

Listing Particulars
Dated June 21, 2013

Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.

(Organized under the laws of Mexico)

US\$30,000,000

8.50% Notes due November 16, 2015 (the “Notes”)

Issued pursuant to the

Mexican Ps. 1,800,000,000

Medium Term Note Program

Series No. 1

Issue Price: 100.00 per cent. of the Aggregate Principal Amount

These Listing Particulars are prepared in conjunction with the Notes issued by Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R. (the “Issuer”) under its Medium Term Note Program. Application has been made to admit the Notes to listing on the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market and for the Irish Stock Exchange to approve the listing particulars for the Notes. However, no assurance is given that, once made, such application will be granted. These Listing Particulars comprise the listing particulars for such application. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within these Listing Particulars.

Application has been made admit the Notes to listing on the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market and for the Irish Stock Exchange to approve the listing particulars for the Notes

Arranger and Dealer



THE NOTES ISSUED UNDER THE PROGRAM HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS IN ACCORDANCE WITH RULE 144A. THE NOTES MAY ALSO BE OFFERED, SOLD AND DELIVERED TO CERTAIN NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). SEE "TRANSFER RESTRICTIONS".

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), OR THE CNBV, AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE SOLD TO MEXICAN INSTITUTIONAL AND ACCREDITED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED TO THE CNBV TO COMPLY WITH THE MEXICAN SECURITIES MARKET LAW AND FOR INFORMATIONAL PURPOSES ONLY. THE DELIVERY TO, AND THE RECEIPT BY, THE CNBV OF SUCH NOTICE DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES OR OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY. THE NOTES HAVE NOT BEEN REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE CNBV AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED TO INSTITUTIONAL AND QUALIFIED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR IS EXCLUSIVELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR WHO IS A RESIDENT OF MEXICO WILL BE MADE UNDER ITS OWN RESPONSIBILITY.

NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Listing Particulars. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in these Listing Particulars are in accordance with the facts and does not omit anything likely to affect the import of such information.

No representation or warranty is made or implied by the Dealer or any of its affiliates, and neither the Dealer nor any of its affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in these Listing Particulars.

No person has been authorised to give any information or to make representations other than those contained in these Listing Particulars in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or by the Dealer.

OFFERING CIRCULAR AND FINAL TERMS

These Listing Particulars should be read and construed in conjunction with the Offering Circular dated May 27, 2013 in respect of the Issuer's Medium Term Note Programme (the "Offering Circular") and the pricing supplement dated May 10, 2013, which sets forth the Final Terms of the Notes (the "Final Terms").

The information contained in the Offering Circular and in the Final Terms shall be deemed to be part of these Listing Particulars in its entirety save that any statement contained in the Offering Circular shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained in the Final Terms modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of these Listing Particulars. Terms used herein but not otherwise defined shall have the meanings given to them in the Offering Circular. These Listing Particulars must be read in conjunction with the Offering Circular and the Final Terms.

Investors who have not previously reviewed the information contained in the Offering Circular and the Final Terms should do so in connection with their evaluation of any securities issued by the Issuer.

RISK FACTORS

An investment in the Notes involves complex risks. Prospective investors should refer to the risk factors set forth in the section entitled "Risk Factors" (including the introductory paragraph thereto) contained on pages 17-28 (inclusive) of the Offering Circular.

GENERAL INFORMATION

No material adverse change in prospects or significant change in financial or trading position

Since December 31, 2012, there has been no significant change in the financial or trading position of the Issuer, and since December 31, 2012 there has been no material adverse change in the financial position or prospects of the Issuer which is not otherwise disclosed in this Offering Circular

Legal and arbitration proceedings

The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material during the previous 12 month period ending on the date hereof which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer. nor, so far as the Issuer is aware, are any such governmental, legal or arbitration proceedings pending or threatened.

Documents available for inspection

All documents incorporated by reference into these Listing Particulars will be available in physical copies, during normal business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the fiscal and paying agent.

PRESTACIONES FINMART, S.A.P.I. DE C.V. SOFOM, E.N.R.

Bosque de Ciruelos 160 Piso 1,
Col. Bosques de las Lomas
México D.F. 11700

DEALER AND ARRANGER

**BANCO ESPIRITO SANTO DE INVERSIÓN, S.A.,
SUCURSAL EN ESPAÑA**

Calle Serrano, N. 88
28006 Madrid, Spain

340 Madison Avenue, 12th Floor,
New York, NY 10173, U.S.A

FINANCIAL ADVISOR

CONSULTORIA XFN, S.C. ("EXECUTION FINANCE")

Paseo de los Tamarindos No. 400B Piso 22
Bosques de las Lomas
México D.F. 05120

LEGAL ADVISORS

As to U.S. Federal and New York law:

Jones Day
222 East 41st Street
New York, New York 10017
U.S.A.

As to Mexican law:

Jones Day México, S.C.
Bosque de Alisos 47B, First Floor
Col. Bosques de las Lomas
05120 México, Distrito Federal
México

INDEPENDENT AUDITORS

Galaz, Yamazaki, Ruiz Urquiza, S.C.
(Member of Deloitte Touche Tohmatsu Limited)
Paseo de la Reforma 489. Piso 6
Colonia Cuauhtémoc
06500 México, Distrito Federal
México

AGENTS

*Fiscal Agent and
New York Paying Agent*

The Bank of New York Mellon
101 Barclay Street, Floor 4E
New York, New York 10286,
U.S.A.

*Issuing Agent and
Principal Paying Agent*

**The Bank of New York Mellon,
London Branch**
One Canada Square
London E14 5AL, United Kingdom

Irish Listing Agent

**The Bank of New York Mellon
SA/NV, Dublin Branch**
Hanover Building, Windmill
Lane, Dublin 2, Ireland

PRICING SUPPLEMENT



Mexican Ps. 1,800,000,000
Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.
Medium Term Note Program

US\$30,000,000
8.50% Notes due November 16, 2015
Issue Price: 100.00%

Dealer



The date of this Pricing Supplement is May 10, 2013.

The Issuer accepts responsibility for the information contained in this document and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Pricing Supplement (“**Pricing Supplement**”) is issued to give details of a Series of Notes (the “**Notes**”) to be issued by Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R. (the “**Issuer**”), pursuant to a Mexican Ps. 1,800,000,000 Medium Term Note Program (the “**Program**”). It is supplementary to, and should be read in conjunction with, the offering circular, dated May 10, 2013, as may be amended and supplemented. The Notes are issued pursuant to an Fiscal, Issue and Paying Agency Agreement, dated May 10, 2013 (the “**Fiscal, Issue and Paying Agency Agreement**”) among the Issuer; The Bank of New York Mellon, as fiscal agent; The Bank of New York Mellon, as New York registrar and issuing agent, and The Bank of New York Mellon, London Branch, as non-U.S. registrar and issuing agent; The Bank of New York Mellon, as New York paying agent, and The Bank of New York Mellon, London Branch, as London paying agent; The Bank of New York Mellon, as New York transfer agent, and The Bank of New York Mellon, London Branch, as London transfer agent; The Bank of New York Mellon SA/NV, Dublin Branch, as listing agent; and The Bank of New York Mellon, London Branch, as foreign exchange agent. The terms and conditions of the Notes (the “**Terms and Conditions**”) will be as set out in the Notes, as supplemented and modified by this Pricing Supplement. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Terms and Conditions.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS IN ACCORDANCE WITH RULE 144A. THE NOTES MAY ALSO BE OFFERED, SOLD AND DELIVERED TO CERTAIN NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT).

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), OR THE CNBV, AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE SOLD TO MEXICAN INSTITUTIONAL AND ACCREDITED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED TO THE CNBV TO COMPLY WITH THE MEXICAN SECURITIES MARKET LAW AND FOR INFORMATIONAL PURPOSES ONLY. THE DELIVERY TO, AND THE RECEIPT BY, THE CNBV OF SUCH NOTICE DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES OR OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY. THE NOTES HAVE NOT BEEN REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE CNBV AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED TO INSTITUTIONAL AND QUALIFIED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR IS EXCLUSIVELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR WHO IS A RESIDENT OF MEXICO WILL BE MADE UNDER ITS OWN RESPONSIBILITY.

FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE REMAINDER OF THE OFFERING CIRCULAR, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS” CONTAINED IN THE OFFERING CIRCULAR.

FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated May 10, 2013.

Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.

Issue of US\$30,000,000 8.50% Notes due November 16, 2015 under the
Mexican Ps. 1,800,000,000 Medium Term Note Program

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated May 10, 2013. This Final Terms contains the final terms of the Notes and must be read in conjunction with such Offering circular.

1.	(i)	Issuer:	Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.
2.	(i)	Series Number:	1
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	U.S. Dollars
4.		Aggregate Nominal Amount:	
	(i)	Series:	US\$30,000,000
	(ii)	Tranche:	US\$30,000,000
5.	(i)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds:	Approximately US\$29,000,000
	(iv)	Use of Proceeds:	Partial debt refinancing and the remainder for general corporate purposes
6.		Specified Denominations:	US\$150,000 minimums with higher integral multiples of US\$1,000
7.	(i)	Issue Date:	May 15, 2013
	(ii)	Interest Commencement Date:	May 15, 2013
8.		Maturity Date:	November 16, 2015
9.		Interest Basis:	8.50% Fixed Rate
10.		Redemption/Payment Basis:	Redemption at par
11.		Change of Interest or Redemption/Payment Basis:	Not applicable
12.		Put/Call Options:	Not applicable
13.		Status of the Notes:	The Notes will constitute unsecured obligations of the Issuer, and will (other than in the case of obligations preferred by mandatory provisions of law including, without limitation, in the case of bankruptcy certain tax and labor claims) rank <i>pari passu</i> and equally with all other present and future unsecured and unsubordinated obligations of the Issuer.
14.		Listing:	Application has been made for the Notes to be listed on the Official List of the Irish Stock Exchange and traded on the Global Exchange Market
15.		Method of distribution:	Syndicated
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE			
16.		Fixed Rate Note Provisions	Applicable
	(i)	Rate of Interest:	8.50% per cent. per annum payable semi-annually in arrears
	(i)	Interest Record Dates:	May 1 and November 1 in each year
	(iii)	Interest Payment Dates:	May 15 and November 15 in each year, commencing November 15, 2013

(iv)	Fixed Coupon Amounts:	US\$42.50 per Note of US\$1,000
(v)	Broken Amounts:	Not applicable
(vi)	Day Count Fraction:	30/360
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not applicable
17.	Floating Rate Note Provisions	Not applicable
18.	Zero Coupon Note Provisions	Not applicable
19.	Index-Linked Interest Note Provisions	Not applicable
20.	Dual Currency Note Provisions	Not applicable
PROVISIONS RELATING TO REDEMPTION		
21.	Call Option	Not applicable
22.	Put Option	Not applicable
23.	Final Redemption Amount of each Note	US\$1,000 per Note of US\$1,000
24.	Early Redemption Amount Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	US\$1,000 per Note of US\$1,000
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
25.	Form of Notes:	The Notes will be issued in registered global form (“ Global Registered Notes ”). The Global Registered Notes will be deposited for their term with a nominee for Depository Trust Company.
26.	Other special provisions relating to Payment Dates:	Not applicable
27.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	Not applicable
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not applicable
29.	Details relating to Installment Notes: amount of each Installment, date on which each payment is to be made:	Not applicable
30.	Redenomination, renominialization and reconventioning provisions:	Not applicable
31.	Consolidation provisions:	Not applicable
32.	Other terms or special conditions:	Not applicable
DISTRIBUTION		
33.	(i) If syndicated, names of Managers:	Banco Espirito Santo De Inuestimento, S.A., Sucursal En España
	(ii) Stabilizing Manager (if any):	Banco Espirito Santo De Inuestimento, S.A., Sucursal En España
34.	If non-syndicated, name of Dealer:	Not applicable
35.	TEFRA:	Not applicable
36.	Additional selling restrictions:	The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “ Securities Act ”), or any state securities laws. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the securities act), except to qualified institutional buyers in accordance with Rule 144A

under the Securities Act. The Notes may also be offered, sold and delivered to certain non-U.S. persons (as defined in Regulation S under the Securities Act). See “Transfer Restrictions”.

OPERATIONAL INFORMATION

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| 37. | ISIN Code: | US74112XAA54 (144A) |
| | | US74112YAA38 (REGS) |
| 38. | Common Code: | 093329104 (144A) |
| | | 093329155 (REGS) |
| 39. | CUSIP: | 74112XAA5 (144A) |
| | | 74112YAA3 (REGS) |
| 40. | Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream, Luxembourg and the relevant identification number(s): | Not applicable |
| 41. | Delivery: | Delivery against payment |
| 42. | Additional Paying Agent(s) (if any): | Not applicable |

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the Mexican Ps. 1,800,000,000 Medium Term Note Program of Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.

STABILIZING

In connection with the issue of the Notes, Banco Espirito Santo De Inwestimento, S.A., Sucursal En España (the “Stabilizing Manager”) (or persons acting on behalf of any Stabilizing Manager) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail or for a limited period after the issue date. However, there is no assurance or obligation that the Stabilizing Manager (or persons acting on behalf of the Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilization action or over allotment shall be conducted in accordance with applicable law.

MATERIAL ADVERSE CHANGE STATEMENT

Since December 31, 2012, there has been no significant change in the financial or trading position of the Issuer, and since December 31, 2012 there has been no material adverse change in the financial position or prospects of the Issuer which is not otherwise disclosed in the Offering Circular.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in the Offering Circular, as read together with this Pricing Supplement.

TRANSACTIONS MADE BY THE MANAGERS

The Dealer and/or its affiliates may enter into derivative and/or structured transactions its clients, at their request, in connection with the Notes, and the Dealer and/or its affiliates may also purchase some of the Notes to hedge their risk exposure in connection with such transactions. Also, the Dealer and/or its affiliates may acquire the Notes for their own propriety accounts. Such acquisitions may have an effect on demand for and the price of the Notes.

GOVERNING LAW AND JURISDICTION

The Notes are governed by, and shall be construed in accordance with, the laws of the State of New York. Any court of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes. The Issuer has irrevocably submitted to the jurisdiction of such courts and waives any right to any other jurisdiction to which it may be entitled on account of place of residence or domicile or any other reason.

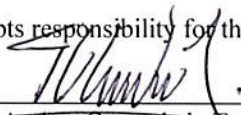
DISCLAIMER

The Issuer has appointed Banco Espirito Santo De Inwestimento, S.A., Sucursal En España as Dealer and requested the Dealer to circulate this Pricing Supplement. The Pricing Supplement includes information extracted from the Offering Circular. Neither the Issuer nor the Dealer accepts the responsibility, express or implied, to update the Offering Circular, and therefore it should not be assumed that the information contained therein is necessarily accurate, complete or up-to-date at any given time. The Pricing Supplement is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Dealer to any recipient of this Pricing Supplement to purchase any of the Notes. Each investor contemplating a purchase of the Notes is advised to make, and shall be deemed to have made, its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness, of the Issuer. This Pricing Supplement does not constitute an offer or invitation by or on behalf of the Issuer or the Dealer to any person to purchase any of the Notes.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms. Signed on behalf of the Issuer:

By:


Name: Andres Casas de la Torre
Title: Deputy CEO & CFO

PRESTACIONES FINMART, S.A.P.I. DE C.V. SOFOM, E.N.R.

Bosque de Ciruelos 160 Piso 1,
Col. Bosques de las Lomas
México D.F. 11700

DEALER

**BANCO ESPIRITO SANTO DE INVERSIÓN, S.A.,
SUCURSAL EN ESPAÑA**

Calle Serrano, N. 88
28006 Madrid
Spain

340 Madison Avenue, 12th Floor,
New York, NY 10173
USA

FINANCIAL ADVISOR

CONSULTORIA XFN, S.C. ("EXECUTION FINANCE")

Paseo de los Tamarindos No. 400B Piso 22
Bosques de las Lomas
México D.F. 05120

LEGAL ADVISORS

As to U.S. Federal and New York law:

Jones Day
222 East 41st Street
New York, New York 10017
U.S.A.

As to Mexican law:

Jones Day México, S.C.
Bosque de Alisos 47B, First Floor
Col. Bosques de las Lomas
05120 México, Distrito Federal
México

INDEPENDENT AUDITORS

Galaz, Yamazaki, Ruiz Urquiza, S.C.
(Member of Deloitte Touche Tohmatsu Limited)
Paseo de la Reforma 489. Piso 6
Colonia Cuauhtémoc
06500 México, Distrito Federal
México

AGENTS

*Fiscal Agent and
New York Paying Agent*

The Bank of New York Mellon
101 Barclay Street, Floor 4E
New York, New York 10286,
U.S.A.

*Issuing Agent and
Principal Paying Agent*

**The Bank of New York Mellon,
London Branch**
One Canada Square
London E14 5AL, United Kingdom

Irish Listing Agent

**The Bank of New York Mellon
SA/NV, Dublin Branch**
Hanover Building, Windmill
Lane, Dublin 2, Ireland

IMPORTANT NOTICE

THE OFFERING CIRCULAR (THE “OFFERING CIRCULAR”) FOLLOWING THIS PAGE IS INTENDED SOLELY FOR (i) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) UNDER RULE 144A OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND (ii) NON-U.S. PERSONS IN RELIANCE ON REGULATION S OF THE SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the Offering Circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other permitted use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION OR IN THE OFFERING CIRCULAR CONSTITUTES AN OFFER OF SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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Confirmation of your Representation: in order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be either (1) QIBs within the meaning of Rule 144A under the Securities Act or (2) non-U.S. persons (as defined in Regulation S under the Securities Act). The Offering Circular is being sent at your request, and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (1) you and any customer you represent are either (a) QIBs or (b) not U.S. persons and (2) that you consent to delivery of such Offering Circular by electronic transmission and agree to comply with the terms, conditions and restrictions provided herein.

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Mexican Ps. 1,800,000,000
Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.
Medium Term Note Program

Prestaciones Finmart, S.A.P.I de C.V., SOFOM, E.N.R. (the “**Issuer**”) may from time to time under the Medium Term Note Program (the “**Program**”) described in this Offering Circular issue Medium Term Notes (the “**Notes**”) denominated in Mexican pesos, U.S. dollars, euros or in any other currency or currencies as may be set forth in a pricing supplement to this document (each, “**Final Terms**”), subject to compliance with all applicable legal and/or regulatory requirements. The Notes will be subject to all applicable legal and/or regulatory requirements, and will be issued in a maximum principal amount outstanding at any time not exceeding Ps. 1,800,000,000 or its equivalent in other currencies, subject to any duly authorized increase.

The Notes will bear interest on a fixed or floating rate basis or be issued on a fully discounted basis and not bear interest. The Notes will be issued in bearer or registered form. Notes will be issued in series (each, a “**Series**”). Each Series may comprise one or more tranches issued on different issue dates (each, a “**Tranche**”). The Notes of each Series will be subject to identical terms, except that the issue date, the issue price and the amount of the first payment of interest may be different in respect of different tranches. Details applicable to each Series, including the maturity date thereof, will be specified in the Final Terms.

Application has been made to admit the notes offered pursuant to this Program to listing on the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market and for the Irish Stock Exchange to approve the listing particulars for the notes. This Offering Circular constitutes “Listing Particulars” for the purpose of such listing and trading.

See “**Risk Factors**” for a discussion of certain factors to be considered in connection with an investment in the Notes.

THE NOTES ISSUED UNDER THE PROGRAM HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE SECURITIES LAWS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS IN ACCORDANCE WITH RULE 144A. THE NOTES MAY ALSO BE OFFERED, SOLD AND DELIVERED TO CERTAIN NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). SEE “TRANSFER RESTRICTIONS”.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES), OR THE CNBV, AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY, OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES, IN MEXICO, EXCEPT THAT THE NOTES MAY BE SOLD TO MEXICAN INSTITUTIONAL AND ACCREDITED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH UNDER ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). AS REQUIRED UNDER THE MEXICAN SECURITIES MARKET LAW, WE WILL NOTIFY THE CNBV OF THE OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED TO THE CNBV TO COMPLY WITH THE MEXICAN SECURITIES MARKET LAW AND FOR

INFORMATIONAL PURPOSES ONLY. THE DELIVERY TO, AND THE RECEIPT BY, THE CNBV OF SUCH NOTICE DOES NOT IMPLY ANY CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES OR OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY. THE NOTES HAVE NOT BEEN REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES) MAINTAINED BY THE CNBV AND MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO, EXCEPT THAT THE NOTES MAY BE OFFERED TO INSTITUTIONAL AND QUALIFIED INVESTORS PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES). THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR IS EXCLUSIVELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV. THE ACQUISITION OF THE NOTES BY AN INVESTOR WHO IS A RESIDENT OF MEXICO WILL BE MADE UNDER ITS OWN RESPONSIBILITY.

For a description of these and certain restrictions of offers and sales of the Notes issued under the Program and distribution of this Offering Circular, see "Subscription and Sale".

Arranger and Dealer



The date of this Offering Circular is May 27, 2013.

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IMPORTANT NOTICES

The Issuer has not authorized any other person to provide you any information other than that contained in this Offering Circular. The Issuer does not take any responsibility for, and provides no assurance as to the reliability of, any other information that others may give you. You should assume that the information appearing in this Offering Circular is accurate as of the date on the front cover of this Offering Circular only. The Issuer's business, results of operations or financial condition may have changed since that date. Neither the delivery of this Offering Circular nor any sale made hereunder will under any circumstances imply that the information herein is correct as of any date subsequent to the date on the front cover of this Offering Circular.

The Issuer accepts responsibility for the information contained in this document and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of the Notes, should be read and construed together with the relevant Final Terms.

The Issuer has confirmed to the Dealer named under "Subscription and Sale" below that this Offering Circular (including, for this purpose, each relevant Final Terms) contains all information which is (in the context of the Program, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Program, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

No person has been authorized to give any information or to make any representation not contained in or not consistent with this or any other document entered into in relation to the Program or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorized by the Issuer or any Dealer.

No representation or warranty is made or implied by the Dealer or any of their respective affiliates, and neither the Dealer nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular or any Final Terms comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Circular or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale."

Neither this Offering Circular nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealer or any of them that any recipient of this Offering Circular or any Final Terms should subscribe for or purchase any Notes. Each

recipient of this Offering Circular or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Program will not exceed Ps. 1,8000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Mexican pesos at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as defined under “Subscription and Sale”). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Program may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

In this Offering Circular, unless otherwise specified, references to “Crediamigo”, “Issuer”, “we”, “our” or “us” mean Prestaciones Finmart, S.A.P.I de C.V. SOFOM, E.N.R.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421B WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF THE STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Offering Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of a placement contemplated in this Offering Circular as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such

prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The summary of the Program included under “Summary” must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State solely on the basis of such summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to the information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN MEXICO

The Notes have not been and will not be registered with the National Securities Registry maintained by the CNBV, and may not be offered or sold publicly, or otherwise be the subject of brokerage activities, in Mexico, except pursuant to a private placement exemption set forth under Article 8 of LMV. As required under the LMV, we will notify the CNBV of the issuance of the Notes including the principal characteristics of the Notes and the offering of the Notes outside of Mexico. Such notice will be delivered to the CNBV to comply with a legal requirement and for information purposes only, and the delivery to and the receipt by the CNBV of such notice, does not constitute or imply any certification as to the investment quality of the Notes, our solvency, liquidity or credit quality or the accuracy or completeness of the information provided in this Offering Circular. The information contained in this Offering Circular is exclusively the responsibility of the Issuer and has not been reviewed or authorized by the CNBV. In making an investment decision, all investors, including any Mexican investors who may acquire Notes from time to time, must rely on their own review and examination of the Issuer.

SUPPLEMENTARY OFFERING CIRCULAR

The Issuer has undertaken, in connection with the listing of the Notes on the Irish Stock Exchange, that if there shall occur any adverse change in the business or financial position of the Issuer or any change in the information set out under “Terms and Conditions of the Notes”, that is material in the context of issuance under the Program, the Issuer will prepare or procure the preparation of an amendment or supplement to this Offering Circular or, as the case may be, publish a new offering circular, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Official List of the Irish Stock Exchange and traded on the Global Exchange Market.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are a corporation organized under the laws of Mexico. Substantially all of our directors and executive officers named in this Offering Circular reside outside the United States. All or a substantial portion of our assets are located, and a majority of our revenues are derived from sources, outside the United States. As a result, it may not be possible for investors to effect service of process outside Mexico upon us or upon our directors or executive officers, or to enforce against such parties judgments of courts located outside Mexico predicated upon civil liabilities under the laws of jurisdictions other than Mexico, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or other laws of the United States. We have appointed Puglisi & Associates, Wilmington, Delaware, as our agent to receive service of process with respect to any action brought against us in any federal or state court in the State of New York arising from the offering and issuance of the Notes.

We have been advised by Jones Day México, S.C., our special Mexican counsel, that no treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country. Generally, Mexican courts would enforce final judgments rendered in the United States if certain requirements were met, including the review in Mexico of the U.S. judgment to ascertain compliance with certain basic principles of due process and the non-violation of Mexican law or public policy, provided that U.S. courts would grant reciprocal treatment to Mexican judgments. Additionally, we have been advised by Jones Day México, S.C. that there is doubt as to the enforceability in Mexican courts, in original actions in Mexican courts or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of liabilities predicated, in whole or in part, on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

In the event that proceedings are brought in Mexico seeking to enforce our obligations under the Notes, we would not be required to discharge such obligations in a currency other than the Peso. Pursuant to Mexican law, an obligation in a currency other than the Peso, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payment is made. Such rate of exchange is currently determined by Banco de México (the Bank of Mexico, Mexico's central bank), every business day in Mexico and published the following business banking day in the Official Gazette of Mexico (*Diario Oficial de la Federación*).

Under Mexico's Reorganization Proceeding Law (*Ley de Concursos Mercantiles*), if we were declared bankrupt (*quiebra*) or became subject to a reorganization proceeding (*concurso mercantil*), payment obligations under our outstanding debt (i) would be converted to Pesos at the exchange rate prevailing at the time of such declaration and subsequently converted into UDIs (*Unidades de Inversión*) which are inflation-pegged units adjusted by, and in accordance with the calculations of, the Mexican Central Bank (*Banco de Mexico*) and would not be adjusted to take into account any devaluation of the peso relative to the U.S. dollar or other currencies occurring after such conversion, (ii) would cease accruing interest from the date the concurso mercantil is declared, (iii) would be paid at the time claims of creditors are satisfied, to the extent funds are sufficient (iv) would be dependent upon the outcome of, and priorities recognized in, the relevant insolvency proceedings, and (v) would be subject to certain statutory preferences, including tax, social security and labor claims.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

This Offering Circular includes our audited financial statements as of December 31, 2010, 2011 and 2012 and for the years then ended, together with the notes thereto (collectively, the "Financial Statements"). The Financial Statements have been prepared in accordance with the generally accepted accounting principles valid in Mexico ("Mexican GAAP").

Mexican GAAP differs in certain respects from International Financial Reporting Standards ("IFRS"). For a summary of certain differences between Mexican GAAP and IFRS, as they relate to the Financial Statements, see Annex A to this Offering Circular. Such differences might be material to the financial information contained in this Offering Circular. We have made no attempt to identify or quantify the impact of those differences. In making an

investment decision, investors must rely upon their own examination of the Issuer, this Offering Circular and the financial information contained herein. Potential investors should consult their own professional advisors for an understanding of the differences between Mexican GAAP and IFRS, and how those differences might affect the financial information contained herein.

Currency Information

Unless otherwise specified, references to “\$,” “U.S. \$,” “U.S. dollars” and “dollars” are to the lawful currency of the United States. References to “Ps.” and “pesos” are to the lawful currency of Mexico.

This Offering Circular contains translations of various peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. These convenience translations should not be construed as representations that the peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the specified rate or at all. Unless otherwise indicated, the dollar translations provided in this Offering Circular are calculated using an exchange rate of Ps. 12.9635 per U.S. dollar, the noon buying rate on December 31, 2012 in New York City for cable transfers in foreign currencies as certified for customer purposes by the Federal Reserve Board, which rate we refer to as the Noon Buying Rate. As of March 22, 2013, the Noon Buying Rate was Ps. 12.3714 per U.S. dollar.

Rounding

We have made rounding adjustments to certain numbers presented in this Offering Circular. As a result, numerical figures presented as totals may not always be the exact arithmetic results of their components, as presented.

Industry and market data

Market data and other statistical information (other than in respect of our financial results and performance) used throughout this Offering Circular are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on our estimates, which are derived from our review of internal surveys, as well as independent sources. Industry publications, surveys and forecasts may state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although we have not independently verified industry and market data from third-party sources, we believe all third-party information has been accurately reproduced and that as far as we are aware and are able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, while we believe internal company estimates are reliable and market definitions are appropriate, they have not been verified by any independent sources. Although we are not aware of any misstatements regarding the industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “Risk Factors” in this Offering Circular.

SUMMARY

This summary highlights certain information concerning our business and the Program. However, it may not contain all of the information that is important to you. You should read carefully the entire Offering Circular, including the Financial Statements and related notes and other financial data appearing elsewhere herein, before making an investment decision.

Our business

We are a leading provider of loans made to employees of Mexican government agencies. These loans are secured by payroll deductions, and we refer to them as “payroll loans.” The employees of federal, state and municipal government entities, as well as unionized employees, often have limited access to financing from banks and other traditional Mexican loan providers, as well as limited credit histories, despite their stable employment status due to low turnover rates at government agencies. Our payroll loans are payable in installments, which are deducted from each borrower’s payroll wages by his or her government agency employer, pursuant to the borrower’s instructions to such employer. Consequently, the employer makes loan payments directly to us, before the remaining payroll wages are paid to the employee. All of our loans are granted to borrowers domiciled in Mexico and are denominated in pesos.

We negotiate collaboration agreements with government agencies, which enable us to offer our payroll loans to their employees. Once a collaboration agreement has been executed with a government agency, we originate and underwrite each loan on an individual basis. We use differentiated proprietary brands as distribution channels to serve our customers. Applications for loans are completed either on the field, in our branch offices, on the government entity’s premises or through our call center unit, and are submitted electronically to our centralized underwriting unit for approval.

As of December 31, 2012, we had approximately 80,000 loans outstanding and a Ps. 1,280.6 million total loan portfolio, with a past due ratio of 4.4%. From December 31, 2010 to December 31, 2012, our total loan portfolio grew by Ps. 559.9 million, or 77.7%. For the year ended December 31, 2012, we had total interest income of Ps. 568.2 million, and net income of Ps. 72.9 million. As of December 31, 2012, we had total assets of Ps. 1,815.1 million.

Competitive strengths

We believe that the following key strengths position us well to compete in the Mexican consumer loan market:

- *Relationships with federal, state and municipal government agencies through an extensive network of executed collaboration agreements.* We seek to ensure a close relationship with the senior members of the government agencies, especially with those whose employees are our borrowers. Our collaboration agreements with government agencies include an obligation for the agencies to make periodic deductions from their borrowing employees’ paychecks in an amount equal to the fixed installment payments due to us under the loans. Notwithstanding changes in administrations and political parties in charge of such administrations, we have managed to maintain stable relationships with these government entities, which permit us to continue to generate loans to their employees. We have executed more than 180 collaboration agreements since our inception.
- *Recognized brand names (“Crediamigo” and “Finapoyo”).* Extensive marketing to our target customers through numerous campaigns and promotions has resulted in a highly recognized and trusted brand name in our market. We believe potential borrowers recognize the prevalence of Crediamigo and Finapoyo throughout Mexico and the prestige of our brands.

- *Our specialized sales force.* Members of our dedicated sales force are physically present in each one of the agencies with which we have ongoing collaboration agreements and in our branch offices, in order to achieve direct contact with our potential customers. They are responsible for assessing the potential customers' needs, gathering the required loan documentation and helping the potential customers with the completion of the loan documentation. Although we source a limited amount of business through third-party brokers, we believe our specialized sales force, which has generated approximately 81% of our loans as of December 31, 2012, provides us with exceptional access to government agencies.
- *Superior underwriting processes and ability to fund quickly.* We lend to government employees, who, based on our internal analysis, are historically a stable employment group with very low historic turnover. Assuming the employee remains employed, the payroll deduction mechanism provides nearly complete assurance that the borrower will continue to make payments on the loan. In addition, because we have access to the employee's payroll information, we can confirm the applicant's employment status and timing for retirement, as well as the appropriate size of the loan to grant, based on the applicant's verified income and corresponding ability to make full payment. Further, we believe that one of our key competitive advantages is the speed with which we are able to grant loans to our customers, where appropriate. Our loan approval procedures allow for funding within 24 to 48 hours, and we have initiated an electronic platform through which many loans are approved in less than one hour.
- *Advanced servicing and collection processes.* We service 100% of the loans that we own through our centralized servicing unit. Since we collect through entities that deduct payments directly from a borrower's paycheck, we are able to perform a detailed analysis of the payments received, allowing us to immediately detect any delinquency or omission in order to start the collection process directly with the borrowers. Our servicing and collections processes are more efficient than traditional processes, and allow us to bypass the difficulties associated with collecting from individuals, such as locating borrowers or contacting borrowers who lack phone service or reliable mail service.
- *Our strong and active majority shareholder.* On January 30, 2012, Change Capital International Holdings B.V., a 100% owned subsidiary of EZCORP, Inc. ("EZCORP"), a U.S. company whose shares are listed on The NASDAQ Stock Exchange (NASDAQ: EZPW), acquired a 60% interest in Crediamigo from our founding shareholders. EZCORP is a leading provider of specialized financial services, with a significant international presence. Through its active participation, we have accelerated our profitability, substantially reduced our funding costs and improved our corporate governance and reporting tools.
- *Experienced Management.* Our executive team consists of experienced professionals who have significant experience in different segments of the Mexican and U.S. financial sectors, and whose knowledge, experience and support have proven to be significant competitive advantages.

Business strategy

Our main objective is to diversify the product portfolio and continue the growth achieved during the preceding years. The payroll loan market remains a relatively small part of the Mexican economy. We estimate that a large percentage of the Mexican population does not have access to traditional borrowing sources, such as banks and credit cards. We further estimate that there are approximately 7,000,000 individuals who work with government agencies in Mexico that have entered, or have potential to enter, into collaboration agreements relating to our payroll loans. We therefore believe that there are substantial growth opportunities for non-traditional financial institutions in Mexico, in light of the large portion of the population that remains underserved by banks and other traditional credit providers. We believe we are well-positioned to take advantage of this expected growth. As part of our ongoing growth strategy, we intend to strengthen our presence in markets in which we already operate and continue the expansion of our payroll loan business across Mexico. We also intend to continue to improve our operational

efficiency by reducing our operating costs while maintaining high levels of market share and customer satisfaction. The following are key elements of our strategy:

- *Enter into additional collaboration agreements with government agencies.* We are continually focused on negotiating and entering into new collaboration agreements with government agencies, whose employees will continue to be our source of new payroll loans. Although we expect that our primary source of new collaboration agreements will be direct contact with government agencies, we also will consider strategic mergers and acquisitions of other payroll loan lenders in situations where we identify complementary networks of government agencies.
- *Pursue additional loan business with existing customers and under our current collaboration agreements and use our Call Center as an additional origination channel.* We recognize that our current borrowers can be an important source of new business. For example, we frequently offer borrowers the opportunity to extend their loans or to take additional loans. The underwriting process for our existing borrowers is usually faster and more straightforward than for new customers, and our expenses of generating this business is generally lower. In addition, many employees of the government agencies with which we have executed collaboration agreements have not borrowed money from us, and these employees represent potential additional business for us. Further, we intend to use our Call Center, which accepts inbound calls from potential borrowers and also offers existing customers the opportunity to extend their loans or to make additional borrowings, as an additional origination channel.
- *Develop new products for retirees.* We intend to offer new loan products focused on retired government employees who have achieved a minimum age and period of government service. The new loan products will be similar to our traditional loan products but will include specific characteristics and benefits targeted at retirees.
- *Pursue technological innovations.* We are focusing on developing technology to make it easier for our borrowers and government agencies to work with Crediamigo. For example, we recently introduced a mobile application that enables borrowers to submit loan applications electronically. This application reduces the time for borrowers to complete our applications, and because the information is delivered electronically, the processing time for these applications can be less than one hour.
- *Preserve diversified sources of funding and strong capital base.* . We intend to grow our business while maintaining a strong capital base. Accordingly, we will continue to seek an optimal capital structure by obtaining financing from the capital markets and from private banks (both secured and unsecured sources of financing). As of December 31, 2012, 2011 and 2010, our ratio of total debt to shareholders' equity was 3.6x, 11.67x and 3.88x, respectively. We recently completed a securitization of our payroll loans that provided us with capital to pursue additional loans. We believe this strategy of financing new business through securitization of existing business will be an effective way for us to continue to grow in an organic and responsible manner. As of December 31, 2012, the average maturity of our indebtedness was 2.9 years, and this offering will further extend the average maturity.

Our controlling shareholder

On January 30, 2012, EZCORP acquired a 60% interest in Crediamigo from our founding shareholders. The sellers have a put option with respect to their remaining shares of Crediamigo. Each seller has the right to sell their Crediamigo shares to EZCORP, through its 100% owned subsidiary, during the exercise period commencing on January 30, 2014 and ending on January 30, 2017, with no more than 50% of the seller's shares being sold within a consecutive twelve-month period.

History and corporate offices

Our company was formed on July 9, 2003 as a variable capital corporation (*sociedad anónima de capital variable*) under Mexican law and we began operations by providing payroll loans to purchasers of electronic appliances. During 2005, we began granting loans in cash. In 2009, we became a non-regulated multiple purpose financial entity (*Sociedad Financiera de Objeto Múltiple, Entidad No Regulada*).

Our corporate offices are located at Bosque de Ciruelos 160 Piso 1, Col. Bosques de las Lomas, México D.F. 11700 and our telephone number is +52 (55) 5950 2370. Our website address is www.crediamigo.com.mx. The information on our website is not a part of, and is not incorporated by reference into, this Offering Circular.

SUMMARY OF THE PROGRAM

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in “Form of the Notes” or “Terms and Conditions of the Notes” below shall have the same meanings in this summary.

Issuer:	Prestaciones Finmart, S.A.P.I de C.V., SOFOM, E.N.R.
Arranger:.....	Banco Espíritu Santo de Inversión, S.A., Sucursal en España.
Dealer:	Banco Espíritu Santo de Inversión, S.A., Sucursal en España.
Financial Advisor	Consultoría XFN, S.C. (“Execution Finance”)
Issuing Agent.....	The Bank of New York Mellon, London Branch
London Registrar, London Transfer Agent and Principal Paying Agent .	The Bank of New York Mellon, London Branch
New York Transfer Agent, New York Registrar and New York Paying Agent	The Bank of New York Mellon
Fiscal Agent.....	The Bank of New York Mellon
Irish Listing Agent:.....	The Bank of New York Mellon SA/NV, Dublin Branch
Listing:.....	Irish Stock Exchange
Program Amount:	Up to Mexican Ps. 1,800,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date, the issue price and the amount of the first payment of interest may be different in respect of different Tranches.
Final Terms:.....	Each Tranche will be subject to the Final Terms which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Final Terms.
Form of Notes:	Notes in bearer form will be issued in accordance with the provisions of United States Treasury Regulation § 1.163- Regulation § 1.163-5(c)(2)(i)(C) (“TEFRA C”) as will be stated in the relevant Final Terms. Subject to certain exceptions, Notes issued in bearer form may not be offered, sold or delivered within the United States or to or for the account of United States persons.
	In respect of each Tranche of Notes issued in bearer form, the Issuer will deliver a temporary global Note or a permanent global Note which will be deposited with a common depository for the relevant clearing systems. Interests in any permanent global Note issued in accordance with TEFRA C will be exchangeable for Notes in definitive bearer form only in the circumstances specified in the permanent global Note, at any

time and without any requirement for certification, in accordance with its terms and as specified in the relevant Final Terms. Interests in any temporary global Note issued in accordance with TEFRA D will be exchangeable for interests in a permanent global Note or Notes in definitive bearer form, only in the limited circumstances specified in the temporary global Note, upon certification as to non-U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury regulations, in accordance with its terms and as specified in the relevant Final Terms. Interests in any permanent global Bearer Note will be exchangeable for Notes in definitive bearer form only in the circumstances specified in the permanent global Bearer Note, in accordance with its terms and as specified in the relevant Final Terms.

In respect of each Tranche of Notes issued in registered form only, the Issuer will deliver an unrestricted global registered Note and a restricted global registered Note which will be deposited with a custodian for, and registered in the name of a nominee of, the relevant clearing systems. Interests in any unrestricted global registered Note will be exchangeable for interests in a restricted global registered Note or Notes in definitive registered form, only in the circumstances specified in the unrestricted global registered Note, and interests in any restricted global registered Note will be exchangeable for interests in an unrestricted global registered Note or Notes in definitive registered form, only in the circumstances specified in the restricted global registered Note, in accordance with their terms and as specified in the relevant Final Terms.

Interests in each temporary global Note and permanent global Note and any Notes in definitive bearer form will be exchangeable for interests in a global registered Note or, as the case may be, Notes in definitive registered form, only in the circumstances specified in such Notes, in accordance with their terms and as specified in the relevant Final Terms. Notes in registered form will not be exchangeable for Notes in bearer form.

For a more detailed description of the form of Notes and of certain restrictions on the exchange of Notes, see “Form of the Notes”. For a description of certain restrictions on the transfer of registered Notes originally sold in accordance with Rule 144A, see “Transfer Restrictions”.

Notes in definitive bearer form will, if interest-bearing, have interest coupons (“Coupons”) and, if applicable, a talon for further Coupons attached. Notes in definitive bearer form or in definitive registered form will, if the principal thereof is repayable by installments, have a grid for recording the payment of principal endorsed thereon. Definitive Notes can generally only be issued (a) if either Euroclear, Clearstream, Luxembourg or any other clearing system by which the Notes have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently or (b) if the Issuer or any Paying Agent, by reason of any change in, or amendment to, the laws or regulations of Mexico or any political subdivision or authority thereof or therein having power to tax, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

Currencies:.....

Notes may be denominated in Mexican pesos, U.S. dollars, euro or any other currency or currencies as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Although payments of interest and principal on Notes may be determined in one currency, such amounts may be converted by the Foreign Exchange Agent into another currency based on the applicable foreign exchange settlement rate. Specifically, it is anticipated (except as provided below) that although payments of interest and principal on Notes may be determined in pesos, such peso amounts will be converted by the Foreign Exchange Agent into U.S. dollars based on the applicable FX Settlement Rate, unless a Noteholder elects to be paid in pesos by providing notices as described below. Such conversion shall take place two Mexican FX Days prior to the payment date, and the Foreign Exchange Agent shall convert such amounts into U.S. dollars for payment to all recipients of payments in U.S. dollars on such second Mexican FX Day prior to the payment date. The holders of beneficial interests in the Notes should be aware that the FX Settlement Rate may not be the best exchange rate then available to investors.

“Foreign Exchange Agent” means The Bank of New York Mellon London Branch or such other institution as may be appointed by the Issuer in respect of any Series.

“FX Settlement Rate” means, as of any time of determination, the peso/U.S. dollar exchange rate as quoted by the Foreign Exchange Agent for similar client- driven orders.

“FX Rate Calculation Date” means the second Mexican FX Day immediately preceding a payment date. Notwithstanding the preceding sentence, if the FX Rate Calculation Date is not a business day, then the FX Rate Calculation Date will be the third preceding Mexican FX Day (namely, prior to such third preceding Mexican FX Day) that is a business day.

“Mexican FX Day” means each Monday, Tuesday, Wednesday, Thursday and Friday that is (i) not a day on which banking institutions or foreign exchange markets in Mexico City are generally authorized or obligated by law, regulation or executive order to close and (ii) a day on which banking institutions and foreign exchange markets in Mexico City are open for business with the general public.

Noteholder Election for Payment in Pesos:.....

Noteholders who hold beneficial interests in a Global Note through accounts with DTC, Clearstream, Luxembourg or Euroclear may elect to receive payment of principal, interest, additional amounts and any other amounts due in respect of the Notes in pesos. A Noteholder who wishes to elect to receive a particular payment in pesos must notify the relevant clearing system no later than two (2) days after the applicable Record Date (and not earlier than the applicable Record Date). Noteholders who wish to receive payments in pesos must deliver a separate notice of any such election with respect to each Payment Date. Noteholders who own beneficial interests in the Notes through accounts with Clearstream, Luxembourg or Euroclear must arrange to have such notice given on their behalf.

Status of the Notes:.....	Notes may be issued on an unsubordinated or subordinated basis as specified in the relevant Final Terms.
Issue Price:.....	Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms.
Maturities:.....	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory requirements. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer. No Notes may be issued which (a) have a minimum denomination of less than Euro 100,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory requirements.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more installments on such dates and in such manner as may be specified in the relevant Final Terms.
Optional Redemption:.....	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	The Issuer may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of their principal amount, plus any Additional Amounts then due, if any, and any accrued and unpaid interest to the date of redemption, upon the occurrence of one of the specified events relating to Mexican tax law that result in higher withholding taxes in respect of interest payments. See “Terms and Conditions of the Notes—Condition 10(b) (Optional Redemption for Changes in Withholding Taxes)”.
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:.....	Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal

	and/or regulatory requirements.
Cross Default:	Unless otherwise specified in the relevant Final Terms, the Notes will have the benefit of a cross default as described in “Terms and Conditions of the Notes— Condition 13 (Events of Default)”.
Additional Amounts:	Payments of interest on the Notes (and of amounts deemed interest, as any discount on the principal amount of the Notes) to investors that are non-residents of Mexico for tax purposes will generally be subject to Mexican withholding taxes at a rate of 4.9%. Subject to certain specified exceptions, the Issuer will pay such additional amounts as may be required so that the net amount received by the holders of the Notes in respect of principal, interest or other payments on the Notes, after any such withholding or deduction, will not be less than the amount each holder of Notes would have received if such withholding or deduction had not applied. See “Terms and Conditions of the Notes—Condition 12 (Additional Amounts).”
Certain Covenants:	<p>In addition, the covenants governing the Notes will limit the Issuer’s ability and the ability of any of the Issuer’s subsidiaries to:</p> <ul style="list-style-type: none"> • incur additional indebtedness; • pay dividends or redeem capital stock; • make restricted payments; • consolidate or merge with, or transfer all or substantially all of the Issuer’s assets to, another person; • enter into certain transactions with shareholders and affiliates; • secure the Issuer’s indebtedness and the indebtedness of the Issuer’s subsidiaries; • guarantee debts; and • sell assets. <p>These covenants are subject to a number of important exceptions and qualifications. See “Terms and Conditions of the Notes—Condition 23 (Certain Covenants)”.</p>
Governing Law:	Laws of the State of New York
Transfer and Selling Restrictions: ..	For a description of certain restrictions on offers, sales and deliveries of the Notes and on the distribution of offering material in the United States of America, the United Kingdom, the European Economic Area and Japan, see “Subscription and Sale” and “Transfer Restrictions” below. Further restrictions may be required in connection with any particular Tranche of Notes and will be specified in the documentation relating to such Tranche.
Risk factors:	An investment in the Notes involves risks. See “Risk Factors” for a discussion of certain risks that you should consider in connection with an investment in the Notes.

SUMMARY FINANCIAL DATA

The following table presents summary financial data for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited annual financial statements and the notes thereto included elsewhere in this Offering Circular and the information under the sections entitled “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our financial statements are prepared in accordance with Mexican GAAP, which differ in certain respects from IFRS as they relate to us.

The summary financial data is derived from our financial statements included elsewhere in this Offering Circular.

The U.S. dollar amounts provided below are conversions from the peso amounts, solely for the convenience of the reader. The U.S. dollar amounts for the year ended December 31, 2012 have been converted using the Exchange Rate of Ps. 12.9635 to US\$1.00. See “Presentation of Financial and Other Information” and “Exchange Rates” for information regarding the rates of exchange between the peso and the U.S. dollar for the periods specified therein. These conversions should not be construed as representations that the peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated or at any other rate.

	Year ended December 31,			
	2010	2011	2012	2012
	(Ps.)	(Ps.)	(Ps.)	(US\$)
	<i>(in pesos and dollars)</i>			
Statement of Operations Data				
Total interest income.....	334,365,782	485,025,869	568,151,210	43,826,992
Interest expense.....	(153,376,941)	(284,191,289)	(281,731,013)	(21,732,635)
Financial Margin	180,988,841	200,834,580	286,420,197	22,094,357
Portfolio recovery	-	-	11,136,097	859,035
Allowance for loan losses	(16,517,101)	(102,647,710)	(13,741,917)	(1,060,047)
Financial Margin Adjusted for Credit Risks	164,471,740	98,186,870	283,814,377	21,893,345
Administrative expenses	(133,611,111)	(187,761,349)	(195,682,954)	(15,094,917)
Other proceeds (expenses), net	2,061,565	(9,027,931)	9,788,670	755,095
Income (loss) before income taxes	32,922,194	(98,602,410)	97,920,093	7,553,523
Income Taxes	(6,999,321)	8,631,073	(25,055,137)	(1,932,745)
Net Result	25,922,873	(89,971,337)	72,864,956	5,620,778

	As of December 31,			
	2010 (Ps.)	2011 (Ps.)	2012 (Ps.)	2012 (US\$)
Balance Sheet Data				
Assets				
Cash and Cash Equivalent	88,473,231	108,977,238	147,811,156	11,402,103
Total Credit Portfolio				
Current credit portfolio	708,946,825	1,045,424,960	1,223,700,088	94,395,810
Overdue credit portfolio	11,724,633	19,217,325	56,875,689	4,387,371
Less: Allowance for loan losses	(11,838,719)	(69,908,697)	(64,701,102)	(4,991,021)
Other accounts receivable	38,051,309	9,070,540	3,510,986	270,836
Accounts receivable from entities	-	132,697,113	196,864,598	15,186,068
Recoverable taxes, net	18,720,112	9,742,776	9,705,645	748,690
Furniture and fixtures, net	4,916,461	3,776,815	5,830,757	449,783
Other Assets	138,990,542	188,984,770	235,547,808	18,170,078
Total Assets	<u>997,984,394</u>	<u>1,447,982,840</u>	<u>1,815,145,625</u>	<u>140,019,719</u>
Liabilities				
Loans with banks and other entities	679,746,943	1,133,671,363	1,109,436,600	85,581,564
Loans with related parties	86,134,548	158,968,770	262,045,951	20,214,136
Other accounts payable	14,736,127	20,427,688	26,460,841	2,041,180
Prepaid commissions	12,953,996	26,104,619	25,487,923	1,966,130
Deferred income taxes	10,855,342	2,224,269	14,192,815	1,094,829
Total Liabilities	<u>804,426,956</u>	<u>1,341,396,709</u>	<u>1,437,624,130</u>	<u>110,897,839</u>
Stockholders' Equity				
Contributed capital	155,754,773	158,754,803	387,360,592	29,880,865
Earned capital	37,802,665	(52,168,672)	(9,839,097)	(758,985)
Total Stockholders' Equity	<u>193,557,438</u>	<u>106,586,131</u>	<u>377,521,495</u>	<u>29,121,880</u>
Total Liabilities and Stockholders' Equity	<u>997,984,394</u>	<u>1,447,982,840</u>	<u>1,815,145,625</u>	<u>140,019,719</u>

RISK FACTORS

Investing in the Notes involves risk. You should carefully consider the risks and uncertainties described below and the other information contained in this Offering Circular, including our Financial Statements and the notes thereto, before making an investment in the Notes. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. In general, investing in the securities of issuers in emerging market countries such as Mexico involves certain risks not typically associated with investing in the securities of issuers in the United States. The risks described below are intended to highlight risks that are specific to us, but these are not the only risks that we face. Additional risks and uncertainties, including those generally affecting the industries in which we operate, the countries where we have a presence or risks that we currently deem immaterial may also impair our business, the value of your investment in the notes and our ability to pay interest on, and repay or refinance, the notes.

The information in this Offering Circular includes forward-looking statements which involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of numerous factors including those described in this section, under the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Offering Circular. Please see the section entitled “Forward-Looking Statements.”

Risks relating to our business

Our business, financial condition and results of operations have been, and may continue to be, adversely affected by U.S. and international financial market and economic conditions.

The global economy has recently experienced a period of slowdown and unprecedented volatility and has been adversely affected by a significant lack of liquidity, loss of confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment and erosion of consumer confidence. The global economic slowdown in general, and the U.S. and European economic slowdown in particular have had, and may continue to have, a negative impact on the Mexican economy as well as on our business, financial condition and results of operations. In particular, a contraction in the credit markets may affect our ability to fund our operations. In addition, a decline in interest rates for our products and an increase in our cost of funding could have a negative effect on our financial margins. Furthermore, the Mexican financial market is exposed to a certain extent to the ongoing social and political crisis in North Africa and the Middle East which may result in increasing energy prices and volatility in the foreign currency exchange market which could negatively impact our results. A worsening of these conditions would likely exacerbate the adverse effects of these difficult market conditions on us and others in the markets in which we operate. In particular, we may face, among others, the following risks in connection with these events:

- The worsening of global economic conditions and continued disruptions in the credit markets could lead to increased government regulation of our industry. Compliance with such regulation may increase our costs, limit the interest rates we may charge and limit our ability to implement our business strategies.
- The process we use to estimate losses inherent in our credit exposure requires subjective and complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of our borrowers to repay their loans. The level of uncertainty concerning economic conditions may adversely affect the accuracy of our estimates which may, in turn, impact the reliability of such process.

The occurrence of any of these events may materially and adversely affect our business, financial condition and results of operations.

Changes in economic conditions could materially and adversely affect consumer demand and thus demand for our loan products.

Demand for the loan products we offer depends on economic conditions, including growth rates, inflation, unemployment, the cost of energy and other necessities, the availability of consumer credit, interest rates, consumer confidence, debt levels, retail trends and foreign currency exchange rates. These economic conditions are beyond our control. If economic conditions worsen, demand for consumer goods will likely decline. A decline in demand for consumer goods would likely reduce demand for our payroll loans. Worsening economic conditions, most notably rising unemployment among government employees (although historically very stable), could negatively impact the financial condition of our existing and potential borrowers, which could in turn both increase the share of our existing loans that are non-performing, thereby reducing the profitability of our loan portfolio, and reduce the creditworthiness of Mexican consumers, thereby adversely affecting our loan approval rate. The occurrence of any of these events may materially adversely affect our business, financial condition and results of operations.

Our results of operations are affected by interest rate volatility.

Net interest income represents substantially all of our revenue. Changes in market interest rates could affect the interest rates earned on our loans differently from the interest rates paid on our sources of funding, leading to a reduction in our net interest income. In addition, increases in interest rates could increase the debt service obligations of our customers and result in higher levels of delinquent loans. In the current economic climate, there is a greater degree of uncertainty and unpredictability in the policy decisions and the setting of interest rates by Banco de México. Any changes in interest rates could adversely affect our business, our financial condition and results of operations.

Imbalances in the interest rates and maturity between our loan portfolio and our sources of funds could adversely affect us and our capacity to expand our business.

We are exposed to interest rate and maturity mismatches between our loans and sources of funding. Our loan portfolio consists entirely of loans bearing interest at fixed rates, and the yield from our loans depends on our ability to balance our cost of funding with the interest rates we charge to our customers. An increase in interest rates, or general uncertainty about changes in interest rates, could affect demand for credit, and thus demand for our direct and indirect financing products. In addition, an increase in market interest rates in Mexico could increase our cost of funding under circumstances in which we could not timely and fully increase the interest rates we charge to our customers. Such a situation could reduce the net interest income we earn on our loan portfolio, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Any mismatch between the maturity of our loan portfolio and our sources of funds could magnify the effect of any imbalance in interest rates and could present a liquidity risk if we fail to obtain funding on an ongoing basis. An increase in our total cost of funds for any of these reasons could result in an increase in the interest rates on our loans, which could, as a result, affect our ability to attract new customers. A decrease in the growth of our loan portfolio could materially adversely affect our business, financial condition and results of operations.

If our loan loss reserves are insufficient to cover future loan losses, our business, financial condition and results of operations could be materially and adversely affected.

As of December 31, 2012, our allowance for loan losses was Ps. 64.7 million (U.S. \$5 million), the ratio of our allowances for loan losses to gross total loans was 5.05% and the ratio of our allowances for loan losses to total past due loans was 114%. The amount of allowances is based on our current assessment of and expectations concerning various factors affecting the quality of our loan portfolio. These factors include, among other things, our borrowers' financial condition, repayment abilities and repayment intentions, Mexico's economic and political situation, government macroeconomic policies, interest rates, the legal and regulatory environment, events affecting specific industries in Mexico and natural disasters occurring in Mexico. As the recent global financial crisis has demonstrated, many of these factors are beyond our control.

In addition, as these factors evolve, we may from time to time change our level of allowance for loan losses which can lead to increased provision expense. We cannot assure you that our monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover future losses. If our assessment of and expectations concerning the above mentioned factors differ from actual developments, or if the quality of our loan portfolio deteriorates or the future actual losses exceed our estimates, our allowances for loan losses may not be adequate to cover actual losses and we may need to make additional provisions which may materially and adversely affect our results of operations and financial condition.

The approval process for payroll loans does not always include a consultation with credit rating agencies regarding the credit history of potential borrower.

