated at book value, net of the related accumulated depreciation. Depreciation is computed on the book value of assets using the straight-line method at the established annual rates determined based on the estimated useful lives of the related assets.

In the case of fixed assets leased under operating leases, depreciation is computed on restated values, net of residual value, using the straight-line method over the established term of the respective agreements.

Maintenance and repairs are expensed as incurred.

q) Long-term equity investments

- Venture capital investments (promoted companies)

The cost of equity investments in promoted companies is initially recognized as the amount paid for the shares.

Equity investments in promoted companies are restated quarterly using the equity method, which consists of recognizing the Group's share in the current year results of operations and other shareholders' equity accounts shown in the financial statements of the investees. Changes in the investee's results of operations are recognized in the Group's results of operations as part of the caption Equity interest in net income of subsidiaries and associates, and changes in the shareholders' equity of investees are recognized in the Group's shareholders' equity as part of the caption Result from holding non-monetary assets.

At December 31, 2010 and 2009, the financial statements of the promoted companies used in the valuation of the investments are from September 30, 2010 and 2009, respectively, or at the date of investment, in the case of investments made on subsequent dates. This methodology is addressed in the CNBV accounting criteria.

The gain or loss on the sale of the shares of promoted companies is recognized at the transaction date.

- Equity investment in subsidiaries, associates and other

Equity investments in non-consolidated subsidiaries, associates and other equity investments are recorded initially at acquisition cost and

are then valued using the equity method.

r) Amortized intangible assets

Deferred charges are being amortized at the annual rate of 5% on the book value of the assets.

s) Impairment in the value of long-lived assets

The Group performs annual analyses to determine whether there are indicators of impairment in the value of its long-lived assets, tangible or intangible, including goodwill, which might give rise to a decrease in the value of such assets. At December 31, 2010 and 2009, there are no indicators of impairment in the Group's long-lived assets.

t) Deposits and borrowings

Liabilities in from deposits and borrowings (demand and time deposits and interbank and other borrowings) are accounted for at the underlying amount of the liability. Accrued interest is charged to income as part of the caption financial margin, using the accrual method at the agreed rate.

Securities included in traditional deposits are classified and recorded as follows:

- Securities placed at nominal value are accounted for at the underlying amount of the liability. Accrued interest is charged to income;

- Securities placed at a price other than nominal value (with a premium or at a discount) are accounted for at the underlying amount of the liability, while the difference between the nominal value of the security and the amount of cash received is recognized as a deferred charge or credit and is amortized using the straight-line method against income during the term of the security.

- Securities placed at a discount and bearing no interest (zero coupon) are valued at the time of issuance based on the amount of cash received. The difference between the nominal value of the security and the amount of cash received is considered as interest, and recognized in results of operations using the real-interest method.

Fixed-term deposits made through certificates of deposit (CD's), deposits withdrawable on pre-established days and notes with interest payable at maturity (PRLVs) are recorded at their nominal values. Promissory notes issued by the Group's interbank market are placed at a discount.

Commissions paid for loans received by the Group or debt placement costs are charged to income under the caption Commissions and fees at the time they are generated.

u) Liabilities, reserves, contingent assets and liabilities and commitments

Accrued liabilities are recognized whenever (i) the Group has current obligations (legal or assumed) resulting from a past event, (ii) when it is probable the obligation will give rise to a future cash disbursement for its settlement and (iii) the amount of the obligation can be reasonably estimated.

Contingent liabilities are recognized only when it is probable they will give rise to a future cash disbursement for their settlement.

v) Income tax

Current year income tax is determined in conformity with current tax legislation related to taxable income and authorized deductions. Current year income tax is shown as a short-term liability, net of prepayments made during the year.

Deferred income tax is recognized using the asset and liability method. Under this method, deferred income tax is determined on all temporary differences between the financial reporting and tax bases of assets and liabilities, applying the enacted income tax (ISR) rate or the flat-rate business tax (IETU) rate, as the case may be, effective as of the balance sheet date, or the enacted rate at the balance sheet date that will be in effect when the temporary differences giving rise to deferred income tax assets and liabilities are expected to be recovered or settled.

The Group periodically evaluates the possibility of recovering deferred income tax assets and, if necessary, creates a valuation allowance for those assets that do not have a high probability of being realized.

In determining and recording deferred income tax, the Group has adopted the Interpretation of Mexican FRS 8, Effects of the Flat-Rate Business Tax. Under this interpretation, deferred income tax is valued, determined and recorded based on estimates and projections of tax on profits to be incurred in upcoming years. The Group and its subsidiaries estimate that they will mostly be subject to the payment of ISR in the following years.

w) Assets and liabilities in investment units ("UDIS")

UDI denominated assets and liabilities are presented in the balance sheet at their Mexican peso value at the balance sheet date. The value of the UDI at December 31, 2010 and 2009 was Ps.4.526308 and Ps.4.340166, respectively. At the date of the audit report on these financial statements, the value of the UDI was Ps.4.570274.

x) Memoranda accounts

The Group records and controls in memoranda accounts all financial and non-financial information supplementary to that shown in the balance sheet, mainly with respect to the opening of lines of credit, letters of credit, securities held for safekeeping or securities under management, which are valued at fair value, as well as property held under trust agreements (when the Group acts as trustee) and asset and liability positions under security repurchase agreements. The notional amounts of the Group's derivatives are also recognized in memoranda accounts.

y) Recognition of interest

Interest on performing loans is recognized and credited to income using the accrual method. Late interest on past-due loans is credited to income at the time the interest is actually collected, and accrued interest is controlled in Memoranda accounts. Interest on financial instruments is credited to income as accrued.

The amortization of commissions collected on the initial granting of loans is recorded as interest income.

Interest on liabilities is charged to income using the accrual method, irrespective of the date on which it is due and payable.

z) Commission income and expense

Commissions arise independently of the interest charged or paid. Commissions paid are charged to income at the time they are generated, depending on the transaction that gave rise to them.

Commission generated on retirement account management services are computed at 1.18% of the monthly balance. These commissions are recognized on a daily basis and the accumulated balance is obtained at the end of each month. As of May 2010, the commissions are collected on a daily basis.

aa) Intermediation Income

Intermediation income and losses mainly result from valuations at fair value of investments in securities, instruments to be received or to be delivered under repurchase agreements and derivatives for trading, as well as gains and losses on the buying and selling securities, derivatives and foreign currency.

ab) Comprehensive income

Comprehensive income consists of the net income or loss for the year, plus the result from holding non-monetary assets, related to the gain on valuation of long-term equity investments and the effect of valuation of investments in securities available for sale (net of the corresponding deferred income tax).

ac) Segment information

The Group has identified the operating segments that comprise its different activities and each segment is considered an individual component of its internal structure, each with its own particular risks and return opportunities. Segments are reviewed periodically to ensure their adequate funding and to evaluate their performance.

ad) New accounting pronouncements

The following new accounting pronouncements were published in November 2009: Mexican FRS C-1, Cash and Cash Equivalents, Mexican FRS B-5, Financial Information by Segment and Mexican FRS B-9, Interim Financial Information. These new standards did not have a significant effect on the Group's financial information, since the Commission has issued its own accounting criteria and specific rules regarding these issues. Mexican FRS C-1 became effective as of January 1, 2010, while the other two new standards will come into force as of January 1, 2011.

Mexican FRS C-5, Prepaid expenses

In November 2010, the Mexican Financial Reporting Standards Research and Development Board (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C. or "CINIF") issued Mexican FRS C-5, which will be effective for fiscal years beginning on or after January 1, 2011 and will replace Mexican accounting Bulletin B-5, Inventories. Any accounting changes resulting from the adoption of this standard must be recognized retrospectively.

This standard establishes that the main characteristic of prepaid expenses is that they do not result in the transfer to the entity of the benefits and risks inherent to the goods or services to be received. Consequently, prepaid expenses must be recognized in the balance sheet as either current or non-current assets, depending on the item classification in the statement of financial position. Moreover, Mexican FRS C-5 establishes that prepaid expenses made for goods or services whose inherent benefits and risks have already been transferred to the entity must be reflected in the caption associated with the good or service.

Mexican FRS C-6, Property, plant and equipment

Mexican FRS C-6 was issued by the CINIF in December 2010 to replace Mexican accounting Bulletin C-6, Property, Machinery and Equipment, and will be effective for fiscal years beginning on or after January 1, 2011, except for the changes related to the segregation of property, plant and equipment into separate components for those assets with different useful lives. For entities that have not performed this component segregation, the provisions of this new standard will be effective as of January 1, 2012. Unlike Mexican accounting Bulletin C-6, among other points, the new standard establishes that for acquisitions of free-of-charge assets, the cost of the assets must be null, thus eliminating the option of performing appraisals. In the case of asset exchanges, Mexican FRS C-6 requires entities to determine the commercial substance of the transaction and the depreciation of these assets must be applied against the components of the assets, while the amount to be depreciated is the cost of acquisition less the asset's residual value. In the case of retirement of assets, income is recognized when the requirements for income recognition outlined under the standard have been met.

The adoption of Mexican FRS C-6 is not expected to have a material effect on the Bank's financial statements.

Accounting criteria issued by the Commission

On January 27, 2011, the Commission published modifications to the accounting criteria applicable to credit institutions that must be reflected in the financial statements of the first quarter of the year. The most important of such changes refer to: i) changes in the structure of several captions in the statement of operations and statement of cash flows; ii) new rules for the recognition, valuation and presentation of commissions collected on loan transactions, margin accounts, leases, and foreclosed and repossessed

property; and iii) changes in the definition of several concepts, such as collateral and related parties. The application of these modifications is not expected to have a material effect on the Bank's financial statements.

On January 31, 2011, the Commission published modifications to the Accounting Criteria for Controlling Companies of Financial Groups which must be reflected in the financial statements of the first quarter of the year. The most important change is the elimination of the exception for insurance and bonding institutions to consolidate their financial information.

3. Consolidation of subsidiaries

At December 31, 2010 and 2009, the Group is the majority shareholder of the following companies:

	Equity (%)
Asesoría Especializada Inburnet, S.A. de C.V.	**99.9993%**
Banco Inbursa, S.A.	**99.9997%**
Fianzas Guardiana Inbursa, S.A.	**99.9999%**
Inversora Bursátil, S.A. de C.V., Casa de Bolsa	**99.9956%**
Pensiones Inbursa, S.A.	**99.9985%**
Operadora Inbursa de Sociedades de Inversión, S.A. de C.V.	**99.9980%**
Out Sourcing Inburnet, S.A. de C.V.	**99.9999%**
Seguros Inbursa, S.A.	**99.9999%**
Sociedad Financiera Inbursa, S.A. de C.V.	**99.9999%**

Highlights of the financial information of consolidated subsidiaries, including intercompany transactions, at December 31, 2010 and 2009 are as follows:

	2010			
	Total assets	Total liabilities	Shareholders' equity	Net income
Banco Inbursa	**Ps. 235,331**	**Ps. 187,904**	**Ps. 47,427**	**Ps. 4,308**
Inversora Bursátil	**12,449**	**7,580**	**4,869**	**931**
Sociedad Financiera Inbursa	**3,980**	**3,218**	**762**	**251**
Operadora Inbursa	**1,199**	**219**	**980**	**277**
Asesoría Especializada Inburnet	**62**	**9**	**53**	**45**
Out Sourcing Inburnet	**61**	**22**	**39**	**-**
	Ps. 253,082	**Ps. 198,952**	**Ps. 54,130**	**Ps. 5,812**

	2009			
	Total assets	Total liabilities	Shareholders' equity	Net income
Banco Inbursa	Ps. 191,528	Ps. 148,451	Ps. 43,077	Ps. 4,816
Inversora Bursátil	17,523	13,585	3,938	588
Sociedad Financiera Inbursa	4,414	3,903	511	42
Operadora Inbursa	1,129	158	971	208
Asesoría Especializada Inburnet	149	21	128	102
Out Sourcing Inburnet	66	27	39	8
	Ps. 214,809	Ps. 166,145	Ps. 48,664	Ps. 5,764

Highlights of the condensed financial information of unconsolidated subsidiaries, including intercompany transactions, at December 31, 2010 and 2009 are as follows:

	2010			
	Seguros Inbursa	**Fianzas Guardiana**	**Pensiones Inbursa**	**Total**
Investments in securities	**Ps. 22,454**	**Ps. 2,095**	**Ps. 20,255**	**Ps. 44,804**
Debtors	**4,715**	**263**	**-**	**4,978**
Reinsurers and rebonders	**10,505**	**265**	**-**	**10,770**
Other assets	**5,005**	**1,104**	**833**	**6,942**
Total assets	**Ps. 42,679**	**Ps. 3,727**	**Ps. 21,088**	**Ps. 67,494**
Technical reserves	**Ps. 30,361**	**Ps. 1,127**	**Ps. 15,075**	**Ps. 46,563**
Reinsurers and rebonders	**1,871**	**13**	**-**	**1,884**
Other liabilities	**3,893**	**285**	**221**	**4,399**
Total liabilities	**36,125**	**1,425**	**15,296**	**52,846**
Contributed capital	**1,067**	**158**	**1,108**	**2,333**
Accumulated earned capital	**4,536**	**1,708**	**4,100**	**10,344**
Net income of the year	**951**	**436**	**584**	**1,971**
Total shareholders' equity	**6,554**	**2,302**	**5,792**	**14,648**
Total liabilities and shareholders' equity	**Ps. 42,679**	**Ps. 3,727**	**Ps. 21,088**	**Ps. 67,494**

	2009			
	Seguros Inbursa	Fianzas Guardiana	Pensiones Inbursa	Total
Investments in securities	Ps. 20,617	Ps. 1,427	Ps. 18,572	Ps. 40,616
Debtors	7,684	224	4	7,912
Reinsurers and rebonders	12,506	250	-	12,756
Other assets	4,709	1,047	1,516	7,272
Total assets	Ps. 45,516	Ps. 2,948	Ps. 20,092	Ps. 68,556
Technical reserves	Ps. 31,548	Ps. 941	Ps. 14,697	Ps. 47,186
Reinsurers and rebonders	4,428	11	-	4,439
Other liabilities	3,954	130	185	4,269
Total liabilities	39,930	1,082	14,882	55,894
Contributed capital	1,067	158	1,108	2,333
Accumulated earned capital	3,412	1,361	3,161	7,934
Net income of the year	1,107	347	941	2,395
Total shareholders' equity	5,586	1,866	5,210	12,662
Total liabilities and shareholders' equity	Ps. 45,516	Ps. 2,948	Ps. 20,092	Ps. 68,556

4. Foreign currency position

At December 31, 2010 and 2009, the foreign currency position in U.S. dollars is as follows:

	U.S. dollars			
		2010		2009
Assets	**USD**	**10,625,335,731**	USD	10,018,132,020
Liabilities	**USD**	**10,904,937,209**	USD	10,000,993,642
Net monetary liability position	**(**	**279,581,477)**		17,138,378
Exchange rate (Mexican pesos)	**Ps.**	**12.3496**	Ps.	13.0659
Total in Mexican pesos	**Ps. (**	**3,453)**	Ps.	224

At December 31, 2010 and 2009, the exchange rate was Ps.12.3496 and Ps.13.0659, respectively, per U.S. dollar. This exchange rate was defined by Banxico for the settlement of foreign currency denominated liabilities. At February 28, 2011, the date of the audit report on these financial statements, the U.S. dollar exchange rate was Ps.12.1730 Mexican pesos per dollar.

In conformity with regulatory requirements established by BANXICO, credit institutions must maintain a balanced daily foreign exchange position, both on a combined basis and in each foreign currency. The acceptable combined short or long positions may not exceed 15% of the Bank's net shareholders' equity. Regarding its individual foreign currency position at December 31, 2010 and 2009, the Group complies with the aforementioned limit.

5. Cash and cash equivalents

An analysis of cash and cash equivalents at December 31, 2010 and 2009 is as follows:

		2010		2009
Deposits in Banxico (a)	**Ps.**	**12,083**	Ps.	12,082
Demand deposits (b)		**-**		653
24/48 hour futures (c)		**5,084**		1,038
Cash		**890**		654
Deposits in domestic and foreign banks		**1,120**		1,419
Other cash equivalents		**8**		19
Call money (d)		**36**		-
	Ps.	**19,221**	Ps.	15,865

a) Deposits in Banxico

At December 31, 2010 and 2009, the Group had made the following deposits in Banxico:

		2010		2009
Special accounts (1):				
Monetary regulation deposits	**Ps.**	**12,046**	Ps.	12,046
Accrued interest		**33**		33
Current accounts:				
U.S. dollar deposits		**3**		3
	Ps.	**12,083**	Ps.	12,082

Banxico requires banks to make a monetary regulation deposit based on their deposits and borrowings from the public in Mexican pesos. Such deposits are for an indefinite term since the withdrawal date is to be determined by Banxico. The deposit bears interest at the Weighted Bank Fund Rate.

b) Demand deposits

These deposits consist of investments of the liquidity coefficient and treasury surpluses, which are denominated in U.S. dollars. At December 31, 2010, the Group has no demand deposits.

At December 31, 2009, their equivalent in Mexican pesos is as follows:

		Amount	Interest rate
Foreign credit institutions:			
Wells Fargo Bank	Ps.	653	0.14%

The term for the settlement of these deposits at December 31, 2009 is 4 days.

c) 24/48 hour futures

These are transactions involving the buying and selling of foreign currencies, which are to be settled within a maximum period of two business days and whose liquidity is restricted until the date of payment. An analysis of this caption at December 31, 2010 and 2009 is as follows:

			2010			
		Cash receipt (disbursement) in U.S. dollars		**Average contracted exchange rate (Mexican pesos per dollar)**		**Credit (debit) clearing account balance in Mexican pesos**
U.S. dollar purchases	**USD**	**1,999,981,976**	**Ps.**	**12.3714**	**Ps.**	**(24,743)**
U.S. dollar sales		**(1,588,338,176)**		**12.3638**	**Ps.**	**19,638**
	USD	**411,643,800**				
Year-end exchange rate (Mexican pesos)		**12.3496**				
Net position in Mexican pesos	**Ps.**	**5,084**				

			2009			
		Cash receipt (disbursement) in U.S. dollars		Average contracted exchange rate (Mexican pesos per dollar)		Credit (debit) clearing account balance in Mexican pesos
U.S. dollar purchases	USD	120,062,180	Ps.	13.0935	Ps.	(1,572)
U.S. dollar sales		(40,582,713)		13.0928	Ps.	531
	USD	79,479,467				
Year-end exchange rate (Mexican pesos)		13.0659				
Net position in Mexican pesos	Ps.	1,038				

At December 31, 2010 and 2009, clearing account debit and credit balances are presented in the balance sheet under the caption Other accounts receivable (Note 13) and the caption Creditors on settlement of transactions, respectively.

d) Call money

At December 31, 2010, there is one three-day call-money transactions with Banorte in the total amount of Ps.36 and at a 4.50% interest rate. At December 31, 2009, the Bank did not carry out active call money transactions.

