SCOTIA INVERLAT CASA DE BOLSA,
S. A. DE C. V.
Grupo Financiero Scotiabank Inverlat

Financial Statements

December 31, 2009 and 2008

(With Statutory and Independent Auditors' Reports thereon)

(Free Translation from Spanish Language Original)

Statutory Auditors' Report

(Free Translation from Spanish Language Original)

The Stockholders
Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat:

In our capacity as Statutory Auditors, and in compliance with the provisions of Article 166 of the General Corporations Law and the bylaws of Scotia Inverlat Casa de Bolsa, S. A. de C. V., Grupo Financiero Scotiabank Inverlat ("the Brokerage Firm"), we hereby submit our report on the accuracy, sufficiency and fairness of the information contained in the accompanying financial statements furnished to the General Stockholders' Meeting by the Board of Directors, for the year ended December 31, 2009.

We have attended the stockholders' and board of directors' meetings to which we have been called, and we have obtained from the directors and management such information on the operations, documentation and accounting records, as we considered necessary in the circumstances. In addition, we have examined the balance sheet, including the memorandum accounts relating to transactions on its own and on behalf of third parties, of the Brokerage Firm as of December 31, 2009, and the related statements of income, changes in stockholders' equity and cash flows for the year then ended, which are the responsibility of the Brokerage Firm's management. Our examination was carried out in accordance with auditing standards generally accepted in Mexico.

The Brokerage Firm is required to prepare and present its financial statements in accordance with the accounting criteria established by the National Banking and Securities Commission ("the Commission") for brokerage firms in Mexico, which in general conform to Financial Reporting Standards issued by the Mexican Board for Research and Development of Financial Reporting Standards (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A. C. or CINIF). These accounting criteria include particular rules of valuation and presentation, which in certain respects depart from such standards, as explained in sub sections (d), (u) and (v) of note 2 to the financial statements.

During 2009, changes were made to the accounting criteria applicable to brokerage firms in Mexico, issued by the Commission, which are mentioned in note 3 to the financial statements; therefore, the financial statements as of December 31, 2008, which are presented for comparison purposes, were reclassified to conform to the presentation of the financial statements as of and for the year ended December 31, 2009.

(Continued)

As described in note 3 to the financial statements, criterion D-4 "Statement of cash flows" came into force on May 1, 2009, superseding former criterion D-4 "Statement of changes in financial position"; therefore, from such date and prospectively, the Brokerage Firm presents the statement of cash flows. Accordingly, such statement and the statement of changes in financial position are not presented for comparison purposes as required by the accounting criteria.

In our opinion, the accounting and reporting criteria and policies followed by the Brokerage Firm and considered by management in preparing the financial statements presented at this meeting, are adequate and sufficient under the circumstances, and except for the accounting changes disclosed in note 3, have been applied on a basis consistent with that of the preceding year. Therefore, such information is a fair, reasonable and sufficient representation of the financial position, including the memorandum accounts relating to transactions on its own and on behalf of third parties, of Scotia Inverlat Casa de Bolsa, S. A. de C. V., Grupo Financiero Scotiabank Inverlat as of December 31, 2009, and the results of its operations, the changes in its stockholders' equity and the cash flows for the year then ended, in conformity with the accounting criteria established by the Commission for brokerage firms in Mexico.

Very truly yours,

Guillermo García-Naranjo A.
Statutory Auditor for Series "F" shares

Jorge Evaristo Peña Tapia
Statutory Auditor for Series "B" shares

Mexico City, February 15, 2010.

KPMG Cárdenas Dosal
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Independent Auditors' Report
(Free Translation from Spanish Language Original)

The Board of Directors and Stockholders
Scotia Inverlat Casa de Bolsa, S. A. de C. V.,
Grupo Financiero Scotiabank Inverlat:

(Amounts in Millions of pesos)

We have examined the accompanying balance sheets, including the memorandum accounts relating to transactions on its own and on behalf of third parties, of Scotia Inverlat Casa de Bolsa, S. A. de C. V., Grupo Financiero Scotiabank Inverlat ("the Brokerage Firm") as of December 31, 2009 and 2008 and the related statements of income and changes in stockholders' equity, for the years then ended and statements of cash flows and changes in financial position, for the years ended December 31, 2009 and 2008, respectively. These financial statements are the responsibility of the Brokerage Firm'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 accordance with the accounting criteria for brokerage firms in Mexico. An audit consists of 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 explained in note 2 to the financial statements, the Brokerage Firm is required to prepare and present its financial statements in accordance with the accounting criteria established by the National Banking and Securities Commission ("the Commission") for brokerage firms in Mexico, which in general conform to Financial Reporting Standards issued by the Mexican Board for Research and Development of Financial Reporting Standards (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A. C. or CINIF). These accounting criteria include particular rules of valuation and presentation, which in certain respects depart from such standards, as explained in sub sections (d), (u) and (v) of note 2 to the financial statements.

(Continued)

During 2009, changes were made to the accounting criteria applicable to brokerage firms in Mexico, issued by the Commission, which are mentioned in note 3 to the financial statements; therefore, the financial statements as of December 31, 2008, which are presented for comparison purposes were reclassified to conform to the presentation of the financial statements as of and for the year ended December 31, 2009.

As discussed in note 3 to the financial statements, criterion D-4 "Statement of cash flows" came into force on May 1, 2009, superseding former criterion D-4 "Statement of changes in financial position"; therefore, from such date and prospectively, the Brokerage Firm presents the statement of cash flows. Accordingly, such statement and the statement of changes in financial position are not presented for comparison purposes. Also in 2008 the accounting criteria was applied as it mentioned in note 4 to the financial statements.

As discussed in notes 1c and 16 to the financial statements, as of December 31, 2008, the Brokerage Firm recognized an accrual of $79, which was charged to results of operations of such year. The accrual relates to securities transactions with third parties. Such accrual was cancelled during 2009 and, concurrently, a loss was recognized in connection with the recognition of the fair value of the securities received.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position, including the memorandum accounts relating to transactions on its own and on behalf of third parties, of Scotia Inverlat Casa de Bolsa, S. A. de C. V., Grupo Financiero Scotiabank Inverlat as of December 31, 2009 and 2008, the results of its operations and the changes in its stockholders' equity for the years then ended, and cash flows and changes in its financial position for the years ended December 31, 2009 and 2008, respectively in conformity with the accounting criteria established by the Commission for brokerage firms in Mexico, as described in note 2 to the financial statements.

KPMG CARDENAS DOSAL, S. C.

Jorge Orendain Villacampa

February 15, 2010.

SCOTIA INVERLAT CASA DE BOLSA, S. A. DE C. V.,
Grupo Financiero Scotiabank Inverlat

Balance Sheets

December 31, 2009 and 2008

(Millions of pesos)

Memorandum accounts

	2009	2008
Transactions on behalf of third parties		
Customer current accounts:		
Customer banks	$ 67	28
Settlement of customer transactions	89	29
Other current accounts	1	-
	157	57
Custody operations:		
Customer securities in custody (note 15)	164,315	148,150
Transactions on behalf of customers:		
Securities repurchase/resell agreements (note 15)	34,058	44,391
Collaterals received in guarantee by customers	87	35
Collaterals delivered in guarantee by customers (note 15)	1,724	1,622
Purchase derivative transactions:		
Futures and forwards on behalf of customers (notional amount)	75	23
Managed trusts	117	96
	36,061	46,167
Total transactions on behalf of third parties	$ 200,533	194,374

	2009	2008
Transactions for the Brokerage Firm's own account		
Contingent assets and liabilities	$ 1,590	1,641
Collaterals received by the entity (note 3):		
Government debt (note 15)	26,271	33,994
Net worth instruments	240	172
	26,511	34,166
Collaterals received and sold or pledged by the entity (notes 3c and 15):		
Government debt	26,271	33,994
Net worth instruments	133	96
	26,404	34,090
Total for the Brokerage Firm	$ 54,505	69,897

(Continued)

SCOTIA INVERLAT CASA DE BOLSA, S. A. DE C. V.,
Grupo Financiero Scotiabank Inverlat

Balance Sheets, continued

December 31, 2009 and 2008

(Millions of pesos, except historical capital stock)

Assets	2009	2008
Cash and equivalents (notes 5 and 12)	$ 96	1,332
Margin accounts (derivatives)	39	40
Investment securities (note 6):		
Trading securities	11,073	13,705
Available-for-sale securities	236	144
	11,309	13,849
Debtors under repurchase/resell agreements (notes 3c and 7)	7	9
Derivatives (note 8):		
Trading purposes	21	2
Other accounts receivable, net (note 12)	328	158
Premises, furniture and equipment, net (note 9)	156	163
Permanent investments (note 10)	3	3
Deferred taxes and deferred ESPS, net (note 14)	37	-
Other assets (note 11)		
Deferred charges, prepaid expenses and intangibles	95	92
Total assets	$ 12,091	15,648

Liabilities and Stockholders' Equity	2009	2008
Creditors under repurchase/resell agreements (notes 3c and 6)	$ 9,612	11,982
Collateral sold or pledged:		
Securities lending (note 7)	132	96
Derivatives (note 8):		
Trading purposes	293	1,781
Other accounts payable:		
Income taxes payable	24	33
Employee statutory profit sharing payable	35	35
Creditors for pending settlements	172	58
Creditors and other accounts payable (note 11)	255	313
	486	439
Deferred taxes and deffered ESPS, net (note 14)	-	4
Total liabilities	10,523	14,302
Stockholders' equity (note 13):		
Paid-in capital:		
Capital stock	551	551
Earned capital:		
Statutory reserves	37	35
Prior years' retained earnings	703	670
Unrealized gain from valuation of available-for-sale securities	99	55
Net income	178	35
	1,017	795
Total stockholders' equity	1,568	1,346
Commitments and contingencies (note 16)		
Total liabilities and stockholders' equity	$ 12,091	15,648

The historical capital stock amounts to $386,035,107 at December 31, 2009 and 2008.

See accompanying notes to financial statements.

"These balance sheets have been prepared in accordance with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Articles 205, last paragraph, 210 second paragraph and 211 of the Securities Market Law, 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 Brokerage Firm through the dates indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions".

"These balance sheets were approved by the Board of Directors under the responsibility of the following officers".

Gonzalo Rojas Ramos	Diego M. Pisinger Alter	Ken Pflugfelder	Gordon Macrae	Francisco López Chávez
General Director	General Director Deputy Finance and Business Intelligence	Divisional Director Group Audit	Director of Group Accounting	Assistant Director of Accounting for the Brokerage Firm

SCOTIA INVERLAT CASA DE BOLSA, S. A. DE C. V.,
Grupo Financiero Scotiabank Inverlat

Statements of Income

Years ended December 31, 2009 and 2008

(Millions of pesos)

		2009	2008
Commission and fee income (note 12)	$	501	556
Commission and fee expense (note 12)		(33)	(55)
Financial advisory income (note 12)		74	82
Income from services		542	583
Gain on purchase and sale of securities (note 6)		515	563
Loss on purchase and sale of securities (note 6)		(468)	(613)
Interest income (notes 7 and 12)		5,209	5,784
Interest expense (notes 7 and 12)		(5,011)	(5,518)
Valuation (loss) gain on securities at fair value (notes 6, 7 and 8)		(99)	4
Income from brokerage activities		146	220
Total operating income		688	803
Administrative and promotion expenses (note 12)		(632)	(664)
Operating income		56	139
Other income (notes 1 and 16)		170	72
Other expense (notes 1 and 16)		-	(79)
		170	(7)
Income before income taxes		226	132
Current income taxes (note 14)		(106)	(105)
Deferred income taxes, net (note 14)		58	1
		(48)	(104)
Income before equity in the results of associated companies		178	28
Equity in the results of associated companies (note 10)		-	7
Net income	$	178	35

See accompanying notes to financial statements.

"These statements of income have been prepared in accordance with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Articles 205, last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect the revenues and disbursements relating to the transactions carried out by the Brokerage Firm for the years indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions".

"These statements of income were approved by the Board of Directors under the responsibility of the following officers".

Gonzalo Rojas Ramos
General Director

Diego M. Pisinger Alter
General Director Deputy Finance and Business Intelligence

Ken Pflügfelder
Divisional Director Group Audit

Gordon Macrae
Director of Group Accounting

Francisco López Chávez
Assistant Director of Accounting for the Brokerage Firm

SCOTIA INVERLAT CASA DE BOLSA, S. A. DE C. V.,
Grupo Financiero Scotiabank Inverlat

Statements of Changes in Stockholders' Equity

Years ended December 31, 2009 and 2008

(Millions of pesos)

		Capital stock	Statutory reserves	Prior years' retained earnings	Unrealized gain from valuation of available-for-sale securities	Net income	Total stockholders' equity
Balances as of December 31, 2007	$	551	27	511	-	167	1,256
Item related to stockholders' decisions:							
Appropriation of prior year's income		-	8	159	-	(167)	-
Items related to recognition of comprehensive income (note 13b):							
Valuation effects of available-for-sale securities, net of deferred taxes of $34		-	-	-	55	-	55
Net income		-	-	-	-	35	35
Balances as of December 31, 2008		551	35	670	55	35	1,346
Item related to stockholders' decisions:							
Appropriation of prior year's income		-	2	33	-	(35)	-
Items related to recognition of comprehensive income (note 13b):							
Valuation effects of available-for-sale securities, net of deferred taxes of $32		-	-	-	44	-	44
Net income		-	-	-	-	178	178
Balances as of December 31, 2009	$	551	37	703	99	178	1,568

See accompanying notes to financial statements.

"These statements of changes in stockholders' equity have been prepared in conformity with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Articles 205, last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, they reflect all the stockholders' equity account entries relating to the transactions carried out by the Brokerage Firm for the years indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions".

"These statements of changes in stockholders' equity were approved by the Board of Directors under the responsibility of the following officers".

Gonzalo Rojas Ramos
General Director

Diego M. Pisinger Alter
General Director Deputy Finance and Business Intelligence

Ken Pflugfelder
Divisional Director Group Audit

Gordon Macrae
Director of Group Accounting

Francisco L. López Chávez
Assistant Director of Accounting for the Brokerage Firm

SCOTIA INVERLAT CASA DE BOLSA, S. A. DE C. V.,
Grupo Financiero Scotiabank Inverlat

Statement of Cash Flows

Year ended December 31, 2009

(Millions of pesos)

Net income	$ 178
Income statement items not requiring (providing) cash flow:	
Impairment losses or impairment reversal in investing and financing activities	122
Depreciation and amortization	17
Provisions	(45)
Current and deferred income taxes	(44)
Others	(23)
	27
Operating activities:	
Change in margin accounts	1
Change in investment securities	2,511
Change in debtors under repurchase / resell agreements	2
Change in derivatives (asset)	(13)
Change in other operative assets	(174)
Change in creditor under repurchase / resell agreements}	(2,370)
Change in collaterals sold or pledged	36
Change in derivatives (liabilities)	(1,488)
Change in other operative liabilities	63
Net cash flows from operating activities	(1,432)
Investing activities:	
Payments for acquisition of premises, furniture and equipment	(3)
Payments for acquisition of intangible assets	(6)
Net cash flows from investing activities	(9)
Net decrease in cash and cash equivalents	(1,236)
Cash and equivalents at beginning of year	1,332
Cash and equivalents at end of year	$ 96

See accompanying notes to financial statements.