With regard to payroll loan applications, consultations with credit rating agencies regarding the credit history of the loans being acquired are carried out at the discretion of the loan officer reviewing the application. We cannot ensure that the lack of consultation regarding borrowers' credit histories will not have a negative effect on the quality of our payroll loan portfolio.

Furthermore, there is no centralized information system which allows us to verify compliance with the maximum amount of payments that can be made by employees or union members through payroll deductions. Thus, the information we have about a particular borrower might be insufficient to prevent situations that could affect the recovery of the loan, such as the payment of legally required obligations which have priority over payroll loans (e.g., alimony, taxes, government loans or secured loans) or the borrower incurring additional liabilities which affect the total amount of the borrower's paycheck available for deductions. If such a situation were to occur, it could have a material adverse effect on our business, financial condition and results of operations.

We have a significant amount of indebtedness. Our indebtedness may impair our operating and financial flexibility and could adversely affect our business, financial condition and results of operations.

As of December 31, 2012, we had total outstanding indebtedness of Ps. \$1,363.91 million (U.S. \$105.21 million), with maturities ranging from 2013 to 2017. Our capacity to continue funding our operations will depend in part on us being able to renew our maturing indebtedness and on the collection of our loan portfolio, which is due from a large number of customers located in different cities throughout Mexico and which is generated by a limited number of distributors. We anticipate that our leverage will continue for the foreseeable future. Our indebtedness could have important consequences, including the following:

- it may be difficult for us to satisfy our obligations under our existing credit facilities and other indebtedness and commitments;
- we may not have sufficient lines of credit available to repay our current indebtedness;
- we may not have sufficient resources to repay our short-term indebtedness as it becomes due or sufficient time to finance the repayment thereof;
- we may not be able to refinance our indebtedness on terms that permit us to maintain our profitability;
- we are required to use a portion of our cash flow from operations to pay interest on our current and future indebtedness, which may require us to reduce funds available for other purposes;
- we may be vulnerable to adverse general economic and industry conditions, including increases in interest rates, foreign currency exchange rate fluctuations and market volatility;
- we may have a limited ability to obtain additional financing, if needed, to fund additional projects, working capital requirements, capital expenditures, debt service, general corporate or other obligations; and

- we may be placed at a competitive disadvantage to our competitors that are not as highly leveraged or that have more predictable sources of funding.

If we are unable to repay our indebtedness or comply with the provisions of our debt instruments and are unable to obtain a waiver or amendment, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our business and financial condition and may necessitate our filing under insolvency proceedings and affect our viability as a going concern. In addition, the short-term nature of our indebtedness substantially affects our ability to operate and requires that we expend significant resources in refinancing efforts. If we are not able to refinance our short-term indebtedness, then we may not be able to comply with our payment obligations under the Notes.

Servicing our indebtedness will require a significant amount of cash. Our ability to generate cash depends on a variety of factors, many of which are beyond our control.

Our ability to make payments on our indebtedness, including the Notes, will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive and other factors that are beyond our control. Our business may not be able to generate sufficient cash flow from operations and future borrowings may not be available to us in an amount sufficient to enable us to pay our indebtedness, including the Notes, or to fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness at or before maturity, and may not be able to complete such refinancing on commercially reasonable terms or at all.

Despite our current indebtedness levels, we may still be able to incur substantially more debt. This could exacerbate further the risks associated with our substantial leverage.

We may be able to incur substantial additional indebtedness, including secured indebtedness, in the future. The terms and conditions of the Notes will not prohibit us from incurring additional indebtedness under certain circumstances. We may also incur certain secured debt which would be effectively senior to the notes, and we are not prohibited from incurring other liabilities that do not constitute indebtedness. See “Terms and Conditions of the Notes.” As of December 31, 2012, our secured debt of Ps. 904.34 million (U.S. \$69.76 million) represented 66% of our total indebtedness. If new indebtedness or other liabilities are added to our current levels of indebtedness, the related risks that we now face could intensify.

If we are not able to access sources of funding, our business, financial condition and results of operations may be adversely affected.

We rely in part on funding sources, including bank credit lines, securitizations of our loan portfolio, and debt securities, to finance our operations. Adverse financial conditions, including the existence of a liquidity crisis, could limit our access to new or sustained funding. Any decrease in the availability of one or more of our funding sources could have an adverse effect on our business, financial condition and results of operations.

We may also require additional capital in the future in order to grow our loan portfolio, remain competitive or enter into new businesses. In addition, we may need to raise additional capital to increase our equity base in the event that we experience large, unexpected losses in our loan portfolio. Our ability to obtain additional capital in the future is subject to a variety of uncertainties, including:

- our future financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities by commercial banks and other financial institutions;
- our capital structure, including the existence of controlling shareholders; and
- economic, political and other conditions in Mexico and elsewhere.

We may not be able to obtain additional capital in a timely manner, on acceptable terms or at all, which could have a material adverse effect on our business, financial condition and results of operations.

Reductions in our credit ratings could increase our cost of borrowing and may make it more difficult to raise new funds or renew maturing debt.

Our credit ratings are an important component of our liquidity profile. As of the date of this Offering Circular, our credit rating is BBB+(mex) according to Fitch Ratings. Among other factors, our credit ratings are based on the financial strength, credit quality and concentrations in our loan portfolio, our contractual obligations (including our debt obligations), the level and volatility of our earnings, our capital adequacy, the level of our non-performing loans, the quality of our management, the liquidity of our balance sheet and our ability to access funding sources. Downgrades in our credit ratings could increase the cost of debt issuances or any future borrowings. In addition, downgrades in our credit ratings could negatively impact our ability to renew maturing debt, making any such renewal more difficult and expensive.

Competition from other financial institutions may adversely affect our profitability and position.

We face competition from lenders that target our existing and prospective payroll loan customers. Our competitors include banks, SOFOLES, multiple purpose financial institutions (*sociedades financieras de objeto múltiple*, or SOFOMES) and other financial institutions such as credit unions and cooperatives as well as commercial entities and informal loan providers. In addition, we face competition from the public sector, as the Mexican government currently engages in its own lending programs. We expect competition to continue to increase as we continue expanding our operations in Mexico.

Some of our competitors may have more resources and name recognition than we do and have access to lower-cost sources of funding, such as bank deposits or promissory notes. The lower cost of funding of such competitors may allow them to offer payroll loans with lower interest rates or to engage in predatory practices such as lending below costs. Pricing (as reflected primarily in the applicable interest rate and to a lesser extent in related transaction fees) is an important competitive feature in the lending business. Stronger price competition in the future could cause the rate of voluntary prepayments in our portfolio to increase and to exceed the rate at which payroll loans have been prepaid in the past, if such lower interest rates exceeded the costs of refinancing with other lenders. Competition in our market may result in an adverse effect on our business, financial condition and results of operations.

Our business is highly dependent on the relationships and lobbying efforts that we build and sustain with state and local governments, as well as with labor unions.

We and our brokers promote our payroll loan products through public-sector employers in governmental agencies across 29 states in Mexico. If we are not able to maintain relationships with these entities or increase our distribution network through new relationships with other federal, state and local governments or labor unions, our ability to originate new payroll loans could be diminished, which could reduce the size of our loan portfolio. In addition, despite contractual arrangements which provide that the payroll counterparty will continue to deduct payments even if our relationship with these entities is adversely impacted, the credit risk of our existing payroll loan portfolio could increase because payroll deduction payments on existing payroll loans could be disrupted, whether due to our severing a relationship with a broker or otherwise.

We may not be able to renew our collaboration agreements with one or more agencies.

We negotiate collaboration agreements with government agencies for the offering of loans to their employees. These agreements include an obligation for the agencies to make periodic deductions from their borrowing employees' paychecks in an amount equal to the payments due to us under the loans granted to these employees. As of December 31, 2012, we had more than 80 active collaboration agreements. The majority of our collaboration agreements have an indefinite term, but are subject to termination by notice of any of the parties.

We may be unable to renew collaboration agreements with one or more agencies. Our inability to renew the agreements may be due to changes in administrations or changes in the political parties in charge of such administrations, among other reasons. If we are unable to renew our collaboration agreement, the agencies remain obligated to withhold deductions equal to the fixed installments due under loans that have already been originated until full payment of such loans, however, we cannot generate new loans under such agreement; which may have a material adverse impact in our financial condition and results from operations, including our ability to timely repay the Notes.

There may be conflicts of interests between the public sector employers and us.

In the operation of payroll loans, our interests and the interests of the public sector employers may conflict, which may adversely affect our ability to ensure repayment of these loans, and therefore, the quality of our loan portfolio. In particular, public sector employers could have an incentive to delay the deposit of the payroll deduction, as a way of financing their own operations, which could affect our liquidity.

We may not be able to collect payroll loans upon the death or disability of borrowers or upon a borrower's termination of employment.

Our ability to collect on our payroll loans is dependent upon instructions given by individual borrowers to their employers. The death or disability of a borrower, or termination of the borrower's employment for any reason (including the borrower's death or retirement), may result in salaries not being paid to a borrower and, thus, the inability of such borrower to repay a loan. After the death or disability of a borrower, or a borrower's termination of employment, we may not have recourse to such borrower or to assets or third parties to obtain repayment of the applicable payroll loan.

Collections are made from governmental entities and, from time to time, we are unable to timely collect from those governmental entities.

We collect payroll loans directly from governmental agencies, instrumentalities and entities (rather than directly from borrowers) that, from time to time, are delinquent in delivering collections to us. This could happen due to a systems or operations problem whereby the entity failed to deduct from the borrowers' pay check or a situation where the funds have been deducted but for operations, scheduling, liquidity or other reasons, the entity does not forward the funds to us in a timely manner. This is a recurrent issue that may affect our ability to timely satisfy our obligations and, if generalized, as a result of economic or social conditions or otherwise, may have a material adverse impact in our financial condition and results from operations, including our ability to timely repay the Notes.

The origination, disbursement and operation of payroll loans may become subject to regulation, as a result of which our payroll lending operations may be restricted.

In contrast with other Latin American countries, which have some form of regulation related to the origination and operation of payroll loans (including interest rate controls and limits on the maximum amount of indebtedness allowed for each borrower), as of the date of this Offering Circular, Mexico does not have an approved and organized regulatory framework for the origination, disbursement and operation of payroll loans. If any of these activities were to be regulated in Mexico, our operations in this sector may become subject to restrictive laws and regulations, which could have an adverse effect on our business, financial condition and results of operations.

Our policies and internal control mechanisms may not be effective in preventing corrupt business practices.

We cannot ensure that our "best practices" and ethics policy for hiring and operations, and the internal control and practices derived from such policy, will always be effective in preventing corrupt business practices by our employees and/or brokers in relation to their activities carried out during their dealings with public or private agencies, including in their activities carried out during their origination of payroll loans. This could adversely affect our reputation, business, financial condition and results of operation, as well as our ability to continue to rely on the loan origination for payroll loans.

Our business relies heavily on data collection, processing and storage systems, the failure of which could materially and adversely affect the effectiveness of our risk management and internal control system as well as our financial condition and results of operations.

Our business is highly dependent on our ability to timely collect and process a large amount of information related to our customer base, including transaction processes that may increase in complexity with increasing volume in our business. The proper functioning of financial control, accounting or other data collection and processing systems is critical to our businesses and to our ability to compete effectively. A partial or complete failure of any of these primary systems could materially and adversely affect our decision-making process, our risk management and internal control systems as well as our ability to respond on a timely basis to changing market conditions. In addition, we may experience difficulties in upgrading, developing and expanding our information technology systems quickly enough to accommodate our growing customer base. If we cannot maintain an effective data collection and management system, or if we cannot upgrade that system as necessary to meet the changing circumstances of our business, then our business, financial condition and results of operations could be adversely affected.

Our inability to maintain, improve or upgrade our information technology infrastructure and credit risk management systems in a timely manner could adversely affect our competitiveness, financial position and results of operations.

Our ability to operate and remain competitive depends on, among other factors, our ability to maintain and upgrade our information technology infrastructure in a timely and cost-effective manner. We must continually make investments and improvements in our information technology infrastructure in order to remain competitive. The information available to and received by our management through our existing information systems may not be timely and sufficient to manage risks or to plan for, and respond to, future changes in market conditions and other developments in our future operations. We may experience difficulties in upgrading, developing and expanding such systems quickly enough to accommodate our growing customer base and range of products and services. Any failure to maintain, improve or upgrade our information technology infrastructure and management information systems in a timely manner, or the inappropriate manipulation of the data in our systems, could materially and adversely affect our competitiveness, financial position and results of operations. We have not conducted a recent and independent analysis of our systems confirming that there is no risk that the data stored in these systems cannot be manipulated inappropriately.

Future acquisitions or significant investments may not be successfully implemented or could disrupt our operations and we may not be successful in our plans for growth, development and diversification.

We have completed one acquisition of a payroll lender, and as our business grows, we may consider other strategic acquisitions or investments from time to time. However, there can be no assurance that our evaluations will result in any such strategic transaction in the near term. We face a variety of uncertainties and challenges relating to acquisitions and investments, including achieving expected synergies, retaining key employees, integrating operational and financial systems, maintaining levels of revenue and profitability, securing governmental approvals and minimizing exposure to potential liabilities. These risks, and the possibility that integration of any acquired business could require a significant amount of the time and resources of our management and employees, could disrupt our ongoing business and could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, it is possible that we may not be successful in our plans for growth and diversification of our business, or that we may need to incur additional costs in order to carry out these plans, which might have an adverse effect on our business, results of operations, financial situation and future projections.

We are effectively controlled by a few shareholders, whose interests could conflict with the interests of holders of the Notes.

We are a privately owned company whose ownership is concentrated with a few shareholders. EZCORP, Inc., through its 100% owned subsidiary, owns 60% of our common shares. Our remaining common shares are owned by some of our founding shareholders (who have the right to sell their remaining shares to EZCORP) and

other non-founding shareholders. Circumstances may occur in which the interests of our controlling shareholders could conflict with the interests of holders of the Notes. For example, our controlling shareholders may have an interest in pursuing transactions that, in their judgment, enhance the value of their equity investment in us, even though they may involve risks to other investors.

We are dependent on certain key management personnel.

We are dependent upon the services of our executive officers and other key employees. Some of our senior managers have extensive experience in the Mexican finance industry and may seek employment with, or may be offered employment by, some of our competitors as a result of increased competition in the industry. There can be no assurance that we will be able to continue to retain the services of our sales representatives or key employees. The loss of these services could have a material adverse effect on our business.

Risks relating to Mexico

Mexican governmental regulations, including the imposition of any interest-rate ceiling, may adversely affect our business, financial condition and results of operations.

We are incorporated in Mexico, and all of our assets and operations are located in Mexico. As a result, we are subject to political, economic, legal and regulatory risks specific to Mexico. The Mexican federal government has exercised, and continues to exercise, significant influence over the Mexican economy. Accordingly, Mexican federal governmental actions and policies concerning the economy, state-owned enterprises and state-controlled, -funded or -influenced financial institutions could have a significant impact on private-sector entities in general and on us in particular, and on market conditions. In particular, laws and regulations applicable to Mexican financial institutions have changed substantially in recent years. Some of these changes could materially affect us in the future.

Mexican law does not currently impose any limit on the interest rate we may charge a customer, given our status as a nonregulated Sofom. However, Mexican law could change, and our loans could become subject to interest-rate caps. Furthermore, there is currently no regulatory limitation on the portion of an employee's paycheck that the employee can irrevocably instruct to be deducted for payment of payroll lending. However, regulations could change and paycheck deduction limits could be imposed. If Mexican law were to change in these ways, or if other changes in Mexican law were to occur, our business, financial condition and results of operations could be materially and adversely affected.

Political conditions in Mexico could materially and adversely affect Mexican economic policy and, in turn, our operations.

Enrique Peña Nieto won Mexico's July 1, 2012 presidential election. The effects on the political, economic and social situation in Mexico of president-elect Enrique Peña Nieto's presidential succession could adversely affect the Mexican economy, including the stability of its currency, which in turn could have a material adverse effect on our business, financial condition and results of operations, as well as market conditions and prices for the Shares. In addition, there could be significant changes in laws, public policies and government programs under Enrique Peña Nieto's administration, which could have a material adverse effect on the Mexican economic and political situation which, in turn, may adversely affect our business, financial condition and results of operations.

Social and political instability in Mexico or other adverse social, economic or political developments in or affecting Mexico could adversely affect our business, financial condition and results of operations, as well as market conditions and pricing for the Shares. These and other future developments in the Mexican political or social environment may cause disruptions to our business operations and decreases in revenues and net income.

Recently, Mexico has experienced a period of increasing criminal activity, primarily due to organized crime. These activities, their possible escalation and the violence associated with them may have a negative impact on the business environment in certain locations in which we operate, and therefore on our financial condition and results of operations.

High inflation rates may adversely affect our financial condition and results of operations.

In the past, Mexico has experienced high rates of inflation. Historically, inflation in Mexico has led to higher interest rates, depreciation of the peso and substantial government controls over exchange rates and prices. In recent years, Mexico has experienced higher levels of inflation relative to the United States, its main commercial partner. Mexico's annual rate of inflation was 3.6 in 2012, 3.8% in 2011, 4.4% in 2010, 3.6% in 2009, 6.5% in 2008 and 3.8% in 2007.

In addition, increased inflation generally increases our cost of funding, which we may not be able to pass on to our customers through higher interest rates without adversely affecting the volume of our loans. Our financial condition and profitability may be adversely affected by the level of and fluctuations in interest rates, which affect our ability to earn a spread between interest received on our loans and the cost of our funding. If the rate of inflation increases or becomes uncertain and unpredictable, our business, financial condition and results of operations could be adversely affected.

Developments in other countries may adversely affect us and the market value of the Notes.

Economic and market conditions in other countries may, to varying degrees, affect the market value of securities of Mexican companies. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to developments in other countries may have an adverse effect on the market value of securities of Mexican companies. For example, prices of both Mexican debt and equity securities decreased substantially as a result of the recent global financial crisis. The Dow Jones Industrial Average index fell by 35% between July 2007 and January 2009, while Mexico's Stock Exchange Index (IPC) fell by 39% in the same period.

In addition, in recent years economic conditions in Mexico have become increasingly correlated to economic conditions in the United States as a result of the North American Free Trade Agreement, or NAFTA, and increased economic activity between the two countries. Therefore, adverse economic conditions in the United States, the termination of NAFTA or other related events could have a significant adverse effect on the Mexican economy. We cannot assure you that the events in other emerging market countries, in the United States or elsewhere will not adversely affect our business, financial condition and results of operations.

Changes in Mexican tax laws may adversely affect us.

The Mexican government proposes amendments to tax laws from time to time. Most recently, in September 2009, the Mexican government presented a proposed revenue package with significant tax law changes. These proposals were approved by the Mexican Congress in November 2009 and became effective on January 1, 2010. Among other things, the tax reform package (1) increases the income tax rate from 28% to 30% and (2) increases the value added tax, or VAT, rate from 15% to 16%. Furthermore, Mexico maintains an alternative minimum tax, which may result in tax liabilities, even in the absence of profits.

These changes may directly adversely affect our business, financial condition and results of operations. In addition, these changes, most notably the increase in the VAT rate, may also adversely affect the financial position of our current and potential customers, which could further adversely affect our business, financial condition and results of operations.

Risks relating to the notes

The notes will be effectively subordinated to our secured indebtedness and certain claims that are preferred by statute.

Our obligations under the Notes are unsecured. As a result, the Notes will be effectively subordinated to all of our secured indebtedness to the extent of the value of the collateral securing such indebtedness.

As of December 31, 2012, we had approximately Ps. 904.34 million (U.S. \$69.76 million) of secured indebtedness, which represented approximately 66% of our Ps. 1,363.91 million (U.S. \$105.21 million) aggregate outstanding indebtedness (excluding accrued interest). In the event that we are not able to repay amounts due under such secured debt obligations, creditors could proceed against the collateral securing such indebtedness, which would be excluded from the assets holders of the Notes would have access to as a means to receive payment. In that event, any proceeds upon a realization of the collateral would be applied first to amounts due under the secured debt obligations before any proceeds would be available to make payments on the Notes. If there is a default, the value of this collateral may not be sufficient to repay both our secured creditors and the holders of the notes. In addition, the claims of holders of the notes will rank effectively junior to holders of secured debt (to the extent of the collateral provided) and certain obligations that are preferred by statute, including certain claims relating to taxes and labor.

Covenants governing the notes, and many of the instruments governing our existing indebtedness, impose operating and financial restrictions, which may prevent us from pursuing business opportunities.

The covenants governing the Notes, and many of the instruments governing our existing indebtedness, limit future actions to be taken, or transactions to be entered into, by us and our subsidiaries. These covenants include, among other things, limitations on our ability to: (1) pay dividends; (2) incur additional indebtedness; (3) provide collateral to lenders; (4) reduce our capital stock; (5) sell fixed assets; (6) conduct mergers or spin-offs; and (7) enter into derivative transactions, unless they are entered into for hedging purposes pursuant to Mexican accounting principles. The breach of any of these covenants would result in a default, which could, in turn, lead to all the outstanding amounts under these instruments becoming immediately due and payable. In such event, we would need to raise funds from alternative sources, which may not be available to us or available on acceptable terms, on a timely basis or at all. Alternatively, such default could require us to sell our assets and otherwise curtail operations in order to pay our creditors. These covenants could limit our ability to seize attractive growth opportunities for our business that are currently unforeseeable, particularly if we are unable to incur financing or make investments to take advantage of these opportunities.

The terms and conditions governing the notes, and many of the instruments governing our existing indebtedness, contain cross-default provisions that may cause all of the debt issued under such instruments to become immediately due and payable as a result of a default under an unrelated debt instrument.

Many of the instruments governing our existing indebtedness require us to satisfy and maintain specified financial ratios and tests at all times. Events beyond our control may affect our ability to comply with these provisions, and we may not be able to meet these ratios and tests. Any failure to comply with the covenants, ratios and tests under a particular debt instrument could result in an event of default under that instrument and the debt under that instrument becoming immediately due and payable. In addition, such an event of default or acceleration could, due to cross-default provisions in other debt instruments, result in events of default under such other instruments and the debt issued under those other instruments also becoming immediately due and payable. In such an event, we would need to raise funds from alternative sources, which may not be available to us on favorable terms, on a timely basis or at all. Alternatively, any such a default could require us to sell our assets or otherwise curtail operations in order to satisfy our obligations to our creditors.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the terms and conditions of the notes.

If there is a change of control (as defined in the terms and conditions of the notes), we may need to refinance large amounts of our debt, including the notes and indebtedness under certain of our credit facilities or other instruments. Under the notes, if a change of control occurs, we must offer to buy back the notes for a price equal to 101% of the principal amount of the notes, plus any accrued and unpaid interest through the date of purchase. We may not have sufficient funds available to us to make any required repurchases of the notes upon a change of control. If we fail to repurchase the notes in those circumstances, we will be in default under the notes, which default may, in turn, trigger cross-acceleration provisions in our other debt instruments.

Any future debt that we incur may also contain restrictions on repurchasing the notes upon a change of control. If a change of control occurs, we may not have sufficient funds to satisfy all of our debt obligations.

If we were to be declared insolvent or bankrupt, holders of the notes would or might find it difficult to collect payment on the Notes.

Under Mexico's Reorganization Proceeding Law (*Ley de Concursos Mercantiles*), if we were declared bankrupt (*quiebra*) or became subject to a reorganization proceeding (*concurso mercantil*), payment obligations under our outstanding debt (i) would be converted to Pesos at the exchange rate prevailing at the time of such declaration and subsequently converted into UDIs (*Unidades de Inversión*) which are inflation-pegged units adjusted by, and in accordance with the calculations of, the Mexican Central Bank (*Banco de Mexico*) and would not be adjusted to take into account any devaluation of the peso relative to the U.S. dollar or other currencies occurring after such conversion, (ii) would cease accruing interest from the date the *concurso mercantil* is declared, (iii) would be paid at the time claims of creditors are satisfied, to the extent funds are sufficient (iv) would be dependent upon the outcome of, and priorities recognized in, the relevant insolvency proceedings, and (v) would be subject to certain statutory preferences, including tax, social security and labor claims.

Provisions of Mexican law may make it difficult for holders of the notes to enforce provisions entitling them to receive payments in U.S. dollars.

We may be required to make payments in respect of the notes in U.S. dollars or other foreign currencies. However, under the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), obligations to make payments in Mexico in foreign currency, whether by agreement or upon enforcement of a judgment, may be discharged in pesos at the exchange rate for pesos prevailing at the time and place of payment or judgment. Accordingly, we will be legally entitled to make payment of amounts due on the Notes in pesos if payment of the Notes is sought in Mexico through an initial action, the enforcement of a non-Mexican judgment or otherwise. If we elect to make payments due on the Notes in pesos in accordance with the Mexican Monetary Law, we can make no assurance that the amounts paid may be converted by the payee into U.S. dollars or any other applicable foreign currency and, if converted, such amounts may not be sufficient to purchase U.S. dollars or other foreign currencies equal to the amount of principal, interest or additional amounts due on the notes. Under Mexican law, you will not have a right to a claim for any deficiency.

Holders of the notes may not be able to effect service of process on us or to enforce judgments against us in Mexican courts.

We are a variable capital stock corporation (*sociedad anónima de capital variable*) organized under the laws of Mexico and have adopted the form of, and operate as, a non-regulated multiple purpose financial entity (*sociedad financiera de objetomúltiple entidad no regulada*). All of our officers and directors reside outside the territory of the United States. All of our assets are located in Mexico or elsewhere outside the United States. As a result, it may not be possible for investors to effect service of process within the United States or in any other jurisdiction outside Mexico upon us or our directors or officers, or to enforce against us or our directors or officers in any jurisdiction outside of Mexico judgments predicated upon the laws of any such jurisdiction, including any judgment predicated upon the U.S. federal and state securities laws. We have been advised by Jones Day México, S.C., our special Mexican counsel, that there is doubt as to the enforceability in Mexican courts, in original actions in Mexican courts or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of liabilities predicated, in whole or in part, on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

There are restrictions on your ability to transfer the notes.

The Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Such exemptions include offers and sales that occur outside the United States in reliance upon Regulation S under the Securities Act.

There is no active trading market for the notes, and an active trading market for the notes may not develop.

The Notes constitute a new issue of securities for which there is no existing market. No assurance can be provided regarding the future development of a market for the Notes, the ability of holders of the Notes to sell their notes, or the price at which such holders may be able to sell their notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the ratings assigned to our debt by credit rating agencies, our results of operations and financial condition, prospects for other companies in our industry, political and economic developments in and affecting Mexico, risk associated with Mexican issuers of such type of securities and the market for similar securities. If an active market for the Notes does not develop or is interrupted, the market price and liquidity of the Notes may be adversely affected, and holders may be unable to resell their notes for an extended period of time if at all.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Circular relating to our plans, forecasts and expectations regarding future events, strategies and projections are just estimates. Words such as “may,” “might,” “will,” “would,” “shall,” “should,” “can,” “could,” “believe,” “anticipate,” “continue,” “expect,” “estimate,” “plan,” “intend,” “foresee,” “predict,” “project,” “potential,” or the negative of these terms, and other similar terms are used in this Offering Circular to identify such forward-looking statements. Forward-looking statements included in this Offering Circular are based on our current expectations and projections related to future events and trends which affect or could affect our business.

Forward-looking statements include risks, uncertainties and assumptions, since these refer to future events and, therefore, do not represent any guarantee of future results. Therefore, our financial condition and operating results, strategies, competitive position and market environment may significantly differ from our estimates, in view of a number of factors including, but not limited to:

- general economic, political and business conditions in Mexico;
- our ability to implement our operating strategy and business plan;
- increases in defaults by our customers;
- any increase in our allowance for loan losses, including increases arising from changes to applicable law or the interpretation thereof;
- credit risks, market risks and any other risks related to financing activities;
- competition in the Mexican payroll lending market;
- availability of funds and related funding costs and our ability to refinance current indebtedness;
- offer and demand for our products and services;
- inflation, devaluation of the peso and interest rate fluctuations in Mexico;
- changes to laws, regulations, taxation and governmental policies related to our activities, including, but not limited to, usury and consumer protection laws;
- adverse administrative or legal proceedings;
- developments affecting our financial condition and operating results;
- potential risk factors presented under “Risk Factors” in this Offering Circular; and
- other factors or trends affecting our financial condition and our operating results.

Therefore, our performance may be adversely affected and significantly differ from the expectations set forth in these forward-looking statements, which do not represent a guarantee of our future performance. In view of these uncertainties, you should not rely on the estimates and forward-looking statements included in this Offering Circular to make an investment decision.

Forward-looking statements included herein are made only as of the date of this Offering Circular. Except as required by law, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events or circumstances.

USE OF PROCEEDS

We intend to use the net proceeds from the issue of each Tranche of Notes under the Program to prepay certain short and long-term secured indebtedness, for general corporate purposes, and as otherwise specified in the relevant Final Terms.

EXCHANGE RATES

The following table sets forth, for the periods indicated, the low, high, average and period-end Noon Buying Rates for Mexican pesos as published by the Federal Reserve Board for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Board, expressed in nominal pesos per U.S. dollar. The average is computed using the Noon Buying Rate on the last business day of each month during the period indicated.

Year Ended December 31,	Low	High	Average	Period End
2008	9.92	13.94	11.14	13.83
2009	12.60	15.37	13.50	13.07
2010	12.16	13.18	12.63	12.35
2011	11.50	14.24	12.43	13.95
2012	12.63	14.39	13.17	12.97
2012			Low	High
July			13.12	13.68
August			13.07	13.42
September			12.75	13.19
October			12.70	13.09
November			12.93	13.25
December			12.72	13.01
2013			Low	High
January			12.58	12.80
February			12.63	12.87
March			12.32	12.80
April			12.07	12.34
May (through May 3, 2013)			12.09	12.22

As of May 3, 2013, the Noon Buying Rate for Mexican pesos as published by the Federal Reserve Board, expressed in nominal pesos per U.S. dollar, was Ps. 12.09.

This Offering Circular contains translations of certain peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. The convenience translations should not be construed as a representation that the peso amounts actually represent such U.S. dollar amounts or that could be converted into U.S. dollars at the specified rate or at all. The exchange rate used for purposes of convenience translations is the Noon Buying Rate for Mexican pesos as published by the Federal Reserve Board.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2012.

	Year Ended December 31, 2012	
	Actual (Ps.)	Actual (US \$)
	<i>(in pesos and dollars)</i>	
Cash and cash equivalents	147,811,156	11,402,102
Indebtedness:		
Loans payable to banks and other entities	1,109,436,600	85,581,564
Loans payable to related parties	262,045,951	20,214,136
Total indebtedness	1,371,482,551	105,795,700
Stockholders' equity:		
Contributed capital:		
Common stock	366,941,828	28,305,768
Share subscription premium	5,383,418	415,275
Contributions for future capital increases	15,035,346	1,159,821
Earned capital		
Legal reserve	1,648,344	127,153
Accumulated results of prior years	(53,817,016)	(4,151,426)
Other capital accounts	(30,535,381)	(2,355,489)
Net income	72,864,956	5,620,778
Total stockholders' equity	377,521,495	29,121,880
Total capitalization	1,749,004,046	134,917,580

SELECTED FINANCIAL DATA

The following table presents selected financial data for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited annual financial statements and the notes thereto included elsewhere in this Offering Circular and the information under the sections entitled “Selected Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our financial statements are prepared in accordance with Mexican GAAP, which differ in certain respects from IFRS as they relate to us.

The selected financial data is derived from our financial statements included elsewhere in this Offering Circular.

The U.S. dollar amounts provided below are conversions from the peso amounts, solely for the convenience of the reader. The U.S. dollar amounts for the year ended December 31, 2012 have been converted using the Exchange Rate of Ps. 12.9635 to US\$1.00. See “Presentation of Financial and Other Information” and “Exchange Rates” for information regarding the rates of exchange between the peso and the U.S. dollar for the periods specified therein. These conversions should not be construed as representations that the peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated or at any other rate.

	Year ended December 31,			
	2010	2011	2012	2012
	(Ps.)	(Ps.)	(Ps.)	(US\$)
	<i>(in pesos and dollars)</i>			
Statement of Operations Data				
Total interest income.....	334,365,782	485,025,869	568,151,210	43,826,992
Interest expense.....	(153,376,941)	(284,191,289)	(281,731,013)	(21,732,635)
Financial Margin	180,988,841	200,834,580	286,420,197	22,094,357
Portfolio recovery	-	-	11,136,097	859,035
Allowance for loan losses	(16,517,101)	(102,647,710)	(13,741,917)	(1,060,047)
Financial Margin Adjusted for Credit Risks	164,471,740	98,186,870	283,814,377	21,893,345
Administrative expenses	(133,611,111)	(187,761,349)	(195,682,954)	(15,094,917)
Other proceeds (expenses), net	2,061,565	(9,027,931)	9,788,670	755,095
Income (loss) before income taxes	32,922,194	(98,602,410)	97,920,093	7,553,523
Income Taxes	(6,999,321)	8,631,073	(25,055,137)	(1,932,745)
Net Result	25,922,873	(89,971,337)	72,864,956	5,620,778

As of December 31,				
	2010	2011	2012	2012
	(Ps.)	(Ps.)	(Ps.)	(US\$)
Balance Sheet Data				
Assets				
Cash and Cash Equivalent	88,473,231	108,977,238	147,811,156	11,402,103
Total Credit Portfolio				
Current credit portfolio	708,946,825	1,045,424,960	1,223,700,088	94,395,810
Overdue credit portfolio	11,724,633	19,217,325	56,875,689	4,387,371
Less: Allowance for loan losses	(11,838,719)	(69,908,697)	(64,701,102)	(4,991,021)
Other accounts receivable	38,051,309	9,070,540	3,510,986	270,836
Accounts receivable from entities	-	132,697,113	196,864,598	15,186,068
Recoverable taxes, net	18,720,112	9,742,776	9,705,645	748,690
Furniture and fixtures, net	4,916,461	3,776,815	5,830,757	449,783
Other Assets	138,990,542	188,984,770	235,547,808	18,170,078
Total Assets	997,984,394	1,447,982,840	1,815,145,625	140,019,719
Liabilities				
Loans with banks and other entities	679,746,943	1,133,671,363	1,109,436,600	85,581,564
Loans with related parties	86,134,548	158,968,770	262,045,951	20,214,136
Other accounts payable	14,736,127	20,427,688	26,460,841	2,041,180
Prepaid commissions	12,953,996	26,104,619	25,487,923	1,966,130
Deferred income taxes	10,855,342	2,224,269	14,192,815	1,094,829
Total Liabilities	804,426,956	1,341,396,709	1,437,624,130	110,897,839
Stockholders' Equity				
Contributed capital	155,754,773	158,754,803	387,360,592	29,880,865
Earned capital	37,802,665	(52,168,672)	(9,839,097)	(758,985)
Total Stockholders' Equity	193,557,438	106,586,131	377,521,495	29,121,880
Total Liabilities and Stockholders' Equity	997,984,394	1,447,982,840	1,815,145,625	140,019,719

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements, together with the notes thereto, included elsewhere in this Offering Circular. Our financial statements for the years ended December 31, 2010, 2011 and 2012 have been prepared in accordance with Mexican GAAP, which differs in certain respects from IFRS. See "Annex A - Summary of Certain Significant Differences between Mexican GAAP and IFRS" for a description of certain differences between Mexican GAAP and IFRS as they relate to us. We are not providing any reconciliation to IFRS of the financial statements or other financial information in this Offering Circular. Certain amounts and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different contexts may vary slightly and figures in certain other contexts may not be the exact arithmetic results of their components as shown herein.

Overview

We are a leading provider of loans made to employees of Mexican government agencies. These loans are secured by payroll deductions, and we refer to them as "payroll loans." The employees of federal, state and municipal government entities, as well as unionized employees, often have limited access to financing from banks and other traditional Mexican loan providers, as well as limited credit histories, despite their stable employment status due to low turnover rates at government agencies. Our payroll loans are payable in installments, which are deducted from each borrower's payroll wages by his or her government agency employer, pursuant to the borrower's instructions to such employer. Consequently, the employer makes loan payments directly to us, before the remaining payroll wages are paid to the employee. All of our loans are granted to borrowers domiciled in Mexico and are denominated in pesos.

We negotiate collaboration agreements with government agencies, which enable us to offer our payroll loans to their employees. Once a collaboration agreement has been executed with a government agency, we originate and underwrite each loan on an individual basis. We mainly underwrite through three distribution channels: "Crediamigo", which uses our own sales force; "Finapoyo", a separate brand that originates loans through external brokers; and the "Call Center", which looks to place new loans with existing clients, in addition to refinancing and renovation products. We pay third party representatives a one-time commission based on a pre-established percentage of each loan originated. Applications for loans are completed either on the field, in our branch offices, on the government entity's premises or through our call center unit, and are submitted electronically to our centralized underwriting unit for approval.

In January 2012 EZCORP, a leading provider of specialized financial services with an international presence, acquired 60% of the shares of our company. Since the acquisition and through EZCORP's active participation, we have accelerated our growth and profitability, developed our corporate governance, reporting tools and improved our funding sources and financing cost. During 2012 the shareholders made equity infusions of USD\$19.1 million.

Our loans are granted primarily to government employees who have worked at government agencies for at least four months. Loan amounts depend on employees' borrowing capacity and, in general, loans are granted for periods of between 24, 48, 72 and 96 bi-weekly periods. The average term of our current portfolio is 61.64 bi-weekly periods. Interest rates are set forth in our collaboration agreements with government agencies. As of December 31, 2012, the average rate factor of our loan portfolio was 3.79% per month.

Our loans are documented by (i) a loan agreement between the borrower and Crediamigo; (ii) a promissory note by the borrower in favor of Crediamigo, and (iii) an irrevocable instruction whereby the borrower authorizes the government agency to deduct the amounts due under the loan from the borrower's paychecks.

Under our collaboration agreements and according to irrevocable instructions sent by Crediamigo to each of the government agencies, the agencies are instructed to deposit amounts due to us directly into a master trust account. The beneficiaries of the master trust are certain guarantee trusts that have been opened for the benefit of our creditors. The master trust works as a collections servicer that distributes daily to each one of its beneficiaries

amounts that correspond to the credit rights that constitute the lenders' collateral. Similarly, the master trust generally releases collections to us on a daily basis (assuming that we are not in default under our loan agreements). This structure was created to reduce the risks associated with the administration of our business, giving certain lenders a guaranteed collection source.

As of December 31, 2012, we had approximately 80,000 loans outstanding and a Ps. 1, 280.6 million loan portfolio, with a past due ratio of 4.4%. Our loan loss reserves as of December 31, 2012 were Ps. 64.7 million, which represented coverage for past due loans of 114%. From December 31, 2010 to December 31, 2012, our total loan portfolio grew by Ps. 559.9 million, or 77.69%. Our total assets as of December 31, 2012 were Ps. 1,815.1 million, which is Ps. 367.1 million more than our total assets as of December 31, 2011. For the year ended December 31, 2012, we had total interest income of Ps. 568.2 million, net financial margin of Ps. 286.4 million and net result of Ps. 72.86 million, which represents a growth of 180.9%, or Ps. 162.8 million, in comparison with the year ended December 31, 2011. In the last 5 years, we have maintained a compounded annual growth rate ("CAGR") of our loan portfolio of more than 60%. We intend to continue to pursue our growth strategy into the foreseeable future.

In July 2012 we successfully executed the first securitization of a payroll deduction loan portfolio for an amount of Ps. 420 million. With this transaction we were able to reduce the weighted average interest rate of our debt facilities from 17.1% as of June 30, 2012 to 10.97% as of December 31, 2012.

Mexican Economic Environment

Mexico has generally enjoyed stable and positive macroeconomic performance since the implementation of a wide range of reforms to liberalize the Mexican economy and open it to foreign trade and investment in the late 1980s. Since the 1995 currency and banking crisis, Mexico's GDP has grown at a compound rate of 2.9% per year. In 2006, GDP grew at a rate of 5.2%, supported by exports of manufactured goods and strong foreign direct investment. Economic conditions began deteriorating in 2007, with Mexico's GDP growth rate slowing to 3.3%.

In 2008, the Mexican economy experienced a significant deterioration as a result of the global financial crisis. Foreign consumer demand deteriorated significantly, particularly in the manufacturing sector, which also affected domestic consumer demand, with lower investment and consumption. Mexico's GDP growth rate slowed to 1.2% and several supply side shocks affected price levels. The peso was also adversely impacted by the economic downturn, and from September through the first quarter of 2009, the peso depreciated significantly.

During 2009, the financial crisis that started in 2008 continued affecting the world economy, which experienced the sharpest decline in decades. Mexico suffered the sharpest decline in GDP since 1995, declining by 6.0% during 2009, mainly as a result of Mexico's close commercial ties with the United States. As a result of a sharp decline in foreign consumer demand, Mexican exports fell drastically in key industries such as the automotive and electrical equipment industries. The Mexican financial sector was strongly affected by volatility. Inflation in 2009 was 3.6%. However, in 2010, the Mexican economy recovered considerably, with external demand and exports of manufactured goods driving an annual GDP growth of 5.3%.

In 2012, Mexican economic activity continued to exhibit a positive trend, with a firmer expansion in services than in industry. In the fourth quarter of 2012, annual growth was the same as in the previous quarter, although both figures were not as high as in the first half of the year. Annual GDP growth for the full year of 2012 was 3.9 percent, virtually the same as in 2011. This growth is noteworthy, especially in the present world context, as it is almost one percentage point higher than Mexico's average growth rate during the twenty years prior to the crisis.

Despite the unfavorable economic conditions during the past few years, the performance of our loan portfolio has not demonstrated significant deterioration. We expect that our portfolio will continue to grow notwithstanding the challenges of the global environment.

Key Factors Affecting our Financial Condition and Results of Operations

Collaboration Agreements with Government Agencies

Our financial condition and results of operations depend significantly on our ability to enter into and maintain collaboration agreements with government agencies for the offering of loans to their employees. These agreements include an obligation for the agencies to make periodic deductions from their borrowing employees' paychecks in an amount equal to the payments due to us under the loans granted to these employees. We seek to ensure a close relationship with the senior members of the government agencies whose employees are our borrowers. Notwithstanding changes in administrations and political parties in charge of such administrations, we have managed to maintain stable relationships with these government entities. Since our inception, we have entered into more than 180 collaboration agreements with agencies, which permit us to provide loans to employees of these agencies and establish mechanisms for the repayment of the loans through payroll deductions. In an effort to maximize profitability, we have terminated many of the smaller collaboration agreements that have not generated the profitability that we expect to achieve from our loan portfolio. As of December 31, 2012, we had approximately 80 active collaboration agreements.

We are continually focused on negotiating and entering into new collaboration contracts with government agencies, whose employees will continue to be our source of new payroll loans. Although we expect that our primary source of new collaboration agreements will be direct contact with government agencies, we also will consider strategic mergers and acquisitions of other payroll loan lenders in situations where we identify complementary networks of government agencies.

Loan Portfolio Performance

The performance of our loan portfolio depends on our ability to collect each expected installment payment on a timely basis, which in turn depends, in part, on the strength of our origination and credit approval processes. We have developed and refined our underwriting standards and credit review system and have built an infrastructure to support the implementation of our origination process. For further explanation of our credit review process, see "Business – Payroll Loan", "Business – Origination" and "Business – Loan Application Process."

We believe that by maintaining our strategy of participating in all the stages of the loan we will maintain the growth of our portfolio and control the repayment. Our collaboration agreements with federal, state and municipal government agencies allow us to diversify loan origination and improve collections.

In 2013 and thereafter, we intend to explore strategic opportunities to vertically integrate our payroll loan business in order to improve our profitability, including the possibility of acquiring or merging with other distributors. In addition, we are developing new products for retirees. For details on new products for retirees, see "Business – Business Strategy." Further, we intend to leverage EZCORP's expertise to improve our underwriting processes, market our services to additional and existing borrowers, and expand our relationships with government agencies.

Interest Rate Fluctuations

Interest rate fluctuations in Mexico have a significant effect on our business, financial condition and results of operations. While our interest-earning assets bear fixed interest rates, some of our interest-bearing liabilities currently carry floating interest rates equal to the 28-day Interbank Equilibrium Interest Rate (*Tasa de Interés Interbancaria de Equilibrio*, or TIIE), plus a spread, and are subject to frequent repricing. The TIIE is the benchmark interbank interest rate applicable to borrowing from and lending to *Banco de México* in transactions denominated in pesos, which rate is published in the Official Gazette of the Federation (*Diario Oficial de la Federación*).

The following table presents the high, low and average TIIE during each of the periods indicated.

	TIIE		
	High	Low	Average
2009.....	8.7081%	4.8350%	5.9057%
2010.....	4.9750%	4.8250%	4.9097%
2011.....	4.8850%	4.7500%	4.8231%
2012.....	4.8562%	4.7181%	4.7896%

To limit this risk in our securitization portfolio, our largest source of funding, we use a TIIE cap. In addition, during 2012, we were able to restructure some of our credit lines with various financial institutions by reducing the interest cost and by fixing the rate.

Critical Accounting Policies

The accompanying financial statements were prepared in conformity with Mexican Financial Reporting Standards ("NIF"). Their preparation requires that management make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of our financial statements and revenues and expenses during the periods reported. Actual results may differ from these estimates. The principal accounting policies used in the preparation of our financial statements are those that are important both to the presentation of financial condition and results of operations and require significant judgments with regard to estimates used.

Our most significant accounting estimates are described below:

Allowance for loan losses - We measure estimated losses incurred on our payroll loan portfolio based on our historical loss experience and other circumstances known at the time of assessment. The amount of the allowance for loan losses recognized is composed of the outstanding principal and uncollected accrued interest of "off-the-payroll" portfolio, which we define as loans to borrowers whose employment relationship with the employer through which the loan was originally placed has been terminated, and as a result, are no longer being repaid through the payroll deduction process. We currently recognize an allowance equal to the total outstanding balance of off-the-payroll loans with two or more overdue payments as of the calculation date.

The accounting estimates and judgments related to the allowance for loan losses is a critical accounting estimate because the underlying assumptions used to assess such reserves are subject to change from period to period based on changing events and circumstances. Such changes in estimate may significantly affect our results of operations, particularly in circumstances of economic and financial uncertainty.

The recognition and measurement of provisions and income tax uncertainties - We conduct our operations in a complex legal, regulatory and tax environment, and, accordingly, legal claims, regulatory proceedings or uncertain income tax matters may arise.

We estimate and provide for potential losses that may arise out of litigation, regulatory proceedings and uncertain income tax matters to the extent that a current obligation exists, the losses are probable and can be reasonably estimated. Significant judgment is required in making these estimates and the actual may be materially different.

Significant accounting and other effects in 2011

In December 2011, we changed our estimates regarding the allowance for loan losses.

The previous estimate was based on reserving the entire off-the-payroll portfolio that was more than 150 days past due. During 2011, among other things, we upgraded our operating information systems, which facilitated enhanced information regarding the loan portfolio and the collections history on certain classes of borrowers. As a result, we now record an allowance for loan losses covering off-the payroll portfolio with more than two overdue payments.

The change in estimate is recognized on a prospective basis in accordance with NIF B-1, Accounting Changes and Corrections of Errors, and produced an incremental pretax charge of \$92.5 million pesos to earnings (approximately \$64.7 after tax).

Results of Operations

The table below presents our results of operations for the years ended December 31, 2012, 2011 and 2010.

	Year ended December 31,		
	2012 (Ps.)	2011 (Ps.) <i>(in pesos and dollars)</i>	2010 (Ps.)
Interest income	\$ 536,755,019	\$ 463,712,675	\$ 286,558,544
Interest from investments in securities and bank accounts	8,263,658	3,748,198	5,211,389
Collected commissions and tariffs	15,649,907	17,564,996	37,479,117
Exchange rate fluctuation	<u>7,482,626</u>	<u>-</u>	<u>5,116,732</u>
Total interest income	568,151,210	485,025,869	334,365,782
Interest expense	(195,746,161)	(185,386,575)	(104,388,691)
Paid commissions and tariffs	(85,984,852)	(81,548,512)	(48,988,250)
Exchange rate fluctuation	<u>-</u>	<u>(17,256,202)</u>	<u>-</u>
Financial margin	286,420,197	200,834,580	180,988,841
Portfolio recovery	11,136,097	-	-
Allowance for loan losses	<u>(13,741,917)</u>	<u>(102,647,710)</u>	<u>(16,517,101)</u>
Total operating income before administrative expenses	283,814,377	98,186,870	164,471,740
Administrative expenses	<u>(195,682,954)</u>	<u>(187,761,349)</u>	<u>(133,611,111)</u>
Income (loss) from operations	88,131,423	(89,574,479)	30,860,629
Other proceeds (expenses), net	<u>9,788,670</u>	<u>(9,027,931)</u>	<u>2,061,565</u>
Income (loss) before income tax	97,920,093	(98,602,410)	32,922,194
Income taxes	<u>(25,055,137)</u>	<u>8,631,073</u>	<u>(6,999,321)</u>
Net income (loss)	<u>\$ 72,864,956</u>	<u>\$ (89,971,337)</u>	<u>\$ 25,922,873</u>

Results of Operations for the Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011

Interest Income

Interest generated by our loan portfolio is recorded once it has accrued in accordance with the terms set forth in the agreements executed with borrowers and pursuant to the interest rates agreed therein. Interest income increased by 15.8% from Ps. 463.7 million for the year ended December 31, 2011 to Ps. 536.75 million for the year ended December 31, 2012. This increase was primarily attributable to the growth of our total loan portfolio during 2012.

The primary determinant of interest income is the size of the average consumer loan portfolio over the period. As of December 31, 2011 the consumer loan portfolio balance was Ps. 1,064.6 million. This amount increased by 16.9% to Ps. 1,280.6 million as of December 31, 2012.

Our average interest rate earned on interest-earning assets for the year ended December 31, 2012 was 41.92%, and our average interest rate paid on interest-bearing liabilities for that period was 14.35%, resulting in a net interest margin of 27.56%. In comparison, our average interest rate earned on interest-earning assets for the year ended December 31, 2011 was 44.36% and our average interest rate paid on interest-bearing liabilities for that period was 18.44%, resulting in a net interest margin of 25.92%.

Interest from Investments in Securities and Bank Accounts

Investments in securities and bank accounts increased to Ps. 8.3 million for the year ended December 31, 2012 from Ps. 3.7 million for the year ended December 31, 2011. The increase is due primarily to the 37.0% increase in cash and cash equivalents from Ps. 97 million as of December 31, 2011 to Ps. 132.9 million as of December 31, 2012. In addition, restricted cash in our collateral accounts increased by 24.4% from Ps. 11.9 million as of December 31, 2011 to Ps. 14.8 million as of December 31, 2012. These funds are usually invested in short-term government securities.

Interest Expense

Interest expense on our indebtedness was Ps. 195.7 million for the year ended December 31, 2012 compared to Ps. 185.4 million for the year ended December 31, 2011, an increase of 5.6%. The increase in interest expense is less than the increase in interest income because of the decrease of approximately 7.5% in the weighted average interest rate of our borrowing facilities. This is largely due to our securitization in 2012.

Portfolio Recovery

Portfolio recovery represents the gain we recognize as the result of loan repayments in excess of principal amount, which is due primarily to penalty fees that we collect from borrowers. We recognized Ps. 11.1 million for portfolio recovery during the year ended December 31, 2012. Until 2012, these amounts were recorded as interest income.

Allowance for Loan Losses

Allowance for loan losses, the amount reserved for the contingency of unrecoverable credits, decreased by Ps. 88.9 million, or 86%, to Ps. 13.7 million for the year ended December 31, 2012 compared to Ps. 102.6 million for the year ended December 31, 2011.

This decrease was primarily due to a decision of our company to change the estimate related to the allowance for loan losses. Until December 31, 2010, this allowance was calculated according to the Out of Payroll Loan Portfolio with nonpayment exceeding 150 days. At December 31, 2011, we adopted the policy of reserving the total value of the Out of Payroll Loan Portfolio. As outlined above, loan amounts are classified as Out of Payroll Loan Portfolio when the borrower is no longer an employee of the entity through which the credit was initially placed and when more than two payments (one month) are outstanding.

Our results for the year ended December 31, 2011 include a charge of Ps. 92.5 million to reflect the increased allowance for loan losses as the result of our change in estimate.

Collected Commissions and Tariffs

Commissions and Tariffs represent primarily origination fees payable by borrowers upon the origination of a loan. Commissions and Tariffs were Ps. 15.6 million for the year ended December 31, 2012, a decrease of 11.4% from Ps. 17.6 million for the year ended December 31, 2011. Pursuant to our collaboration agreements with government agencies, we have been reducing origination fees over the past several years.

Commissions and Tariffs Paid

Commissions to our sales force and brokers that are determined based on a percentage of loans originated. Distributors receive a one-time upfront fee for each loan they originate. The fee is capitalized and expensed over the average life of the loan.

Commissions and tariffs paid increased by 5.4% from Ps. 81.5 million for the year ended December 31, 2011 to Ps. 85.9 million for the year ended December 31, 2012. This increase is primarily due to an increase in loans originated in 2012.

Exchange Rate Fluctuation

We recognized a foreign exchange gain of Ps. 7.4 million for the year ended December 31, 2012, compared to a loss of Ps. 17.3 million for the year ended December 31, 2011. Until January 2012, we had a credit line that was denominated in US dollars. In connection with the EZCORP acquisition in January 2012, this credit facility was refinanced with a new credit facility that was denominated in Mexican pesos, which eliminated the foreign exchange fluctuations as a result of the prior credit facility.

Administrative Expenses

Administrative expenses increased by 4.2% from Ps. 187.8 million for the year ended December 31, 2011 to Ps. 195.7 million for the year ended December 31, 2012. The increase was primarily due to the additional expenses of managing an increased loan portfolio, although the modest increase reflects the economies of scale associated with a substantially increased portfolio.

Other Proceeds (Expenses), Net

Other proceeds, net, were Ps. 9.8 million for the year ended December 31, 2012, which was primarily due to a portfolio sale in October 2012. Other expenses, net, were Ps. 9.0 million for the year ended December 31, 2011, which was primarily due to a prior-year tax adjustment.

Income (Loss) Before Income Taxes

Income before income taxes was Ps. 97.9 million for the year ended December 31, 2012, compared to a loss before income taxes of Ps. 98.6 million for the year ended December 31, 2011. The loss in 2011 was primarily due to the extraordinary charge for allowances for loan losses as a result of the accounting change in 2011. The increased income was also due to increased interest income associated with growth of our loan portfolio, a reduction of average funding cost, and moderate increases in commissions and administrative expenses.

Income Taxes

Expense for income taxes was Ps. 25.1 million for the year ended December 31, 2012, compared to a credit of Ps. 8.6 million for the year ended December 31, 2011. The main items affecting the determination of our tax result were income before taxes, the annual adjustment for inflation, prepaid expenses, collected prepaid commissions, the recovery of uncollectible credits and the difference between depreciation and amortization for accounting and tax purposes.

Net Income

For the reasons described above, we had net income of Ps. 72.8 million for the year ended December 31, 2012, compared to a net loss of Ps. 89.9 million in 2011.

Results of Operations for the Year Ended December 31, 2011 Compared to the Year Ended December 31, 2010

Interest Income

Interest income increased by 61.8% from Ps. 286.6 million for the year ended December 31, 2010 to Ps. 463.7 million for the year ended December 31, 2011. This increase was primarily attributable to the growth of our total loan portfolio during 2011. As of December 31, 2010 the consumer loan portfolio balance was Ps. 720.6 million. This amount increased by 47.7% to Ps. 1,064.6 million as of December 31, 2011.

Our average interest rate earned on interest-earning assets for the year ended December 31, 2011 was 44.36%, and our average interest rate paid on interest-bearing liabilities for that period was 18.44%, resulting in a net interest margin of 25.92%. In comparison, our average interest rate earned on interest-earning assets for the year ended December 31, 2010 was 40.42% and our average interest rate paid on interest-bearing liabilities for that period was 18.31%, resulting in a net interest margin of 22.11%.

Interest from Investments in Securities and Bank Accounts

Interest from investments in securities and bank accounts was Ps. 3.7 million for the year ended December 31, 2011 compared to Ps. 5.2 million for the year ended December 31, 2010, a decrease of 28.8%. This decrease was due to the fact that we received cash proceeds in 2010 through capital increases and borrowings. We initially invested this cash in securities and bank accounts. In 2011, we used these proceeds to invest in our business, which resulted in a decrease in the interest from investments in securities and bank accounts.

Interest Expense

Interest expense on our indebtedness was Ps. 185.4 million for the year ended December 31, 2011 compared to Ps. 104.3 million for the year ended December 31, 2010, an increase of 77.8%. The increase is due to additional borrowings incurred during 2010 and 2011 to support the significant growth of our loan portfolio.

Allowance for Loan Losses

Allowance for loan losses increased to Ps. 102.6 million for the year ended December 31, 2011 compared to Ps. 16.5 million for the year ended December 31, 2010. The increase was primarily due to the charge of Ps. 92.5 million in the year ended December 31, 2011 as the result of our change in accounting estimate, as described above.

Collected Commissions and Tariffs

Collected Commissions and Tariffs of Ps. 17.6 million for the year ended December 31, 2011, a decrease of 53.1% from Ps. 37.5 million for the year ended December 31, 2010. As noted above, we have been reducing origination fees over the past several years. In addition, we amortize such fees over the average term of the outstanding loan. As of January 1, 2010, our average loan term was 24 months. This duration increased to 36 months as of December 31, 2011. The increased term of our loans effectively resulted in reduced amortization of collected commissions and tariffs in the most recent periods.