6. Margin accounts

Deposits on margin accounts and guarantee deposits are required for the Group to be able to carry out transactions with derivatives in recognized markets (futures) and unrecognized markets (swaps), and these deposits are restricted until the respective transactions have reached their maturity dates. The deposits are intended to fulfill the Group's obligations under its derivative agreements (Note 9). An analysis of futures margin and guarantee deposits for swaps at December 31, 2010 and 2009 is as follows:

	2010	2009
Chicago Mercantil Exchange (CME)	**Ps. 24**	Ps. 177
Mercado Mexicano de Derivados (Mexder)	**33**	34
	Ps. 57	Ps. 211

For the years ended December 31, 2010 and 2009, interest income on deposits was less than one million Mexican pesos.

7. Investments in securities

An analysis of investments in securities at December 31, 2010 and 2009 is as follows:

a) Securities for trading

	2010			
	Investment	Accrued interest	Unrealized gain on valuation	Fair value
Corporate debt	**Ps. 5,066**	**Ps. 55**	**Ps. 386**	**Ps. 5,507**
Domestic senior notes (CERBUR)	**3,494**	**50**	**92**	**3,636**
Shares	**1,092**	**-**	**2,919**	**4,011**
Mexican Treasury Certificates (CETES)	**883**	**37**	**-**	**920**
Bank notes	**223**	**-**	**-**	**223**
Promissory notes with interest payable at maturity (PRLV)	**7,727**	**47**	**-**	**7,774**
Other	**1,432**	**43**	**52**	**1,527**
Total	**Ps. 19,917**	**Ps. 232**	**Ps. 3,449**	**Ps. 23,598**

	2009			
	Investment	Accrued interest	Unrealized gain on valuation	Fair value
Corporate debt	Ps. 4,403	Ps. 46	Ps. 209	Ps. 4,658
Domestic senior notes (CERBUR)	4,856	22	103	4,981
Shares	1,197	224	1,927	3,348
Mexican Treasury Certificates (CETES)	4,847	19	-	4,866
Bank notes	26	-	-	26
Development bonds	163	-	-	163
Promissory notes with interest payable at maturity (PRLV)	9,769	4	-	9,773
Other	97	-	-	97
Total	Ps. 25,358	Ps. 315	Ps. 2,239	Ps. 27,912

At December 31, 2010 and 2009, the maturity terms of approximately 8.97% and 22%, respectively, of instruments classified as for trading is less than three and one year.

b) Securities available for sale

An analysis of securities available for sale at December 31, 2010 and 2009 is as follows:

	2010			
	Cost	Interest earned	Unrealized gain (loss) on valuation	Fair value
Corporate debt	**Ps. 1,370**	**Ps. 22**	**Ps. 170**	**Ps. 1,563**

	2009			
	Cost	Interest earned	Unrealized gain (loss) on valuation	Fair value
Corporate debt	Ps. 1,489	Ps . 24	Ps. 32	Ps. 1,545

c) Securities held to maturity

An analysis of investments in securities held to maturity at December 31, 2010 and 2009 is as follows:

	2010	2009
Credit Linked Notes (1)		
Cost investment	**Ps. 847**	Ps. 1,281
Accrued interest	**3**	5
Plus: Fair value - Delta value (2)	**46**	16
	896	1,302
Corporate debt (3) (4)		
Cost investment	**-**	962
Accrued interest	**-**	-
Less: Allowance for impairment (5)	**-**	34
	-	928
	Ps. 896	Ps. 2,230

(1) These are instruments issued by the Group's correspondent banks and are associated with loans granted by the Group. The underlying of the instruments is a cost-bearing loan with no secondary market between the Group's counterparty and the reference debtor. At December 31, 2010 and 2009, 41% and 60% of transactions related to Credit linked notes have maturities of two years. These instruments are issued by Stars Cayman Limited (serial number 15) and Credit Suisse First Boston (NAS116, NAS119, NAS120, NAS122 and NAS171), and bear interest at an average annual rate of 2.68% and 2.75%, respectively.

(2) Due to the nature of the Credit linked notes, the Group computes the valuation effect of the instrument's embedded credit default derivative (Delta value). At December 31, 2010 and 2009, the Delta value is presented in the Securities held to maturity caption as a result of their reclassification to this caption under the CNBV's specific instructions. In prior years, this value was presented in the Derivatives caption.

(3) In 2010, the Bank redeemed 98,500 of these instruments whose book value at the date of the transaction was Ps.881. This redemption gave rise to the recognition of income of Ps.60 that corresponds to a gain on the transaction of Ps.26 and the reversal of the allowance for impairment of Ps.34. The purchase of 73,505 instruments under the new issuance, CEMEA77, series 200512, was recorded under the caption securities for trading (Note7a) The acquisition cost of these debt securities was Ps.908. In 2009, the Bank sold these instruments with a book value of Ps.5,033 at the sale date, giving rise to a loss of Ps.619. This sale was authorized by the CNBV.

(4) At December 31, 2009, the allowance for impairment in the value of securities held to maturity was determined using market prices and at the same date, management determined that the allowance was understated by Ps.30. This difference was recognized in the Group's consolidated financial statements in February 2010. Management believes that the effects of this situation are not material on the Group's financial statements taken as a whole at December 31, 2009.

See Note 32 for a description of the Group's risk management policies, as well as the risks to which it is exposed.

8. Security repurchase agreements

a) Debtors and creditors under security repurchase agreements

An analysis of this caption at December 31, 2010 and 2009 is as follows:

	2010		2009	
	Debtors	**Creditors**	Debtors	Creditors
Contracted price (1)	**Ps. 59,600**	**Ps. 61,429**	Ps. 62,329	Ps. 75,228
Accrued premium	**13**	**45**	25	12
	59,613	**61,474**	62,354	75,240
Less:				
Collateral securities sold or delivered in guaranty (2)	**54,501**	**54,501**	62,148	62,148
	Ps. 5,112	**Ps. 6,973**	Ps. 206	Ps. 13,092

(1) The average term of security repurchase agreements at December 31, 2010 and 2009, ranges between 7 and 2 days, respectively.

(2) At December 31, 2010 and 2009, this caption refers to security repurchase agreements in which the Group acted as a seller (received financing), and delivered financial instruments in guarantee which, in turn, were received in guarantee in other security repurchase agreements (in which the Group acted as a buyer). The type of securities held as a seller and a buyer are as follows:

	2010	2009
Mexican Treasury Certificates (CETES)	**Ps. 18,161**	Ps. 6,570
Mexican government development bonds (BONDES)	**23,547**	48,346
IPAB bonds	**-**	671
Participating bonds	**1,870**	3,429
Bank bonds	**8,017**	474
Promissory notes with interest payable at maturity (PRLV)	**490**	238
Domestic senior notes	**2,416**	2,420
	54,501	62,148
Fair value valuation adjustment	**68**	(9)
Value recognized in memoranda accounts	**Ps. 54,569**	Ps. 62,139

b) Premiums earned and paid

An analysis of premiums earned and paid under security purchase agreements for the year ended December 31, 2010 and 2009 is as follows:

	2010	2009
Premiums earned (buyer) (Note 27a)	**Ps. 1,799**	Ps. 3,076
Premiums paid (seller) (Note 27b)	**2,493**	3,543
	Ps.(694)	Ps.(467)

c) Collateral securities received by the entity

An analysis of collateral securities received by the entity under security repurchase agreements at December 31, 2010 and 2009 is as follows:

	2010	2009
Mexican Treasury Certificates (CETES)	**Ps. 18,156**	Ps. 6,563
Mexican government development bonds (Bondes)	**23,491**	48,531
Participating bonds	**1,870**	4,100
Bank bonds	**13,168**	474
Notes with interest payable at maturity (PRLVs)	**490**	241
Domestic senior notes	**2,415**	2,420
BREMS	**10**	-
	59,600	62,329
Fair value valuation adjustment	**123**	30
Value recognized in memoranda accounts	**Ps. 59,723**	Ps. 62,359

9. Derivatives

At December 31, 2010 and 2009, the current position of this caption is as follows:

	2010			
	Accounting records		Offsetting	
	Assets	Liabilities	Assets	Liabilities
Futures (trading)	**Ps. 1,476**	**Ps. 1,460**	**Ps. 16**	**Ps. -**
Forwards (trading)	**63,999**	**64,363**	**871**	**1,235**
Stock-purchase warrants (trading)	**338**	**-**	**338**	**-**
Swaps				
Currency swaps	**55,420**	**54,974**	**2,785**	**2,339**
Interest rate swaps-U.S. dollars	**20,687**	**20,329**	**2,891**	**2,533**
Interest rate swaps-Mexican pesos	**33,597**	**34,090**	**2,315**	**2,808**
	109,704	**109,393**	**7,991**	**7,680**
	Ps. 175,517	**Ps. 175,216**	**Ps. 9,216**	**Ps. 8,915**

	2009			
	Accounting records		Offsetting	
	Assets	Liabilities	Assets	Liabilities
Futures (trading)	Ps. 9,870	Ps. 9,572	Ps. 298	
Forwards (trading)	75,207	74,908	1,215	Ps. 916
Stock-purchase warrants (trading)	309	-	309	-
Swaps				
Trading				
Currency swaps	13,970	14,926	377	1,333
Interest rate swaps-U.S. dollars	16,122	15,797	2,896	2,571
Interest rate swaps-Mexican pesos	25,743	25,214	1,261	732
	55,835	55,937	4,534	4,636
	141,221	140,417	6,356	5,552
Hedging				
Currency swaps	40,645	43,304	163	2,822
Interest rate swaps-U.S. dollars	1,169	1,851		682
Interest rate swaps-Mexican pesos	10,319	10,365	406	452
	52,133	55,520	569	3,956
	Ps. 193,354	Ps. 195,937	Ps. 6,925	Ps. 9,508

a) Futures

At December 31, 2010 and 2009, the position in terms of number of currency and interest rate futures entered into with the Chicago Mercantile Exchange (CME) and the Mexican Derivatives Market (MexDer) is as follows:

	2010			2009		
	No. of agreements			No. of agreements		
	CME	**MexDer**	**Maturity**	CME	MexDer	Maturity
Buying	**1,702**		**March 11**		5,000	January 10
Buying					2,510	March 10
Selling		**5,000**	**March 11**	17,344		March 10

The notional amount of CME and Mexder futures at December 31, 2010 is Ps.839 and Ps.617 respectively. The notional amount of CME and Mexder futures at December 31, 2009 is Ps.8,862 and Ps.1,008, respectively.

b) Forwards

An analysis of forwards, based on their nature and maturity, is as follows at December 31, 2010 and 2009:

	2010			
Maturity date	Amount in U.S. dollars	Contracted price	Fair value	Unrealized gain (loss) on valuation
Buying:				
January 2011	253,756,297	Ps. 3,159	Ps. 3,138	Ps. (21)
February 2011	16,485,000	216	204	(11)
March 2011	1,777,923,800	21,958	21,413	(545)
April 2011	16,000,000	205	199	(5)
May 2011	3,300,000	41	41	-
July 2011	926,297	13	12	(2)
December 2011	8,000,000	107	102	(5)
December 2012	150,000,000	2,250	2,028	(223)
December 2015	200,000,000	3,250	3,058	(192)
December 2016	60,000,000	1,207	1,020	(187)
	2,486,391,394	Ps. 32,406	Ps. 31,215	(1,191)
Selling:				
January 2011	348,271,297	PS. 4,382	Ps. 4,458	76
February 2011	16,485,000	216	228	12
March 2011	2,148,371,250	26,611	27,151	540
April 2011	16,000,000	205	210	5
May 2011	3,300,000	41	41	-
July 2010	926,297	13	15	2
December 2011	8,000,000	108	113	5
December 2016	60,000,000	1,208	1,395	187
	2,601,353,844	Ps. 32,784	Ps. 33,611	827
			Net	Ps. (364)

Maturity date	Amount in U.S. dollars	2009 Contracted price	Fair value	Unrealized gain (loss) on valuation
Buying:				
January 2010	142,257,217	Ps. 1,851	Ps. 1,855	Ps. 4
February 2010	63,640,787	832	800	(32)
March 2010	1,936,370,070	25,251	24,650	(601)
April 2010	10,425,000	139	138	(1)
May 2010	5,210,000	69	69	-
June 2010	16,830,000	224	225	1
July 2010	3,411,297	46	46	-
August 2010	2,535,000	34	34	-
December 2010	8,000,000	108	109	1
January 2011	926,297	13	13	-
July 2011	926,297	13	13	-
December 2012	150,000,000	2,250	2,247	(3)
December 2015	200,000,000	3,250	3,328	78
December 2016	60,000,000	1,208	1,117	(91)
	2,600,531,965	Ps. 35,288	Ps. 34,644	(644)
Selling:				
January 2010	142,260,417	Ps. 1,809	Ps. 1,832	(23)
February 2010	63,644,787	863	832	31
March 2010	2,736,469,000	36,889	36,045	844
April 2010	10,425,000	141	139	2
May 2010	5,210,000	70	69	1
June 2010	16,830,000	224	224	-
July 2010	3,411,297	45	46	(1)
August 2010	2,535,000	33	34	(1)
December 2010	8,000,000	107	108	(1)
January 2011	926,297	13	13	-
July 2011	926,297	13	13	-
December 2016	60,000,000	1,299	1,208	91
	3,050,638,095	Ps. 41,506	Ps. 40,563	943
			Net	Ps. 299

c) Warrant

In January 2009, the Group entered into an investment agreement that includes the acquisition of an unlisted stock option (warrant) from its counterparty. Since, in addition to this derivative, the agreement includes a simple loan, it is considered a structured transaction. Under the stock warrant, the Group is entitled to acquire 7,950,000 common shares in the counterparty at a strike price of USD6.3572 per share. At the date of the transaction (January 2009), the Group paid a premium on the warrant of Ps.309. At December 31, 2010, the Group recognized an unrealized loss on valuation of Ps.270 for this transaction. At December 31, 2009, the fair value of the premium is Ps.625, the difference (gain on valuation) between the cost of the premium and its fair value is Ps.316, which was recognized in the Group's consolidated financial statements in February 2010. Management believes that the effects of this situation are not material on the Group's financial statements taken as a whole at December 31, 2009. An analysis of the fair value of the warrant at December 31, 2010 and 2009 is as follows:

	2010	2009
Initial premium	**Ps. 292**	Ps. 309
Market-to market valuation	**46**	-
Intrinsic value	**Ps. 338**	Ps. 309

The balance of the simple loan at December 31, 2010 and 2009 is Ps.1,544 and Ps.1,633, respectively, which bear interest of 14.8%.

d) Swaps

At December 31, 2010 and 2009, the Group's swap position is as follows:

	2010			
	Underlying amount	**Present value of flows to be received**	**Present value of flows to be delivered**	**Net valuation**
Trading:				
Currency swaps				
Peso-dollar	**Ps. 52,266**	**Ps. 53,521**	**Ps. (53,294)**	**Ps. 227**
Dollar- peso	**1,914**	**1,899**	**(1,680)**	**219**
Interest rate swaps				
Mexican pesos	**68,378**	**33,597**	**(34,090)**	**(493)**
U.S. dollar	**52,013**	**20,687**	**(20,329)**	**358**
	Ps. 174,571	**Ps. 109,704**	**Ps. (109,393)**	**Ps. 311**

	2009			
	Underlying amount	Present value of flows to be received	Present value of flows to be delivered	Net valuation
Trading:				
Currency swaps				
Peso-dollar	Ps. 12,604	Ps. 11,938	Ps. (13,245)	Ps. (1,307)
Dollar- peso	2,025	2,032	(1,681)	351
Interest rate swaps Mexican pesos	44,401	25,743	(25,214)	529
U.S. dollar	41,484	16,122	(15,797)	325
	Ps. 100,514	Ps. 55,835	Ps. (55,938)	Ps. (102)
Hedging:				
Currency swaps Peso-dollar	Ps. 42,741	Ps. 40,645	Ps. (43,304)	Ps. (2,659)
Interest rate swaps Mexican pesos	21,689	10,319	(10,365)	(46)
U.S. dollars	11,094	1,169	(1,851)	(682)
	Ps. 75,524	Ps. 52,133	Ps. (55,520)	Ps. (3,387)

The Group's derivatives involve liquidity, market, credit and legal risks. To reduce exposure to such risks, the Group has established risk management policies and procedures (Note 32).

10. Valuation adjustment for financial asset hedges

Until December 31,2009, the Group performed the valuation adjustment for financial asset hedges is determined by designating individual loans and loan portfolios as hedged positions in fair value hedging relationships to mitigate the Group's exposure to interest-rate fluctuations.

Positions are defined by segmenting the loan portfolio based on the inherent risk being hedged. In this way the loan portfolio is divided into three segments: fixed-rate portfolio in Mexican pesos, fixed-rate portfolio in U.S. dollars and variable rate portfolio in foreign currency. The loans to be hedged are designated for each portfolio.

As of January 1, 2010, the Bank reversed the recognition of hedges at the fair value of their primary position and thus, in the bank began to amortize the revaluation effect accumulated through such date attributable to the risk being hedged over the term of the loan portfolio. At December 31, 2010, an analysis of the valuation adjustment and related amortization of valuation is as follows:

	Outstanding of the portfolio Dec. 31, 2009	Valuation adjustment Dec. 31, 2009	Amortization of the valuation adjustment 2010 (1)	Valuation adjustment Dec. 31, 2010
Fixed-rate loan portfolio in Mexican pesos	**Ps. 16,865**	**Ps. 981**	**Ps. (401)**	**Ps. 580**
Fixed-rate loan portfolio in U.S. dollars	**10,221**	**3,009**	**(713)**	**2,296**
Variable-rate loan portfolio in U.S. dollars	**26,982**	**(1,103)**	**387**	**(716)**
	Ps. 54,068	**Ps. 2,887**	**Ps. (727)**	**Ps. 2,160**

(1) At December 31, 2010, the effect of the valuation adjustment of the Bank's financial asset hedges included in the statement of income within the financial margin under the caption Interest income (Note 27a).

For the years ended December 31, 2009, an analysis of the offsetting between the changes in the fair value of derivatives recognized in the statement of income in the financial margin caption, and the hedged positions, is as follows (Note 27a):

	2009
Gain (loss) due to changes in the valuation of hedging instruments	Ps. 357
Gain due to changes in the valuation of hedged positions	163
	Ps. 520

At December 31, 2009, the hedge efficiency testing designed by the Group is in a range of between 80% and 125%, as required by CNBV accounting criteria.