"This statement of cash flows has been prepared in accordance with the accounting criteria for brokergae firms issued by the National Banking and Securities Commission based on Articles 205, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, it reflects all the cash inflows and cash outflows relating to the transactions carried out by the Brokerage Firm for the year noted above. Furthermore, these transactions were carried out and valued in accordance with sound exchange practices and the applicable legal and administrative provisions."

"This statement of cash flows was approved by the Board of Directors under the responsibility of the following officers".

Gonzalo Rojas Ramos
General Director

Diego M. Pisinger Alter
General Director Deputy Finance and Business Intelligence

Ken Pflugfelder
Divisional Director Group Audit

Gordon Macrae
Director of Group Accounting

Francisco López Chávez
Assistant Director of Accounting for the Brokerage Firm

SCOTIA INVERLAT CASA DE BOLSA, S. A. DE C. V.,
Grupo Financiero Scotiabank Inverlat

Statements of Changes in Financial Position

Year ended December 31, 2008

(Millions of pesos)

Operating activities:		
Net income	$	35
Items not requiring (providing) cash:		
Depreciation and amortization		12
Valuation of securities at fair value		(4)
Deferred income tax and employee statutory profit sharing		(2)
Equity in the results of associated companies, net		(7)
Other items charged to operations not requiring cash		79
Cash provided by operations		113
Changes in items related to operations:		
Investment securities		2,845
Repurchase/resell agreements and securities lending		34
Derivative transactions		(1,567)
Cash provided by operating activities		1,425
Cash used in financial activities, originated from the decrease in other accounts payable		(295)
Investment activities:		
Decrease in other accounts receivable		156
Increase in premises and equipment		(6)
Dividends from subsidiaries and associated companies		12
Decrease in other assets		1
Cash provided by investing activities		163
Increase in cash and equivalents		1,293
Cash and equivalents:		
At beginning of year		70
At end of year	$	1,363

See accompanying notes to financial statements.

"This statement of changes in financial position has been prepared in accordance with the accounting criteria for brokerage firms, issued by the National Banking and Securities Commission based on Articles 205, last paragraph, 210 second paragraph and 211 of the Securities Market Law, which are of a general and mandatory nature and have been applied on a consistent basis. Accordingly, it reflects the sources and application of cash relating to the transactions carried out by the Brokerage Firm for the year indicated above. Furthermore, these transactions were carried out and valued in accordance with sound practices and the applicable legal and administrative provisions."

"This statement of changes in financial position was approved by the Board of Directors under the responsibility of the following officers".

Gonzalo Rojas Ramos
General Director

Diego M Pisinger Alter
General Director Deputy Finance and Business Intelligence

Ken Pflugfelder
Divisional Director Group Audit

Gordon Macrae
Director of Group Accounting

Francisco López Chávez
Assistant Director of Accounting for the Brokerage Firm

These financial statements have been translated from the Spanish language original solely for the convenience of foreign/English-speaking readers.

(1) Description of business and significant transactions-

Description of business-

Scotia Inverlat Casa de Bolsa, S. A. de C. V. ("the Brokerage Firm") is a subsidiary of Grupo Financiero Scotiabank Inverlat, S. A. de C. V. ("the Group"), which owns 99.99% of its capital stock. The Group, in turn, is a subsidiary of The Bank of Nova Scotia (BNS), which holds 97.3% of its capital stock. The Brokerage Firm acts as an intermediary in securities and financial transactions authorized under the terms of the Securities Market Law and general provisions issued by the National Banking and Securities Commission ("the Commission").

Significant transactions-

2009

(a) Securities transactions

At December 31, 2008, the Brokerage Firm recognized an accrual of $79, which was charged to results of operations of such year. The accrual relates to securities transactions with third parties. Such accrual was cancelled during 2009 and, concurrently, a loss was recognized in connection with the recognition of the fair value of the securities received.

2008

(b) Mexican Stock Exchange's (BMV) restructuring

The BMV carried out a corporate restructuring which involved mainly the *Asigna, Compensación y Liquidación* Trust, F/30430 ("Asigna") and the following entities: S. D. Indeval, Institución para el Depósito de Valores, S. A. de C. V., ("Indeval"), MexDer, Mercado Mexicano de Derivados, S. A. de C. V. and Contraparte Central de Valores de México, S. A de C. V. ("CCVM").

On June 13, 2008, the BMV conducted a public offering of primary shares, acquiring shares of the aforementioned entities, as described on the next page.

(Continued)

a) Acquisition of interest through an exchange of stock of the new BMV;

b) Transfer of rights.

The Brokerage Firm transferred the shares it owned in BMV, CCVM and Indeval (with a carrying amount as of the transaction date of $11, $42 and $2, respectively) and received as consideration 14,176,749 shares of Participaciones Grupo BMV, S. A. de C. V., ("Participaciones BMV"), a spun-off entity from the corporate restructuring of the BMV. The shares received were recorded as "available-for-sale" at their acquisition cost; the valuation gain or loss at fair value was recognized in the stockholders' equity.

Furthermore, the Brokerage Firm received an initial payment of $40 for the assignment of economic rights on the Indeval stock, with the possibility of an additional payment if the Stock Market Law (SML) be amended to hold more than one share per person be permissible.

During year-end 2009, no modification was made to the Stock Market Law; therefore, the additional payment was not received.

The shares received as consideration referred to in the paragraph above were recorded as "Available-for-sale securities", recognizing a valuation in stockholders' equity as of December 31, 2009 and 2008 of $165 and $89, respectively.

(c) *Contingencies for securities transactions-*

As of December 31, 2008, the Brokerage Firm recognized a provision charged to operations of that year in the amount of $79, for the risk arising from securities transactions with third parties. This provision was cancelled in 2009

(Continued)

(2) Summary of significant accounting policies-

(a) Financial statement authorization, presentation and disclosure-

On February 15, 2010, Gonzalo Rojas Ramos (General Director of Scotia Inverlat Casa de Bolsa, S. A. de C. V.), Diego M. Pisinger Alter (General Director Deputy – Finance and Business Intelligence), Ken Pflugfelder (Divisional Director – Group Audit), Gordon Macrae (Director - Group Accounting) and Francisco López Chávez (Assistant Director of Accounting – Brokerage Firm); authorized the issuance of the accompanying financial statements and notes thereon.

The stockholders and the Commission are empowered to modify the financial statements after issuance. The accompanying financial statements for 2009 will be submitted to the next Stockholders' Meeting for approval.

The financial statements of the Brokerage Firm have been prepared based on the SML and in accordance with the accounting criteria for brokerage firms in Mexico, established by the Commission, which is responsible for the inspection and supervision of brokerage firms and for reviewing their financial information.

In general, the accounting criteria established by the Commission conform to Financial Reporting Standards (FRS) issued by the Mexican Board for Research and Development of Financial Reporting Standards (CINIF, see note 19), and include particular rules regarding recording, valuation, presentation and disclosure, which in certain respects depart from such standards – see paragraphs (d), (u), and (v) of this note.

According to the accounting criteria, the Commission shall issue particular rules for specialized transactions, and that in the absence of an express accounting criterion for brokerage companies first and then for credit institutions, and in a wider context the FRS, the suppletory process as established by FRS A-8 shall be applicable, and only when the International Financial Reporting Standards (IFRS) referred to by FRS A-8 do not resolve the accounting treatment, the suppletory application of an accounting standard pertaining to other regulatory framework may be opted for, providing all the requirements set out by the FRS are met by that standard. The suppletory application shall be in the following order: U.S. Generally Accepted Accounting Principles (US GAAP), and any other formal and recognized accounting standard, provided complies with the requirements of criterion A-4 of the Commission.

(Continued)

The preparation of the financial statements requires management of the Brokerage Firm to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuations of financial instruments and deferred taxes. The volatility of debt and equity markets, as well as the economic situation both in Mexico and abroad, may cause the carrying amounts of assets and liabilities to differ from their future realization and liquidation amounts. Actual results could differ from those estimates and assumptions.

For purposes of disclosure, when reference is made to pesos or "$", it means millions of Mexican pesos, and when reference is made to dollars, it means dollars in the United States of America.

The Brokerage Firm recognizes the assets and liabilities arising from investments in securities, securities repurchase and resell agreements from transactions carried out for the Brokerage Firm's own account as well as those carried out on behalf of its customers as of the trade date, rather than settlement date.

During 2009, the changes to accounting criteria applicable to brokerage firms, issued by the Commission, referred to in note 3 "Changes to accounting policies" came into force. Therefore, the financial statements as of December 31, 2008 and for the year then ended, presented for comparative purposes, were reclassified to conform to the presentation of financial statements as of December 31, 2009 and for the year then ended.

(b) Recognition of the effects of inflation-

The accompanying financial statements have been prepared in accordance with the accounting criteria in effect as of the balance sheet date and include the recognition of the effects of inflation on the financial information through December 31, 2007, based on the Investment Unit (UDI) value, which is a unit measurement whose value is determined by the Banco de México (Central Bank) based on inflation. Cumulative inflation percentage of the three preceding years and the indices used in recognizing inflation through such year are as shown in the next page.

(Continued)

(Millions of pesos)

		Inflation	
December 31	**UDI**	**Annual**	**Cumulative**
2009	$ 4.340166	3.72%	14.55%
2008	4.184316	6.39%	15.03%
2007	3.932983	3.80%	11.27%

(c) ***Cash and equivalents-***

Cash and equivalents consist of cash, local and foreign bank account balances and 24 and 48 hour foreign currency sales/purchases

The receivables and obligations associated with 24 and 48-hour foreign currency sales and purchases are recorded in "Other accounts receivable", and "Sundry creditors and other accounts payable" respectively.

(d) ***Margin accounts-***

Beginning in 2009, the margin accounts relating to transactions with derivative transactions executed in known markets or stock exchanges, where financial assets are deposited with the purpose of seeking to comply with the respective obligations should be presented in a specific caption of the balance sheet. The amount of deposits corresponds to the initial margin and to the subsequent contributions or withdrawals during the life of the contract associated with the derivative financial instrument. In conformity with Bulletin C-10 of FRS, the aforesaid margin accounts should be presented within the caption of "Derivatives".

(e) ***Investment securities-***

Investment securities consist of listed equities, government securities and bank securities, quoted or not quoted which are classified, depending of the intention and capacity of the Brokerage administration over the possession in the categories that are shown on the next page.

(Continued)

Trading securities-

Those for trading in the market. Securities are accounted for at fair value, transaction costs for the acquisition of securities are recognized in income on the acquisition date, securities are subsequently valued at fair value (provided by an independent price vendor) and when sold, the valuation result, previously recognized in the year's income, is reclassified as part of the sale result.

Interest earned from debt securities and the foreign exchange gain or loss derived from securities investments denominated in foreign currency are recognized in the year's income under "Interest income" or "Interest expense", as applicable. Dividends from net equity instruments are recognized in the year's income when the right to receive payment thereof arises. Valuation effects are recognized in the year's income within the caption of "Financial advisory income.

Available-for-sale securities-

Those not classified as trading securities and where the entity does not have the intention or capacity to hold to maturity. These securities are initially recognized at fair value; transaction costs associated with the acquisition of the securities are initially recognized as part of the investment in the securities and are valued in the same manner as trading securities, but their net deferred tax effects are recognized in stockholders' equity under "Unrealized gain or loss from valuation of available-for-sale securities", which is cancelled for its recognition in income at the time of sale.

Impairment of securities -

When there is objective evidence that a security is impaired, the carrying value of the security is modified and the impairment loss is recognized in results of operations for the year.

Value date transactions-

Forward value date securities acquired to be settled no later than four business days following the execution are recorded as restricted securities, while securities sold are recorded as securities deliverable, reducing the investment securities. The counterparty is a credit or debit settlement account, as appropriate. When the amount of securities deliverable exceeds the balance of owned securities of a similar nature (government, bank, shares or other debt securities), it is reported in liabilities under "Assigned securities pending settlement".

Category transfers-

Category transfers may be made only from held-to-maturity securities to available-for-sale securities, providing there is no intention to hold the securities to maturity. The relevant valuation effect at the transfer date is recognized in stockholders' equity. Category reclassifications to held-to-maturity securities, or from trading to available-for-sale securities, require the Commission's authorization.

(f) Securities under repurchase/resell agreements-

According to amendments to the accounting criteria issued by the Commission, in effect on December 31, 2009, sale and repurchase agreements are accounted for as follows:

Acting as repurchasee-

On the date of execution of the sale and repurchase agreement, either the cash inflow or a debit settlement account are recognized as well as an account payable measured initially at the agreed-upon price presented in the caption of "Creditor under repurchase/resell", which represents the obligation to return such cash to the repurchaser. Throughout the life of the repurchase/resell agreement, the account payable is valued at amortized cost by recognizing the sale and repurchase interest in the year's income as earned, in accordance with the effective interest method within "Interest expense". Financial assets transferred to the repurchasee are reclassified in the balance sheet, presented as restricted and are continued to be valued in conformity with the accounting criterion corresponding to the asset.

(Continued)

Acting as repurchaser-

On the date of execution of the repurchase/resell agreement, either the cash outflow or a credit settlement account are recognized as well as an account receivable measured initially at the agreed-upon price presented in the caption of "Debtors under repurchase/resell agreements , which represents the obligation to recover the cash delivered. Throughout the life of the sale and repurchase agreement, the account receivable is valued at amortized cost by recognizing the sale and repurchase interest in the year's income as earned, in accordance with the effective interest method within "Interest income". Financial assets received as collateral are recorded in memorandum accounts and carried at fair value.

Should the Brokerage Firm sell or pledge the collateral, the transaction proceeds and an account payable are recognized for the obligation to return the collateral to the repurchaser, which is valued, in the case of sale at fair value, or if pledged in another sale and repurchase agreement, at amortized cost. Such account payable is offset with the account receivable, which is recognized when the Brokerage Firm acts as repurchaser and the debit or credit balance is presented in the "Debtors under repurchase/resell agreements" caption or in "Collateral sold or pledged", as applicable.

Securities receivable or deliverable at December 31, 2008 and for transactions in effect prior to the coming into force of the new criterion were valued at fair value, provided by an independent price vendor, and the right or obligation for the commitment to repurchase or resell, including the premium, at the net present value of the price at maturity. The balance sheet presented the addition of debit or credit balances, after the restated values of the securities receivable or deliverable and the commitment to repurchase or resell of each sale and repurchase agreement were individually offset. Transactions where the Brokerage Firm acted as repurchaser and repurchasee with the same entity were not offset.

Interest and premiums are included in the financial margin within the captions of "Interest income or expense", as applicable. The sales gain or loss and valuation effects are reflected in "Financial intermediation income".

(Continued)

(g) Transactions with derivative financial instruments-

Transactions with derivative financial instruments comprise those carried out for trading or hedging purposes. Irrespective of their purpose, such instruments are recognized at fair value.

The valuation effect of financial instruments for trading purposes is shown in the balance sheet and income statement under "Derivatives" and "Financial advisory income, respectively.

(h) Securities lending-

Pursuant to the amendments to the Commission's accounting criteria, in effect at December 31, 2009, securities loan transactions are accounted for as explained below:

Acting as lender-

On the date of execution of the securities loan transaction, the security subject matter of the loan, transferred to the borrower, is recognized as restricted, the premium earned is recognized in the year's income in "Interest income", through the effective interest method during the term of the transaction, against an account receivable presented in the caption of "Securities lending". Financial assets received as collateral are recognized in memorandum accounts within the caption of "Collateral received by the entity" and are marked to market.