Commissions and Tariffs Paid

Commissions and tariffs paid increased by 66.3% from Ps. 49.0 million for the year ended December 31, 2010 to Ps. 81.5 million for the year ended December 31, 2011. This increase was proportional to the growth of our total loan portfolio during 2011.

Exchange Rate Fluctuation

We recognized a foreign exchange loss of Ps. 17.3 million for the year ended December 31, 2011 and gains of Ps. 5.1 million for the year ended December 31, 2010 were recorded as Other proceeds (expenses), net.

Administrative Expenses

Administrative expenses increased by 40.5% from Ps. 133.6 million for the year ended December 31, 2010 to Ps. 187.8 million for the year ended December 31, 2011. The increase was primarily due to the additional expenses of managing an increased loan portfolio.

Other Proceeds (Expenses), Net

Other expenses, net, were Ps. 9.0 million for the year ended December 31, 2011, compared to other proceeds, net, of Ps. 2.1 million for the year ended December 31, 2010. The charge in 2011 was primarily due to a prior-year tax adjustment. The proceeds in 2010 were primarily due to write-offs recovered on our portfolio.

Income (Loss) Before Income Taxes

Income before income taxes was Ps. 32.9 million for the year ended December 31, 2010, compared to a loss before income taxes of Ps. 98.6 million for the year ended December 31, 2011. The loss in 2011 was primarily due to the extraordinary charge for allowances for loan losses as a result of the accounting change in 2011 and the exchange loss of Ps. 17.3 million on USD-denominated borrowing.

Income Taxes

Expense for income taxes was Ps. 7.0 million for the year ended December 31, 2010, compared to a credit of Ps. 8.6 million for the year ended December 31, 2011.

Net Income

For the reasons described above, we had net income of Ps. 25.9 million for the year ended December 31, 2010, compared to net loss of Ps. 89.9 million in 2011.

Liquidity and Capital Resources

Our treasury is charged with providing the resources needed to ensure that we can satisfy our working capital needs by securing a liquidity platform that allows us to achieve our aggressive growth projections. To this end, we have diverse sources of financing, such as a consumer loan-backed securitization, secured credit lines and unsecured financing. In addition, we constantly evaluate other potential sources of financing, such as further securitizations of portions of our loan portfolio, issuances of bond debt in local and international markets, and additional credit lines.

In July 2012, we issued the first payroll loan securitization in Mexico. With this securitization of Ps. 420 million, we were able to reduce our weighted average interest rate on borrowings from 17.1% as of June 30, 2012 to 10.97% as of December 31, 2012..

Our secured credit lines are provided by financial institutions. As of December 31, 2012, the total outstanding balance under our secured credit lines was Ps. 904.3 million. During January 2012, we received unsecured financing of Ps. 265 million through Texas EZ Pawn, a subsidiary of EZCORP, which allowed us to prepay a portion of our more expensive unsecured financing. This revolving credit facility had an outstanding balance of Ps. 180 million as of December 31, 2012. We also had Ps. 279.3 million of unsecured financing as of December 31, 2012 from high net worth individuals.

Our total indebtedness (excluding accrued interest) increased by Ps. 119.9 million, or 9.6%, to Ps. 1,363.9 million as of December 31, 2012 compared to Ps. 1,244 million as of December 31, 2011. The additional indebtedness allowed us to increase our total loan portfolio by Ps. 216 million, or 20.28%, during the same period. As of December 31, 2012, we had a debt-to-equity ratio of 3.6x.

As of December 31, 2012, all our debt was denominated in pesos.

The following graphic shows our total indebtedness with the cost of funding as of the end of 2011 and the end of each month during 2012:



The following table presents our total indebtedness as of December 31, 2012:

			Outstanding Amount as of December 31,		
Institution	Secured/ Unsecured	Maturity	2012	2011	2010
				(In thousands of Ps.)	
Debt securitization	Secured	September 6, 2017	420,000	–	–
Texas EZPAWN, L.P.	Unsecured	January 31, 2015	180,215	–	–
CI Banco, S.A., Institución de Banca Múltiple	Secured	October 14, 2014	183,724	242,598	228,476
Deutsche Bank AG	Secured – Senior Loan	Repaid July 2012	–	246,000	123,620
Alsis Latin America Fund, L.P.	Secured - Subordinated	Repaid July 2012	–	65,855	33,800
Semper Augustus B.V.	Secured – Senior Loan	Repaid July 2012	–	124,320	67,700
Banco Invex, S.A., Institución de Banca Múltiple	Secured	September 6, 2104	27,063	43,729	–
Vehículos Líquidos Financieros, S.A.P.I., SOFOM, ENR	Secured	August 10, 2015	50,000	50,000	–
Ficade, S.A. de C.V., SOFOM, ENR	Secured	April 30, 2017	223,550	75,500	–
Mount Helicon, L.P.	Unsecured	December 15, 2013	166,150	139,456	139,356
Opciones Financieras Múltiples S.A. de C.V., SOFOM, ENR	Unsecured	March 18, 2013	6,615	2,300	2,300
Brainbeam, S. de R.L. de C.V.	Unsecured	May 27, 2015	10,000		
Individuals	Unsecured	Various in 2014	96,591	254,264	156,627
Unpaid accrued interest			7,576	48,618	14,002
Total			1,371,483	1,292,640	765,881

Our management expects that cash flow from operations and other sources of liquidity will be sufficient to meet our liquidity requirements over the next 12 months, including our expected 2013 loan originations. The main source of our cash flow from operations is the collection of installment payments on the loans in our loan portfolio.

The instruments governing our existing indebtedness contain certain covenants that limit the future actions we may take or transactions that we may enter into. The following is a brief description of the principal terms of such instruments.

Debt Securitization

On July 19, 2012, we completed the first securitization of payroll loans in Mexico pursuant to a program approved by the CNBV for an amount of up to Ps. 1,500 million. In this first issuance under the program, we assigned a portfolio of eligible credit collection rights to a special purpose vehicle in an amount of Ps. 420 million. We continue to perform administrative and collection management activities related to this portfolio. Proceeds of the securitization were used to repay more expensive financing facilities. The annual interest rate is THIE plus 2.5%, and the maturity date for this first tranche of the securitization is September 6, 2017. We incurred expenses of Ps. 36 million in connection with the securitization transaction, which will be amortized over the term of the securitization.

We have instructed the government agencies that employ our borrowers to deposit amounts that they owe to us directly into a master trust account. The beneficiaries of the master trust are certain guarantee trusts that have been opened for the benefit of our creditors, including creditors of the securitization vehicle, as well as Crediamigo. The master trust works as a collections servicer that distributes daily to each one of its beneficiaries amounts that correspond to the credit rights that constitute the lenders' collateral. The notes issued in the securitization are secured by the cash flows received from the government agencies in the master trust.

Texas EZPAWN, L.P.

On January 30, 2012, we entered into an unsecured revolving loan agreement with Texas EZPAWN, L.P., a subsidiary of EZCORP, for borrowings of up to Ps. 140 million. On July 17, 2012, the maximum borrowings under this line of credit line were increased up to Ps. 265.3 million. This loan bears interest at a fixed 10% rate and has a maturity date of January 31, 2015.

CI Banco, S.A., Institución de Banca Múltiple.

On October 12, 2010, we entered into a secured revolving loan agreement with CI Banco, S.A., Institución de Banca Múltiple, for an amount of Ps. 250 million. The term of the facility is 36 months from the first borrowing, which was on October 15, 2010. This loan bears interest at a floating rate of THIE plus 130 basis points. The loan is secured by a portion of our accounts receivable.

Deutsche Bank AG, London Branch; Alsis Latin America Fund, L.P.; Semper Augustus B.V.

On October 12, 2010, we entered into a secured loan agreement with Deutsche Bank AG, London Branch for an amount of up to Ps. 731,293,752, from which Deutsche Bank AG, London Branch or any of its assignees (including Semper Augustus, B.V.) were committed to extend up to Ps. 621.6 million as senior lenders, and Alsis Mexico Opportunities Fund Holdings, L.P. was committed to extend up to Ps. 109,693,752 as a subordinated lender. The term of the facility was 50 months from the execution date. This loan bore interest at a floating rate of THIE plus 12.5% for the senior Loan and THIE plus 20% for the subordinated loan. The loan was repaid in July 2012 using proceeds of the securitization.

Banco Invex, S.A., Institución de Banca Múltiple.

On April 7, 2011, we entered into a secured loan agreement with Banco Invex, S.A., Institución de Banca Múltiple, for an amount of Ps. 25 million. On September 23, 2011 we entered into a second secured loan agreement for an additional amount of Ps. 25 million. The term of the facility is 42 months from the execution date of each

loan agreement. This loan bears interest at a floating rate of THIE plus the spread agreed in each borrowing, which was 9%. The loan is secured by a portion of our accounts receivable.

Vehículos Líquidos Financieros, S.A.P.I., SOFOM, ENR

On August 10, 2011, we entered into a secured loan agreement with Vehículos Líquidos Financieros, S.A.P.I., SOFOM, ENR for an amount of Ps. 50 million. The term of the facility is 48 months from the execution date. This loan bears interest at a fixed annual rate of 15%. The loan is secured by a portion of our accounts receivable.

Ficade, S.A. de C.V., SOFOM, ENR

On October 28, 2011, we agreed to guarantee a credit agreement between Ficade, S.A. de C.V., SOFOM ENR and HSBC, as trustee under the “Ficade” trust. The Ficade trust was created to assign certain credit rights that would secure, as a collateral, the Ficade loan whose proceeds would be received into the trust and transferred to Crediamigo. The loan is for an amount of up to Ps. 300 million and the loan matures on April 30, 2017.

Mount Helicon, L.P.

On July 15, 2012 we entered into a loan agreement with Mount Helicon, L.P. for an amount of Ps. 166.1 million. The loan is unsecured and matures on December 15, 2013. The annual interest rate is 15%.

Opciones Financieras Múltiples S.A. de C.V., SOFOM, ENR

On May 7, 2012, we entered into an unsecured loan agreement with Opciones Financieras Múltiples S.A. de C.V., SOFOM, E.N.R in the amount of Ps. 7.1 million. The loan matures on March 18, 2013 and bears interest at a fixed annual rate of 10%.

Brainbeam, S. de R.L. de C.V.

On November 27, 2009, we entered into a loan agreement with Brainbeam, S. de R.L. de C.V. for an amount of Ps. 10 million. The loan is unsecured and matures on May 27, 2015. The annual interest rate is 10%.

Borrowings from Individuals

We have entered into credit agreements with ten individuals, most of whom are shareholders of Crediamigo or other related parties. The loans are unsecured, and loan amounts range between Ps. 0.2 million and Ps. 66.1 million. The average loan amount is approximately Ps. 8.1 million. The annual interest rate is 10% for nine of these loans and 11% for the remaining loan. All of these loans mature at varying dates during 2014.

Contractual Obligations

The table below sets forth information regarding our debt obligations (excluding accrued interest) as of December 31, 2012:

	One Year	2014	2015	2016	2017
Debt Amortization	323,390.19	250,509.45	342,370.51	303,119.95	144,516.67

Recent Events

On February 19, 2013, our Board of Directors recommended to the shareholders an equity capital increase of Ps. 187.5 million to strengthen our capitalization and to support the expected growth in our loan portfolio. Shareholders approved this capital increase on April 1, 2013, and the capital increase was completed on April 15, 2013.

In September 2012, we acquired a payroll loan portfolio with a face value of Ps. 24.0 million from Fondo ACH, S.A. de C.V., SOFOM ENR for a purchase price of approximately Ps. 20.7 million. We further agreed to acquire Fondo ACH for approximately Ps. 10 million. This acquisition will provide us with an additional nine collaboration agreements with government entities, including Petroleos Mexicanos (PEMEX), one of the largest companies in Latin America. The completion of this acquisition is subject to certain conditions, which we expect to be satisfied in the second quarter of 2013.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various market risks associated with our assets, liabilities and operations, including risks related to interest rates, credit, inflation and exchange rates. We continually assess our exposure to market risk that arises in connection with our operations and financial activities.

Interest Rate Risk

We are exposed to interest rate and maturity mismatches between our loans and sources of funding. Our loan portfolio consists entirely of loans bearing interest at fixed rates, and the yield from our loans depends on our ability to balance our cost of funding with the interest rates we charge our customers. An increase in interest rates, or general uncertainty about changes in interest rates, could affect demand for credit, and thus demand for our direct and indirect financing products. In addition, an increase in market interest rates in Mexico could increase our cost of funding under circumstances in which we could not timely and fully increase interest rates we charge to our customers. Such a situation could reduce the spread we earn on our loan portfolio.

Any mismatch between the maturity of our loan portfolio and our sources of funds could magnify the effect of any imbalance in interest rates, also representing a liquidity risk if we fail to obtain funding on an ongoing basis. An increase in our total cost of funds for any of these reasons could result in an increase in the interest rates on our loans, which could, as a result, affect our ability to attract new customers.

Interest rate fluctuations in Mexico have a significant effect on our business. While our interest-earning assets bear fixed interest rates, many of our interest-bearing liabilities carry floating interest rates equal to the 28-day TIIE, plus a spread, and are subject to frequent repricing. The TIIE is the benchmark interbank interest rate applicable to borrowing from and lending to *Banco de México* in transactions denominated in pesos, which rate is published in the Official Gazette of the Federation (*Diario Oficial de la Federación*). A 1% increase in the TIIE would affect our interest expense by Ps. 4.47 million per year. For information regarding the high, low and average TIIE during each of the periods indicated in this Offering Circular, as well as information on our interest cost of funding, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Interest Rate Fluctuations.”

Credit Risk

Credit risk is the possibility of a loss arising from a credit event, such as deterioration in the financial condition of a borrower, which causes an asset to lose value. The purpose of credit risk management is to mitigate and optimize the risk, keeping credit risk exposure within a permissible level relative to capital, to maintain the soundness of assets and to ensure returns commensurate with risk. Our current credit policy sets forth uniform and basic operating concepts, codes of conduct and standards for credit operations. By giving our employees extensive credit training, we aim to achieve a high standard of credit risk management, and create a better credit risk management culture within Crediamigo.

We have developed and refined our own proprietary underwriting standards and a digitalized credit review system, which help ensure high-quality loan portfolios and a faster credit approval process. In reviewing credit applications, we rely on both quantitative and qualitative measures, allowing us to utilize our knowledge and experience to better evaluate credit risk on a case-by-case basis. We believe our risk analysis systems allow us to make better credit decisions when evaluating credit applications from customers with limited or no credit histories.

We believe that our business model limits our credit exposure to credit risk. Our payroll loans are repaid through directed payments from the borrowers’ paychecks pursuant to express written instructions from the

borrowers. These instructions authorize a borrower's public-sector employer or labor union to make fixed installment payments during the term of the payroll loan from the borrower's payroll wages before those wages are paid.

As part of our ongoing process to monitor risks, we monitor the credit collection process, which is the most important principle in our credit process. We analyze, evaluate and monitor each credit. Special attention is paid to non-performing loans, and stricter measures are used to monitor these loans. We believe it is very important to administer, or act as the servicer for, the loans that we own. Because we are the servicer of our loan portfolio, we interface directly with each of the payroll counterparties on all of our loans. If there is a problem in installing new loans onto the payroll system or a disruption in payments, our credit risk team responds immediately to identify and correct the source of the problem by interacting with the payroll counterparty and providing technical assistance if necessary.

Inflation Risk

Historically, inflation in Mexico has led to higher interest rates, depreciation of the peso and substantial government controls over exchange rates and prices. Increased inflation generally increases our cost of funding, which we may not be able to pass on to our customers through higher interest rates without adversely affecting the volume of our loans. The level of and fluctuations in interest rates affect our ability to earn a spread between interest received on our loans and the cost of our funding. All of our loans have fixed interest rates, which may not reflect the real return we are receiving in an inflationary environment and may not, as a result, fully compensate us for the risk we are bearing on our loan portfolio. If the rate of inflation increases or becomes uncertain and unpredictable, our business, financial condition and results of operations could be adversely affected.

According to figures issued by the *Banco de México*, the annual rate of inflation in Mexico, as measured by changes in the INPC, was 4.4% in 2010, 3.8% in 2011, and 3.6% in 2012. High inflation can adversely affect consumer purchasing power and, thus, the demand for the loan products we offer.

Exchange Rate Risk

As of December 31, 2012, we had no assets or liabilities denominated in a currency other than Mexican pesos. Peso exchange rates have been subject to significant fluctuations in the past. Because of the significant historical volatility in peso exchange rates, the risks associated with such positions may be greater with respect to Mexico than with respect to certain other countries.

BUSINESS

Overview

We are a leading provider of loans made to employees of Mexican government agencies. These loans are secured by payroll deductions, and we refer to them as “payroll loans.” The employees of federal, state and municipal government entities, as well as unionized employees, often have limited access to financing from banks and other traditional Mexican loan providers, as well as limited credit histories, despite their stable employment status due to low turnover rates at government agencies. Our payroll loans are payable in installments, which are deducted from each borrower’s payroll wages by his or her government agency employer, pursuant to the borrower’s instructions to such employer. Consequently, the employer makes loan payments directly to us, before the remaining payroll wages are paid to the employee. All of our loans are granted to borrowers domiciled in Mexico and are denominated in pesos.

We negotiate collaboration agreements with government agencies, which enable us to offer our payroll loans to their employees. Once a collaboration agreement has been executed with a government agency, we originate and underwrite each loan on an individual basis. We use differentiated proprietary brands as distribution channels to serve our customers. Applications for loans are completed either on the field, in our branch offices, on the government entity’s premises or through our call center unit, and are submitted electronically to our centralized underwriting unit for approval.

As of December 31, 2012, we had approximately 80,000 loans outstanding and a Ps. 1,280.6 million total loan portfolio, with a past due ratio of 4.4%. From December 31, 2010 to December 31, 2012, our total loan portfolio grew by Ps. 559.9 million, or 77.7%. For the year ended December 31, 2012, we had total interest income of Ps. 568.2 million, and net income of Ps. 72.9 million. As of December 31, 2012, we had total assets of Ps. 1,815.1 million.

History and Development

We were incorporated in 2003 as a company providing consumer loans for the purchase of electrical appliances. At the time, we had a limited funding capacity and primarily financed our loans through shareholder contributions. In 2005, we started providing loans secured by payroll deductions. In 2006, we increased our funding sources. In 2007, we obtained a structured line of credit from Semper Augustus, B.V. In 2009, we changed our legal status and became a SOFOM. That same year, our founding shareholders also made additional capital contributions.

In 2012, EZCORP, through its 100% owned subsidiary, acquired a 60% interest in Crediamigo from our founding shareholders. During 2012 EZCORP and the original shareholders made equity capital contributions and extended loans for a total of Ps. 499.71 million. As of December 31, 2012 we had Ps. 377 million of capital, a 254.2% increase compared to December 31, 2011, becoming one of the most highly capitalized companies in our sector of activities, with a capitalization ratio of 31%. Following the acquisition by EZCORP, Fitch upgraded our rating to BBB (mex) and on the 11th of March, 2013, Fitch upgraded our rating again to BBB+ (mex). In July 2012, we established the first securitization facility of our company and of our industry for Ps. 420 million at a rate of 2.5% + THIE, allowing us to substantially reduce the cost of our financing.

EZCORP was incorporated in 1974 and has been listed on The NASDAQ Stock Market since 1991. As of March 25, 2013, EZCORP had a market capitalization of US\$1.1 billion. It is a leading provider of specialized financial services, with a significant presence in the United States, Canada and the United Kingdom. It also has investments in Australia, South Africa and other parts of the world. EZCORP has approximately 7,200 employees working in more than 1,350 branches in the United States, Canada and Mexico.

Our remaining shareholders have a put option with respect to their remaining shares of Crediamigo. Each seller has the right to sell their Crediamigo shares to EZCORP, through its 100% owned subsidiary, during the exercise period commencing on January 30, 2014 and ending on January 30, 2017, with no more than 50% of the seller’s shares being sold within a consecutive twelve-month period.

Competitive Strengths

We believe that the following strengths have allowed us to differentiate ourselves from our competitors and are important to our continued success:

- *Relationships with federal, state and municipal government agencies through an extensive network of executed collaboration agreements.* We seek to ensure a close relationship with the senior members of the government agencies whose employees are our borrowers. Our collaboration agreements with these agencies include an obligation for the agencies to make periodic deductions from their borrowing employees' paychecks in an amount equal to the payments due to us under the loans granted to these employees. Notwithstanding changes in administrations and political parties in charge of such administrations, we have managed to maintain stable relationships with these government entities, which permit us to continue to generate loans. We have executed more than 180 collaboration agreements since our inception.
- *Recognized brand names ("Crediamigo" and "Finapoyo").* Extensive marketing to our target customers through numerous campaigns and promotions has resulted in a highly recognized and trusted brand name in our market. We believe potential borrowers recognize the prevalence of Crediamigo and Finapoyo throughout Mexico and the prestige of our brands.
- *Our specialized sales force.* Members of our dedicated sales force are physically present in each one of the agencies with which we have ongoing collaboration agreements and in our branch offices, in order to achieve direct contact with our potential customers. They are responsible for assessing the potential customers' needs, gathering the required loan documentation and helping the potential customers with the completion of the loan documentation. Although we source a limited amount of business through third-party brokers, we believe our specialized sales force, which has generated approximately 81% of our loans as of December 31, 2012, provides us with exceptional access to government agencies and stricter control over our business methods.
- *Superior underwriting processes and ability to fund quickly.* We lend to government employees, who, based on our internal analysis, are historically a stable employment group with very low historic turnover. Assuming the employee remains employed, the payroll deduction mechanism provides nearly complete assurance that the borrower will continue to make payments on the loan. In addition, because we have access to the employee's payroll information, we can confirm the applicant's employment status and timing for retirement, as well as the appropriate size of the loan to grant, based on the applicant's verified income and corresponding ability to make full payment. Further, we believe that one of our key competitive advantages is the speed with which we are able to grant loans to our customers, where appropriate. Our loan approval procedures allow for funding within 24 to 48 hours, and we have initiated an electronic platform through which many loans are approved in less than one hour.
- *Advanced servicing and collection processes.* We service 100% of the loans that we own through our centralized servicing unit. Since we collect through entities that deduct payments directly from a borrower's paycheck, we are able to perform a detailed analysis of the payments received, allowing us to immediately detect any delinquency or omission in order to start the collection process directly with the borrowers. Our servicing and collections processes are more efficient than traditional processes, and allow us to bypass the difficulties associated with collecting from individuals, such as locating borrowers or contacting borrowers who lack phone service or reliable mail service.
- *Our strong and active majority shareholder.* On January 30, 2012, Change Capital International Holdings B.V., a 100% owned subsidiary of EZCORP, Inc. ("EZCORP"), a U.S. company whose shares are listed on The NASDAQ Stock Exchange (NASDAQ: EZPW), acquired a 60% interest in Crediamigo from our founding shareholders. EZCORP is a leading provider of specialized financial services, with a significant international presence. Through its active participation, we

have accelerated our profitability, substantially reduced our funding costs and improved our corporate governance and reporting tools.

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- *Experienced Management.* Our executive team consists of experienced professionals who have significant experience in different segments of the Mexican and U.S. financial sectors, and whose knowledge, experience and support have proven to be significant competitive advantages.

Business Strategy

Our main objective is to diversify the product portfolio and continue the growth achieved during the preceding years. The payroll loan market remains a relatively small part of the Mexican economy. We estimate that a large percentage of the Mexican population does not have access to traditional borrowing sources, such as banks and credit cards. We further estimate that there are approximately 7,000,000 individuals who work with government agencies in Mexico that have entered, or have potential to enter, into collaboration agreements relating to our payroll loans. We therefore believe that there are substantial growth opportunities for non-traditional financial institutions in Mexico, in light of the large portion of the population that remains underserved by banks and other traditional credit providers. We believe we are well-positioned to take advantage of this expected growth. As part of our ongoing growth strategy, we intend to strengthen our presence in markets in which we already operate and continue the expansion of our payroll loan business across Mexico. We also intend to continue to improve our operational efficiency by reducing our operating costs while maintaining high levels of market share and customer satisfaction. The following are key elements of our strategy:

- *Enter into additional collaboration agreements with government agencies.* We are continually focused on negotiating and entering into new collaboration agreements with government agencies, whose employees will continue to be our source of new payroll loans. Although we expect that our primary source of new collaboration agreements will be direct contact with government agencies, we also will consider strategic mergers and acquisitions of other payroll loan lenders in situations where we identify complementary networks of government agencies.
- *Pursue additional loan business with existing customers and under our current collaboration agreements and use our Call Center as an additional origination channel.* We recognize that our current borrowers can be an important source of new business. For example, we frequently offer borrowers the opportunity to extend their loans or to take additional loans. The underwriting process for our existing borrowers is usually faster and more straightforward than for new customers, and our expenses of generating this business is generally lower. In addition, many employees of the government agencies with which we have executed collaboration agreements have not borrowed money from us, and these employees represent potential additional business for us. Further, we intend to use our Call Center, which accepts inbound calls from potential borrowers and also offers existing customers the opportunity to extend their loans or to make additional borrowings, as an additional origination channel.
- *Develop new products for retirees.* We intend to offer new loan products focused on retired government employees who have achieved a minimum age and period of government service. The new loan products will be similar to our traditional loan products but will include specific characteristics and benefits targeted at retirees.

- *Pursue technological innovations.* We are focusing on developing technology to make it easier for our borrowers and government agencies to work with Crediamigo. For example, we recently introduced a mobile application that enables borrowers to submit loan applications electronically. This application reduces the time for borrowers to complete our applications, and because the information is delivered electronically, the processing time for these applications can be less than one hour.
- *Preserve diversified sources of funding and strong capital base.* We intend to grow our business while maintaining a strong capital base. Accordingly, we will continue to seek an optimal capital structure by obtaining financing from the capital markets and from private banks (both secured and unsecured sources of financing). As of December 31, 2012, 2011 and 2010, our ratio of total debt to shareholders' equity was 3.6x, 12.1x and 4.0x, respectively. We recently completed a securitization of our payroll loans that provided us with capital to pursue additional loans. We believe this strategy of financing new business through securitization of existing business will be an effective way for us to continue to grow in an organic and responsible manner. As of December 31, 2012, the average maturity of our indebtedness was 3.1 years, and this offering will further extend the average maturity.

Payroll Loans

Our payroll loans are made to public-sector employees and are originated directly through us or, in some cases, through a broker representative. Payroll loans are repaid from the borrowers' paychecks pursuant to express written instructions from the borrowers. These instructions authorize a borrower's government-agency employer to make fixed installment payments during the term of the payroll loan from the borrower's payroll wages before those wages are paid to the borrower. The loans carry a fixed rate of interest which is set at origination. The amount of the loan is limited such that the payments cannot exceed a maximum percentage of the borrower's income. The vast majority of the loans provide for semi-monthly payments, to coincide with the borrower's paychecks. The term to maturity of the loan is typically 6-48 months, and is limited by the borrower's anticipated time to retirement.

Our customers often have limited access to financing from banks and other traditional credit providers. Given the lack of penetration by financial institutions in our target markets, most of our customers have had difficulties gaining access to credit or have limited credit histories and are thus unable to meet the standards imposed by such financial institutions. The interest rates we charge on our loans reflect the additional risks posed by lending to the customers we target, the difficulties in reaching such customers and the expenses involved in developing tailored consumer credit products to meet their needs.

We believe that we differentiate ourselves from our competitors through (i) diversified collaboration agreements with multiple government agencies, (ii) our capacity and expertise to service our loan portfolio from origination of loans through repayment, including our specialized sales force and collection department, (iii) our relationship with EZCORP, Inc., and (iv) our ability to fund quickly, where appropriate. The loans are primarily documented by a (i) promissory note, (ii) a loan agreement and (iii) irrevocable instructions whereby the public sector employees authorize the government agencies to deduct the amounts due under their loans from their paychecks. These express authorizations are legally binding and enforceable as they are irrevocable instructions from the employees, allowing the Agencies to make fixed installment payments to us during the term of the payroll loan from the borrowers' payroll wages before those wages are paid. The loans carry a fixed rate of interest, which is set at origination. The amount of the loan is limited such that the payments cannot exceed a maximum percentage of the borrower's income.

Loan amounts depend on each employee's individual borrowing capacity. Payroll deductions are generally equal to 30% of the salary of the employees. Payments are generally semi-monthly and made over 24, 36, 48, 72 or 96 semi-monthly pay periods. Payments are held constant throughout the term of each loan and consist of varying amounts of principal and interest due to amortization.

The following table sets forth the average terms of the key characteristics of our Loan Portfolio as of and for the year ended December 31, 2012:

Original Loan – Promissory Note Value	Ps. 3,812,489,128
Original Loan – Principal Value	Ps. 1,631,971,159
Unpaid Balance/Loan	Ps. 2,287,046,829
Unpaid Principal/Loan	Ps. 1,118,759,607
Average Annual Interest Rate	83.94%
Weighted Average Original Term	55.87 semi-monthly periods
Weighted Average Remaining Term	55.56 semi-monthly periods

Target market

All of our loans are to borrowers domiciled in Mexico and are denominated in pesos. As of December 31, 2012, we had payroll loans in 32 Mexican states and our portfolio had the highest concentration in the Federal District (29.18%), Sinaloa (8.86%) and the State of Mexico (8.71%). Approximately 44.9% of our loan portfolio is to federal employees, approximately 15.2% to state employees, approximately 8.25% to municipal employees, approximately 21.5% to teachers' union employees and approximately 10.1% to other employees (i.e. universities, public health services, quasi-sovereign organizations, among others).

According to INEGI figures, in Mexico there are approximately 7 million employees in the public sector (including municipal employees, federal and state government employees, public education and public health workers, employees of quasi-sovereign organizations and pensioners of these employees). We estimate that a large percentage of our target market remains untapped.

Collaboration agreements with agencies

We enter into collaboration agreements with government agencies across Mexico. Since our inception, we have entered into approximately 180 collaboration agreements with agencies, which permit us to provide loans to employees of these agencies and establish mechanisms for the repayment of the loans through payroll deductions. The agencies are public-sector employers and can be any government entity, departmental agency, commission, committee, direction, regulatory authority, administrative or judicial authority, center for higher studies, college or university (including the independent universities) or any other federal, state or local governmental entity. In an effort to maximize profitability, we have terminated many of the smaller collaboration agreements that have not generated the profitability that we expect to achieve from our loan portfolio. As of December 31, 2012, we had approximately 80 active collaboration agreements.

The majority of our collaboration agreements have an indefinite term, but are subject to termination by notice of any of the parties. The termination of the collaboration agreement results in the impossibility of generating new loans under such collaboration agreement; however, the agencies remain obligated to withhold deductions equal to the fixed installments due under loans until full payment of such loans.

When entering into a collaboration agreement with an agency, we follow a standard procedure that involves the negotiation of the collaboration agreement with the agency, as well as a series of internal approvals that requires communication among our Commercial, Collection, Administration and Finance, Legal, Marketing and Coordination of Agreements divisions. Our "EvolucionA+ Program," started in 2012, dedicates two- to three-person execution teams to promote the analytical procedures that lead to the approval of a new agency, to provide general information regarding the market penetration and profitability in such agency and to establish start-up procedures that enable its employees to make initial borrowings.

The following are typical clauses that are common to most of our collaboration agreements:

- the obligation of the agency to deduct from the employee's salary the payments that the employee has authorized under its credit application, loan agreement, promissory note and irrevocable instruction;
- the obligation to deliver to us the payments authorized by the employees;

- the continuity of the agency's withholding obligation even upon the termination of the collaboration agreement, until the loans granted prior to the termination have been repaid in full; and
- our right to assign our rights under the collaboration agreements to a third party.

Some collaboration agreements provide for the payment to the agencies of an administrative service fee. The determination of this fee is made on a case-by-case basis during the negotiation of the collaboration agreement, taking into consideration, among other things, the number of employees of the agency, the duration of the collaboration agreement, the geographical location of the borrowers, existing fees paid to other businesses and the amount of work required of the agency. Based on those criteria, the fee fluctuates between 0.05% and 5% of the principal amount of each loan. We do not pass the administrative service fee to our borrowers.

Based on the level of risks and revenues generated, Crediamigo classifies its collaboration agreements in two categories:

- *Premium.* This category includes collaboration agreements entered into with federal and state governmental agencies, the National Syndicate of Government Employees and municipalities with more than 5,000 employees.
- *Junior.* This category includes collaboration agreements entered into with municipalities with less than 5,000 employees.

The criteria for granting loans differ for the two categories of collaborations agreements. For example, junior agreements generally provide that the term of each loan should not exceed three years, and that loans should only be granted only to union employees. Interest rates for loans under premium collaboration agreements are generally lower than loans originated under our junior collaboration agreements.

As of December 31, 2012, we had 80 current collaboration agreements. Our largest collaboration agreements are with the *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado*, or ISSSTE, and *Secretaría de Educación Pública*, or SEP, which, as of December 31, 2012 represented 25.20% and 19.58% of the total amount of loans outstanding, respectively.

Primary Collaboration Agreements	Percentage of Loan Portfolio
ISSSTE	25.20%
SEP	19.58%
SNTE 27	5.61%
SNTE MICH FEDERAL	5.16%
GOBIERNO DEL ESTADO DE SONORA	2.42%

Although ISSSTE and SEP are the entities withholding the amounts due under the loans from borrowers' paychecks, the borrowers are actually employees of more than 100 agencies. This is because ISSSTE and SEP are federal agencies that consist of multiple other agencies. One of our diversification strategies going forward is to enter into collaboration agreements directly with agencies. We have pursued this approach with several agencies that were previously included within our collaboration agreement with ISSSTE.

Origination

We use both our internal and external sales forces to originate loans. Both are only responsible for the origination of the loans, and the administration of the loans remains our responsibility. We also operate a call center sales force.

Loan origination through our internal sales force (internal sales advisors and brokers)

As of December 31, 2012, we had 94 internal sales advisors, dedicated to Crediamigo brands only, and 298 commission-based brokers (who do not work exclusively for our brand); both the internal sales advisors and the commission based brokers focus on sales and the origination of new loans under the “Crediamigo” brand. These sales advisors and commission-based brokers work out of 48 Crediamigo branch offices or directly in the government agencies’ offices. Origination through our internal sales force represented approximately 81% of the total sales during the year ended December 31, 2012.

Commissions are awarded based on origination level achieved during the period being measured. The commission percentages that are paid to internal sales advisors and to the commission-based brokers fluctuate between 3% and 6% of loans originated, depending on the agreement.

Loan origination through our external sales force (Finapoyo Distributors)

Our external sales force (the “Finapoyo Distributors”) focuses exclusively on originating loans for the “Finapoyo” brand. As of December 31, 2012, we had 22 active distributors that do not have an employment relationship with us. They receive a commission that is a function of their placement goals and fluctuates between 10.5% and 12.5% of loans originated, depending on the agreement. Origination through our external sales force represented approximately 19% of the total sales during the year ended December 31, 2012. With respect to the loans whose payment installments are less than or equal to 24 installments, the commissions are lower than the commissions for longer loans.

We have developed an efficient screening process for our Finapoyo Distributors in the hiring process, and we emphasize training and the certification of our external sales force. Finapoyo Distributors collaborate in various stages of the process for originating loans and have the same responsibilities and functions as our internal sales force.

Our Finapoyo Distributors do not enter into collaboration agreements with agencies. They also do not enter into loan agreements with the borrowers. Only Crediamigo enters into collaboration agreements or loan agreements.

Loan origination through our call center

We operate a call center that, as of December 31, 2012, was staffed by 8 employees. The call center accepts inbound calls from potential borrowers and also offers existing customers the opportunity to extend their loans or to make additional borrowings. In either case, the sales force transfers the customer to a local branch or arranges for an advisor, broker or Finapoyo Distributor to be sent to the borrower’s workplace.

Loan Application Process

Meeting with our sales force

Once a collaboration agreement is effective, agents from our sales forces may approach employees of the agency with loan proposals. Sales force agents typically meet with potential borrowers at the agencies’ offices, but they also can assist customers who visit our branch offices.

The loan application is simple to complete. Besides confirmation of employment, the potential borrower needs to submit the last two consecutive payroll stubs, an official proof of identification and a proof of an address that has been valid for at least 3 months. Our agents are required to verify the authenticity and the accuracy of the documents provided.

After the potential borrower signs the loan documentation, the agent will present an unfunded bank check. The customer will only have access to the funds once the verification process is completed. Our operations are based on an integrated technological platform that allows the release of resources to customers within a period of 24 to 48 hours.

Application review

After the initial meeting, the sales force agent will send the loan application to be reviewed by an analyst in one of our branches and/or our centralized underwriting unit. Our branch analysts analyze and verify the loan applications received from our sales force agents to ensure compliance with our policies and procedures. As part of their verification process, our analysts confirm the authenticity of the payroll stubs, employee numbers, Federal Taxpayer Registry Number, and form(s) established by the agency where the potential borrower is employed. The analyst also verifies the authenticity of the potential customer's official identification by consulting the *Instituto Federal Electoral* (Federal Electoral Institute) website and the *Secretaría de Educación Pública* (Public Education Agency) website. The analyst also validates the proof of address.

If the analyst notices a discrepancy or incorrect information, then the file will be returned to the sales force agent or to the branch manager to make appropriate corrections or provide additional information from the potential borrower.

A branch manager has the authority to review a loan application in further detail. The manager may audit the agent's compliance with our standards, assess the loan amount and consider whether it may present additional risk. In some cases, if the amount of the loan exceeds Ps. 40,000 (as of December 31, 2012), then the file is sent to the regional manager for approval and verification of references.

After review by our branch analyst, members of our Quality Control Department complete a review that adheres to our central policy for loan authorization. Upon approval, we authorize our Treasury Department to release the funds to the borrower.

Once the process is completed, all documents relating to the loan application are digitized and uploaded to the system and sent both physically and electronically to our company headquarters.

Standards of review

Our Standards Committee (*Comité de Normatividad*) establishes and authorizes our loan granting policies. It is composed of the Director of Administration and Finance, the Commercial Director, the Director of Finapoyo, the Director of Collections, the Legal Director and the General Director. The main function of the Standards Committee (*Comité de Normatividad*) is to verify and ensure that loan granting policies are applied and respected.

Our principal loan granting policies are:

- We grant loans only to employees of agencies with which we have a valid collaboration agreement.
- The parameters that we use to classify, identify, and understand our customers are those that are established by the General Dispositions of Article 95-Bis of the *Ley General de Organizaciones y Actividades Auxiliares del Crédito*, applicable to Multi-purpose Financial Institutions.
- Customers must authorize their employers to deduct loan payments from their salaries.
- The loan application should include all required information and documentation, duly signed by the customer and validated by the sales force agent, including a credit application, loan agreement, promissory note, authorization to deduct loan payment, copies of the last two payroll stubs, copy of official identification and an authorization letter for the loan.

Our customers range from 18 years old to 61 years and 11 months old. Customers must have been employed with their agency for at least six (6) months before they can become eligible for our payroll deduction loan. In the case of retirees and pensioners, the maximum age for loan approval is 70 years old.

Loans must be repaid over 12, 24, 36, 48, 72 or 96 semi-monthly periods. The loan maturity is a function of the potential borrower's age, financial profile, terms of the collaboration agreement and other requirements of the agency that employs the potential borrower. The minimum loan amount is Ps. 2,000. Loan amounts greater than Ps. 40,000 require approval of the regional manager, as well as verification of references.

For loans amounts greater than Ps. 99,999, the following additional conditions must be met:

- Maximum age of 55 years;
- Letter from agency validating the employment data;
- Proof that employee is not in the process of retiring; and
- A third party guarantee.

Finally, loan amounts greater than Ps. 200,000, require the approval of the Regulation Committee and Crediamigo's senior management.

We retain flexibility to deviate from these guidelines, particularly in the case of loans to recurring customers or loan refinancings.

Master trust

Under our collaboration agreements and according to irrevocable instructions sent by Crediamigo to each of the government agencies, the agencies are instructed to deposit amounts due to us directly into a master trust account. The beneficiaries of the master trust are certain guarantee trusts that have been opened for the benefit of our creditors. The master trust works as a collections servicer that distributes daily to each one of its beneficiaries amounts that correspond to the credit rights that constitute the lenders' collateral. Similarly, the master trust generally releases collections to us on a daily basis (assuming that we are not in default under our loan agreements). This structure was created to reduce the risks associated with the administration of our business, giving certain lenders a guaranteed collection source.

Loan Collection Procedures

Our Collections Department is responsible for collecting payment of the amounts due under our loan agreements. The Collections Department monitors payment obligations of our borrowers and reviews these obligations against periodic reports that agencies send to us. These reports provide details regarding the deductions that agencies are making pursuant to the borrowers' authorizations. In case of differences, the Collections Department will contact the corresponding agency to make corrections or clarifications.

There are occasions when agencies fail to make deductions for extended periods. This is typically due to administrative problems within the agency, such as errors related to payroll administration, ongoing internal audits, etc. In case of an agency's failure to make a required deduction for a pay period, we request the agency to report the failure, and we seek acknowledgement from the agency of the pending amounts that are due to us. We may also suspend further loans to employees of that agency until the agency resumes making deductions and provides evidence of all deductions made. If a reasonable period of time passes without the agency restoring deductions, then we may file a lawsuit to seek compliance with the collaboration agreement. We reserve the right to decide whether or not we want to file a complaint against the agency.

In order to avoid delays in deductions by government agencies, we have developed specific actions to compel the agencies to resume deductions as quickly as possible. These actions include the following:

- Sending letters to the agencies reminding them of the delayed payments;
- Sending notices directly to agency officers requesting payment;

- Retaining third parties contact the agencies;
- Providing reports regarding the agencies' payment delays to credit bureaus; and
- Filing lawsuits to compel payment.

In all cases where agencies delayed deductions, the agencies eventually resumed payments, although the maturity dates of the loans were automatically extended as a result of the failure to make timely deductions, with no compensation to Crediamigo for the extensions. We are currently involved in discussions with government agencies and industry associations to develop an effective general policy for the industry, with the objective of reporting delinquent agencies in a way that would not affect borrowers in situations where they are not responsible for the delays.

Because delayed payments ultimately resulted in defaults on loans of only approximately Ps. 600,000, we classify these delayed payments as accounts receivable on our balance sheet, rather than non-performing loans.

Procedures for Out of Payroll Collections

If a customer ceases employment with the government agency, then all amounts due are transferred to our Out of Payroll Loan Portfolio. In such cases, the Collections Department works directly with the customers to seek repayment.

Internal collections

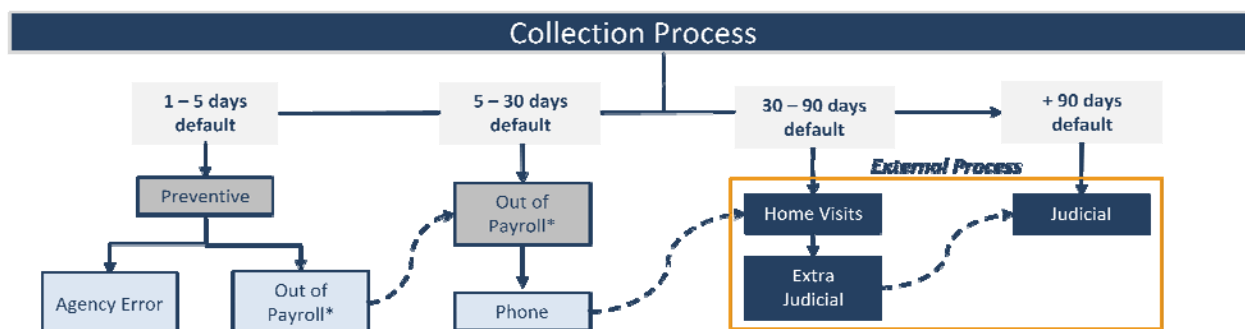
On a monthly basis, the Collections Department detects borrowers whose payments have not been registered. The Collections Department communicates with borrowers to confirm whether they are still employed by their agencies. If a borrower is no longer employed or it is not possible to deduct the required amount for a loan from their payroll, then the loan is considered to be an Out of Payroll Loan, and the following collections activities are initiated:

- *Telephone Procedure.* The Out of Payroll Department contacts the customer by telephone to discuss the repayment of the loan. In the event that they reach an agreement, the customer will begin to make payments directly to the bank accounts of the master trust or directly to Crediamigo.
- *Residential Procedure.* In the event that an agreement is not reached with a borrower, our Out of Payroll Department works with external collection firms to make personal visits to the borrowers to discuss repayment.

External collections

If we are not able to reach an agreement with the customer following our internal collections procedures, an extrajudicial collections process is initiated for Out of Payroll loans that are 30 to 90 days past due, and a judicial collections process is initiated for the Out of Payroll loans that are more than 90 days past due. For both processes, we hire outside specialists to assist us with the collection.

The following diagram summarizes the collections process for loans in arrears:



Loan portfolio

The following table sets forth an analysis by maturity of our current loans as of December 31, 2012.

Maturities as of December 31, 2012	Balance (in pesos)	Percent of Loan Portfolio
Less than 6 months	195,644,671	19%
6 months to 1 year	192,374,272	19%
1 year to 2 years	341,856,800	34%
2 years to 4 years	267,456,020	26%
Over 4 years	12,211,246	1%

As of December 31, 2012, our total loan portfolio amounted to Ps. 1,281 million, or approximately 71% of our total assets. As of December 31, 2012, our allowance for loan losses was Ps. 64.7 million, or approximately 114% of our past due loans. Net of allowance for loan losses, our total loan portfolio equaled Ps. 1,216 million as of December 31, 2012, or approximately 67% of our total assets.

The following table sets forth detail of loan losses for our loan portfolio.

	Year ended December 31,		
	2010	2011	2012
Opening balance of the year	(12,959,110)	(11,838,719)	(69,908,697)
Estimates charged to the results of the year	(16,517,101)	(10,089,624)	(13,741,917)
Charge due to estimate modification	-	(92,494,021)	-
Write-offs of the year	17,637,492	44,513,667	22,670,085
Cancellation of excess rebates	-	-	(3,720,573)
Closing balance of the year	(11,838,719)	(69,908,697)	(64,701,102)

Competition

There are different types of participants in the Mexican payroll lending market that can be distinguished based on their differing business models and the focus of their principal activities:

- *Funders.* Exclusively dedicated to providing funding to separate companies that have their own origination platforms and direct access to government entities. Funders have no direct contact with the end customer.
- *Brokers / Distributors.* Focused on loan origination through the use of their own commercial platforms. Brokers / distributors have direct access to customers, but do not fund or own the loan portfolios they originate.
- *Integrated Entities.* Companies that integrate the functions of both funders and brokers / distributors.

The Mexican payroll lending market is highly fragmented and dominated by regional competitors that have limited access to funding sources. Only a few market participants offer payroll lending on a nationwide basis and can access the capital markets for funding. Among these are Crédito Real S.A.B. de C.V., SOFOM, E.N.R., Consubanco, S.A. de C.V., SOFOL, Ediciones Tratados y Equipos, S.A. de C.V., Cetelem México, S.A. de C.V., and the Institute of the National Fund for Worker Consumption (*Instituto del Fondo Nacional para el Consumo de los Trabajadores*, or “INFONACOT”).

Employees and Labor Relations

We have entered into a professional services agreement with SACFIN, S.A.P.I. de C.V. (“SACFIN”), through which we engage the approximately 160 individuals that, as of December 31, 2012, were dedicated to our company. SACFIN is owned by Javier Creel, who is a shareholder and Chairman of the Board of our company.

We also have entered into a services agreement with an unaffiliated company through which we engage approximately 400 persons who constitute our sales force. Both of these outsourcing employment arrangements are common for Mexican companies, and we believe we enjoy a good relationship with the entities providing the services and with the individuals who render services to us.

Litigation

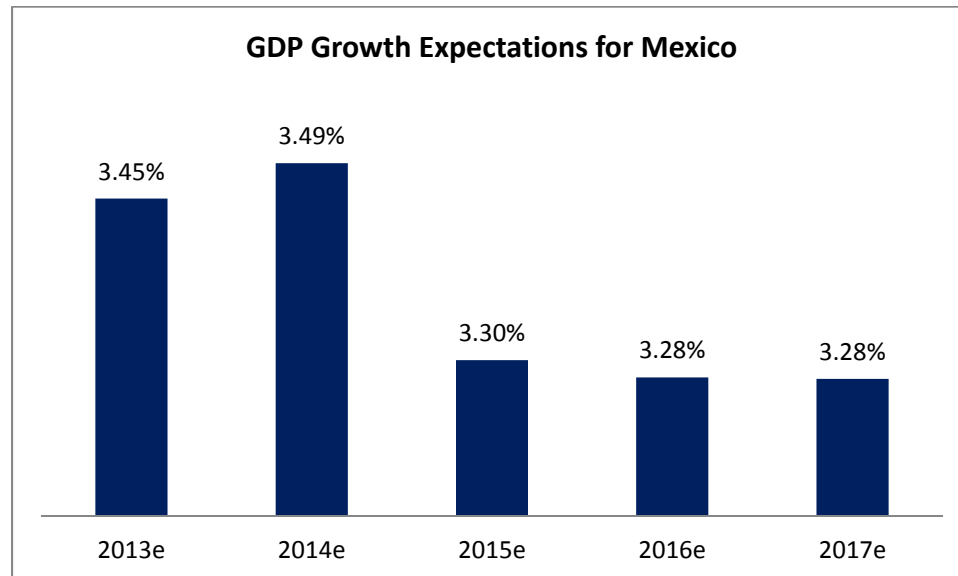
We are from time to time involved in certain legal proceedings that are incidental to the normal conduct of our business. We do not believe that the outcome of any such proceedings in which we are currently involved, if decided adversely to our interests, will have a material adverse effect on our business, financial condition, cash flows or results of operations.

THE MEXICAN PAYROLL LENDING MARKET

Overview of the Mexican macroeconomic environment

Mexico has generally enjoyed stable and positive macroeconomic performance since the implementation of a wide range of reforms to liberalize the Mexican economy and open it to foreign trade and investment in the late 1980s. Since the 1995 currency and banking crisis, Mexico's GDP has grown at a compound rate of 2.9% per year. In 2006, GDP grew at a rate of 5.2%, supported by exports of manufactured goods and strong foreign direct investment. Economic conditions began deteriorating in 2007, with Mexico's GDP growth rate slowing to 3.3%. In 2008 and 2009, the Mexican economy experienced significant deterioration as a result of the global financial crisis. Mexico's GDP growth rate slowed to 1.2% in 2008 and declined by 6.0% in 2009, the sharpest economic contraction since 1995. In 2010, the Mexican economy recovered considerably, with external demand and exports of manufactured goods driving annual GDP growth to 5.3%, the highest in the past 10 years.

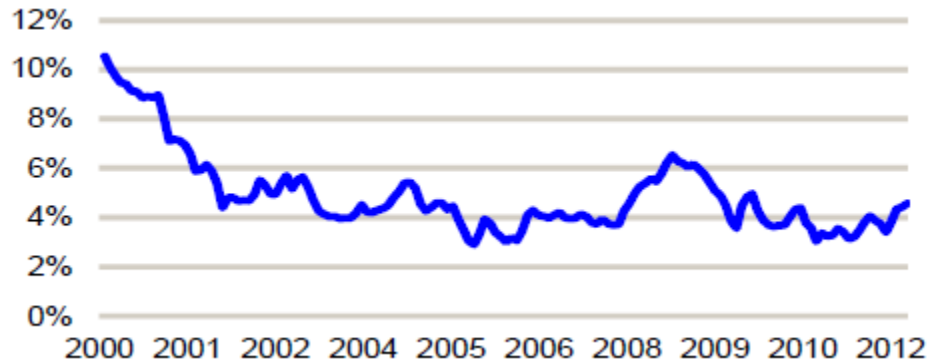
During the last quarter of 2011, production activity in Mexico continued to expand, though at a slower pace. Furthermore, various indicators of labor and credit markets and the external sector remained affluent. Mexico's GDP grew by 3.9% in 2011 and by 3.9% in 2012 according to INEGI. In addition, in its last monetary policy announcement of March 8, 2013, the Central Bank cut the overnight interbank interest rate from 4.50% to 4.00%.



Source: IMF

As an independent entity, *Banco de México* has maintained a sound monetary policy that has generated little inflation, as the average annual inflation rate for the period since 2000 has been 4.9%. After rising to 6.5% in 2008, the highest reported level since 2000, in 2009 the inflation rate fell to 3.6%, rising to 4.4% in 2010. For 2011 the inflation rate was 3.8% and for 2012 the inflation rate was 3.6%. *Banco de México* forecasts that the inflation rate will be 3.7% for 2013.

Historical Inflation



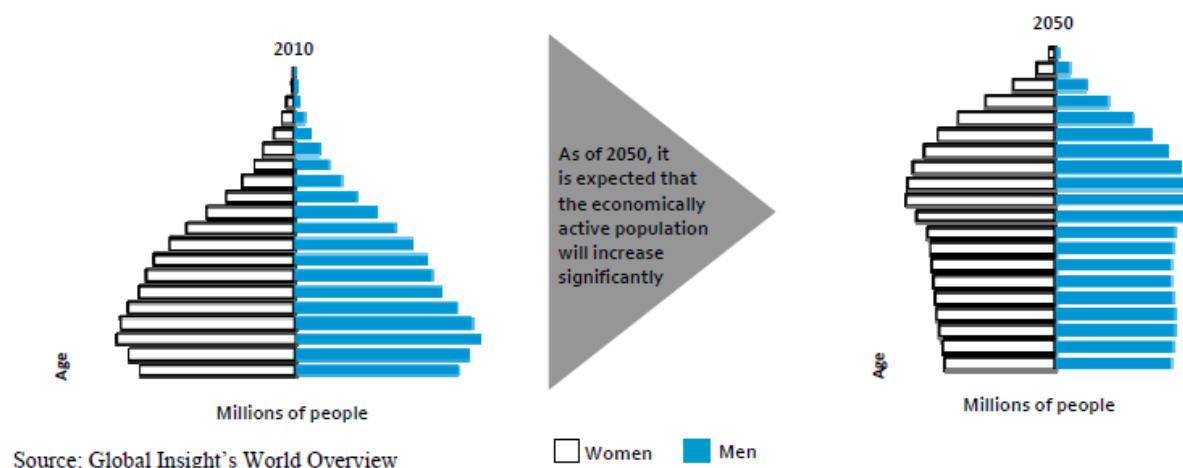
Source: Instituto Nacional de Estadística Geografía e Informática (INEGI)

Mexico's unemployment rates have historically remained relatively stable, maintaining an average level of 4.0% since 2000. As a result of the global financial crisis, Mexico's unemployment rate rose to 6.4% in September of 2009, but has gradually decreased as a result of the heightened manufacturing output and the subsequent economic recovery. The average unemployment rate in Mexico for 2010 was 5.4%, which decreased slightly to 5.2% for 2011 and to 5.0% for 2012.

The peso has also enjoyed a decade of relative stability. Since the beginning of 2000, the average daily exchange rate, as published by the Official Gazette of the Federation, has been Ps. 11.24 per U.S. dollar. During the global financial crisis, the peso experienced a significant depreciation relative to the U.S. dollar, reaching a peak exchange rate of Ps. 15.37 in March 2009. Since then, the peso has gradually appreciated, closing at Ps. 13.04, Ps. 12.38, Ps. 13.98 and Ps. 12.99 per U.S. dollar as of December 31, 2009, 2010, 2011 and 2012, respectively. During the last two quarters of 2011, the peso significantly depreciated relative to the U.S. dollar as a result of the sovereign debt crisis in Europe, closing at Ps. 13.98 per U.S. dollar as of December 31, 2011. However, during 2012, the peso appreciated relative to the U.S. Dollar as a result of the stability of the Mexican macroeconomic environment, closing at Ps. 12.99 per U.S. dollar. According to the December 2012 survey by Banco de México, the exchange rate is expected to close at Ps. 12.69 and Ps. 12.72 per U.S. dollar in December 31, 2013 and 2014, respectively.

Additionally, we believe Mexico has a great demographic advantage, as it is expected to have an older population in 2050, as illustrated in the graph below, which would increase both the size of the workforce and domestic consumption significantly. During the next 40 years, we believe Mexico will enjoy favorable demographic and socioeconomic trends that will drive future demand for consumer credit. According to the National Population Council, (*Consejo Nacional de Población*, or "CONAPO"), Mexico's economically active population as a percentage of total population will increase from 56.4% in 2010 to 58.6% in 2050. Additionally, women's participation in the labor force is expected to increase, enhancing the consumption possibilities of households. CONAPO estimates that the participation of women in the labor force will increase from 39.1% in 2010 to 47.2% in 2050.

Demographic Growth



Overview of Credit to the Private Sector in Mexico

With the exception of the credit slowdown experienced in 2009 as a result of the global economic recession, private sector credit growth in Mexico has generally been strong in the past decade. According to *Banco de México*, total bank loans to the private sector grew at a compound annual growth rate of 8.1% from December 2000 to December 2012. As of December 2012, the total bank loan portfolio to the private sector was Ps. 2.5 billion, representing an increase of 10.8% compared to December 2011, of which Ps. 615 billion corresponded to consumer loans. As of December 2012, commercial lending represented 50% of the total bank loans to the private sector portfolio, followed by consumer lending at 25% and mortgage lending at 18%. The quality of the Mexican banking system's loan portfolio has also improved significantly since the peak of the global financial crisis, and the past due loan ratio has been stable for the last 2 years. As of December 31, 2012, the past due loan ratio of the Mexican banking system was 2.5%, unchanged from the ratio as of December 31, 2011, according to the CNBV.