11. Loan portfolio

a) Analysis of the performing and past-due loan portfolio by type of loan

An analysis of the loan portfolio at December 31, 2010 and 2009 is as follows:

	2010					
	Performing portfolio			Past-due portfolio		
Loan	Principal	Interest	Total	Principal	Interest	Total
Consumer	Ps. 9,648	Ps. 79	Ps. 9,727	Ps. 320	Ps. 3	Ps. 323
Discounts	1,238	-	1,238	455	-	455
Unsecured	14,659	38	14,697	4	-	4
Chattel mortgage	534	1	535	-	-	-
Simple and current accounts	118,452	729	119,181	2,128	26	2,154
Home mortgage	1,432	8	1,440	224	3	227
Leases	1,619	-	1,619	26	-	26
Restructured (Note 11f)	18,055	102	18,157	383	7	390
Rediscounts	5,996	15	6,011	26	1	27
	Ps. 171,633	Ps. 972	Ps. 172,605	Ps. 3,566	Ps. 40	Ps. 3,606

	2009					
	Performing portfolio			Past-due portfolio		
Loan	Principal	Interest	Total	Principal	Interest	Total
Consumer	Ps. 5,994	Ps. 25	Ps. 6,019	Ps. 432	Ps. 6	Ps. 438
Discounts	1,389	-	1,389	427	-	427
Unsecured	15,246	34	15,280	261	-	261
Chattel mortgage	847	2	849	-	-	-
Simple and current accounts	107,275	810	108,085	2,897	16	2,913
Home mortgage	1,320	12	1,332	235	3	238
Leases	1,699	-	1,699	49	1	50
Restructured (Note 11f)	13,704	61	13,765	112	1	113
Rediscounts	7,144	63	7,207	9	-	9
	Ps. 154,618	Ps. 1,007	Ps. 155,625	Ps. 4,422	Ps. 27	Ps. 4,449

b) Analysis of the loan portfolio by currency

An analysis of the loan portfolio by currency at December 31, 2010 and 2009 is as follows:

Loan	Mexican pesos	Foreign currency	UDIs	Total
		2010		
Performing loan portfolio:				
Consumer	**Ps. 9,725**	**Ps. 2**	**Ps. -**	**Ps. 9,727**
Discounts	**1,234**	**4**	**-**	**1,238**
Unsecured	**14,061**	**636**	**-**	**14,697**
Chattel mortgage	**510**	**25**	**-**	**535**
Simple and current accounts	**84,893**	**34,288**	**-**	**119,181**
Home mortgage	**1,438**	**-**	**2**	**1,440**
Leases	**633**	**986**	**-**	**1,619**
Restructured (Note 11f)	**8,967**	**9,190**	**-**	**18,157**
Rediscounts	**6,000**	**11**	**-**	**6,011**
	127,461	**45,142**	**2**	**172,605**
Past-due loan portfolio:				
Consumer	**319**	**4**	**-**	**323**
Discounts	**3**	**452**	**-**	**455**
Unsecured	**4**	**-**	**-**	**4**
Simple and current accounts	**1,541**	**613**	**-**	**2,154**
Home mortgage	**226**	**1**	**-**	**227**
Leases	**26**	**-**	**-**	**26**
Restructured (Note 11f)	**340**	**50**		**390**
Rediscounts	**27**	**-**	**-**	**27**
	2,486	**1,120**	**-**	**3,606**
	Ps. 129,947	**Ps. 46,262**	**Ps. 2**	**Ps. 176,211**

Loan	Mexican pesos	Foreign currency	UDIs	Total
		2009		
Performing loan portfolio:				
Consumer	Ps. 5,988	Ps. 20	Ps. 11	Ps. 6,019
Discounts	1,312	77	-	1,389
Unsecured	14,105	1,175	-	15,280
Chattel mortgage	625	224	-	849
Simple and current accounts	74,454	33,426	205	108,085
Home mortgage	1,330	-	2	1,332
Leases	565	1,133	1	1,699
Restructured (Note 11f)	5,689	8,076	-	13,765
Rediscounts	7,207	-	-	7,207
	111,275	44,131	219	155,625
Past-due loan portfolio:				
Consumer	433	-	5	438
Discounts	-	427	-	427
Unsecured	261	-	-	261
Simple and current accounts	919	1,994	-	2,913
Home mortgage	237	-	1	238
Leases	50	-	-	50
Restructured (Note 11f)	74	39	-	113
Rediscounts	9	-	-	9
	1,983	2,460	6	4,449
	Ps. 113,258	Ps. 46,591	Ps. 225	Ps. 160,074

Loans granted to financial entities

An analysis of loans granted to financial entities by currency at December 31, 2010 and 2009 is as follows:

2010			
Loan	**Mexican pesos**	**Foreign currency**	**Total**
Performing loan portfolio:			
Interbank	**Ps. 3,089**	**Ps. -**	**Ps. 3,089**
To non-banking financial institutions	**4,350**	**2,464**	**6,814**
	Ps. 7,439	**Ps. 2,464**	**Ps. 9,903**

2009			
Loan	Mexican pesos	Foreign currency	Total
Performing loan portfolio:			
Interbank	Ps. 3,734		Ps. 3,734
To non-banking financial institutions	3,250	Ps. 1,888	5,138
	Ps. 6,984	Ps. 1,888	Ps. 8,872

- Loans granted to government entities

An analysis of loans granted to government entities by currency at December 31, 2010 and 2009 is as follows:

2010			
Loan	**Mexican pesos**	**Foreign currency**	**Total**
Performing loan portfolio:			
To the Federal government or secured by the government	**$ 28**	**Ps. -**	**Ps. 28**
To states or municipalities or backed by them	**16,045**	**-**	**16,045**
To decentralized or de concentrated bodies	**8,122**	**2,871**	**10,993**
	Ps. 24,195	**Ps. 2,871**	**Ps. 27,066**

2009			
Loan	Mexican pesos	Foreign currency	Total
Performing loan portfolio:			
To states or municipalities or backed by them	Ps. 1,497		Ps. 1,497
To decentralized or de concentrated bodies	7,505	Ps. 1,563	9,068
	Ps. 9,002	Ps. 1,563	Ps. 10,565

At December 31, 2010 and 2009 there are no past-due loan portfolio balances payable by government entities.

c) Operating limits

The CNBV establishes the limits to be observed by the Group's bank subsidiary (Banco Inbursa) for the granting of loans. The most important of these limits are as follows:

- Loans constituting common risk

Loans granted to a single person or to a group of persons who are considered a single person because they represent a common risk, are subject to maximum capital limit computed using the following table:

% limit on basic capital	Capitalization level of loans
12%	More than 8% and up to 9%
15%	More than 9% and up to 10%
25%	More than 10% and up to 12%
30%	More than 12% and up to 15%
40%	More than 15%

Loans backed by unconditional and irrevocable guarantees that cover both principal and interest and restatement, granted by foreign financial institutions with strong investment ratings, may exceed the maximum limit applicable to that particular lender. However, in no case may these loans represent more than 100% of the basic capital, per each person or group of persons constituting common risk. At December 31, 2010 and 2009, Banco Inbursa has met the aforementioned limits.

- Loans extended to related parties

The Mexican Credit Institutions Act establishes limits for the granting of loans to related parties. The total amount of intercompany loans, plus irrevocable lines of credit granted to related parties, may not exceed 50% of basic net capital. At December 31, 2010 and 2009, the balance of the loans granted to relate parties have not exceeded such limit (Note 31).

- Other loan limits

The sum of loans granted to the main three largest borrowers, plus those granted exclusively to multiple-type banking institutions and those taken out by state-owned entities and bodies, including public trusts, may not exceed 100% of the net capital.

At December 31, 2010 and 2009, the maximum amount of financing due from the Banco Inbursa's three largest borrowers aggregated Ps.24,776 and Ps.19,379, respectively, which represented 62.8% and 51.5% of the net capital computed at December 31, 2010 and 2009, respectively.

At December 31, 2010 and 2009, the Bank has granted five and three loans, respectively, that exceed 10% of the Bank's net capital. At December 31, 2010, these loans aggregate Ps.35,265 and represent 89.4% of the Bank's net capital. At December 31, 2009, these loans aggregate Ps.23,512 and represent 62.3% of the Bank's net capital.

At December 31, 2010 and 2009, loans granted to multiple-type banking institutions aggregate Ps.3,089 and Ps.3,734, respectively, and loans granted to state-owned entities and bodies aggregate Ps.16,073 and Ps.1,497, respectively.

d) Analysis of risk concentration

By economic sector

An analysis of risk concentration percentages by economic sector at December 31, 2010 and 2009 is as follows:

	2010		2009	
	Amount	**Concentration percentage**	Amount	Concentration percentage
Private (companies and individuals)	**Ps. 127,890**	**73%**	Ps. 132,879	83%
Financial	**9,903**	**6%**	8,872	5%
Consumer	**10,052**	**6%**	6,529	4%
Home mortgage	**1,300**	**1%**	1,229	1%
Loans to government entities	**27,066**	**14%**	10,565	7%
	Ps. 176,211	**100%**	Ps. 160,074	100%

By region

An analysis of risk concentration percentages by region at December 31, 2010 and 2009 is as follows:

Zone	2010 Amount	2010 Concentration percentage	2009 Amount	2009 Concentration percentage
Central	**Ps. 118,061**	**67%**	Ps. 113,381	71%
Northern	**14,097**	**8%**	10,956	7%
Southern	**15,859**	**9%**	6,266	4%
Foreign and other	**28,194**	**16%**	29,471	18%
	Ps. 176,211	**100%**	Ps. 160,074	100%

The most important policies followed by the Group in the determination of its risk concentrations are described in Note 32.

e) Analysis of economic environment (troubled loan portfolio)

At December 31, 2010 and 2009, the Group's troubled loan portfolio includes mainly D and E risk graded loans. An analysis is as follows:

	2010					
	Performing portfolio			Past-due portfolio		
	Principal	Interest	Total	Principal	Interest	Total
Simple	**Ps. 3,277**	**Ps. 14**	**Ps. 3,291**	**Ps. 915**	**Ps. -**	**Ps. 915**
Restructured	**3,097**	**4**	**3,101**	**168**	**-**	**168**
Consumer	**678**	**17**	**695**	**143**	**3**	**146**
Home mortgage	**-**	**-**	**-**	**96**	**3**	**99**
Leases	**1**	**-**	**1**	**6**	**-**	**6**
Discounts	**9**	**-**	**9**	**5**	**-**	**5**
Unsecured	**-**	**-**	**-**	**4**	**-**	**4**
	Ps. 7,062	**Ps. 35**	**Ps. 7,097**	**Ps. 1,337**	**Ps. 6**	**Ps. 1,343**

	2009					
	Performing portfolio			Past-due portfolio		
	Principal	Interest	Total	Principal	Interest	Total
Simple	Ps. 2,296	Ps. 13	Ps. 2,309	Ps. 2,346	Ps. 11	Ps. 2,357
Restructured	1,599	24	1,623	112	-	112
Consumer	540	14	554	329	9	338
Home mortgage	-	-	-	132	-	132
Leases	18	-	18	7	-	7
Discounts	-	-	-	2	-	2
Unsecured	-	-	-	39	-	39
	Ps. 4,453	Ps. 51	Ps. 4,504	Ps. 2,967	Ps. 20	Ps. 2,987

The most important policies followed by the Group in the determination of the troubled loan portfolio are described in Note 32.

f) Performing restructured loans

Balances

An analysis of performing restructured loans at December 31, 2010 and 2009 is as follows:

	2010					
	Performing portfolio			Past-due portfolio		
Loan	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
Simple mortgage	**Ps. 8,004**	**Ps. 35**	**Ps. 8,039**	**Ps. 223**	**Ps. 1**	**Ps. 224**
Simple chattel mortgage	**1,279**	**51**	**1,330**	**-**	**-**	**-**
Guaranteed simple	**2,883**	**7**	**2,890**	**-**	**-**	**-**
Simple with other guarantees	**5,578**	**7**	**5,585**	**157**	**6**	**163**
Chattel mortgage	**15**	**1**	**16**	**-**	**-**	**-**
Unsecured simple	**247**	**-**	**247**	**-**	**-**	**-**
Home mortgage	**49**	**1**	**50**	**3**	**-**	**3**
	Ps. 18,055	**Ps. 102**	**Ps. 18,157**	**Ps. 383**	**Ps. 7**	**Ps. 390**

	2009					
	Performing portfolio			Past-due portfolio		
Loan	Principal	Interest	Total	Principal	Interest	Total
Simple mortgage	Ps. 5,305	Ps. 11	Ps. 5,316	Ps. 73	Ps. 1	Ps. 74
Simple chattel mortgage	1,828	40	1,868	39	-	39
Guaranteed simple	3,045	7	3,052	-	-	-
Simple with other guarantees	3,218	2	3,220	-	-	-
Chattel mortgage	16	-	16	-	-	-
Unsecured simple	262	1	263	-	-	-
Consumer	1	-	1	-	-	-
Home mortgage	29	-	29	-	-	-
	Ps. 13,704	Ps. 61	Ps. 13,765	Ps. 112	Ps. 1	Ps. 113

- **Additional guarantees obtained in restructured loans**

At December 31, 2010 and 2009, additional guarantees obtained in restructured loans are as follows:

	2010	
Type of loan	**Amount**	**Nature of guarantee**
Mexican peso denominated		
Simple mortgage	Ps. 3896	Pledge, mortgage and property
Simple with other guarantees	5,955	Pledge, mortgage and public shares
Simple chattel mortgage	386	Public shares
Guaranteed simple	80	Pledge
Restructured home mortgage	49	Mortgage
Chattel mortgage	24	Public shares
	10,390	
U.S. dollar denominated		
Simple mortgage	2,873	Pledge
	Ps. 13,263	

Type of loan	2009 Amount	Nature of guarantee
Mexican peso denominated		
Simple mortgage	Ps. 104	Pledge, mortgage and property
Simple with other guarantees	1,110	Pledge, mortgage and public shares
Simple chattel mortgage	346	Public shares
Guaranteed simple	14	Pledge
Restructured home mortgage	24	Mortgage
Chattel mortgage	24	Public shares
	1,622	
U.S. dollar denominated		
Simple mortgage	1,160	Pledge
Simple chattel mortgage	24	Pledge
	1,184	
UDI denominated		
Consumer	1	Mortgage
	Ps. 2,807	

g) Past-due loan portfolio

- Age

An aged analysis of the past-due loan portfolio at December 31, 2010 and 2009 is as follows:

	2010	2009
1 to 180 days overdue	**Ps. 2,303**	Ps. 1,673
181 to 365 days overdue	**778**	416
More than one year overdue	**525**	2,360
	Ps. 3,606	Ps. 4,449

The aforementioned analysis includes the balances of the past-due consumer and mortgage loan portfolio, which at December 31, 2010 aggregate Ps.325 (Ps.438 in 2009) and Ps.104 (Ps.106 in 2009), respectively. The Group's management did not consider it necessary to prepare the aged analysis of such portfolios separately due to their relative immateriality.

- Changes

An analysis of activity in the past-due loan portfolio at December 31, 2010 and 2009 is as follows:

	2010	2009
Initial balance	**Ps. 4,449**	Ps. 3,603
Add (less):		
Net transfers from performing portfolio to past-due portfolio and vice versa (1)	**1,457**	2,496
Recoveries	**(1,698)**	(612)
Write-offs	**(602)**	(1,038)
Ending balance	**Ps. 3,606**	Ps. 4,449

(1) For the years ended December 31, 2010 and 2009, based on the policy described in Note 2m) above, the Group transferred Ps.106,700 and Ps.124,084, respectively, from the performing portfolio to the past-due portfolio. For the years ended December 31, 2010 and 2009, transfers made from the past-due portfolio to the performing portfolio aggregated Ps.105,243 and Ps.121,588, respectively.

For the years ended December 31, 2010 and 2009, the Group did not pardon, write off or make changes against any of its loans granted to related parties that gave rise to the cancellation of the corresponding asset.

12. Preventive provision for credit risks

An analysis of the preventive provision for credit risks at December 31, 2010 and 2009 is as follows:

		2010		2009
Commercial loan portfolio (a)	**Ps.**	**17,715**	Ps.	14,741
Consumer loan portfolio (b)		**1,005**		1,059
Home mortgage loan portfolio (c)		**126**		120
	Ps.	**18,846**	Ps.	15,920

a) Commercial loan portfolio (including loans granted to financial and government entities)

An analysis of the preventive provision for credit risks at December 31, 2010 and 2009 is as follows:

		2010			2009		
Risk		**Amount of liability**		**Amount of provision**		Amount of liability		Amount of provision
A1	**Ps.**	**38,462**	**Ps.**	**191**	Ps.	47,346	Ps.	236
A2		**26,438**		**259**		24,666		238
B1		**32,053**		**1,299**		30,139		1,390
B2		**35,095**		**2,865**		24,841		2,152
B3		**17,320**		**2,927**		15,010		2,974
C1		**12,402**		**2,406**		6,999		1,815
C2		**747**		**299**		109		44
D		**134**		**92**		1,788		1,074
E		**7,366**		**7,366**		4,813		4,813
Graded portfolio	**Ps.**	**170,017**		**17,704**	Ps.	155,711		14,736
Additional estimate				**11**				5
Required provision				**17,715**				14,741
Amount provided for				**17,715**				14,741
Over or understatement			**Ps.**	**-**			Ps.	-

b) Consumer loans

An analysis of the provision for consumer loans at December 31, 2010 and 2009 is as follows:

Risk	2010 Amount of liability	2010 Amount of provision	2009 Amount of liability	2009 Amount of provision
A	Ps. 6,572	Ps. 33	Ps. 3,261	Ps. 17
B	519	52	2,137	284
B1	216	44	-	-
B2	1,558	100	-	-
C	346	137	338	127
D	622	422	519	357
E	218	217	274	274
Graded portfolio	Ps. 10,051	Ps. 1,005	Ps. 6,529	1,059
Amount provided for		1,005		1,059
Over or understatement		Ps. -		Ps. -

c) Mortgage home loans

An analysis of the provision for mortgage home loans at December 31, 2010 and 2009 and is as follows:

Risk	2010 Amount of liability	2010 Amount of provision	2009 Amount of liability	2009 Amount of provision
A	Ps. 1,043	Ps. 3	Ps. 983	Ps. 4
B	78	14	81	14
C	79	25	66	21
D	50	35	58	41
E	49	49	40	40
Graded portfolio	Ps. 1,299	126	Ps. 1,228	120
Amount provided for		126		120
Over or understatement		Ps. -		Ps. -

d) Changes in estimate

Movements in the preventive provision for credit risks at December 31, 2010 and 2009 are as follows:

	2010	2009
Balance at beginning of year	Ps. 15,920	Ps. 12,610
Add (less):		
Increase in provision (Note 26a)	4,427	4,062
Transfer to the provision for foreclosed and repossessed assets	(63)	(3)
Write-offs	(1,135)	(498)
Revaluation of UDIs and foreign currency	(303)	(251)
Balance at end of year	Ps. 18,846	Ps. 15,920

13. Other accounts receivable, net

An analysis of this caption at December 31, 2010 and 2009 is as follows:

	2010	2009
Recoverable taxes	**Ps. 334**	Ps. 198
Debtors for settlement of transactions (1)	**19,640**	534
Commission debtors	**24**	6
Commissions receivable	**11**	128
Debtors under swap margin accounts	**414**	1,044
Other debtors	**588**	620
	21,011	2,530
Allowance for bad debts	**(6)**	(4)
	Ps. 21,005	Ps. 2,526

(1) An analysis of this caption at December 31, 2010 and 2009 is as follows:

	2010	2009
Clearing accounts for currency exchange operations (Note 5c)	**Ps. 19,638**	Ps. 531
Other clearing accounts	**2**	3
	Ps. 19,640	Ps. 534

14. Buildings, furniture and equipment, net

An analysis of this caption at December 31, 2010 and 2009 is as follows:

	Depreciation rate	2010	2009
Buildings	**5%**	**Ps. 347**	Ps. 347
Office furniture and equipment	**10%**	**324**	373
Electronic computer equipment	**30%**	**984**	924
Machinery and equipment	**30%**	**383**	384
Automobile equipment	**25%**	**224**	245
Land		**180**	180
Other		**55**	33
		2,497	2,486
Accumulated depreciation		**(1,293)**	(1,101)
		Ps. 1,204	Ps. 1,385

Depreciation expense of the years ended December 31, 2010 and 2009 is Ps.263 and Ps.236, respectively.