In the case of the Brokerage Firm if prior to the maturity of the securities loan transaction sells the collateral received, recognition is provided for the inflow of funds coming from the sale and an account payable for the obligation to return such collateral to the lender, which is initially measured at the agreed-upon price and subsequently marked to market. These transactions are presented within "Collateral sold or pledged", except in cases where the collateral is pledged in a sale and repurchase transaction, which is recorded in accordance with section (f) of this note. The difference between the price received and the fair value of the security subject to the transaction or of the collateral received, if any and existing at the time of the sale, is presented in the caption of "Gain or loss on purchase and sale", as applicable.

(Continued)

Acting as borrower-

On the date of execution of the securities loan transaction, the security subject matter of the loan is recognized in memorandum accounts under "Collateral received by the entity" and are marked to market; the earned premium amount is recognized in the year's income in "Interest expense" through the effective interest method during the term of the transaction, against an account payable presented in the caption of "Securities lending". Financial assets delivered as collateral are recognized as restricted and marked to market.

If the Brokerage Firm sells the security subject matter of the transaction, recognition is provided for the inflow of funds coming from the sale as well as an account payable for the obligation to return such security to the lender, which is initially measured at the agreed-upon price and subsequently marked to market and presented within the caption of "Financial intermediation income", the exception being that the security subject matter of the transaction is pledged as security in a sale and repurchase transaction, which is recorded in accordance with section (f). The difference between the price received and the fair value of the security subject to the transaction or of the collateral received, if any and existing at the time of the sale, is presented in the caption of "Gain or loss on purchase and sale", as applicable.

(i) Clearing accounts -

Amounts receivable or payable for investment securities, repurchase/resale agreements, securities loans and/or derivative financial instruments which have expired but have not been settled, as well as the amounts receivable or payable for purchase or sale of foreign currencies which are not for immediate settlement or those with same day value date, are recorded in clearing accounts.

The balances of settlement, credit and debit accounts are offset provided they arise from like transactions, are executed with the same counterparty and settled on the same maturity date. Settlement accounts are shown under "Other accounts receivable, net" or "Other accounts payable", as appropriate.

(Continued)

(j) Premises, furniture and equipment-

Premises, furniture equipment and leasehold improvements are initially recorded at their acquisition cost, and through December 31, 2007, adjusted for inflation by using factors derived from the UDI.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets (note 9).

The Brokerage Firm performs periodic studies of its property and leasehold improvements to determine whether the carrying value exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. If the book values are deemed to be in excess, the Brokerage Firm recognizes impairment as a charge to operations of the year in order to reduce them to their recoverable amount.

(k) Permanent investments-

The investments in associated companies are accounted for by the equity method. An entity is deemed an associate when the Brokerage Firm holds from 10% to 25% of the potential voting rights if the entity is listed or unlisted, respectively.

The investments where no significant influence exists are classified as other investments, which are recognized at acquisition cost without being valued. Dividends, if any, coming from such investments are recognized in income as earned.

(l) Income taxes (Income Tax (IT) and flat rate business tax (IETU)) and employee statutory profit sharing (ESPS)-

IT or IETU and ESPS payable for the year are determined in conformity with the tax provisions in effect.

(Continued)

Deferred IT or IETU and ESPS are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as for operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income for the period enacted.

To determine whether deferred IT or deferred IETU should be recorded, the tax base on which the differences that give rise to deferred taxes will be amortized in the future must be identified, and the likelihood of payment or recoverability of each tax is evaluated.

(m) Employee benefits -

The Brokerage Firm has a defined contribution pension plan, under which the amounts contributed by the Brokerage Firm are recognized in the statement of income under "Administrative expenses" (see note 11).

Additionally, a plan exists to cover the seniority premium to which employees are entitled in accordance with the Federal Labor Law, and the obligations related to post-retirement medical services, food coupons and life insurance benefits for retirees.

For both plans, irrevocable trusts have been created in which the plan assets are managed.

In the case of severance compensation, the obligation is only accrued.

The net periodic cost of seniority premiums and severance compensation for reasons other than restructuring and post-retirement benefits are charged to operations for the year, based on independent actuarial computations of the present value of these obligations, using the projected unit credit method, and nominal interest rates and considering projected salaries.

Beginning January 1, 2008, as a result of the entry in force of FRS D-3, was established a maximum of five years (or within the average remaining useful life, whichever is shorter) for amortization periods are considered for unamortized items corresponding to past service.

Unamortized ítems related to termination benefits (transition liabilities or assets, plan modifications, actuarial gains or losses, net and compensation increases) are recorded directly in income.

(n) Other assets-

Other assets include contributions to the reserve fund created through the self-regulating stock exchange community, for the purpose of supporting and strengthening the stock market.

(o) Restatement of capital stock, statutory reserves and retained earnings-

Through December 31, 2007 the inflation adjustment of these items was determined by multiplying stockholder contributions and retained earnings by factors derived from UDI value, which measure accumulated inflation from the dates such contributions were made or such retained earnings arose through the 2007 year end, date on which change was effected to a non-inflationary economy in accordance with FRS B-10 "Effects of Inflation". The amounts thus obtained represented the constant value of stockholders' equity.

During 2008 the Brokerage Firm suspended the recognition of the inflation in the financial information, as explained in note 3.

(p) Gain or loss from holding non-monetary assets-

Through December 31, 2007, the gain or loss from holding non-monetary assets represented the difference between the specific valuation of these assets and their cost restated using UDI factors.

During 2008, the Brokerage Firm suspended the recognition of the effects of inflation, and reclassified from the caption "Equity adjustment for monetary assets" to "Prior years" retained earnings in the amount of $254 thousand.

(Continued)

(q) Memorandum accounts-

Customer securities-

Customer securities in custody, guarantee or under the Brokerage Firm's administration are recorded in the respective memorandum accounts at market value, representing the amount for which the Brokerage Firm is obligated to its customers against any future eventuality.

(r) Revenue recognition-

Fees on brokerage (debt or equity placements) or transactions with mutual funds are recognized in income on the trade date.

Results on the purchase and sale of repurchase/resell agreements are recognized in income when the securities are sold.

Interest income on repurchase/resale agreements are recorded in operations as earned, under the effective interest method.

Revenue from custody services are recorded in operations for the year as earned under "Commission and fee income".

(s) Expense recognition-

The expenses incurred by the Brokerage Firm relate primarily to credit balances on repurchase/resell agreements, personnel compensation and benefits, and administrative expenses, which are charged to operations on accrual basis.

(t) Foreign currency transactions-

Foreign currency transactions are recorded at the exchange rate in force on their trade and settlement dates. Foreign currency assets and liabilities are translated into the exchange rate established by the Central Bank to pay obligations denominated in foreign currency that are payable in Mexico. Foreign exchange gains and losses are charged to results of operations for the year.

(Continued)

(u) Contingencies-

Liabilities for loss contingencies are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. When a reasonable estimation cannot be made, qualitative disclosure is provided in the notes to the financial statements. Contingent revenues, earnings and assets are not recognized until their realization is virtually assured.

(v) Statement of income -

The Brokerage Firm presents the statement of income in accordance with accounting criteria for brokerage firms in Mexico. FRS requires the new approach for presentation of the statement of income reclassifying income, costs and expenses as ordinary and non-ordinary.

(w) Statement of changes in financial position-

For 2008, the Brokerage Firm presents the statement of changes in financial position as required by the accounting criteria for brokerage firms in Mexico. Beginning 2009, the accounting criteria for brokerage firms in Mexico adopted the presentation of the statement of cash flows, which substitutes the statement of changes in financial position.

(3) Changes in accounting policies-

Changes effective as of 2009

Changes in accounting polices for the Brokerage Firm issued for the Commission

On April 30, the Secretaria de Hacienda y Crédito Publico (SHCP) published in the Official Gazette the Resolution that amends the "General provisions applicable to Brokerage Firms", which became effective on the following day and are intended to update the accounting criteria, making them more consistent with international accounting standards. Some of the principal Commission criteria that are superseded by this resolution are shown on the next page.

(Continued)

(a) ***Margin accounts-***

Margin accounts relating to transactions with standardized futures and options contracts entered into at the MexDer should be presented in a specific balance sheet caption. As a result from the adoption of this criterion, the Brokerage Firm reclassified the financial statements as of December 31, 2008 from "Cash and equivalents" to "Margin accounts" for $40 to conform to the 2009 presentation.

(b) ***B-2 "Investments securities"-***

It is specified that investment securities should initially be recognized at fair value and not at their acquisition cost; furthermore, the concept of impairment of the value of a security is incorporated and rules are provided for determining evidence of impairment and its recognition. The adoption of this criterion did not have a significant impact on the Brokerage Firm's financial statements.

In November 2009, the criterion concerning transfers between categories of securities was amended. Previously, only transfers from held-to-maturity securities to available-for-sale securities were allowed provided the entity has neither the intention nor the capacity to maintain them till maturity. From such change, in addition to the aforesaid reclassification, securities of any category type could be reclassified to held-to-maturity and from trading to available-for-sale if so expressly approved by the Commission. This change did not have an impact on the financial information of the year 2009.

(c) ***B-3 "Securities under repurchase/resell agreements"-***

Pursuant to transitory article three of the resolution dated April 30, 2009, sale and repurchase agreements already entered into and recognized on the financial statements prior to the coming into force of this Resolution, should be recorded in conformity with the accounting criteria in force on the date of their execution, through their extinction.

(Millions of pesos)

Supersedes previous criterion B-3 "Repurchase and resell agreements" and establishes the following modifications with respect to the previous standard

(i) Establishes that repurchase and resell transactions that do not meet the requirements established in Criterion C-1 regarding the transfer of assets, will be treated as collateral financing in view of the economic substance of these transactions, regardless of whether the operations are reported as "cash oriented" or "value oriented".

(ii) The repurchaser will recognize the collateral in memorandum accounts following valuation guidelines in criterion B-6 "Custody and management of goods", while acting as repurchasee it should reclassify the financial asset on the balance sheet to present it as a restricted asset.

(iii) When selling the collateral, the repurchaser or reseller must recognize the revenue obtained from the sale, as well as accounts payable for the obligation to repay the collateral to the counterparty at fair value, recognizing any difference between the price at which it was received and the fair value in accounts payable in the results of the year.

The Brokerage Firm reclassified its financial statements at December 31, 2008 to conform to the repurchase/resell agreements presentation in accordance with the following:

		Originally reported balances	Reclassified balances (note 7)
In balance:			
Investment securities:			
Trading	$	1,639	13,705
Debtors under repurchase agreements		105	9
Total assets	$	1,744	13,714
Creditors under repurchase agreements	$	90	11,982
Total liabilities	$	90	11,982

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	Originally reported balances	Reclassified balances (note 7)
In Memorandum accounts:		
Securities receivable under repurchase agreements	$ 45,983	-
Less- Creditors under repurchase agreements	(46,046)	-
	$ (63)	-
Securities deliverable under resell agreements	$ (33,995)	-
Less- Debtor under repurchase agreements	34,073	-
	$ 78	-
Collaterals received by the entity:		
Government debt	$ -	33,994
Equity securities	-	172
	$ -	34,166
Collateral received and sold or pledged by the entity:		
Government debt	$ -	33,994
Equity securities	-	96
	$ -	34,090

(d) ***B-4 "Securities lending"-*** Supersedes the former criterion B-4 "Securities lending" and provides for the following principal changes from the prior standard:

(i) It establishes that securities loan transactions that fail to comply with the terms set forth in criterion C-1 of recognition and write-off of financial assets shall be afforded an accounting treatment of collaterized financing, considering the economic substance of such transactions.

(ii) The lender should maintain in its balance sheet the security subject to the transaction, recognizing it as restricted while the borrower should not recognize the security in its financial statements but only in memorandum accounts, except in cases where the collateral risks, benefits and control are transferred due to the borrower's default.

(Continued)

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(iii) The borrower should maintain in its balance sheet the financial assets delivered as collateral as restricted; moreover, the lender should not recognize them in its financial statements but in memorandum accounts.

(iv) The Premium received from the transaction should be recognized as a deferred credit and in the year's income through the effective interest method during the term of the transaction.

The Brokerage Firm reclassified its financial statements as of and for the year ended December 31, 2008 to conform to the presentation of the securities loan transactions as explained below:

		Originally reported balances	Reclassified balances (note 7)
In the balance sheet:			
Debtors in securities lending	$	42	-
Creditors in securities lending	$	60	-
Collaterals sold or pledge		-	96
Total liabilities	$	60	96

(e) ***C-1 "Recognition and write off of financial assets"***- Supersedes former criterion C-1 "Transfer of financial assets" and establishes the following changes compared to the preceding standard.

(i) An assignee should recognize a financial asset on its balance sheet at fair value if and only if it acquires the contractual rights and obligations related to such financial asset.

(ii) It provides for the considerations for writing off a financial asset only when the contractual rights over the cash flows related to the financial asset expire or when the entity transfers the financial assets.

(Continued)

(iii) It expands the requirements for an entity to determine that an asset has been transferred, considering that it may only be written off if the entity transfers substantially all the risks and benefits inherent to the ownership of the financial asset or, in cases where the entity does not transfer or substantially retains all the risks and benefits due to the nature of the transaction, the entity should determine if it maintains control over such financial asset, in which case it shall continue to maintain it on its consolidated balance sheet.

The application of this FRS had no significant effect.

(f) ***C-2 "Securitization transactions"-*** Supersedes the provisions of standard C-2 "Securitization".

This standard is amended as a result of changes in standard C-1 "Recognition and write-off of financial assets" described in the preceding paragraph. Also, this standard provides for additional conditions in securitization transactions such as the provision of the appraised value and administrative services for transferred financial assets, requiring specific standards for their recording, presentation and disclosure. During the year ended December 31, 2009, the Brokerage Firm did not engage in any securitization transactions; therefore, the adoption of this standard did not have any effects on the financial statements.

The application of this FRS had no significant effect.

(g) ***C-5 "Consolidation of special-purpose entities"***— This standard provides specific guidance concerning the consolidation of SPEs, defines specific concepts such as: control, joint control, significant influence, equity investment in the SPE, etc. and establishes the methodology for identifying SPEs which we subject to consolidation. The adoption of this standard did not have any significant effects on the financial statements.

The application of this FRS had no significant effect.

(h) The criteria ***D-1 "Balance sheet" D-2, "Statement of income" and D-4 "Statement of cash flows",*** supersede the former criteria with a view to adapting the financial statement presentation to the principal changes described on the next page.

(Continued)

D-1 "Balance Sheet" – Certain balance sheet captions, which include the following, are added and/or replaced: Margin accounts, debtors and creditors on sale and repurchase transactions, securities loans, derivatives for trading or hedging purposes, valuation adjustments from hedging of financial assets, benefits receivable in securitization transactions, long-lived assets available for sale and obligations in securitization transactions, collateral sold or pledged, etc. As a result from the adoption of this standard, the Brokerage Firm reclassified its balance sheet as of December 31, 2008 to conform to the balance sheet presentation as of December 31, 2009.