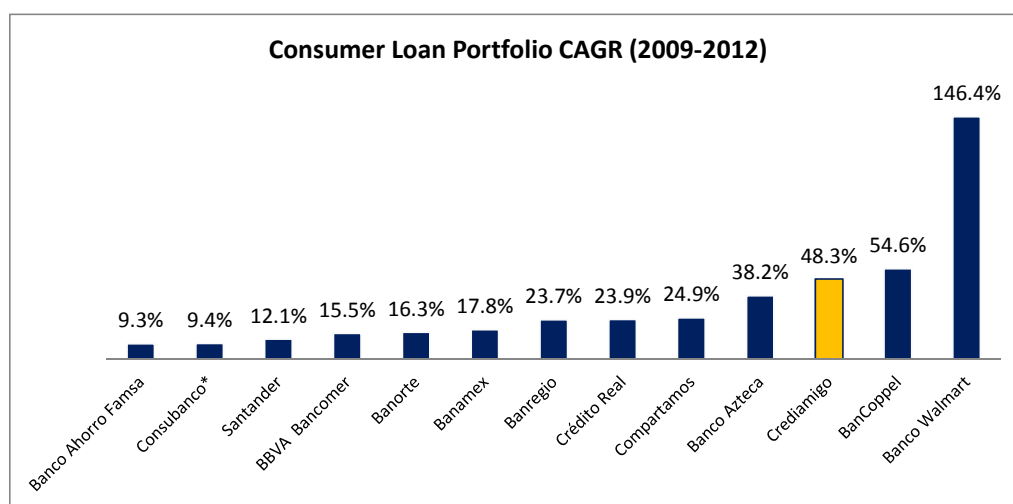
Private sector loans in Mexico have experienced a significant recovery in the last few years. According to data from *Banco de México*, loans to the private sector in Mexico grew by 15.6% and 10.8% in 2011 and 2012, respectively, compared to a decrease of 1.2% in 2009. Consumer loans in particular have also been growing. In 2011 and 2012, consumer loan portfolios grew by 24.0% and 19.8%, respectively. Such increases were driven primarily by the increase in GDP and employment, which in turn improved consumer confidence and household spending. In 2012, Mexico's GDP grew by 3.92%, while formal job growth was 1%. Going forward, GDP growth, job creation and macroeconomic stability will be fundamental to support future consumer demand and consumer credit expansion in Mexico.

Despite intense loan growth since 1994, banking penetration in Mexico remains low compared to other Latin American countries and the rest of the world. According to the World Bank, domestic credit provided by the banking sector in Mexico as of 2012 represented 45.5% of GDP, compared to 98.3% in Brazil, 71.2% in Chile, 65.6% in Colombia and 234.9% in the United States. Such low penetration is largely driven by the large fraction of the Mexican population that remains without access to financial services. The unbanked segment, which is primarily composed of the low- and middle-income segments of the population represents a significant growth opportunity for financial institutions capable of catering to this segment.

In order to stimulate financial inclusion among the low- and middle-income segments of the population, the Mexican government has supported the development of non-regulated financial institutions which, unlike banks, are not authorized to accept deposits from the general public. In July 2006, the Mexican Congress enacted reforms to deregulate lending entities and activities by allowing the creation of *Sofomes*. *Sofomes* are non-regulated, non-bank financial institutions that offer credit to consumers and small and medium-sized businesses, often in connection with real-estate development, auto financing and mortgage lending activities. By not imposing any limitations on foreign

equity participation in non-regulated financial institutions, the Mexican government has encouraged competition, thereby increasing consumers' financing alternatives. Even though the financial crisis reduced the activities of non-regulated *Sofomes*, the number of *Sofomes* increased from 1,918 in December 2010 to 2,570 in December 2011.

Since their creation, non-bank financial institutions have targeted the low- and middle-income segments of the population with limited access to traditional sources of credit. During the last few years, consumer credit growth has been largely driven by non-bank financial institutions, such as Finmart, and small and medium-sized consumer focused banks. According to the CONDUSEF, the consumer loan portfolio of *Sofomes* grew by 218.7% from 2009 to 2011, whereas the consumer loan portfolio of the five largest commercial banks decreased by 18.7% during the same period. We believe that future growth in consumer lending will continue to be led by non-bank financial institutions and specialized small to medium-sized banks that understand the credit risk and credit needs of the population that has been underserved by traditional banking institutions. The following chart presents the growth from 2009 to 2012 in the consumer loan portfolio of Mexico's 5 largest commercial banks and of selected non-bank financial institutions and consumer-focused banks.



Source: CNBV, except for Consubanco and Credito Real data which was obtained from public filings. Additionally, Crediamigo data was obtained from Crediamigo's financial statements.

Since 2008, NAFIN, along with the SHCP, has implemented multiple programs to support non-regulated financial institutions with credit lines and guarantees. Other federal entities such as the Mexican Federal Mortgage Society (*Sociedad Hipotecaria Federal, S.N.C., Institución de Banca de Desarrollo*, or "SHF"), also provide credit to *Sofomes* looking to expand credit availability in specific sectors such as mortgages. In addition, global organizations like the International Bank for Reconstruction and Development ("IBRD") and the IADB support non-regulated lending by providing funding to development banks like NAFIN and the SHF.

The Mexican payroll lending industry

The Mexican payroll lending industry is highly fragmented with most of the players being regional competitors with limited funding sources. Only a few market participants offer payroll lending nationally and have significant access to capital markets. Among these are Crediamigo, Crédito Real, S.A. de C.V., Consubanco, S.A. de C.V., Ediciones Tratados y Equipos, S.A. de C.V., Cetelem México, S.A. de C.V., and Instituto del Fondo Nacional para el Consumo de los Trabajadores. These companies offer consumer loans to public- and private-sector employees, who pay back the loans by means of directed payments from the employees' paychecks in accordance with the employees' express instructions.

The target market for this segment is individuals who do not have significant access to credit from commercial banks. Most payroll lending companies target government employees to take advantage of the low

employment turnover in the government workforce. In Mexico, government jobs provide multiple benefits that are not provided by private sector jobs, including the support from national unions.

As of 2010, according to the ISSSTE, the number of government and government-dependent employees in Mexico, including municipal employees, federal and state government employees, public education and public health workers, employees of quasi-sovereign organizations and pensioners of these employers, exceeded approximately 7 million people.

Because of the unique repayment process, non-performing loans in the payroll lending industry have traditionally been very low, with most non-performing loans having been made to employees who changed jobs or passed away during the loan term. As a result, payroll lending participants in Mexico have grown significantly while maintaining high-quality loan portfolios.

Legal nature of the relationship between us and governmental entities

The relationship between us, our borrowers and the governmental entities where our borrowers are employed is of a commercial nature and by virtue of such, it is not governed by that established in the Federal Labor Law (*Ley Federal del Trabajo*) and/or the Federal Law for Workers in the Service of the State (*Ley Federal de los Trabajadores al Servicio del Estado*). Contrary to other financial institutions, we offer borrowers the ease of repaying their loans through the governmental entities they work for, with which we enter into collaboration agreements that establish the terms and conditions under which the payments are channeled from the employees to us.

The salary of each borrower is subject at all times (and with the corresponding priority order) to the deductions mandated by applicable labor laws. Given that the relationship between us and our borrowers is of a commercial nature, the loan payments are not considered to be part of the deductions established by labor laws. Consequently, the loan payments will be made after or with lower priority than the deductions mandated by applicable law. On the other hand, the order of priority for the payment of loans contracted by workers among the commercial businesses that award this kind of financial service is based on the principle of first come, first served.

Additionally, the debt repayments made by the governmental entities based on the borrowers' instructions do not contravene that established in the *Ley Federal del Trabajo* or the *Ley Federal de los Trabajadores al Servicio del Estado* with respect to the form of the credit instruments we offer. Both the *Ley Federal del Trabajo* pursuant to Article 123, Section A of the Constitution and the *Ley Federal de los Trabajadores al Servicio del Estado* pursuant to Section B of the same article of the Constitution, prohibit employers from making deductions from the salaries of their employees. However, such laws also provide for exceptions in certain cases, which can be found in Article 110 of the *Ley Federal del Trabajo* and article 38 of the *Ley Federal de los Trabajadores al Servicio del Estado*. The law provides for exceptions for debts or obligations of employees that derive from a work relationship, from an union affiliation, and from the application of safety and social measures or the provisions of any other legal ruling.

Payments that an employer makes to a third party on behalf of and at the express order of an employee, in order to cover the partial or total amount of a debt that the employee contracted in a voluntary manner and that is totally independent from their work relationship, do not fall under the provisions of the abovementioned laws. Therefore, such payments are not considered to be salary deductions. Consequently, instructions to pay third parties are not prohibited, nor are the deductions made by the employer in following said instructions, and the limits established by the laws are also not applicable.

SUPERVISION AND REGULATION OF THE MEXICAN FINANCIAL INDUSTRY

General

Mexico's financial industry is currently comprised of commercial banks, national development banks, broker-dealers and other non-bank institutions, such as insurance and reinsurance companies, bonding companies, credit unions, savings and loans companies, foreign exchange houses, bonded warehouses, mutual fund companies, pension fund management companies, and *Sofomes*. In 1990, Mexico adopted the Financial Groups Law (*Ley para Regular las Agrupaciones Financieras*) aimed at achieving the benefits of universal banking, which permits a number of financial services companies to operate as a single financial services holding company. Most major Mexican financial institutions are members of financial groups.

The principal financial authorities that regulate financial institutions are the SHCP, *Banco de México*, the CNBV, the National Commission for Retirement Savings (*Comisión Nacional del Sistema de Ahorro para el Retiro*, or "CONSAR"), the National Insurance and Bonding Commission (*Comisión Nacional de Seguros y Fianzas*, or "CNSF"), the Bank Savings Protection Institute (*Instituto para la Protección al Ahorro Bancario*, or "IPAB") and the National Commission for the Protection of the Users of Financial Services (*Comisión Nacional para la Defensa de los Usuarios de los Servicios Financieros* or "CONDUSEF").

Our operations are primarily regulated by the General Law of Auxiliary Credit Organizations and Credit Activities (*Ley General de Organizaciones y Actividades Auxiliares del Crédito*), certain regulations of the *Banco de México*, the Law for the Protection and Defense of Financial Service Users (*Ley de Protección y Defensa al Usuario de Servicios Financieros*), the Law for the Transparency and Ordering of Financial Services (*Ley para la Transparencia y Ordenamiento de los Servicios Financieros*) the regulations issued by CONDUSEF and the General Provisions Applicable to Credit Institutions, Exchange Houses, Credit Unions, Limited Purpose Financial Institutions and Regulated Multiple Purpose Financial Institutions (*Disposiciones de Carácter General Aplicables a las Organizaciones Auxiliares del Crédito, Casas de Cambio, Uniones de Crédito, Sociedades Financieras de Objeto Limitado y Sociedades Financieras de Objeto Múltiple Reguladas*), and other regulations issued by the CNBV.

Under the provisions of the General Law of Auxiliary Credit Organizations and Credit Activities, *Sofomes* are entitled to conduct lending of money transactions, engage in financial leasing activities (*arrendamiento financiero*) and/or perform factoring (*factoraje financiero*) transactions in a professional and customary manner. Such activities do not require a license from any Mexican governmental authority. *Sofomes* are deemed to be financial entities.

Under the provisions of the General Law of Auxiliary Credit Organizations and Credit Activities, *Sofomes* that are affiliates of Mexican banking institutions or the holding companies of financial groups that own or control a banking institution are regulated and supervised by the CNBV. Regulated *Sofomes* are also subject to several provisions of the Mexican Banking Law (*Ley de Instituciones de Crédito*) and other rules and regulations applicable to Mexican banks, including capital adequacy requirements, grading of loan portfolio requirements, requirements of creating provisions for loan losses, related party transactions rules, complying with requirements related to money laundering, write-offs and assignment provisions, as well as periodic reporting obligations. Any other *Sofom*, as is the case with us, is categorized as a non-regulated *Sofom* (*sociedad financiera de objeto múltiple, entidad no regulada*) and is not subject to the supervision of the CNBV, except with respect to provisions related to money laundering. See "The Mexican Payroll Lending, Group Loan and Durable Goods Financing Markets."

Law for the Protection and Defense of Financial Service Users

The Law for the Protection and Defense of Financial Service Users became effective in April 1999. The purpose of this law is to protect and defend the rights and interests of users of financial services. To this end, the law provides for the creation of CONDUSEF, an autonomous entity that protects the interests of users of financial services. CONDUSEF acts as arbitrator with respect to disputes submitted to its jurisdiction and seeks to promote better relationships among users of financial institutions and the financial institutions. As a *Sofom*, we must submit to CONDUSEF's jurisdiction in all conciliation proceedings and may choose to submit to CONDUSEF's

jurisdiction in all arbitration proceedings that may be brought before it. We may be required to provide reserves against contingencies which could arise from proceedings pending before CONDUSEF. We may also be subject to recommendations by CONDUSEF regarding our adhesion agreements or information used to provide our services. We may be subject to coercive measures or sanctions imposed by CONDUSEF.

The Law for the Protection and Defense of Financial Service Users requires non-regulated *Sofomes*, such as us, to maintain an internal unit (*unidad especializada*) designated to resolve any and all controversies submitted by our clients. We maintain such a unit. CONDUSEF also maintains a Registry of Financial Service Providers (*Registro de Prestadores de Servicios Financieros*), in which all providers of financial services must be registered, that assists CONDUSEF in the performance of its activities. CONDUSEF is required to publicly disclose the products and services offered by financial service providers, including interest rates. To satisfy this duty, CONDUSEF has wide authority to request any and all necessary information from financial institutions. All *Sofomes*, including non-regulated *Sofomes*, such as us, are required to register their forms of adhesion agreements (*contratos de adhesión*) in the Registry for Forms of Adhesion Agreements (*Registro de Contratos de Adhesión*, or “RECA”), which is managed by CONDUSEF, provided that the registration does not constitute a certification as to compliance of the laws and regulations for protection and defense of financial users and therefore, CONDUSEF may, at any moment, order a financial institution to modify its adhesion form of agreement for purposes of complying with the laws and regulations for protection and defense of financial users. All of our standard forms of agreement have been registered before CONDUSEF.

Law for the Transparency and Ordering of Financial Services

The Law for the Transparency and Ordering of Financial Services became effective in June 2004. The purpose of this law is to regulate (1) the fees charged to clients of financial institutions for the use and/or acceptance of means of payment, as with debit cards, credit cards, checks and orders for the transfer of funds; (2) the fees that financial institutions charge to each other for the use of any payment system; and (3) other aspects related to financial services, in an effort to make financial services more transparent and protect the interests of the users of such services. This law grants *Banco de México* the authority to regulate these fees and establish general guidelines and requirements relating to payment devices and credit card account statements and grants to CONDUSEF the authority to regulate the requirements that need to be satisfied by the forms of adhesion agreement used by financial entities, the statements of account that are delivered by financial entities to their clients and the advertisement conducted by financial entities.

Rules on Interest Rates

The rules of the Law for the Transparency and Ordering of Financial Services issued by CONDUSEF applicable to *Sofomes* provide that the forms of adhesion agreements are required to contain clauses that provide that (1) the applicable ordinary and default interest rates are expressed in annual terms and contain the applicable methodology for purposes of calculating such interest rates; (2) if interest accrues based on a reference rate, the standard form of agreement must include at least one replacement reference rate, which will only be applicable if the original reference rate is discontinued; and (3) interest may not be charged by financial entities in advance and may only be charged after the corresponding interest period has elapsed. *Banco de México* has issued rules that limit the number of reference rates that may be used by some financial institutions. However, such rules are not applicable to non-regulated *Sofomes*.

Mexican law does not currently impose any limit on the interest rate or fees that a non-regulated *Sofom* may charge to its clients.

The Law for the Transparency and Ordering of Financial Services grants *Banco de México* the authority to specify the basis upon which each financial bank must calculate its aggregate annual cost (*costo anual total*), which comprises interest rates and fees, on an aggregate basis, charged in respect of loans and other services. The aggregate annual cost must be publicly included by a *Sofom* in its standard forms of agreement and disclosed in their statements of account and advertisement.

Fees

Under *Banco de México* regulations, *Sofomes* may not, in respect of loans, deposits or other forms of funding and services with their respective clients, (1) charge fees that are not included in their respective, publicly disclosed, aggregate annual cost (*costo annual total*), (2) charge alternative fees, except if the fee charged is the lower fee, or (3) charge fees for the cancellation of credit cards issued. In addition, among other things, Mexican banks cannot charge (1) simultaneous fees, in respect of demand deposits, for account management and failure to maintain minimum amounts, (2) fees for returned checks received for deposit in a deposit account or as payment for loans granted, (3) fees for cancellation of deposit accounts, debit or teller cards, or the use of electronic banking services, or (4) different fees depending upon the amount subject of a money transfer. Fees arising from the use of automated teller machines must be disclosed to users.

Banco de México, on its own initiative or as per request from CONDUSEF, banks, *Sofoles* or *Sofomes*, may assess whether reasonable competitive conditions exist in connection with fees charged by banks, *Sofoles* or *Sofomes* in performing financial operations. *Banco de México* must obtain the opinion of the Federal Competition Commission (*Comisión Federal de Competencia*) in carrying out this assessment. *Banco de México* may take measures to address these issues.

Law for the Protection of Personal Data

On July 5, 2010, the new Federal Law for Protection of Personal Data held by Private Persons (*Ley Federal de Protección de Datos Personales en Posesión de los Particulares*, or “LFPDP”), was published and it became effective on the next day. The purpose of the LFPDP is to protect personal data collected, held or to be used by individuals and private entities and to enforce controlled and informed processing of personal data in order to ensure data subjects’ privacy and the right to consent with respect to the use of protected information.

The LFPDP requires companies to inform data subjects about the information being collected, used, disclosed or stored and the purpose of such collection, use, disclosure or storage via a privacy notice and provides special requirements for processing sensitive personal data (which is defined as data relating to race, physical condition, religious, moral or political affiliation, and sexual preferences). The LFPDP gives data subjects the right to: (1) access their data, (2) have inaccuracies in their data corrected or completed, (3) deny transfers of their data, and (4) oppose use of their data or have it deleted from a company’s system (other than in certain circumstances expressly set forth in the LFPDP, such as the exercise of a right or holding information required under applicable law). The LFPDP requires that, if disclosure of data is permitted, the transferee agrees to the same restrictions as those set forth in the documentation permitting the original receipt and subsequent disclosure of information. The LFPDP also provides that data may be disclosed without the consent of the data subject in certain circumstances: (1) a law requires or permits disclosure, (2) disclosure is required in connection with medical treatment, or (3) disclosure is required for public policy reasons or in connection with a legal action. The LFPDP requires immediate notice to a data subject, of any security breach that significantly affects his/her property or moral rights.

The newly created Federal Institute of Access to Information and Data Protection, or the Institute, will be authorized to monitor and enforce compliance with the LFPDP by private entities processing personal data. Such entities will be held liable for interfering with a data subjects’ exercise of their under the LFPDP and for failing to safeguard their personal data. Data subjects who believe that a company is not processing their personal data in accordance with the LFPDP may request an investigation by the Institute. Following an investigation, the Institute may: (i) dismiss the data subject’s claim or (ii) affirm, reject, or modify a company’s answer to a data subject’s claim. Penalties for violating the LFPDP’s provisions include a fine equivalent to Ps. 19.1 million (approximately U.S. \$1.5 million) a prison sentence of up to five years, or double the applicable fine or sentence for violations related to sensitive personal data.

Improvement of Creditors’ Rights and Remedies

Mexico has enacted legislation to improve creditors’ rights and remedies. These laws include collateral pledge mechanisms and the promulgation of the Mexican bankruptcy law (*Ley de Concursos Mercantiles*).

Collateral Mechanisms

Laws regarding the perfection and enforcement of security interests have been changed significantly in the recent past. These changes introduced a new device for pledging assets without transferring possession (*prenda sin transmisión de posesión*), as well as a common security arrangement known in Mexico as the security trust (*fideicomiso de garantía*). Provisions related to the enforcement and foreclosure of these security interests, were added to the existing law. The purpose of these changes is to provide an improved legal framework for secured lending and to encourage banks to increase their lending activities. The pledging of personal property being used in a debtor's main business activity by making only a generic description of such property, and perfecting a security interest in such personal property, is a structure now frequently used. Provisions regulating security trusts are similar to those governing pledges of personal property, except they provide that title to the collateral must be held by the trustee. Security trusts permit enforcement without any judicial action, which is an alternative that has enhanced lending activities and expedited restructurings and foreclosures.

Bankruptcy Law

Mexico's current bankruptcy law (*Ley de Concursos Mercantiles*) was enacted on May 12, 2000 and has been frequently used as a means to conclude complex insolvency situations affecting Mexican companies, by providing expedited and clear procedures, while at the same time granting creditors and other participants the certainty of an in-court solution. The law provides for a single insolvency proceeding encompassing two successive phases: a conciliatory phase of mediation between creditors and debtor and bankruptcy.

The bankruptcy law establishes precise rules that determine when a debtor is in general default on its payment obligations. The principal indications are failure by a debtor to comply with its payment obligations in respect of two or more creditors, and the existence of the following two conditions: (1) 35% or more of a debtor's outstanding liabilities are 30 days past-due; and (2) the debtor fails to have certain specifically defined liquid assets and receivables to support at least 80% of its obligations which are due and payable.

The law provides for the use and training of experts in the field of insolvency and the creation of an entity to coordinate their efforts. Such experts include the intervenor (*interventor*), conciliator (*conciliador*) and receiver (*síndico*).

On the date the insolvency judgment is entered, all peso-denominated obligations are converted into UDIs, and foreign currency-denominated obligations are converted into pesos at the rate of exchange for that date and then converted into UDIs. Only creditors with a perfected security interest (i.e., mortgage, pledge or security trust) continue to accrue interest on their loans. The bankruptcy law mandates the netting of derivative transactions upon the declaration of insolvency.

The bankruptcy law provides for a general rule as to the period when transactions may be scrutinized by the judge in order to determine if they were entered into for fraudulent purposes, which is 270 calendar days prior to the judgment declaring insolvency. This period is referred to as the retroactive period. Nevertheless, upon the reasoned request of the conciliator, the intervenors, who may be appointed by the creditors to oversee the process, or any creditor, the judge may set a longer period.

A restructuring agreement must be subscribed to by the debtor, as well as recognized creditors representing more than 50% of the sum of the total recognized amount corresponding to common creditors and the total recognized amount corresponding to secured or privileged creditors subscribing the agreement. Any such agreement, when confirmed by the court, becomes binding on all creditors, and the insolvency proceeding is then considered to be concluded. If an agreement is not reached, the debtor is declared bankrupt.

In December 2007, the bankruptcy law was amended to incorporate provisions relating to pre-agreed procedures, frequently used in jurisdictions outside Mexico, that permit debtors and creditors to agree upon the terms of a restructuring and thereafter file, as a means to obtain the judicial recognition of a restructuring reached on an out-of-court basis. This also provides protection against dissident minority creditors.

Money Laundering Regulations

Mexico's current money laundering rules have been in effect since April 21, 2009 (the "Money Laundering Rules").

Under the Money Laundering Rules, we are required to satisfy various requirements, including:

- the establishment and implementation of procedures and policies, including client identification and know-your-customer policies, to prevent and detect actions, omissions or transactions that might favor, assist or cooperate in any manner with terrorism or money laundering activities (as defined in the Mexican Federal Criminal Code (*Código Penal Federal*));
- implementing procedures for detecting relevant, unusual and suspicious transactions (as defined in the Ministry of Finance and Public Credit regulations);
- reporting of relevant, unusual and suspicious transactions to the CNBV and the Ministry of Finance and Public Credit; and
- the establishment of a communication and control committee (which, in turn, must appoint a compliance officer) in charge of, among other matters, supervising compliance with anti-money laundering provisions.

We are also required to organize and maintain a file for the identification of each client (each, an "Identification File") before opening an account or entering into any kind of transaction.

An individual's Identification File shall include, among other information, a copy of the following documentation or data: (i) full name, (ii) date of birth, (iii) country of birth, (iv) nationality, (v) occupation, profession, main activity or line of business, (vi) complete domicile, (vii) telephone number, (viii) e-mail, if any, (ix) tax identification number and population registry identification, when applicable, and (x) advanced electronic signature series number, when applicable.

An entity's Identification File shall include, among other information, a copy of the following documentation or data: (i) corporate name, (ii) corporate purpose and line of business, (iii) nationality, (iv) tax identification number, (v) advanced electronic signature series number, when applicable, (vi) complete domicile, (vii) telephone number, (viii) e-mail, if any, (ix) incorporation date, and (x) complete name of the sole administrator, the members of the board of directors, the general manager or any relevant attorneys-in-fact.

Identification Files shall be maintained for the complete duration of the corresponding agreement entered into with such client, and for a minimum term of ten years from the date such agreement is terminated.

Under the Money Laundering Rules, we must provide to the Ministry of Finance and Public Credit, through the CNBV, (i) quarterly reports (within ten business days from the end of each quarter) with respect to transactions equal to, or exceeding, U.S. \$10,000, (ii) monthly reports (within 15 business days from the end of the month) with respect to international funds transfers, received or sent by a client, with respect to transactions equal to, or exceeding, U.S. \$10,000, (iii) reports of unusual transactions, within 60 calendar days counted from the date an unusual transaction is detected by our systems, and (iv) periodic reports of suspicious transactions, within 60 calendar days counted from the date the suspicious transaction is detected.

In June 2010, new regulations were issued by the Ministry of Finance and Public Credit which restrict cash transactions denominated in U.S. dollars that may be entered into by Mexican banks. Pursuant to such regulations, Mexican banks are not permitted to receive physical cash amounts, in U.S. dollars, from individuals in excess of U.S. \$4,000 per month for deposits. Mexican banks are also not permitted to receive physical cash amounts, in U.S. dollars, from their corporate clients, except in very limited circumstances.

Also, Mexican banks are not permitted to receive physical cash amounts, in U.S. dollars, from individuals, in excess of U.S. \$300 per day for individual foreign exchange transactions. In each case, the monthly amount per individual for such transactions cannot exceed U.S. \$1,500.

In addition, the newly enacted regulations set forth certain reporting obligations for Mexican banks regarding their U.S. dollar cash transactions, to the Ministry of Finance and Public Credit (through the CNBV).

In connection with Mexico's efforts against drug-trafficking organizations, the Mexican government recently announced several measures to be taken, to further curtail money laundering. These measures are yet to be implemented but are expected to include (i) restricting transactions involving automobiles, real estate, jewelry and other highly-priced assets with cash, (ii) requiring certain persons to disclose transactions, such as gambling outlets, grantors of any types of loans, real estate and automobile agencies, jewelers, lawyers and accountants, carriers of cash and securities and art galleries, and (iii) modifying applicable laws to avoid the use of nominees and increase access to information by Mexican authorities.

MANAGEMENT

Board of Directors

Our board of directors is comprised of professionals with experience in management and business administration. It consists of four (4) directors from EZCORP, three (3) independent directors and three (3) directors elected by the previous shareholders.

The current members of our board of directors are:

<u>Name</u>	<u>Title</u>	<u>Experience</u>	<u>Age</u>
Javier Creel Moreno	Chairman of the Board	Executive President, Finmart	38
Mark Kuchenrither	Vice Chairman of the Board	Chief Financial Officer, EZCORP, and President, Change Capital Intl. Holdings, B.V.	50
Sterling Brinkley	Board Member	Chairman of Board, EZCORP	60
Paul Rothamel	Board Member	President and Chief Executive Officer, EZCORP	48
Pablo Lagos Espinosa	Board Member	Director, EZCORP	57
Carlos Creel Carrerra	Board Member	Finmart Founding Partner	54
Luciana Córdova Creel	Board Member	Exports Director, Aceros Corsa	40
Antonio Oscar Garza, Jr.	Independent Board Member	Former U.S. Ambassador to Mexico	53
Luis Manuel Enrique Téllez	Independent Board Member	Former Secretary for the SCT and current President of the BMV	54
Martha Matilde Mejía Montes	Independent Board Member	Director, Zimat Golin Harris, S.A. de C.V.	55

The address of each of the directors is our registered address, which is Bosque de Ciruelos 160 Piso 1, Col. Bosques de las Lomas, México D.F. 11700. The following are brief biographical descriptions of the current members of our board of directors:

Javier Creel Moreno is the Executive President and founding Shareholder of Finmart. In addition, Mr. Moreno is an authorized Financial Advisor by the Securities and Banking Commission (Comisión Nacional Bancaria y de Valores). Mr. Moreno began his career in the financial industry at IXE Grupo Financiero serving as Wealth Management Director at for more than 8 years; there he was involved in many securities issuance and money market operations. Mr. Moreno holds a Business Administration degree from the Instituto Tecnológico Autonomo de México (ITAM) and he also studied finance as a post graduate at the University of California, Berkley.

Mark Kuchenrither is the Chief Financial Officer of EZCORP and President of Change Capital International Holdings, B.V. He joined EZCORP in March 2010 as Senior Vice President, Strategic Development and was later appointed Executive Vice President of EZCORP (prior to his current position as CFO). From 2007 to March 2010, Mr. Kuchenrither served as Vice President of Operations of Sun Capital Partners, a major private equity firm, where he was responsible for the oversight of ten portfolio companies with emphasis on profit improvement. He was Chief Financial Officer of Arch Aluminum & Glass from 2003 to 2007, and was Chief Financial Officer and Treasurer of Peavey Electronics Corporation from 2000 to 2003. He began his career in various accounting and controller functions at Johnson Controls. Mr. Kuchenrither earned his MBA from Quincy University and two bachelor degrees from Franklin University and The Ohio State University.

Sterling Brinkley serves as the Chairman of the Board of Directors of EZCORP. He has served as either Chairman of the Board of Directors or Chairman of the Executive Committee of the Board of Directors of EZCORP since 1989. Mr. Brinkley also serves as a director and Deputy Chairman of Albemarle & Bond Holdings PLC. From 1986 to 1990, he was a Managing Director at Morgan Schiff & Co. Inc., an affiliate of EZCORP and at various times served as Chairman of the Boards of other private and public companies affiliated with Morgan Schiff. Prior to that time, he was a Managing Director at Lehman Brothers. He is a graduate of Yale College and Stanford Business School.

Paul Rothamel is President and Chief Executive Officer of EZCORP and also serves on its board of directors. Mr. Rothamel joined EZCORP in September 2009 as Executive Vice President and Chief Operating Officer, became President in February 2010 and became Chief Executive Officer in November 2010. Prior to joining EZCORP, Mr. Rothamel was the President and Chief Executive Officer of Pamida, a privately held company that owns and operates more than 200 general merchandise and pharmacy stores. Mr. Rothamel joined Pamida in 1999 as Senior Vice President, Store Operations, was promoted to the position of Senior Vice President, Operations in 2005 and served in that capacity until assuming the President and Chief Executive Officer position in November 2007. From 1997 to 1999, Mr. Rothamel held the positions of Regional Vice President, Store Operations and District Team Leader at ShopKo Stores, Inc., also a publicly-held owner and operator of general merchandise and pharmacy stores and an affiliate of Pamida. Before joining ShopKo, Mr. Rothamel held various operational positions with Target Stores, Inc. and Venture Stores Inc.

Pablo Lagos Espinosa serves as a director of EZCORP and also is a member of Compensation Committee of EZCORP. During his 30-year business career, Mr. Lagos has held various executive management positions with Pepsi Bottling Group, PepsiCo Inc., Unilever Mexico, PepsiCola International, Inc., and McKinsey & Co., Inc., concentrating exclusively in Latin America. Mr. Lagos served as President and Chief Executive Officer of Pepsi Bottling Group Mexico from 2006 until 2008 and as Chief Operating Officer from 2003 until 2006. Prior to joining Pepsi Bottling Group, Inc., Mr. Lagos held a variety of senior executive positions with PepsiCo Inc., where he ran multi-country and multi-regional operations in Mexico, Central America and South America. Since his retirement from Pepsi Bottling Group Mexico in December 2008, Mr. Lagos has been engaged as an investor and consultant in various private business ventures. He currently serves as Chairman of the Board and Executive President for the Mexican subsidiary of Areas, and as Chairman of the Board of Residencial Puente de Piedra. He is also a member of the board of International Business Solutions, a Management Consulting firm. Mr. Lagos resides in Mexico City.

Luciana Córdova Creel has been the Chief Financial Officer of Aseros Corsa, S.A. de C.V, a Mexican iron and steel company, since 2001. Ms. Creel has extensive experience in the financial sector. From 1997 to 2001 she served as an associate at Bank One, Chicago, IL. Prior to that, from 1995 to 1997 she served as a Strategy Analyst at the headquarters of Banco Nacional De México (Banamex) a major Bank in Mexico. Ms. Creel earned an MBA at Northwestern University, Kellogg Graduate School of Management in Evanston, IL and a BA in Communications from the Instituto Tecnológico y de Estudios Superiores de Monterrey, Mexico City Campus.

Carlos Creel Carrera is a Senior Partner of the law firm Creel, García-Cuéllar, Aiza y Enriquez. He has been a partner at that firm since 1989. Prior to that, Mr. Carrera has worked at Banamex and at Shearman & Sterling in New York. In addition, he was a professor of corporate and foreign investment law at the law faculty of the *Instituto Tecnológico Autónomo de México* (ITAM) and is currently a professor of Corporate Governance in the LLM program at the Universidad Panamericana. He received his Law Degree (JD) from the Escuela Libre de Derecho

Luis Manuel Enrique Téllez Kuenzler has served, since May 2009, as Board Member and CEO of Grupo BMV (the controlling group of the Mexican Stock Exchange) and as President of the Bolsa Mexicana de Valores (the Mexican Stock Exchange) where he was appointed by the shareholders. In addition, he served as President of the private company called DESC, as well as a member of the Board of the Carlyle Group. Prior to that, from December 2006 to March 2009, Mr. Téllez served as the Secretary of Communications and Transportation, appointed by President Felipe Calderon Hinojosa. Mr. Téllez also served as Agriculture Sub Secretary during the Administration of President Carlos Salinas de Gortari, for whom he also as a major advisor in economic policies. He also led the Presidency office during President Ernesto Zedillo's administration and in 1997 and he was appointed as Energy Secretary until the end of President Zedillo's administration.

Antonio Oscar Garza Jr. is a partner of Vianovo, a management and communications consulting company. He also serves as chairman of Vianovo Ventures, the firm's cross-border business development unit. In addition to his roles

at Vianovo, Mr. Garza serves as Counsel in the Mexico City office of White & Case, a law firm with 36 offices in 25 countries. In the summer of 2002, he was nominated by President Bush as U.S. Ambassador to Mexico and served in that position from November 2002 to January 2009. Mr. Garza also served as a partner in the Austin office of Bracewell & Patterson, L.L.P. (now Bracewell & Giuliani), a Houston-based law firm. In 1994, he was appointed Texas Secretary of State and senior policy advisor during the Bush Administration in the State of Texas. Prior to that, in 1988, Garza was the first Republican elected to countywide office in traditionally Democratic south Texas. Garza served six years as Cameron County Judge, the top executive in the county. Mr. Garza received his Bachelor of Business Administration from the University of Texas at Austin in 1980 and received his Doctor of Jurisprudence in 1983 from Southern Methodist University School of Law.

Martha Matilde Mejía Montes is a founding partner and co-CEO of Zimat Consultores since 1984. Her professional experience mainly focuses on corporate communications and public strategy. Since the beginning of Zimat Consultores, Ms. Montes has directed strategies and programs for crisis prevention and management for many private companies, corporate groups and government entities. She is also a board member in various professional organizations. Ms. Montes earned a B.A. in Communications from Universidad Iberoamericana. Additionally, Ms. Montes has a Communications Degree from Bournemouth College, England, U.K and a Masters' Degree from the Sorbonne in Paris, France.

Senior Management

The following table presents information concerning our current senior management, including their present position, age, years of experience in industry and years at our company:

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Years in Industry</u>
Edwin Vega	Chief Executive Officer	46	25
Andrés Casas	Deputy CEO and CFO	39	17
Miguel Rodarte	Corporate Matters Director	35	10
Jesús Cervantes	Collections Director	49	25
Jerónimo Creel	New Products Director	32	5
Karina Ojeda	Legal Director	29	7
Jorge Gómez	Projects Director	41	16
Roberto Barke	IT Director	40	17
Jaime Ramírez	Commercial Director (Distributors)	39	17
Cinthya Quintero	Commercial Director (Central Region)	41	23
Víctor Guiner	Commercial Director (South Region)	41	23

The following are brief biographical descriptions of our senior management.

Edwin Fernando Vega Enríquez serves as our Chief Executive Officer. Prior to joining Finmart, Mr. Vega was President and CEO of GE Money México, the retail lending division of General Electric. He was also a founding partner of Global Capital SOFOM the retail lending division of Global Capital Group. Due to his contributions to the development of the cross border mortgage market, received the Mexican housing award from President Vicente Fox. Mr. Eriquez has a Bachelor in Computer Science and has an MBA in International Management from Thunderbird University in Arizona.

Andrés Casas de la Torre has served as our Chief Financial Officer since June 2007. With more than 15 years of experience, he specializes in business administration, control, planning and finance. He has served as financial advisor, bookkeeper, comptroller, CEO, CFO and independent advisor for various companies, including banks, private equity funds as well as IT and distribution companies. Mr. Casas studied marketing as an undergraduate and also studied finance as a post-graduate at the *Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)*. In addition, Mr. Casas has an Executive MBA by the *Instituto Panamericano de Alta Dirección de Empresa (IPADE Business School)*.

Miguel Rodarte De Lara is a founding member of Grupo Finmart where he currently serves as Corporate Affairs Director. In addition, during the LX Legislature of the Congress of Mexico (2006-2009), Mr. Rodarte was appointed as the Head of the Office of the Secretary of the Interior and the Head of the Office of the Senate's President, where he specialized in Public management, in the Public Administration and Constitutional law. Mr. Rodarte also served as the Technical Secretary of the Mexican Chamber of Deputies' Committee on Governance and Constitutional Points during the LVII Legislature (1997-2000). Mr. Rodarte is a law graduate by the Autonomous Technological Institute of Mexico (ITAM) and has various postgraduate studies, such as Regulatory Law from the Universidad Panamericana and Public Law at the Escuela Libre de Derecho, as well as a qualified certificate in political analysis by the CIDE.

Jesús Cervantes Juárez joined Grupo Finmart in March 2007. He currently serves as Collections Director leading areas such as Control Board, Portfolio Administration, Payroll Collections, Out of Payroll Collections, Call Center and Filing. Mr. Cervantes has more than 25 years of experience in the financial services industry. Prior to joining Grupo Finmart, his experience included positions at banks and retail stores such as Grupo Cifra and Wall Mart and

Home Mart Mexico among others. Mr. Cervantes holds a Business Administration degree from the National Autonomous University of Mexico (Universidad Nacional Autónoma de México UNAM).

Jeronimo Creel Moreno is our New Products Director. Prior to joining Finmart, he was project manager at Multiempañes and currency trader at CIBanco. Mr. Creel holds a Bachelor Degree of Business Administration, has a Corporate Finance certification from Instituto Tecnológico Autónomo de México (ITAM), a diploma of Advanced Negotiation: Deal Design & Implementation from Harvard University in Boston, an MBA from Instituto Empresa (IE) in Madrid, Spain and a diploma in Advanced Social Media from University of San Francisco.

Karina Ojeda Valle is the General Counsel of Grupo Finmart. Ms. Ojeda Valle graduated with honors in Law from the Universidad Anáhuac and is currently studying for a Diploma in Financial Law at Instituto Tecnológico Autónomo de México (ITAM). She has served as our legal counsel since 2008 and became general counsel in 2013. She previously worked from 2006 to 2008 at Tron & Natera (tax law firm) and from 2004 to 2006 at Creel García-Cuellar & Müggenburg, a major corporate and finance law firm in Mexico.

Jorge Roberto Gómez Aguilar has served as our Projects Director since 2009. Prior to joining us, Mr. Gomez worked in corporate banking and project financing for more than 10 years at many of Mexico's major banks, including BBVA Bancomer, Banorte and Banamex. While working for those banks, Mr. Gomez was part of their strategic teams where he was in charge of the analyzing, implementation and execution of diverse projects. Mr. Gomez is a Public Accountant by the *Instituto Tecnológico Autónomo de México* (ITAM) and has an Executive MBA by the *Instituto Panamericano de Alta Dirección de Empresa* (IPADE Business School). He is also certified by BBVA Bancomer for the analyzing and granting of loans and was a Professor at the *Universidad Inter Continental* (UIC)

Roberto Alfredo Barke Hernández serves as our IT Director. Mr. Barke is a pioneer in the development of WEB applications in Mexico and has lead several E-Commerce and E-Procurement projects for large companies including, Tupperware, 3M, Grupo Desc, Grupo Kaltex, Colgate and Sabritas. He has 17 years of experience in Enterprise Application Integration (EAI), B2B, and Business Process Management solutions like Biztalk Server (Microsoft training course) and other collaborative solutions like Adobe Live Cycle (Adobe, Boston, Ma., training course). In the last two years Mr. Barke has ventured into other technologies as: Mobile Applications Development. Mr. Barke studied Physics at the Universidad Nacional Autónoma de México,

Jaime Ramírez Vázquez has served as our Commercial Director for the Distributors Network since January 2012. From 2010 to 2012, Mr. Ramírez served as Commercial Director of Multiplica tu Nómina and he was previously Commercial Director of CREDIFIEL from 2007-2009. In addition, he also served at Credito Real for 12 years, from 1995 to 2007. Mr. Ramírez holds a Bachelor's Degree in Business Administration and studied Administration and Finance as a post-graduate. Mr. Ramírez also has degrees in Marketing, Management, and Direction from the *Instituto Tecnológico de Estudios Superiores de Monterrey* (ITESM).

Cynthia Quintero Morales has been the Commercial Director for the Center Region at Crediamigo since November 2008. She has more than 23 years of experience in commercial areas. She has worked at Citibank (where she was recognized with the highest sales quota in Latin America) and Santander, as well as VeriSign Mexico where she worked alongside our President in coordinating and evaluating internal processes and operations. Ms. Quintero earned her Master's Administration degree at the *Universidad La Salle* where she graduated with honors and has a Master's in Business Administration and Finance, as well as a diploma in Management by the *Instituto Tecnológico de Estudios Superiores de Monterrey* (ITESM).

Victor Manuel Guiner Fernández has been our Commercial Director for the South Region since January 2012. Prior to that, he served as Commercial Sub-Director of Crediamigo for the South-East Region. Before joining Crediamigo, Mr. Guiner was a Private Banking Director in Banco Multiva during 2009 and collaborated as an advisor and Operations Director for diverse finance projects for the Worker's and Planter's Revolutionary Confederation (*Confederación Revolucionaria de Obreros y Campesinos* "CROC"). In addition, Mr. Guiner worked at Banco Santander from 1985 to 2008 in various positions, including the position of Zone Director where he was in charge of 26 branches. He is a Public Accountant by the Universidad ISEC.

Board committees

Crediamigo currently has three (3) board committees. These committees, their functions and their members are as follows:

Executive Committee: The functions of the Executive Committee include communicating and reviewing of major developments, events and projects, defining short term strategies and action steps for each major development, event or project, establishing short term goals and objectives for our company and defining and reviewing strategic projects. The Executive Committee meets quarterly.

The members of our Executive Committee are:

- Mark Kuchenrither
- Pablo Lagos Espinosa
- Sterling Brinkley
- Javier Creel Moreno
- Carlos Creel Carrera

Audit Committee: The functions of the Audit Committee include reporting to the General Meeting of Shareholders on material matters, informing the board of directors on the general and financial situation of our company; reporting, in advance, on transactions with related parties, reporting any issues that have or may have an impact on the legal or financial matters of our company or on our company operations, supervising the preparation and integrity of our company information; verifying compliance with regulatory requirements and internal policies and verifying the availability of company information. The Audit Committee meets quarterly.

The members of our Audit Committee are:

- Luis Manuel Enrique Téllez
- Sterling Brinkley
- Pablo Lagos Espinosa

Compensation Committee: The functions of the Compensation Committee include reviewing and defining our compensation policies, determining extraordinary compensations for the management team and defining method of incentives for the commercial and collection areas. The Compensation Committee meets as required.

The members of our Compensation Committee are:

- Pablo Lagos Espinosa
- Paul Rothamel
- Antonio Oscar Garza, Jr.
- Carlos Creel Carrera
- Martha Matilde Mejía Montes

PRINCIPAL SHAREHOLDERS

The following table presents our principal shareholders as of December 31, 2012:

<u>Owner</u>	<u>Number of shares</u>	<u>Percent</u>
Change Capital International Holdings, B.V. (EZCORP)	18,341,713	60.000%
Invex Trusts F/1220 and F/1221	3,679,578	12.036%
Cordova Family	3,668,342	11.999%
Javier Creel Moreno	1,158,410	3.789%
Semper Augustus, B.V.	853,007	2.790%
Mónica Cecilia Rivera Fernández	432,962	1.414%
Jerónimo Javier de Yturbe Sordo Madaleno	443,323	1.450%
Grupo Selecto & SIM-A, S.A.P.I. de C.V.	305,195	0.998%
Brainbeam , S. de R.L. de C.V.	391,816	1.281%
Others	<u>1,295,175</u>	<u>4.236%</u>
Total	<u>30,569,521</u>	<u>100.0%</u>

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

From time to time, we may enter into transactions with parties that have relationships with our officers, directors, significant stockholders or entities in which we have an ownership interest.

We have entered into certain loan agreements with several of our shareholders. For a description of these loans, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources.”

On January 30, 2012, in connection with EZCORP’s acquisition of a 60% interest in our company, we entered into a management services agreement with Change Capital, Inc., a wholly owned subsidiary of EZCORP. Pursuant to this agreement, Change Capital agreed to provide us with certain engagement and advisory services, including (i) assessing operating and strategic objectives, including new business development; (ii) analyzing our financial condition and results of operations, evaluating strengths and weaknesses in financial performance and recommending measures to improve performance; (iii) identifying, evaluating and negotiating potential acquisitions and strategic alliances and partnerships; and (iv) performing such other services as we reasonably request. We have agreed to pay a monthly retainer fee of approximately \$214,000 for these services until September 2013, and a monthly fee of \$125,000 thereafter. We have also agreed to reimburse Change Capital’s costs of providing these engagement and advisory services. The agreement may be terminated by either party upon 30 days’ notice.

On January 30, 2012, Messrs. Javier Creel, Jeronimo de Yturbe, Andrés Casas, Mónica Rivera Torres, Jerónimo Creel, Montserrat Vallejo, Gerardo Legorreta, Miguel Ángel Gómez, Concepción Moreno, Rafael Gomez, Carlos Allende and Elsa Junco (“Selling Shareholders”) entered into security trust agreements to secure their obligation to reimburse Capital International Holdings, B.V., a subsidiary of EZCORP, for any (i) losses derived from tax liabilities incurred by Crediamigo and (ii) any losses suffered by EZCORP as a result of a breach of any representation and warranty or failure to comply with any covenant in connection with the transaction with EZCORP. The Selling Shareholders conveyed to Invex (as trustee under the guarantee trusts), shares representing, in the aggregate, approximately 12.036% of our outstanding capital stock.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Program.

1. Introduction

- (a) *Program:* Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R. (the “**Issuer**”) has established a Medium Term Note Program (the “**Program**”) for the issuance of up to Mexican Ps. 1,800,000,000 in aggregate principal amount of notes (the “**Notes**”).
- (b) *Final Terms:* Notes issued under the Program are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of final terms (each “**Final Terms**”) which supplements these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated May 10, 2013 (the “**Agency Agreement**”) between the Issuer; The Bank of New York Mellon, as Fiscal Agent (“**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes); The Bank of New York Mellon, as New York transfer agent and The Bank of New York Mellon London Branch, as London transfer agent (each a “**Transfer Agent**” which expression includes any successor transfer agent appointed from time to time in connection with the Notes, and together with the other transfer agents named therein, the “**Transfer Agents**”), The Bank of New York Mellon, as New York registrar and The Bank of New York Mellon London Branch, as non-U.S. registrar and Issuing Agent (each a “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes); and The Bank of New York Mellon, as New York Paying Agent and The Bank of New York Mellon, London Branch, as Principal Paying Agent (each a “**Paying Agent**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *The Notes:* All subsequent references in these Conditions to “**Notes**” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent or in the case of Registered Notes (as defined in Condition 2 (Interpretation)), the Registrar, and the Specified Offices of each of the Paying Agents.
- (e) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes (the “**Noteholders**”) and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the Registrar and the Transfer Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms.

“Acquired Indebtedness” means Indebtedness of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary or at the time it merges, consolidates or amalgamates with the Issuer or any of its Restricted Subsidiaries or is assumed in connection with the acquisition of assets from such Person; *provided* that such Indebtedness is not incurred in connection with, or in anticipation or contemplation of such merger, consolidation, amalgamation or acquisition. Such Indebtedness will be deemed to have been Incurred at the time such Person becomes a Restricted Subsidiary or at the time it merges, consolidates or amalgamates with the Issuer or a Restricted Subsidiary or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

“Additional Amounts” has the meaning set forth under Condition 12 (Additional Amounts) below.

“Affiliate” means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Affiliate Transaction” has the meaning set forth under Condition 23(k) (Limitation on Transactions with Affiliates) below.

“Agents” means the Fiscal Agent, Paying Agents, the Registrar, the Transfer Agents and any Calculation Agent, and **“Agent”** means any one of the Agents.

“Asset Acquisition” means:

- (1) an Investment by the Issuer or any Restricted Subsidiary in any other Person pursuant to which such Person will become a Restricted Subsidiary, or will be merged with or into the Issuer or any Restricted Subsidiary;
- (2) the acquisition by the Issuer or any Restricted Subsidiary of the assets of any Person (other than a Subsidiary of the Issuer) which constitute all or substantially all of the assets of such Person or comprises any division or line of business of such Person or any other properties or assets of such Person other than in the ordinary course of business; or
- (3) any Revocation with respect to an Unrestricted Subsidiary.

“Asset Sale” means any direct or indirect sale, disposition, issuance, conveyance, transfer, lease, assignment or other transfer, including a Sale and Leaseback Transaction (each, a **“disposition”**) by the Issuer or any Restricted Subsidiary of:

- (a) any Capital Stock of any Restricted Subsidiary (but not Capital Stock of the Issuer); or
- (b) any property or assets (other than cash or Cash Equivalents or Capital Stock of the Issuer) of the Issuer or any Restricted Subsidiary.

Notwithstanding the preceding, the following items will not be deemed to be Asset Sales:

- (1) the disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries as permitted under Condition 23(j) (Limitation on Merger, Consolidation and Sale of Assets);
- (2) for purposes of Condition 23(e) (Limitation on Asset Sales and Sales of Subsidiary Stock) only, the making of a Restricted Payment permitted under Condition 23(d) (Limitation on Restricted Payments) or any Permitted Investment;

- (3) a disposition to the Issuer or a Restricted Subsidiary, including a Person that is or will become a Restricted Subsidiary immediately after the disposition;
- (4) transactions that involve assets or Capital Stock of a Restricted Subsidiary having a Fair Market Value of less than the greater of (x) U.S. \$5 million and (y) 2.0% of Consolidated Tangible Assets of the Issuer and its Restricted Subsidiaries since the Issue Date;
- (5) a transfer of assets between or among the Issuer and any of its Restricted Subsidiaries;
- (6) an issuance or sale of Capital Stock by a Restricted Subsidiary of the Issuer to the Issuer or any of its Restricted Subsidiaries;
- (7) the disposition of accounts receivable and loans as permitted under Condition 23(f) (Limitation on Securitization);
- (8) the sale of delinquent loans to unaffiliated third parties;
- (9) any sale or other disposition of damaged, worn-out, obsolete or no longer useful assets or properties in the ordinary course of business;
- (10) the sale of assets received by the Issuer or any of its Restricted Subsidiaries upon the foreclosure of a Lien in the ordinary course of business;
- (11) the granting of Liens permitted under Condition 23(i) (Limitation on Liens); and
- (12) the good faith surrender or waiver of contract rights or settlement, release or surrender of contract, tort or other claims or statutory rights in connection with a settlement in the ordinary course of business consistent with past practice.

“**Asset Sale Offer**” has the meaning set forth under Condition 23(e) (Limitation on Asset Sales and Sales of Subsidiary Stock).

“**Asset Sale Transaction**” means any Asset Sale and, whether or not constituting an Asset Sale, (1) any sale or other disposition of Capital Stock, (2) any Designation with respect to an Unrestricted Subsidiary and (3) any sale or other disposition of property or assets excluded from the definition of Asset Sale by clause (4) of that definition.

“**Bearer Note**” means a Note in bearer form and “**Bearer Notes**” means a Series of Notes issued in bearer form.

“**Board of Directors**” means, as to any Person, the board of directors, management committee or similar governing body of such Person or any duly authorized committee thereof.

“**Board Resolution**” means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Fiscal Agent.

“**Business Day**” means:

- (1) in relation to any sum payable in euro, a TARGET Settlement Day;
- (2) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Center of the relevant currency; and

- (3) each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which the principal offices of the Agents are authorized or obligated by law or execution order to close.

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (1) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (2) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (3) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (4) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:
- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
- (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (5) “**No Adjustment**” means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

“**Calculation Agent**” means either the Issuer or such other Person as specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms.

“**Capital Securities**” means, with respect to the Issuer, any bonds, debentures, notes or other similar instruments of the Issuer (i) which are expressly subordinated in right of payment and in insolvency to the prior payment in full of any Note and any other Senior Indebtedness, (ii) which have a scheduled maturity date of at least 10 years after the Issue Date, (iii) the first principal payment in respect of which (pursuant to any redemption provision, amortization schedule or otherwise) may not occur until at least 12 months after the last scheduled principal payment of any Note and any other Senior Indebtedness, (iv) the principal of which may not be accelerated so long as any Note remains outstanding (except pursuant to a customary bankruptcy event of default with respect to the Issuer), (v) are senior only to Capital Stock of the Issuer, (vi) in respect of which interest may be deferred and cancelled, and (vii) which, prior to their issuance, are provided equity-like treatment by at least two Rating Agencies pursuant to their respective rating criteria.

“Capital Stock” means:

- (1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person;
- (2) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests of such Person; and
- (3) any warrants, rights or options to purchase any of the instruments or interests referred to in clause (1) or (2) above.

“Capitalized Lease Obligations” means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP. For purposes of this definition, the amount of such obligations at any date will be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

“Capitalization Ratio” means, for any Person as of any date of determination, the result (expressed as a percentage) obtained by dividing (x) Consolidated Net Worth of such Person (calculated as of the end of the last completed fiscal quarter ending on or prior to the date of the transaction giving rise to the need to calculate Consolidated Net Worth) by (y) Net Loan Portfolio as of such date of determination.

“Cash Equivalents” means:

- (1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition thereof;
- (2) *Certificados de la Tesorería de la Federación (Cetes) or Bonos de Desarrollo del Gobierno Federal (Bondes)*, in each case, issued by the government of Mexico and maturing not later than one year after the acquisition thereof;
- (3) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody’s or any successor thereto;
- (4) commercial paper maturing no more than one year from the date of creation thereof and, at the time of acquisition, having a rating of at least A-2 from S&P or at least P-2 from Moody’s;
- (5) demand deposits, certificates of deposit, time deposits or bankers’ acceptances maturing within one year from the date of acquisition thereof issued by (a) any bank organized under the laws of the United States of America or any state thereof or the District of Columbia, (b) any U.S. branch of a non-U.S. bank having at the date of acquisition thereof combined capital and surplus of not less than U.S. \$500.0 million, or (c) in the case of Mexican peso deposits, any of the five top-rated banks (as evaluated by an internationally recognized rating agency) organized under the laws of Mexico;
- (6) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (1) above entered into with any bank meeting the qualifications specified in clause (5) above; and
- (7) investments in money market funds, which invest substantially all of their assets in securities of the types described in clauses (1) through (6) above.