At December 31, 2010 and 2009, the aforementioned analysis includes the balance of assets under operating leases with a net carrying value of Ps.445 and Ps.606, respectively.

15. Long-term equity investments

An analysis of this caption at December 31, 2010 and 2009 is as follows:

Issuer	Balance 2009	Additions	2010 Equity in net income (loss)	Other movements	Balance 2010
Venture capital investments:					
Infraestructura y Transportes México	Ps. 1,611	Ps. -	Ps. 171	Ps. -	Ps. 1,782
Controladora Vuela Compañía de Aviación	238	-	(29)	(209)	-
Quality Films	13	-	(6)	-	7
Media Planning 1	9	-	3	(2)	10
Concesionaria Vuela Compañía de Aviación	6	-	(2)	(4)	-
Argos Comunicación	53	-	(3)	-	50
Celsol	73	-	(10)	-	63
In Store de México	14	-	9	(5)	18
Aspel Grupo	126	-	(5)	-	121
Aspel México	213	-	2	-	215
Pure Leasing	256	-	19	(39)	236
Grupo IDESA	247	-	26	(2)	271
Laboratorio Médico Polanco	58	-	4	(62)	-
Landsteiner Pharma	19	-	3	-	22
Landsteiner Scientific	251	63	2	-	316
Salud Interactiva	166	-	18	-	184
Salud Holding	44	-	(23)	-	21
Giant Motors	215	-	4	-	219
Gas Natural	788	-	84	-	872
Hildebrando	250	-	23	-	273
Progenika	-	19	-	-	19
Enesa	-	250	-	-	250
Other	6	6	(3)	-	9
	4,656	338	287	(323)	4,958
Unconsolidated subsidiaries:					
Seguros Inbursa	5,292	-	876	20	6,188
Pensiones Inbursa	5,210	-	585	(3)	5,792
Fianzas Guardiana Inbursa	1,860	-	434	-	2,294
	12,362	-	1,895	17	14,274
Other investments:					
Asociación de Bancos de México	10	-	-	-	10
Inbursa Siefore	308	-	17	10	335
Inbursa Siefore Básica 1	95	-	5	10	110
Inbursa Siefore Básica 3	360	-	21	-	381
Inbursa Siefore Básica 4	245	-	15	-	260
Inbursa Siefore Básica 5	47	-	3	-	50
Procesar	8	-	-	-	8
Mutual funds	28	-	(4)	4	28
Other	13	-	-	(1)	12
	1,114	-	57	27	1,194
	Ps. 18,132	Ps. 338	Ps. 2,239	Ps.(279)	Ps. 20,426

Issuer	Balance 2008	Additions	Equity in net income (loss)	Other movements	Balance 2009
			2009		
Venture capital investments:					
Infraestructura y Transportes México	Ps. 1,491		Ps. 120	Ps. -	Ps. 1,611
Controladora Vuela Compañía de Aviación	281	Ps. 61	(104)	-	238
Quality Films	30	-	(17)	-	13
Media Planning 1	9	(3)	3	-	9
Concesionaria Vuela Compañía de Aviación	18	8	(20)	-	6
Argos Comunicación	52	-	1	-	53
Celsol	57	-	16	-	73
In Store de México	13	(6)	7	-	14
Aspel Grupo	116	-	10	-	126
Aspel México	223	-	(10)	-	213
Pure Leasing	257	(11)	10	-	256
Grupo IDESA	225	(2)	24	-	247
Laboratorio Médico Polanco	56	-	2	-	58
Landsteiner Pharma	6	-	13	-	19
Landsteiner Scientific	277	(62)	36	-	251
Salud Interactiva	157	-	9	-	166
Salud Holding	180	-	(136)	-	44
Giant Motors	214	-	1	-	215
Gas Natural	759	-	29	-	788
Hildebrando	-	237	13	-	250
Other	6	-	-	-	6
	4,427	222	7	-	4,656
Unconsolidated subsidiaries:					
Seguros Inbursa	4,329	-	1,109	(146)	5,292
Pensiones Inbursa	4,240	-	941	29	5,210
Fianzas Guardiana Inbursa	1,525	-	347	(12)	1,860
	10,094	-	2,397	(129)	12,362
Other investments:					
Asociación de Bancos de México	10	-	-	-	10
Inbursa Siefore	288	-	20	-	308
Inbursa Siefore Básica 1	89	-	6	-	95
Inbursa Siefore Básica 3	335	-	25	-	360
Inbursa Siefore Básica 4	227	-	18	-	245
Inbursa Siefore Básica 5	43	-	4	-	47
Procesar	7	-	1	-	8
Mutual funds	469	-	67	(508)	28
Other	10	-	4	(1)	13
	1,478	-	145	(509)	1,114
	Ps. 15,999	Ps. 222	Ps. 2,549	Ps. (638)	Ps. 18,132

16. Other assets, deferred charges and intangibles, net

At December 31, 2010 and 2009, this caption consists of the following:

	2010	2009
Software licenses	**Ps. 253**	Ps. 251
Goodwill – SINCA Inbursa	**130**	130
Premium on loan operations (a)	**148**	199
Guarantee deposits	**923**	878
Other	**250**	159
	1,704	1,617
Amortization of software licenses	**(234)**	(224)
	Ps. 1,470	Ps. 1,393

Amortization charged to results of operations for the years ended December 31, 2010 and 2009 was Ps.10 and Ps.5, respectively.

(a) The Group purchased a portfolio that, due to the prevailing market conditions, gave rise to the payment of a premium. Under the related loan agreements, in certain cases borrowers may not make early payments. An analysis of the balance of the portfolio in the original currency, the premium paid and the related amortization in pesos for the years ended December 31, 2010 and 2009 is as follows:

			2010		
Date of repurchase U.S. dollars	**Nominal amount**	**Fixed interest rate**	**Premium paid**	**Accumulated amortization**	**Balance of unamortized premium**
December 2003	**USD 41,387,091**	**11.93%**	**Ps. 181**	**Ps.(103)**	**Ps. 78**
April 2004	**15,000,000**	**11.93%**	**59**	**(33)**	**26**
March 2005	**10,000,000**	**11.93%**	**51**	**(27)**	**24**
January 2006	**76,701,170**	**8.660%**	**79**	**(71)**	**8**
June 2008	**20,098,000**	**5.925%**	**1**	**(1)**	**-**
	USD 163,186,261		**371**	**(235)**	**136**
Mexican pesos					
September 2008	**Ps. 1,000**	**9.775%**	**33**	**(21)**	**12**
			Ps. 404	**Ps.(256)**	**Ps. 148**

			2009		
Date of repurchase	Nominal amount	Fixed interest rate	Premium paid	Accumulated amortization	Balance of unamortized premium
U.S. dollars					
December 2003	USD 41,387,091	11.93%	Ps. 181	Ps. (88)	Ps. 93
April 2004	15,000,000	11.93%	59	(27)	32
March 2005	10,000,000	11.93%	51	(22)	29
January 2006	76,701,170	8.660%	88	(63)	25
June 2008	20,098,000	5.925%	1	(1)	-
	USD 163,186,261		380	(201)	179
Mexican pesos					
September 2008	Ps. 2,000	9.775%	10	(10)	-
September 2008	1,162	9.365%	33	(13)	20
	Ps. 3,162		43	(23)	20
			Ps. 423	Ps. (224)	Ps. 199

Amortization expense charged to results of operations for the years ended December 31, 2010 and 2009 was Ps.51 and Ps.57, respectively.

17. Traditional deposits

a) Demand deposits

An analysis of demand deposits at December 31, 2010 and 2009 is as follows:

Checking accounts	Mexican pesos		Foreign currency translated to Mexican pesos		Total	
	2010	2009	**2010**	2009	**2010**	2009
Interest-bearing	**Ps. 49,735**	Ps. 46,377	**Ps. 1,549**	Ps. 1,641	**Ps. 51,284**	Ps. 48,018
Non-interest bearing	**377**	247	**73**	7	**450**	254
Total	**Ps. 50,112**	Ps. 46,624	**Ps. 1,622**	Ps. 1,648	**Ps. 51,734**	Ps. 48,272

For the years ended December 31, 2010 and 2009, interest payable on demand deposits was Ps.2,005 and Ps.2,402, respectively (Note 27b).

b) Time deposits

This caption consists of fixed-term deposits, deposits by foreign companies and banks and PRLVs (notes with interest payable at maturity). The interest rate on Mexican peso denominated deposits is tied to the Mexican Treasury Certificate (CETES) interest rate and to the 28-day adjusted interbank rate (TIIE). Returns on foreign currency denominated deposits are tied to the LIBOR rate.

At December 31, 2010 and 2009, time deposits are as follows:

	2010	2009
Fixed-term deposits:		
U.S. dollars (1)	**Ps. 1,531**	Ps. 1,314
UDIs (2)	**2,454**	835
UDIs (1)	**448**	430
Mexican pesos (1)	**132**	-
Mexican pesos (2)	**5,505**	2,000
	10,070	4,579
Promissory notes with interest payable at maturity (PRLV):		
Placed through the market (2)	**61,434**	70,398
Placed over the counter (1)	**1,204**	1
	62,638	70,399
Deposits withdrawable on pre-established days (1)	**1,226**	1,215
	Ps. 73,934	Ps. 76,193

(1) Placed with the general public.

(2) Placed in the money market.

At December 31, 2010 and 2009, deposits maturing in less than one year aggregated Ps.56,952 and Ps.75,216, respectively.

For the years ended December 31, 2010 and 2009, interest payable on term deposits was Ps.3,998 and Ps.5,407, respectively (Note 27b).

Whenever credit institutions must establish deposits, receive loans from their customers or obtain resources from one person or a group of persons considered as a single economic entity, in one or more liability transactions, and that represent more than 100% of the net capital, they must notify the CNBV of this situation on the following business day. At December 31, 2010 and 2009, Banco Inbursa has not exceeded such limit.

c) Debt instruments issued

At December 31, 2010, an analysis of balances of debt instruments issued represented by domestic senior notes is as follows:

Issuance	No. of securities	Interest rate	Balance
Banibur 10	**50,000,000**	**5.13%**	**Ps. 5,001**
Banibur 10-3	**6,500,000**	**5.20%**	**652**
Banibur 10-2	**50,000,000**	**5.08%**	**5,015**
Banibur 10-4	**50,000,000**	**5.02%**	**5,001**
	156,500,000		**Ps. 15,669**

On June 30, 2010, through official document 153/3618/2010, the Commission authorized the provisional registration in the National Securities Registry of securities to be issued by the Bank in the National Registry of Securities under the "Revolving program for bank domestic senior, certificates of term bank deposits, promissory notes with interest payable at maturity and bank bonds". The authorized maximum amount is Ps.50,000 or its equivalent in UDIS, and the sum of the outstanding issuances on a given date may not exceed this authorized amount.

Each security issuance made through this program will have its own characteristics, such as issuance price, total amount of the issuance, nominal value, issuance and settlement dates, term, maturity date, interest rate and periodicity of interest payments (or the discount rate, if applicable), among other aspects. These terms will be agreed upon by the issuer and underwriter and will be published in the respective prospectus on the date of each issuance.

At December 31, 2010, current issuances represent 31.3% of the total authorized amount.

For the year ended December 31, 2010, interest payable on domestic senior notes totals Ps.182 (Note 27b) and the total debt issuance cost is Ps.4 (Note 31).

At December 31, 2009, the Group had no position in issued debt instruments.

18. Interbank and other borrowings

This caption consists primarily of borrowings from financial institutions and government entities that bear interest at current market interest rates.

An analysis of this caption at December 31, 2010 and 2009 is as follows:

	2010			2009		
	Principal	**Interest**	**Total**	Principal	Interest	Total
Demand deposits						
Mexican-peso borrowings						
Call Money (1)				Ps. 8	Ps. -	Ps. 8
Short-term						
Mexican-peso borrowings						
Banxico bids				1,700	7	1,707
Bancomext				22	1	23
Nafin	**Ps. 4,891**	**Ps. 36**	**Ps. 4,927**	6,452	35	6,487
Promotora Inbursa	**87**	**-**	**87**	-	-	-
	4,978	**36**	**5,014**	8,174	43	8,217
Foreign currency borrowings						
NAFIN	**11**	**-**	**11**	-	-	-
	4,989	**36**	**5,025**	8,174	43	8,217
Long-term						
Mexican-peso borrowings						
Nafin	**527**	**-**	**527**	867	-	867
Discounted portfolio (FIRA)	**322**	**-**	**322**	405	-	405
Other	**-**	**-**	**-**	42	-	42
Total long-term borrowings	**849**	**-**	**849**	1,314	-	1,314
	Ps. 5,838	**Ps. 36**	**Ps. 5,874**	Ps. 9,496	Ps. 43	Ps. 9,539

At December 31, 2010, short-term Mexican-peso borrowings bear interest at an average annual rate of 4.48% (6.04% in 2009). At December 31, 2010, long-term Mexican-peso borrowings bear interest at an average annual rate of 5.12% (6.24% in 2009).

For the years ended December 31, 2010 and 2009, interest payable on interbank loans was Ps.437 and Ps.291, respectively (Note 27b).

At December 31, 2010 and 2009, there are no guarantees for the borrowings received.

At December 31, 2010 and 2009, the Group has unused lines of credit of Ps.4,112 and Ps.4,360, respectively.

19. Taxes on profits

a) Income tax

The Group is subject to the payment of corporate income tax an annual rate of 30% for 2010 and 28% for 2009, respectively. The Group's accounting income and taxable income are not the same due to: (i) permanent differences derived from the treatment of certain items, such as the value of shares sold, the equity interest in net income of subsidiaries and associates and non-deductible expenses, and (ii) temporary differences in the recognition of income and expenses for financial and tax reporting purposes of certain items, such as the valuation of derivatives and investments in securities, premiums paid on loans acquired and certain provisions. Deferred taxes are recognized on all differences between the financial reporting and tax bases of assets and liabilities (Note 22).

Therefore, the income tax rate will be 30% from 2010 to 2012, 29% for 2013 and 28% for 2014 and thereafter.

For the years ended December 31, 2010 and 2009, the Group, as an economic legal entity, reported taxable income of Ps.3 and Ps.66, respectively, on which it paid income tax of Ps.1 and Ps.19, respectively.

An analysis of the income tax charge as shown in the consolidated income statement for the years ended December 31, 2010 and 2009 is as follows:

	ISR	
	2010	2009
Banco Inbursa	**Ps. 1,063**	Ps. 740
Sociedad Financiera Inbursa	**179**	-
Inversora Bursátil	**141**	152
Operadora Inbursa	**69**	56
Other subsidiaries	**23**	37
Grupo Financiero Inbursa	**1**	19
	Ps. 1,476	Ps. 1,004

At the date of the audit report on these financial statements, the Group and its subsidiaries have yet to file their final 2010 income tax returns. Consequently, the income tax of the Bank and its subsidiaries shown in the table above may be subject to changes, though such changes are not expected to be material by management.

- Reconciliation of the effective income tax rate

The effective income tax rate shown in the statement of income for the years ended December 31, 2010 and 2009 is 23% and 26%, respectively. A reconciliation of the statutory corporate income tax rate to the effective tax rate recognized by the Group for financial reporting purposes is as follows:

	2010	2009
Net income before taxes per statement of income	**Ps. 7,298**	Ps. 7,451
Reconciling items:		
Annual inflation adjustment (tax item)	**(2,038)**	(1,388)
Non-deductible expenses	**370**	201
Net income of subsidiaries	**407**	152
Difference in the tax cost of shares	**177**	(139)
Other permanent items	**(588)**	(17)
Income before income tax , plus permanent items	**5,626**	6,260
Statutory income tax rate	**30%**	28%
Income tax	**1,688**	1,753
Deferred income tax from prior years (recorded directly in shareholders' equity)	**-**	11
Effect of change in deferred income tax rate (Note 22)	**-**	145
Total current-year and deferred of income tax	**Ps. 1,688**	Ps. 1,909
Effective income tax rate	**23%**	26%

Taxes on profits of unconsolidated subsidiaries regulated by the CNSF are recorded in results of operations of such subsidiaries. Therefore, the caption Equity interest in net income of unconsolidated subsidiaries and associates, as shown in the statement of income, includes the respective current-year taxes. The Group and each of its subsidiaries do not consolidate for tax purposes and, accordingly, file their tax returns on an individual basis.

b) Flat-rate business tax (IETU)

Current-year IETU for 2010 and 2009 is computed by applying the 17.5% and 17%, respectively, rate to income determined on the basis of cash flows, net of authorized credits. IETU Credits result mainly from certain fixed assets acquired during the transition period as of the date on which the IETU became effective.

IETU is payable only to the extent it exceeds income tax for the same period. For the year ended December 31, 2010 and 2009, the Group and its subsidiaries paid ISR.

During the first quarter of 2008, some of the Group's subsidiaries filed for indirect relief (amparo) against the unconstitutionality of certain provisions contained in the IETU Law. At the date of the report on these financial statements, in a plenary session of the Mexican Supreme Court of Justice, the court declared that no constitutional guarantees are violated by the IETU Law. However, the Group and its legal advisors are awaiting the respective ruling to know the exact scope of such pronouncement.

c) Employee profit sharing

Employee profit sharing is determined basically at 10% of taxable income, excluding the taxable or deductible nature of the annual inflation adjustment. For the year ended December 31, 2009, Outsourcing Inburnet, the only consolidated subsidiary that has personnel of its own, reported employee profit sharing of Ps.2.

20. Creditors on margin accounts

This caption corresponds to clearing accounts for foreign exchange and securities transactions that have not been settled at year-end. At December 31, 2010 and 2009, the balances of this account aggregate Ps.1,865 and Ps.239, respectively.

21. Sundry creditors and other accounts payable

An analysis of this caption at December 31, 2010 and 2009 is as follows:

	2010	2009
Sundry creditors (1)	**Ps. 1,156**	Ps. 1,495
Acceptances on behalf of customers	**347**	450
Guarantee deposits	**133**	1,074
Payable drafts	**30**	23
Cashier's checks	**34**	44
Provisions for accrued expenses	**70**	140
Certified checks	**29**	13
Contributions to the contingency fund	**51**	44
	Ps. 1,849	Ps. 3,283

(1) At December 31, 2010 and 2009, this balance includes Ps.220 and Ps.952 for debt with Lehman Brothers resulting from restrictions on the settlement of foreign currency and forwards purchase and sale transactions resulting from this entity's declaring bankruptcy (September 2008).