D-2 "Statement of income" – Concepts are modified and specified for their presentation in the minimum statement of income captions; current and deferred ESPS are incorporated within administrative and promotional expenses. Also, it incorporates the Other operating income (expenses) caption is incorporated. As a result from the adoption of this standard, the Brokerage Firm reclassified its statement of income for the year ended December 31, 2008, to conform to the statement of income presentation for the year ended December 31, 2009 (see note 14).

D-4 "Statement of cash flows"- The statement of changes in financial position is superseded by the statement of cash flows. The statement of cash flows is primarily intended to provide financial statement users with information on the entity's ability to generate cash and cash equivalents as well as the manner in which entities use such cash flow to meet their needs.

In conformity with Bulletin D-4, the Brokerage Firm applies the indirect method, whereby the period's net results are either increased or decreased for the effects of transactions of items that do not imply cash flows (except those affecting the balances of operating items); changes that occur in the balances of operating items and for cash flows relating to investing or financing activities.

As a consequence of the adoption of this criterion, the Brokerage Firm presents its statement of cash flows for the year ended December 31, 2009 and, separately, the statement of changes in financial position for the year ended December 31, 2008.

(Continued)

(i) ***Offsetting between financial assets and liabilities***- Criterion, A-3 "General rules", establishes that financial assets and liabilities shall be subject to offsetting provided the contractual right to do so exists as well as the intention to settle the net amount or simultaneously realize the asset and cancel the liability.

IFRS Changes

The CINIF promulgated the FRS that are described below, which have been adopted supplementary for years beginning on and after January 1, 2009, early application is not permitted.

(j) ***FRS B-7 "Business combinations"***– FRS supersedes Bulletin B-7 and establishes, among other things, general rules for the initial valuation and recognition at the acquisition date of net assets, regarding that all business combinations should be accounted for using the purchase method. The provisions of this FRS became effective for acquisitions effected on or after January 1, 2009. Any accounting change resulting from this FRS is to be applied on a prospective basis.

The application of this FRS had no significant effect in the financial statements of the Brokerage Firm.

(k) ***FRS B-8 "Consolidated or combined financial statements"***– FRS B-8 supersedes Bulletin B-8 "Consolidated and combined financial statements and valuation of investments in shares" and establishes general rules for the preparation and presentation of consolidated and combined financial statements, and related disclosures. Amendments include:

(i) Required of consolidation of special purpose entities (SPEs) when controlled.

(ii) The possibility, under certain conditions, of presenting unconsolidated financial statements.

(iii) Consideration is given to the existence of potential voting rights that might be exercised or converted in favor of the entity in its capacity as holding Company and that may change its interference in decision-making at the time of assessing the existence of control.

(iv) Additionally, it is transferred to another bulletin the regulations concerning the valuation of permanent investments.

(Continued)

The application of this FRS had no significant effect in the financial statements of the Brokerage Firm.

(l) ***FRS C-7 "Investments in associates and other investments"–*** FRS C-7 sets forth the rules to account for investments in associates as well as other investments where control, joint control or significant influence is not exercised. The principal changes with respect to the former standard include the following:

(i) The equity method of accounting is required for SPEs where significant influence is exercised.

(ii) Consideration is given to the existence of potential voting rights that might be exercised or converted in favor of the entity in its capacity as the holding Company and that may change its interference in decision-making at the time of assessing the existence of significant influence.

(iii) A specific procedure and a limit for recognition of an associated entity's losses are provided.

(m) FRS C-8 "Intangible assets"-

Supersedes Bulletine C-8 and establishes general rules for the initial and subsequent recognition of intangible assets that are purchased individually, through the acquisition of a business or generated internally in the normal course of operations the entity. Main changes include:

(i) Redefinition of intangible assets, establishing that separability is not the only condition for the intangible asset to be identifiable;

(ii) The acquisition cost must be considered for the initial valuation, identifying whether it is an individual acquisition, business combination or it is internally generated. Additionally, future financial benefits should be generated;

(iii) Subsequent outlays for research and developments in progress should be recorded as expenses if they are part of the research phase or recorded as an intangible asset if they meet the criteria to be recognized as such;

(Continued)

(Millions of pesos)

(iv) The presumption that the useful life of an intangible asset may not exceed twenty years was eliminated;

The application of this FRS had no significant effect in the financial statements of the Brokerage Firm.

(4) Foreign currency exposure-

In compliance with the Central Bank regulations, the Brokerage Firm maintains balanced positions in foreign currencies. At December 31, 2009 and 2008, the maximum short and long positions authorized by the Central Bank were $221 and $202, respectively, that is equivalent to 15% of the Brokerage Firm's global capital, which is $1,475 and $1,346 in each year (see note 13d).

At December 31, 2009 and 2008, the Brokerage Firm has a long position of 1,937,915 and a short position of 1,960,510 dollars, respectively, which for financial statement presentation purposes were translated using the exchange rates of $13.0659 and $13.8325, respectively, and complies with the regulations.

(5) Cash and equivalents-

At December 31, 2009 and 2008, cash and equivalents are analyzed as follows:

	2009	2008
Domestic banks	$ 70	1,305
Deposits with foreign banks with maturities not exceeding 30 days	25	27
24 and 48-hour foreign currency sales	(3)	(6)
Restricted funds:		
24 and 48-hour foreign currency purchases	4	6
	$ 96	1,332

Foreign currency receivable and deliverable as of December 31, 2009, arising from purchases and sales to be settled within 24 and 48 hours, relate to dollar transactions.

(Continued)

(Millions of pesos)

(6) Investment securities-

At December 31, 2009 and 2008, the fair value of the Brokerage Firm's investment securities is as follows:

		2009	2008
Securities:			
Trading securities:			
Debt securities:			
Government securities:			
Own account:			
Cetes	$	407	317
UMS		89	–
		496	317
Value date sales:			
Cetes		(3)	–
M Bonos		(27)	(2)
		(30)	(2)
Unrestricted government securities		466	315
Restricted securities:			
Government securities:			
Cetes		–	332
Cetes (pledged in guarantee)		14	10
(1) Repurchase/resell agreements:			
BPAS		468	793
BPAT		511	272
CTIM		2,296	2,191
IPAS		235	159
LBON		4,278	6,801
LS		28	49
Restricted government securities in own account		7,830	10,607
Value date purchases:			
Cetes		3	–
M Bonos		27	2
		30	2
Restricted government securities		7,860	10,609
Total government securities, carried forward	$	8,326	10,924

(1) See terms and conditions in note 7.

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Securities:	**2009**	**2008**
Total government securities, brought forward	$ 8,326	10,924
Banking securities:		
Unrestricted securities		
BANOBRA	287	403
Restricted securities		
BANOBRA	5	14
BACMEXT	–	103
Repurchase/resell agreements:		
CBPC	–	389
CBUR	320	595
PRLV	1,482	740
Restricted banking securities in own account	1,807	1,841
Total banking securities	2,094	2,244
Shares:		
Unrestricted		
NAFTRAC	189	18
SIMEC	–	2
TELECOM	–	7
ELEKTRA	–	(1)
GMEXICOB	5	–
AMX	–	6
INTC	–	1
IAAPL	–	3
SCOTIA G	350	272
TRADE STATION	13	–
Value date sales:		
NAFTRAC	(122)	–
AMXL	(2)	–
CEMEXCPO	(1)	–
GMEXICOB	(1)	–
KIMBERA	(5)	–
TELMEXL	(4)	–
BULLTICK	(23)	–
OTHERS	(55)	–
Total unrestricted, carried forward	$ 344	308

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Securities:

		2009	2008
Total unrestricted, brought forward	$	344	308
Restricted securities in lending (see note 7)		–	77
Restricted			
SCOTIA G (Securities lending)		141	103
NAFTRAC		24	33
AMX		–	16
Value date purchases			
NAFTRAC		58	–
AMXL		2	–
CEMEXCPO		1	–
GMEXICOB		1	–
TELMEXL		4	–
BULLTICK		33	–
Others		45	–
Total restricted		309	152
Total shares		653	537
Total trading securities	$	11,073	13,705
Available for sale securities:			
Unrestricted securities CBUR	$	17	–
Restricted securities BOLSA		219	144
Total available for sale securities	$	236	144

(Continued)

(Millions of pesos)

The gain and loss during 2009 from the purchase and sale of securities amounted to $515 and $468, respectively ($563 and $613 in 2008, respectively). The valuation of investment securities at December 31, 2009 and 2008 resulted in a valuation loss and gain of $106 and $28 respectively. During 2009 and 2008, the interest resulted in a gain of $ 72 and $223 respectively. The gain and loss from the purchase and sale of securities, valuation effect and interest gain are reported in the statement income under "Gain on purchase and sale of securities", "Loss on purchase and sale of securities" , "Valuation (loss) gain on securities at fair value" and Interest income, respectively.

At year-end 2009, a charge on impairment of a part of an available-for-sale position held was recognized in operations as a result of the following events:

a) The issuer had significant financial problems.
b) Issuer will very likely undertake a financial reorganization.
c) Occurrence of non-performance of contractual covenants, such as non-payment of interest and principal.

At December 31, 2009, impairment amounting to $121 was determined from the difference between the value at which the securities were initially recorded and the fair value at December 31, 2009, which was reported on the income statement under "Valuation (loss) gain on securities at fair value".

At December 31, 2009 and 2008, investments in debt securities other than government securities of the same issuer exceeding 5% of the Brokerage Firm's global capital are as follows:

Issue	Number of Certificates	Rate	Term (days)	Amount
December 31,2009				
BANOBRA 10011	292,185,553	4.50%	4	$ 292
December 31, 2008				
BANOBRA 08525	417,278,850	8.15%	2	$ 417
BANCMEXT 09184	105,862,207	7.82%	358	103
				$ 520

(Continued)

(Millions of pesos)

(7) Securities under repurchase/resell agreements-

At December 31, 2009 and 2008, the "Debtors under repurchase/resell agreements" balances in which the Brokerage Firm acting as repurchasee are analyzed as follows:

		2009	2008
Debtors under repurchase/resell agreements:			
BPAS	$	3,106	2,229
BPAT		4,514	7,566
CTIM		3,816	1,179
IPAS		5,812	-
LS BONDESD		-	88
LBON		6,388	13,844
MBON		2,716	9,167
		26,352	34,073
Collateral sold or pledged:			
BPAS		(3,106)	(2,229)
BPAT		(4,513)	(7,565)
CTIM		(3,816)	(1,179)
IPAS		(5,806)	-
LS BONDESD		-	(88)
LBON		(6,388)	(13,836)
MBON		(2,716)	(9,167)
		(26,345)	(34,064)
Debtors under resell agreements	$	7	9

At December 31, 2009, the terms of the repurchase/resale agreements range from 4 to 91 days (2 to 142 days in 2008) with weighted rates of 4.47%, when acting as reselling party, and 4.58% when acting as repurchasing party (8.25% and 8.10% in 2008, respectively).

During the years ended December 31, 2009 and 2008, interest and premiums collected amounted to $5,093 and $5,542 respectively; interest and premiums paid amounted to $5,006 and $5,514, respectively, and were reported on the income statement under "Interest income" and "Interest expense".

(Continued)

(Millions of pesos)

Securities lending:

At December 31, 2009 and 2008, the Brokerage Firm had entered into the following securities lending transactions:

	Number of Certificates	Fair value
December 31, 2009:		
Bnaftrac02	1,428,000	$ 47
Elektra *	2,632,000	6
Simecb	35,000	1
Gmodeloc	9,005	7
Cemexcpo	90,000	41
Sorianab	500,000	16
Comerciubc	150,000	2
Ichb	60,000	3
Telintl	900,000	10
		$ 133
December 31, 2008:		
G Mexico B	335,000	$ 5
Amx L	221,000	5
Cemex CPO	1,000,000	13
Elektra *	24,100	14
Gcarso A1	52,000	2
G Famsa A	800,000	7
G Modelo C	100,000	4
Ich B	70,000	3
Telecom A1	127,000	7
Telmex L	2,487,800	36
		$ 96

(Continued)

(Millions of pesos)

Securities lending transactions at December 31, 2009 and 2008 mature from January 3rd to 7th, 2010 and on January 2nd, 5th and 6th, respectively and their average weighted terms at December 31, 2009 and 2008, are 7 and 16 days, respectively.

At December 31, 2009 and 2008, securities for $141 and $103, respectively, were delivered as guarantee in connection with securities loan transactions where the Brokerage Firm acted as borrower.

For the years ended December 31, 2009 and 2008, premiums collected and paid in securities loan transactions totaled $6 and $4 in both years, and are included in the statement of income in the captions of "Interest income" and "Interest expense", respectively.

(8) Derivatives-

At December 31, 2009 and 2008, derivative financial instruments are analyzed as follows:

		2009		2008	
		Assets	Liabilities	Assets	Liabilities
Stock exchange index (IPC) options	$	-		-	1,643
Stock options		-	286	-	137
OTC options		21	7	2	1
	$	21	293	2	1,781

At December 31, 2009 and 2008, the valuation of derivative financial instruments resulted in a loss of $6 and $37, respectively.

Notional amounts:

A notional amount is a number of specific units in the contract (securities, currencies, etc). The settlement of a derivative instrument with a notional amount is determined by interaction of the notional amount and the underlying and does not represent the loss or gain resulting from the market risk or the credit risk of such instruments. At December 31, 2009 and 2008, notional amounts of the derivative financial instruments with trading purposes, are shown on the next page.

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Type of instrument		**2009**	**2008**
Stock exchange index (IPC) futures:			
Bought	$	–	5
Sold		–	(80)
	$	–	(75)
Stock exchange index (IPC(*)) options:			
Sold	$		(1,643)
Stock options (*):			
Sold	$	(286)	(137)
	$	(286)	(137)
OTC options (*):			
Bought	$	21	2
Sold		(7)	(1)
	$	14	1

(*) Market value of premiums, whose notional at December 31, 2009 and 2008 is $627 and $1,743 respectively.

(a) Stock exchange index (IPC) futures-

At December 31, 2009 and 2008, futures were purchased and sold related to the Mexican Stock Exchange IPC Index for trading purposes, maturing in March and June 2009.

(Continued)

(Millions of pesos)

(b) Stock exchange index (IPC) options and shares-

At December 31, 2009 and 2008, the Brokerage Firm had issued European options (exercisable at maturity date) in recognized markets on the Mexican Stock Exchange IPC Index. Their characteristics are as follows:

Series	Number of certificates	Strike price (nominal pesos)		Premium	Maturity
2009:					
CAN008RBC001	212,640	45	$	57	Agosto 2028
CAN010RDC011	11,617	101		114	Agosto 2028
CAN912RDC012	11,770	30,307		115	Diciembre 2010
			$	286	
2008:					
CAN008RDC001	241,840	45	$	55	Agosto 2028
CAN912RDC002	8,377	20		82	Agosto 2028
			$	137	
IPC901RDC225	34,000	36,952	$	348	Enero 2009
IPC905RDC226	27,500	40,285		266	Mayo 2009
IPC905RDC229	8,500	28,121		70	Mayo 2009
IPC905RDC230	10,500	30,377		91	Mayo 2009
IPC906RDC231	37,000	35,154		331	Junio 2008
IPC908RDC235	16,500	34,178		164	Agosto 2009
IPC909RDC236	26,000	33,339		262	Septiembre 2009
IPC911RDC237	11,000	26,581		111	Noviembre 2009
			$	1,643	

(Continued)

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(9) Premises, furniture and equipment-

At December 31, 2009 and 2008, premises, furniture and equipment are analyzed as follows:

	2009	2008	Annual depreciation and amortization rates
Office premises	$ 175	175	2.5%
Transportation equipment	3	3	25%
Office furniture and equipment	54	61	Various
Computer equipment	11	10	10 and 30%
Leasehold improvements	5	5	5%
	248	254	
Less accumulated depreciation and amortization	92	91	
	$ 156	163	

Depreciation and amortization charged to income in 2009 and 2008 amounted to $10 and $12, respectively.