“**Change of Control**” means the occurrence of one or more of the following events:

- (1)
 - (x) prior to the occurrence of the first public offering of common stock of the Issuer, any Person or Group other than the Permitted Holders is or becomes the beneficial owner (as defined below), directly or indirectly, in the aggregate of more than 50.0% of the total voting power of the Voting Stock of the Issuer; or
 - (y) after the occurrence of the first public offering of common stock of the Issuer, any Person or a Group other than the Permitted Holders is or becomes the beneficial owner, directly or indirectly, in the aggregate of 35.0% or more of the total voting power of the Voting Stock of the Issuer; *provided* that the Permitted Holders beneficially own, directly or indirectly, in the aggregate a lesser percentage of the total voting power of the Voting Stock of the Issuer (or its successor by merger, consolidation or purchase of all or substantially all of its assets) than such other Person or Group and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of the Issuer or such successor (for the purposes of this clause, such other Person or Group shall be deemed to beneficially own any Voting Stock of a specified entity held by a parent entity, if such other Person or Group “beneficially owns” directly or indirectly, more than 35.0% of the voting power of the Voting Stock of such parent entity and the Permitted Holders “beneficially own” directly or indirectly, in the aggregate a lesser percentage of the voting power of the Voting Stock of such parent entity and do not have the right or ability by voting power, contract or otherwise to elect or designate for election a majority of the Board of Directors of such parent entity);
 - (2) the Issuer consolidates with, or merges with or into, another Person, or the Issuer sells, conveys, assigns, transfers, leases or otherwise disposes of all or substantially all of the assets of the Issuer, determined on a consolidated basis, to any Person, other than a transaction where the Person or Persons that, immediately prior to such transaction “beneficially owned” the outstanding Voting Stock of the Issuer are, by virtue of such prior ownership, or Permitted Holders are, the “beneficial owners” in the aggregate of a majority of the total voting power of the then outstanding Voting Stock of the surviving or transferee person (or if such surviving or transferee Person is a direct or indirect wholly-owned subsidiary of another Person, such Person who is the ultimate parent entity), in each case whether or not such transaction is otherwise in compliance with the Agency Agreement;
 - (3) individuals who on the Issue Date constituted the board of directors of the Issuer, together with any new directors whose election by the board of directors or whose nomination for election by the stockholders of the Issuer was voted upon favorably by the Permitted Holders, cease for any reason to constitute a majority of the board of directors of the Issuer then in office; or
 - (4) the approval by the holders of Capital Stock of the Issuer of any plan or proposal for the liquidation or dissolution of the Issuer, whether or not otherwise in compliance with the provisions of the Agency Agreement.

For purposes of this definition:

- (a) “**beneficial owner**” will have the meaning specified in Rules 13d-3 and 13d-5 under the Exchange Act, except that any Person or Group will be deemed to have “beneficial ownership” of all securities that such Person or Group has the right to acquire, whether such right is exercisable immediately, only after the passage of time or, except in the case of the Permitted Holders, upon the occurrence of a subsequent condition.
- (b) “**Person**” and “**Group**” will have the meanings for “person” and “group” as used in Sections 13(d) and 14(d) of the Exchange Act; and

- (c) the Permitted Holders or any other Person or Group will be deemed to beneficially own any Voting Stock of a corporation held by any other corporation (the “**parent corporation**”) so long as the Permitted Holders or such other Person or Group, as the case may be, beneficially own, directly or indirectly, in the aggregate at least 50.0% of the voting power of the Voting Stock of the parent corporation and no other Person or Group beneficially owns an equal or greater amount of the Voting Stock of the parent corporation.

“**Change of Control Triggering Event**” has the meaning set forth under Condition 23(o) (Change of Control Triggering Event).

“**Change of Control Triggering Event Offer**” has the meaning set forth under Condition 23(o) (Change of Control Triggering Event).

“**Change of Control Triggering Event Payment**” has the meaning set forth under Condition 23(o) (Change of Control Triggering Event).

“**Change of Control Triggering Event Payment Date**” has the meaning set forth under Condition 23(o) (Change of Control Triggering Event).

“**Common Stock**” of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non- voting) of such Person’s common equity interests, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common equity interests.

“**Consolidated Fixed Charge Coverage Ratio**” means, for any Person as of any date of determination, the ratio of the aggregate amount of EBITDA of such Person for the four most recent full fiscal quarters for which financial statements are available ending prior to the date of such determination (the “Four Quarter Period”) to Consolidated Fixed Charges for such Person for such Four Quarter Period. For purposes of this definition, “EBITDA” and “Consolidated Fixed Charges” will be calculated by the Issuer after giving effect on a pro forma basis as determined in the good faith judgment of the Issuer’s Chief Financial Officer for the period of such calculation to:

- (1) the Incurrence or repayment or redemption of any Indebtedness (including Acquired Indebtedness) of such Person or any of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer), and the application of the proceeds thereof, including the Incurrence of any Indebtedness (including Acquired Indebtedness), and the application of the proceeds thereof, giving rise to the need to make such determination, occurring during such Four Quarter Period or at any time subsequent to the last day of such Four Quarter Period and on or prior to such date of determination, to the extent, in the case of an Incurrence, such Indebtedness is outstanding on the date of determination, as if such Incurrence and the application of the proceeds thereof, repayment or redemption occurred on the first day of such Four Quarter Period; and
- (2) (2) any Asset Sale, Investment or acquisition of assets or property by such Person or any of its Subsidiaries (Restricted Subsidiaries, in the case of the Issuer), including any Asset Sale giving rise to the need to make such determination occurring during the Four Quarter Period or at any time subsequent to the last day of the Four Quarter Period and on or prior to such date of determination, as if such Asset Sale, Investment or acquisition of assets or property occurred on the first day of the Four Quarter Period.

Furthermore, in calculating “Consolidated Fixed Charges” for purposes of determining the denominator (but not the numerator) of this “Consolidated Fixed Charge Coverage Ratio,”

- (a) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter will be deemed to have

accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on such date of determination;

- (b) if interest on any Indebtedness actually Incurred on such date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on such date of determination will be deemed to have been in effect during the Four Quarter Period;
- (c) notwithstanding clause (a) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by a Hedging Obligation, will be deemed to accrue at the rate per annum resulting after giving effect to the operation of such agreement;
- (d) interest on a Capitalized Lease Obligations shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligations in accordance with GAAP; and
- (e) for purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period.

“Consolidated Fixed Charges” means, for any Person for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense for such Person for such period, plus
- (2) the amount of all cash and non-cash dividend payments on any series of Preferred Stock or disqualified Stock of such Person (other than dividends paid in Qualified Stock) or any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) paid, accrued or scheduled to be paid or accrued during such period, excluding dividend payments on Preferred Stock or Disqualified Stock paid, accrued or scheduled to be paid to such Person or another Subsidiary (Restricted Subsidiary in the case of the Issuer).

“Consolidated Interest Expense” means, for any Person for any period, the sum of, without duplication determined on a consolidated basis in accordance with GAAP:

- (1) the aggregate of cash and non-cash interest expense (net of any interest income) of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) for such period determined on a consolidated basis in accordance with GAAP, including, without limitation (whether or not constituting interest expense in accordance with GAAP):
 - (i) any amortization or accretion of debt discount or any interest paid on Indebtedness of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) in the form of additional indebtedness,
 - (ii) any amortization of deferred financing costs, *provided, however*, that any amortization or write-off of financing fees incurred prior to the Issue Date or in connection with the offering of the notes shall not be included in Consolidated Interest Expense,
 - (iii) the net costs under Hedging Obligations designed to protect against fluctuations in interest rates or foreign exchange rates (but excluding amortization of fees),
 - (iv) all capitalized interest,
 - (v) the interest portion of any deferred payment obligation,

- (vi) commissions, discounts and other fees and charges Incurred in respect of letters of credit or bankers' acceptances, and
 - (vii) any interest expense paid in respect of Indebtedness of another Person that is Guaranteed by such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) or secured by a Lien on the assets of such Person or one of its Subsidiaries (Restricted Subsidiaries in the case of the Issuer); and
- (2) the interest component of Capitalized Lease Obligations paid, accrued and/or scheduled to be paid or accrued by such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) during such period.

“Consolidated Net Income” means, with respect to any Person for any period, the aggregate net income (or loss) of such Person and its Subsidiaries (after deducting (or adding) the portion of such net income (or loss) attributable to minority interests in Subsidiaries of such Person) for such period on a consolidated basis, determined in accordance with GAAP; *provided*, that there shall be excluded therefrom to the extent reflected in such aggregate net income (loss):

- (1) net after-tax gains or losses from Asset Sale Transactions or abandonments or reserves relating thereto;
- (2) net after-tax items classified as extraordinary gains or losses;
- (3) the net income (but not loss) of any Person, other than such Person and any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer); except that, solely for purposes of calculating Consolidated Net Income pursuant to clause (3) of the first paragraph of Condition 23(d) (Limitation on Restricted Payments) only, Consolidated Net Income of the Issuer will include the Issuer's proportionate share of the net income of:
 - (i) any Person acquired in a “pooling of interests” transaction accrued prior to the date it becomes a Restricted Subsidiary or is merged or consolidated with the Issuer or any Restricted Subsidiary; or
 - (ii) a Surviving Entity prior to assuming the Issuer's obligations under the Agency Agreement and the Notes pursuant to Condition 23(j) (Limitation on Merger, Consolidation and Sales of Assets);
- (4) the net income (but not loss) of any Subsidiary of such Person (Restricted Subsidiary in the case of the Issuer) to the extent that (and only so long as) a corresponding amount could not be distributed to such Person at the date of determination as a result of any restriction pursuant to the constituent documents of such Subsidiary (Restricted Subsidiary in the case of the Issuer) or any law, regulation, agreement or judgment applicable to any such distribution;
- (5) any increase (but not decrease) in net income attributable to minority interests in any Subsidiary (Restricted Subsidiary in the case of the Issuer);
- (6) any gain (or loss) from foreign exchange translation or change in net monetary position;
- (7) any gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness and Hedging Obligations; and
- (8) the cumulative effect of changes in accounting principles.

“Consolidated Net Worth” means, for any Person at any time, the consolidated stockholders' equity of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the

consolidated balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less (without duplication) amounts attributable to Disqualified Capital Stock of such Person.

“Consolidated Tangible Assets” means, for any Person at any time, the total consolidated assets of such Person and its Subsidiaries (Restricted Subsidiaries in the case of the Issuer) as set forth on the consolidated balance sheet as of the most recent fiscal quarter of such Person, prepared in accordance with GAAP, less Intangible Assets.

“Coupon” means an interest coupon pertaining to a Bearer Note.

“Couponholder” means the holder of a Coupon.

“Coupon Sheet” means, in respect of a Bearer Note, a coupon sheet relating to such Note.

“Covenant Defeasance” has the meaning set forth under Condition 24 (Legal Defeasance and Covenant Defeasance).

“Currency Agreement” means, in respect of any Person, any foreign exchange contract, currency swap, option or similar agreement or other similar agreement as to which such Person is a party designed to hedge foreign currency risk of such Person.

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (1) if **“Actual/Actual (ICMA)”** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (A) where the Calculation Period is longer than one Regular Period, the sum of: (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (2) if **“Actual/365”** or **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (3) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (4) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (5) if **“30/360”** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months)

(unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (6) if “**30E/360**” or “**Eurobond Basis**” is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

“**Default**” means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

“**Designated Non-cash Consideration**” means the Fair Market Value of non-cash consideration used in a Permitted Business (other than securities) received by the Issuer or any of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an officers’ certificate, setting forth the basis of such valuation, executed by the Chief Executive Officer or the Chief Financial Officer of the Issuer and delivered to the Fiscal Agent, less the amount of cash or Cash Equivalents received in connection with a sale of such Designated Non- cash Consideration.

“**Designation**” and “**Designation Amount**” have the meanings set forth under Condition 23(g) (Limitation on Designation of Unrestricted Subsidiaries) below.

“**Disqualified Capital Stock**” means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the final maturity date of the Notes; *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the final maturity of the Notes shall not constitute Disqualified Stock if:

- (1) the “asset sale” or “change of control” provisions applicable to such Capital Stock are not materially more favorable to the holders of such Capital Stock than the terms applicable to the Notes and described under Condition 23(e) (Limitation on Sales of Assets and Subsidiary Stock); and
- (2) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Capital Stock shall be equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any. The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Agency Agreement; *provided, however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Early Termination Amount” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

“EBITDA” means, for any period, the sum of Consolidated Net Income, plus or minus, as the case may be, without duplication, to the extent such amount was deducted or added, as the case may be, in calculating Consolidated Net Income

- (1) Consolidated Interest Expense, *plus*
- (2) income and asset taxes and workers’ profit sharing (other than income taxes (either positive or negative) attributable to extraordinary gains or losses or to gains or losses on sales of assets), *plus*
- (3) depreciation expense, *plus*
- (4) amortization expense, *plus*
- (5) all non-cash items that are reported below the “operating income (loss)” line on the Issuer’s consolidated statements of operations (other than items that will require cash payments and for which an accrual or reserve is, or is required by GAAP to be, made), *plus*
- (6) non-cash write-offs of assets, *plus*
- (7) extraordinary non-recurring severance payments to employees, *plus*
- (8) non-cash items related to pension plan liabilities, *less*
- (9) non-cash items that are reported below the “operating income (loss)” line on the Issuer’s consolidated statements of operations (other than (A) items that will result in the receipt of cash payments and (B) items resulting from the reversal of an item anticipated to require cash payments for which an accrual or reserve was, or was required by GAAP to be, made, to the extent such item was deducted from the calculation of EBITDA pursuant to clause (5) above), all as determined on a consolidated basis for the Issuer and its Restricted Subsidiaries in conformity with GAAP.

“Event of Default” has the meaning set forth under Condition 13 (Events of Default).

“Exchange Act” means the U.S. Securities Exchange Act of 1934.

“Extraordinary Resolution” has the meaning given in the Agency Agreement.

“Fair Market Value” means, with respect to any asset (including, without limitation, accounts receivable), the price (after deducting any liabilities relating to such assets) which could be negotiated in an arm’s-length free market transaction, for cash, between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction; *provided*, that the Fair Market Value of any such asset (including, without limitation, accounts receivable) will be determined conclusively by the senior management of the Issuer acting in good faith.

“Final Redemption Amount” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Fitch” means Fitch, Inc. and its successors and assigns.

“Fixed Coupon Amount” has the meaning given in the relevant Final Terms;

“**GAAP**” means either (i) the accounting criteria established by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, or the CNBV) applicable to the Issuer, (ii) the Mexican Financial Reporting Standards (Normas de Información Financiera) issued by the Mexican Board for Research and Development of Financial Information Standards (Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera), (iii) the International Financial Reporting Standards, in each case as in effect from time to time, or (iv) generally accepted accounting principles in the United States;

“**Guarantee**” means any obligation, contingent or otherwise, including an *aval* under Mexican law, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person:

- (1) to purchase or pay, or advance or supply funds for the purchase or payment of, such Indebtedness of such other Person, whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise, or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof, in whole or in part,

provided, that “**Guarantee**” will not include endorsements for collection or deposit in the ordinary course of business. “**Guarantee**” used as a verb has a corresponding meaning;

“**Hedging Obligations**” means the obligations of any Person pursuant to any Interest Rate Agreement or Currency Agreement.

“**Incur**” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person (and “**Incurrence**,” “**Incurred**” and “**Incuring**” will have meanings correlative to the preceding).

“**Indebtedness**” means with respect to any Person, without duplication:

- (1) the principal amount (or, if less, the accreted value) of all obligations of such Person for borrowed money;
- (2) the principal amount (or, if less, the accreted value) of all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all Capitalized Lease Obligations of such Person;
- (4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 180 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);
- (5) all letters of credit, bankers’ acceptances or similar credit transactions, including reimbursement obligations in respect thereof;
- (6) Guarantees and other contingent obligations of such Person in respect of Indebtedness referred to in clauses (1) through (5) above and clauses (8) through (10) below;
- (7) all Indebtedness of any other Person of the type referred to in clauses (1) through (6) which is secured by any Lien on any property or asset of such Person, the amount of such Indebtedness

being deemed to be the lesser of the Fair Market Value of such property or asset or the amount of the Indebtedness so secured;

- (8) all obligations under Hedging Obligations of such Person;
- (9) to the extent not otherwise included in this definition, all liabilities required to be recorded on the consolidated balance sheet of such Person in accordance with GAAP in connection with a sale or other disposition of securitized receivables or other accounts receivables and related assets, including, without limitation, in connection with any Loan-Related Securitization; and
- (10) all Disqualified Capital Stock issued by such Person;

“Intangible Assets” means with respect to any Person all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights and all other items which would be treated as intangibles on the consolidated balance sheet of such Person prepared in accordance with GAAP.

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

“Interest Determination Date” has the meaning given in the relevant Final Terms.

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (1) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (2) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

“Interest Rate Agreement” of any Person means any interest rate protection agreement (including, without limitation, interest rate swaps, caps, floors, collars, derivative instruments and similar agreements) and/or other types of hedging agreements designed to hedge interest rate risk of such Person.

“Investment” means, with respect to any Person, any:

- (1) direct or indirect loan, advance or other extension of credit (including, without limitation, a Guarantee) to any other Person,
- (2) capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others) any other Person, or
- (3) any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities or evidences of Indebtedness issued by, any other Person.

“Investment” will exclude accounts receivable or deposits arising in the ordinary course of business. **“Invest,” “Investing”** and **“Invested”** will have corresponding meanings.

For purposes of Condition 23(d) (Limitation on Restricted Payments), the Issuer will be deemed to have made an “Investment” in an Unrestricted Subsidiary at the time of its Designation, which will be valued at the Fair Market Value of the sum of the net assets of such Unrestricted Subsidiary at the time of its Designation and the amount of any Indebtedness of such Unrestricted Subsidiary or owed to the Issuer or any Restricted Subsidiary immediately following such Designation. Any property transferred to or from an Unrestricted Subsidiary will be valued at its Fair Market Value at the time of such transfer. If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Capital Stock of a Restricted Subsidiary (including any issuance and sale of Capital Stock by a Restricted Subsidiary) such that, after giving effect to any such sale or disposition, such Restricted Subsidiary would cease to be a Subsidiary of the Issuer, the Issuer will be deemed to have made an Investment on the date of any such sale or disposition equal to sum of the Fair Market Value of the Capital Stock of such former Restricted Subsidiary held by the Issuer or any Restricted Subsidiary immediately following such sale or other disposition and the amount of any Indebtedness of such former Restricted Subsidiary Guaranteed by the Issuer or any Restricted Subsidiary or owed to the Issuer or any other Restricted Subsidiary immediately following such sale or other disposition.

“Investment Grade Rating” means a rating equal to or higher than (i) Baa3 (or the equivalent) by Moody’s or (ii) BBB-(or the equivalent) by S&P or Fitch, or, if such entities cease to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other Rating Agency.

“Investment Return” means, in respect of any Investment (other than a Permitted Investment) made after the Issue Date by the Issuer or any Restricted Subsidiary:

- (1) (x) the proceeds in cash and the Fair Market Value of property other than cash received by the Issuer or any Restricted Subsidiary upon the sale, liquidation or repayment of such Investment or, in the case of a Guarantee, the amount of the Guarantee upon the unconditional release of the Issuer and its Restricted Subsidiaries in full, less any payments previously made by the Issuer or any Restricted Subsidiary in respect of such Guarantee and (y) any dividends or distributions received by the Issuer or any Restricted Subsidiary from an Unrestricted Subsidiary, to the extent such amounts were not otherwise included in Consolidated Net Income;
- (2) in the case of the Revocation of the Designation of an Unrestricted Subsidiary, an amount equal to the lesser of:
 - (i) the Issuer’s Investment in such Unrestricted Subsidiary at the time of such Revocation;
 - (ii) that portion of the Fair Market Value of the net assets of such Unrestricted Subsidiary at the time of Revocation that is proportionate to the Issuer’s equity interest in such Unrestricted Subsidiary at the time of Revocation; and
 - (iii) the Designation Amount with respect to such Unrestricted Subsidiary upon its Designation which was treated as a Restricted Payment; and
- (3) in the event the Issuer or any Restricted Subsidiary makes any Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, the Fair Market Value of the Investment of the Issuer and its Restricted Subsidiaries in such Person, in the case of each of (1), (2) and (3), up to the amount of such Investment that was treated as a Restricted Payment under Condition 23(d) (Limitation on Restricted Payments) less the amount of any previous Investment Return in respect of such Investment.

“ISDA Definitions” means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.).

“Issue Date” has the meaning given in the relevant Final Terms.

“Legal Defeasance” has the meaning set forth under Condition 24 (Legal Defeasance and Covenant Defeasance).

“Lien” means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement, any lease in the nature thereof and any agreement to give any security interest); *provided* that the lessee in respect of a Capitalized Lease Obligation or Sale and Leaseback Transaction will be deemed to have Incurred a Lien on the property leased thereunder.

“Loan Receivables” means loans and other loan-related receivables purchased or originated by the Issuer or any Restricted Subsidiary; *provided, however*, that for purposes of determining the amount of a Loan Receivable at any time, such amount shall be determined in accordance with GAAP, consistently applied, as of the most recent practicable date.

“Loan-Related Securitization” means any securitization, factoring, discounting or similar financing transaction or series of transactions entered into by the Issuer or any of its Restricted Subsidiaries pursuant to which the Issuer or any of its Restricted Subsidiaries directly or indirectly through a Securitization Vehicle securitizes a pool of specified Loan Receivables, Residual Interests, net interest margin securities or similar or related assets of the Issuer or any Restricted Subsidiary on terms that the Board of Directors has concluded are customary and market terms fair to the Issuer and its Restricted Subsidiaries and the proceeds of which are used to repay any Senior Indebtedness of the Issuer, make capital expenditures in a Permitted Business, and/or purchase assets (other than current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business.

“Margin” has the meaning given in the relevant Final Terms.

“Marketable Securities” has the meaning ascribed to such term under GAAP.

“Maturity Date” has the meaning given in the relevant Final Terms.

“Maximum Redemption Amount” has the meaning given in the relevant Final Terms.

“Minimum Redemption Amount” has the meaning given in the relevant Final Terms.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“Net Cash Proceeds” means, with respect to any Asset Sale, the proceeds in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents received by the Issuer or any of its Restricted Subsidiaries from such Asset Sale, net of:

- (1) reasonable out-of-pocket expenses and fees relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees and sales commissions);
- (2) taxes paid or payable in respect of such Asset Sale after taking into account any reduction in consolidated tax liability due to available tax credits or deductions and any tax sharing arrangements;

- (3) repayment of Indebtedness secured by a Lien permitted under the Agency Agreement that is required to be repaid in connection with such Asset Sale; and
- (4) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve, in accordance with GAAP, against any liabilities associated with such Asset Sale and retained by the Issuer or any Restricted Subsidiary, as the case may be, after such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, but excluding any reserves with respect to Indebtedness.

“Net Loan Portfolio” means, as of any date of determination, the net loan portfolio of the Issuer and its Restricted Subsidiaries as set forth on the consolidated balance sheet as of the most recent fiscal quarter of the Issuer, prepared in accordance with GAAP.

“Noteholder” means, as the context requires, a holder of a Bearer Note or a Registered Note.

“Officer” means, when used in connection with any action to be taken by the Issuer, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, the General Counsel, the Controller or the Secretary of the Issuer.

“Officers’ Certificate” means, when used in connection with any action to be taken by the Issuer, a certificate signed by two Officers or by an Officer and either an Assistant Treasurer or an Assistant Secretary of the Issuer and delivered to the Fiscal Agent.

“Opinion of Counsel” means a written opinion of counsel, who may be an employee of or counsel for the Issuer (except as otherwise provided in the Agency Agreement) and which opinion shall be reasonably acceptable to the Fiscal Agent.

“Optional Redemption Amount (Call)” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

“Optional Redemption Amount (Put)” means, in respect of any Note, its outstanding principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms.

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms.

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms.

“Participating Member State” means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty.

“Payment Business Day” means:

- (1) for payment of notes in a definitive form, a day which is both:
 - (i) a Business Day, and
 - (ii) a day on which banks in the relevant place of presentation are open for presentation; and
- (2) for payment of notes that are not in a definitive form, a Business Day, and in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Center of the currency of payment.

“Permitted Acquisition Indebtedness” means Indebtedness of the Issuer to the extent such Indebtedness was (i) Indebtedness of a Subsidiary prior to the date on which such Subsidiary became a Restricted

Subsidiary, (ii) Indebtedness of a Person that was merged, consolidated or amalgamated into the Issuer or (iii) assumed in connection with the acquisition of assets from a Person; *provided* that on the date such Subsidiary became a Restricted Subsidiary or the date such Person was merged, consolidated or amalgamated into the Issuer or assumed in connection with an Asset Acquisition, as applicable, after giving pro forma effect thereto, (a) the Issuer would be permitted to incur at least U.S. \$1.00 of additional Indebtedness pursuant to clause (1) under Condition 23(b) (Limitation on Incurrence of Additional Indebtedness), or (b) (A) the Capitalization Ratio of the Issuer and its Restricted Subsidiaries would be equal to or greater than the Capitalization Ratio of the Issuer and its Restricted Subsidiaries immediately prior to such transaction and (B) the Consolidated Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries (on a consolidated basis) would be equal to or greater than the Consolidated Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries immediately prior to such transaction.

“Permitted Business” means the business or businesses conducted by the Issuer and its Restricted Subsidiaries as of the Issue Date and any business related, ancillary or complementary thereto or otherwise arising out of those activities, including, without limitation, any activities relating to payroll loan financing.

“Permitted Holders” means (i) EZCORP, Inc. (the **“Parent Company”**); and (ii) its Subsidiaries; *provided* that, in the event of a Change of Control with respect to the Parent Company, the Parent Company shall not be considered a Permitted Holder.

“Permitted Indebtedness” has the meaning set forth under clause (2) of Condition 23(b) (Limitation on Incurrence of Additional Indebtedness).

“Permitted Investments” means:

- (1) Investments by the Issuer or any Restricted Subsidiary in any Person that is, or that result in any Person becoming, immediately after such Investment, a Restricted Subsidiary or constituting a merger or consolidation of such Person into the Issuer or with or into a Restricted Subsidiary, except for a Guarantee of Indebtedness of a Restricted Subsidiary;
- (2) Investments by any Restricted Subsidiary in the Issuer;
- (3) Investments in cash and Cash Equivalents;
- (4) any extension, modification or renewal of any Investments existing as of the Issue Date (but not Investments involving additional advances, contributions or other investments of cash or property or other increases thereof, other than as a result of the accrual or accretion of interest or original issue discount or payment-in-kind pursuant to the terms of such Investment as of the Issue Date);
- (5) Investments permitted pursuant to clause (2)(b), (c) or (e) of Condition 23(k) (Limitation on Transactions with Affiliates);
- (6) Investments received as a result of the bankruptcy or reorganization of any Person, or taken in settlement of or other resolution of claims or disputes, and, in each case, extensions, modifications and renewals thereof;
- (7) Investments made by the Issuer or its Restricted Subsidiaries as a result of non-cash consideration permitted to be received in connection with an Asset Sale made in compliance with the covenant described under Condition 23(e) (Limitation on Asset Sales and Sales of Subsidiary Stock);
- (8) Investments in the form of Hedging Obligations permitted under clause 2(d) of Condition 23(b) (Limitation on Incurrence of Additional Indebtedness);

- (9) Investments in a Person engaged in a Permitted Business not to exceed the greater of (x) U.S. \$10 million and (y) 2.0% of Consolidated Tangible Assets of the Issuer and its Restricted Subsidiaries since the Issue Date;
- (10) receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (11) payroll, travel, entertainment, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (12) loans or advances to employees in the ordinary course of business consistent with past practices of the Issuer or such Restricted Subsidiary;
- (13) Investments in any Person to the extent such Investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and other similar deposits made in the ordinary course of business by the Issuer or any Restricted Subsidiary;
- (14) payroll loans (including loan portfolios) made or acquired by the Issuer in the ordinary course of business, including, without limitation, the acquisition of loans or loan portfolios from third parties; and
- (15) Investments in any Person in connection with a Loan-Related Securitization; *provided* that such Investment in any such Person is in the form of a receivables financing facility, net interest margin securities or similar or related assets of the Issuer or any Restricted Subsidiary and transferred to such Person in connection with a Loan-Related Securitization (including by way of transfers of receivables to a Securitization Vehicle);

provided, however, that with respect to any Investment, the Issuer may, in its sole discretion, allocate all or any portion of any Investment and later re-allocate all or any portion of any Investment to, one or more of the above clauses (1) through (15) so that the entire Investment would be a Permitted Investment.

“Permitted Liens” means any of the following:

- (1) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business for sums not yet delinquent or being contested in good faith;
- (2) Liens Incurred or deposits made in the ordinary course of business (x) in connection with workers' compensation, unemployment insurance and other types of social security, including any Lien securing letters of credit issued in the ordinary course of business consistent with past practice in connection therewith, or (y) to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);
- (3) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (4) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

- (5) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Issuer or a Restricted Subsidiary, including rights of offset and set-off;
- (6) Liens securing Hedging Obligations that relate to Indebtedness that is Incurred in accordance with Condition 23(b) (Limitation on Incurrence of Additional Indebtedness) and that are secured by the same assets as secure such Hedging Obligations;
- (7) Liens existing on the Issue Date and Liens to secure any Refinancing Indebtedness which is Incurred to Refinance any Indebtedness which has been secured by a Lien permitted under the covenant described under Condition 23(i) (Limitation on Liens) not incurred pursuant to clauses (9) and (10) of this definition of “Permitted Liens” and which Indebtedness has been Incurred in accordance with Condition 23(b) (Limitation on Incurrence of Additional Indebtedness); *provided*, that such new Liens:
 - (i) are no less favorable to the holders of Notes and are not more favorable to the lienholders with respect to such Liens than the Liens in respect of the Indebtedness being Refinanced, and
 - (ii) do not extend to any property or assets other than the property or assets securing the Indebtedness Refinanced by such Refinancing Indebtedness;
- (8) Liens securing Acquired Indebtedness Incurred in accordance with Condition 23(b) (Limitation on Incurrence of Additional Indebtedness) not incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation; *provided*, that
 - (i) such Liens secured such Acquired Indebtedness at the time of and prior to the Incurrence of such Acquired Indebtedness by the Issuer or a Restricted Subsidiary and were not granted in connection with, or in anticipation of the Incurrence of such Acquired Indebtedness by the Issuer or a Restricted Subsidiary, and
 - (ii) such Liens do not extend to or cover any property of the Issuer or any Restricted Subsidiary other than the property that secured the Acquired Indebtedness prior to the time such Indebtedness became Acquired Indebtedness of the Issuer or a Restricted Subsidiary and are no more favorable to the lienholders than the Liens securing the Acquired Indebtedness prior to the Incurrence of such Acquired Indebtedness by the Issuer or a Restricted Subsidiary;
- (9) purchase money Liens securing Purchase Money Indebtedness or Capitalized Lease Obligations Incurred to finance the acquisition or leasing of property of the Issuer or a Restricted Subsidiary used in a Permitted Business; *provided*, that:
 - (i) the related Purchase Money Indebtedness does not exceed the cost of such property and shall not be secured by any property of the Issuer or any Restricted Subsidiary other than the property so acquired, and
 - (ii) the Lien securing such Indebtedness will be created within 365 days of such acquisition;
- (10) any pledge or deposit of cash or property in conjunction with obtaining surety and performance bonds and letters of credit required to engage in constructing on-site and off-site improvements required by municipalities or other governmental authorities in the ordinary course of business;
- (11) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

- (12) Liens encumbering customary initial deposits and margin deposits, and other Liens that are customary in the industry and incurred in the ordinary course of business securing Indebtedness under Hedging Obligations and forward contracts, options, futures contracts, futures options or similar agreements or arrangements designed to protect the Issuer and its Restricted Subsidiaries from fluctuations in interest rates;
- (13) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (14) licenses of intellectual property in the ordinary course of business;
- (15) Liens to secure a defeasance trust to the extent such defeasance is otherwise permitted pursuant to the terms of the Agency Agreement;
- (16) easements, rights-of-way, zoning and similar restrictions, reservations, restrictions or encumbrances in respect of real property or title defects that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Issuer or its Restricted Subsidiaries) or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;
- (17) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings that may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such legal proceedings may be initiated shall not have expired;
- (18) Liens on Capital Stock of an Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;
- (19) Liens on Loan Receivables, other receivables, net interest margin securities or similar or related assets of the Issuer or any Restricted Subsidiary Incurred in connection with any Loan-Related Securitization or any debt facility entered into for the purpose of financing or refinancing the purchase or origination or financing the pooling of Loan Receivables or other receivables, net interest margin securities or similar or related assets by the Issuer or a Restricted Subsidiary; or
- (20) Liens incurred in connection with Condition 23(b) (Limitation on Incurrence of Additional Indebtedness) (2) (xiv).

“Person” means an individual, partnership, limited partnership, corporation, company, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

“Preferred Stock” of any Person means any Capital Stock of such Person that has preferential rights over any other Capital Stock of such Person with respect to dividends, distributions or redemptions or upon liquidation.

“Principal Financial Center” means, in relation to any currency, the principal financial center for that currency provided, however, that:

- (1) in relation to euro, it means the principal financial center of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

- (2) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.

“Purchase Money Indebtedness” means Indebtedness Incurred for the purpose of financing all or any part of the purchase price, or other cost of construction or improvement of any property; *provided* that the aggregate principal amount of such Indebtedness does not exceed the lesser of the Fair Market Value of such property or such purchase price or cost, including any Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of Refinancing.

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder.

“Qualified Capital Stock” means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

“Qualified Merger Jurisdiction” means (i) Mexico; (ii) the United States of America, any State thereof or the District of Columbia; (iii) any member state of the European Union; or (iv) any other nation that has a sovereign debt rating from two Rating Agencies that is equal to or higher than the sovereign debt rating assigned to Mexico by such Rating Agencies.

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms.

“Rating Agencies” means (i) S&P, (ii) Moody’s and (iii) Fitch or (iv) if any of S&P, Moody’s or Fitch shall not make a rating of the Notes publicly available, a nationally recognized United States securities rating agency or agencies, as the case may be, selected by the Issuer (following consultation with the Fiscal Agent), which shall be substituted for any such Rating Agency that has ceased to rate the Notes, as the case may be.

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms.

“Reference Banks” has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate.

“Reference Price” has the meaning given in the relevant Final Terms.

“Reference Rate” has the meaning given in the relevant Final Terms.

“Refinance” means, in respect of any Indebtedness, to issue any Indebtedness in exchange for or to refinance, replace, defease or refund such Indebtedness in whole or in part. **“Refinanced”** and **“Refinancing”** will have correlative meanings.

“Refinancing Indebtedness” means Indebtedness of the Issuer or any Restricted Subsidiary issued to Refinance any other Indebtedness of the Issuer or a Restricted Subsidiary so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any

premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Issuer in connection with such Refinancing);

- (2) such new Indebtedness has:
 - (i) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced, and
 - (ii) a final maturity that is equal to or later than the final maturity of the Indebtedness being Refinanced; and
- (3) if the Indebtedness being Refinanced is:
 - (i) Indebtedness of the Issuer, then such Refinancing Indebtedness will be Indebtedness of the Issuer, and
 - (ii) Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the Notes, at least to the same extent and in the same manner as the Indebtedness being Refinanced.

“Register” means the register maintained by the U.S. Registrar or the Non-U.S. Registrar at its Specified Office in respect of Registered Notes in accordance with the Agency Agreement.

“Registered Holder” means the person in whose name a Registered Note is for the first time being registered in the Register (or, in the case of a joint holding, the first named thereof).

“Registered Note” means a Note issued in registered form.

“Regular Period” means:

- (1) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (2) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (3) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“Relevant Date” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Center of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

“Relevant Financial Center” has the meaning given in the relevant Final Terms.

“Relevant Screen Page” means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service and the Telerate Service) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

“Relevant Time” has the meaning given in the relevant Final Terms.

“Reserved Matter” means any proposal:

- (a) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;
- (b) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;
- (c) to change the currency in which amounts due in respect of the Notes are payable;
- (d) to change the quorum required at any Meeting or the majority required to pass an Extraordinary Resolution; or
- (e) to amend this definition.

“Residual Interests” means (i) any residual interests in Loan-Related Securitizations, Securitization Securities or any other interests in Securitization Vehicles or (ii) the residual value of any assets that are financed through Indebtedness Incurred in connection with a Loan-Related Securitization, regardless of whether required to appear on the face of the consolidated financial statements of such Person and its Subsidiaries in accordance with GAAP.

“Restricted Payment” has the meaning set forth under Condition 23(d) (Limitation on Restricted Payments).

“Restricted Subsidiary” means any Subsidiary of the Issuer, which at the time of determination is not an Unrestricted Subsidiary.

“Revocation” has the meaning set forth under Condition 23(g) (Limitation on Designation of Unrestricted Subsidiaries).

“S&P” means Standard & Poor’s Ratings Services and its successors and assigns.

“Sale and Leaseback Transaction” means any direct or indirect arrangement with any Person or to which any such Person is a party providing for the leasing to the Issuer or a Restricted Subsidiary of any property, whether owned by the Issuer or any Restricted Subsidiary at the Issue Date or later acquired, which has been or is to be sold or transferred by the Issuer or such Restricted Subsidiary to such Person or to any other Person by whom funds have been or are to be advanced on the security of such property.

“Secured Indebtedness” means any Indebtedness secured by a Lien upon the property or assets of the Issuer and/or its Restricted Subsidiaries.

“Securitization Securities” has the meaning set forth in the definition of **“Securitization Vehicle.”**

“**Securities Act**” means the U.S. Securities Act of 1933.

“**Securitization Vehicle**” means (i) any Person (whether or not a Restricted Subsidiary of the Issuer) established for the purpose of issuing asset-backed securities of any kind or issuing any other Indebtedness (whether or not in the form of securities) backed by Loan Receivables or Residual Interests (“**Securitization Securities**”), and (ii) any special purpose, bankruptcy remote Restricted Subsidiary of the Issuer or any of its Restricted Subsidiaries established in connection with the issuance of Securitization Securities and any other entity (or several entities) that serves as an intermediate entity between a Restricted Subsidiary, as the case may be, that initially purchases or originates Loan Receivables or Residual Interests and an entity referred to in clause (i) regardless of whether such Restricted Subsidiary is an issuer of Securitization Securities; *provided* that in each case, such entity is an entity:

- (1) that does not engage in, and whose charter prohibits it from engaging in, any activities other than Loan-Related Securitizations and any activity necessary, incidental or related thereto,
- (2) no portion of the Indebtedness or any other obligation, contingent or otherwise, of which
 - (i) is Guaranteed by the Issuer or any Restricted Subsidiary of the Issuer,
 - (ii) is recourse to or obligates the Issuer or any Restricted Subsidiary of the Issuer in any way, or
 - (iii) subjects any property or asset of the Issuer or any Restricted Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof,
- (3) with respect to which neither the Issuer nor any Restricted Subsidiary of the Issuer (other than an Unrestricted Subsidiary) has any obligation to maintain or preserve its financial condition or cause it to achieve certain levels of operating results

other than, in respect of clauses (2) and (3), (x) pursuant to customary representations, warranties, covenants and indemnities entered into in connection with a Loan-Related Securitization, and (y) any Guarantees by the Issuer or a Restricted Subsidiary of any Indebtedness of a Securitization Vehicle that would constitute Permitted Indebtedness or which would be permitted under Condition 23 (b) (Limitation on Incurrence of Additional Indebtedness).

“**Senior Indebtedness**” means the Notes (and any Guarantee thereof) and any other Indebtedness of the Issuer that is not, pursuant to the instrument evidencing such Indebtedness, expressly subordinated in right of payment to the Notes.

“**Significant Subsidiary**” means a Subsidiary of the Issuer constituting a “**Significant Subsidiary**” of the Issuer in accordance with Rule 1-02(w) of Regulation S-X under the Securities Act in effect on the date hereof.

“**Specified Currency**” has the meaning given in the relevant Final Terms.

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms.

“**Specified Office**” has the meaning given in the Agency Agreement.

“**Specified Period**” has the meaning given in the relevant Final Terms.

“**Subordinated Indebtedness**” means, with respect to the Issuer, any Indebtedness of the Issuer that is, pursuant to the instrument evidencing such Indebtedness, expressly subordinated in right of payment to any Note or any other Senior Indebtedness, as the case may be.

“Subsidiary” means, with respect to any Person, any other Person of which such Person owns, directly or indirectly, more than 50.0% of the voting power of the other Person’s outstanding Voting Stock.

“Surviving Entity” has the meaning set forth under Condition 23(j) (Limitation on Merger, Consolidation and Sale of Assets).

“Talon” means a talon for further Coupons.

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as the Target 2) System, which was launched on 19 November 2007, is operating.

“Total Unsecured Indebtedness” means, as of any date of determination, the total outstanding principal amount of all Unsecured Indebtedness of the Issuer and its Restricted Subsidiaries.

“Treaty” means the Treaty establishing the European Union, as amended.

“U.S. Dollar Equivalent” means with respect to any monetary amount in a currency other than U.S. dollars, at any time for determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with the applicable foreign currency as published in The Wall Street Journal in the “Exchange Rates” column under the heading “Currency Trading” on the date two business days prior to such determination.

Except as described under Condition 23(b) (Limitation on Incurrence of Additional Indebtedness), whenever it is necessary to determine whether the Issuer has complied with any covenant in the Agency Agreement or a Default has occurred and an amount is expressed in a currency other than U.S. dollars, such amount will be treated as the U.S. Dollar Equivalent determined as of the date such amount is initially determined in such currency.

“Unrestricted Subsidiary” means any Subsidiary of the Issuer Designated as an Unrestricted Subsidiary pursuant to Condition 23(g) (Limitation on Designation of Unrestricted Subsidiaries). Any such Designation may be revoked by a certificate of the Chief Financial Officer of the Issuer, subject to the provisions of such covenant.

“Unsecured Indebtedness” means any Indebtedness of the Issuer and/or its Restricted Subsidiaries other than Secured Indebtedness.

“Voting Stock” with respect to any Person, means securities of any class of Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors (or equivalent governing body) of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years (calculated to the nearest one-twelfth) obtained by dividing:

- (1) the then outstanding aggregate principal amount or liquidation preference, as the case may be, of such Indebtedness into
- (2) the sum of the products obtained by multiplying:
 - (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal or liquidation preference, as the case may be, including payment at final maturity, in respect thereof, by

- (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

“Wholly-Owned Subsidiary” means, for any Person, any Subsidiary (Restricted Subsidiary in the case of the Issuer) of which all the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

“Zero Coupon Note” means a Note specified as such in the relevant Final Terms.

(b) Interpretation:

In these Conditions:

- (1) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (2) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (3) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (4) any reference to principal shall be deemed to include the Redemption Amount, any Installment Amount, any additional amounts in respect of principal which may be payable under Condition 12 (Additional Amounts), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (5) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (Additional Amounts) and any other amount in the nature of interest payable pursuant to these Conditions;
- (6) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (7) if an expression is stated in Condition 2(a) (Definitions) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (8) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the First Tranche of the Notes of any Series.

3. **Form, Denomination, Title and Transfer**

- (a) *Form of Notes:* Notes will be issued in bearer form and/or in registered form, as specified in the relevant Final Terms.
- (b) *Form of Bearer Notes:* Bearer Notes will be in substantially the form (subject to amendment and completion) scheduled to the Agency Agreement. Interest-bearing Bearer Notes will, if so specified in the relevant Final Terms, have attached at the time of their initial delivery Coupons, presentation of which will be a prerequisite to the payment of interest in certain circumstances specified below. Interest-bearing Bearer Notes will also, if so specified in the relevant Final Terms, have attached at the time of their initial delivery, a Talon exchangeable for further Coupons and the expression “Coupons” shall, where the context so requires, include Talons.

- (c) *Form of Registered Notes:* Registered Notes will be in substantially the form (subject to amendment and completion) scheduled to the Agency Agreement.
- (d) *Installment Notes:* Any Note, the principal amount of which is repayable by installments (an “**Installment Note**”), will have endorsed thereon a grid for recording the repayment of principal.
- (e) *Denomination of Bearer Notes:* Bearer Notes will be in the denomination or denominations (each of which denomination must be integrally divisible by each smaller denomination) specified in the relevant Final Terms. Bearer Notes of one denomination will not be exchangeable after their initial delivery for Bearer Notes of any other denominations.
- (f) *Denomination of Registered Notes:* Registered Notes will be in the minimum denomination specified in the relevant Final Terms or integral multiples thereof.
- (g) *Currency of Notes:* Notes may be denominated in any currency (including, without limitation, Euros (“**Euro**”), Japanese Yen (“**JPY**”), Mexican Pesos (“**MXN**”) and United States Dollars (“**U.S.\$**”)), subject to compliance with all applicable legal and/or regulatory requirements.
- (h) *References to Notes:* In these Conditions, references to Notes shall, as the context may require, be deemed to be to Bearer Notes or, as the case may be, Registered Notes.
- (i) *Title to Bearer Notes etc.:* Title to Bearer Notes, Coupons and Talons will pass by delivery. References herein to the “**Holders**” of Bearer Notes, Coupons or of Talons are to the bearers of such Bearer Notes, Coupons or Talons.
- (j) *Title to Registered Notes:* Title to Registered Notes will pass by registration in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar. References herein to the “**Holders**” of Registered Notes are to the persons in whose names such Registered Notes are so registered in the relevant Register or, in the case of joint holders, the first named thereof.
- (k) *Holder as absolute owner:* The Holder of any Bearer Note, Coupon or Talon or the person in whose names any Registered Note is registered in the relevant Register (or, in the case of joint holders, the first named thereof), will (except as otherwise ordered by a court of competent jurisdiction or as required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest therein, any writing thereon by anyone (other than, in the case of Registered Notes, a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous loss or theft thereof), and no person shall be liable for so treating such Holder or person.
- (l) *Transfer of Registered Notes:* A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part (provided that such part is, or is an integral multiple of, the minimum denomination specified in the relevant Final Terms) upon the surrender of the Registered Note to be transferred, with the form of transfer endorsed on it duly completed and executed, at the Specified Office of the Registrar or any of the Transfer Agents, together with such evidence as the Registrar or, as the case may be, the relevant Transfer Agent may reasonably require to prove the title of the transferor and the authority of the persons who have executed the form of transfer. A new Registered Note will be issued to the transferee and, in the case of a transfer of part only of a Registered Note, a new Registered Note in respect of the balance not transferred will be issued to the transferor.
- (m) *Exchange of Bearer Notes for Registered Notes:* If so specified in the relevant Final Terms, the Holder of any Bearer Notes may exchange some or all of such Bearer Notes for an aggregate principal amount of Registered Notes equal to the aggregate principal amount of Bearer Notes being so exchanged upon the terms and subject to the conditions set forth in the Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the Specified Office outside the United States of any Transfer Agent together with a written request for the exchange. Each Bearer Note

so surrendered must be accompanied by all unmatured Coupons and any Talon appertaining thereto other than the Coupon in respect of the next payment of interest falling due after the exchange date (as defined in Condition 3(n) (Delivery)) where the exchange date would, but for the provisions of Condition 3(n) (Delivery), occur between the Record Date (as defined in Condition 11 (Payments)) for such payment of interest and the date on which such payment of interest falls due.

- (n) *Delivery:* Each new Registered Note to be issued upon a transfer of a Registered Note or the exchange of a Bearer Note for a Registered Note will, within five Relevant Banking Days (defined below) of the transfer date, in the case of a transfer of Registered Notes, or the exchange date, in the case of an exchange of Bearer Notes for Registered Notes, be available for delivery at the Specified Office of the Registrar or, as the case may be, the relevant Transfer Agent or (at the request and risk of the Holder of such Registered Note) be mailed by uninsured post to such address as such Holder may have specified. For these purposes, a form of transfer or request for exchange received by the Registrar or any of the Transfer Agents after the Record Date (as defined in Condition 11 (Payments)) in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar or such Transfer Agent until the day following the due date for such payment.

In these Conditions:

- (a) “**Relevant Banking Day**” means a day on which commercial banks are open for business (including dealings in foreign currencies) in the place where the Specified Office of the Registrar or, as the case may be, the relevant Transfer Agent is located;
- (b) the “**transfer date**” shall be the Relevant Banking Day following the day on which the relevant Registered Note shall have been surrendered for transfer in accordance with Condition 2.04 and all reasonable requirements of the Registrar and, as the case may be, the relevant Transfer Agent shall have been satisfied in respect of such transfer; and
- (c) the “**exchange date**” shall be the Relevant Banking Day following the day on which the relevant Bearer Note shall have been surrendered for exchange in accordance with Condition 3(m) (Exchange of Bearer Notes for Registered Notes).
- (o) *No charge:* The issue of new Registered Notes on transfer or on the exchange of Bearer Notes for Registered Notes will be effected without charge to the Holder or the transferee by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment by the applicant of (or the giving by the applicant of such indemnity as the Registrar or, as the case may be, the relevant Transfer Agent may require in respect of) any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfers or exchanges.
- (p) *Private Placement Legend:* Upon the transfer, exchange or replacement of Registered Notes bearing a private placement legend (the “**Private Placement Legend**”) for the purpose of Rule 144A under the Securities Act, set forth in the form of a Registered Note scheduled to the Agency Agreement, the Registrar shall deliver only Registered Notes that also bear such legend unless either (i) such transfer, exchange or replacement occurs one or more years after the later of (1) the original issue date of such Notes or (2) the last date on which the Issuer or any affiliates (as defined below) of the Issuer, as notified to the Registrar by the Issuer as provided in the following sentence, was the beneficial owner of such Note (or any predecessor of such Note) or (ii) there is delivered to the Registrar an opinion reasonably satisfactory to the Issuer of counsel experienced in giving opinions with respect to questions arising under the securities laws of the United States to the effect that neither such legend nor the restrictions on transfer set forth therein are required in order to maintain compliance with the provisions of such laws.
- (q) *Exchange of Registered Notes for Bearer Notes:* Registered Notes will not be exchangeable for Bearer Notes.

4. **Status of Notes**

The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank pari passu among themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Guarantees**

If the Issuer or any of its future Restricted Subsidiaries acquires or creates a Restricted Subsidiary after the date of the Agency Agreement, the new Restricted Subsidiary must provide a guarantee of the Notes (a “**Note Guarantee**”).

Each Note Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions. By virtue of this limitation, a Guarantor’s obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee.

The Note Guarantee of a Guarantor will terminate upon

- (1) a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Agency Agreement,
- (2) if the Note Guarantee was required pursuant to the terms of the Agency Agreement, the cessation of the circumstances requiring the Note Guarantee,
- (3) the designation in accordance with the Agency Agreement of the Guarantor as an Unrestricted Subsidiary, or
- (4) defeasance or discharge of the Notes, as provided in Condition 24 (Legal Defeasance and Covenant Defeasance) and Condition 25 (Satisfaction and Discharge).

The Issuer currently has no Subsidiaries.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (Fixed Rate Note Provisions) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 11 (Payments). Each Note will cease to bear interest from the due date for final redemption (or, in the case of an Installment Note, in respect of each installment of principal, up to but excluding the payment date of the relevant Installment Amount) unless, upon due presentation, payment of the Redemption Amount (or the relevant Installment Amount) is improperly withheld or refused or if sufficient funds are not deposited for payment, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by the Issuer applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest **sub-unit** of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “sub-unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. Floating Rate Note and Index-Linked Interest Note Provisions

- (a) *Application:* This Condition 7 (Floating Rate Note and Index-Linked Interest Note Provisions) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrears on each Interest Payment Date, subject as provided in Condition 11 (Payments). Each Note will cease to bear interest from the due date for final redemption (or, in the case of an Installment Note, in respect of each installment of principal, on the due date for payment of the relevant Installment Amount) unless, upon due presentation, payment of the Redemption Amount or the relevant Installment Amount is improperly withheld or refused or if sufficient funds are not deposited, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (1) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (2) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (3) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (i) request the principal Relevant Financial Center office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Center interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (ii) determine the arithmetic mean of such quotations; and
 - (4) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Center of the Specified Currency, selected by the Issuer, at approximately 11:00 a.m. (local time in the Principal Financial Center of the Specified Currency) on the first day of the relevant Interest Period for

loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *Index-Linked Interest:* If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the outstanding principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.
- (g) *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- (h) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, including any Installment Amount, together with any relevant payment date(s) to be notified to the Paying Agents, the Registrar (in the case of Registered Notes) and each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (i) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Registrar (in the case of Registered Notes), the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes. The Calculation Agent shall reserve the right to refuse to act as Calculation Agent for any Series of Notes.

8. Zero Coupon Note Provisions

- (a) *Application:* This Condition 8 (Zero Coupon Note Provisions) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount or the Installment Amount payable in respect of any Zero Coupon Note is improperly withheld or refused or if sufficient funds are not deposited,

the Redemption Amount or the Installment Amount shall thereafter be an amount calculated by the Issuer equal to the sum of:

- (1) the Reference Price; and
- (2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Dual Currency Note Provisions**

- (a) *Application:* This Condition 9 (Dual Currency Note Provisions) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (c) *Noteholder Election for Payment in Pesos:* Noteholders who hold beneficial interests in a Global Note through accounts with DTC, Clearstream, Luxembourg or Euroclear may elect to receive payment of principal, interest, additional amounts and any other amounts due in respect of the Notes in pesos. A Noteholder who wishes to elect to receive a particular payment in pesos must notify the relevant clearing system no later than two (2) days after the applicable Record Date (and not earlier than the applicable Record Date). Noteholders who wish to receive payments in pesos must deliver a separate notice of any such election with respect to each Payment Date. Noteholders who own beneficial interests in the Notes through accounts with Clearstream, Luxembourg or Euroclear must arrange to have such notice given on their behalf.

10. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, or, in the case of Installment Notes, in such number of installments and in such amounts (“**Installment Amounts**”) as may be specified in, or determined in these Conditions or the relevant Final Terms, subject as provided in Condition 11 (Payments).
- (b) *Optional Redemption for Changes in Withholding Taxes:*

If, in relation to any Series of Notes, as a result of any amendment to, or change in, the laws (or any rules or regulations thereunder) of Mexico, or any other jurisdiction in which the Issuer may be organized, whether as a result of a merger or otherwise, or any political subdivision or taxing authority or other instrumentality thereof or therein affecting taxation, or any amendment to or change in an officially published interpretation or application of such laws, rules or regulations, which amendment to or change of such laws, rules or regulations becomes effective on or after the date on which the Notes the Issuer is offering are issued (which, in the case of a merger, consolidation or other transaction permitted and described under Condition 23(j) (Limitation on Merger, Consolidation and Sale of Assets), shall be treated for this purpose as the date of such transaction), the Issuer has become obligated, or will become obligated, in each case after taking all reasonable measures to avoid this requirement, to pay Additional Amounts in excess of those attributable to a Mexican withholding tax rate of 4.9% with respect to the Notes (see Condition 12 (Additional Amounts) and “Taxation — Mexican Taxation”), then, at the Issuer’s option, all, but not less than all, of the Notes comprising the relevant Series may be redeemed at any time on giving not less than

60 nor more than 90 days' written notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable), at a redemption price equal to their Early Redemption Amount (Tax), plus accrued and unpaid interest and any Additional Amounts due thereon up to but not including the date of redemption; provided, however, that (1) no notice of redemption for tax reasons may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate, a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obligated to pay these Additional Amounts if a payment on the Notes were then due and (2) at the time such notice of redemption is given such obligation to pay such Additional Amounts remains in effect.

Prior to the publication of any notice of redemption pursuant to this provision, the Issuer will deliver to the Fiscal Agent:

- a certificate signed by one of the Issuer's duly authorized officers stating that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the Issuer's right to redeem have occurred, and
- an opinion of Mexican legal counsel (which may be the Issuer's counsel) of recognized standing, to the effect that the Issuer has or will become obligated to pay such Additional Amounts as a result of such change or amendment.

This notice, once delivered by the Issuer to the Fiscal Agent, will be irrevocable.

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, prior to the final maturity date of the Notes, the Issuer will have the right, at its option, to redeem the Notes, in whole or, if so specified in the relevant Final Terms, in part, on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 30 nor more than 60 days' written notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- (d) *Partial redemption:*

- (1) Partial Redemption of Bearer Notes:

If Bearer Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (Redemption at the option of the Issuer), the Notes to be redeemed shall be selected pro rata or by lot in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules and procedures of each clearing system, listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 10(c) (Redemption at the option of the Issuer) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (2) Partial Redemption of Registered Notes:

If Registered Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (Redemption at the option of the Issuer), each Registered Note shall be redeemed in part and selected by lot or pro rata according to the procedures of the relevant clearing system in the proportion which the aggregate principal amount of the outstanding Registered Notes to be redeemed on the relevant Option Redemption Date (Call) bears to the aggregate principal amount of outstanding Registered Notes on such date, provided always that the amount redeemed or purchased in respect of each Note shall be equal to the

minimum Specified Denomination or an integral multiple thereof. In the case of the redemption or purchase of part only of a Registered Note, a new Registered Note in respect of the unredeemed balance shall be issued in accordance with Condition 3(l) (Transfer of Registered Notes) which shall apply as in the case of a transfer of Registered Notes as if such new Registered Note were in respect of the untransferred balance.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Noteholder redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the Noteholder must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with, in the case of a Bearer Note, any Paying Agent, or, in the case of a Registered Note, the Registrar, such Note (together, in the case of Bearer Notes, with all unmatured Coupons relating thereto) and a duly completed Put Option Notice in the form obtainable from any Paying Agent, or, in the case of a Registered Note, the Registrar or any Transfer Agent. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; *provided, however*, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused or funds not deposited, the relevant Paying Agent, or, as the case may be, the Registrar or any Transfer Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above or pursuant to Condition 23(o) (Change of Control Triggering Event).
- (g) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum as calculated by the Issuer of:
 - (1) the Reference Price; and
 - (2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase:* The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (i) *Cancellation:* All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. **Payments**

Payments under Bearer Notes

- (a) *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full and save in the case of a partial payment or payment of an Installment Amount (other than the final Installment Amount)) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in the currency in which the payment is due and maintained by the payee with a bank in the Principal Financial Center of that currency.
- (b) *Installment Amounts*: Payment of Installment Amounts (other than the final Installment Amount) in respect of an Installment Note which is a Definitive Note will be made only against presentation of the Installment Note.
- (c) *Interest*: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (d) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States, with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Bearer Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (e) *Payments subject to fiscal laws*: All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Additional Amounts). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (f) *Deductions for unmatured Coupons*: If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (1) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however*, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (2) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (i) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however*, that where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (ii) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however*, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) and (b) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (g) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition 11(g) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (Optional Redemption for Changes in Withholding Taxes), Condition 10(e) (Redemption at the option of Noteholders), Condition 10(c) (Redemption at the option of the Issuer) or Condition 13 (Events of Default), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (h) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (d) above).
- (j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (Prescription). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

Payments under Registered Notes

- (a) *Principal:* Payments of principal shall be made to the Registered Holder by transfer to an account denominated in such currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) maintained by the payee with a bank in the Principal Financial Center of such currency.
- (b) *Interest:* Payments of interest shall be made to the Registered Holder by transfer to an account denominated in such currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) maintained by the payee with a bank in the Principal Financial Center of such currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (Additional Amounts). No commissions or expenses shall be charged to the Registered Holders in respect of such payments.
- (d) *Record Date:* The close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except the 25th day of December and the 1st day of January (the “**Record Date**”).