22. Deferred taxes

The most important temporary differences included in the computation of deferred taxes at December 31, 2010 and 2009 are as follows:

	2010	2009
Deferred tax liabilities:		
Valuation of shares	**Ps. 1,184**	Ps. 833
Valuation of financial instruments	**79**	108
Premium paid on loan operations	**46**	60
Derivatives	**868**	66
Investment in promoted companies	**235**	108
Amortization of discounts on loans acquired	**30**	155
Valuation of hedged assets	**648**	866
Other	**364**	195
	3,454	2,391
Deferred tax assets		
Asset tax paid	**45**	45
Available tax loss carryforward	**-**	10
Amortization of goodwill	**7**	7
Valuation of financial instruments	**10**	-
Valuation of available-for-sale securities (Note 7b)	**-**	10
Derivatives	**659**	-
Overstatement in deductible preventive provision for credit risk	**-**	10
Other	**242**	141
	963	223
Deferred income tax liability, net	**Ps. 2,491**	Ps. 2,168

For the years ended December 31, 2010 and 2009, the Group recognized a deferred tax (expense) of (Ps.212) and (Ps.905), respectively.

The statutory rate applicable to the temporary differences that gave rise to deferred taxes at December 31, 2010 and 2009 was 30%.

23. Commitments and contingencies

a) Liability agreement

In conformity with Article 28 of the Mexican Law Regulating Financial Groups, the Group and its subsidiaries signed a liability agreement whereby the Group accepts responsibility jointly and severally and without limitation for the performance of the obligations of its subsidiaries and for the losses derived from the performance of their own activities, even for those obligations incurred prior to the incorporation of the related subsidiaries into the Group.

The Group shall similarly be liable for their monetary obligations due to third parties, bankruptcy declared by the regulatory authorities, and the deterioration of their financial position to the point that they are unable to meet legally specified capital requirements.

b) Leases

The Group has entered into several operating leases for the buildings and business premises where some of its offices and branches are located, as well as for parking areas and computer equipment. Some of these transactions are carried out with affiliated companies and such intercompany business is not deemed to be material with respect to the Group's financial statements taken as a whole. For the years ended December 31, 2010 and 2009, rent charged to results of operations aggregates Ps.22 and Ps.19, respectively.

Management estimates that minimum compulsory rental payments under operating leases at December 31, 2010 will be Ps.110 over the next five years.

c) Loan commitments

- Letters of credit

As part of its loan transactions, the Group grants letters of credit to its customers that may give rise to collection and payment commitments at the time of the first drawdown. Some of these letters of credit have been issued to related parties (Note 31). At December 31, 2010 and 2009, the balance of letters of credit granted by the Group aggregates Ps.2,816 and Ps.1,982, respectively.

- Lines of credit

The Group has granted lines of credit to its customers, on which, in certain cases, no drawdowns have been made. At December 31, 2010 and 2009, lines of credit granted by the Group aggregate Ps.342,296 and Ps.270,606, respectively, on which the available drawdowns aggregate Ps.187,546 and Ps.133,121, respectively, at those dates.

d) Review of tax reports

At December 31, 2010, as a result of a review conducted by the Tax Administration Service through its Financial Sector Audit office for the 2004, 2005 and 2006 tax years, the Bank filed the related means of defense against the tax authority's assessments with the Federal Court of Justice for Tax and Administrative Matters in due time and form. At the present time, what the final outcome of these cases will be is unknown; however, management believes that the Bank stands a good chance of receiving favorable rulings.

At December 31, 2010, the Group has a valuation allowance of Ps.180 for the above mentioned situation which is recognized under the caption Sundry creditors and other accounts payable (Note 21).

The Financial Sector Audit Office of Tax Audit Department of the Tax Administration Service is reviewing the tax report of the Group for the year ended December 31, 2007. At the date of the audit report on these financial statements, such review is still underway.

24. Shareholders' equity

a) Capital stock

The Group's capital stock at December 31, 2010 and 2009 consists of 3,333,513,974 registered series "O" shares with a par value of Ps.0.827422 Mexican pesos each.

The nominal amount of paid-in capital at December 31, 2010 and 2009 is Ps.2,758. The book value of the shares at December 31, 2010 and 2009 is Ps.14,207, since the Group's financial information includes the effects of inflation recognized through December 31, 2007.

Additional capital stock will be represented by series "L" shares, which, in conformity with the Law Regulating Financial Groups, may represent up to 40% of the Group's ordinary capital stock, with the prior authorization of the CNBV.

Representative series "L" shares shall have limited voting rights, extending the right to vote only in matters involving a change in corporate purpose, merger, spin-off, transformation, dissolution and liquidation, as well as the cancellation of any stock exchange registration. Such series "L" shares may also confer the right to accumulative preferred dividend, and a higher dividend than the one paid to shares of ordinary capital stock. In no circumstances may the dividends paid on series "L" shares be less than those paid on the other series of shares.

b) Restrictions on shareholders' equity

Ownership of shares

Foreign corporate entities that exercise any form of authority may not hold any interest in the capital stock, nor may Mexican financial entities, even those comprising part of the respective group, unless they act as institutional investors, in terms of Article 19 of the Law Regulating Financial Groups.

Any individual or corporate entity may own, through one or various simultaneous or successive transactions, the series "O" shares of a multiple-type banking institution, provided that such transactions have been authorized by the Mexican Ministry of Finance, with approval of the CNBV.

Capital reserves

An analysis at December 31, 2010 and 2009 is as follows:

Reserve for repurchase of own shares	**Ps.**	**1,917**
Legal reserve		**1,181**
	Ps.	**3,098**

Reserve for repurchase of own shares

The reserve for repurchase of own shares was created on the basis of resolutions adopted at shareholders' meetings, and was funded using a portion of the Group's retained earnings.

Legal reserve

In conformity with the Mexican Corporations Act, the Group is required to appropriate at least 5% of the net income of each year to increase the legal reserve until it reaches 20% of capital stock issued and outstanding. Such reserve may not be distributed to shareholders during the life of the Group, except in the form of a stock dividend.

Capital reduction

In the event of a capital reduction, the reimbursement to shareholders in excess of the amount of the restated capital contributions, in accordance with the Income Tax Law, shall be subject to taxation at the enacted rate at the time of such reduction.

c) Restrictions on earnings

The Income Tax Law establishes that dividends declared from income on which corporate income tax has already been paid shall not be subject to further taxation; therefore, taxable income must be controlled in a so-called Net taxed profits account (CUFIN). Any distribution of earnings in excess of the CUFIN account balance will be subject to taxation at the enacted income tax rate at the time dividends are paid.

In conformity with the Income Tax Law, all capital contributions and net stock premiums paid by the shareholders, as well as capital reductions, must be controlled in the so-called Restated contributed capital account (CUCA). Such account must be restated for inflation from the time capital contributions are made to the time capital is reduced.

Capital reductions paid out from the CUCA balance will be subject to no taxation in terms of the Income Tax Law. However, any excess should be treated as a distributed profit, which will be subject to taxation, payable by the Group, at the enacted income tax rate at that time.

At December 31, 2010 and 2009, the Group has the following (individual) tax balances:

		2010		2009
Restated contributed capital account (CUCA)	**Ps.**	**31,757**	Ps.	30,418
Net taxed profits account (CUFIN)	**Ps.**	**2,341**	Ps.	3,480

- Dividend paid

At a regular shareholders' meeting held on April 30, 2010, a cash dividend was declared at a rate of $0.55 pesos per each of the 3,333,513,974 common registered shares issued and outstanding. The total dividend paid was Ps.1,833.

At a regular shareholders' meeting held on April 30, 2009, a cash dividend was declared at a rate of $ 0.50 pesos per each of the 3,333,513,974 common registered shares issued and outstanding. The total dividend paid was Ps.1,667.

Since the aforementioned cash dividends were paid from the Group's CUFIN account, they were not subject to tax withholdings.

25. Earnings per share and comprehensive income

a) Earnings per share

Earnings per share for the years ended December 31, 2010 and 2009 were determined as follows:

		2010		2009
Net income per statement of income	**Ps.**	**7,803**	Ps.	8,068
Weighted average number of outstanding shares		**3,333,513,974**		3,333,513,974
Earnings per share (Mexican pesos)	**Ps.**	**2.3407**	Ps.	2.4202

b) Comprehensive income

An analysis of the Group's comprehensive income for the years ended December 31, 2010 and 2009 is as follows:

		2010		2009
Net income	**Ps.**	**7,849**	Ps.	8,091
Unrealized gain (loss) on valuation of instruments available for sale		**97**		947
Equity interest in other shareholders' equity accounts of subsidiaries		**178**	(	135)
Comprehensive income	**Ps.**	**8,124**	Ps.	8,903

26. Segment information

Highlights of the results of operations of the principal operating segments of the most significant subsidiaries for the years ended December 31, 2010 and 2009 are shown below. A different classification is used to show the amounts presented from the one used in the preparation of the financial statements since operating and accounting records are combined.

		2010		2009
a) Loan transactions				
Revenues				
Interest on loans (Note 27a)	**Ps.**	**13,902**	Ps.	13,391
Exchange gains and UDIs (Note 27a)		**53**		239
Commissions on the initial granting of loans (Note 27a)		**16**		-
Commissions collected (Note 28)		**876**		1,437
Other operating revenues		**922**		577
Fair value valuation of hedges (Note 10)		**-**		520
		15,769		16,164
Expenses				
Exchange gains and UDIs (Note 27b)		**110**		217
Provision for loan portfolio (Note 12d)		**4,427**		4,062
Interest on deposits (Note 27b)		**6,622**		8,099
Commissions paid		**118**		94
Other operating expenses		**238**		55
Amortization for loan portfolio valuation adjustment (Note 27a)		**727**		-
		12,242		12,527
Income from loan transactions	**Ps.**	**3,527**	Ps.	3,637

Assets related to loan transactions at December 31, 2010 and 2009 aggregated Ps.159,525 and Ps.143,654, respectively. Liabilities related to loan transactions at December 31, 2010 and 2009 aggregated Ps.147,477 and Ps.133,996, respectively. For the year ended December 31, 2010 and 2009, the net cash flow invested in this segment aggregates Ps.1,022 and Ps.36,666, respectively.

	2010	2009
b) Money market and capital market transactions		
Revenues		
Interest on investments (Note 27a)	**Ps. 3,070**	Ps. 4,045
Premiums on repurchase agreements (Note 27a)	**1,799**	3,076
Commissions collected (Note 28)	**1,294**	888
Realized gain on securities (Note 29)	**1,066**	-
Unrealized gain on valuation of investments in securities (Note 29)	**1,053**	774
	8,282	8,783
Expenses		
Premiums on repurchase agreements (Note 27b)	**2,493**	3,543
Commissions paid	**215**	86
Realized gain on securities (Note 29)	**-**	283
	2,708	3,912
Result of money market and capital market transactions	**Ps. 5,574**	Ps. 4,871

Assets related to money market and capital market transactions at December 31, 2010 and 2009 aggregated Ps.45,572 and Ps.46,720, respectively. For the year ended December 31, 2010 and 2009, net cash outflows from this segment aggregates to (Ps.9,357) and Ps.51,957, respectively.

	2010	2009
c) Derivatives and foreign-currency transactions		
Realized (loss) gain on foreign currency transactions (Note 29)	**Ps. (382)**	Ps. (442)
Unrealized (loss) gain on foreign currency transactions (Note 29)	**(14)**	(30)
Realized gain (loss) on derivatives (Note 29)	**447**	779
Unrealized gain (loss) on valuation of derivatives (Note 29)	**(271)**	895
Other valuation results	**-**	(4)
	Ps. (220)	Ps. 1,198

Net assets related to derivatives and foreign-currency transactions at December 31, 2010 and 2009 aggregated Ps.5,442 and Ps.3,097, respectively. For the year ended December 31, 2010, the invested net cash flows in this segment aggregate (Ps.6,825) and Ps.162, respectively.

	2010	2009
d) Reconciliation of figures		
Loan transactions	**Ps. 3,527**	Ps. 3,637
Money market and capital market transactions	**5,574**	4,871
Derivatives and foreign-currency transactions	**(220)**	1,198
Commissions from management of retirement savings system resources (Note 28)	**1,410**	1,231
Total operating revenues	**Ps. 10,291**	Ps. 10,937

The aforementioned segment information refers to credit, money market and capital market transactions carried out basically by the subsidiaries Banco Inbursa, Inversora Bursátil and Sociedad Financiera Inbursa. The Group focuses other specialized activities of subsidiaries in lines of businesses not subject to financial intermediation corresponding to the subsidiaries: Operadora Inbursa de Sociedades de Inversión and Afore Inbursa, which consolidate their financial information with that of the Group.

There are other controlling entities, whose financial information is not consolidated with that of the Group, as they refer to entities engaged in specialized activities in the insurance and bonding sector in the life, property and casualty and health and pension lines.

e) Segment information of subsidiaries regulated by the CNSF (not subject to consolidation)

	2010			
	Fianzas Guardiana Inbursa	**Seguros Inbursa**	**Pensiones Inbursa**	**Total companies regulated by the CNSF**
Premiums written	**Ps. 963**	**Ps. 12,037**	**Ps. 44**	**Ps. 13,044**
Premiums ceded	**(100)**	**(3,034)**	**-**	**(3,134)**
Retained premiums	**863**	**9,003**	**44**	**9,910**
Net increase in reserve for unearned premiums and bonds and bonds in-force	**(71)**	**(494)**	**(228)**	**(793)**
Retained accrued premiums	**792**	**8,509**	**(184)**	**9,117**
Net acquisition cost	**15**	**1,357**	**-**	**1,372**
Net cost of losses, claims and other	**432**	**6,117**	**861**	**7,410**
	447	**7,474**	**861**	**8,782**
Gross profit (loss)	**Ps. 345**	**Ps. 1,035**	**Ps.(1,045)**	**Ps. 335**

	2009			
	Fianzas Guardiana Inbursa	Seguros Inbursa	Pensiones Inbursa	Total companies regulated by the CNSF
Premiums written	Ps. 919	Ps. 20,617	Ps. 18	Ps. 21,554
Premiums ceded	(100)	(10,666)	-	(10,766)
Retained premiums	819	9,951	18	10,788
Net increase in reserve for unearned premiums and bonds and bonds in-force	(63)	(821)	(156)	(1,040)
Retained accrued premiums	756	9,130	(138)	9,748
Net acquisition cost	(45)	1,220	-	1,175
Net cost of losses, claims and other	600	6,447	839	7,886
	555	7,667	839	9,061
Gross profit (loss)	Ps. 201	Ps. 1,463	Ps.(977)	Ps. 687

27. Financial margin

An analysis of the financial margin presented in the statement of income for the years ended December 31, 2010 and 2009 is as follows:

a) Interest income

		2010		2009
Loan portfolio (1)	**Ps.**	**13,902**	Ps.	13,391
Commissions on the initial granting of loans		**16**		-
Premiums on repurchase agreements (Note 8b)		**1,799**		3,076
On investments in financial instruments		**2,456**		3,281
On deposits with Banxico		**571**		696
On financing granted to domestic and foreign banks		**43**		68
Net valuation of hedging relationships (Note 10)		**-**		520
Amortization for loan portfolio valuation adjustment (Note 10)		**(727)**		-
Revaluation of foreign currency and UDIs		**53**		239
	Ps.	**18,113**	Ps.	21,271

(1) An analysis of interest income by type of loan is as follows:

		2010		2009
Simple	**Ps.**	**7,388**	Ps.	6,829
Unsecured		**646**		1,910
Subject to value added tax		**411**		189
Restructured		**1,184**		823
Financial entities		**689**		729
Other discounted loans		**719**		487
Government entities		**1,125**		395
Discounts		**119**		258
Financial leases		**770**		189
Home mortgage		**189**		184
Chattel mortgage		**33**		20
Consumer		**629**		1,377
	Ps.	**13,902**	Ps.	13,391

b) Interest expense

		2010		2009
Premiums on repurchase agreements (Note 8b)	**Ps.**	**2,493**	Ps.	3,543
On notes with interest payable at maturity (PRLVs) (Note 17b)		**3,805**		5,310
On checking account deposits (Note 17a)		**2,005**		2,402
On bank loans (Note 18)		**437**		291
Revaluation of foreign currency and UDIs		**110**		216
Intereses por títulos de crédito emitidos (Nota 17c)		**182**		-
On time deposits (Note 17b)		**193**		97
	Ps.	**9,225**	Ps.	11,859

28. Commissions and fees collected

An analysis of this caption at December 31, 2010 and 2009 is as follows:

	2010	2009
Management of retirement savings system resources	**Ps. 1,410**	Ps. 1,231
Loan (portfolio) services	**876**	1,437
Securities trading intermediation	**423**	362
Commission for penalties	**-**	274
Account management commissions	**232**	194
Credit card purchases	**6**	-
Other commissions	**633**	58
	Ps. 3,580	Ps. 3,556

29. Intermediation income

An analysis of intermediation income for the years ended December 31, 2010 and 2009 is as follows:

	2010	2009
Other income from buying and selling of securities		
On foreign currency transactions	**Ps.(382)**	Ps.(442)
On securities	**1,066**	(283)
On derivatives	**447**	779
	1,131	54
Result from valuation		
On foreign currency transactions	**(14)**	(30)
On investments in securities	**1,053**	774
On derivatives	**(271)**	895
Other	**-**	(4)
	768	1,635
	Ps. 1,899	Ps. 1,689

30. Memoranda accounts

The Group has memoranda accounts for the purpose of recording the Group's rights and obligations with third parties, as well as securities, property received for safekeeping and property under mandate resulting from the Group's normal operations. An analysis of these accounts at December 31, 2010 and 2009 is as follows:

a) Transactions on behalf of others

i) Customers' securities received for safekeeping

	2010	2009
Money market securities	**Ps. 253,247**	Ps. 278,052
Fixed-yield instruments	**84,397**	74,278
Variable-yield instruments	**2,159,299**	1,566,021
Shares of debt instrument mutual funds	**30,641**	23,548
Shares of variable-yield mutual funds	**54,090**	43,484
Securities listed on the International Securities Exchange	**47,396**	19,690
	Ps. 2,629,070	Ps. 2,005,073

b) Proprietary transactions

i) Contingent assets and liabilities

An analysis of the Group's contingent asset and liability at December 31, 2010 and 2009 is as follows:

		2010		2009
Group securities delivered for safekeeping				
Variable capital shares	**Ps.**	**48,662**	Ps.	47,180
Domestic senior notes (CERBUR)		**1,723**		2,310
Mexican Treasury Certificates (CETES)		**20**		2,985
Promissory notes with interest payable at maturity (PRLV)		**2,055**		6
		52,460	Ps.	52,481
Mexican government securities delivered in guarantee				
Mexican government development bonds (Bondes)		**33**		80
	Ps.	**52,493**	Ps.	52,561

ii) Property held in trust or under mandate

At December 31, 2010 and 2009, the balances of transactions in which the Group's bank subsidiary acts as trustee are as follows:

		2010		2009
Trusts				
Administrative	**Ps.**	**326,641**	Ps.	329,851
Investment		**84,619**		692
Guarantee		**41**		41
Transfer of title		**90**		90
		411,391		330,674
Mandates		**741**		749
	Ps.	**412,132**	Ps.	331,423

For the years ended December 31, 2010 and 2009, the Group obtained income of Ps.39 and Ps.36, respectively, from activities performed in its capacity as trustee

iii) Property held for safekeeping or under management

An analysis of the balance of this account at December 31, 2010 and 2009 is as follows:

		2010		2009
Securities held for safekeeping (1)	**Ps.**	**584,737**	Ps.	604,353
Securities held in guarantee		**493,422**		152,144
Notes subject to collection		**5,610**		2,168
Other		**54**		59
	Ps.	**1,083,823**	Ps.	758,724

(1) At December 31, 2010 and 2009, this caption consists basically of American Depositary Receipts (ADRs) held for safekeeping. An analysis of the ADRs held and their fair values at December 31, 2010 and 2009 is as follows:

		2010			2009		
Issuer	Series	Securities		Fair value	Securities		Fair value
AMX	L	11,113,072,724	Ps.	394,181	11,916,298,729	Ps.	366,784
TELMEX	L	4,340,829,730		43,452	4,576,456,750		50,158
TLEVISA	CPO	1,524,845,498		97,453	1,633,935,398		88,608
TELINT	A	-		-	95,054,018		1,093
TELINT	L	1,653,360		19	4,208,735,855		48,948
AMX	A	132,665,713		4,668	144,963,053		4,453
TELMEX	A	89,506,418		878	96,456,778		1,043
TELECOM	A1	247,678		16	37,153,982		2,160
GMODELO	C	12,135,360		927	11,352,950		829
GCARSO	A1	3,333,414		261	3,681,348		147
GFINBUR	O	1,471,680		80	1,468,105		56
TS	*	2,832,880		864	2,524,030		711
GOMO	*	10,068,500		-	10,068,500		3
SANLUIS	A	37,188		-	37,188		-
SANLUIS	CPO	52,303		-	52,303		-
Other		-		41,938	-		39,360
		17,232,752,446	Ps.	584,737	22,738,238,987	Ps.	604,353

31. Related party balances and transactions

In conformity with CNBV accounting criterion C-3, Related Parties, transactions with related parties subject to disclosure are those that represent more than 1% of net capital of the month prior to the date on which the financial information is prepared. At December 31, 2010 and 2009, the balance of qualifying related party transactions aggregates to Ps.399 and Ps.383, respectively.