(10) Permanent investments-

At December 31, 2008 and 2007, the Brokerage Firm's permanent investments in shares, are shown on the next page.

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	Percentage of ownership in capital stock * 2009	2008	2009	2008
Cebur	2.97	2.97	$ 1	1
Other investments:				
Impulsorade Fondo México Controladora, S. A. de C. V.	3.65	3.65	2	2
			$ 3	3

The equity method was computed using the book value of shares as of December 31, 2008 and considering the most recent financial statements available, considering the last financial statement available.

(11) Employee benefits -

The Brokerage Firm established a defined contribution pension and post-retirement benefits plan. This plan calls for pre-established contributions by the Brokerage Firm, which may be fully withdrawn by employee upon retirement if aged at least 55 years or partially on employment termination in accordance with specific rules for vesting rights. Additionally, contributions are made by the employees, who will be entitled to withdraw those contributions upon employment termination.

As of December 31, 2009 and 2008, the charge to income corresponding to the Brokerage Firm's contributions to the defined contribution plan amounted to $7 for both years.

The Brokerage Firm also has a defined benefit pension plan covering those employees who elected not to change to the defined contribution plan. The benefits are based on years of service and the employee's compensation during the last two years.

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The cost, obligations and contributions to the fund relating to the defined benefit pension plan and seniority premiums, as well as the post-retirement medical benefits, life insurance and food coupons are determined based on computations prepared by independent actuaries as of December 31, 2009 and 2008.

The components of the net periodic cost and of the obligations for the years ended December 31, 2009 and 2008 are shown below:

			Seniority premium			Medical benefits, food coupons & life insurance for retirees
		Pensions	Retirement	Severance	Total	
2009						
Present service cost:	$	1	–	–	–	1
Interest cost		3	–	–	–	1
Expected return on plan assets		(4)	–	–	–	(1)
Amortizations past service:						
Plan improvements		3	–	–	–	–
Total cost in 2009	$	3	–	–	–	1
2008						
Present service cost:	$	1	–	–	–	1
Interest cost		2	–	–	–	1
Expected return on plan assets		(4)	–	–	–	(1)
Amortizations past service:						
Past service-plan improvements		1	–	–	–	–
Net actuarial gain		–	–	(1)	(1)	–
Net periodic (income) cost		–	–	(1)	(1)	1
Reductions income		(3)	–	–	–	–
Cost for immediate recognition in earnings		–	–	(1)	(1)	–
Total (income) cost in 2008	$	(3)	–	(2)	(2)	1

On the next page is a reconciliation between initial and final balances, as well as the detail of the present value of benefit obligations of pension, seniority premium, post-retirement medical benefits, food vouchers and life insurance for retired people, as of December 31, 2009.

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			Seniority premium			Medical expenses, food coupons, life insurance, for retirees
		Pensions	**Retirement**	**Severance**	**Total**	
Defined Benefit Obligations (DBO) as of December 31 2008	$	(29)	(1)	(1)	(2)	(11)
Present service cost		(1)	–	–	–	(1)
Interest cost		(3)	–	–	–	(1)
Actuarial losses		(2)	(1)	–	(1)	(2)
DBO as of December 31 2009		(35)	(2)	(1)	(3)	(11)
Plan assets at fair value		43	2	2	4	13
Financial situation of the fund		8	–	1	1	2
Past services:						
Transition liability		–	–	–	–	1
Plan modifications		16	–	–	–	–
Actuarial gains		(2)	–	–	–	(3)
Projected net asset as of December 31 2009	$	22	–	1	1	–

A reconciliation of the net projected asset as of December 31, 2009 is analyzed as follows:

			Seniority premium			Medical expenses, food coupons, lifey insurance, for retiress
		Pensions	**Retirement**	**Severance**	**Total**	
Projected net asset as of December 31, 2008	$	22	–	2	2	-
Net periodic cost 2008		3	–	–	–	1
Contributions to the fund during 2009		(3)	–	1	1	(1)
Net projected asset as of December 31 2009	$	22	–	1	1	–

(Continued)

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The present value of benefit obligations of pensions, seniority premiums, medical benefits for retirees, food coupons and life insurance for retirees, at December 31, 2008 are as follows:

		Seniority premiums			Medical benefits, food coupons & life insurance for
	Pensions	Retirement	Severance	Total	retirees
DBO as of January 1st, 2008	(19)	(1)	(1)	(2)	(10)
Present service cost	(1)	-	-	-	(1)
Interest cost	(2)	-	-	-	(1)
Paid benefits	4	-	-	-	-
Reduction or settlement effects	5	-	-	-	-
Plan improvements	(20)	-	-	-	-
Actuarial loss	5	-	-	-	1
DBO as of December 31, 2008	(29)	(1)	(1)	(2)	(11)
Plan assets at fair value	37	2	3	5	12
Financial situation of the fund	8	1	2	3	1
Past services:					
Transition liability	-	-	-	-	2
Plan modifications	20	-	-	-	-
Actuarial gains	(6)	(1)	-	(1)	(3)
Projected net asset	$ 22	-	2	2	-

The acquiered benefit obligations (ABO), at Decembre 31, 2009 and 2008 are as follows:

	Pensions			Seniority premiuns			Medical benefits, food coupons & life insurance for
	Retirement	Invalidity	Total	Retirement	Severance	Total	retirees
2009							
ABO	$ (1)	-	(1)	-	-	-	-
2008							
ABO	$ (1)	-	(1)	-	-	-	-

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Below is an analysis of the movement of the plan assets held to meet the labor obligations for the years ended December 31, 2009 and 2008 (nominal):

		2009	2008
Balance at beginning of year	$	54	55
Contributions to the fund		5	2
Return on plan assets		1	1
Payments made		-	(4)
Balance at year end	$	60	54
Assets loss	$	3	4

The expected yield of the plan assets for the years 2009 and 2008 is $5 in both years.

During 2010, the expected contributions to the fund and return on plan assets covering the labor obligations are $4

The present value of benefit obligations of legal severance liabilities at December 31, 2009 and 2008 is as follows:

		2009	2008
ABO	$	-	-
DBO at the beginning of the year		(23)	(23)
Present service cost		1	(2)
Interest cost		2	(2)
Paid benefits		1	1
Present value of loss		-	3
DBO		(19)	(23)
Unrecognized past service for the acquired benefits:			
Transition liability		5	11
Net projected liability	$	(14)	(12)

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The severance liability cost for the years ended December 31, 2009 and 2008 amounted to $14 and $4, respectively.

The nominal rates for 2009 and 2008 used in the actuarial projections are:

	2009	2008
Yield on plan assets	9.90%	10.20%
Discount rate	9.00%	9.50%
Rate of increase in compensation	5.00%	5.50%
Medical expense increase rate	6.50%	7.25%
Estimated inflation rate	4.00%	4.25%

The expected return on plan assets was determined using the historical information of the fund, the curve rates for Mexico, and the Brokerage Company's investment policy.

The fund assets covering the obligations for pension, seniority premium, medical expenses, food coupons and post-retirement life insurance benefits are 100% invested in debt instruments, under a trust and managed by a committee designated by the Brokerage Firm.

The increase or decrease in the increase rate in medical expenses used in actuarial projections as of December 31, 2009, is as shown below:

	Rate	DBO medical benefits for retirees
Without modification	6.50%	6
1% increase on the medical inflation rate	7.50%	7
1% decrease on the medical inflation rate	5.50%	6

(Continued)

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A summary of the amounts of labor benefits relating to DBO, plan assets, and the projected benefit obligation over plan assets and experience adjustments, for the years ended December 31, 2007, 2006 and 2005 is shown below:

		Pensions		
		2007	**2006**	**2005**
DBO	$	(19)	(15)	(30)
Plan assets		40	38	40
Financial situation of the fund	$	21	23	10
DBO gain (loss)	$	-	5	(1)

		Seniority premiums		
		2007	**2006**	**2005**
DBO	$	(2)	2	2
Plan assets		4	4	4
Financial situation of the fund	$	2	6	6
Loss (gain)	$	-	-	-

		Medical benefits, food coupons & life insurance		
		2007	**2006**	**2005**
DBO	$	(10)	8	6
Plan assets		11	9	8
Financial situation of the fund	$	1	17	14
Loss (gain)	$	-	-	-

		Severance payments		
		2007	**2006**	**2005**
DBO	$	(23)	20	18
DBO loss	$	1	1	1

(Continued)

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For fiscal 2009, the amortization period of unrecognized items for pensions, medical expenses, food coupons, life insurance of retirees, seniority premiums and legal severance are as follows:

	Pensions	Seniority premium Retirement	Seniority premium Severance	Medical benefits, food coupons & life insurance for retirees	Severance payments
Transition liability	N/A	N/A	N/A	3.0	3.0
Plan contributions	4.6	N/A	N/A	N/A	N/A
Net actuarial loss	6.2	12.2	Immediately	15.8	Immediate

(12) Related-party transactions-

During the normal course of business, the Brokerage Firm carries out transactions with related parties. The most significant related-party transactions carried out during the years ended December 31, 2009 and 2008, are as follows:

	2009		2008	
	Revenues	Expenses	Revenues	Expenses
Scotiabank Inverlat, S. A. (Bank) (Premiums)	$ 651	672	1,001	1,011
Fees				
Scotia Fondos, S. A. de C. V., Sociedad Operadora de Sociedades de Inversión, (Scotia Fondos)	208	-	169	-
Bank				
Fees	(5)	6	28	3
Rents	8	2	7	2
Others	4	1	(16)	1
Bank (Advisory services)	24	24	45	23
Rents				
Inmobiliaria Scotia Inverlat S. A. de C. V. (Inmobiliaria)	-	2	-	2
Bank (interest)	36	-	13	-
	$ 926	707	1,247	1,042

(Continued)

(Millions of pesos)

At December 31, 2009 and 2008, balances with related parties are as follows:

	2009	2008
Cash and equivalents:		
Bank (Services)	$ 12	9
Scotiabank Grand Cayman	18	26
Bank (Investment)*	53	1,295
	$ 83	1,330
Receivable:		
Bank (value date transactions, purchase and sale of currencies and others)	$ 3	20
Scotia Fondos	-	11
Bank repurchase/resell agreements	-	4
	$ 3	35
Payable:		
Bank (others)	$ 5	11

*As of December 31, 2009 and 2008, with a term of 30 and 77 days respectively, bearing interest of 4% and 7% respectively.

For fiscal years ended December 31, 2009 and 2008, the terms of balances receivable from and payable to related parties remained unchanged, and no reserve for recoverability of such transactions was required.

Benefits granted to management personnel for fiscal year 2009 amounted to $24.

(13) Stockholders' equity-

The main characteristics of the stockholders' equity accounts are as follows:

(a) *Structure of capital stock-*

The Brokerage Firm capital stock at December 31, 2009 and 2008 is represented by 22,022 common, registered shares, divided into two series: 22,019 serie "F" shares and 3 serie "B" shares, fully subscribed and paid. The capital stock's minimum fixed portion is represented by 11,205 shares whereas the variable portion is represented by 10,817 shares. The variable portion of capital stock may at no time exceed the fixed paid-in capital and may not be subject to withdrawal.

At December 31, 2009 and 2008, the minimum fixed capital stock is fully subscribed and paid and amounts to $196.

(b) Comprehensive income-

The comprehensive income reported in the statement of changes in stockholders' equity represents the results of the Brokerage Firm's activities during the year and includes the net income as well as any gain or loss from holding non-monetary assets from the valuation of the available for sale securities.

(c) Restrictions on stockholders' equity-

The Commission requires that brokerage firms maintain a minimum capitalization percentage of risk-based assets, which is calculated according to the level of risk assigned. The Brokerage Firm has complied with the capitalization percentage.

Five percent of net income for the year must be appropriated to the statutory reserve, until it reaches 20% of the paid-in capital.

Stockholder contributions and retained earnings are subject to income tax on the amounts refunded or distributed that exceed the amounts determined for tax purposes. As of December 31, 2009, the restated capital contribution account (CUCA) and the tax basis retained earnings account (CUFIN) amount to $237 and $2,295, respectively.

Retained earnings on permanent investments in shares may not be distributed to the Brokerage Firm's stockholders until dividends are collected, but may be capitalized if so agreed at a Stockholders' Meeting. Also, unrealized valuation gains from marking to market investment securities and repurchase/resell agreements may not be distributed until realized.

(d) Capitalization-

The Commission requires brokerage firms to maintain a minimum capital as a percentage of assets at risk. The percentage is calculated by applying certain specific percentages according to the level of risk assigned, in conformity with the rules established by the Central Bank. Information relating to the Brokerage Firm's capitalization is shown on the next page.

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Capital as of December, 31:

		2009	2008
Global capital	$	1,475.41	1,346.23
Market risk requirements		170.97	145.24
Credit risk requirements		71.93	129.79
Operational risk requirements		19.22	1.57
Total capitalization requirements		262.12	276.60
Global capital excess	$	1,213.29	1,069.63
Capitalization ratio		17.77%	20.55%
Global capital / capitalization requirements		5.63	4.87

Assets at risk as of December 31, 2009:

		Risk weighted assets	Capital requirement
Market risk:			
Transactions in Mexican pesos at nominal interest rates	$	800.18	64.01
Transactions in Mexican pesos at premium nominal interest rates		431.19	34.50
Transactions in Mexican pesos at real interest rates or denominated in UDIS		-	-
Foreign currency transactions at nominal interest rates		25.43	2.03
Positions in UDIS or with returns updated with INPC		-	-
Foreign currency positions or with exchange rate updated returns		167.14	13.37
Equity positions or with returns updated to the price of a single share or group of shares		713.12	57.05
Total market risk		2,137.07	170.97
Credit risk:			
Of derivatives		24.29	1.94
Of debt instrument position		676.88	54.15
Of loans and deposits		197.99	15.84
Total credit risk		899.16	71.93
Total market and credit risk	$	3,036.23	242.90

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Assets at risk as of December 31, 2008:

	Risk weighted assets	Capital requirement
Market risk:		
Transactions in Mexican pesos at nominal interest rates	$ 82.99	53.33
Transactions in Mexican pesos at premium nominal interest rates	32.72	49.39
Transactions in Mexican pesos at real interest rates or denominated in UDIS	-	-
Foreign currency transactions at nominal interest rates	0.015	-
Positions in UDIS or with returns updated with INPC	-	-
Foreign currency positions or with exchange rate indexed returns	0.032	3.84
Equity positions or with returns updated to the price of a single share or group of shares	0.018	38.68
Total market risk	$ 115.78	145.24
Credit risk:		
Of derivatives	0.106	3.04
Of debt instrument position	13.19	96.65
Of loans and deposits	0.436	30.11
Total credit risk	13.73	129.80
Total market and credit risk	$ 129.51	275.04

Capital adequacy is monitored by the Planning and Strategy Area which considers the various established operating limits vis-à-vis the global capital, with a view to avoiding any possible capital shortfalls and taking any measures if necessary.