12. Additional Amounts

The Issuer is required by Mexican law to deduct Mexican withholding taxes, and pay such taxes to the Mexican tax authorities, from payments of interest on the Notes (and amounts deemed interest, such as any discount on the principal amount of the Notes) made to investors who are not residents of Mexico for tax purposes, and will pay additional amounts on those payments to the extent described in this subsection.

The Issuer will pay to holders of the Notes all additional amounts (“**Additional Amounts**”) that may be necessary so that every net payment of interest, any premium paid upon redemption of the Notes or principal to holders of the Notes will not be less than the amount provided for in the Notes to be then due and payable. By net payment, the Issuer means the amount the Issuer or the Issuer’s Paying Agent pay the holder after deducting or withholding an amount for or on account of any present or future taxes, duties, assessments or other governmental charges imposed with respect to that payment by a Mexican taxing authority.

The Issuer’s obligation to pay Additional Amounts is subject to several exceptions, however. The Issuer will not pay Additional Amounts to any holder for or solely on account of any of the following:

- any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder or beneficial owner of the Note and Mexico (or any political subdivision thereof), including such holder or beneficial owner (i) being or having been a citizen or resident thereof for tax purposes, (ii) maintaining or having maintained an office, permanent establishment, or branch (to which income is attributable), in all cases subject to taxation therein, or (iii) being or having been present or engaged in a trade or business therein (other than the receipt of payments or the ownership or holding of a Note),
- any estate, inheritance, gift, transfer or similar tax, assessment or other governmental charge imposed with respect to the Notes,
- any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the Notes,
- any taxes, duties, assessments or other governmental charges with respect to such Note presented for payment more than 30 days after the date on which the payment became due and payable or the date on which payment thereof is duly provided for and notice thereof given to holders, whichever occurs later, except to the extent that the holders of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on any date during such 30 day period,
- any payment on the Note to a holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the holder of the Note,
- any withholding or deduction imposed on a payment to an individual that is required to be made pursuant to the European Union Directive on the taxation of savings income implementing the conclusions of the European Council of Economic and Finance Ministers (ECOFIN) meeting on June 3, 2003, or any law implementing or complying with, or introduced in order to conform to, such Directive,
- any taxes imposed in connection with a note presented for payment by or on behalf of a holder or beneficial owner thereof who would have been able to avoid such tax by presenting the relevant note to another paying agent, or
- any combination of the above.

The limitations on the Issuer's obligations to pay Additional Amounts stated in the third bullet point above will not apply if (a) the provision of information, documentation or other evidence described in such third bullet point would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a Note, taking into account any relevant differences between U.S. and Mexican law, rule, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. tax law (including the United States-Mexico income tax treaty), regulation and published administrative practice, or (b) with respect to taxes imposed by Mexico or any political subdivision or taxing authority thereof or therein, Article 195, Section II, of the Mexican income tax law (or a substantially similar successor of such Article or other provision addressing withholding taxes) is in effect, unless the provision of the information, documentation or other evidence described in the third bullet is expressly required by statute, rule or regulation to apply Article 195, Section II, or other provision addressing withholding taxes of the Mexican income tax law (or a substantially similar successor of such Article), the Issuer cannot obtain such information, documentation or other evidence on its own through reasonable diligence and the Issuer otherwise would meet the requirements for application of Article 195, Section II, of the Mexican income tax law (or such successor of such Article or other provision addressing withholding taxes).

In addition, such third bullet point does not require, and should not be construed as requiring, that any person, including any non-Mexican pension fund, retirement fund or financial institution, of any nature, register with the Ministry of Finance and Public Credit to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

At least 30 calendar days prior to each date on which any payment under or with respect to either series of Notes is due and payable (unless such obligation to pay Additional Amounts arises shortly before or after the 30th day prior to such date, in which case it shall be promptly thereafter), if the Issuer will be obligated to pay Additional Amounts with respect to such payment, the Issuer will deliver to the Fiscal Agent for such Notes a certificate signed by one of the Issuer's duly authorized officers stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Fiscal Agent to pay such Additional Amounts to holders and beneficial owners of such Notes on the payment date. Each such certificate shall be relied upon until receipt of a further certificate addressing such matters.

The Issuer will provide the Fiscal Agent with documentation satisfactory to the Fiscal Agent evidencing the payment of Mexican taxes in respect of which the Issuer has paid any Additional Amount. The Issuer will make copies of such documentation available to the holders of the Notes or the Paying Agent upon request.

Any reference in this section, the Agency Agreement, or the Notes to principal, premium, interest or any other amount payable in respect of the Notes by the Issuer will be deemed also to refer to any Additional Amount that may be payable with respect to that amount under the obligations referred to in this subsection.

In the event of any merger or other transaction described and permitted under Covenant 23(j) (Limitation on Merger, Consolidation and Sale of Assets), then all references to Mexico, Mexican law or regulations, and Mexican taxing authorities under this section "—Additional Amounts" (other than the fourth and fifth paragraphs above) and under "—Optional Redemption—Optional Redemption for Changes in Withholding Taxes" shall be deemed to also include the relevant Qualified Merger Jurisdiction, the law or regulations of the relevant Qualified Merger Jurisdiction, and any taxing authority of the relevant Qualified Merger Jurisdiction, respectively.

13. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within thirty days of the due date for payment thereof; or

- (b) *Cross-default of Issuer or Subsidiary:*
- (1) any Indebtedness of the Issuer or any of its Significant Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period for such Indebtedness; and
 - (2) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness;
- provided* that the amount of Indebtedness referred to individually or in the aggregate exceeds U.S. \$5 million (or its equivalent in any other currency or currencies); or
- (c) *Non-compliance with merger and consolidation covenants:* the failure to perform or comply with any of the provisions described under Covenant 23(j) (Limitation on Merger, Consolidation and Sale of Assets); or
- (d) *Non-compliance with other covenants:* the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent; or
- (e) *Loss of Note Guarantee:* any Note Guarantee ceases to be in full force and effect, other than in accordance the terms of the Agency Agreement, or a Guarantor denies or disaffirms its obligations under its Note Guarantee; or
- (f) *Unsatisfied judgment:* one or more judgment(s) or order(s) for the payment of U.S. \$5 million or more is rendered against the Issuer or any of its Significant Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (g) *Security enforced:* a secured party takes possession, or a receiver, manager, *interventor*, *conciliador* or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer or any of its Significant Subsidiaries; or
- (h) *Insolvency etc:* (i) the Issuer or any of its Significant Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, liquidator, *interventor* or *conciliador* of the Issuer or any of its Significant Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Significant Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer or any of its Significant Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it, including making a filing under the *Ley de Concursos Mercantiles* or a similar law, or (iv) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business; or
- (i) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation, dissolution or *declaración de concurso mercantil o quiebra* of the Issuer or any of its Significant Subsidiaries (otherwise than, in the case of a Significant Subsidiary of the Issuer for the purposes of or pursuant to an amalgamation, reorganization or restructuring while solvent); or
- (j) *Analogous event:* any event occurs which under the laws of Mexico has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (k) *Failure to take action etc:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding

and enforceable and (iii) to make the Notes and the Coupons admissible in evidence in the courts of Mexico is not taken, fulfilled or done; or

- (l) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes; or
- (m) *Government intervention*: (A) all or any substantial part of the undertaking, assets and revenues of the Issuer or any of its Significant Subsidiaries is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government or (B) the Issuer or any of its Significant Subsidiaries is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues;

then any Note may, by written notice addressed by the holder thereof to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. **Prescription**

Claims for principal and interest shall become void unless the relevant Notes or Coupons, as the case may be, are presented for payment within six years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent or, in the case of Registered Notes, the Registrar or any Transfer Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer, Fiscal Agent or Registrar may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Fiscal Agent, New York Transfer Agent and New York Paying Agent is The Bank of New York Mellon, whose initial Specified Office is located at 101 Barclay Street, Floor 4E, New York, New York 10286, U.S.A. The initial London Transfer Agent, Issuing Agent and Principal Paying Agent is The Bank of New York Mellon, London Branch, whose initial Specified Office is located at One Canada Square, London E14-5AL, United Kingdom. The initial Irish Listing Agent is The Bank of New York Mellon SA/NV, Dublin Branch, whose initial Specified Office is located at Hanover Building, Windmill Lane, Dublin 2, Ireland. The initial New York Registrar is The Bank of New York Mellon and the initial non-U.S. Registrar is The Bank of New York Mellon, London Branch (addresses for the Specified Offices of both of these entities are provided in this paragraph). The initial Calculation Agent (if any) will be specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent, registrar or calculation agent and additional or successor paying agents or transfer agent; *provided, however*, that:

- (a) the Issuer shall at all times maintain a Fiscal Agent and, in the case of Registered Notes, a Registrar; and
- (b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its Specified Office in the place required by such listing authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however*, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes and these Conditions may be amended without the consent of the Noteholders to correct a manifest error or to make any other modification that does not adversely affect the rights of any of the Noteholders in any material respect. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is made to correct a manifest error or, in the opinion of the Issuer, it does not adversely affect the rights of any of the Noteholders in any material respect.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. **Notices**

Notices to the Noteholders shall be valid if published in a leading English language daily newspaper published in London and New York (which is expected to be the Financial Times) and on the official website of the Issuer. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall

have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice so given to the Noteholders.

In addition, notices to Registered Holders will be sent to them by first class registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register; *provided, however*, that if any Notes clear through the facilities of the Depository Trust Company, Euroclear or Clearstream, Luxembourg, then Notices shall be posted through such clearing system (or any successor). Any such notice shall be deemed to have been given on the day of such posting.

20. **Currency Indemnity**

To the greatest extent permitted under applicable law, if any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent or the Registrar, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred- thousandth of a percentage point (with 0.000005 per cent being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up) and (c) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

The Agency Agreement and the Notes will be governed by, and construed in accordance with, the law of the State of New York but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. The Issuer and the parties to the Agency Agreement consent to the jurisdiction of the Federal and State courts located in the City of New York, Borough of Manhattan, waive their rights to any other jurisdiction that may apply by virtue of their present or future domiciles, waive any and all rights to a trial by jury and have appointed an agent for service of process with respect to any actions brought in these courts arising out of or based on the Agency Agreement or the Notes.

23. **Certain Covenants**

Unless otherwise specified in the relevant Final Terms for a particular Series of Notes, the Issuer shall be subject to the following covenants:

(a) *Suspension of Covenants*

During any period of time that (i) the Notes have Investment Grade Ratings from both Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “**Covenant Suspension Event**”, and the date on which such Covenant Suspension Event occurs being referred to as a “**Suspension Date**”), the Issuer and its Restricted Subsidiaries will not be subject to the provisions of the Agency Agreement described under:

- Condition 23(b) (Limitation on Incurrence of Additional Indebtedness);
- Condition 23(c) (Limitation on Guarantees);
- Condition 23(d) (Limitation on Restricted Payments);
- Condition 23(e) (Limitation on Asset Sales and Sales of Subsidiary Stock);
- Condition 23(f) (Limitation on Securitization);
- Condition 23(g) (Limitation on Designation of Unrestricted Subsidiaries);
- Condition 23(h) (Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries);
- clause (b) of Condition 23(j) (Limitation on Merger, Consolidation or Sale of Assets);
- Condition 23(k) (Limitation on Transactions with Affiliates); and
- Condition 23(l) (Conduct of Business) (collectively, the “**Suspended Covenants**”).

In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the “**Reversion Date**”) one of the Rating Agencies withdraws its Investment Grade Rating or downgrades its rating assigned to the Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants. The period of time between the Suspension Date and the Reversion Date is referred to as the “**Suspension Period**.” Notwithstanding that the Suspended Covenants may be reinstated, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred during the Suspension Period).

On the Reversion Date, all Indebtedness incurred during the Suspension Period will be classified as having been incurred pursuant to clause (1) of Condition 23 (b) (Limitation on Incurrence of Additional Indebtedness) below or one of the clauses set forth in clause (2) of Condition 23 (b) (Limitation on Incurrence of Additional Indebtedness) below (to the extent such Indebtedness would be permitted to be incurred thereunder as of the Reversion Date and after giving effect to Indebtedness incurred prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred pursuant to the first or second clauses of Condition 23 (b) (Limitation on Incurrence of Additional Indebtedness), such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause 2(c) of Condition 23 (b) (Limitation on Incurrence of Additional Indebtedness). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Condition 23(d) (Limitation on Restricted Payments) will be made as though the covenant described under Condition 23(d) (Limitation on Restricted Payments) had been in effect since the Issue Date and throughout the Suspension Period.

(b) *Limitation on Incurrence of Additional Indebtedness*

- (1) The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness, including Acquired Indebtedness, except that the Issuer may Incur Indebtedness, including Acquired Indebtedness, if, at the time of and immediately after giving pro forma effect to the Incurrence thereof and the application of the proceeds therefrom:
 - (i) the Capitalization Ratio of the Issuer is greater than 20%; and
 - (ii) the Consolidated Fixed Charge Coverage Ratio of the Issuer is greater than 2.0 to 1.0.
- (2) Notwithstanding clause (1) above, the Issuer and its Restricted Subsidiaries, as applicable, may Incur the following Indebtedness (“**Permitted Indebtedness**”):
 - (i) Indebtedness in respect of the initial issuance of Notes, guarantees thereof;
 - (ii) Guarantees by any Restricted Subsidiary of Indebtedness of the Issuer Incurred in accordance with this covenant, which Guarantee is permitted under Condition 23(c) (Limitation on Guarantees) below;
 - (iii) Hedging Obligations entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business and not for speculative purposes, including, without limitation, Hedging Obligations in respect of the Notes;
 - (iv) intercompany Indebtedness between the Issuer and any Restricted Subsidiary or between any Restricted Subsidiaries; *provided that*:
 - (A) if the Issuer is the obligor on such Indebtedness and the payee is not the Issuer, such Indebtedness must be expressly subordinated to the prior payment in full of all obligations under the Notes and the Agency Agreement, and
 - (B) in the event that at any time any such Indebtedness ceases to be held by the Issuer or a Restricted Subsidiary, such Indebtedness shall be deemed to be Incurred and not permitted by this clause (d) at the time such event occurs;
 - (v) Indebtedness of the Issuer or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (including daylight overdrafts paid in full by the close of business on the day such overdraft was Incurred) drawn against insufficient funds in the ordinary course of business; *provided*, that such Indebtedness is extinguished within five business days of Incurrence;
 - (vi) Indebtedness of the Issuer or any of its Restricted Subsidiaries represented by letters of credit for the account of the Issuer or any Restricted Subsidiary, as the case may be, in order to provide for judicial deposits required in connection with any judicial or administrative proceeding, provide security for workers’ compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;
 - (vii) Indebtedness in respect of bid, performance, surety bonds or *fianzas* in the ordinary course of business for the account of the Issuer or any of its Restricted Subsidiaries, including Guarantees or obligations of the Issuer or any Restricted Subsidiary with respect to letters of credit and/or *fianzas* supporting such bid, performance or surety obligations (in each case other than for the payment of borrowed money);
 - (viii) Refinancing Indebtedness in respect of:

- (A) Indebtedness (other than Indebtedness owed to the Issuer or any Subsidiary of the Issuer) Incurred pursuant to clause (1) of this covenant (it being understood that no Indebtedness outstanding on the Issue Date is Incurred pursuant to such clause (1)), or
 - (B) Indebtedness Incurred pursuant to clause (2)(a) of this covenant and other Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on the Issue Date, other than Indebtedness otherwise specified under any of the other clauses of this definition of Permitted Indebtedness;
 - (ix) Capitalized Lease Obligations and Purchase Money Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount not to exceed (x) U.S. \$5 million and (y) 1.0% of Consolidated Tangible Assets of the Issuer and its Restricted Subsidiaries since the Issue Date;
 - (x) Permitted Acquisition Indebtedness;
 - (xi) Capital Securities;
 - (xii) indemnification, adjustment of purchase price, earn-out or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets of the Issuer or any Restricted Subsidiary or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or equity interests for the purposes of financing or in contemplation of any such acquisition; *provided* that (1) any amount of such obligations included on the face of the balance sheet of the Issuer or any Restricted Subsidiary shall not be permitted under this clause (1) and (2) in the case of a disposition, the maximum aggregate liability in respect of all such obligations outstanding under this clause (1) shall at no time exceed the gross proceeds actually received by the Issuer and the Restricted Subsidiaries in connection with such disposition;
 - (xiii) additional Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount not to exceed the greater of (x) U.S. \$10 million and (y) 10.0% of Consolidated Net Worth of the Issuer and its Restricted Subsidiaries since the Issue Date; and
 - (xiv) until December 31, 2013, additional Indebtedness of the Issuer or any Restricted Subsidiary in an aggregate principal amount not to exceed Ps. 300 million.
- (3) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant, (i) the outstanding principal amount of any item of Indebtedness will be counted only once, (ii) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined in accordance with GAAP, and (iii) Guarantees of, or obligations in respect of letters of credit or similar instruments relating to, Indebtedness which is otherwise included in the determination of any particular amount of Indebtedness will not be included. Accrual of interest, the accretion or amortization of original issue discount, the payment of regularly scheduled interest in the form of additional Indebtedness of the same instrument or the payment of regularly scheduled dividends on Disqualified Capital Stock in the form of additional Disqualified Capital Stock with the same terms will not be deemed to be an Incurrence of Indebtedness for purposes of this covenant; *provided* that any such outstanding additional Indebtedness or Disqualified Capital Stock paid in respect of Indebtedness Incurred pursuant to any provision of clause (2) of this covenant will be counted as Indebtedness outstanding thereunder for purposes of any future Incurrence under such provision. For purposes of determining compliance with this Condition 23(b) (Limitation on Incurrence of Additional Indebtedness), in the event that an item of proposed Indebtedness meets the criteria of more than

one of the categories of Permitted Indebtedness described in clauses (2)(a) through (2)(m) above, or is entitled to be incurred pursuant to clause (1) of this covenant, the Issuer will be permitted to classify such item of Indebtedness on the date of its incurrence and will only be required to include the amount and type of such Indebtedness in one of the above clauses, although the Issuer may divide and classify an item of Indebtedness in one or more of the types of Indebtedness and may later re-divide or reclassify all or a portion of such item of Indebtedness in any manner that complies with this covenant. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded as a result solely of fluctuations in exchange rates or currency values.

- (4) For purposes of determining compliance with any U.S. dollar denominated restriction on the Incurrence of Indebtedness where the Indebtedness Incurred is denominated in a different currency, the amount of such Indebtedness will be the U.S. Dollar Equivalent determined on the date of the Incurrence of such Indebtedness; *provided, however*, that if any such Indebtedness denominated in a different currency is subject to a Currency Agreement with respect to U.S. dollars covering all principal, premium, if any, and interest payable on such Indebtedness, the amount of such Indebtedness expressed in U.S. dollars will be as provided in such Currency Agreement. The principal amount of any Refinancing Indebtedness Incurred in the same currency as the Indebtedness being Refinanced will be the U.S. Dollar Equivalent of the Indebtedness Refinanced, except to the extent that (x) such U.S. Dollar Equivalent was determined based on a Currency Agreement, in which case the Refinancing Indebtedness will be determined in accordance with the preceding sentence, and (y) the principal amount of the Refinancing Indebtedness exceeds the principal amount of the Indebtedness being Refinanced, in which case the U.S. Dollar Equivalent of such excess will be determined on the date such Refinancing Indebtedness is Incurred.

(c) *Limitation on Guarantees*

The Issuer will not permit any Restricted Subsidiary of the Issuer to Guarantee any Indebtedness of the Issuer or to secure any Indebtedness of the Issuer with a Lien on the assets of such Restricted Subsidiary, unless contemporaneously therewith (or prior thereto) effective provision is made to Guarantee or secure the Notes on an equal and ratable basis with such Guarantee or Lien for so long as such Guarantee or Lien remains effective, and in an amount equal to the amount of Indebtedness so Guaranteed or secured. Any Guarantee by any such Restricted Subsidiary of Subordinated Indebtedness of the Issuer will be subordinated and junior in right of payment to the contemporaneous Guarantee of the Notes by such Restricted Subsidiary.

In the event that any Restricted Subsidiary is required to Guarantee the Notes in accordance with the preceding paragraph, such Restricted Subsidiary will be released and relieved of its obligations under such Guarantee in the event:

- (1) there is a Legal Defeasance or a Covenant Defeasance of the Notes;
- (2) there is a sale or other disposition of Capital Stock of such Restricted Subsidiary following which such Restricted Subsidiary is no longer a direct or indirect Subsidiary of the Issuer; or
- (3) such Restricted Subsidiary is designated as an Unrestricted Subsidiary;

provided, that, in each case, such transactions are carried out pursuant to and in accordance with all applicable covenants and provisions of the Agency Agreement.

(d) *Limitation on Restricted Payments*

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, take any of the following actions (each, a “**Restricted Payment**”):

- (a) declare or pay any dividend or return of capital or make any distribution on or in respect of shares of Capital Stock of the Issuer or any Restricted Subsidiary to holders of such Capital Stock, other than:
 - dividends or distributions payable in Qualified Capital Stock of the Issuer,
 - dividends or distributions payable to the Issuer and/or a Restricted Subsidiary, or
 - dividends, distributions or returns of capital made on a *pro rata* basis to the Issuer and its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on a less than *pro rata* basis to any minority holder);
- (b) purchase, redeem or otherwise acquire or retire for value:
 - any Capital Stock of the Issuer, or
 - any Capital Stock of any Restricted Subsidiary held by an Affiliate of the Issuer (other than a Restricted Subsidiary) or any Preferred Stock of a Restricted Subsidiary, except for Capital Stock held by the Issuer or a Restricted Subsidiary or purchases, redemptions, acquisitions or retirements for value of Capital Stock on a *pro rata* basis from the Issuer and/or any Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand, according to their respective percentage ownership of the Capital Stock of such Restricted Subsidiary;
- (c) make any principal payment on, purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, as the case may be, any Subordinated Indebtedness or any Capital Securities (excluding (x) any intercompany Indebtedness between or among the Issuer and/or any Restricted Subsidiaries or (y) the purchase, repurchase or other acquisition of Indebtedness that is contractually subordinate or otherwise junior in right of payment to the Notes, purchased in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case within one year of such date of purchase, repurchase or acquisition); or
- (d) make any Investment (other than Permitted Investments);

if at the time of the Restricted Payment and immediately after giving effect thereto:

- (i) a Default or an Event of Default shall have occurred and be continuing;
- (ii) the Issuer is not able to Incur at least U.S. \$1.00 of additional Indebtedness pursuant to clause (1) of Condition 23(b) (Limitation on Incurrence of Additional Indebtedness); or
- (iii) the aggregate amount (the amount expended for these purposes, if other than in cash, being the Fair Market Value of the relevant property) of the proposed Restricted Payment and all other Restricted Payments made subsequent to the Issue Date up to the date thereof, shall exceed the sum of:
 - (A) 50.0% of cumulative Consolidated Net Income of the Issuer or, if such cumulative Consolidated Net Income of the Issuer is a loss, minus 100.0% of the loss, accrued during the period, treated as one accounting period, beginning on the first day of the fiscal quarter during which the Issue Date occurs to the end

of the most recent fiscal quarter for which consolidated financial information of the Issuer is available; *plus*

(B) 100.0% of the aggregate net proceeds, including cash and the Fair Market Value of property used in a Permitted Business (other than cash and securities), received by the Issuer from any Person from any:

- contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock or issuance and sale of Qualified Capital Stock of the Issuer, in each case, subsequent to the Issue Date,
- issuance and sale subsequent to the Issue Date (and, in the case of Indebtedness of a Restricted Subsidiary, at such time as it was a Restricted Subsidiary) of any Indebtedness of the Issuer or any Restricted Subsidiary that has been converted into or exchanged for Qualified Capital Stock of the Issuer, or
- issuance and sale subsequent to the Issue Date of any Capital Securities, excluding, in each case, any net proceeds:

(x) received from a Restricted Subsidiary of the Issuer; or

(y) applied in accordance with clause (2) or (3) of the second paragraph of this covenant below; *plus*

(C) any Investment Return.

Notwithstanding the preceding paragraph, this covenant does not prohibit:

- (1) the payment of any dividend or distribution or the consummation of any irrevocable redemption of Subordinated Indebtedness within 60 days after the date of declaration of such dividend or distribution or giving of the redemption notice, as the case may be, if the dividend, distribution or redemption would have been permitted on the date of declaration or notice pursuant to the preceding paragraph; *provided* that such redemption shall be included (without duplication for the declaration) in the calculation of the amount of Restricted Payments;
- (2) the making of any Restricted Payment,
 - (x) in the form of Qualified Capital Stock of the Issuer,
 - (y) through the application of the net proceeds received by the Issuer from a substantially concurrent sale of Qualified Capital Stock of the Issuer or a contribution to the equity capital of the Issuer not representing an interest in Disqualified Capital Stock, in each case not received from a Subsidiary of the Issuer, or
 - (z) through the application of the net proceeds received by the Issuer from a substantially concurrent issuance or sale of Capital Securities;

provided, that the value of any such Qualified Capital Stock or Capital Securities used or the net proceeds of which are used to make a Restricted Payment pursuant to this clause (2) shall be excluded from clause (3)(B) of the first paragraph of this covenant;

- (3) the voluntary prepayment, purchase, defeasance, redemption or other acquisition or retirement for value of any Subordinated Indebtedness solely in exchange for, or through the application of net proceeds of a substantially concurrent sale, other than to a Subsidiary of the Issuer, of Qualified

Capital Stock of the Issuer, or Refinancing Indebtedness for such Subordinated Indebtedness; *provided*, that the value of any such Qualified Capital Stock issued in exchange for Subordinated Indebtedness and any net proceeds referred to above shall be excluded from clause (3)(B) of the first paragraph of this covenant;

- (4) repurchases by the Issuer of Common Stock of the Issuer or options, warrants or other securities exercisable or convertible into Common Stock of the Issuer from any current or former employees, officers, directors or consultants of the Issuer or any of its Subsidiaries or their authorized officers upon the death, disability or termination of employment or directorship of such employees, officers or directors, or the termination or retention of any such consultants, in an amount not to exceed U.S. \$1.0 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over into succeeding calendar years up to a maximum of U.S. \$1.0 million) plus the cash proceeds of key man life insurance policies received by the Issuer and its Restricted Subsidiaries;
- (5) the repurchase of Capital Stock deemed to occur upon the exercise of stock options or warrants to the extent such Capital Stock represents a portion of the exercise price of those stock options or warrants;
- (6) if no Default or Event of Default shall have occurred and be continuing, the declaration and payment of regularly scheduled or accrued dividends or distributions to holders of any class or series of Disqualified Capital Stock of the Issuer or any Restricted Subsidiary issued on or after the Issue Date in accordance with Condition 23(b) (Limitation on Incurrence of Additional Indebtedness);
- (7) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness of the Issuer pursuant to and in accordance with the terms of a “change of control” covenant set forth in the Agency Agreement or other agreement pursuant to which such Subordinated Indebtedness is issued and such “change of control” covenant is substantially similar to the Change of Control Triggering Event provision included in the Agency Agreement; *provided* that the Issuer (or another Person) has repurchased all Notes required to be repurchased by the Issuer under the Covenant 23(o) (Change of Control Triggering Event) prior to the purchase, redemption or other acquisition or retirement for value of such Subordinated Indebtedness pursuant to the applicable “change of control” covenant;
- (8) if no Default or Event of Default shall have occurred and be continuing, the purchase by the Issuer of fractional shares arising out of stock dividends, splits or combinations or business combinations; *provided*, that such purchases are not made for the purposes of circumventing the provisions of this covenant; and
- (9) if no Default or Event of Default shall have occurred and be continuing, other Restricted Payments in an aggregate amount not to exceed (x) U.S. \$5 million and (y) 2.0% of Consolidated Tangible Assets of the Issuer and its Restricted Subsidiaries since the Issue Date.

In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date, amounts expended pursuant to clauses (1) (without duplication for the declaration of the relevant dividend), (4), (6), (8) and (9) above shall be included in such calculation and amounts expended pursuant to clauses (2), (3), (5) and (7) above shall not be included in such calculation.

(e) *Limitation on Asset Sales and Sales of Subsidiary Stock*

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (a) the Issuer or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Capital Stock sold or otherwise disposed of, and
- (b) at least 75% of the consideration received for the assets or Capital Stock sold by the Issuer or the Restricted Subsidiary, as the case may be, in such Asset Sale shall be in the form of cash or Cash Equivalents received at the time of such Asset Sale.

For purposes of the immediately preceding clause (b), each of the following will be deemed to be cash:

- (1) any liabilities that are included on the balance sheet of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets and as a result of which the Issuer or such Restricted Subsidiary, as the case may be, are fully and unconditionally released from any further liability in connection therewith;
- (2) any securities, notes or other obligations or assets received by the Issuer or any such Restricted Subsidiary from such transferee that are converted by the Issuer or such Restricted Subsidiary into cash or Cash Equivalents within 180 days of the receipt thereof (subject to ordinary settlement periods), to the extent of the cash or Cash Equivalents received in that conversion;
- (3) the Fair Market Value of any Capital Stock of a Person engaged in a Permitted Business that will become, upon purchase, a Restricted Subsidiary or assets (other than current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business; and
- (4) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale; *provided* that the aggregate Fair Market Value of such Designated Non-cash Consideration, taken together with the Fair Market Value at the time of receipt of all other Designated Non-cash Consideration received pursuant to this clause (4) less the amount of Net Proceeds previously realized in cash or Cash Equivalents from the sale of prior Designated Non-cash Consideration is less than the greater of (x) 5.0% of Consolidated Tangible Assets of the Issuer and its Restricted Subsidiaries since the Issue Date at the time of the receipt of such Designated Non-cash Consideration and (y) U.S. \$15 million, in each case with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value; *provided*, that amounts received pursuant to clauses (1), (3) and (4) shall not be deemed to constitute Net Cash Proceeds for purposes of making an Asset Sale Offer.

The Issuer or such Restricted Subsidiary, as the case may be, may apply the Net Cash Proceeds of any such Asset Sale within 365 days thereof to:

- (a) repay any Senior Indebtedness of the Issuer, any Indebtedness secured by the assets subject to such Asset Sale or Indebtedness of any Restricted Subsidiary (including, in each case without limitation, Capitalized Lease Obligations),
- (b) make capital expenditures in a Permitted Business, and/or
- (c) purchase
- (1) assets (other than current assets as determined in accordance with GAAP or Capital Stock) to be used by the Issuer or any Restricted Subsidiary in a Permitted Business,

- (2) all or substantially all of the assets of, or any Capital Stock of, a Person engaged in a Permitted Business if, after giving effect to any such acquisition, such Person is or becomes or such assets are contributed to a Restricted Subsidiary, or
- (3) enter into a binding commitment with a Person, other than the Issuer or any of its Restricted Subsidiaries, to apply such Net Cash Proceeds pursuant to clause (b) and/or (c) above, provided that such binding commitment shall be subject only to customary conditions and the applicable purchase shall be consummated within 180 days following the expiration of the aforementioned 365-day period.

To the extent all or a portion of the Net Cash Proceeds of any Asset Sale are not applied within the 365 days of the Asset Sale as described in clause (a), (b) and/or (c) of the immediately preceding paragraph, the Issuer will make an offer to purchase Notes (the “**Asset Sale Offer**”), at a purchase price equal to 100.0% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest thereon, to the date of purchase (the “**Asset Sale Offer Amount**”). The Issuer will purchase pursuant to an Asset Sale Offer from all tendering holders on a *pro rata* basis, and, at the Issuer’s option, on a *pro rata* basis with the holders of any other Senior Indebtedness with similar provisions requiring the Issuer to offer to purchase the other Senior Indebtedness with the proceeds of Asset Sales, that principal amount (or accreted value in the case of Indebtedness issued with original issue discount) of Notes and the other Senior Indebtedness to be purchased equal to such unapplied Net Cash Proceeds. The Issuer may satisfy its obligations under this covenant with respect to the Net Cash Proceeds of an Asset Sale by making an Asset Sale Offer prior to the expiration of the relevant 365-day period.

The purchase of Notes pursuant to an Asset Sale Offer will occur not less than 20 business days following the date thereof, or any longer period as may be required by law, nor more than 45 days following the 365th day following the Asset Sale (except in the case of clause (c)(3) in which case such period shall be extended for 180 days). The Issuer may, however, defer an Asset Sale Offer until there is an aggregate amount of unapplied Net Cash Proceeds from one or more Asset Sales equal to or in excess of U.S. \$5.0 million. At that time, the entire amount of unapplied Net Cash Proceeds, and not just the amount in excess of U.S. \$5.0 million, will be applied as required pursuant to this covenant. Pending application in accordance with this covenant, Net Cash Proceeds may be applied to temporarily reduce revolving credit borrowings or Invested in Cash Equivalents.

Each notice of an Asset Sale Offer will be mailed first class, postage prepaid, to the record holders as shown on the register of holders within 20 days following such 365th day, with a copy to the Fiscal Agent offering to purchase the Notes as described above. Each notice of an Asset Sale Offer will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the “**Asset Sale Offer Payment Date**”). Upon receiving notice of an Asset Sale Offer, holders may elect to tender their Notes in whole or in part in minimum principal amounts of U.S. \$100,000 and integral multiples of U.S. \$1,000 in excess thereof in exchange for cash.

On the Asset Sale Offer Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions thereof properly tendered pursuant to the Asset Sale Offer;
- (2) deposit with the Paying Agent funds in an amount equal to the Asset Sale Offer Amount in respect of all Notes or portions thereof so tendered; and
- (3) deliver or cause to be delivered to the Fiscal Agent the Notes so accepted together with an Officers’ Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Issuer.

To the extent holders of Notes and holders of other Senior Indebtedness, if any, which are the subject of an Asset Sale Offer properly tender and do not withdraw Notes or the other Senior Indebtedness in an aggregate amount exceeding the amount of unapplied Net Cash Proceeds, the Issuer will purchase the Notes and the other Senior Indebtedness on a *pro rata* basis (based on amounts tendered). If only a portion of a Note is purchased pursuant to an Asset Sale Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global Note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to an Asset Sale Offer will be cancelled and cannot be reissued.

The Issuer will comply with the requirements of any applicable securities laws in connection with the purchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any applicable securities laws or regulations conflict with the “Asset Sale” provisions of the Agency Agreement, the Issuer will comply with these laws and regulations and will not be deemed to have breached its obligations under the “Asset Sale” provisions of the Agency Agreement by doing so.

Upon completion of an Asset Sale Offer, the amount of Net Cash Proceeds will be reset at zero. Accordingly, to the extent that the aggregate amount of Notes and other Indebtedness tendered pursuant to an Asset Sale Offer is less than the aggregate amount of unapplied Net Cash Proceeds, the Issuer and its Restricted Subsidiaries may use any remaining Net Cash Proceeds for any purpose not otherwise prohibited by the Agency Agreement.

(f) *Limitation on Securitization*

The Issuer and its Restricted Subsidiaries may sell, transfer or otherwise dispose of accounts receivable to a Securitization Vehicle; *provided that*:

- (1) the sale, transfer or other disposition is in connection with a Loan-Related Securitization; and
- (2) the aggregate consideration received in each such sale, transfer or other disposition is at least equal to the Fair Market Value of the receivables sold.

(g) *Limitation on Designation of Unrestricted Subsidiaries*

The Issuer may designate after the Issue Date any Subsidiary of the Issuer as an “Unrestricted Subsidiary” under the Agency Agreement (a “**Designation**”) only if:

- (1) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such Designation and any transactions between the Issuer or any of its Restricted Subsidiaries and such Unrestricted Subsidiary are in compliance with Condition 23(k) (Limitation on Transactions with Affiliates);
- (2) at the time of and after giving effect to such Designation, the Issuer could Incur U.S. \$1.00 of additional Indebtedness pursuant to clause (1) of Condition 23(b) (Limitation on Incurrence of Additional Indebtedness); and
- (3) the Issuer would be permitted to make an Investment at the time of Designation (assuming the effectiveness of such Designation and treating such Designation as an Investment at the time of Designation) as a Restricted Payment pursuant to the first paragraph of Condition 23(d) (Limitation on Restricted Payments) or as a Permitted Investment in an amount (the “**Designation Amount**”) equal to the amount of the Issuer’s Investment in such Subsidiary on such date; and

At the time of such Designation, neither the Issuer nor any Restricted Subsidiary will:

- (1) provide credit support for, subject any of its property or assets (other than the Capital Stock of any Unrestricted Subsidiary) to the satisfaction of, or Guarantee, any Indebtedness of such Subsidiary (including any undertaking, agreement or instrument evidencing such Indebtedness);
- (2) be directly or indirectly liable for any Indebtedness of such Subsidiary; or
- (3) be directly or indirectly liable for any Indebtedness which provides that the holder thereof may (upon notice, lapse of time or both) declare a default thereon or cause the payment thereof to be accelerated or payable prior to its final scheduled maturity upon the occurrence of a default with respect to any Indebtedness of such Subsidiary, except for any non-recourse Guarantee given solely to support the pledge by the Issuer or any Restricted Subsidiary of the Capital Stock of such Subsidiary.

The Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a “**Revocation**”) only if:

- (1) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and
- (2) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of the Agency Agreement.

The Designation of a Subsidiary of the Issuer as an Unrestricted Subsidiary shall be deemed to include the Designation of all of the Subsidiaries of such Subsidiary. All Designations and Revocations must be evidenced by a certificate of the Chief Financial Officer of the Issuer, delivered to the Fiscal Agent certifying compliance with the preceding provisions.

(h) *Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*

- (a) Except as provided in paragraph (b) below, the Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (1) pay dividends or make any other distributions on or in respect of its Capital Stock to the Issuer or any other Restricted Subsidiary or pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;
 - (2) make loans or advances to, or Guarantee any Indebtedness or other obligations of, or make any Investment in, the Issuer or any other Restricted Subsidiary; or
 - (3) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary.
- (b) Paragraph (a) above will not apply to encumbrances or restrictions existing under or by reason of:
 - (1) applicable law rule, regulation or order;
 - (2) the Agency Agreement or the Notes;
 - (3) the terms of any Indebtedness outstanding on the Issue Date, and any amendment, modification, restatement, renewal, restructuring, replacement or refinancing thereof; *provided* that any amendment, modification, restatement, renewal, restructuring, replacement or refinancing is not materially more restrictive, taken as a whole, with respect to such encumbrances or restrictions than those in existence on the Issue Date;

- (4) customary non-assignment provisions of any contract and customary provisions restricting assignment or subletting in any lease governing a leasehold interest of any Restricted Subsidiary, or any customary restriction on the ability of a Restricted Subsidiary to dividend, distribute or otherwise transfer any asset which secures Indebtedness secured by a Lien, in each case permitted to be Incurred under the Agency Agreement;
- (5) any instrument governing Acquired Indebtedness not Incurred in connection with, or in anticipation or contemplation of, the relevant acquisition, merger or consolidation, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;
- (6) customary restrictions with respect to a Restricted Subsidiary of the Issuer imposed pursuant to a binding agreement which has been entered into for the sale or disposition of Capital Stock or assets of such Restricted Subsidiary; *provided* that such restrictions apply solely to the Capital Stock or assets of such Restricted Subsidiary being sold;
- (7) customary restrictions imposed on the transfer of copyrighted or patented materials;
- (8) an agreement governing Indebtedness of the Issuer or any Restricted Subsidiaries permitted to be Incurred subsequent to the date of the Agency Agreement in accordance with the covenant described above under Condition 23(b) (Limitation on Incurrence of Additional Indebtedness); *provided* that the provisions relating to such encumbrance or restriction contained in such agreement are no more restrictive, taken as a whole, than those contained in the agreement referred to in clause (3) of this paragraph;
- (9) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in paragraph (a)(3) of this covenant;
- (10) Liens permitted to be incurred under the provisions of the covenant described below under Condition 23(i) (Limitation on Liens) that limits the right of the debtor to dispose of the assets securing such Indebtedness;
- (11) provisions limiting the payment of dividends or the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, sale-leaseback agreements, limited liability company organizational documents and other similar agreements entered into in accordance with the terms of the Agency Agreement and (a) in the ordinary course of business consistent with past practice or (b) with the approval of the Issuer's Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;
- (12) restrictions on cash, Cash Equivalents, Marketable Securities or other deposits or net worth imposed by customers or lessors under contracts or leases entered into in the ordinary course of business consistent with past practice to secure trade payable obligations; and
- (13) restrictions customarily granted in connection with any Loan-Related Securitizations.

(i) *Limitation on Liens*

The Issuer will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, incur any Liens of any kind (except for Permitted Liens) against or upon any of their respective properties or assets, whether owned on the Issue Date or acquired after the Issue Date, or any proceeds therefrom, to secure any Indebtedness or trade payables unless contemporaneously therewith effective provision is made to secure the Notes and all other amounts due under the Agency Agreement, equally and ratably with such Indebtedness or other obligation (or, in the event that such Indebtedness is subordinated in right of payment

to the Notes, prior to such Indebtedness or other obligation) with a Lien on the same properties and assets securing such Indebtedness or other obligation for so long as such Indebtedness or other obligation is secured by such Lien.

(j) *Limitation on Merger, Consolidation and Sale of Assets*

The Issuer will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person (whether or not the Issuer is the surviving or continuing Person), or sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the Issuer's properties and assets (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), to any Person unless:

- (a) either:
 - (1) the Issuer shall be the surviving or continuing Person, or
 - (2) the Person (if other than the Issuer) formed by such consolidation or into which the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Issuer and of the Issuer's Restricted Subsidiaries substantially as an entirety (the "**Surviving Entity**"):
 - (i) shall be a Person organized or formed and validly existing under the laws of Mexico or a Qualified Merger Jurisdiction, and
 - (ii) shall expressly assume the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance and observance of every covenant of the Notes and the Agency Agreement on the part of the Issuer to be performed or observed;
- (b) immediately after giving effect to such transaction and the assumption contemplated by clause (a)(2)(B) above (including giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred in connection with or in respect of such transaction), the Issuer or such Surviving Entity, as the case may be:
 - (i) will be able to Incur at least U.S. \$1.00 of additional Indebtedness pursuant to clause (1) of Condition 23(b) (Limitation on Incurrence of Additional Indebtedness), or
 - (ii) will have (i) a Capitalization Ratio of not less than the Capitalization Ratio of the Issuer and its Restricted Subsidiaries immediately prior to such transaction, and (ii) a Consolidated Fixed Charge Ratio of not less than the Consolidated Fixed Charge Ratio immediately prior to such transaction;
- (c) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (a)(2)(B) above (including, without limitation, giving effect on a pro forma basis to any Indebtedness, including any Acquired Indebtedness, Incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing;
- (d) if the Issuer is organized under Mexican law and merges with a corporation, or the Surviving Entity is, organized under the laws of a Qualified Merger Jurisdiction or the Issuer is organized under the laws of a Qualified Merger Jurisdiction and merges with a Person, or the Surviving Entity is, organized under the laws of Mexico, the Issuer or the Surviving Entity will have delivered to the Fiscal Agent an Opinion of Counsel from each of Mexico and the relevant Qualified Merger Jurisdiction to the effect that, as applicable:

- (i) the holders of the Notes will not recognize income, gain or loss for income tax purposes under the laws of the relevant Qualified Merger Jurisdiction or Mexico as a result of the transaction and will be taxed in the holder's home jurisdiction in the same manner and on the same amounts (assuming solely for this purpose that no Additional Amounts are regarded to be paid on the Notes) and at the same times as would have been the case if the transaction had not occurred,
 - (ii) any payment of interest or principal under or relating to the Notes will be paid in compliance with any requirements under Condition 12 (Additional Amounts), and
 - (iii) no other taxes on income, including capital gains, will be payable by holders of the Notes under the laws of Mexico or the relevant Qualified Merger Jurisdiction relating to the acquisition, ownership or disposition of the Notes, including the receipt of interest or principal thereon; *provided* that the holder does not use or hold, and is not deemed to use or hold the Notes in carrying on a business in Mexico or the relevant Qualified Merger Jurisdiction, and
- (e) the Issuer or the Surviving Entity has delivered to the Fiscal Agent an Officers' Certificate and an Opinion of Counsel, each stating that the consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition comply with the applicable provisions of the Agency Agreement and that all conditions precedent in the Agency Agreement relating to the transaction have been satisfied.

For purposes of this covenant, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Issuer, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Issuer (determined on a consolidated basis for the Issuer and its Restricted Subsidiaries), will be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The provisions of clause (b) above will not apply to:

- (1) any transfer of the properties or assets of a Restricted Subsidiary to the Issuer;
- (2) any merger of a Restricted Subsidiary into the Issuer; or
- (3) any merger of the Issuer into a Wholly-Owned Subsidiary of the Issuer created for the purpose of holding the Capital Stock of the Issuer.

Upon any consolidation, combination or merger or any transfer of all or substantially all of the properties and assets of the Issuer and its Restricted Subsidiaries in accordance with this covenant, in which the Issuer is not the continuing corporation, the Surviving Entity formed by such consolidation or into which the Issuer is merged or to which such conveyance, lease or transfer is made will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Agency Agreement and the Notes with the same effect as if such Surviving Entity had been named as such. For the avoidance of doubt, compliance with this covenant will not affect the obligations of the Issuer (including a Surviving Entity, if applicable) under Covenant 23(o) (Change of Control Triggering Event) if applicable.

(k) *Limitation on Transactions with Affiliates*

- (1) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an "**Affiliate Transaction**"), unless:

- (i) the terms of such Affiliate Transaction are not materially less favorable than those that could reasonably be expected to be obtained in a comparable transaction at such time on an arm's length basis from a Person that is not an Affiliate of the Issuer;
 - (ii) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of U.S. \$2.0 million, the terms of such Affiliate Transaction will be approved by a majority of the members of the Board of Directors of the Issuer (including a majority of the disinterested members thereof), the approval to be evidenced by a Board Resolution stating that the Board of Directors has determined that such transaction complies with the preceding provisions; and
 - (iii) in the event that such Affiliate Transaction involves aggregate payments, or transfers of property or services with a Fair Market Value, in excess of U.S. \$5.0 million, the Issuer must in addition obtain and deliver to the Fiscal Agent a favorable written opinion from an internationally recognized investment banking firm as to the fairness of the transaction to the Issuer and its Restricted Subsidiaries from a financial point of view.
- (2) Paragraph (1) above will not apply to:
- (i) Affiliate Transactions with or among the Issuer and any Restricted Subsidiary or between or among Restricted Subsidiaries;
 - (ii) reasonable fees and compensation paid to, and any indemnity provided on behalf of, officers, directors, employees, consultants or agents of the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer's Board of Directors or senior management of the Issuer;
 - (iii) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date and any amendment, modification or replacement of such agreement (so long as such amendment, modification or replacement is not materially more disadvantageous to the Issuer and its Restricted Subsidiaries or the holders of the Notes, taken as a whole, than the original agreement as in effect on the Issue Date);
 - (iv) any Restricted Payments made in compliance with Condition 23(d) (Limitation on Restricted Payments) or any Permitted Investments;
 - (v) loans and advances to officers, directors and employees of the Issuer or any Restricted Subsidiary for travel, entertainment, moving and other relocation expenses, in each case made in the ordinary course of business and not exceeding U.S. \$1.0 million outstanding at any one time;
 - (vi) any employment agreement, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments pursuant thereto;
 - (vii) any issuance of Capital Stock (other than Disqualified Stock) of the Issuer to Affiliates of the Issuer or to any director, officer, employee or consultant of the Issuer, and the granting and performance of registration rights;
 - (viii) transactions between the Issuer or any of its Restricted Subsidiaries and any Securitization Vehicle in the ordinary course of business in connection with Loan-Related Securitizations; and

- (ix) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of the Agency Agreement, which are fair to the Issuer or its Restricted Subsidiaries (as applicable), or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party.

(l) *Conduct of Business*

The Issuer and its Restricted Subsidiaries will not engage in any business other than a Permitted Business.

(m) *Reports to Holders*

So long as any Notes are outstanding, the Issuer will post the following information on either (i) a public website as may be then maintained by the Issuer, or (ii) a website (which may be nonpublic) to which access is given to Noteholders and to prospective investors in the Notes that (x) are “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act and certify their status as such to the Issuer’s reasonable satisfaction, (y) are not U.S. Persons within the meaning of Regulation S under the Securities Act and certify their status as such to the Issuer’s reasonable satisfaction, or (z) are securities analysts and market-making financial institutions reasonably satisfactory to the Issuer:

- (a) Within 120 days following the end of each of the Issuer’s fiscal years, information (presented in the English language) including sections titled “Consolidated Financial Information and Other Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections with scope and content substantially similar to the corresponding sections in this Offering Circular (after taking into consideration any changes to the business and operations of the Issuer after the Issue Date), consolidated audited income statements, balance sheets and cash flow statements and the related notes thereto for the Issuer for the two most recent fiscal years in accordance with GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the U.S. Securities and Exchange Commission, together with an audit report thereon by the Issuer’s independent auditors; and
- (b) Within 75 days following the end of each of the first three fiscal quarters in each of the Issuer’s fiscal years (beginning with the fiscal quarter ended March 31, 2013), quarterly reports containing unaudited balance sheets, statements of income, statements of shareholders equity and statements of cash flows and the related notes thereto for the Issuer and the Restricted Subsidiaries on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the prior fiscal year and prepared in accordance with GAAP, which need not, however, contain any reconciliation to U.S. GAAP or otherwise comply with Regulation S-X of the U.S. Securities and Exchange Commission, together with a “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section for such quarterly period and condensed footnote disclosure (in each case, presented in the English language).

None of the information provided pursuant to the preceding paragraph shall be required to comply with Regulation S-K as promulgated by the U.S. Securities and Exchange Commission. In addition, the Issuer shall furnish to the holders of the Notes and to prospective investors, upon the requests of such holders, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Exchange Act by Persons who are not “affiliates” under the Securities Act.

(n) *Listing*

In the event that the Notes are admitted to listing on the Irish Stock Exchange, the Issuer will use its commercially reasonable efforts to maintain such listing and trading; *provided that* if, as a result any applicable rule, requirement or legislation, the Issuer could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which

are materially different from the accounting principles which the Issuer would otherwise use to prepare its published financial information, the Issuer may delist the Notes in accordance with the rules of the Irish Stock Exchange and seek an alternative admission to listing, trading and/or quotation for the Notes on a different section of the Irish Stock Exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union and recognized by the U.S. Securities and Exchange Commission as the Issuer may decide.

(o) *Change of Control Triggering Event*

Upon the occurrence of a Change of Control (a “**Change of Control Triggering Event**”), each holder will have the right to require that the Issuer purchase all or a portion (in minimum principal amounts of U.S.\$2,000 and integral multiples of U.S.\$1,000 in excess thereof) of the holder’s Notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon through the date of purchase (the “**Change of Control Triggering Event Payment**”).

Within 30 days following the date upon which the Change of Control Triggering Event occurred, the Issuer must send, by first-class mail, a notice to each holder, with a copy to the Fiscal Agent, offering to purchase the Notes (a “**Change of Control Triggering Event Offer**”) and publish the Change of Control Triggering Event Offer in a newspaper having a general circulation in London and New York (which is expected to be the Financial Times). The Change of Control Triggering Event Offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, other than as may be required by law (the “**Change of Control Triggering Event Payment Date**”).

On the Change of Control Triggering Event Payment Date, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portions thereof properly tendered and not withdrawn pursuant to the Change of Control Triggering Event Offer;
- (2) deposit with the Fiscal Agent funds in an amount equal to the Change of Control Triggering Event Payment in respect of all Notes or portions thereof so tendered; and
- (3) deliver or cause to be delivered to the Fiscal Agent the Notes so accepted.

If only a portion of a Note is purchased pursuant to a Change of Control Triggering Event Offer, a new Note in a principal amount equal to the portion thereof not purchased will be issued in the name of the holder thereof upon cancellation of the original Note (or appropriate adjustments to the amount and beneficial interests in a global Note will be made, as appropriate). Notes (or portions thereof) purchased pursuant to a Change of Control Triggering Event Offer will be cancelled and cannot be reissued.

The Issuer will not be required to make a Change of Control Triggering Event Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Triggering Event Offer and purchases all Notes properly tendered and not withdrawn under the Change of Control Triggering Event Offer.

A Change of Control Triggering Event Offer may be made in advance of a Change of Control Triggering Event, and conditioned upon the occurrence of such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Triggering Event Offer. Notes repurchased by the Issuer pursuant to a Change of Control Triggering Event Offer will have the status of Notes issued but not outstanding or will be retired and canceled, at the option of the Issuer. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

In the event that holders of not less than 95% of the aggregate principal amount of the outstanding Notes accept a Change of Control Triggering Event Offer and the Issuer or a third party purchases all of the Notes

held by such holders, the Issuer will have the right, on not less than 30 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Triggering Event Offer described above, to redeem all of the Notes that remain outstanding following such purchase at a purchase price equal to the Change of Control Triggering Event Payment plus, to the extent not included in the Change of Control Triggering Event Payment, accrued and unpaid interest, if any, on the Notes that remain outstanding, to the date of redemption (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date).

Other existing and future Indebtedness of the Issuer may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the holders of their right to require the Issuer to repurchase the Notes upon a Change of Control Triggering Event would cause a default under such Indebtedness even if the Change of Control itself does not.

If a Change of Control Triggering Event Offer occurs, there can be no assurance that the Issuer will have available funds sufficient to make the Change of Control Triggering Event Payment for all the Notes that might be delivered by holders seeking to accept the Change of Control Triggering Event Offer. In the event the Issuer is required to purchase outstanding Notes pursuant to a Change of Control Triggering Event Offer, the Issuer expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations and any other obligations. However, there can be no assurance that the Issuer would be able to obtain necessary financing.

The Issuer will comply with the requirements of applicable securities laws and regulations in connection with the purchase of Notes in connection with a Change of Control Triggering Event Offer. To the extent that the provisions of any securities laws or regulations conflict with the "Change of Control Triggering Event" provisions of these Conditions, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under these Conditions by doing so.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Issuer and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder to require the Issuer to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuer and its Subsidiaries taken as a whole to another Person or group may be uncertain.

24. **Legal Defeasance and Covenant Defeasance**

The Issuer may, at its option and at any time, elect to have its obligations with respect to outstanding Notes discharged ("**Legal Defeasance**"). Such Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes after the deposit specified in clause (1) of the second following paragraph, except for:

- (1) the rights of holders to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due;
- (2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;
- (3) the rights, powers, trust, duties and immunities of the Fiscal Agent and all other Agents and the Issuer's obligations in connection therewith; and
- (4) the Legal Defeasance provisions of the Agency Agreement.

In addition, the Issuer may, at its option and at any time, elect to have its obligations released with respect to certain covenants (including, without limitation, obligations to make Asset Sale Offers, the obligations described under Condition 23 (Certain Covenants) and the cross-acceleration provisions and judgment default provisions described under Condition 13 (Events of Default)) that are described in the Agency Agreement (“**Covenant Defeasance**”) and thereafter any omission to comply with such obligations will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under Condition 13 (Events of Default) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Fiscal Agent, in trust, for the benefit of the holders cash in U.S. dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion (a copy of which shall be provided to the Fiscal Agent) of a nationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, premium, if any, and interest (including Additional Amounts) on the Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be;
- (2) in the case of Legal Defeasance, the Issuer has delivered to the Fiscal Agent an Opinion of Counsel from counsel in the United States reasonably acceptable to the Fiscal Agent (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that:
 - (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or
 - (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law

in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

- (3) in the case of Covenant Defeasance, the Issuer has delivered to the Fiscal Agent an Opinion of Counsel in the United States reasonably acceptable to the Fiscal Agent (subject to customary exceptions and exclusions) to the effect that the holders will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) in the case of Legal Defeasance or Covenant Defeasance, the Issuer has delivered to the Fiscal Agent:
 - (i) an Opinion of Counsel from Mexican legal counsel reasonably acceptable to the Fiscal Agent (subject to customary exceptions and exclusions) and independent of the Issuer to the effect that, based upon Mexican law then in effect, holders will not recognize income, gain or loss for Mexican tax purposes, including withholding tax except for withholding tax then payable on interest payments due, as a result of Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Mexican taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred, or

- (ii) a ruling directed to the Fiscal Agent received from the tax authorities of Mexico to the same effect as the Opinion of Counsel described in clause (a) above;
- (5) no Default or Event of Default shall have occurred and be continuing on the date of the deposit pursuant to clause (1) of this paragraph (except any Default or Event of Default resulting from the failure to comply with Condition 23(b) (Limitation on Incurrence of Additional Indebtedness) as a result of the borrowing of the funds required to effect such deposit);
- (6) the Fiscal Agent has received an Officers' Certificate stating that such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under the Agency Agreement or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;
- (7) the Issuer has delivered to the Fiscal Agent an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the holders over any other creditors of the Issuer or any Subsidiary of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;
- (8) the Issuer has delivered to the Fiscal Agent an Officers' Certificate and an Opinion of Counsel from counsel reasonably acceptable to the Fiscal Agent (subject to customary exceptions and exclusions) and independent of the Issuer, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and
- (9) the Issuer has delivered to the Fiscal Agent an Opinion of Counsel from counsel reasonably acceptable to the Fiscal Agent and independent of the Issuer to the effect that the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally.