Related party transactions are conducted using market prices that are set, based on existing market conditions at the date of the transactions.

a) Agreements

The most important agreements that the Group has entered into are as follows:

- Open-ended brokerage intermediation agreements with each Group company for the safekeeping of securities through which Inversora Bursátil renders intermediation services for the trading and the safekeeping and management of financial instruments.
- Administrative service agreement entered into with Seguros Inbursa, which agrees to provide general administrative, legal and accounting services, among others. This agreement is for an indefinite term.
- Stock distribution agreement entered into with Operadora Inbursa de Sociedades de Inversión, whereby the Group promotes and sells shares of Inbursa's investment funds. This agreement is for an indefinite term.
- Lease agreement with Seguros Inbursa for the rental of the properties where the offices of the Group's branches are located. This agreement is for an indefinite term.
- The Group has entered into administrative trust agreements with its related parties.
- The Group has granted loans to its related parties.
- The Group carries out related-party transactions through the issuance of letters of credit.

- The Group maintains demand and time deposits from related parties. Individual deposits do not exceed the disclosure limit established by the CNBV.
- The Group's long-term equity investments at December 31, 2010 and 2009 and the related changes for the years then ended are described in Note 15.

b) Balances and transactions with unconsolidated companies

Under the CNBV accounting criteria, balances and transactions of unconsolidated subsidiaries (insurance and bonding companies) have not been eliminated in the preparation of the Group's consolidated financial statements. A summary of intercompany balances and transactions with such unconsolidated subsidiaries for the years ended December 31, 2010 and 2009 is as follows: i) accounts receivable aggregate Ps.11 and Ps.127, respectively; ii) accounts payable aggregate Ps.146 and Ps.140, respectively; iii) commission income aggregates Ps.1,410 and Ps.1,230, respectively; and iv) administrative service expenses aggregate Ps.831 and Ps.740, respectively.

c) Transactions

An analysis of the Group's transactions with related parties at December 31, 2010 and 2009 is as follows:

Relationship	Transaction	2010	2009
Revenues:			
Affiliates	Interest income	**Ps. 1,259**	Ps. 1,248
Affiliates	Premiums earned under repurchase agreements	**81**	135
Affiliates	Commissions and fees collected	**81**	61
Affiliates	Earnings on derivatives	**290**	341
Affiliates	Commission for the distribution of shares	**196**	166
Affiliates	Trust operations	**17**	15
		Ps. 1,924	Ps. 1,966
Disbursements:			
Affiliates	Interest expense	**Ps. 38**	Ps. 35
Affiliates	Premiums paid under repurchase agreements	**627**	272
Affiliates	Losses on derivatives	**-**	89
Affiliates	Personnel services rendered	**1,167**	1,385
Affiliates	Leases	**44**	40
		Ps. 1,876	Ps. 1,821
Changes in capital:			
Direct shareholder/holder	Dividend paid	**Ps. 1,833**	Ps. 1,667

d) Balances

An analysis of the Group's principal balances due from/to related parties at December 31, 2010 and 2009 is as follows:

Relationship	Transaction	2010	2009
Affiliates and associates	Derivative financial instruments (1)	**Ps. 16,934**	Ps. 4,591
Affiliates	Loan portfolio	**5,049**	5,364
Affiliates	Lease portfolio	**1,115**	874
Affiliates	Debtors under repurchase agreements	**5,151**	251
Affiliates	Accounts receivable	**22**	25
Affiliates	Accounts payable	**-**	2,000
Affiliates	Traditional deposits	**3,204**	2,336
Affiliates	Loan commitments (letters of credit)	**249**	692
Affiliates	Management and safekeeping of securities	**1,252,115**	677,293
		Ps. 1,283,839	Ps. 693,426

At December 31, 2010 and 2009, the Group has entered into forwards and cash-flow swaps with its related parties. At December 31, 2010 and 2009, the Group has contracted, respectively, 23 and 59 forwards with related parties with a notional amount of Ps.29,611 and Ps.45,244, respectively, while the Group has, respectively, 84 and 75 swaps with related parties with a notional amount of Ps.26,937 and Ps.24,718, respectively.

32. Risk management (unaudited information)

This information refers to Banco Inbursa, S.A., Institución de Banca Múltiple (the Bank), the principal subsidiary of the Group.

The Bank's management has policy and procedures manuals that were prepared following CNBV and Banxico guidelines for reducing the risks to which the Bank is exposed.

In conformity with CNBV regulations, credit institutions are required to disclose, by means of notes accompanying their financial statements, any information regarding policies, procedures, methodologies and other risk management measures adopted, as well as information regarding the potential losses related to each type of risk in the different markets in which they operate.

On December 2, 2005, the CNBV issued provisions of general application for credit institutions (Circular Única). Such provisions establish that the internal audit area must perform a comprehensive risk management audit at least once a year or at year-end. The Bank›s internal audit area executes its audit using the applicable accounting criteria and submitted the results of its latest audit to the Board of Directors at a meeting held on January 24, 2011.

a) Environment

As part of its efforts for increased corporate governance, the Bank practices comprehensive risk management. To this end, it relies on the services provided by the Risk Analysis area, the Comprehensive Risk Management Unit and the Risk Management Committee, through which the Bank also identifies, measures, controls and monitors all of its quantifiable and unquantifiable operating risks.

The Bank's Risk Management Committee systematically analyzes the information it receives, together with the Risk Analysis area and operating areas.

Additionally, the Bank has a contingency plan to offset weaknesses detected at the operational, legal and reporting levels related to transactions in excess of the maximum risk tolerance levels approved by the Risk Management Committee.

For the year ended December 31, 2010, quarterly variances in the Bank's financial income are as follows:

Assets	Q1	Q2	Q3	Q4	Annual average
Investments in securities	Ps. 11,288	Ps. 11,992	Ps. 12,800	Ps. 11,637	Ps. 11,929
Quarterly interest	165	348	545	774	458
Loan portfolio	165,595	172,979	170,804	176,357	171,434
Quarterly interest	3,022	6,266	9,798	13,374	8,115
Change in economic value	873	917	1,078	3,627	1,624

b) Market risk

In order to measure and evaluate the risks assumed in conducting its financial transactions, the Bank has computational tools at its disposal to calculate Value at Risk (VaR) and to perform sensitivity analyses and stress testing.

To prove statistically that the market risk measuring model is giving reliable results, the Bank carries out a hypothetical test of the reliability level of the measuring system. This consists of a chi square (Kupiec) test of the number of times that the actual loss observed exceeds the estimated risk level.

At present, the market risk is computed for money market, international bond and variable-yield and derivative instrument portfolios. An analysis of market risk at December 31, 2010 is as follows:

Instrument	Term	Cost rate	Cost value	Market rate	Market value	Unrealized gain (loss)	Value at risk (1)
Money market	2	4.61	Ps. 5,322	4.48	Ps. 289	Ps. -	Ps. -
International bonds	3,440	8.44	7,816	6.00	8,612	796	64
Variable-yield shares			134		277	142	3
Futures and forwards			5,064		4,719	(431)	25
Swaps at risk (Mexican pesos)			(20,019)		(478)	(478)	127
Swaps (U.S. dollars)			(1,208)		575	575	177
Cross currency swaps			(4,071)		10	10	379
Securities held			798		832	35	2
Total			Ps. (6,164)		Ps. 14,836	Ps. 649	Ps. 777

Basic capital at Sept. 30, 2010	Ps. 38,388	% VaR =	Ps (452)

(1) Daily VaR with 95% reliability

A monthly summary of the Bank's market risk is as follows:

Date	VaR
12/31/2009	$ (418)
31/01/2010	(182)
28/02/2010	(74)
31/03/2010	(120)
30/04/2010	(98)
31/05/2010	(242)
30/06/2010	(98)
31/07/2010	(270)
31/08/2010	(224)
30/09/2010	(79)
31/10/2010	(39)
30/11/2010	(81)
31/12/2010	(452)
Average	$ (183)

The Bank measured these market risks using a VaR model for the total valuation in a target investment term of one day with a reliability level of 95%, and based on the risk factor values of the last 252 days.

The most important risk position for the Bank is in derivative transactions, consisting of currency and interest rate futures and Mexican peso and U.S. dollar denominated swaPs.This information includes the market risk of positions, the unrealized gain (loss) generated and the Value at Risk in one day with a reliability level of 95%.

The model is based on the assumption that the distribution of variances in risk factors is normal. To validate this assumption, "back testing" is carried out.

The measurement of market risk is conducted via stress tests consisting of sensitivity analyses of 100bps and 500bps, respectively, in addition to tests under historical extreme conditions of up to four standard variances on a 60-day investment horizon. This simulates the effects of adverse transactions on the portfolio on the day of the computation. Under the new risk factor stress conditions, the valuations of the portfolios are determined, as well as the value at risk and their new mark-to-market values.

c) Liquidity risk

In order to monitor liquidity, the risk management area computes liquidity gaps, considering the Bank's financial assets and liabilities, as well as loans granted.

The Bank also measures the adverse margin by considering the differential between the buying and selling prices of its financial assets and liabilities.

Furthermore, the Bank monitors its foreign currency liquidity risk in accordance with Banxico regimen of investment and admission of foreign currency denominated liabilities.

	2010		2009	
	Amount	**% Coefficient**	Amount	% Coefficient
January	**Ps. 390**	**0.38%**	Ps. 8,158	6.06%
February	**2,573**	**2.45%**	6,247	4.81%
March	**367**	**0.34%**	3,069	2.29%
April	**155**	**0.14%**	4,489	3.44%
May	**2,603**	**2.39%**	4,791	3.56%
June	**349**	**0.30%**	6,385	5.44%
July	**358**	**0.31%**	1,631	1.39%
August	**1,018**	**0.84%**	312	0.28%
September	**682**	**0.58%**	1,922	1.69%
October	**245**	**0.21%**	723	0.62%
November	**2,238**	**2.05%**	344	0.28%
December	**955**	**0.88%**	713	0.72%
Average	**Ps. 994**	**0.91%**	Ps. 3,232	2.65%

The liquidity model considers the liquidity quality of portfolio assets, as well as the asset/liability gap and their status within each term.

d) Credit risk

The Bank computes loan portfolio risks by applying quarterly analyses of credit risks using its own risk model, based on its interest coverage, which assumes that the deterioration of credit quality and of each borrower over time depends both on quantifiable economic factors, as well as qualitative factors. The total effect of these factors may be observed in the development of the operating margin generated by the borrower's performance. In other words, it is reasonable to believe the deterioration of the operating margin firmly indicates that these factors together have worked against the borrower.

For its stress tests, the Bank determines a factor that represents the level of the operation's flow resistance to cover the interest generated by the liabilities, including costs.

Stress tests may be carried out by modifying the variables that affect the operating income and/or the financial expense derived from the liabilities, including costs.

The value at risk and grading of the loan portfolio by currency at December 31, 2010 is as follows:

	Total	Mexican pesos	U.S. dollars	UDI
Net exposure	Ps. 173,776	Ps. 127,692	USD 46,081	3
Expected loss in Mexican pesos	1,536	1,160	376	-
Grading of loan portfolio	AA	AA	AA	AA

The expected loss considers the exposure net of guarantees and the probability of default as computed by the proprietary model.

Currency	Performing portfolio	Past-due portfolio	Allowance	Times of allowance/past-due portfolio	% allowance/ performing portfolio
Mexican pesos	Ps. 127,579	Ps. 2,305	Ps. 11,090	0.208	8.69%
U.S. dollars	44,161	1,119	7,284	0.154	16.49%
UDIs	3	2	2	1.428	47.27%
	Ps. 171,743	Ps. 3,426	Ps. 18,376	0.186	10.70%

The average values of credit risk exposure are as follows:

Expected loss at this date	Total
03/31/2008	Ps. 2,273
06/30/2008	3,517
09/30/2008	2,543
12/31/2008	2,648
03/31/2009	3,103
06/30/2009	1,934
09/30/2009	1,048
12/31/2009	1,302
03/31/2010	1,224
06/30/2010	1,596
09/30/2010	1,530
12/31/2010	1,536

Additionally, on a quarterly basis, the Loan Department monitors the quality of the loan portfolio based on this grading and conducts an analysis by segment of the main sectors of the Mexican economy. Together with the quarterly credit monitoring analyses, concentration of risk is determined, not only for each borrower or risk group, but also by economic activity.

In its future and forward contracts, the Bank acts on its own behalf with intermediaries or financial participants authorized by Banxico, as well as with other participants who must guarantee the obligations contained in the contracts signed with the participating parties.

- Loan process

The Bank's loan process activities related to the evaluation and analysis for the granting of loans and the control and recovery of its loan portfolio are described below:

- Analysis of credits

The control and analysis of loans starts from the time information is received about the borrower to the time the loan is repaid in full, passing through a number of filters in the different areas of the Bank.

In the case of corporate (commercial) loans, the Bank performs a detailed analysis of the financial position and qualitative aspects of the applicant, and reviews the borrowers' credit history based on reports obtained from credit bureaus.

In the case of consumer, home mortgage and other loans granted to small and medium-sized companies, the Bank performs parametric analyses and verifies the borrowers' credit history based on reports obtained from credit bureaus.

Each month, the Bank evaluates and follows up on loans by means of regulatory reports issued to meet the requirements of the regulatory authorities that oversee the Bank, as well as internal reports with their respective monthly updates.

The Bank has also created specific policies to grant loans based on the product or type of loan being applied for. For commercial loans: i) the authorized bodies (Credit Committee) establish the basic conditions of the loans with respect to the amounts, guarantees, terms, interest rates, commissions, among others; ii) the loan operations area verifies that the approved loans have been properly documented; iii) all loan drawdowns must be approved by the loan operations area.

With respect to the evaluations for the granting of consumer loans, the Credit Committee grants the retail loan analysis area the power to approve or deny loans of up to Ps.10 million, under specific limits related to the amount, term, interest rate and guarantees, among others. Therefore, the retail loan analysis area is responsible for authorizing, notarizing, safeguarding and following up on the documentation of these kinds of loans.

The Bank has established different procedures for the recovery of loans, including loan restructuring negotiations and court-action for collection.

- Determination of concentration of risk

The policies and procedures used to determine risk concentrations in the loan portfolio are summarized below:

- The Bank requires borrowers with authorized credit lines of at least 30 million UDIs to deliver information following specific guidelines for the Bank to later determine any common risks. Information on common risks is included in a customer grouping process for measuring and updating loan portfolio risks.

- The loan operations area verifies that any drawdown made on the authorized lines of credit does not exceed the maximum loan limits established by the Bank on a quarterly basis, as well as those limits established by the regulatory authorities.

- The loan analysis area periodically reports the amount of the lines authorized by the Loan Committee to the operations area to provide for the adequate compliance with risk concentration limits.

- If loan transactions exceed the limits established by the Bank due to circumstances not related with the granting of loans, the areas involved in the implementation of the required corrective measures should be informed.

- The loan operations area is responsible for informing the CNBV when common risk limits have been exceeded.

- Identification of troubled loan portfolio

The Bank performs a monthly analysis of the economic environment in which its borrowers operate, so as to promptly identify possible problems in the performing loan portfolio.

Bank policy is to identify and classify the troubled loan portfolio based on the risk grade resulting from the loan portfolio grading. The troubled loan portfolio includes "D" and "E" risk-grade loans, regardless of whether they form part of the performing or past-due portfolio. This portfolio also includes other specific loans deemed troubled by the loan analysis area.

e) Risk policies for derivatives

When entering into agreements involving financial instruments (derivatives), the Bank's general purposes include the following: i) the short- and medium-term active participation in those markets; ii) to provide its customers with market transactions of derivative products, in response to their needs; iii) to identify and take advantage of the current derivative market conditions; and iv) to protect itself against risks derived from unusual variances of underlying (foreign currencies, interest rates, shares, etc.) to which the Bank is exposed.

Generally, the risk assumed in currency derivative transactions refers to Mexican rates since U.S. dollar futures are positioned as a credit portfolio or other assets. The transactions conducted involve a counterparty risk.

The policies observed by the Bank establish that risk positions in securities and financial derivatives may not be assumed by operators since risk-taking is decided on exclusively by senior management by means of collective bodies. The Risk Management Committee defined the positions to which the Bank must adhere, as follows:

	Maturity of less than one year (*)	Maturity of more than one year (*)
Nominal rate	2.5	2.0
Actual rate	2.5	2.0
Synthetic derivatives	4.0	2.5
Capital markets (1)		

(*) Times net capital for the immediately preceding quarter, computed by Banxico.
(1) Limit defined in the third paragraph of clause III, of Article 75 of the Mexican Credit Institutions Act.
88.

- **Documentation of hedging relationships**

With regard to transactions with derivative financial instruments for hedging purposes, the Bank documents the hedging relationships to show their efficiency based on the considerations established in the CNBV accounting criteria. Hedges are designated at the time the derivative is contracted or at a later date, provided that the instrument qualifies as a hedge and meets the conditions for formal documentation as such established in the accounting standards. When a derivative is designated as a hedge subsequent to the instrument contracting date, hedge accounting is applied prospectively. At December 31, 2010, the Group has no derivatives for hedging purposes.