(Continued)

(Millions of pesos)

(14) Income taxes (Income Tax (IT) and flat rate business tax (IETU) and employee statutory profit sharing (ESPS)-

Under the current tax legislation, companies must pay the greater of their IT or IETU. if IETU is payable, the payment will be considered final i.e. not subject to recovery in subsequent years. The IT Law in effect as of December 31, 2009 provides for an IT rate of 28%, while in accordance with the tax reforms effective as of January 1, 2010, the IT rate for fiscal years 2010 to 2012 is 30%; for 2013 the rate shall be 29% and for 2014 and thereafter, the rate is 28%. The IETU rate is 17% for 2009 and 17.5% for 2010 and thereafter.

Because management estimates that the tax payable in future years will be IT, deferred tax effects as of December 31, 2009 and 2008 have been recorded on the same basis.

On May 19, 2004, the Brokerage Firm was awarded a favorable resolution of an injunction proceeding (proceeding for relief) and obtained protection from the Federal Law against articles 16 and 17, last paragraph of the IT Law in force in 2002. Accordingly, the Brokerage Firm computes ESPS considering the same bases used to determine IT, except for the deductibility of loss in warrants.

IT and ESPS expense incurred for the years ended December 31, 2009 and 2008 is as follows:

	2009		2008	
	IT	EPS	IT	EPS
Current taxes	$ 106	34	105	35
Deferred taxes	(58)	(15)	(1)	(1)
	$ 48	19	104	34

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Income tax expense attributable to income for the years ended December 31, 2009 and 2008, differed from the amount computed by applying the Mexican statutory rate of 28% IT, as a result of the item as shown as follows:

		IT			ESPS
December 31, 2009	**Base**	**Tax at 28%**	**Effective rate**		**at 10%**
Income before IT and equity in the result of associated companies	$ 226	(63)	(28%)		(23)
Allocation to current tax:					
Inflationary adjustment	(42)	12	5%		4
Financial instruments, repurchase resell agreements & derivatives net result	150	(42)	(19%)		(11)
Premiums on repurchase/resell agreements and interests	5	(2)	(1%)		-
Difference between book and tax depreciation	5	(2)	(1%)		(1)
Nondeductible expenses	25	(7)	(3%)		(3)
Expense accruals	16	(4)	(2%)		(1)
Warrants net effect	93	(26)	(11%)		(9)
Deduction of ESPS paid in the year	(35)	10	4%		4
Current and deferred ESPS provision	19	(5)	(2%)		(2)
Incomes no accrued	(85)	24	11%		8
Others, net	2	(1)	-		-
Current tax	$ 379	(106)	(47%)		(34)
Allocation to deferred tax (tax at 30%):					
Valuation of trading securities and charged interest	(123)	37	16%		12
Premises and equipment	(6)	2	1%		1
Deductible ESPS	1	-	-		-
Warrants net effect	(40)	12	5%		-
Expense accruals	(18)	5	2%		2
Change of rate effect	-	2	1%		-
Deferred tax	(186)	58	25%		15
Income tax	$ 193	(48)	(22%)		(19)

(Continued)

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		IT		ESPS
December 31, 2008	**Base**	**Tax at 28%**	**Effective rate**	**at 10%**
Income before IT and equity in the result of associated companies	$ 132	(37)	(28%)	(13)
Allocation to current tax:				
Inflationary adjustment	(52)	15	11%	5
Financial instruments, repurchase resell agreements & derivatives net result	(45)	13	10%	6
Premiums on repurchase/resell agreements and interests	11	(3)	(2%)	(1)
Difference between book and tax depreciation	6	(2)	(2%)	(1)
Nondeductible expenses	90	(25)	(19%)	(9)
Expense accruals	67	(19)	(15%)	(7)
Warrants net effect	162	(46)	(35%)	(16)
Deduction of ESPS paid in the year	(35)	10	8%	4
Current and deferred ESPS provision	34	(10)	(8%)	(3)
Others, net	4	(1)	-	-
Current tax	374	(105)	(80%)	(35)
Allocation to deferred tax:				
Prepaid expenses	$ 7	(2)	(2%)	-
Valuation of trading securities and charged interest	54	(15)	(11%)	(5)
Premises and equipment	(7)	2	2%	-
Deductible ESPS	-	-	-	(1)
Warrants net effect	11	(3)	(2%)	-
Expense accruals	(68)	19	14%	7
Deferred tax	(3)	1	1%	1
Total income tax	$ 371	(104)	(79%)	(34)

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Deferred IT and ESPS

The temporary differences that give rise to a deferred tax asset and liability as of December 31, 2009 and 2008 are presented below:

	2009		2008	
	IT	ESPS	IT	ESPS
Prepaid expenses	$ (9)	(3)	(10)	(3)
Valuation of financial instruments and derivatives	36	12	(1)	(1)
Valuation of available for sale securities	(49)	(16)	(25)	(9)
Premises, furniture and equipment	(39)	(13)	(38)	(14)
Deductible ESPS	10	3	10	3
Losses on warrants	50	–	36	–
Expense accruals	41	14	35	13
	$ 40	(3)	7	(11)
Deferred IT and ESPS in the balance sheet	$ 37		(4)	

The credit to income for deferred IT and ESPS for the years ended December 31, 2009 and 2008, comprise the following:

	2009		2008	
	IT	ESPS	IT	ESPS
In results of operations:				
Prepaid expenses	$ 1	–	(2)	–
Valuation of financial instruments and imputed interest	38	13	(15)	(6)
Premises and equipment	(1)	1	2	–
Deductible ESPS	–	–	–	(1)
Losses on warrants	14	–	(3)	–
Accrued expenses decrease	6	1	19	8
	$ 58	15	1	1
Deferred IT and ESPS in the statement of income	$ 73		2	
In stockholders' equity:				
Valuation of available for sale securities	$ (24)	(8)	(25)	(9)
Deferred IT and ESPS in the stockholders' equity	$ (32)		(34)	

(Continued)

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The Brokerage Firm evaluates the recoverability of the deferred tax assets, based on a review of deductible temporary differences. The amount of deferred tax assets actually realized could be reduced if future taxable income were less than expected.

Other considerations:

In accordance with Mexican tax law, the tax authorities are entitled to examine transactions carried out during the five years prior to the most recent income tax return filed.

Corporations carrying out transactions with related parties, whether domestic or foreign, are subject to certain limitations and requirements as to the determination of prices, since such prices must be equivalent to those that would be used in arm's-length transactions.

(15) Memorandum accounts-

Transactions on behalf of third parties-

The funds managed by the Brokerage Firm for investing in various instruments on behalf of its customers are recorded in memorandum accounts.

Third party assets under management at December 31, 2009 and 2008, are analyzed as follows:

	2009	2008
Mutual funds	$ 28,280	19,295
Government securities	43,557	50,256
Shares and others	92,478	78,599
	$ 164,315	148,150

(Continued)

(Millions of pesos)

Securities and documents delivered as guarantee on behalf of clients at December 31, 2009 and 2008, are analyzed as follows:

		2009	2008
Government securities	$	641	911
Fixed-income debt securities		82	60
Equities and holding companies' certificates		803	541
Mutual fund shares		55	7
Cash		143	103
	$	1,724	1,622

Income earned on assets under custody during the years ended December 31, 2009 and 2008 amounted to $43 and $38, respectively.

Repurchase/resell transactions of customers-

At December 31, 2009 and 2008, the repurchase/resell transactions of customers are analyzed as follows:

	2009			2008		
	Number of certificates		Fair value	Number of certificates		Fair value
Bpas	35,797,128	$	3,573	30,346,365	$	3,012
Bpat	50,268,812		5,000	77,796,667		7,796
Cbpc	-		-	3,873,611		386
Cbur	3,448,716		319	6,248,804		595
Cete	-		-	271,931,318		2,629
Ipas	58,798,773		5,805	1,586,269		158
Ls	281,993		28	1,215,606		123
Mbon	25,223,403		2,575	88,891,089		9,122
Prlv	1,494,946,446		1,483	756,750,691		741
Ctom	624,659,211		6,112	-		-
LBon	91,962,712		9,163	198,771,833		19,829
		$	34,058		$	44,391

(Continued)

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Collateral received by the entity and collateral received and sold or delivered as guarantee by the entity-

Collateral received by the Brokerage Firm and collateral sold or delivered by the Brokerage Firm at December 31, 2009 and 2008, are analyzed as follows:

	2009		2008	
	Number of certificates	**Fair value**	**Number of certificates**	**Fair value**
Bpas	31,111,557	$ 3,105	22,407,414	$ 2,222
Bpat	45,118,276	4,489	75,083,545	7,525
Ctim	390,893,229	3,816	122,101,284	1,180
Ipas	58,386,510	5,763	–	–
Lbon	64,079,040	6,386	138,547,989	13,820
Mbon	26,443,694	2,712	89,234,797	9,159
Ls	–	–	873,302	88
		$ 26,271		$ 33,994

(16) Commitments and contingencies-

(a) Lawsuits and litigation-

The Brokerage Firm is involved in a number of lawsuits and claims arising in the normal course of its business. Management does not expect that the final outcome of these matters will have a significant adverse effect on the Brokerage Firm's financial position and results of operations.

<u>*Contingencies for securities transactions*</u>

As of December 31, 2008, the Brokerage Firm recognized a provision charged to operations in the amount of $79, for the risk arising from securities transactions with third parties. The provision was cancelled during 2009 and recognized the loss of the valuation of these securities.

(Continued)

Remission – tax liability

For fiscal year 2007 and through Mexico's Federal Revenue Law, a program was established for the full or partial remission of tax liabilities that consist of federal contributions managed by the SAT (Tax Administration Service), countervailing duties, the related inflation adjustment and interest, as well as penalties for failing to meet federal tax obligations other than payment obligations, incurred before January 1, 2003.

The Brokerage Firm had an adjusted-for-inflation tax liability that dated back to 1991 in the amount of $4 and $26 for fiscal year 2000, arising from VAT and IT differences, respectively.

In March 2008, through official communication number 322 SAT-11-RF-42939, the Brokerage Firm obtained a favorable resolution to its request for remission filed on December 10, 2007. Thus, a payment of $2 was authorized for both fiscal years, which was made in April 2008.

(b) Leases-

The Brokerage Firm leases and subleases office space from related and third parties. Total rental income and expense for 2009 amounted to $8 and $15, respectively (same amounts for 2008).

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(17) Additional information on operations and segments-

(a) Segment information-

The Brokerage Firm operates in various segments such as capital markets, money markets, mutual funds and investment banking. Segment data for the years ended December 31, 2009 and 2008 is summarized as follows:

	2009	2008
Revenues:		
Capital markets	$ 171	174
Money market	175	53
Mutual funds	192	155
Investment banking	107	211
Securities portfolio	40	122
Other income	304	227
	989	942
Expenses:		
Personnel	434	473
Fixed	66	66
Operating	274	233
Depreciation and amortization	10	12
Losses	1	-
	785	784
Operating income	204	158
Portfolio valuation gain (loss)	9	(35)
Accrued premiums	13	16
Income before taxes	226	139
Current income taxes	(106)	(105)
Deferred income taxes	58	1
Net income	$ 178	35

(Continued)

(Millions of pesos)

(b) Financial ratios-

Following are the fourth quarter financial ratios of the Brokerage Firm for the years ended December 31, 2009 and 2008:

	2009	2008
Creditworthiness (*total assets / total liabilities*)	2.72%	1.60%
Liquidity (*liquid assets/liquid liabilities*)	1.71%	1.49%
Leverage (*total liabilities-liquidation of the entity (creditor) / stockholders' equity*)	46.75%	167.47%
ROE (*annualized net income for the quarter/ average stockholders' equity*)	16.68%	(23.03%)
ROA (*annualized net income for the quarter/ average total assets*)	8.47%	(8.11%)
Capital requirement/ Global capital	(17.61%)	(20.55%)
Financial margin / Total operating income	(14.04%)	31.61%
Operating income (loss) / Total operating income	(21.37%)	(15.22%)
Total operating income/ Administrative expenses	82.39%	86.79%
Administrative expenses / Total operating income	121.37%	115.22%
Net income / Administrative expenses	(36.46%)	(45.25%)
Personnel expenses / Total operating income	80.26%	76.09%

Notes

- *The indicators related to results correspond to annualized quarterly nominal cash flows.*
- *The Solvency, Liquidity and Leverage indicators are stated in number of times.*
- *The amounts for 2009 include the compensation of restricted repurchase/resell agreements.*

(Continued)

(18) Comprehensive risk management- (unaudited)

The ultimate purpose of the Brokerage Firm is to generate shareholder value by maintaining the organization's stability and creditworthiness. Sound financial management increases the profitability of performing assets, helps maintain appropriate liquidity levels and provides control over exposure to losses.

The major risks inherent in the Brokerage Firm's operations are market, credit, liquidity, operating and legal. In compliance with the provisions issued by the Commission and the guidelines established by The Bank of Nova Scotia (BNS), the Brokerage Firm continues to implement initiatives designed to strengthen the comprehensive risk management function.

To identify, measure, and monitor risks, a Comprehensive Risk Management Unit has been established with overall responsibility for the Brokerage Firm.

In accordance with the regulations issued by the Commission, the Board of Directors is responsible for establishing risk control procedures and the Brokerage Firm's overall risk exposure limits. Furthermore, the Board of Directors entrusts the implementation of the procedures designed to measure, manage and control risks to the Risk Committee. In turn, the Risk Committee delegates responsibility for implementing the procedures designed to measure, manage, and control risks to the Asset-Liability and Risks Committee (CAPA) and the Internal Control Committee.

(a) Market risk-

Market risk management consists of identifying, measuring, monitoring and controlling risks derived from fluctuations in: interest rates, market prices, indices and other risk factors in the money, capital and derivatives markets to which the Brokerage Firm's own positions are exposed.

The CAPA conducts weekly reviews of the strategies and actions related to the Brokerage Firm's exposure to market risk.

Trading positions are marked to market on a daily basis, are taken in liquid markets which avoids high costs at the time such positions are liquidated and are measured daily using the Value at Risk (VaR) method.

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The Risk Committee authorizes individual limit structures for each of the financial instruments traded in the markets and by business unit. The limit structure considers mainly volumetric or notional amounts for value-at-risk, stop loss, diversification, stress, marketability, and other limits.

At least once a year, the Board of Directors authorizes risk measurement policies and the structure of risk tolerance limits for VaR as well as volumetric and notional amounts. These limits are established in relation to the Brokerage Firm's stockholders' equity.

For valuation and risk models references are used on updated prices, interest rate curves and other risk factors provided by the price supplier "Valuación Operativa y Referencias de Mercado, S. A. de C. V." (Valmer). The criteria adopted by such price supplier are determined based on technical and statistical aspects and valuation models authorized by the Commission.

VaR is calculated using the historical simulation method with a 300 working-day time span. To conform to the measurement methodologies used by BNS, the Brokerage Firm calculates VaR considering a 99% confidence level and one day holding period.