25. **Satisfaction and Discharge**

The Agency Agreement will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in the Agency Agreement) as to all outstanding Notes when:

- (1) either:
 - (i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Fiscal Agent for cancellation; or
 - (ii) all Notes not theretofore delivered to the Fiscal Agent for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Fiscal Agent funds or certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Fiscal Agent for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Fiscal Agent to apply such funds to the payment;
- (2) the Issuer has paid all other sums payable under the Agency Agreement and the Notes by it; and

- (3) the Issuer has delivered to the Fiscal Agent an Officers' Certificate stating that all conditions precedent under the Agency Agreement relating to the satisfaction and discharge of the Agency Agreement have been complied with.

26. **No Personal Liability**

An incorporator, director, officer, employee, stockholder or controlling person, as such, of the Issuer shall not have any liability for any obligations of the Issuer under the Notes or the Agency Agreement or for any claims based on, in respect of or by reason of such obligations or their creation. By accepting a Note, each holder waives and releases all such liability.

FORM OF THE NOTES

Notes may be issued in bearer form (“**Bearer Notes**”) or registered form (“**Registered Notes**”), as specified in the relevant Final Terms.

Form of Registered Notes

In the case of Registered Notes, the relevant Final Terms may specify that the Notes will be issued in global form (“**Global Registered Notes**”) held in a specified clearing system, as described below, or in definitive form (“**Definitive Registered Notes**”).

Form of Global Registered Notes

In the case of Global Registered Notes, the Issuer will deliver (i) a Rule 144A Global Registered Note (as defined below) or (ii) an Unrestricted Global Registered Note (as defined below) and a Restricted Global Registered Note (as defined below), as specified in the relevant Final Terms.

Registered Notes sold in offshore transactions in reliance on Regulation S may be represented by a permanent Global Registered Note without interest coupons (an “Unrestricted Global Registered Note”), which will be deposited on or about the closing date (the “Closing Date”) for the relevant Series with a custodian for DTC, Euroclear or Clearstream, Luxembourg and registered in the name of its nominee or the common depositary for Euroclear and Clearstream, Luxembourg, as applicable.

Registered Notes sold in reliance on Rule 144A may be represented by a permanent Global Registered Note without interest coupons (a “Rule 144A Global Registered Note” or a “Restricted Global Registered Note”), which will be deposited on or about the Closing Date for the relevant Series with a custodian for DTC, Euroclear or Clearstream, Luxembourg and registered in the name of DTC, Euroclear or Clearstream, Luxembourg or its nominee or the common depositary for Euroclear and Clearstream, Luxembourg, as applicable. Each Rule 144A Global Registered Note or, as the case may be, Restricted Global Registered Note (and any Registered Notes in definitive form (“Rule 144A Definitive Registered Notes”)) issued in exchange therefore (for as long as they continue to bear the Private Placement Legend) will be subject to certain restrictions on transfer set forth therein and in the Agency Agreement and will bear the legend regarding such restrictions set forth under “Transfer Restrictions”.

Exchange of Interests in Global Registered Notes

On or prior to the fortieth day after the later of the commencement of the offering of the relevant Series and the relevant Closing Date, a beneficial interest in the relevant Unrestricted Global Registered Note may be transferred to a person who takes delivery in the form of an interest in the relevant Restricted Global Registered Note only upon receipt by the Registrar (as defined in the Agency Agreement) of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. After such fortieth day, such certification requirements will no longer apply to such transfers.

Beneficial interests in a Restricted Global Registered Note may be transferred to a person who takes delivery in the form of an interest in the relevant Unrestricted Global Registered Note, whether before, on or after such fortieth day, only upon receipt by the Registrar of a written certification from the transferor (in the applicable form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144.

Any beneficial interest in either the Restricted Global Registered Note or the Unrestricted Global Registered Note relating to any Series that is transferred to a person who takes delivery in the form of an interest in the other Global Registered Note relating to such Series will, upon transfer, cease to be an interest in such Global

Registered Note and become an interest in the other Global Registered Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Registered Note for as long as it remains such an interest.

Exchange and Transfer of Global Registered Notes for Definitive Registered Notes

The Rule 144A Global Registered Note or, as the case may be, the Unrestricted Global Registered Note and the Restricted Global Registered Note relating to any Series will be exchangeable for Rule 144A Definitive Registered Notes against surrender of the relevant Global Registered Note at the specified office from time to time of the New York Registrar or the New York Transfer Agent (a) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the relevant Global Registered Note and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; (b) if the Issuer, at its option, elects to terminate the book entry system through DTC; (c) if an event of default occurs as set out in Condition 13; or (d) at the option of the Issuer, if the Issuer, any Paying Agent or the Registrar, by reason of any change in, or amendment to, the laws of Mexico or any political subdivision thereof or therein having power to tax, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form. Rule 144A Definitive Registered Notes so issued in exchange will bear, and be subject to, the legend referred to under “Transfer Restrictions”.

Notes in registered form will not be exchangeable for Notes in bearer form.

The holder of a Registered Note may transfer such Registered Note in accordance with the provisions of Condition 3 of the Notes.

The holder of a Definitive Registered Note may transfer such Note by surrendering it at the specified office of the New York Registrar or New York Transfer Agent. Upon the transfer, exchange or replacement of Rule 144A Definitive Registered Notes bearing the legend set forth under “Transfer Restrictions”, or upon specific request for removal of such legend on a Rule 144A Definitive Registered Note, the Issuer will deliver only Rule 144A Definitive Registered Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the New York Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither such legend nor the restriction on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

The New York Registrar will not register the transfer of or exchange of interests in a Global Registered Note for Definitive Registered Notes for a period of 15 days preceding the due date for any payment of principal of or interest on the Notes.

Owner of Global Registered Notes and Payments

So long as DTC or its nominee is the registered owner or holder of a Global Registered Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Registered Note for all purposes under the Agency Agreement and the Notes. Payments of principal, interest and additional amounts pursuant to Condition 11, if any, on Global Registered Notes will be made to DTC or its nominee or the common depository for Euroclear and Clearstream, Luxembourg, as applicable, as the registered owner thereof. Neither the Issuer, the Registrar nor any Paying Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal, interest or additional amounts, if any, in respect of a Global Registered Note representing any Notes held by it or its nominee, will immediately credit DTC Participants’ (as defined in “Clearing and Settlement”) accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Registered Note, as shown on the records of DTC or its nominee. The Issuer also expects that payments by DTC Participants, including Euroclear and Clearstream, Luxembourg, to owners of beneficial interests in such Global Registered Note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case

with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

No beneficial owner of an interest in a Global Registered Note will be able to transfer that interest except in accordance with DTC's applicable procedures (in addition to those under the Agency Agreement and, if applicable, those of Euroclear and Clearstream, Luxembourg).

Form of Bearer Notes

Notes in bearer form will be issued in accordance with TEFRA D, unless the relevant Final Terms provides that such Notes will be issued in accordance with TEFRA C. Subject to certain exceptions, Notes issued in bearer form may not be offered, sold or delivered within the United States or to or for the account of United States persons. Bearer Notes of any particular Series issued in accordance with TEFRA C or TEFRA D, as specified in the relevant Final Terms, will be represented upon issue by a temporary global note in bearer form without interest coupons (a "Temporary Global Note") or, in the case of Bearer Notes of any particular Series issued in accordance with TEFRA C, as specified in the relevant Final Terms, a permanent global note in bearer form without interest coupons (a "Permanent Global Note"), which will be deposited on or about the Closing Date in relation to the relevant Series with a common depositary or depositaries for Euroclear and Clearstream, Luxembourg. Except for such interests in a Temporary Global Note issued in accordance with TEFRA C as are to be exchanged for Rule 144A Definitive Registered Notes or an interest in a Rule 144A Global Registered Note, interests in such Temporary Global Note will be exchangeable at any time for Bearer Notes in definitive form ("Definitive Bearer Notes"), in accordance with the terms of such Temporary Global Note and as specified in the relevant Final Terms. Except for such interests in the Temporary Global Note issued in accordance with TEFRA D as are to be exchanged for Rule 144A Definitive Registered Notes or an interest in a Rule 144A Global Registered Note, interests in such Temporary Global Note will be exchangeable either for Definitive Bearer Notes or for interests in a Permanent Global Note, upon certification as to non U.S. beneficial ownership thereof or otherwise as required by U.S. Treasury regulations, in accordance with the terms of such Temporary Global Note and as specified in the relevant Final Terms. If and to the extent so specified in the relevant Final Terms, a Temporary Global Note, Permanent Global Note or, as the case may be, any Definitive Bearer Notes will also be exchangeable for Rule 144A Definitive Registered Notes or interests in a Rule 144A Global Registered Note, in accordance with certain additional certification requirements as specified in the Agency Agreement.

Any Permanent Global Note will be exchangeable in whole but not in part for Definitive Bearer Notes, against presentation and (in the case of final exchange) surrender of such Permanent Global Note at the specified office outside the United States from time to time of the Fiscal Agent (a) if either Euroclear, Clearstream, Luxembourg or any other clearing system by which the Notes have been accepted for clearing is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently, (b) if an event of default occurs as set out in Condition 13 or (c) if the Issuer or any Paying Agent (as defined in the Conditions), by reason of any change in, or amendment to, the laws or regulations of Mexico or any political subdivision or authority thereof or therein having power to tax, is or will be required to make any deduction or withholding from any payment under the Notes which would not be required if such Notes were in definitive form.

If the Issuer does not exchange any Permanent Global Note for Definitive Bearer Notes as described above within 60 days, in the case of an exchange for Definitive Bearer Notes, or five Local Banking Days (as defined in the Agency Agreement) of becoming bound to do so, the Permanent Global Note will become void and the bearer thereof will have no rights under the Permanent Global Note.

Tax Restrictions

In compliance with United States tax laws and regulations, Bearer Notes may not be offered, sold or delivered directly or indirectly within the United States or to a United States person, except in certain transactions permitted by United States Treasury regulations. Each Dealer has agreed that it will not, at any time in connection with the original issuance of any Bearer Note, offer or sell any Bearer Note to a person who is within the United States or to a United States person except as permitted by U.S. Treasury regulations. No Bearer Note (other than the Temporary Global Note) may be delivered, and no interest may be paid thereon until the person entitled to receive

such Bearer Note or such interest furnishes the written certification described under “Form of Bearer Notes” above. Terms used in this paragraph are as defined in Treasury Regulation § 1.163-5(c)(2)(i).

The following legend will appear on all Global Notes, Definitive Notes and coupons appertaining thereto: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”. The sections referred to in such legend provide that, with certain exceptions, a United States person will not be permitted to deduct any loss, and will not be eligible for capital gain treatment with respect to any gain, realized on the sale, exchange or redemption of such Note or coupon.

Payments in Respect of Bearer Notes

Payments of principal, interest and any additional amounts pursuant to Condition 11, if any, in respect of the Bearer Notes when represented by a Temporary Global Note or a Permanent Global Note will be made against presentation and surrender or, as the case may be, presentation of the relevant Temporary Global Note or Permanent Global Note at the specified office of any of the Paying Agents outside the United States. A record of each payment so made will be endorsed on the relevant schedule to the Temporary Global Note or the Permanent Global Note by or on behalf of the Fiscal Agent.

If any date on which a payment of interest is due on the Notes of a Series issued in accordance with TEFRA D occurs while any of the Notes of that Series are represented by a Temporary Global Note, the relevant interest payment will be made on such Temporary Global Note only to the extent that certification has been received by Euroclear and/or Clearstream, Luxembourg as to the beneficial ownership thereof, as required by U.S. Treasury regulations, in accordance with the terms of such Temporary Global Note.

Notices

So long as the Bearer Notes of a Series are represented by a Temporary Global Note or a Permanent Global Note, notices to holders of such Bearer Notes may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or any other clearing system (the “Alternative Clearing System”) for communication by them to entitled accountholders in substitution for publication as required by the Conditions, and for so long as any Global Registered Note is held on behalf of DTC or an Alternative Clearing System, notices to holders of Notes represented by an interest in such Global Registered Note may be given by delivery of the relevant notice to DTC or, as the case may be, such Alternative Clearing System, except that, for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, notices shall also be published in a leading newspaper having general circulation in Ireland or on the Irish Stock Exchange website, or, in the case of Notes admitted to listing on any other stock exchange, the requirements (if any) of such stock exchange shall have been complied with.

Meetings

The holder of a Temporary Global Note, Permanent Global Note or, as the case may be, Global Registered Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of holders of Notes.

Purchase and Cancellation

Cancellation of any Note surrendered for cancellation following its purchase will be effected by reduction in the principal amount of the relevant Temporary Global Note, Permanent Global Note or, as the case may be, Global Registered Note.

Issuer’s Optional Redemption

No drawing of Notes will be required under Condition 10 if the Issuer exercises any option relating to those Notes while all such Notes which are outstanding are represented by a Temporary Global Note or Permanent Global

Note. In such event the standard procedures of Euroclear, Clearstream, Luxembourg, DTC or, as the case may be, the Alternative Clearing System shall operate to determine which interests in such Global Notes are to be subject to such option. A Bearer Note called for a partial redemption must be surrendered and a balance piece representing the amount not paid will be issued.

Partly Paid Notes

The provisions relating to a Series of partly paid Notes will be contained in a Temporary Global Note, Permanent Global Note or, as the case may be, Global Registered Note relating to such Series. For so long as any installments of the subscription moneys payable by the holder of such Notes are due and unpaid, no interest in a Temporary Global Note representing such Series may be exchanged for an interest in a Permanent Global Note or for Registered Notes and until all installments of the subscription moneys payable by the holder of partly paid Notes have been paid in full, no interest in a Permanent Global Note or Global Registered Note may be exchanged for Definitive Bearer Notes or Registered Notes. If any holder of Notes fails to pay any installment due on any partly paid Notes within the time specified, the Issuer will be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated _____.

Prestaciones Finmart, S.A.P.I. de C.V., SOFOM, E.N.R.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the Mexican Ps. 1,800,000,000
Medium Term Note Program

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated May 10, 2013. This Final Terms contains the final terms of the Notes and must be read in conjunction with such Offering circular.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

- | | | | |
|----|---------|---|--|
| 1. | (i) | Issuer: | Prestaciones Finmart, S.A.P.I. de C.V.,
SOFOM, E.N.R. |
| 2. | [(i)] | [Series Number:] | [] |
| | [(ii)] | [Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] | [] |
| 3. | | Specified Currency or Currencies: | [] |
| 4. | | Aggregate Nominal Amount: | |
| | [(i)] | [Series:] | [] |
| | [(ii)] | [Tranche:] | [] |
| 5. | [(i)] | Issue Price: | [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
| | [(ii)] | Expenses of Issue: | [] |
| | [(iii)] | Net Proceeds: | [] |
| | [(iv)] | Use of Proceeds: | [] |
| 6. | | Specified Denominations: | []
[]
<i>Notes which may be listed on the Irish Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system situated or operating in a member state of the European Union may not have a minimum denomination of less than EUR100,000 (or nearly equivalent in another currency).</i> |
| 7. | [(i)] | Issue Date: | [] |
| | [(ii)] | Interest Commencement Date: | [] |

8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.
9. Interest Basis: *[• % Fixed Rate]*
[[specify reference rate] +/- • % Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: *[Redemption at par]*
[Index-Linked Redemption]
[Dual Currency]
[Partly Paid]
[Installment]
[Other (specify)]
11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
12. Put/Call Options: *[Investor Put]*
[Issuer Call]
[(further particulars specified below)]
13. Status of the Notes: *[Senior/[Dated/Perpetual]/Subordinated]*
14. Listing: *[Application has been made for the Notes to be listed on the Official List of the Irish Stock Exchange and traded on the Global Exchange Market / other / none]*
15. Method of distribution: *[Syndicated/Non-syndicated]*
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
16. Fixed Rate Note Provisions *[Applicable/Not Applicable]*
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: *[] per cent. per annum [payable annually/semi-annually/quarterly/monthly] in arrear]*
- (i) Interest Record Date(s): *[] in each year*
- (iii) Interest Payment Date(s): *[] in each year*
- (iv) Fixed Coupon Amount[(s)]: *[] [per Note of [] Specified Denomination and per Note of [] Specified Denomination]*
[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (v) Broken Amount(s): *[]*
- (vi) Day Count Fraction: *[30/360 / Actual/Actual (ICMA/ISDA) / other]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: *[Not Applicable/give details]*
17. Floating Rate Note Provisions *[Applicable/Not Applicable]*
(If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Specified Period: []
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (ii) Interest Record Date(s): [] in each year
- (iii) Specified Interest Payment Dates: [] in each year
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s): [[Name] shall be the Calculation Agent (no need to specify if the Fiscal Agent is to perform this function)]
- (vii) Screen Rate Determination:
 – Reference Rate: [For example, LIBOR or EURIBOR]
 – Interest Determination Date(s): []
 – Relevant Screen Page: [For example, Bloomberg, Telerate page 3750/248]
 – Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
 – Relevant Financial Centre: [For example, London/Euro-zone (where Euro- zone means the region comprised of the countries whose lawful currency is the euro)]
- (viii) ISDA Determination:
 – Floating Rate Option: []
 – Designated Maturity: []
 – Reset Date: []
- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
18. Zero Coupon Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Amortization/Accrual] Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: [Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition [10(g)]]
19. Index-Linked Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula: [Give or annex details]
- (ii) Calculation Agent responsible for []

- (iii) calculating the interest due:
Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: []
- (iv) Specified Period: []
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (v) Specified Interest Payment Dates: []
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vii) Minimum Rate of Interest: [] per cent, per annum
- (viii) Maximum Rate of Interest: [] per cent, per annum
- (ix) Day Count Fraction: []
20. Dual Currency Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable:
- PROVISIONS RELATING TO REDEMPTION**
21. Call Option [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Call): []
- (ii) Optional Redemption Amount(s) (Call) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period: []
22. Put Option [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Put): []
- (ii) Optional Redemption Amount(s) (Put) and method, if any, of calculation of such amount(s): []

- (iii) Notice period: []
23. Final Redemption Amount of each Note [[]per Note of specified denomination/other/see Appendix]
24. Early Redemption Amount [Not Applicable (if both the Early Redemption Amount and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]
- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Bearer Notes]
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]
[Temporary Global Note exchangeable for Definitive Notes on [] days' notice.]
[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].
[Definitive Registered Notes]
[Global Registered Notes]
26. Other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv) and 19(vii) relate]
27. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
29. Details relating to Installment Notes: amount of each Installment, date on which each payment is to be made: [Not Applicable/give details]
30. Redenomination, renominalization and reconventioning provisions: [Not Applicable/The provisions [in Condition 22 (Redenomination, Renominalization and Reconventioning)] [annexed to this Final Terms] apply]
31. [Consolidation provisions: [Not Applicable/The provisions [in Condition 18 (Further Issues)] [annexed to this Final Terms] apply]]
32. Other terms or special conditions: [Not Applicable/give details]

DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]
(ii) Stabilizing Manager (if any): [Not Applicable/give name]
34. If non-syndicated, name of Dealer: [Not Applicable/give name]
35. TEFRA: [Not Applicable/The [C/D] Rules are applicable]
36. Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

37. ISIN Code: []
38. Common Code: []

39. CUSIP: []
40. Any clearing system(s) other than DTC, [Not Applicable/*give name(s) and number(s)*]
Euroclear Bank S.A./N.V. and Clearstream,
Luxembourg and the relevant identification
number(s):
41. Delivery: Delivery [against/free of] payment
42. Additional Paying Agent(s) (if any): []

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Final Terms. Signed on behalf of the Issuer:

By: _____
Name:
Title:

CLEARING AND SETTLEMENT

Arrangements will be made with Euroclear and Clearstream, Luxembourg and, where appropriate, will be made with the Depository Trust Company (“DTC”) to facilitate initial issuance of Notes. Transfers within DTC, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system. Cross market transfers between investors who hold or who will hold Notes through DTC and investors who hold or will hold Notes through Euroclear and/or Clearstream, Luxembourg will be effected in DTC through the respective depositories of Euroclear and Clearstream, Luxembourg.

Depository Trust Company

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organized under the laws of the state of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the United States Securities Exchange Act of 1934 (the “Exchange Act”). DTC was created to hold securities for its participating organizations (“DTC Participants”) and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book entry changes in accounts of the DTC Participants, thereby eliminating the need for physical movement of certificates. DTC Participants include securities brokers and dealers, brokers, banks, trust companies and clearing corporations and may include certain other organizations. Indirect access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly (“Indirect DTC Participants”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC is required to make book entry transfers between DTC Participants on whose behalf it acts with respect to the Notes and is required to receive and transmit distributions of principal of and interest on the Notes. DTC Participants and Indirect DTC Participants with which investors have accounts with respect to the Notes similarly are required to make book entry transfers and receive and transmit such payments on behalf of their respective investors.

Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect DTC Participants and certain banks, the ability of a person having a beneficial interest in a Note held in DTC to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may be affected by the lack of a physical certificate of such interest.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a Note held in DTC to such persons may be limited.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account with DTC interests in the relevant Notes are credited, and only in respect of such portion of the aggregate principal amount of the Notes as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the Global Registered Notes held by it for Definitive Registered Notes, which it will distribute to its participants and which, if representing interests in the Restricted Global Registered Note or, as the case may be, the Rule 144A Global Registered Note, will be legended as set forth under “Notice to Purchasers and Holders of Rule 144A Notes”. See “Forms of the Notes; Summary of Provisions Relating to the Notes While in Global Form—Exchange and Transfer of Global Registered Notes for Definitive Registered Notes”.

Euroclear

The Euroclear System was created in 1968 to hold securities for participants in Euroclear (“Euroclear Participants”) and to effect transactions between Euroclear Participants through simultaneous electronic book entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfer of securities and cash. Euroclear Participants include banks (including central banks),

securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Euroclear is operated by Euroclear Bank S.A./N.V. (the “Euroclear Operator”), under contract with Euroclear Clearance System Société Cooperative, a Belgian Cooperative corporation (the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes fundamental policies for Euroclear on behalf of Euroclear Participants. The Euroclear Operator is regulated and examined by the Board of Governors of the Federal Reserve System, the New York State Banking Department and the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the terms and conditions governing use of Euroclear, the related operating procedures of the Euroclear System and applicable Belgian law (collectively, the “Euroclear Terms and Conditions”). The Euroclear Terms and Conditions govern transactions of securities and cash within Euroclear, withdrawal of securities and cash from the system, and receipts of payments with respect to securities in the system. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Euroclear Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to interests in Global Registered Notes held through Euroclear will be credited to the Euroclear cash accounts of Euroclear Participants to the extent received by the Euroclear Operator’s depository, in accordance with the Euroclear Terms and Conditions. The Euroclear Operator will take any other action permitted to be taken by a holder of any Notes on behalf of a Euroclear Participant only in accordance with the Euroclear Terms and Conditions, subject to the ability of the Euroclear Operator’s depository to effect such actions on its behalf through DTC.

Clearstream, Luxembourg

Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depository and provides, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities. As a professional depository, Clearstream, Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream, Luxembourg holds securities for its participating organizations (“Clearstream Participants”) and facilitates the clearance and book entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant, either directly or indirectly.

Initial Settlement in Relation to Global Registered Notes

Upon the issue of an Unrestricted Global Registered Note and a Restricted Global Registered Note or, as the case may be, a Rule 144A Global Registered Note, DTC or its nominee will credit, on its internal system, the respective principal amount of the individual beneficial interest represented by such relevant Global Registered Note or Notes to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealers. Ownership of beneficial interests in a Global Registered Note will be limited to DTC Participants, including Euroclear and Clearstream, Luxembourg, or Indirect DTC Participants. Ownership of beneficial interests in Global Registered Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of Indirect DTC Participants).

Euroclear and Clearstream, Luxembourg will hold omnibus positions on behalf of their participants through customers’ securities accounts for Euroclear and Clearstream, Luxembourg on the books of their respective

depositories, which in turn will hold such positions in customers' securities accounts in such depositories' names on the books of DTC.

Investors that hold their interests in a Global Registered Note through DTC will follow the settlement practices applicable to global bond issues. Investors' securities custody accounts will be credited with their holdings against payment in same day funds on the settlement date.

Investors that hold their interests in a Global Registered Note through Clearstream, Luxembourg or Euroclear accounts will follow the settlement procedures applicable to conventional eurobonds, except that there will be no "lock up" required by U.S. Treasury regulations. The interests will be credited to the custody accounts on the settlement date against payment in same day funds.

Secondary Market Trading in Relation to Global Registered Notes

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date. Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the following procedures in order to facilitate transfers of interests in an Unrestricted Global Registered Note and a Restricted Global Registered Note or, as the case may be, a Rule 144A Global Registered Note among participants of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor any Paying Agent or any Transfer Agent or the Registrar will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Trading Between DTC Participants

Secondary market trading between DTC Participants will be settled using the procedures applicable to global bond issues in same day funds.

Trading Between Clearstream, Luxembourg and/or Euroclear Participants

Secondary market trading between Clearstream Participants and/or Euroclear Participants will be settled using the procedures applicable to conventional eurobonds in same day funds.

Trading Between DTC Seller and Clearstream, Luxembourg or Euroclear Purchaser

When interests are to be transferred from the account of a DTC Participant to the account of a Clearstream Participant or a Euroclear Participant, the purchaser will send instructions to Clearstream, Luxembourg or Euroclear through a Clearstream Participant or a Euroclear Participant, as the case may be, at least one business day prior to settlement. Clearstream, Luxembourg or the Euroclear Operator will instruct its respective depository to receive such interest against payment. Payment will include interest accrued on such beneficial interest in the relevant Global Registered Note from and including the last interest payment date to and excluding the settlement date. Payment will then be made by the depository to the DTC Participant's account against delivery of the interest in the relevant Global Registered Note. After settlement has been completed, the interest will be credited to the respective clearing system, and by the clearing system, in accordance with its usual procedures, to the Clearstream Participant's or Euroclear Participant's account. The securities credit will appear the next day (European time) and the cash debit will be back valued to, and the interest on the Global Registered Note will accrue from, the value date (which would be the preceding day, when settlement occurred in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Clearstream, Luxembourg or Euroclear cash debit will be valued instead as at the actual settlement date.

Clearstream Participants and Euroclear Participants will need to make available to the relevant clearing system the funds necessary to process same day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on hand or existing lines of credit, as such Participants would for

any settlement occurring within Clearstream, Luxembourg or Euroclear. Under this approach, such Participants may take on credit exposure to Clearstream, Luxembourg or the Euroclear Operator until the interests in the relevant Global Registered Note are credited to their accounts one day later.

As an alternative, if Clearstream, Luxembourg or the Euroclear Operator has extended a line of credit to a Clearstream Participant or a Euroclear Participant, as the case may be, such Participant may elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Clearstream Participants or Euroclear Participants purchasing interests in a Global Registered Note would incur overdraft charges for one day, assuming they cleared the overdraft when the interests in the relevant Global Registered Note were credited to their accounts. However, interest on the relevant Global Registered Note would accrue from the value date. Therefore, in many cases the investment income on the interest in the relevant Global Registered Note earned during that one day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Participant's particular cost of funds.

Since settlement takes place during New York business hours, DTC Participants can employ their usual procedures for transferring global bonds to the respective depositaries of Clearstream, Luxembourg or Euroclear for the benefit of Clearstream Participants or Euroclear Participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to DTC Participants, a cross market sale transaction will settle no differently from a trade between two DTC Participants.

Trading Between Clearstream, Luxembourg or Euroclear Seller and DTC Purchaser

Due to time zone differences in their favor, Clearstream Participants and Euroclear Participants may employ their customary procedures for transactions in which interests in a Global Registered Note are to be transferred by the relevant clearing system, through its respective depositary, to a DTC Participant at least one business day prior to settlement. In these cases, Clearstream, Luxembourg or Euroclear will instruct its respective depositary to deliver the interest in the relevant Global Registered Note to the DTC Participant's account against payment. Payment will include interest accrued on such beneficial interest in such Global Registered Note from and including the interest payment date to and excluding the settlement date. The payment will then be reflected in the account of the Clearstream Participant or Euroclear Participant the following day, and receipt of the cash proceeds in the Clearstream Participant's or Euroclear Participant's account would be back valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Clearstream Participant or Euroclear Participant have a line of credit in its respective clearing system and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back valuation will extinguish any overdraft charges incurred over that one day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Clearstream Participant's or Euroclear Participant's account would instead be valued as at the actual settlement date.

Finally, day traders that use Clearstream, Luxembourg or Euroclear to purchase interests in a Global Registered Note from DTC Participants for delivery to Clearstream Participants or Euroclear Participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

- (a) borrowing through Clearstream, Luxembourg or Euroclear for one day (until the purchase side of the day trade is reflected in their Clearstream, Luxembourg or Euroclear accounts) in accordance with the clearing system's customary procedures;
- (b) borrowing the interests in the United States from a DTC Participant no later than one day prior to settlement, which would give the interest sufficient time to be reflected in their Clearstream, Luxembourg or Euroclear account in order to settle the sale side of the trade; or
- (c) staggering the value date for the buy and sell sides of the trade so that the value date for the purchase from the DTC Participant is at least one day prior to the value date for the sale to the Clearstream Participant or Euroclear Participant.

INITIAL SETTLEMENT AND SECONDARY MARKET TRADING IN RELATION TO BEARER NOTES

Initial settlement in Euroclear and Clearstream, Luxembourg and secondary market trading between Euroclear Participants and/or Clearstream Participants, in relation to Bearer Notes, will be settled using the procedures applicable to conventional eurobonds.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “Accountholder”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Non-U.S. Registrar within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5:00 p.m. (New York time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5:00 p.m. (New York time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and,

in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note on such seventh day (in the case of (a) above) or at 5:00 p.m. (New York time) on such thirtieth day (in the case of (b) above) or at 5:00 p.m. (New York time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Non-U.S. Registrar within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5:00 p.m. (New York time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note will become void at 5:00 p.m. (New York time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (New York time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder. In case of issuance of Definitive Notes, written notice mentioning the payment procedures linked to the Notes shall be published in Luxembourg.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to such Global Note. The following is a summary of certain of those provisions:

- (a) *Payments in respect of Bearer Notes:* All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of the Non-U.S. Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the same is noted in a schedule thereto.
- (b) *Exercise of put option:* In order to exercise the option contained in Condition 10(e) (*Redemption at the option of noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Global Note and put notice, give written notice of such exercise to the Fiscal Agent or, in the case of Registered Notes, the Registrar, specifying the principal amount of notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.
- (c) *Partial exercise of call option:* In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some of the Notes, the temporary Global Note, the

Permanent Global Note, or as the case may be, Global Registered Note, may be redeemed in part in the principal amount specified by the Issuer in accordance with the conditions and the Notes to be redeemed will not be selected as provided in the Conditions. In such event, the standards of Euroclear, Clearstream, Luxembourg or, as the case may be, any other clearing system (the "Alternative Clearing System") shall operate to determine which interests in such Global Note are to be subject to such option.

- (d) *Notices:* So long as the Bearer Notes are represented by a Temporary Global Note or a Permanent Global Note, notices to holders of such Bearer Notes may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or any Alternative Clearing System for communication by them to entitled accountholders in substitution for publication as required by the Conditions, and for so long as any Global Registered Note is held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, notices to holders of Notes represented by an interest in such Global Registered Note may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or such Alternative Clearing System, except that, for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, notices shall also be published in a leading newspaper having general circulation in Ireland or on the Irish Stock Exchange website, or, in the case of Notes admitted to listing on any other stock exchange, the requirements (if any) of such stock exchange shall have been complied with.

TAXATION

Prospective purchasers of the Notes should consult their own tax advisors as to the Mexican, U.S. or other tax consequences (including consequences arising under double-taxation treaties in effect) of the purchase, ownership and disposition of the Notes, including the specific tax consequences to them in light of their particular investment circumstances. Additional tax considerations may be provided in the applicable Final Terms of the Notes.

Certain Mexican income tax consequences

The following summary contains a description of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of notes by a Non-Mexican Holder (as defined below). This summary does not purport to be a comprehensive description or an opinion of all of the tax considerations that may be relevant to a decision to purchase, hold or dispose of the Notes. In addition, it does not describe any tax consequences (1) arising under the laws of any taxing jurisdiction other than Mexico, (2) arising under the laws other than the federal tax laws of Mexico (including the laws of any state or municipality within Mexico that are not discussed in this summary), or (3) that are applicable to a resident of Mexico for tax purposes that may purchase, own or dispose of the Notes.

A “**Non-Mexican Holder**” is a holder of the Notes who is not a resident of Mexico for tax purposes, as defined by the Mexican Federal Fiscal Code (*Código Fiscal de la Federación*), or that does not conduct a trade or business in Mexico through a deemed permanent establishment for tax purposes in Mexico to which income in respect of the Notes is attributable. Under Mexico’s tax laws, a natural person is a resident of Mexico for tax purposes if the individual has established his or her home in Mexico. In the event the individual also has a home in another jurisdiction different from Mexico, the individual will be deemed a resident of Mexico for tax purposes when his or her “**center of vital interests**” is in Mexico. A “**center of vital interests**” is deemed to exist in Mexico if, among other considerations: (1) more than 50% of an individual’s total income, in any calendar year, qualifies as Mexican source income, or (2) when an individual’s principal center of professional activities is located in Mexico. Mexican nationals who filed a change of tax residence to a country or jurisdiction that does not have a comprehensive exchange of information agreement with Mexico in which his/her income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law (*Ley del Impuesto Sobre la Renta*), will be considered Mexican residents for tax purposes during the year of filing of the notice of such residence change and during the following three years. Mexican nationals are deemed Mexican residents for tax purposes, unless such nationals can demonstrate otherwise. A legal entity is a resident of Mexico if the main administration of its business or its place of its effective management is established in Mexico.

Taxation on interest

Under the Mexican Income Tax Law, payments of interest we make in respect of the Notes (including payments of principal in excess of the issue price of the Notes, if any, which, under Mexican law, are deemed to be interest) to a Non-Mexican Holder will be subject to a Mexican withholding tax assessed at a rate of 4.9% if, as expected: (1) the Notes are placed through banks or brokerage houses (*casas de bolsa*) in a country with which Mexico has entered into a tax treaty for the avoidance of double taxation, which is in effect, (2) we submit notice of the offering of the Notes to the CNBV in accordance with Article 7 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), and (3) the information requirements specified from time to time by the Tax Administration System (*Servicio de Administración Tributaria*) under its general rules are satisfied including, after completion of the transaction described in this Offering Circular, the filing before the Tax Administration System (*Servicio de Administración Tributaria*) of certain information related to the issuance of the Notes and this Offering Circular; if these informational requirements are not met, the applicable withholding tax rate will be 10% or higher (up to 30%).

Payments of interest we make in respect of the Notes to a non-Mexican pension or retirement fund will be generally exempt from Mexican withholding taxes, provided that (1) the fund is the effective beneficiary of such interest income, (2) the fund is duly established pursuant to the laws of its country of residence, (3) the relevant

interest income is exempt from taxation in such country of residence, and (4) the fund is duly registered with the Tax Administration System in accordance with certain general rules issued for these purposes.

Taxation on principal

Under the Mexican Income Tax Law, payments of principal we make to a Non-Mexican Holder of the Notes will not be subject to any Mexican withholding or similar taxes.

Taxation on the sale of the Notes

Under the Mexican Income Tax Law and regulations thereunder, capital gains resulting from the sale or other disposition of the Notes by a Non-Mexican Holder to another Non-Mexican Holder are not taxable in Mexico. Gains resulting from the sale or other disposition of the Notes by a Non-Mexican Holder to a Mexican resident for tax purposes or to a Non-Mexican Holder deemed to have a permanent establishment in Mexico for tax purposes or by a Mexican resident or foreign holder deemed to have a permanent establishment in Mexico for tax purposes, will be subject to the Mexican withholding taxes pursuant to the rules described above in respect of interest payments.

A Non-Mexican Holder will not be liable for Mexican estate, gift, inheritance or similar taxes with respect to the acquisition, ownership or disposition of the Notes, nor will it be liable for any Mexican stamp, issue, registration or similar taxes.

Certain United States income tax consequences

To ensure compliance with Treasury Department Circular 230, prospective investors are hereby notified that: (a) any discussion of federal tax issues contained or referred to in these listing particulars is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing (within the meaning of Circular 230) of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following is a summary of certain U.S. federal income tax consequences resulting from the purchase, ownership and disposition of a Note by a U.S. Holder (as described below), and does not purport to be a comprehensive discussion of all the possible U.S. federal income tax consequences of the purchase, ownership or disposition of the Notes. This summary is based on the U.S. federal income tax laws, including the Internal Revenue Code of 1986, as amended (the “**Code**”), existing, temporary and proposed regulations (“**Treasury Regulations**”) promulgated thereunder, rulings of the Internal Revenue Service (“**IRS**”), official pronouncements and judicial decisions, all as in effect on the date of this Offering Circular and all of which are subject to change or differing interpretation, possibly with retroactive effect. No assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation. No advance tax ruling has been sought or obtained from the IRS regarding the tax consequences of the transactions described herein.

This summary does not describe the U.S. federal income tax consequences of every type of Note that may be issued under the Program. In particular, this summary does not deal with Notes with a term of more than 30 years, any Notes whose terms do not provide for repayment of their entire principal amount (such as Index-Linked Interest Notes), any Partly Paid Notes, or any Notes payable in, or whose payments are determined by reference to the value of, more than one currency. This summary also does not address Bearer Notes, because such Notes are generally not to be offered, sold or delivered within United States or to U.S. persons. The description of U.S. federal income tax consequences in this summary may be modified by the applicable Final Terms of the Notes.

This summary deals only with Notes held as capital assets by U.S. Holders and does not deal with special classes of holders, such as brokers or dealers in securities or currencies, banks, tax exempt organizations, insurance companies, traders in securities that elect to use a mark-to-market method of accounting, real estate investment trusts, regulated investment companies, individual retirement accounts, qualified pension plans, persons who hold

Notes as part of a straddle, hedging, constructive sale, conversion, or other integrated transaction, partnerships and other pass-through entities, persons who own or are deemed to own any of our voting stock for U.S. federal income tax purposes, or U.S. Holders whose functional currency is not the U.S. dollar.

Prospective purchasers of Notes (in particular, prospective purchasers considering making any election under the Code or Treasury Regulations with respect to Notes) should consult their own tax advisors concerning the consequences, in their particular circumstances, under the Code and the laws of any other taxing jurisdiction of the purchase, ownership and disposition of Notes.

U.S. Holder

For purposes of the following discussion, a “**U.S. Holder**” is a beneficial owner of a Note that is (a) an individual who is a citizen or resident of the United States for U.S. federal income tax purposes, (b) an entity that is classified for U.S. federal income tax purposes as a corporation and that is organized in or under the laws of the United States, any State, or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of source, or (d) a trust (i) whose administration is subject to the primary supervision of a court within the United States and which is subject to the control of one or more United States persons as described in Section 7701(a)(30) of the Code (“**United States persons**”), or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

If an entity classified for U.S. federal income tax purposes as a partnership or other pass-through entity owns Notes, the tax treatment of a member of the entity will depend on the status of the member and the activities of the entity. The tax treatment of such an entity, and the tax treatment of any member of such an entity, are not addressed in this summary. Any entity that is classified for U.S. federal income tax purposes as a partnership and that owns Notes, and any members of such an entity, should consult their tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of Notes.

Payments of Interest on Notes that Are Not Discount Notes or Short Term Notes

Qualified stated interest (as defined below under “**Original Issue Discount - General**”) on a Note (whether payable in U.S. dollars or in a currency other than U.S. dollars), and Additional Amounts paid in respect of Mexican withholding taxes imposed on payments on the Notes (as described in “**Terms and Conditions of the Notes - Taxation**”) will be taxable to a U.S. Holder as ordinary interest income at the time it is accrued or is paid in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes. As described in “**Original Issue Discount – Short Term Notes**” below, no portion of the interest on a Short Term Note is treated as qualified stated interest.

If an interest payment on a Note is made in a currency other than U.S. dollars (a “**foreign currency**”), the amount of income recognized by a U.S. Holder will be the U.S. dollar value of the interest payment, regardless of whether the payment is in fact converted into U.S. dollars. In the case of a cash basis U.S. Holder, the U.S. dollar value will be determined by the exchange rate in effect on the date of payment. A U.S. Holder that uses the accrual method of accounting is generally required to include in income the U.S. dollar value of interest accrued during the accrual period. Accrual basis U.S. Holders may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, the U.S. dollar value of accrued interest is translated at the average rate for the interest accrual period (or, with respect to an accrual period that spans two taxable years, the partial period within the taxable year). For this purpose, the average rate is the simple average of spot rates of exchange for each business day of such period or other average exchange rate for the period reasonably derived and consistently applied by the U.S. Holder. Under the second method, a U.S. Holder can elect to accrue interest at the spot rate on the last day of an interest accrual period (in the case of a partial accrual period, the last day of the taxable year) or, if the last day of an interest accrual period is within five business days of the receipt, the spot rate on the date of receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired, and may not be revoked without the consent of the IRS. An accrual basis U.S. Holder will recognize exchange gain or loss on the receipt of a foreign currency interest payment if the exchange rate on the date payment is received differs from the rate applicable to the previous accrual of that interest income. The foreign currency gain or loss will generally be treated as U.S. source ordinary income or loss.

Original Issue Discount

General

A Note, other than a Short Term Note (as defined below), will be treated as issued with original issue discount (“**OID**”) if the excess of the Note’s “**stated redemption price at maturity**” over its issue price, as defined for U.S. federal income tax purposes, equals or exceeds 1/4 of 1 percent of such Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of a Note providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of the Note). For purposes of this discussion, a “**Discount Note**” is a Note, other than a Short Term Note, that is treated as being issued with OID. Generally, the issue price of a Note for a particular issue of Notes will be the first price at which a substantial amount of the Notes included in that issue are sold (ignoring sales to bond houses, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The “**stated redemption price at maturity**” of a Note is the total of all payments provided by the Note that are not payments of “**qualified stated interest**”. A “**qualified stated interest**” payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods) or at a variable rate in the situations described in “**Original Issue Discount — Variable Rate Notes**” below.

In general, if the excess, if any, of a Note’s stated redemption price at maturity over its issue price is not sufficient, under the rules described above, to cause the Note to be a Discount Note, then such excess, if any, constitutes “**de minimis OID**”. Unless the election described below under “**Election to Treat All Interest as Original Issue Discount**” is made, a U.S. Holder of a Note with de minimis OID generally must include such de minimis OID in income as stated principal payments are made on the Note. The includible amount with respect to each such payment will equal the product of the total amount of the Note’s de minimis OID and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Note.

U.S. Holders of Discount Notes must include OID in income without regard to the receipt of cash attributable to such income, whether or not such U.S. Holders utilize the accrual method of accounting. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year in which the U.S. Holder holds such Discount Note. The daily portion is determined by allocating to each day in any “**accrual period**” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs either on the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and such Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “**adjusted issue price**” of a Discount Note at the beginning of any accrual period is (x) the sum of the issue price of such Note and the accrued OID for each prior accrual period less (y) any prior payments on the Note that were not qualified stated interest payments. For purposes of determining the amount of OID allocable to an accrual period, if an interval between payments of qualified stated interest on the Note contains more than one accrual period, then the amount of qualified stated interest payable at the end of such interval (including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval) is allocated pro rata on the basis of relative lengths to each accrual period in the interval, and the adjusted issue price at the beginning of each accrual period in the interval must be increased by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. The amount of OID allocable to the final accrual period is the difference between (x) the amount payable at the maturity of the Note (other than any payment of qualified stated interest) and (y) the Note’s adjusted issue price as of the beginning of the final accrual period.

U.S. Holders generally will have to include in income increasingly greater amounts of OID over the life of a Discount Note.

OID for any accrual period on an Discount Note that is denominated in (or whose payments are determined by reference to the value of) a Specified Currency will be determined in the Specified Currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described under **“Payments of Interest on Notes that are not Discount Notes or Short Term Notes”**. Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Note), exchange gain or loss (taxable as ordinary income or loss) may be recognized to the extent the exchange rate on the date of receipt differs from the exchange rate at which the OID was accrued.

Notes Subject to Contingencies Including Optional Redemption

In general, the following rules apply if (i) a Note provides for one or more alternative payment schedules applicable upon the occurrence of a contingency or contingencies (other than a remote or incidental contingency) and the timing and amounts of the payments that comprise each payment schedule are known as of the issue date, and (ii) either a single payment schedule is significantly more likely than not to occur or the Note provides the Issuer or the holder with an unconditional option or options exercisable on one or more dates during the term of the Note. If based on all the facts and circumstances as of the issue date a single payment schedule for a debt instrument, including the stated payment schedule, is significantly more likely than not to occur, then, in general, the yield and maturity of the Note are computed based on this payment schedule.

Notwithstanding the general rules for determining yield and maturity in the case of Notes subject to contingencies, if the Issuer or the holder has an unconditional option or options that, if exercised, would require payments to be made on the Notes under an alternative payment schedule or schedules, then (i) in the case of an option or options of the Issuer, the Issuer will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on the Note and (ii) in the case of an option or options of the holder, the holder will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on the Note. For purposes of those calculations, the yield on the Note is determined by using any date on which the Note may be redeemed or repurchased as the maturity date and the amount payable on such date in accordance with the terms of the Note as the principal amount payable at maturity.

If a contingency (including the exercise of an option) actually occurs or does not occur contrary to an assumption made according to the above rules (a **“change in circumstances”**) then, except to the extent that a portion of the Note is repaid as a result of a change in circumstances and solely for purposes of the accrual of OID, the Note is treated as retired and then reissued on the date of the change in circumstances for an amount equal to the Note’s adjusted issue price on that date.

Notice will be given in the applicable Final Terms of the Notes when we determine that a particular Note will be deemed to have a maturity date for U.S. federal income tax purposes prior to its stated maturity date. Investors intending to purchase Notes with such features should consult their own tax advisors, since the OID consequences will depend, in part, on the particular terms and features of those Notes.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being **“acquisition premium”**) and that does not make the election described below under **“Election to Treat All Interest as Original Issue Discount”**, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Short Term Notes

For purposes of this discussion, a **“Short Term Note”** is a Note with a term of one year or less. No portion of the interest payments on a Short Term Note will be treated as **“qualified stated interest”**. For purposes of

determining the amount of OID, all interest payments (including stated interest and Additional Amounts) on a Short Term Note are included in the Note's stated redemption price at maturity. In general, an individual or other cash basis U.S. Holder of a Short Term Note is not required to accrue OID for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the income is received). An election by a cash basis U.S. Holder applies to all short term obligations acquired on or after the beginning of the first taxable year to which the election applies, and for all subsequent taxable years unless consent is secured from the IRS to revoke the election.

Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID into income on Short Term Notes on either a straight line basis or under the constant yield method (based on daily compounding), at the election of the U.S. Holder.

In the case of a U.S. Holder not required and not electing to include OID on a Short Term Note in income currently, any gain realized on the sale or retirement of the Short Term Note will be ordinary income to the extent of the OID accrued on a straight line basis (unless an election is made to accrue the OID under the constant yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short Term Notes will be required to defer deductions for interest on borrowings allocable to Short Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under the heading “**Original Issue Discount - General**”, with certain modifications. For purposes of this election, interest includes stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium (described below under “**Notes Purchased at a Premium**”) or acquisition premium.

This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If this election is made with respect to a Note with market discount at the time of its acquisition, a U.S. Holder that makes such an election will be treated as making an election to accrue market discount for other debt instruments acquired by the U.S. Holder on or after the first day of the first taxable year to which the election with respect to the Note applies. If the election to treat all interest as OID is made with respect to a Note with amortizable bond premium, then the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludible from gross income) held by such electing U.S. Holder as of the beginning of the taxable year in which the Note with respect to which the election is made is acquired or thereafter acquired.

Variable Rate Notes

A “**Variable Rate Note**” is a Note that: (i) has an issue price that does not exceed the total noncontingent principal payments by more than a specified de minimis amount, and (ii) provides for stated interest, compounded or paid at least annually, at (1) one or more “**qualified floating rates**”, (2) a single fixed rate and one or more qualified floating rates, (3) a single “**objective rate**” or (4) a single fixed rate and a single objective rate that is a “**qualified inverse floating rate**”.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “**current value**” of that rate. A “**current value**” of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

A variable rate is a “**qualified floating rate**” if (i) variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated or (ii) it is equal to the product of such a rate and either (a) a fixed multiple that is greater than 0.65 but not more than 1.35 or (b) a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. If a Note provides for two or more qualified floating rates that (i) are within 0.25 percent or each

other on the issue date or (ii) can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate. A rate is not a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are fixed throughout the term of the Note or are not reasonably expected to significantly affect the yield of the Note.

An “**objective rate**” is a rate, other than a qualified floating rate, that is determined using a single, fixed formula and that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that it is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits, or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). A variable rate is not an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note’s term. An objective rate is a “**qualified inverse floating rate**” if (i) the rate is equal to a fixed rate minus a qualified floating rate and (ii) the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

If interest on a Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period and (i) the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Note that do not differ by more than 0.25 percent or (ii) the value of the qualified floating rate or objective rate is intended to approximate the fixed rate, the fixed rate and the qualified floating rate or objective rate constitute a single qualified floating rate or objective rate, as the case may be.

In general, if a Variable Rate Note provides for stated interest at a single qualified floating rate or objective rate and the interest is unconditionally payable in cash at least annually, all stated interest on the Note is qualified stated interest and the amount of qualified stated interest and OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, in the case of any other objective rate, a fixed rate that reflects the yield reasonably expected for the Note.

If a Variable Rate Note does not provide for stated interest at a single qualified floating rate or a single objective rate, or at a single fixed rate (other than at a single fixed rate for an initial period), the amount of interest and OID accruals on the Note are generally determined by (i) determining a fixed rate substitute for each variable rate provided under the Variable Rate Note (generally, the value of each variable rate as of the issue date or, in the case of an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on the Note), (ii) constructing the equivalent fixed rate debt instrument (using the fixed rate substitute described above), (iii) determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Variable Rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate and in addition provides for stated interest at a single fixed rate (other than at a single fixed rate for an initial period), the amount of interest and OID accruals are determined as in the immediately preceding paragraph with the modification that the Variable Rate Note is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or a qualified inverse floating rate, as the case may be) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Variable Rate Note as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate (or qualified inverse floating rate) rather than the fixed rate.

Contingent Payment Debt Instruments

If a floating rate Note does not qualify as a Variable Rate Note or otherwise provides for contingent payments, or if a fixed rate Note provides for contingent payments, in each case, unless such payments are to be made on account of only remote or incident contingencies, such Note may constitute a contingent payment debt instrument (“**CPDI**”). For CPDIs, U.S. Holders are required to accrue interest income over time based on a

projected payment schedule that is derived from the issuer's cost of capital for fixed rate noncontingent debt instruments. The primary method for such accrual is the noncontingent bond method. Under the noncontingent bond method, the issuer of a CPDI is required to calculate the yield it would reasonably be expected to pay on a noncontingent fixed rate debt instrument and then construct a projected payment schedule of all contingent and noncontingent payments on the instrument that produces the comparable yield. The projected payment schedule is then used to determine the amount of OID that is includible in income by a U.S. Holder on a CPDI during a tax year, as well as to make positive and negative adjustments to such amount in order to arrive at the interest income or ordinary loss to be included in the U.S. Holder's income for the tax year.

The amount of interest that accrues on a CPDI must be adjusted upward or downward to reflect differences between the actual and projected amounts of the contingent payments. These periodic positive and negative adjustments determine the amount of interest income or, in general, ordinary loss to U.S. Holders of CPDIs during a particular accrual period. If the actual amount of a contingent payment is more than its projected amount, the difference is a positive adjustment on the date of the payment. If the amount of a contingent payment is less than its projected amount, the difference is a negative adjustment on the date of the payment. The U.S. Holder accounts only for those adjustments that occur during a taxable year in which it holds a CPDI. The amount, if any, by which total positive adjustments on a CPDI exceed the total negative adjustments in the taxable year is a net positive adjustment. A net positive adjustment is generally treated as additional interest for the taxable year. The amount, if any, by which total negative adjustments on a CPDI exceed the total positive adjustments in the taxable year is a net negative adjustment. A U.S. Holder's net negative adjustment on a CPDI for a taxable year is treated as follows: (i) first, it reduces the amount of the U.S. Holder's interest income for the taxable year, then (ii) if the net negative adjustment exceeds the interest that would otherwise be taken into account, the excess is treated as an ordinary loss by the U.S. Holder.

However, the amount treated as ordinary loss is limited to the amount of interest income recognized by the U.S. Holder in prior taxable years reduced by the total amount of the net negative adjustments treated as ordinary loss on the CPDI in prior taxable years. If the net negative adjustment exceeds the sum of the amounts treated as a reduction of interest and as ordinary loss on the CPDI for the taxable year, the excess is a negative adjustment carry forward. In general, a U.S. Holder treats a negative adjustment carry forward for a taxable year as a negative adjustment on the CPDI on the first day of the succeeding taxable year. However, if a Holder of a CPDI has a negative adjustment carry forward on the CPDI in a taxable year in which the CPDI is sold, exchanged, or retired, the negative adjustment carry forward reduces the U.S. Holder's amount realized on the sale, exchange, or retirement.

Any gain recognized by a U.S. Holder on the sale, exchange, or retirement of a CPDI generally is ordinary income. Any loss so recognized by a U.S. Holder is in general ordinary loss to the extent that the total interest inclusions on the CPDI exceed the total net negative adjustments the U.S. Holder already accounted for as ordinary loss. Any additional loss is treated as loss from the sale, exchange, or retirement of the CPDI. If at the time of the sale, exchange, or retirement there are no remaining contingent payments due on the CPDI under the projected payment schedule, then any gain or loss recognized by the U.S. Holder is generally treated as gain or loss from the sale, exchange, or retirement of the CPDI.

For purposes of determining the amount realized by a U.S. Holder on the scheduled retirement of a CPDI, a U.S. Holder is treated as receiving the projected amount of any contingent payment due at maturity. If the amount received is different from the projected amount, the difference is treated as a positive or negative adjustment, as discussed above. The amount realized by a U.S. Holder on the retirement of a CPDI is reduced by any negative adjustment carry forward determined in the taxable year of the retirement. An unscheduled retirement of a CPDI (or the receipt of a pro rata prepayment that is treated as a retirement of a portion of a CPDI) is treated as a repurchase of the CPDI by the issuer from the U.S. Holder for the amount paid.

Purchase, Sale and Retirement of the Notes

A U.S. Holder's tax basis in a Note will generally be its U.S. dollar cost (as defined below), increased by the amount of any OID or market discount (as described below under "**Notes Purchased at a Market Discount**") included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID or *de minimis* market discount, or any discount with respect to a Short Term Note, previously included

in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note. The U.S. dollar cost of a Note purchased with a Specified Currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

A U.S. Holder will generally recognize gain or loss on a disposition (including a sale, exchange, or retirement) of a Note equal to the difference between the amount realized (other than any amount representing accrued but unpaid interest, which will be treated as ordinary income to the extent not previously included in income) on the disposition and the tax basis of the Note. The amount realized on a disposition for an amount in a Specified Currency will be the U.S. dollar value of such amount on the date payment is received (in the case of a cash basis U.S. Holder) or the date of disposition (or deemed disposition as a result of a material change in terms of the Notes) (in the case of an accrual basis U.S. Holder); *provided, however*, that in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be the U.S. dollar value of such amount on the settlement date for the sale. Except to the extent described above under “**Original Issue Discount — Contingent Payment Debt Instruments**” or “**— Short Term Notes**”, and except with respect to currency exchange gain or loss, any gain or loss recognized on a disposition of a Note will be capital gain or loss and will be long term capital gain or loss if the Note was held for more than one year. The ability of U.S. Holders to use capital losses is subject to limitations.

Gain or loss recognized by a U.S. Holder on a disposition of a Note that is attributable to changes in exchange rates will be treated as ordinary income or loss and generally will be U.S. source. However, currency exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

Exchange of Specified Currency

The tax basis of a Specified Currency generally will be the U.S. dollar value of the Specified Currency amount on the date of such Specified Currency is purchased. Specified Currency received as interest on a Foreign Currency Note or on the sale or retirement of a Foreign Currency Note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time payment is received in consideration of such sale or retirement. The amount of foreign exchange gain or loss recognized on a sale or other disposition of the Specified Currency will be equal to the difference between (i) the amount of U.S. dollars, or the fair market value in U.S. dollars of the other currency or property received in the sale or other disposition, and (ii) the tax basis of the Specified Currency. Generally, any such gain or loss will be an ordinary income or loss.