The Bank's hedging documentation includes the following:

1) The risk management strategy and objective, as well as the justification for acquiring the hedge.

2) The specific risk or risks to be hedged.

3) Identification of the primary position being hedged and the derivative financial instrument used for such.

4) The manner in which the effectiveness of the hedge is assessed initially (prospectively) and subsequently (retrospectively) and then offset the exposure to changes in the fair value of the hedged item attributed to the hedged risks.

5) Treatment of the total gain or loss of the hedge in determining effectiveness.

The effectiveness of the Bank's hedges is evaluated monthly. Whenever it is determined that a derivative is no longer a highly effective hedge, the Bank prospectively ceases to apply hedge accounting to the derivative.

- **Counterparty obligations**

Derivative agreements that are not entered into in recognized markets are documented by means of a standard agreement establishing the following obligations for the Bank and its counterparties:

- Deliver the accounting and legal information agreed upon by the parties in the contract exhibits and confirmation of transactions.
- Provide the other party with any other document agreed upon in the contract exhibits and confirmation of transactions.
- Comply with all applicable laws, regulations and provisions contemplated in the agreement.
- Maintain in force any internal or government authorizations necessary to fulfill the relevant contractual obligations.
- Give immediate written notice to the other party when the Bank knows that it is in one of the circumstances that are cause for early termination established in the standard agreement.

- **Regulations**

In conformity with the regulations issued by Banxico related to derivative transactions, the Bank must comply with circular 4/2006. Such regulations also establish rules for derivative transactions and require credit institutions to obtain an annual communiqué from their audit committees to certify compliance with the provisions issued by Banxico in this regard.

The Bank is also subject to the provisions established by the CNBV in connection with derivative transactions, including the treatment, documentation and recording of derivatives and their risks, in addition to matters related to recommendations made to customers with regard to entering into derivative contracts.

Derivates are recorded at the contracted price and are valued using the applicable accounting criteria based on their classification as either for traiding or hedging. Highlights of the accounting treatment used for each agreement are as follows:

f) Technological risk

The Bank's corporate strategy with respect to offsetting technological risks rests in its contingency and business continuity plan, which includes the reestablishment of critical functions in the Bank's systems in case of emergency, as well as the use of firewalls, the security of on-line information and system access restrictions.

g) Legal risk

The Bank's specific policy regarding legal risks is as follows:

It is the responsibility of the Comprehensive Risk Management Unit to quantify estimates of the legal risks the Bank faces.

The Comprehensive Risk Management Unit should inform the Risk Management Committee of the Bank's legal risks on a monthly basis so as to follow up such risks.

The financial assessor together with the documentation traffic area is responsible for maintaining all customer files with the correct relevant legal documents and agreements.

The Bank's legal area is responsible for monitoring the adequate instrumentation of agreements and contracts, including the formalization of guarantees so as to avoid vulnerabilities in the Bank's transactions.

The Bank's legal auditor must perform a legal audit on the Bank at least once per year.

The proposed model for the quantification of legal risks is based on the frequency of unfavorable events and the severity of losses so as to estimate the potential risk in this area.

Computation of probability of unfavorable rulings.

$$L = f_L \, x \, S_l$$

Whereby:

f_L= No. of cases with unfavorable rulings / No. of cases in litigation

S_l= Average severity of loss (cost, legal expenses, interest, etc.) derived from unfavorable rulings

L= Expected loss from unfavorable rulings

The amount of the Bank's expected loss from unfavorable rulings at December 31, 2010 is less than one million of Mexican pesos.

h) Operating risk

Regarding non-discretional risks, the tolerance level for each risk identified is set at 20% of the Bank's total net income.

Since the Bank currently has no internal models for the valuation of operating risks, the probability of materialization of such risks is computed based on the simple arithmetic average of penalties and charges accounts for the last 36 months, in conformity with Clause II, paragraph c) of Article 88 of the Provisions of General Application for Credit Institutions.

At December 31, 2010, the montly average of the penalties and charges account for the last 36 months is Ps.13.

Banco Inbursa, S.A. Institución de Banca Múltiple
Grupo Financiero Inbursa and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1 and 2)

	2010	2009
Assets		
Cash and cash equivalents (Note 5)	**Ps. 19,221**	Ps. 15,865
Margin accounts (Note 6)	**57**	211
Investments in securities (Note 7)		
Securities for trading	**11,123**	8,767
Securities available for sale	**1,563**	1,545
Securities held-to-maturity	**896**	2,200
	13,582	12,512
Debtors under security repurchase agreements (debit balance)	**5,151**	220
Derivatives (Note 9)		
For trading	**9,216**	6,672
For hedging purposes	**-**	569
	9,216	7,241
Valuation adjustment for financial asset hedges (Note 10)	**2,160**	2,887
Performing loan portfolio		
Commercial loans		
Business or commercial activity	**126,303**	129,406
Financial entities	**9,903**	8,872
Government entities	**27,066**	10,565
Consumer loans	**7,722**	3,665
Home mortgage loans	**1,196**	1,123
Total performing loan portfolio	**172,190**	153,631
Past-due loan portfolio		
Commercial loans		
Business or commercial activity	**3,176**	3,900
Financial entities	**-**	-
Consumer loans	**146**	244
Home mortgage loans	**104**	106
Total past-due loan portfolio	**3,426**	4,250
Total loan portfolio (Note 11)	**175,616**	157,881
Preventive provision for credit risks (Note 12)	**(18,515)**	(15,366)
Total loan portfolio (Net)	**157,101**	142,515
Other accounts receivable (Net) (Note 13)	**20,821**	2,392
Foreclosed and repossessed property (Net)	**563**	613
Property furniture and equipment (Net) (Note 14)	**739**	765
Long term equity investments (Note 15)	**6,122**	5,739
Other assets, deferred charges and intangibles (Net) (Note 16)	**598**	568
Total assets	**$ 235,331**	Ps. 191,528

		2010		2009
Liabilities				
Traditional deposits (Note 17a)				
Demand deposits	**Ps.**	**51,737**	Ps.	48,290
Time deposits (Note 17b)				
General public		**4,807**		2,960
Money market		**69,396**		73,405
		74,203		76,365
Debt securities issued (Note 17 c)		**15,669**		-
		141,609		124,655
Interbank and other borrowings (Note 18)				
Demand deposits		**-**		8
Short-term		**5,025**		6,217
Long-term		**849**		1,272
		5,874		7,497
Derivatives (Note 9)				
For trading		**8,915**		5,552
For hedging purposes		**-**		3,956
		8,915		9,508
Other accounts payable				
Taxes on profits payable(Note 19)		**342**		80
Creditors on settlement of transactions (Nota 5c)		**24,743**		1,572
Creditor on margin accounts(Note 20)		**1,865**		239
Sundry creditors and other accounts payable (Note 21)		**1,548**		3,102
		28,498		4,993
Deferred income tax (Net) (Note 22)		**1,895**		1,772
Deferred credits and early settlement		**1,113**		26
Total liabilities		**187,904**		148,451
Commitments and contingencies (Note 23)				
Shareholders' equity (Note 24):				
Contributed capital				
Capital stock		**17,579**		17,579
Stock premium		**7,685**		7,685
		25,264		25,264
Earned capital				
Capital reserves		**5,962**		5,480
Retained earnings		**10,689**		6,545
Unrealized gain (loss) on valuation of instruments available for sale		**166**		69
Unapplied result from holding non-monetary assets		**265**		265
Net income		**4,308**		4,816
Non-controlling interest		**773**		638
		22,163		17,813
Total shareholders' equity		**47,427**		43,077
Total liabilities and shareholders' equity	**$**	**235,331**	Ps.	191,528

Memoranda accounts		2010		2009
Loan commitments (Note 23b)	$	**2,816**	Ps.	1,982
Property held in trust or under mandate (Note 30a)		**412,132**		331,423
Property held for safekeeping or under management (Note 30b)		**1,082,673**		757,598
Other memoranda accounts		**987,127**		844,969
Collateral securities received by the entity (Note 8c)		**18,016**		9,349
Collateral securities received and sold or delivered in guaranty by the entity (Note 8a)		**12,862**		9,129
	$	**2,515,626**	Ps.	1,954,450

The Bank's historical capital stock at December 31, 2010 and 2009 is Ps.8,344.

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

These consolidated balance sheets were prepared in conformity with the Accounting Criteria for Credit Institutions established by the Mexican National Banking and Securities Commission based on the requirements of Articles 99, 101 and 102 of the Mexican Credit Institutions Act, which is of general application and compulsory observance, applied on a consistent basis, and such balance sheets reflect the Bank's transactions at the dates indicated. Such transactions were conducted and valued in conformity with sound bank practices and applicable legal and administrative requirements.

These consolidated balance sheets were approved by the Bank's Board of Directors.

Banco Inbursa, S.A. Institución de Banca Múltiple
Grupo Financiero Inbursa and Subsidiaries

Consolidated Statements of Income

Years ended December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1 and 2)

	2010	2009
Interest income	**Ps. 15,365**	Ps. 17,453
Interest expense	**7,326**	8,434
Financial margin (Note 27)	**8,039**	9,019
Preventive provision for credit risks (Note 12)	**4,117**	4,062
Financial margin adjusted by credit risks	**3,922**	4,957
Commissions and fees collected (Note 28)	**2,666**	3,035
Commissions and fees paid	**141**	124
Intermediation income (loss) (Note 29)	**1,196**	1,745
Other operating income	**684**	514
	4,405	5,170
Total operating revenues (Note 26)	**8,327**	10,127
Administrative and promotional expenses	**3,211**	3,257
Operating income	**5,116**	6,870
Other income	**256**	230
Other expenses	**84**	737
	172	(507)
Income before taxes on profits	**5,288**	6,363
Taxes on profits payable (Note 19)	**1,063**	740
Deferred taxes on profits (Note 22)	**80**	871
	1,143	1,611
Income before equity interest in net income of unconsolidated subsidiaries and associates	**4,145**	4,752
Equity interest in net income of unconsolidated subsidiaries and associates (Note 15)	**348**	84
Net income	**4,493**	4,836
Non-controlling interest	**(185)**	(20)
Net majority income	**Ps. 4,308**	Ps. 4,816

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

These consolidated statements of income were prepared in conformity with the Accounting Criteria for Credit Institutions established by the Mexican National Banking and Securities Commission based on the requirements of Articles 99, 101 and 102 of the Mexican Credit Institutions Act, which is of general application and compulsory observance, applied on a consistent basis, and such statements of income reflect all of the income and expenses earned and incurred in the Bank's transactions during the periods indicated. Such transactions were conducted and valued in conformity with sound bank practices and applicable legal and administrative requirements.

These consolidated statements of income were approved by the Bank's Board of Directors.

Banco Inbursa, S.A. Institución de Banca Múltiple
Grupo Financiero Inbursa and Subsidiaries

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1, 2 and 24)

	Contributed capital	
	Capital stock	Stock premium
Balance at December 31, 2008	Ps. 17,579	Ps. 7,685
Charges to retained earnings and other movements of subsidiaries		
Resolutions adopted by shareholders		
Appropriation of net income of 2007 to retained earnings and increase in capital reserves		
Total		
Recognition of comprehensive income (Note 26b)		
Comprehensive income		
Unrealized gain on valuation of instruments available for sale		
Net income		
Total		
Minority interest		
Balance at December 31, 2009	17,579	7,685
Charges to retained earnings and other movements of subsidiaries		
Resolutions adopted by shareholders		
Appropriation of net income of 2007 to retained earnings and increase in capital reserves		
Payment of dividends as per resolution adopted at ordinary shareholders' meeting held on April 29, 2010		
Total		
Recognition of comprehensive income (Note 26b)		
Comprehensive income		
Unrealized gain on valuation of instruments available for sale		
Net income		
Total		
Balance at December 31, 2010	Ps. 17,579	Ps. 7,685

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

These consolidated statements of changes in shareholders' equity were prepared in conformity with the Accounting Criteria for Credit Institutions established by the Mexican National Banking and Securities Commission based on the requirements of Articles 99, 101 and 102 of the Mexican Credit Institutions Act, which is of general application and compulsory observance, applied on a consistent basis, and such statements of changes in shareholders' equity reflect the all of the changes in shareholders' equity accounts resulting from the Bank's transactions during the periods indicated. Such transactions were conducted and valued in conformity with sound bank practices and applicable legal and administrative requirements.

These consolidated statements of changes in shareholders' equity were approved by the Bank's Board of Directors.

	Earned capital						
Capital reserves	Retained earnings	Unrealized (loss) gain on valuation of instruments available fo sale	Result from holding non-monetary assets	Net income	Minority interest	Total shareholders' equity
Ps. 5,321	Ps. 5,131	Ps. (878)	Ps. 265	Ps. 1,593	Ps. 617	Ps. 37,313
	(20)					(20)
159	1,434			(1,593)		-
159	1,434			(1,593)		-
		947				947
				4,816	20	4,836
		947		4,816	20	5,783
					1	1
5,480	6,545	69	265	4,816	638	43,077
					(50)	(50)
482	4,334			(4,816)		-
	(190)					(190)
482	4,144			(4,816)		(190)
		97				97
				4,308	185	4,493
		97		4,308	185	4,590
Ps. 5,962	Ps. 10,689	Ps. 166	Ps. 265	Ps. 4,308	Ps. 773	Ps. 47,427

Banco Inbursa, S.A. Institución de Banca Múltiple
Grupo Financiero Inbursa and Subsidiaries

Consolidated Statements of Cash Flows

Period from January 1 through December 31, 2010 and 2009 (In millions of Mexican pesos) (Notes 1 and 2)

	2010	2009
Net income	**Ps. 4,493**	Ps. 4,836
Adjustment of items not affecting cash flow:		
Preventive provision for credit risks (Note 12)	**4,117**	4,062
Depreciation and amortization	**183**	145
Provisions	**16**	106
Current year and deferred taxes on profits	**1,143**	1,611
Equity interest in net income of unconsolidated subsidiaries and associates	**(348)**	(84)
	9,604	10,676
Operating activities		
Margin accounts	**154**	(200)
Investments in securities	**(1,070)**	8,701
Debtors under security repurchase agreements	**(4,931)**	7,978
Derivatives (asset)	**(2,544)**	(2,455)
Loan portfolio	**(18,703)**	(16,787)
Foreclosed and repossessed assets	**50**	(584)
Other operating assets	**(18,429)**	12,144
Traditional deposits	**1,285**	(22,697)
Settlement of transactions	**15,669**	-
Interbank and other borrowings	**(1,623)**	5,613
Derivatives (liability)	**3,363**	(837)
Other operating liabilities	**23,443**	(3,159)
Instruments for hedging (items hedged with operating activities)	**(2,660)**	(3,966)
Net cash flow provided by operating activities	**(5,996)**	(16,249)
Investing activities		
Payments for the acquisition of property, furniture and equipment	**(95)**	(243)
Payments for the acquisition of other long-term equity investments	**(35)**	(222)
Payments for the acquisition of intangibles	**(92)**	(222)
Net cash flow provided by investing activities	**(222)**	(687)
Financing activities		
Non-controlling interest	**(30)**	-
	(30)	-
Adjustments to cash flows due to exchange rate and inflation rate fluctuations	**3,356**	(6,620)
Cash and cash equivalents at beginning of year	**15,865**	22,125
Cash and cash equivalents at end of year	**Ps. 19,221**	Ps. 15,865

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

These consolidated statements of cash flows were prepared in conformity with the Accounting Criteria for Credit Institutions established by the Mexican National Banking and Securities Commission based on the requirements of Articles 99, 101 and 102 of the Mexican Credit Institutions Act, which is of general application and compulsory observance, applied on a consistent basis, and such statements of cash flows reflect all of the cash flows received and disbursed in connection with the Bank's transactions during the periods indicated. Such transactions were conducted and valued in conformity with sound bank practices and applicable legal and administrative requirements.

These consolidated statements of cash flows were approved by the Bank's Board of Directors.

Seguros Inbursa, S.A.,
Grupo Financiero Inbursa and Subsidiaries

Consolidated Balance Sheets

(Notes 1, 2, 3, 4, 14, 18, 19, 21, 22 and 23) (Amounts in millions of Mexican pesos)

	December 31	
	2010	2009
Assets		
Investments (Note 5):		
Securities:		
Mexican government	**$ 12,116**	$ 11,471
Private enterprises:		
Fixed-yield	**2,173**	2,158
Variable-yield	**1,317**	1,315
Foreign	**2,143**	2,250
Net unrealized gain on valuation	**3,628**	2,761
Interest debtors	**94**	43
	21,471	19,998
Loans:		
On policies	**263**	245
Secured (Note 7)	**1,278**	1,327
Unsecured (Note 7)	**920**	600
Overdue portfolio	**55**	59
Interest debtors	**6**	5
Allowance for write-offs	**(20)**	(13)
	2,502	2,223
Real-estate companies:		
Property	**292**	226
Net valuation	**1,002**	1,003
Depreciation	**(131)**	(109)
	1,163	1,120
Investments for labor obligations at retirement (Note 12):	**1,137**	1,069
Total investments	**26,273**	24,410
Cash and cash equivalents (Note 9):		
Cash and banks	**18**	(34)
Debtors:		
Premiums	**4,515**	7,501
Agents and adjusters	**6**	6
Notes receivable	**78**	92
Employee loans	**76**	64
Other	**349**	347
Allowance for write-offs	**(87)**	(84)
	4,937	7,926
Reinsurers and rebonders (Note 6):		
Insurance and bonding companies	**702**	336
Retained deposits	**1**	1
Reinsurers' share of unpaid claims	**7,238**	6,964
Reinsurers' share of unearned premiums	**2,380**	5,091
Other shares	**196**	123
	10,517	12,515
Total current assets	**15,472**	20,407
Other assets:		
Furniture and equipment, net	**118**	130
Sundry	**865**	642
Unamortized expenses (Note 10)	**235**	239
Amortization (Note 10)	**(75)**	(66)
Intangible assets (Note 10)	**121**	73
Total other assets	**1,264**	1,018
Total assets	**$ 43,009**	$ 45,835

	December 31	
	2010	2009
Liabilities		
Technical reserves		
Unearned premiums (Notes 4 and 5):		
Life	$ 7,094	$ 7,150
Accident and health	840	712
Property and casualty	5,224	7,751
Bonds in force	7	7
	13,165	15,620
Contractual obligations:		
Losses and maturities (Note 11)	9,990	9,401
Losses incurred but not reported (Note 11)	397	502
Policy dividends	294	286
Managed insurance funds	670	626
Deposit premiums	101	24
	11,452	10,839
Prevision:		
Prevision	1	1
Catastrophic risks	6,015	5,313
Contingencies	3	2
	6,019	5,316
Total technical reserves	30,636	31,775
Reserves for labor obligations at retirement (Note 12):	1,077	1,015
Creditors:		
Agents and adjusters	331	318
Funds in custody for losses	10	7
Sundry	328	268
	669	593
Reinsurers and rebonders (Note 6)		
Insurance and bonding companies	1,881	4,435
Retained deposits		1
	1,881	4,436
Other liabilities:		
Provision for employee profit sharing	53	80
Tax provision (Note 15)	205	258
Other liabilities	788	1,122
Deferred credits (Note 15)	1,398	1,148
	2,444	2,608
Total liabilities	36,707	40,427
Shareholders' equity (Note 16):		
Capital stock	1,227	1,227
Capital not paid-in	160	160
Paid-in capital stock	1,067	1,067
Reserves:		
Legal reserve	625	514
Other reserves	3,056	2,650
Unrealized loss on valuation of investments	(130)	(104)
Retained earnings (accumulated deficit)	360	(196)
Net income for the year	951	1,107
Deficit from restatement of shareholders' equity	370	370
Equity holders of the parent	6,299	5,408
Non-controlling interest	3	
Total shareholders' equity	6,302	5,408
Total liabilities and shareholders' equity	$ 43,009	$ 45,835