VaR calculations are performed by instrument, market and globally, considering the correlation existing between the various risk factors. VaR is calculated using the Risk Watch methodology developed by Algorithmics. The Brokerage Firm's average global VaR (unaudited) of ten days observed daily during the fourth semester in 2009 was $3.86 nominal

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The Brokerage Firm's risk positions and their value at risk (unaudited) from October 1, to December 31, 2009 (millions of nominal pesos) are analyzed as follows:

	Position			VaR	
	Average	**Maximum**	**Limit**	**Average**	**Limit**
Brokerage Firm	15,179.5	17,525.9	-	$ 3.9	25.0
Money market	15,110.5	17,437.3	-	3.5	25.0
Capital market	69.6	125.9	200	1.1	10.0
Derivate IPC/1	64.9	221.4	2,880	-	-
Total Capitals Derivate IPC	134.5	310.3	-	2.4	10

(1) Includes IPC futures and options of the capitals derivative table, its VaR is included in the Warrants portfolio. The 1 d average Warrant VaR is MXN 2.13 MM that is computed with the Capitals VaR.

The average global VaR of 1 day for the Brokerage Firm during 2009 was $3.86 million and the global value at December 31, 2009 was $3.27 million (unaudited information).

As an example, the Brokerage Firm's average value at risk of the quarter on money market and interest rate derivatives was $3.5. This means that under normal conditions and a 10-day holding period, the possibility of losing more than that amount is 1%, assuming that the behavior over the past 300 days of operations is representative for estimating the loss.

During the last quarter of 2009, the Brokerage Firm participated in the Mexican Derivatives Market called "MexDer" through future and option contracts on the IPC (Mexican Stock Exchange Price and Quotation Index). The positions and the number of contracts that were negotiated and their value at risk are analyzed on the next page (unaudited information).

(Continued)

(Millions of pesos)

	Number of contracts		
	Average	**Maximum**	**Limit**
Interest rate futures TIIE/1	-	-	775,000
CE/91 futures/1	-	-	45,000
BonoM futures/1	-	-	20,000
IPC futures/2	98	356	750

2/ Includes trading desk contracts. Average VaR for 1-day holding period CPI futures contracts is MXN 0.32 MM and is included in the Global VaR.

The average total position of CPI futures listed on Mexican Derivatives Exchange (MexDer) for Equity and Equity Derivatives for the quarter is $95. Only the Equity Derivates area may trade in CPI Futures Options on MEXDER; no transactions were carried out in the quarter.

It's important to know that stock exchange index (IPC) futures and options priority are to covered primary market risk about the positions of optional stocks or warrants that are issued for clients. The Brokerage Firm issued an average of warrants exchange index (IPC) and stock exchanges for $884.12 with a maximum of $1,687.17.

Since VaR is used to estimate potential losses under normal market conditions, stress testing is performed monthly assuming extreme conditions, with the purpose of determining risk exposure under unusually large market fluctuations. The Risk Committee has approved stress limits.

As of December 31, 2009, the stress testing was $131.5, which with respect to the $800 limit, is favorable. The stress limit is based on the Brokerage Company's stockholders' equity and is adjusted on a monthly basis. The scenarios used for this test are the 1994 and 1998 crisis as hypothetical scenarios.

To measure effectiveness, backtesting is performed monthly to compare actual losses and gains with one-day VaR calculations and thus calibrate models. The models' efficiency level is based on the approach established by the Bank for International Settlements (BIS)

With regard to Back-Testing tests, the new scenarios of high volatility recorded during October 2008 gave rise to exceptions in the test. However, after October, this was corrected in a general manner. This period was temporary; thus, it is not necessary to calibrate the model as all the excesses are explained as a result of the high volatility. Back-testing for the January-December, 2009 period showed a yellow efficiency level under the approach established by BIS.

There are policies and procedures in place to inform and immediately correct positions that exceed the established limits. Also, the CAPA is informed weekly and the Risk Committee and the Board of Directors are informed monthly of these exceptions.

(a) Sensitivities-

Qualitative information on sensitivities

The Brokerage Firm has a specialized Trading Risk Analysis area which maintains continuous and methodic supervision of valuation, risk measurement and sensitivity analysis processes. Such area is in constant contact with operators responsible at the various markets.

Daily, the risk area calculates the market risk sensitivities for each portfolio to which the entity is exposed. During the quarter no changes were made to the assumptions, methods or parameters used for this analysis.

On the next page is a description of the methods, parameters and assumptions used for the portfolio of stock, currencies, interest rates and derivative products.

Interest rate portfolio

Sensitivity measures for fixed-income instruments (bonds) are based on estimating the behavior of the portfolio's value when faced by a change in the market interest rates. In referring to market interest rates, reference is made to the yield curve (not zero-coupon curves) because it is the yield curves which are listed on the market and better explain the behavior of losses and gains.

The sensitivities of the fixed-income instrument portfolio are based on the durations and convexities depending on the type of instrument. In any event, 2 types of measurements are produced; i) the expected change in the value of the portfolio when faced by a 1 base point (0.01%) change in the yield curve; and ii) the expected change in the value of the portfolio when faced by a 100 base point (1%) change in the yield curve. For purposes of this disclosure, only 1 base point changes are informed.

The values estimated based on the duration and convexity methodology are a good approximation of the values obtained using the complete or "full-valuation" methodology.

For floating rate bonds two types of sensitivities are calculated: the free risk rate and the spread sensitivity.

In the case of zero coupon bonds, the calculation of the sensitivity of non-coupon instruments as duration the maturity (expressed in years) is used.

Interest rate derivatives

Following is a brief explanation on sensitivity modeling for the Bank's interest rate derivatives.

TIIE and CETE futures: This type of derivative instruments is modeled for purposes of calculating sensitivities as the zero coupon rate future and, therefore, its duration is considered for estimating its sensitivity.

M bond futures: The sensitivity considers the duration and convexity over the bonds deliverable in connection with these contracts.

(Continued)

Interest rate swaps: For purposes of determining the sensitivity of changes in the yield curve of TIIE swaps, a 1 base point change is made in each of the relevant yield curve points, in addition to a 1 base point and one hundred base points change (in parallel), valuing the portfolio using the various curves and computing the change in the value of the portfolio with each of these changes. In this case the change in 1 base point is informed.

Stock and IPC index derivatives portfolio

Stocks: For purposes of the stock position, the sensitivity is obtained by calculating the issue delta within the portfolio. Delta is defined as the change in the portfolio's value when the underlier changes 1%.

Capitals derivatives

Currently, the Brokerage has opted for carrying out stock derivatives transactions through the IPC index futures listed on the MexDer. Their sensitivity is calculated using the Delta. This portfolio has limits, expressed in terms of notionals.

Delta is defined as the change in value of a derivative with respect to changes in the underlier. Delta risk is defined as the change in the value of the option when faced by a change of predetermined magnitude in the value of the underlier (for example 1%). It is calculated by valuing the option with different underlier levels (one original and one with a +1% shock), holding all other parameters constant.

For futures, the calculation of the sensitivity is the Delta, defined as the change of value of a derivative with respect to changes in the underlier. Furthermore, Rho is defined as the sensitivity before changes in the interest rate. In the case of futures contracts, this sensitivity may be estimated based on the available market information. The Brokerage defines Rho as the change in the portfolio's value before a change of 100 base points (parallel) in the reference interest rates.

(Continued)

In the case of non-linear products such as warrants and options, delta and the so called "Greeks" are deemed a sensitivity measures. The calculation of sensitivities is based on the valuation model of options over futures, known as Black's 1976 option pricing formula.

Delta risk is defined as the change in value of an option before a change of a predetermined magnitude in the value of the underlier (for example 1%). It is calculated by valuing the option with different underlier levels (one original and one with a +1% shock), holding all other parameters constant.

Gamma is supplementary to the delta risk and is another sensitivity measure of the value of an option with respect to the value of an underlier. Gamma measures the rate of change of the delta before a change in the level of the underlier, is analogous to the calculation of the delta, and may be interpreted analytically as the second partial derivative of the Black & Scholes function with respect to the underlier.

Rho is the sensitivity measure of an options portfolio to changes in interest rates. Mathematically speaking, Rho is the first partial derivative of the Black and Scholes function with respect to interest rates. Rho is defined as the change in value of an options portfolio before an increase of 100 base points (+1%) in interest rates. Overall, the sensitivity of an options portfolio to the interest rate is less compared with the sensitivity of the price of the underlier (delta) or of the implied volatilities (Vega).

Theta is the sensitivity measure of an options portfolio that indicates the change in the value of a portfolio with the passage of time. Theta is defined as the change in the value of a derivative product with the passage of time. Theta is calculated solely for informative purposes and for gain/loss analyses being that it does not actually represents a market risk but a concrete, predictable and quantifiable event.

Vega is the name of the sensitivity measure of the value o fan options portfolio when faced by changes in the market volatilities of the underlier. In general, a long position in options benefits from an increase in the volatility of an underlier and a short position has the opposite trend, except for certain exceptions as is the case of binary options.

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(Millions of pesos)

Dividend Risk. The valuation of options on indices or stock implies a known continuous compound rate. However, dividends are an estimate and, therefore, an unknown variable, representing a risk factor for valuation purposes and the resulting gain/loss analysis of transactions with options.

There is no Greek letter assigned to the sensitivity of dividend risk and, in the case of options on indices and stock, the measure is made by increasing the dividend rate 1% (i.e. from 1% to 1.01%).

Quantitative information on sensitivities.

Quantitative information of interest rate sensitivities

Below are the sensitivities of 1 base point as of September 30 and December 31, 2009 (unaudited information):

Sensibilidad 1pb	**September 2009**	**December 2009**
Fix rate	(0.129)	(0.130)
Revisable rate	(0.023)	(0.034)
Subtotal interest rates	(0.152)	(0.164)
Subtotal interest rates derivates	-	-
Total	(0.152)	(0.164)

At December 31, 2009, the Brokerage Firm presents a sensitivity in its interest rate portfolios of $0.164, which indicates that for each base point the interest rate decreases, the Brokerage Firm would earn a profit of $0.164. Compared with the preceding quarter, the position hasn't change

Should the sensitivity scenario of the above table materialize, the losses would directly impact the Brokerage Firm results of operations.

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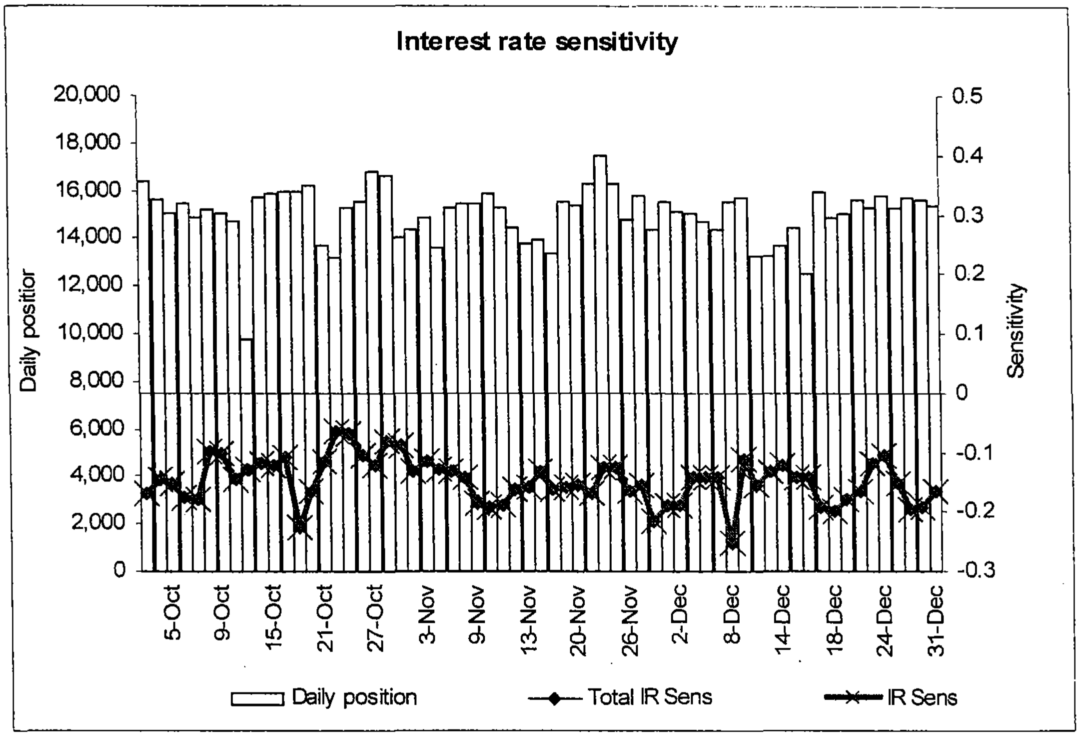
As follows is a chart showing the evolution of the sensitivity for interest rates and interest rate derivatives as the net portfolio effect, (unaudited information).



As noted in the chart, there was no significant change in the sensitivity during the quarter.

The Brokerage Firm considers only long positions in the money market; therefore, sensitivity is always negative, which means that in case of a one basis point increase, the position in the money market would loss an amount equal to the sensitivity. If the sensibility scenario of the table above occurred, losses would impact directly on the Brokerage Firm results.

In case that the scenario described in the chart won't be the losses were to the results of the Brokerage Firm.

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The chart below shows statistical data for the fourth quarter 2009 considering the one basis point change: maximum, minimum and average. On average, sensitivity was $0.148 (unaudited information).

	Average	Máximum	Limit
Interest rates	(0.148)	(0.065)	(0.253)

Sensitivities for the shares portfolio and IPC derivatives

Below are the sensitivities as of September 30 and December 31, 2009 (unaudited information):

		September 2009	December 2009
Shares	$	0.050	0.493
Forwards IPC		0.0004	–
Options Fut IPC		0.0000	–
Warrants		0.0048	0.0004
Subtotal		0.0052	–
Total	$	0.055	0.493

The trading desk continues to be focused on intraday trading. At quarter end, there was an increase in the position and, consequently, in sensitivity. Principal shares are TELINT L and NUE *.

As for the position on CPI, the strategy continues for hedging new warrants issues and arbitrage between CPI futures and capital markets.

If the sensitivity scenario shown in the table above occurred, it would impact directly on the results of the portfolio.