	Memoranda Accounts (Note 17):	
	2010	2009
Deposit securities	$ 3,416	$ 2,386
Managed funds	1,714	1,593
Liabilities under bonds in force	2,114	1,083
Tax loss carryforward	11	11
Memoranda accounts	5,729	5,059
	$ 12,984	$ 10,132

Seguros Inbursa, S.A.,
Grupo Financiero Inbursa and Subsidiaries

Consolidated Statements of Income

(Notes 1, 2, 3, 4, 14, 18, 19, 21, 22 and 23) (Amounts in millions of Mexican pesos)

	Year ended December 31	
	2010	2009
Premiums:		
Written (Note 4)	$ 13,142	$ 21,616
Ceded	3,034	10,666
Retained	10,108	10,950
Net increase in reserve for unearned premiums and bonds in force	494	821
Retained earned premiums	9,614	10,129
Net acquisition cost:		
Agent commissions	871	805
Additional agent compensations	344	331
Commissions on reinsurance and rebonding accepted	7	5
Commissions on reinsurance ceded	(466)	(625)
Excess of loss coverage	299	452
Other	766	718
	1,821	1,686
Net cost of losses, claims and other contractual obligations:		
Claims and other contractual obligations (Note 6)	6,442	6,658
Recovered claims from non-proportional reinsurance (Note 6)	(124)	(34)
	6,318	6,624
Technical profit	1,475	1,819
Net increase in other technical reserves (Note 4)		
Reserve for catastrophic risks	702	918
Income from similar and related operations	1	
Gross profit	774	901
Net operating expenses:		
Administrative and operating expenses	(266)	(315)
Employee compensations and fringe benefits	1,543	1,431
Depreciation and amortization	66	67
	1,343	1,183
Operating loss	(569)	(282)
Comprehensive financing income:		
On investments	947	626
Sale of investments	6	424
On valuation of investments	912	673
Interest on premiums	124	118
Other	11	16
Exchange loss, net	(116)	(58)
	1,884	1,799
Income before provision for income tax and equity interest in net income of subsidiaries	1,315	1,517
Provision for taxes on profits (Note 15)	371	426
Equity interest in net income of subsidiaries	7	16
Net income	$ 951	$ 1,107
Equity holders of the parent	$ 951	$ 1,107
Non-controlling interest	-	-

Pensiones Inbursa, S.A., Grupo Financiero Inbursa

Consolidated Balance Sheets

(In thousands of Mexican pesos) (Notes 1, 2, 3, 13 y 14)

	December 31			
		2010		2009
Assets				
Investments (note 6b):				
Securities:				
Mexican government	**Ps.**	**6,507,401**	Ps.	5,998,295
Private enterprises:				
Fixed rate		**8,325,375**		7,894,043
Variable rate		**1,138,024**		1,132,323
Foreign		**331,245**		331,245
Net unrealized gain on valuation		**3,599,909**		2,736,435
Interest debtors		**149,589**		136,284
		20,051,543		18,228,625
Loans (note 5c):				
Non-guaranteed loan		**791,458**		953,004
Secured		**4,177**		2,949
Overdue portfolio		**6,407**		3,788
Interest debtors		**1,033**		339
		803,075		960,080
				-
Real estate investments:				
Real estate (note 8)		**1,056,296**		1,056,931
Depreciation		**(1,881)**		(1647)
		1,054,415		1,055,284
Cash and cash equivalents:				
Cash and banks		**225,141**		40,249
Debtors:				
Note receivable		**-**		216
Other		**327,805**		80,601
Allowance for write-offs		**(16,873)**		(16,873)
		310,932		63,944
Other assets:				
Furniture and equipment, net		**45,848**		4,072
Foreclosed and repossessed assets		**127,545**		434
Sundry		**133,903**		322,532
Unamortized expenses		**46,006**		48,464
Amortization		**(30,762)**		(29,370)
Intangible assets		**30,537**		30,762
		353,077		376,894
Total assets	**Ps.**	**22,798,183**	Ps.	20,725,076

	December 31	
	2010	2009
Liabilities		
Technical reserves (note 4f)		
Unearned premiums:		
Life	**Ps. 14,085,376**	Ps. 13,874,255
Contractual obligations:		
Losses and maturities	**85,341**	91,519
Deposit premiums	**82**	274
	85,423	91,793
Prevision:		
Contingency	**281,708**	277,485
Special	**622,931**	453,151
	904,639	730,636
	15,075,438	14,696,684
Reserves for labor obligations	412	
Creditors:		
Agents and adjusters	**57**	57
Sundry (note 5d)	**1,033,462**	34,396
	1,033,519	34,453
Derivates (note 7a)	**185,887**	89,705
Provision for income tax	**101,301**	206,426
Other liabilities	**80**	6,509
Deferred credits (note 12b)	**359,506**	314,512
	460,887	527,447
Total liabilities	**16,756,142**	15,348,289
Stockholders' equity (note 10)		
Capital stock	**1,458,383**	1,458,383
Unsubscribed capital	350,000	350,000
Paid-in capital stock	**1,108,383**	1,108,383
Reserves:		
Legal reserve	**819,145**	725,005
Other reserves	**1,757,500**	1,219,926
	2,576,645	1,944,931
Unrealized gain on valuation	**-**	(4,294)
Retained earnings	**1,588,925**	1,219,899
Net income	**581,846**	941,406
Equity holders of the parent	**5,855,799**	5,210,325
Non-controlling interest	**186,241**	166,462
Total stockholders' equity	**6,042,040**	5,376,787
Total liabilities and stockholders' equity	**Ps. 22,798,183**	Ps. 20,725,076

	Memoranda Accounts	
	2010	2009
Updated capital contribution	**$ 1,216,863**	$ 1,165,578
Adjustment for fiscal update	**135,807**	96,737
Fiscal Results	**337,139**	308,078
Net taxable income to be distributed	**1,993,007**	1,682,172

Pensiones Inbursa, S.A., Grupo Financiero Inbursa

Consolidated Statements of Income

(In thousands of Mexican pesos) (Notes 1, 2, 3, 4, 11, 13 y 14)

	Year ended December 31,	
	2010	**2009**
Premiums written	**Ps. 43,642**	Ps. 18,087
Increase in reserve for unearned premiums	**227,954**	156,074
Retained earned premiums	**(184,312)**	(137,987)
Net cost of losses, claims and other contractual obligations:	**861,131**	838,523
Technical loss	**(1,045,443)**	(976,510)
Increase in other technical reserves:		
Contingency reserve	**4,222**	2,271
Other reserves	**169,780**	73,066
Gross loss	**(1,219,445)**	(1,051,847)
Net operating expenses:		
Administrative and operating expenses	**(86,334)**	(11,596)
Salaries and fringe benefits (note 1d)	**61,837**	5,754
Depreciation and amortization	**34,108**	7,854
Operating loss	**(1,229,056)**	(1,053,859)
Comprehensive result of financing:		
On investments	**956,079**	943,854
On sale of investments	**69,558**	64,039
On valuation of investments (note 6e)	**903,507**	1,226,630
Other	**113,544**	205,874
Net monetary position	**38,278**	(113,164)
	2,080,966	2,327,233
Income before income tax	**851,910**	1,273,374
Income tax (note 12)	**250,026**	291,322
Net income	**Ps. 601,884**	Ps. 982,052
Equity holders of the parent	**Ps. 581,846**	Ps. 941,406
Non-controlling interest	**20,038**	40,646

Operadora Inbursa de Sociedades de Inversión, S.A. de C.V., Grupo Financiero Inbursa

Balance Sheets

At December 31, 2010 and 2009 (In thousands of Mexican pesos)

	2010	2009
Assets		
Cash and cash equivalents	**$ 3**	$ 3
Investments in securities		
Securities for trading	**820,720**	851,882
Accounts receivable, net (Note 3)	**49,181**	1,926
Long-term equity investments (Note 4)	**328,942**	274,865
Total assets	**$ 1,198,846**	$ 1,128,676

	2010	2009
Liabilities and stockholders' Equity		
Other accounts payable		
Taxes payable (Note 5)	**$ 7,610**	$ 7,989
Sundry creditors and accounts payable	**29,708**	5,977
Deferred taxes, net (Note 5)	**181,467**	143,582
Total liabilities	**218,785**	157,548
Stockholders' equity (Note 7):		
Contributed capital:		
Capital stock	**23,938**	23,938
Earned capital:		
Capital reserves	**4,449**	4,449
Retained earnings	**674,741**	734,711
Net income of the year	**276,933**	208,030
	956,123	947,190
Total stockholders' equity	**980,061**	971,128
Total liabilities and stockholders' equity	**$ 1,198,846**	$ 1,128,676

Memoranda Accounts	2010	2009
Authorized capital stock (historical amount)	**$ 10,000**	$ 10,000
Shares issued (No. of shares)	**603,335,758**	603,335,758
Property held on deposit, delivered for safekeeping or under management	**$ 1,149,662**	$ 1,126,747

The accompanying notes are an integral part of the financial statements.

Operadora Inbursa de Sociedades de Inversión, S.A. de C.V., Grupo Financiero Inbursa

Statements of Income

At December 31, 2010 and 2009 (In thousands of Mexican pesos)

	2010	2009
Commissions and fees charged (Note 3)	**$ 427,621**	$ 361,683
Commissions and fees paid (Note 3)	**190,041**	160,096
Service revenues	**237,580**	201,587
Financial intermediation margin (Nota 8)	**95,175**	32,056
Total revenue from operating activities	**332,755**	233,643
Administrative expenses	**8,247**	8,248
Operating income	**324,508**	225,395
Other income	**4,915**	405
Other expenses	**54**	-
Income before income tax	**329,369**	225,800
Current year income tax (Note 5)	**68,628**	56,396
Deferred income tax (Note 5)	**37,885**	28,962
	106,513	85,358
Income before equity interest in net income of subsidiaries and associated companies	**222,856**	140,442
Equity interest in net income of subsidiaries and associated companies (Note 4)	**54,077**	67,588
Net income	**$ 276,933**	$ 208,030

The accompanying notes are an integral part of the financial statements.

Inversora Bursátil, S.A. De C.V., Casa De Bolsa, Grupo Financiero Inbursa

Balance Sheets

At December 31, 2010 and 2009 (In millions of Mexican pesos)

Memoranda Accounts

	December 31 2010	December 31 2009
Transactions on behalf of others		
Customers' current accounts:		
Customers' banks	Ps. 1	Ps. 3
Settlement of customers' transactions	(158)	(95)
	(157)	(92)
Customers' securities:		
Customers' securities received for safekeeping	2,677,079	2,054,019
Securities and notes received in guarantee	-	113
	2,677,079	2,054,132
Transactions on behalf of customers		
Customers' repurchase agreements	48,683	66,127
Managed trusts	33	-
Total transactions on behalf of others	Ps. 2,725,638	Ps. 2,120,167

	December 31 2010	December 31 2009
Proprietary transactions		
Proprietary memoranda accounts		
Contingent assets and liabilities	Ps. 4,451	Ps. 3,535
Security repurchase agreements		
Collateral securities received	41,707	53,009
Collateral securities received and delivered in guaranty	41,707	53,009
Total proprietary transactions	Ps. 87,865	Ps. 109,553

ASSETS		
Cash and cash equivalents	Ps. -	Ps. -
Investments in securities:		
For trading	11,553	16,692
Debit balances under repurchase agreements	-	4
Other accounts receivable (net)	29	11
Buildings, furniture and equipment	20	13
Long-term equity investments	3	3
Other assets:		
Other assets, deferred charges and intangibles	844	800
Total assets	Ps. 12,449	Ps. 17,523

LIABILITIES AND STOCKHOLDERS' EQUITY		
Creditors under security repurchase agreements	Ps. 7,012	Ps. 13,110
Other accounts payable:		
Income tax payable	85	117
Sundry creditors and other accounts payable	67	61
Settlement of transactions	-	3
Deferred income tax (net)	416	294
Total liabilities	7,580	13,585
Shareholders' equity:		
Contributed capital:		
Capital stock	1,404	1,404
Earned capital:		
Capital reserves	228	199
Retained earnings	2,306	1,747
Net income	931	588
	3,465	2,534
Total shareholders' equity	4,869	3,938
Total liabilities and s Shareholders' equity	Ps. 12,449	Ps. 17,523

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

Inversora Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa

Statements of Income

At December 31, 2010 and 2009 (In millions of Mexican pesos)

	Year ended December 31	
	2010	2009
Commissions and fees collected	**Ps. 776**	Ps. 674
Commissions and fees paid	**114**	55
Service revenues	**662**	619
Trading income	**438**	665
Trading loss	**-**	4
Interest income	**2,336**	3,194
Interest expense	**2,543**	3,629
Fair value valuation result	**612**	208
Financial intermediation margin	**843**	434
Total operating income	**1,505**	1,053
Administrative expenses	**319**	252
Operating income	**1,186**	801
Other income	**7**	6
Income before income tax	**1,193**	807
Income tax	**140**	152
Deferred income tax	**122**	68
Income before equity interest in net income of subsidiaries and associated	**931**	587
Equity interest in net income of subsidiaries and associated companies	**-**	1
Net income	**Ps. 931**	Ps. 588

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

FIANZAS GUARDIANA INBURSA, S.A., GRUPO FINANCIERO INBURSA

Balance Sheets

(In thousands of Mexican pesos)

	December 31	
	2010	2009
Assets		
Investments		
Securities		
Mexican government	$ 1,353,393	$ 816,407
Fixed rate	28,457	30,062
Variable rate	226,126	224,891
Foreign	162,614	162,614
Net valuation	316,940	191,192
Interest debtors	6,986	2,281
	2,094,516	1,427,447
Loans		
Guaranteed	64,984	51,559
Unsecured	640,950	601,660
Overdue loans	299	302
Interest debtors	3,992	462
	710,225	653,983
Real estate		
Real estate	170,939	170,939
Net valuation	57,451	57,451
Depreciation	9,109	8,348
	219,281	220,042
Investments for labor obligations at retirement	2,827	2,662
Total investments	3,026,849	2,304,134
Cash and cash equivalents		
Cash and banks	67	3,690
Debtors		
Premium debtors	253,516	202,274
Agents and adjusters	(248)	
Bond debtors for claims paid	7,387	7,304
Other	7,877	14,431
Allowance for write-offs	(5,307)	
	263,225	224,009
Reinsurance companies		
Surety bonding companies	7,112	9,594
Other shares	(4,709)	(4,127)
Reinsurers' share of reserve for bonds in force	262,417	244,423
Allowance for write-offs	(68)	(69)
	264,752	249,821
Other assets		
Furniture and equipment	1,633	2,335
Foreclosed and repossessed property	1,477	1,477
Sundry	80,417	66,306
Amortizable expenses	88,720	96,448
	172,247	166,566
Total assets	$ 3,727,140	$ 2,948,220

	December 31	
	2010	2009
Liabilities		
Technical reserves		
Reserve for bonds in force	**$ 716,694**	$ 628,728
Contingency reserve	**410,429**	312,605
	1,127,123	941,333
Reserve for labor obligations at retirement	**1,493**	1,501
Creditors		
Agents	**149**	398
Sundry	**24,277**	15,711
	24,426	16,109
Reinsurance companies		
Surety bonding companies	**6,034**	3,833
Retained deposits	**4,650**	-
Other	**2,324**	7,244
	13,008	11,077
Other liabilities		
Tax provision	**147,490**	40,823
Other obligations	**53,907**	42,120
Deferred credits	**57,834**	29,540
	259,231	112,483
Total liabilities	**1,425,281**	1,082,503
Stockholders' equity		
Paid-in capital	**158,220**	158,220
Reserve legal	**158,220**	158,220
Unrealized gain on valuation	**(12,816)**	(12,873)
Subsidiaries	**82,909**	58,820
Retained earnings	**1,422,735**	1,100,372
Net income for the year	**436,222**	346,589
Deficit from restatement of stockholders' equity	**56,369**	56,369
Total stockholders' equity	**2,301,859**	1,865,717
Total liabilities and stockholders' equity	**$ 3,727,140**	$ 2,948,220

	Memoranda accounts	
	2010	2009
Deposited securities	**$ 18,854**	$ 18,854
Accounts registration	**8,930,227**	7,924,011
Other	**31,439,090**	27,344,509
	$ 40,388,171	$ 35,287,374

FIANZAS GUARDIANA INBURSA, S.A., GRUPO FINANCIERO INBURSA

Statement of Operations

(In thousands of Mexican pesos)

	December 31	
	2010	2009
Premiums		
Written	**$ 963,091**	$ 919,326
Ceded	**100,044**	100,213
Retained	**863,047**	819,113
Net increase in reserve for bonds in force	**70,915**	63,036
Retained earned premiums	**792,132**	756,077
Net acquisition cost		
Agent commissions	**1,145**	450
Commissions on reinsurance ceded	**(44,174)**	(43,421)
Other	**58,516**	(2,399)
	15,487	(45,370)
Claims	**431,596**	600,051
Technical profit	**345,049**	201,396
Net increase of others technical reserves		
Net increase in contingency reserve	**98,056**	93,049
Gross profit	**246,993**	108,347
Net operating expenses		
Administrative and operating expenses, (income)	**(93,383)**	(115,542)
Depreciation and amortization	**1,361**	1,098
	(92,022)	(114,444)
Operating profit	**339,015**	222,791
Comprehensive financing income		
Investments	**110,918**	26,962
Gain on sale of investments	**150**	72,645
Gain on valuation of investments	**141,288**	118,874
Other	**(378)**	112
Exchange (loss) gain	**(201)**	1,464
	251,777	220,057
Income before income tax and equity interest in net income of subsidiaries	**590,792**	442,848
Income tax expense	**(165,041)**	(117,536)
Equity interest in net income of subsidiaries	**10,471**	21,277
Net income for the year	**$ 436,222**	$ 346,589

For Information:

Grupo Financiero Inbursa, S.A.B. de C.V.

Paseo de las Palmas No. 736
Lomas de Chapultepec
11000 México City

Frank Aguado Martínez
Tel.: (52 55) 5625 4900, ext. 3350
Fax: (52 55) 5625 4965
e-mail: faguadom@inbursa.com

Juan Ignacio González Shedid
Tel.: (52 55) 5625 4900, ext. 6641
Fax: (52 55) 5625 4965
e-mail: igonzalezs@inbursa.com

INBURSA
Grupo Financiero

INBURSA
Grupo Financiero
Diferencia a tu favor