(Continued)

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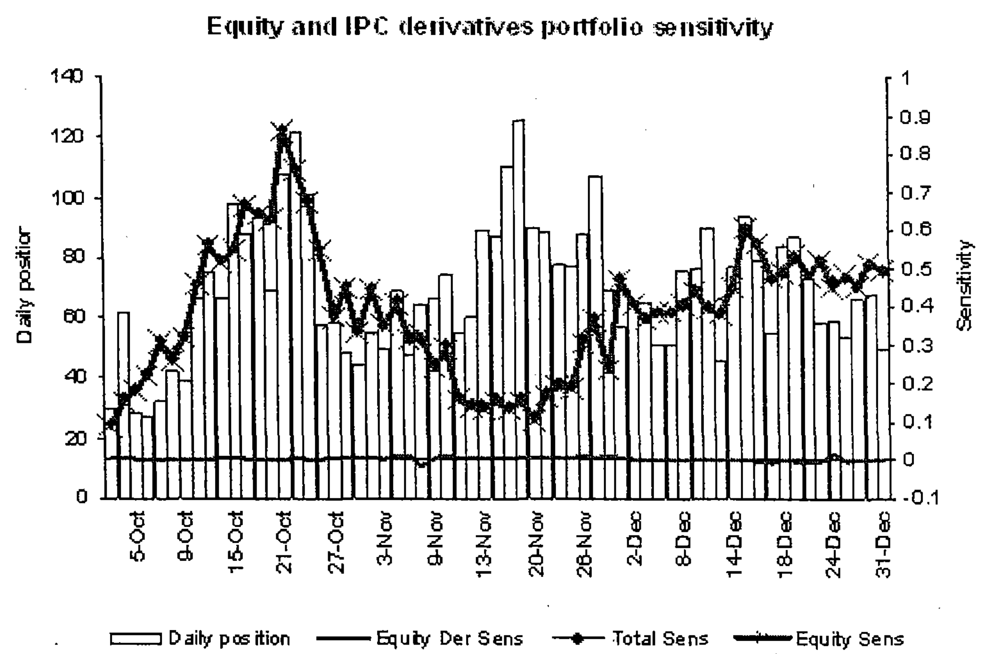
(Millions of pesos)

The chart below shows the daily sensitivity evolution of the equity portfolio. The daily position of the equity portfolio is also shown (unaudited information).



The securities portfolio of Casa de Bolsa consists of equity securities and CPI derivatives. The average for the quarter was $0.39 as shown below (unaudited information):

Sensitivities 1% delta		**Average**	**Maximum**	**Limit**
Shares	$	0.389	0.861	0.088
Derivate IPC		0.005	0.019	(0.015)
Total	$	0.394		

(Continued)

(Millions of pesos)

Sensitivity measurements for nonlinear financial instruments as of December 31, 2009 are shown in the table below (unaudited information).

Sensitivities of CPI warrants and options, "Greeks"

Greeks	Delta	Gamma	Vega	Theta	Rho	Dividend risk
Warrants	$ (48.36)	(0.28)	(0.03)	0.01	(0.12)	–
Opciones Fut IPC/ opciones OTC	22.42	0.44	0.07	(0.01)	(0.03)	–
Forwards IPC	–	–	–	–	–	–
Naftracs / shares	24.06	–	–	–	–	–
Total	$ (1.88)	0.16	0.04	–	0.15	–

The following table shows the average, maximum and minimum sensitivities of CPI warrants and options (unaudited information):

	Delta	Gamma	Theta	Rho	Vega
Limit	(54.65)	(1.99)	(0.07)	(0.48)	(0.02)
Maximun	26.37	0.81	0.08	0.26	0.06
Average	(12.53)	0.19	–	(0.06)	0.02

Treatment for market risk on available-for-sale securities – At year-end, December 2009, Casa de Bolsa's position of available-for-sale securities amounted to $236.

Available-for-sale securities are considered in the structural position of Brokerage Firm.

Sensitivities for available-for-sale and held-to-maturity securities –

At December 31, 2009, the sensitivity of investment securities classified as available-for-sale and held-to-maturity represent 1.0% of the book value.

Available for sales values	219
Sensitivities ($)	2
Sensitivities (%)	1.0%

(Continued)

For comparative purposes it shows the sensibility at september 2009, as follows:

Available for sales values	237
Sensitivities ($)	2
Sensitivities (%)	1.0%

(b) Liquidity risk-

The Brokerage Firm's liquidity risk results from its intermediation activities in the money, capital, and derivatives markets.

The liquidity risk is monitored and controlled in the aggregate by currency through cumulative liquidity gaps and minimum requirements of liquid assets.

The Capital Management Department oversees liquidity risks and currently issues a weekly report for the CAPA on liquidity gaps, which identifies the cash flows of the Brokerage Firm's own asset position and funding sources.

Management estimates the liability renewal amounts and based on such estimate it foresees that the Brokerage Firm's cash flow would be zero under normal conditions. However, the Brokerage Firm maintains liquid assets. During the last quarter of 2009 and 2008 the average of liquid assets (unaudited) was $1.5 and $1.6, respectively.

The cumulative gap indicates the Brokerage Firm's cash commitments in this period and the Liquid Assets will serve as funds for complying with its commitments in case there is no availability of other funding sources.

Liquidity gaps for investment securities -The liquidity risk of investment securities arises from the difficulty or impossibility of carrying out securities transactions resulting in unusual sale discounts.

(Continued)

(Millions of pesos)

The investment securities at the close of september and december 2009 had the maturity line as follows: (unaudited information):

Maturity (years)		Held to Maturity	Available for sale	Trading	Total for maturity period	Concentration
September						
0.5	$	-	-	1,008	1,008	81.0%
Without maturity		-	236	-	236	19.0%
	$	-	236	1,008	1,244	100.0%
December						
0.5	$	-	-	458	458	28.9%
1		-	-	345	345	21.8%
Without maturity		-	219	561	780	49.3%
	$	-	219	1,364	1,583	100.0%

At year-end December 2009, the Brokerage Firm position of available-for-sale securities amounted to $236. Available-for-sale securities are considered in the structural position of the Brokerage Firm.

(c) Credit risk-

Credit risk results from potential non-compliance by the issuer of a financial instrument or counterparty to a transaction, of any of the terms of the purchase/sale agreement or prospectus of any financial instrument.

The Brokerage Firm has implemented and adapted to Mexico's conditions, the CreditMetrics® methodology for measuring and controlling the credit risk of its various portfolio segments.

The portfolios and segments to which the Credit Risk measurement methodology applies at the Brokerage Firm are: a) Non-traditional Portfolio: Money and Derivatives Market.

(Continued)

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- This methodology allows estimating expected and unexpected losses from measures of the likelihood of occurrence of credit events (transition matrix), including the likelihood of default.

- The expected loss represents an average estimate of the impact of defaults over a 12-month period.

- The unexpected loss is a measure of dispersion from the expected loss.

- In determining the non-expected loss *("Credit VaR")* a 99.75 % confidence level and a one-year horizon are used.

- Additionally, stress testing assuming extreme conditions is performed both for the expected and the unexpected loss.

The *Creditmetrics* system is used in measuring credit risks, with criteria similar to those used by the Bank.

Average losses expected and unexpected in millions of nominal pesos for the fourth quarter of 2009 and 2008 are as follows (unaudited information):

	2009	**2008**
Exposure	67,161	81,653
Unexpected loss	72	135
Expected loss	-	1

<u>*Credit risk in investment securities –*</u> On the nex page is a summary of exposures, credit rating and concentration by risk level of investment securities at the close of September and December 2009 (unaudited information):

(Millions of pesos)

S&P		Held to Maturity	Available for sale	Trading Securities	Total for maturity period	Concentration
September						
mxAAA	$	-	-	253	253	20.3%
mxA-		-	-	238	238	19.1%
D		-	17	-	17	1.4%
Without rating		-	219	517	736	59.2%
	$	-	236	1,008	1,244	100.0%
December						
mxAAA	$	-	-	511	511	32.3%
mxA-		-	-	292	292	18.4%
D		-	17	-	17	1.1%
Without rating		-	219	544	763	48.2%
	$	-	236	1,347	1,583	100.0%

Credit risk on derivatives transactions – At September 30 and December 31, 2009, counterparty risk on transactions with derivative financial instruments is 100% with financial institutions.

(d) Operational risk-

In accordance with the general regulations applicable to Brokerage Companies as regards comprehensive risk management, which were set forth in the Fifth Section of the Third Chapter and published in the Official Gazette in September 2004, Operational Risk is a non-discretionary risk, which is defined as the potential loss arising from failures or deficiencies in internal controls, errors in transaction processing or storage or in data transmission as well as loss resulting from adverse judicial and administrative resolutions, frauds or theft. Operational Risk comprises technological risk and legal risk, among others.

For compliance with the rules on operational risk established by the aforementioned provisions, the Brokerage Firm has put in place policies and procedures enabling it to implement an appropriate operational risk management process, which are described on the next page:

(Continued)

- Policies for Operational Risk Management.- These policies primarily promote the risk management culture, particularly as to operational risk, so that the Brokerage Firm can measure, identify, monitor, limit, control and disseminate the operational risks inherent in the day-to-day activities.

- Manual for Operational Risk Data Gathering and Classification.- These policies define the requirements for reporting the information that supports the measuring processes, including the scope, functions and responsibilities of the units providing the information, as well as its classification and specific characteristics.

- Levels of Operational Risk Tolerance – aimed at having an operational loss management tool that allows each of the Brokerage House's areas to know the tolerance levels of losses applicable to each assumed loss event and encouraging improvements in the management process of Operational Risks within each area and that the latter implement, insofar as possible, the necessary actions to minimize the risk of future losses.

- Key Risk Indicators (KRI) - this process allows the Brokerage House to establish indicators from variables drawn from processes, which performance is related to the degree of risk assumed. By monitoring each indicator, trends are identified that enable managing the indicator's values over time, assuming that by controlling these values the associated risk factor is maintained within the desired levels. To this end maximum and minimum admissible values are established for each of the indicators selected, so that mitigating/corrective action is automatically initiated once these values are exceeded.

- Estimated Legal Risk Loss Model - the Brokerage House has a methodology for estimating expected and unexpected legal risk losses whereby it assesses potential loss as a result of adverse judgments in lawsuits in process. Such methodology is based on past experience of prior year losses, which data undergoes a severity and frequency of occurrence analysis to determine the likelihood of loss in relation to legal matters in process.

(Continued)

The Brokerage Firm also has a structured methodology for self-assessment of operational risks, which is applied throughout the organization and through which it identifies operational risks inherent to its processes. Its objectives are as follows:

- Evaluating the potential impact of significant operational risks identified on the Brokerage Firm's objectives, competitiveness, profitability, productivity and reputation;

- Prioritizing, based on impact and significance, action for mitigating operational risks;

- Guiding each of the Brokerage Firm's units in their operating risk management processes;

- Rely on a systematic procedure so that Brokerage Firm is aware of the operational risks to which it is exposed.

- Comply with the requirements set forth in sections I, II and III of article 142 of the General Regulations applicable to Brokerage Companies.

As a result of the management process of the Operational Risk, the Brokerage Company has identified operating risks derived from legal contingencies in the amount of $56. Should this situation occur, there would be a negative impact on the results of operations of the Brokerage Firm, which have already been fully provided for. Also, the expected loss from such contingencies is estimated in $6 and the unexpected loss in $47.

At the close of 2009, the Brokerage Firm had built a historic database of operational risk losses, which includes losses incurred for the period from January 2005 to November 2009, summarized into 3,106 loss events with a total value of $26 million nominal pesos, classified into seven risk categories, detailed below (unaudited information):

(Continued)

Database of Operational Risk Losses (thousands of pesos).

Risk Factors	2005	2006	2007	2008	2009	Total	Number	Average amount
Trading	$ 10,877	7,568	897	–	–	19,342	49	395
Regulatory (fines)	1,811	167	108	844	254	3,184	45	71
Accounting differences	421	194	–	–	–	615	1,141	1
Frauds (internal and external)	100	76	–	–	–	176	4	44
Errors in executing transactions	–	140	63	216	256	675	70	10
Unrecoverable	–	–	505	899	484	1,888	1,795	1
Phishing	–	–	4	–	–	4	1	4
Changes	–	–	–	3	–	3	1	3
Total	$ 13,209	8,145	1,577	1,962	994	25,887	3,106	8

Counterpart credit rating :

Nacional scale(Caval)	Long term	Short term	Perspective
Moody's	Aaa.mx	MX-1	Stable
Standard & Poor's	mxAAA	mxA-1+	Stable

(19) Recently issued accounting standards-

The CINIF has issued the following FRS, effective for years beginning January 1st, 2010 or 2011. As indicated:

(a) ***FRS B-5 "Segment information"***– FRS B-5 is effective as of January 1, 2011. Changes as compared to superseded Bulletin B-5 "Segment Information" include the following:

- The information to be disclosed by operating segment is that regularly used by senior management and it does not require the segmentation into primary and secondary information, nor is it to be referred to segments identified based on products or services (economic segments), geographical areas and homogeneous groups. Additionally, disclosure of information on the whole entity's products or services geographical areas and principal clients and suppliers is required.
- FRS B-5 does not require that the entity's business areas be subject to different risks to qualify as operating segments.
- FRS B-5 allows business areas in pre-operating stage to be catalogued as operating segments.

- FRS B-5 requires disclosure by segment and separately, revenue and interest expense as well as all other components of comprehensive financial results (CFR). In specific cases, the FRS B-5 permits disclosure of net interest income.

- FRS B-5 requires disclosure of the liability amounts included in the usual operating segment information normally used by senior management in making the entity's operating decisions.

The Brokerage administration estimates that this new FRS hasn't an important effect in the financial statements of the Brokerage Firm.

According to Criterion A1 "Basic scheme of the set of accounting criteria applicable to Credit Institutions", financial institutions should adhere to the provisions of criterion C-4 "Segment Information" of the General provisions applicable to credit institutions.

As a result of changes in B-5, it was homologized with criterion C-4 in that operating segment is equivalent to unit, with activities that generate revenue and expenses, which are reviewed periodically by management in order to assess performance. On the other hand, criterion C-4 is more specific in terms of the minimum segments to be considered in the case of Brokerage Firm's.

(b) ***FRS B-9 "Interim financial reporting"***- FRS B-9 is effective as of January 1, 2011. Changes as compared to superseded Bulletin B-9 "Interim financial reporting" include the following:

- FRS B-9 requires that the interim financial information includes a comparative and condensed balance sheet, income statement, statement of stockholders' equity and statement of cash flows and, for non-profit entities, it expressly requires the presentation of a statement of activities.

(Continued)

- FRS B-9 establishes that the financial information at the end of an interim period should be presented comparatively with the equivalent interim period of the immediately preceding year and, in the case of the balance sheet, compared also to such financial statement at the immediately preceding year-end date.

- FRS B-9 includes and defines new terminology.

According to criterion A-2 "Application of Specific Standards" financial institutions should adhere to FRS B-9.

In addition to FRS B-9, Title three "Of Financial Information and its Disclosure and of Valuation" of Chapter II "Disclosure of financial information, financial statements and texts to be noted in the margin" of the General Provisions Applicable to Brokerage Firm, issued by the Brokerage Commission, certain points are provided that should be considered by the financial institutions with a view to presenting interim financial statements.

(c) ***FRS C-1 "Cash and cash equivalents"***- FRS C-1 supersedes Bulletin C-1 "Cash" and is effective as of January 1, 2010. The principal changes with respect to the former standard include the following:

   - FRS C-1 requires the presentation of cash and cash equivalents, restricted, within the balance sheet caption of "Cash and cash equivalents".

   - The term "demand temporary investments" is replaced by "available demand investments".

   - To be identified as cash equivalents, the investments should be highly liquid, for example those with original maturities of three months or less when purchased.

   - FRS C-1 includes the definition of the terms: acquisition cost, restricted cash and cash equivalents, highly liquid investments, net realizable value, nominal value and fair value.

(Continued)

The Brokerage administration estimates that this new FRS hasn't an important effect in the financial statements of the Brokerage Firm.

According to criterion A1 "Basic scheme of the set of accounting criteria applicable to Credit Institutions", financial institutions should adhere to the provisions of criterion B-1 "Cash and cash equivalents" of general provisions applicable to Brokerage Firm's.