Accordingly, a U.S. Holder that converts U.S. dollars to a Specified Currency and immediately uses such Specified Currency to purchase a Foreign Currency Note ordinarily would not realize gain or loss in connection with such conversion and purchase. However, a U.S. Holder that purchases a Foreign Currency Note with a previously owned Specified Currency would recognize exchange gain or loss in an amount equal to the difference, if any, between the U.S. Holder's tax basis in the Specified Currency and the U.S. dollar fair market value on the date of purchase of a Foreign Currency Note.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note (other than a CPDI) for an amount in excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, generally may elect to treat such excess as “**amortizable bond premium**”, in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note's yield to maturity) to such year. Any such election would apply to all bonds (other than bonds the interest on which is excludible from gross income) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “**Original Issue Discount — Election to Treat All Interest as Original Issue Discount**”.

Amortizable bond premium on a Foreign Currency Note will be calculated in the Specified Currency and will offset the amount of interest received or accrued as determined in the Specified Currency. At the time that amortizable bond premium offsets interest income (i.e., the last day of the taxable year in which the election is made and the last day of each subsequent taxable year), exchange gain or loss (treated as ordinary income or loss) will be recognized with respect to the amortizable bond premium based on the difference between the exchange rate on the date the U.S. Holder acquired the Foreign Currency Note and the exchange rate on the date such premium is treated as received.

Notes Purchased at a Market Discount

In the event that a U.S. Holder purchases a Note (other than a Short-Term Note or a CPDI) at a price that is lower than its remaining redemption amount (or, in the case of a Discount Note, its adjusted issue price) by an amount that exceeds a specified de minimis amount, the Note will be considered to have “**market discount**” in the hands of such U.S. Holder. In such case, gain realized by the U.S. Holder on the disposition of the Note (including payment at maturity) generally will be treated as ordinary income to the extent of the market discount that accrued on the Note while held by such U.S. Holder. In addition, the U.S. Holder could be required to defer the deduction of a portion of the interest paid on any indebtedness incurred or maintained to purchase or carry the Note. In general terms, market discount on a Note will be treated as accruing ratably over the term of such Note, or, at the election of the U.S. Holder, under a constant yield method. Market discount on a Foreign Currency Note will be accrued by a U.S. Holder in the Specified Currency. The amount includible in income by a U.S. Holder in respect of such accrued market discount will be the U.S. dollar value of the amount accrued, generally calculated at the exchange rate in effect on the date that the Note is disposed of by the U.S. Holder.

A U.S. Holder may elect to include market discount in income on a current basis as it accrues (on either a ratable or constant-yield basis), in lieu of treating a portion of any gain realized on a sale of a Note as ordinary income. If a U.S. Holder elects to include market discount on a current basis, the interest deduction deferral rule described above will not apply. Any accrued market discount on a Foreign Currency Note that is currently includible in income will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder’s taxable year). Any such election, if made, applies to all market discount bonds held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “**Original Issue Discount — Election to Treat All Interest as Original Issue Discount**”.

Foreign Tax Credit

Interest paid on, and any OID accrued with respect to, the Notes will constitute income from sources outside the United States, and, except as described below, will be treated as “**passive category income**” or “**general category income**” and considered separately for purposes of applying certain limitations on the claiming of foreign tax credits under U.S. federal income tax law. A U.S. Holder will be required to include any Mexican withholding tax imposed on payments (including Additional Amounts) on a Note as interest income in gross income. Thus, a U.S. Holder may be required to report income in an amount greater than the actual amount of interest and OID. Subject to such limitations and certain other conditions, any Mexican income taxes withheld from interest income derived by a U.S. Holder in respect of the Notes may be eligible for credit against the U.S. federal income tax liability of the U.S. Holder. Under the foreign tax credit limitation rules, a U.S. Holders’ use of a foreign tax credit with respect to Mexican income taxes, if any, imposed on any gain resulting from a disposition of the Notes, however, may be limited, as such gain will generally not constitute foreign source income. In lieu of claiming a credit, U.S. Holders may elect to deduct foreign income taxes in computing their U.S. federal taxable income (if such U.S. Holder does not take a credit for any foreign income tax during the taxable year). The rules relating to foreign tax credits are complex, and U.S. Holders should consult their own tax advisors with regard to the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular situations.

Tax Return Disclosure and Investor List Requirements

United States Treasury regulations (the “**Tax Shelter Regulations**”) intended to address so called tax shelters and other potentially tax motivated transactions require participants in a “**reportable transaction**” to

disclose certain information about such a transaction on IRS Form 8886 and retain information relating to the transaction. Organizers and sellers of reportable transactions are required to maintain lists identifying the transaction investors and furnish to the IRS upon demand such investor information as well as detailed information regarding the transactions. A transaction may be a “**reportable transaction**” based upon any of several indicia, including the existence of confidentiality agreements, certain indemnity arrangements, potential for recognizing investment or other losses, one or more of which may be present with respect to or in connection with an investment in the Notes. In addition, the Tax Shelter Regulations could be interpreted to cover and require reporting of transactions that are generally not considered tax shelters, including certain foreign currency transactions. Significant penalties may be imposed for failure to comply with these disclosure requirements. Investors should consult their tax advisers concerning any possible disclosure obligation with respect to their investment and should be aware that the Issuer and other participants in the transaction intend to comply with the disclosure and list maintenance requirements under the Tax Shelter Regulations as they determine apply to them with respect to this transaction.

Reportable Transactions

A U.S. taxpayer that participates in a “**reportable transaction**” will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S. \$50,000 in a single taxable year if the U.S. Holder is an individual or trust, or higher amounts for other U.S. Holders. In the event the acquisition, ownership, or disposition of Notes constitutes participation in a “**reportable transaction**” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS.

Medicare Surtax

Newly enacted legislation generally requires certain U.S. Holders who are individuals, estates or trusts to pay a 3.8% Medicare surtax on the lesser of (1) such U.S. Holder’s net investment income (in the case of individuals) or undistributed net investment income (in the case of estates and trusts) (which includes, among other things, any interest on and capital gains from the sale or other taxable disposition of Notes) for the relevant taxable year and (2) the excess of the U.S. Holder’s modified gross income (in the case of individuals) or adjusted gross income (in the case of estates and trusts) for the taxable year over a certain threshold for taxable years beginning after December 31, 2012. U.S. Holders should consult their tax advisors regarding the effect, if any, of this legislation on their ownership and disposition of Notes.

Backup Withholding and Information Reporting

In general, information reporting requirements may apply to payments of principal and interest on Notes (including OID) to non-corporate U.S. Holders. Backup withholding will apply to those payments if such a U.S. Holder fails to provide an accurate taxpayer identification number or, in the case of interest payments, fails to certify that it is not subject to backup withholding or if the IRS has notified the payer that such U.S. Holder has failed to report all interest and dividends required to be shown on its federal income tax returns. Exempt recipients may be required to certify their exempt status to avoid backup withholding and information reporting.

Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder of a Note generally will be allowed as a refund or a credit against the U.S. Holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

THE INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER’S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN THE U.S. FEDERAL, MEXICAN OR OTHER TAX LAWS.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State of the EU is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual beneficial owner resident in, or certain limited types of entity established in, that other Member State. However, for a transitional period, Austria and Luxembourg will (unless during such period such Member States elect otherwise) instead operate a withholding system in relation to such payments. Under such withholding system, tax will be deducted unless, with respect to Luxembourg, the recipient of the payment instead elects for an exchange of information procedure or provides a tax residence certificate in the form prescribed by the Savings Directive to the person making the payment or, in the case of Austria, the recipient of the payment instead provides such a tax residence certificate to the person making the payment. The current rate of withholding is 20% and it will be increased to 35% with effect from 1 July 2011.

The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to exchange of information procedures relating to interest and other similar income.

A number of non-EU countries and certain dependent or associated territories of certain Member States have adopted or agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their respective jurisdictions to an individual beneficial owner resident in, or certain limited types of entity established in, a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those countries and territories in relation to payments made by a person in a Member State to an individual beneficial owner resident in, or certain limited types of entity established in, one of those countries or territories.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to Banco Espírito Santo de Investimento, S.A., Sucursal en España or any other dealers approved from time to time (together, the “**Dealers**”) pursuant to a dealer agreement dated May 10, 2013 (the “**Dealer Agreement**”). The arrangements under which notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Dealer Agreement. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant notes, the price at which such notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Program or in relation to a particular tranche of notes.

Consultoría XFN, S.C. (“Execution Finance”) has acted as a financial advisor to the Issuer in connection with this Program.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

- (1) Each Dealer has represented and agreed that it has not offered or sold Notes and will not offer and sell Notes, except in accordance with Rule 903 of Regulation S under the Securities Act, except as provided in paragraph (2) below. Accordingly, each Dealer will represent and agree that neither it, its affiliates (if any) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has agreed that, at or prior to confirmation of sale of Notes (other than sale of Notes in registered form pursuant to paragraph (2) below), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Notes covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in either case in accordance with Regulation S under, or pursuant to an available exemption from the registration requirements of, the Securities Act. Terms used above have the meaning given to them by Regulation S”.

- (2) Each Dealer has agreed that it will not, acting either as principal or agent, offer or sell any Notes in the United States other than Notes in registered form bearing a restrictive legend thereon, and it will not, acting either as principal or agent, offer, sell, reoffer or resell any of such Notes (or approve the resale of any of such Notes):
 - (a) except (A) inside the United States through a U.S. broker dealer that is registered under the United States Securities Exchange Act of 1934 (the “**Exchange Act**”) to institutional investors, each of which such Dealer reasonably believes (i) is a “qualified institutional buyer” (as defined in Rule 144A thereunder), or a fiduciary or agent purchasing Notes for the account of one or more institutional accredited investors or qualified institutional buyers, and (ii) has such knowledge and experience in financial and business matters that it is capable of evaluating and bearing the risks of investing in the Notes or is represented by a fiduciary or agent with sole investment discretion having such knowledge and experience or (B) otherwise in accordance with the restrictions on transfer set forth in such Notes, the Dealer Agreement, the Offering Circular and the relevant Final Terms; or

- (b) by means of any form of general solicitation or general advertisement, including but not limited to (A) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio and (B) any seminar or meeting whose attendees have been advised by any general solicitation or general advertising.
- (3) Each Dealer has represented and agreed that in connection with each sale to a qualified institutional buyer it has taken or will take reasonable steps to ensure that the purchaser is aware that the Notes have not been and will not be registered under the Securities Act and that transfers of Notes are restricted as set forth herein and, in the case of sales in reliance upon Rule 144A, that the selling Dealer may rely upon the exemption provided by Rule 144A under the Securities Act.

The Bearer Notes are also subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, each of such Dealers, as to Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have certified as provided in this paragraph) who has purchased Notes of any Tranche in accordance with the Dealer Agreement has agreed to determine and certify to the Fiscal Agent or the Issuer the completion of the distribution of such Tranche of Notes as aforesaid. In order to facilitate compliance by each Dealer with the foregoing, the Issuer has agreed that, prior to such certification with respect to such Tranche, it will notify each relevant Dealer in writing of each acceptance by the Issuer of an offer to purchase and of any issue of Notes or other debt obligations of the Issuer which are denominated in the same currency or composite currency and which have substantially the same terms and maturity date as the Notes of such Series.

In addition, certain Series of Notes in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Notes will be subject to such additional U.S. transfer and selling restrictions as the Issuer and the relevant Dealers may agree, as indicated in the applicable Final Terms. Each Dealer has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. transfer and selling restrictions.

Public Offer Selling Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Offering Circular, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Approved prospectus*: if the Final Terms or Drawdown Offering Circular in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Nonexempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown Offering Circular has subsequently been completed by the Final Terms contemplating such Nonexempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;

- (b) *Authorized institutions*: at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (c) *Significant enterprises*: at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts; or
- (d) *Fewer than 100 offerees*: at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Transfer and Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

- (a) in relation to any notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any notes other than to persons (a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or (b) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in

effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Circular or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Offering Circular or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Transfer and selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular tranche of notes) or in a supplement to this Offering Circular.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers of Notes offered in the United States in reliance on Rule 144A are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Notes.

Each prospective purchaser (a “**Rule 144A Offeree**”) of Registered Notes offered in the United States in reliance on Rule 144A (“**Rule 144A Notes**”), by accepting delivery of this Offering Circular, will be deemed to have represented and agreed with respect to such Notes as follows:

- (a) such Rule 144A Offeree acknowledges that this Offering Circular is personal to such Rule 144A Offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A or in offshore transactions in accordance with Regulation S. Distribution of this Offering Circular, or disclosure of any of its contents, to any person other than such Rule 144A Offeree and those persons, if any, retained to advise such Rule 144A Offeree with respect thereto and other persons meeting the requirements of Rule 144A or Regulation S is unauthorized, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited; and
- (b) such Rule 144A Offeree agrees to make no photocopies of this Offering Circular or any documents referred to herein.

Each purchaser of an interest in a Rule 144A Note will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S under the Securities Act are used herein as defined therein):

- (a) the purchaser (i) is a qualified institutional buyer (“**Qualified Institutional Buyer**”), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Notes for its own account or for the account of a Qualified Institutional Buyer;
- (b) the purchaser understands that the Rule 144A Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that such Notes have not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law and that (i) if in the future it decides to offer, resell, pledge or otherwise transfer any such Notes, such Notes may be offered, resold, pledged or transferred only (A) to a person whom the seller reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A, (B) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (C) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), or (D) to the Issuer or an affiliate of the Issuer, and in each of such cases in accordance with any applicable securities laws of any state or other jurisdiction of the United States, and that (ii) the purchaser will, and each subsequent holder of the Rule 144A Notes is required to, notify any purchaser of such Notes from it of the resale restrictions referred to in (i) above; and
- (c) the purchaser understands that the Rule 144A Notes will bear a legend to the following effect, unless the Issuer determines otherwise in compliance with applicable law:

THIS NOTE (OR ITS PREDECESSOR) HAS NOT BEEN REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), AND THIS NOTE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) THIS NOTE MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) TO THE ISSUER OR AN AFFILIATE OF THE ISSUER, AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

GENERAL INFORMATION

Clearing systems

Application has been made to have the Notes accepted for clearance through DTC, Euroclear and Clearstream. The appropriate common code and the International Securities Identification Number in relation to the Notes of each series will be specified in the Final Terms relating thereto. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant notes for clearance together with any further appropriate information. In addition, an application will be made for any Rule 144A Global Registered Notes, Restricted Global Registered Notes and Unrestricted Global Registered Notes to be accepted for trading in book-entry form by DTC. Acceptance of each Series of Registered Notes will be confirmed in the Final Terms relating thereto. The CUSIP, Common Code and/or ISIN numbers for each Series of Registered Notes will be contained in the Final Terms relating thereto.

Bearer Notes and any Coupon or Talon appertaining thereto will bear a legend substantially to the following effect: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”. The sections referred to in such legend provide that a United States person who holds a Bearer Note, Coupon or Talon generally will not be allowed to deduct any loss realized on the sale, exchange or redemption of such Bearer Note, Coupon or Talon and any gain (which might otherwise be characterized as capital gain) recognized on such sale, exchange or redemption will be treated as ordinary income.

Registered Notes sold in the United States in accordance with Rule 144A will bear the legend set forth above under “Transfer Restrictions”.

Listing

Application has been made to admit the notes offered pursuant to this Program to listing on the Official List of the Irish Stock Exchange and to trading on the Global Exchange Market and for the Irish Stock Exchange to approve the listing particulars for the notes. We estimate that we will incur approximately €10,000 in costs related to the admission to trading of notes on the Irish Stock Exchange.

As required under the Mexican Securities Market Law (*Ley del Mercado de Valores*), we will notify the CNBV of the offering of the Notes outside Mexico. Such notice will be submitted to the CNBV to comply with a legal requirement and for information purposes only, and the delivery to, and the receipt by, the CNBV of such notice, does not imply any certification as to the investment quality of the Notes or our solvency, liquidity or credit quality. The information contained in this Offering Circular is exclusively our responsibility and has not been reviewed or authorized by the CNBV. The acquisition of the Notes by an investor who is a resident of Mexico will be made under its own responsibility.

The Notes will not be registered with the Mexican National Securities Registry (Registro Nacional de Valores) and may not be offered or sold publicly in Mexico, except that the Notes may be offered in Mexico pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law, to Mexican institutional and qualified investors.

Authorization and potential conflicts

Pursuant to resolutions adopted by our board of directors on December 20, 2012, we have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the Notes.

Except as disclosed herein, there are no potential conflicts of interest between any duties of any of the members of the board of directors of Crediamigo towards Crediamigo and their private interests and/or other duties.

Responsibility; no material adverse change; control

We accept responsibility for the information contained in this Offering Circular.

Since December 31, 2012, there has been no significant change in the financial or trading position of Crediamigo, and since December 31, 2012 there has been no material adverse change in the financial position or prospects of Crediamigo which is not otherwise disclosed in this Offering Circular.

Except as described in this Offering Circular, Crediamigo is not aware of any direct or indirect ownership or control of Crediamigo.

Documents available for inspection

For so long as the Program remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected in physical form during normal business hours at our executive offices and at the office of the fiscal and paying agent:

- (a) the annual audited historical consolidated financial statements included in this Offering Circular;
- (b) the Agency Agreement;
- (c) the Dealer Agreement;
- (d) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant holders.);
- (e) the constitutional documents of the Issuer; and
- (f) the base offering circular.

The fiscal and paying agent is The Bank of New York Mellon, 101 Barclay Street, New York, NY 10286

Registration

We are registered with the Public Registry of Commerce in Mexico City under commerce file (*folio mercantil*) number 308843.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Jones Day, New York, New York and by Jones Day México, S.C., México, Distrito Federal, Mexico.

INDEPENDENT AUDITORS

The financial statements of Prestaciones Finmart, S.A.P.I. de C.V. SOFOM, E.N.R. as of December 31, 2010, 2011 and 2012 and for each of the years then ended included in this Offering Circular, have been audited by Galaz, Yamazaki, Ruiz Urquiza, S.C. (member of Deloitte Touche Tohmatsu Limited), independent auditors, as stated in their report appearing therein.

Galaz, Yamazaki, Ruiz Urquiza, S.C. is a member of the Mexican Association of Public Accountants (*Colegio de Contadores Públicos de México, A.C.*).

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN MEXICAN GAAP AND IFRS

The financial information of the Issuer included in this Offering Circular is prepared and presented in accordance with Mexican GAAP (“MFRS”). Certain differences exist between MFRS and IFRS, which might be material to the financial information contained herein or to the accounting practice of other payroll lending entities. The Issuer has not prepared a quantitative reconciliation of its financial information included in this Offering Circular, from MFRS to IFRS. Accordingly, no assurance is provided that the following summary of differences is complete. In making an investment decision, investors must rely upon their own examination of the Issuer, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between MFRS and IFRS and how those differences might affect the financial information included herein.

Effects of Inflation

Under MFRS, the Issuer recognized the effects of inflation in its financial statements through December 31, 2007. Beginning January 1, 2008, new MFRS standards went into effect requiring entities to discontinue the recognition of inflation except when an economy, which is defined by the standard as having cumulative three-year inflation in excess of 26%.

IFRS requires recognition of the effects of inflation only in hyperinflationary economies (generally, an economy with cumulative inflation of more than 100% over the preceding three-year period).

Employee Benefits

MFRS requires the recognition of employee termination liabilities using actuarial calculations. In addition, entities are required to recognize deferred statutory employee statutory profit sharing benefits, which are measured based on temporary differences between tax and financial reporting basis liabilities, in a manner similar to the accounting for deferred income taxes.

Under IFRS, employee termination liabilities are generally not measured using actuarial calculations. In addition, IFRS does not contemplate the recognition of deferred statutory employee profit sharing.

Financial Instruments

MFRS includes recognition and derecognition, measurement and disclosure criteria for different types of financial instruments. Although some of the underlying principles are similar to those used by IFRS, several differences exist in the detailed application guidance. For example, MFRS does not allow for a fair value option while IFRS does allow for such option; MFRS tends to be less restrictive in practice for derecognizing financial assets when compared to IFRS; and both standards include detailed application guidelines for hedge accounting which may differ in certain significant respects. Further, certain disclosure requirements required by IFRS, including disclosure of about the exposure to credit risk, fair values and sensitivity analyses, among others, are not explicit in MFRS.

Investment in Associates

MFRS establishes that investments in associates should be accounted for using the equity method of accounting when the entity exercises significant influence over the investee. An entity is presumed to have significant influence when it holds between 10% and 50% of the investee when the investee is a public entity or 25% to 50% when the investee is not a public entity.

Similarly, IFRS establishes that investments in associates should be accounted for using the equity method of accounting when significant influence exists. In practice, however, significant influence is presumed to exist when the entity holds 20% to 50% of the investee.

Business Acquisitions

MFRS states that in the event consideration paid in a business acquisition is lower than value of identifiable assets and assumed liabilities of the acquired business, and after having reviewed the value of such items, an excess persists, long-term non-monetary assets should be reduced by such excess. If after reducing the aforementioned assets to zero, an excess still exists, an acquisition gain shall be recognized within results as a non-ordinary item.

Under IFRS, the acquirer shall reassess if all acquired assets and all assumed liabilities have been identified correctly, and shall recognize any adjustments identified pursuant to such review. The acquiring entity shall recognize a bargain purchase gain to the extent that the value of identifiable assets net of assumed liabilities continues to be greater than the acquisition consideration.

Presentation of Comprehensive Income

In conformity with MFRS, comprehensive income items are presented in the statement of stockholders' equity and do not require any additional presentation or disclosure.

Under IFRS, comprehensive income is presented in either a separate statement of comprehensive income, or as part of one continuous statement that includes the net profit or loss and other comprehensive income during the period.

Deferred Income Taxes

During 2007, the Mexican tax authorities issued a new business flat tax (referred to as "IETU"), which results in a dual-tax system in Mexico that includes the regular income tax and the IETU in which tax paying entities are required to pay the higher of regular income tax or IETU determined for the year. Under MFRS, entities must determine whether they will be principally subject to regular income tax or IETU and recognize deferred taxes accordingly. If an entity is unable to conclude which tax system to which it is principally subject, the entity is required to recognize deferred taxes under the tax system results in a higher net deferred tax liability or lower net deferred tax asset.

Under IFRS, entities are similarly required to determine whether they will be principally subject to regular income tax or IETU. However, if an entity is unable to conclude whether it will be principally subject to IETU or regular income tax, it may, under certain limited circumstances, be required to recognize deferred taxes using a hybrid approach that takes includes both deferred regular income tax and IETU.

INDEX TO FINANCIAL STATEMENTS

PRESTACIONES FINMART, S.A.P.I DE C.V., SOFOM, E.N.R.

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Independent auditors' report to the Board of Directors and Stockholders of Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada

We have audited the accompanying financial statements of Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (formerly, Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada) (the “Company”), which comprise the balance sheets at December 31, 2012, 2011 and 2010, the statements of operations, statements of changes in stockholders' equity and statements of cash flows for the years then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Mexican Financial Reporting Standards, and for such internal controls as management deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Responsibility of the Independent Auditors

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (formerly Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada) at December 31, 2012, 2011 and 2010, and its financial performance and its cash flows for the years then ended in accordance with Mexican Financial Reporting Standards.

Emphasis of Matter

As discussed in Note 2, the Company recognized a charge of \$92.5 million pesos for impaired loans in 2011.

As discussed in Note 2, the cash flow statements for the years ended December 31, 2011 and 2010 have been restated.

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

CPC Ricardo A. García Chagoyán

March 25, 2013

Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada
(Formerly, Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada)

Balance sheets

At December 31, 2012, 2011 and 2010
(Amounts in pesos)

Assets	2012	2011	2010
Cash and cash equivalents	\$ 132,940,761	\$ 97,030,326	\$ 78,548,158
Restricted cash equivalents	<u>14,870,395</u>	<u>11,946,912</u>	<u>9,925,073</u>
	147,811,156	108,977,238	88,473,231
Current loan portfolio:			
Consumer loans	1,223,700,088	1,045,424,960	708,946,825
Overdue loan portfolio:			
Consumer loans	<u>56,875,689</u>	<u>19,217,325</u>	<u>11,724,633</u>
Total loan portfolio	1,280,575,777	1,064,642,285	720,671,458
Allowance for loan losses	<u>(64,701,102)</u>	<u>(69,908,697)</u>	<u>(11,838,719)</u>
Loan portfolio, net	1,215,874,675	994,733,588	708,832,739
Other accounts receivable	3,510,986	9,070,540	38,051,309
Accounts receivable from government entities	196,864,598	132,697,113	-
Recoverable taxes, net	9,705,645	9,742,776	18,720,112
Furniture and fixtures, net	5,830,757	3,776,815	4,916,461
Other assets, net	<u>235,547,808</u>	<u>188,984,770</u>	<u>138,990,542</u>
Total assets	<u>\$ 1,815,145,625</u>	<u>\$ 1,447,982,840</u>	<u>\$ 997,984,394</u>

Liabilities and stockholders' equity	2012	2011	2010
Loans payable to banks and other entities	\$ 1,109,436,600	\$ 1,133,671,363	\$ 679,746,943
Loans payable to related parties	<u>262,045,951</u>	<u>158,968,770</u>	<u>86,134,548</u>
	1,371,482,551	1,292,640,133	765,881,491
Other accounts payable:			
Sundry creditors and other accounts payable	26,460,841	20,427,688	14,736,127
Collected commissions	25,487,923	26,104,619	12,953,996
Deferred income taxes	<u>14,192,815</u>	<u>2,224,269</u>	<u>10,855,342</u>
Total liabilities	1,437,624,130	1,341,396,709	804,426,956
Stockholders' equity			
Contributed capital:			
Common stock	366,941,828	118,885,336	118,719,113
Outstanding debentures	-	19,450,703	19,450,703
Share subscription premium	5,383,418	5,383,418	2,549,611
Contributions for future capital increases	<u>15,035,346</u>	<u>15,035,346</u>	<u>15,035,346</u>
	387,360,592	158,754,803	155,754,773
Earned capital:			
Legal reserve	1,648,344	1,648,344	1,648,344
Accumulated results of prior years	(53,817,016)	36,154,321	10,231,448
Other capital accounts	(30,535,381)	-	-
Net income (loss)	<u>72,864,956</u>	<u>(89,971,337)</u>	<u>25,922,873</u>
	<u>(9,839,097)</u>	<u>(52,168,672)</u>	<u>37,802,665</u>
Total stockholders' equity	<u>377,521,495</u>	<u>106,586,131</u>	<u>193,557,438</u>
Total liabilities and stockholders' equity	<u>\$ 1,815,145,625</u>	<u>\$ 1,447,982,840</u>	<u>\$ 997,984,394</u>

The accompanying notes form part of these financial statements.

Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada
(Formerly, Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada)

Statements of operations

For the years ended December 31, 2012, 2011 and 2010
(Amounts in pesos)

	2012	2011	2010
Interest income	\$ 536,755,019	\$ 463,712,675	\$ 286,558,544
Interest from investments in securities and bank accounts	8,263,658	3,748,198	5,211,389
Collected commissions and tariffs	15,649,907	17,564,996	37,479,117
Exchange rate fluctuation	<u>7,482,626</u>	<u>-</u>	<u>5,116,732</u>
Total interest income	568,151,210	485,025,869	334,365,782
Interest expense	(195,746,161)	(185,386,575)	(104,388,691)
Paid commissions and tariffs	(85,984,852)	(81,548,512)	(48,988,250)
Exchange rate fluctuation	<u>-</u>	<u>(17,256,202)</u>	<u>-</u>
Financial margin	286,420,197	200,834,580	180,988,841
Portfolio recovery	11,136,097	-	-
Allowance for loan losses	<u>(13,741,917)</u>	<u>(102,647,710)</u>	<u>(16,517,101)</u>
Total operating income before administrative expenses	283,814,377	98,186,870	164,471,740
Administrative expenses	<u>(195,682,954)</u>	<u>(187,761,349)</u>	<u>(133,611,111)</u>
Income (loss) from operations	88,131,423	(89,574,479)	30,860,629
Other proceeds (expenses), net	<u>9,788,670</u>	<u>(9,027,931)</u>	<u>2,061,565</u>
Income (loss) before income tax	97,920,093	(98,602,410)	32,922,194
Income taxes	<u>(25,055,137)</u>	<u>8,631,073</u>	<u>(6,999,321)</u>
Net income (loss)	<u>\$ 72,864,956</u>	<u>\$ (89,971,337)</u>	<u>\$ 25,922,873</u>

The accompanying notes form part of these financial statements.

Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada
(Formerly, Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada)

Statements of changes in stockholders' equity

For the years ended December 31, 2012, 2011 and 2010

(Amounts in pesos)

	CONTRIBUTED CAPITAL				EARNED CAPITAL				
	Common stock	Outstanding debentures	Share subscription premium	Contributions for future capital increases	Legal Reserve	Other capital accounts	Accumulated results of prior years	Net income (loss)	Total Stockholders' Equity
Balances, January 1, 2010	\$ 25,937,598	\$ -	\$ 2,549,611	\$ 7,035,346	\$ 92,147	\$ -	\$ (19,336,298)	\$ 31,123,943	\$ 47,402,347
Changes arising from stockholders' decisions:									
Application of the result from the previous year	-	-	-	-	-	-	31,123,943	(31,123,943)	-
Reimbursement of contribution for future capital increases	-	-	-	(2,000,000)	-	-	-	-	(2,000,000)
Contribution for future capital increases	-	-	-	10,000,000	-	-	-	-	10,000,000
Capital increase	92,781,515	-	-	-	-	-	-	-	92,781,515
Outstanding debentures	-	19,450,703	-	-	-	-	-	-	19,450,703
Creation of reserves	-	-	-	-	1,556,197	-	(1,556,197)	-	-
Total	<u>92,781,515</u>	<u>19,450,703</u>	<u>-</u>	<u>8,000,000</u>	<u>1,556,197</u>	<u>-</u>	<u>29,567,746</u>	<u>(31,123,943)</u>	<u>120,232,218</u>
Changes arising from comprehensive income-									
Net income	-	-	-	-	-	-	-	25,922,873	25,922,873
Total comprehensive income	-	-	-	-	-	-	-	25,922,873	25,922,873
Balances at December 31, 2010	118,719,113	19,450,703	2,549,611	15,035,346	1,648,344	-	10,231,448	25,922,873	193,557,438
Changes arising from stockholders' decisions:									
Application of prior year result	-	-	-	-	-	-	25,922,873	(25,922,873)	-
Refund of contribution for future capital increases	-	-	-	-	-	-	-	-	-
Contribution for future capital increases	-	-	-	-	-	-	-	-	-
Capital increase	<u>166,223</u>	-	<u>2,833,807</u>	-	-	-	-	-	<u>3,000,030</u>
Total	<u>166,223</u>	-	<u>2,833,807</u>	-	-	-	<u>25,922,873</u>	<u>(25,922,873)</u>	<u>3,000,030</u>
Changes arising from comprehensive income (loss)-									
Net loss	-	-	-	-	-	-	-	(89,971,337)	(89,971,337)
Total comprehensive loss	-	-	-	-	-	-	-	(89,971,337)	(89,971,337)
Balances at December 31, 2011	118,885,336	19,450,703	5,383,418	15,035,346	1,648,344	-	36,154,321	(89,971,337)	106,586,131
Changes arising from stockholders' decisions:									
Application of prior year result	-	-	-	-	-	-	(89,971,337)	89,971,337	-
Cancellation of outstanding debentures	-	(19,450,703)	-	-	-	-	-	-	(19,450,703)
Payment of bonuses agreed by stockholders, net of taxes	-	-	-	-	-	(30,535,381)	-	-	(30,535,381)
Capital increase	<u>248,056,492</u>	-	-	-	-	-	-	-	<u>248,056,492</u>
Total	<u>248,056,492</u>	<u>(19,450,703)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,535,381)</u>	<u>(89,971,337)</u>	<u>89,971,337</u>	<u>198,070,408</u>
Changes arising from comprehensive income -									
Net income	-	-	-	-	-	-	-	72,864,956	72,864,956
Total comprehensive income	-	-	-	-	-	-	-	72,864,956	72,864,956
Balances at December 31, 2012	<u>\$ 366,941,828</u>	<u>\$ -</u>	<u>\$ 5,383,418</u>	<u>\$ 15,035,346</u>	<u>\$ 1,648,344</u>	<u>\$ (30,535,381)</u>	<u>\$ (53,817,016)</u>	<u>\$ 72,864,956</u>	<u>\$ 377,521,495</u>

The accompanying notes form part of these financial statements.

Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada
(Formerly Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada)

Cash flow statements

For the years ended December 31, 2012, 2011 and 2010

(Amounts in pesos)

	2012	2011 Restated	2010 Restated
Operating activities:			
Income (loss) before income tax	\$ 97,920,093	\$ (98,602,410)	\$ 32,922,194
Related parties with investment activities:			
Depreciation and amortization	<u>1,801,946</u>	<u>1,466,764</u>	<u>1,581,887</u>
	99,722,039	(97,135,646)	34,504,081
(Increase) decrease of:			
Credit portfolio, net	(221,141,087)	(293,181,190)	(249,584,992)
Other accounts receivable	(58,967,310)	(103,716,344)	(10,653,288)
Other assets	(46,136,610)	(30,535,451)	(98,470,881)
Sundry creditors and other accounts			
receivable and payable, net	6,033,153	11,528,973	(3,244,993)
Proceeds from loans	1,008,283,741	712,145,218	717,194,436
Loan payment	(907,849,629)	(322,154,963)	(586,681,075)
Interest, net	(41,042,397)	136,768,386	5,528,489
Collected commissions	(616,696)	13,150,623	12,189,235
Income tax paid	-	(8,299,847)	(6,999,321)
Net cash used in operating activities	<u>(161,714,796)</u>	<u>18,569,759</u>	<u>(186,218,309)</u>
Investment activities:			
Acquisition of furniture and fixtures	(3,443,036)	(1,039,736)	(1,313,124)
Proceeds from sale of furniture and fixtures	-	1,034,258	-
Payments of installment and adaption expenses	<u>(442,770)</u>	<u>(1,060,305)</u>	<u>(1,598,730)</u>
Net cash (used in) provided by investment activities	(3,885,806)	(1,065,783)	(2,911,854)
Financing activities:			
Capital increase	248,056,492	3,000,031	112,232,218
Additional capital contribution for future increase of capital	-	-	8,000,000
Payment of bonuses agreed by stockholders	<u>(43,621,972)</u>	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>204,434,520</u>	<u>3,000,031</u>	<u>120,232,218</u>
Net increase (decrease) of cash and cash equivalents	38,833,918	20,504,007	(68,897,945)
Cash and cash equivalents at the beginning of the year	<u>108,977,238</u>	<u>88,473,231</u>	<u>157,371,176</u>
Cash and cash equivalents at yearend	<u>\$ 147,811,156</u>	<u>\$ 108,977,238</u>	<u>\$ 88,473,231</u>

The accompanying notes form part of these financial statements.

Prestaciones Finmart, S.A.P.I. de C.V.
Sociedad Financiera de Objeto Múltiple, Entidad No Regulada
(Formerly, Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto
Múltiple, Entidad No Regulada)

Notes to the financial statements

For the years ended December 31, 2012, 2011 and 2010
(Amounts in pesos)

1. Nature of business, incorporation and environment

Prestaciones Finmart, S.A.P.I. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, (formerly, Prestaciones Finmart, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada) (the “Company”) was incorporated on July 9, 2003, as evidenced by public deed number 2006 of January 31, 2009, as a Variable Capital Stock Corporation, Unregulated Multiple Purpose Financing Entity in accordance with Mexican laws. Furthermore, through public deed number 2006 of January 30, 2012, the Company adopted the legal form of Variable Capital Investment Promoter (“S.A.P.I.”), Unregulated Multiple Purpose Financing Company in accordance with Mexican laws. Its main activity involves granting cash loans to the workers of Mexican Public Sector Entities (the “Entities”) through previously executed agreements.

On October 12, 2010, the Company executed credit contracts with Deutsche Bank AG, as the main lender, and other institutions, which include certain related parties and CI Banco S.A., Institución de Banca Múltiple, as secondary lenders, in order to ensure its fulfillment of obligations and to create a funding structure to give continuity to its operations. The Company's capacity to continue funding its operations will depend on the collection of its credit portfolio. During 2011, the Company had credit lines for the amount of \$1,669 million pesos. As of December 31, 2012, these credit contracts were paid.

As the Company has no employees, it receives all legal, accounting and administrative services from an independent entity. Consequently, it is not subject to the joint and several liability which could arise due to the noncompliance with labor and tax obligations of the entity providing these administrative, personnel and operating services.

The main significant events which arose during 2012 are presented below:

Change in controlling stockholder

Through the purchase-sale contract dated January 30, 2012, the Company issued shares representing 60% of its fixed capital to Change Capital International Holding, B.V. (“Change Capital”), which, in turn, is controlled by EZCORP, Inc. (“EZCORP”); accordingly, as of that date, Change Capital acquired control of the Company. In connection with this purchase-sale contract, Change Capital is committed to make capital contributions of \$12 million U.S. dollars over three years. This agreement was ratified by the stockholders in the Stockholders' Extraordinary Meeting held on that date. Change Capital made the first capital contributions of \$6 million U.S. dollars and \$4.8 million U.S. dollars in 2012, while the remaining contributions will be made during 2013 and 2014.

Since it has assumed control of the Company, EZCORP has implemented certain operational changes including the prepayment of certain credits with high interest rates and obtaining lower financing rates with more advantageous terms. Management believes that these changes will result in improvements to the Company's financial performance.

The purchase-sale contract also included certain clauses stipulating the payment of a bonus to key Company officers, including certain minority stockholders, in the event of a successful transaction in three installments: a) the first payment of \$43,621,970 was made when the contract was executed between the Company and EZ Corp., which was recorded with a charge to stockholders' equity in the "Retained earnings" account, net of taxes; b) the second and third payments will be made in 2013 and 2014, and is contingent on Company Management under the profit growth plan detailed in the purchase-sale contract.

Finally, under the contract EZCORP is committed to acquire the remaining 40% of the Company's shares held by minority stockholders in subsequent years.

Capital increase – Through the unanimous resolution taken outside of the stockholder meeting structure on January 30, 2012, the stockholders agreed to declare a variable capital increase of \$263,890,000 through the issuance of 12,737,299 common Series "A" and Series "B", Class II shares at no par value, which have been subscribed and paid-in.

Credit portfolio acquisition – In September 2012, the Company acquired a payroll loan portfolio with a face value of \$20,664,852, excluding interest and VAT, from Fondo ACH, S.A. de C.V., SOFOM ENR in exchange for a payment of \$20,664,852.

Change of corporate denomination – Through the resolution unanimously taken outside the of the stockholder structure on January 30, 2012, the stockholders agreed that the Company would adopt the legal form of Variable Capital Investment Promoter ("S.A.P.I.") in accordance with Article 12 of the Stock Market Law. Accordingly, since that date the Company has operated under the name "Prestaciones Finmart, SAPI de C.V., SOFOM, ENR". This change required an adjustment to the Company's capital structure.

2. Principal accounting policies

The accompanying financial statements are compliant with Mexican Financial Reporting Standards ("NIF"). Their preparation requires that Company management make certain estimates and utilize assumptions to value certain items included in the financial statements and make the necessary disclosures. However, actual results may differ from these estimates. Based on its professional judgment, the Company's management believes that the estimates and assumptions utilized were reasonable under current circumstances.

Presentation of assets and liabilities - NIF A-7, "Presentation and Disclosure", allows for the presentation of assets and liabilities based on their ascending or descending order of relative liquidity. These balance sheets have therefore been prepared in this manner as it provides for more useful and reliable information than a short and long-term presentation, as the Company does not provide goods and services within a regular, clearly identifiable transaction cycle.

Financial statement grouping - According to NIF B-3, "Statement of Income", the Company has included a subtotal for operating income and loss in its statements of operations, which includes, among other things, the interest income and expense derived from lending activities and the commissions resulting from this activity. This grouping enhances the reader's understanding of the Company's economic and financial performance.

Accounting changes -

Beginning January 1, 2012, the Company adopted the following new NIFs:

NIF C-6, *Property, Plant and Equipment*. - Establishes the requirement to separately depreciate the components that are significant to items of property, plant and equipment.

Improvements to Mexican Financial Reporting Standards 2012. - The main improvements that result in accounting changes are as follows:

Bulletin B-14, *Earnings per Share*. - Requires the calculation and disclosure of diluted earnings per share when the entity has incurred a loss from continuing operations, regardless of whether or not there is net income for the period.

NIF C-1, *Cash and Cash Equivalents*. - Requires the presentation of restricted cash and cash equivalents within current assets on the balance sheet provided that the restriction expires within 12 months of the balance sheet date. If the restriction expires at a later date, the restricted amounts must be presented within noncurrent assets.

Bulletin C-11, *Stockholders' Equity*. - *Eliminates the rule requiring entities to recognize donations received directly to stockholders' equity. Instead donations received shall be recognized as revenue in the statement of income in accordance with NIF B-3, Statement of Income.*

Bulletin C-15, *Impairment in the Value of Long-lived Assets and their Disposal* – Eliminates a) the limitation that an asset that is not in use may be classified as held for sale, and b) reversal of goodwill impairment losses. The standard also stipulates that impairment losses related to long-lived assets should be classified in the statement of income within the appropriate cost and expenses line items, and not under other income and expenses, or as a special item.

Change in accounting estimate in 2011

In December 2011, the Company changed its estimate regarding the allowance for loan losses.

The previous estimate was based on reserving the entire off-the-payroll portfolio that was more than 150 days past due. During 2011, the Company upgraded its operating information systems, which has facilitated enhanced information regarding the loan portfolio and the collections history on certain classes of borrowers. As a result, management now records an allowance for loan losses on off-the-payroll portfolio with more than two overdue payments.

The change in estimate is recognized on a prospective basis in accordance with NIF B-1, *Accounting Changes and Corrections of Errors*, and produced an incremental pretax charge of \$92.5 million pesos to earnings (approximately \$64.7 after tax).

The most significant accounting policies implemented by the Company are described below:

Monetary unit of the financial statements – The financial statements and notes at December 31, 2012 and 2011 and for the years then ended include balances and transactions in pesos of different purchasing power.

Recognition of the effects of inflation – Since January 1, 2008, the Company has suspended the recognition of the effects of inflation in the financial statements. However, nonmonetary assets and liabilities and stockholders' equity include of inflation adjustments recognized through December 31, 2007.

At December 31, 2012 and 2011, the cumulative inflation of the last three years was 12.31%, 12.12% and 14.48%, respectively. Accordingly, as the economic environment is classified as non-inflationary for all years presented in these financial statements, the effects of inflation during these years have not been recognized. The inflationary percentages for the years ended December 31, 2012, 2011 and 2010 were 3.91%, 3.65% and 4.40%, respectively.

Cash and cash equivalents - Are mainly represented by bank deposits in checking accounts and investments in highly liquid, short-term securities which can be easily converted into cash and are subject to insignificant value fluctuation risks. Cash is presented at face value, while cash equivalents are valued at their fair value. Changes in fair value of cash equivalents are recognized in the results of the period.

Loan portfolio – Represents the balance of amounts loaned to borrowers plus uncollected accrued interest, which is classified as either the current or overdue portfolio. The allowance for loan losses is deducted from the loan portfolio balances.

The performing loan portfolio includes the outstanding loans of borrowers who are currently on employer payrolls and subject to automatic payroll deductions, as well as those that have been removed from the payrolls of the employer through which the loan was initially placed (“off-the-payroll”) and from whom the Company has received payment within the past 150 days.

The overdue portfolio includes principal and accrued interest of off-the-payroll loans for which the Company has not received payment within the past 150 calendar days.

Interest income is recognized as income as it is accrued.

Interest income accrued during the period in which the loan was classified within the overdue portfolio is recognized as income as accrued and fully reserved.

Execution of Agreements with Government Entities – As part of its credit placement strategy, the Company executes agreements with government entities in order to offer credit to their employees (the Company's borrowers). This activity is documented through credit contracts and promissory notes derived from the collaboration agreements executed with government entities, which establish the servicing of loans through payroll discounts based on the irrevocable instruction issued by borrowers to enable the entities to pay the Company on their behalf.

The administrative service provided by the entities to make payments on behalf of borrowers' results in a commission, which is detailed in the contract and represents a percentage ranging between 1% and 5% of the collected amount.

Allowance for loan losses - The allowance for loan losses represents the reserves created to cover possible losses derived from uncollectable loans.

The amount of the allowance for loan losses is composed of the balance of the principal and uncollected accrued interest of the off-the-payroll portfolio. This item is calculated monthly by increasing or decreasing its balance, as the case may be, for an amount equal to the principal and uncollected accrued interest of the off-the-payroll portfolio with two or more overdue payments at the calculation date.

Collections on off-the-payroll loans are carried out directly at the borrower's private domicile or workplace through collection agencies and the Company's call center.

Furniture and fixtures – Are recorded at their acquisition cost. Until December 31, 2007, assets derived from acquisitions were restated by applying factors taken from the National Consumer Price Index (“NCPI”) at that date. Depreciation is calculated according to the straight line method based on the estimated useful life of assets.

The useful lives of the main asset groups are detailed below:

	Rate
Furniture and fixtures	10%
Vehicles	25%
Computer equipment	30%
Machinery and equipment (electricity generator)	10%

Accounts receivable from entities – Represent the amounts deducted from borrowers’ payroll for, but not yet received by, the Company. Such amounts are reserved after 90 calendar days. At December 31, 2012, 2011 and 2010, the Company has not recorded an estimated reserve for this account because management and internal legal advisers believe that the Company will collect all amounts due.

Other assets - Are mainly represented by prepaid commissions, capitalized paid expenses derived from the funding discussed in Note 8, installment expenses and leasehold improvements. The amortization of prepaid commissions is calculated according to the straight line method over a three-year period; the amortization of capitalized expenses is calculated according to the straight-line method based on the life of the associated loan and/or underlying item, while the amortization of installment expenses is calculated using the straight-line method by applying the 5% rate which approximates its estimated useful life.

Impairment of long-lived assets in use - The Company reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the amounts mentioned above. The impairment indicators considered for these purposes are, among others, the operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, obsolescence, reduction in the demand for the products manufactured, competition and other legal and economic factors.

Loans with banks and other entities - Accrued interest associated with bank loans is recorded in the results of the year as an interest expense and applied throughout the loan period.

Foreign currency transactions – Foreign currency transactions are recorded at the exchange rate in effect when each transaction is performed. Monetary assets and liabilities denominated in foreign currency are valued in Mexican pesos based on the exchange rate in effect at the date of the financial statements. Exchange rate fluctuations are recorded in results.

Provisions - Are recognized when the Company has a current obligation as a result of a past event that will probably result in the disbursement of economic resources and can be fairly estimated.

Net worth restatement effects – Represent contributed and earned capital restated at December 31, 2007 by utilizing NCPI factors. As the Company has operated in a non-inflationary environment since 2008, it has not recognized the effects of inflation of the period on contributed and earned capital.

Income taxes - Income Tax (“ISR”) and Business Flat Tax (“IETU”) are recorded in the results of the year in which they are incurred. In order to recognize deferred tax, the Company determines whether, based on financial and tax projections, it will incur ISR or IETU; it then recognizes the deferred tax which it expects to pay. Deferred tax is recognized by applying the respective rate to the temporary differences obtained by comparing the accounting and tax values of assets and liabilities and, if applicable, including the advantages of tax loss carryforwards and certain tax credits. The deferred tax asset is only recorded when its recovery is highly likely.

Recognition of interest income - The interest derived from granted loans is recognized by applying the credit with increasing payments to principal, which are recorded in the statement of income as they are accrued according to the terms and interest rates detailed in the contracts executed with borrowers. This method is very similar to the effective interest method established by International Financial Reporting Standards ("IFRS"), IAS18, "Revenue recognition", which is applicable on a supplementary basis to the NIF, because they do not contain a specific standard regarding the calculation methodology used to recognize income composed by portfolio interest in accounting.

Income from collected commissions – Prepaid credit placement commissions are recorded as a deferred liability and recognized under the interest income heading by applying the straight line method over a three-year period, which corresponds to the weighted average term of the loan portfolio.

Prepaid commissions - Are recorded as a deferred expense which is applied according to the straight line method over a three-year period, which corresponds to the weighted average term of the loan portfolio.

Expense recognition – The expenses generated by Company Management are recognized in the statement of income as they are accrued.

Comprehensive income – Is the modification of stockholders' equity during the year based on items other than capital contributions, reductions or distributions. Comprehensive income is composed of the net result of the year and other items representing a gain or loss of the same period, which are directly presented in stockholders' equity without affecting the statement of income. For the years ended December 31, 2012, 2011 and 2010, comprehensive income is represented by the net result of the year.

Cash flow statement - The cash flow statement represents the Company's capacity to generate cash and cash equivalents, while also indicating the manner in which it utilizes these cash flows to cover these requirements. The NIF establish the possibility of determining and presenting the cash flows derived from operating activities by using the direct or indirect method. The Company decided to utilize the indirect method. The cash flow statement form 2011 and 2010 has been restated to present prepaid funding and the collected and prepaid commissions in cash flows from operating activities, for comparative purposes to 2012. The effects of such reclassifications are as follows:

	2011		2010	
	As previously reported	As restated	As previously reported	As restated
Cash provided by (used in) operating activities	\$ (492,019,033)	\$ 18,569,759	\$ (323,764,232)	\$ (186,218,309)
Cash provided by (used in) investing activities	\$ 20,569	\$ (1,065,783)	\$ (6,524,513)	\$ (2,911,854)
Cash provided by financing activities	\$ 529,758,672	\$ (3,000,031)	\$ 256,274,068	\$ 120,232,218

3. Cash and cash equivalents

At December 31, are composed as follows:

	2012	2011	2010
Cash and bank deposits	\$ 22,030,090	\$ 5,552,509	\$ 4,258,614
Cash equivalents (1)	<u>110,910,671</u>	<u>91,477,817</u>	<u>74,289,544</u>
	132,940,761	97,030,326	78,548,158
Restricted cash equivalents (2)	<u>14,870,395</u>	<u>11,946,912</u>	<u>9,925,073</u>
Total	<u>\$ 147,811,156</u>	<u>\$ 108,977,238</u>	<u>\$ 88,473,231</u>

(1) At December 31, cash equivalents are composed as follows:

Institution	Period days	Instrument	2012	2011	2010
HSBC, S.A.	1	Term investment	\$ 57,040,634	\$ 79,083,614	\$ -
HSBC, S.A.	3	Term investment	-	-	35,528,295
Banco del Bajío, S.A.	1	Term investment	-	-	25,002,708
Banco Santander, S.A.	3	Term investment	-	-	10,501,067
Banco Santander, S.A.	31	Term investment	8,248,034	-	-
CI Banco, S.A.	1	Term investment	44,005,439	11,004,226	3,257,474
Banco Invex, S.A.	31	Term investment	<u>1,616,564</u>	<u>1,389,977</u>	<u>-</u>
			<u>\$ 110,910,671</u>	<u>\$ 91,477,817</u>	<u>\$ 74,289,544</u>

(2) Restricted cash equivalents are composed as follows:

The credit contract executed between CI Banco, S.A. Institución de Banca Múltiple and the Company for current account No. 10CC14 with a fiduciary guarantee establishes that, in order to guarantee timely compliance, payment and satisfaction at the maturity of all the obligations detailed in the contract and respective credit promissory notes, contributions will be made to an irrevocable management, payment and guarantee trust in the name of the lender to cover initial and future collection rights. Accordingly, at December 31, 2012, 2011 and 2010, the Company has a reserve account to guarantee the payment of \$14,870,395, \$11,946,912 and \$9,925,073, respectively, during the immediately following month.

4. Loan portfolio, net

At December 31, is composed as follows:

Item	2012	2011	2010
Current loan portfolio			
Current payroll deduction loan portfolio	\$ 998,067,610	\$ 825,714,144	\$ 552,009,170
Off-the-payroll loan portfolio	<u>13,828,076</u>	<u>37,830,035</u>	<u>-</u>
	1,011,895,686	863,544,179	552,009,170
Uncollected accrued interest	<u>211,804,402</u>	<u>181,880,781</u>	<u>156,937,655</u>
Total current credit portfolio	1,223,700,088	1,045,424,960	708,946,825
Overdue credit portfolio	34,937,358	11,195,848	7,311,742
Uncollected overdue accrued interest	<u>21,938,331</u>	<u>8,021,477</u>	<u>4,412,891</u>
Total overdue credit portfolio	<u>56,875,689</u>	<u>19,217,325</u>	<u>11,724,633</u>
	1,280,575,777	1,064,642,285	720,671,458
Allowance for loan losses	<u>(64,701,102)</u>	<u>(69,908,697)</u>	<u>(11,838,719)</u>
Total credit portfolio	<u>\$ 1,215,874,675</u>	<u>\$ 994,733,588</u>	<u>\$ 708,832,739</u>

For the year ended December 31, movements of the allowance for loan losses are composed as follows:

	2012	2011	2010
Opening balance of the year	\$ (69,908,697)	\$ (11,838,719)	\$ (12,959,110)
Estimates charged to the results of the year	(13,741,917)	(10,089,624)	(16,517,101)
Charge due to change in estimate (1)	-	(92,494,021)	-
Write-offs of the year	22,670,085	44,513,667	17,637,492
Cancellation of excess rebates	<u>(3,720,573)</u>	<u>-</u>	<u>-</u>
Closing balance of the year	<u>\$ (64,701,102)</u>	<u>\$ (69,908,697)</u>	<u>\$ (11,838,719)</u>

- (1) ***Change of methodology used to calculate the allowance for loan losses*** - In December 2011, the Company made a change in estimate regarding the “allowance for loan losses”. The Company changed the methodology used to determine the allowance for loan losses which, until December 31, 2010, was calculated by using the off-the-payroll credit portfolio balance with nonpayment of more than 150 days. At December 31, 2011, the Company adopted the criterion of reserving the entire off-the-payroll credit portfolio value. An amount is classified as off-the-payroll when the borrower is no longer an employee of the entity through which the credit was initially placed. The balance recorded in results for 2011 as a result of this change is \$92,494,021 for write-offs performed during the year.

On October 27, 2011, the Company executed a contract with BNP Paribas Personal Finance S.A. de C.V., SOFOL Filial (“BNP”), through which BNP transferred credit rights to a loan portfolio to the Company, without any limitation, recourse or liability whatsoever derived from the contract. The Company therefore acquired ownership and possession of these credit rights.

Through this contract, the parties agreed that, in exchange for the transfer of credit rights/instruments, the Company would pay BNP the amount of \$84 million pesos, of which the amount of \$67.5 million pesos refers to the credit portfolio with less than 90 days' overdue, while the amount of \$16 million pesos involves the credit portfolio with more than 90 days' overdue.

On September, 2012, the Company executed a contract with ACH, S.A. de C.V.M SOFOM ENR, through which ACH transfers credit rights to the Company, without any limitation, recourse or liability whatsoever derived from the contract executed with the latter. The Company therefore acquired ownership and possession of these credit rights.

Through this contract, the parties agreed that, in exchange for the transfer of credit rights/instruments, the Company would pay ACH the amount of \$20.6 million pesos.

The portfolio for which these credit rights are granted is composed as follows:

	Thousands of pesos
Outstanding balance	
Balance to capital	\$ 20,664,852
Interest	22,585,616
VAT	<u>3,137,169</u>
	<u>\$ 46,387,637</u>
Interest	
Accrued, uncollected interest	<u>\$ 2,917,828</u>
Unaccrued interest	<u>\$ 19,667,788</u>

The cutoff date for transferring these rights was applicable as of September 30, 2012 and considers the payment applied at the date. Accordingly, any amounts which have not been applied since October 1, 2012 will be paid to the Company.

General credit granting conditions -

Amounts and terms -

The periods established for the payment of credits and the respective interest fluctuate between 12 and 48 months. The credit amount and interest are guaranteed by a promissory note.

The main entities with credits granted to their workers are as follows:

Entities	2012	2011	2010
Social Security Institute for State Service Workers (Instituto de Seguridad Social de Trabajadores al Servicio del Estado)	\$ 322,722,732	\$ 349,089,600	\$ 162,592,678
Ministry of Public Education (SEP Nacional / Crediamigo)	250,743,614	194,419,713	-
Labor Union of Workers of Education of Sinaloa-Sec 27	71,851,724	76,285,049	-
National Labor Union of Workers of the State of Michoacan	-	-	58,490,041
National Labor Union of Workers of the State of Culiacan, Sinaloa	-	-	45,555,968
Ministry of Public Education Morelia-Michoacán (SEP)	66,100,951	57,873,166	-
State Government of Sonora	31,029,152	24,306,495	16,206,799
State Government of Oaxaca	29,734,702	-	-
National Autonomous University of México	27,697,311	-	-
State Government of Baja California.	27,273,926	36,876,558	45,198,614
National Labor Union of Workers of Education of State of Michoacan (State)	-	-	21,148,472
State Government of México.	26,818,955	-	20,078,860
Secretary of Public Education Morelia - Michoacan (State)	20,090,862	16,888,454	-
Secretary of Public Education	-	-	21,155,863
City Council of Ciudad Juarez-Chihuahua	19,511,084	8,692,745	-
Government of Estate of Sinaloa	19,687,505	-	-
Ministry of Public Education of Chiapas- Section 7 (SEP)	25,311,186	16,220,963	-
Labor Union of Workers of Education of Guerrero- Section 14.	22,839,447	23,563,957	-
National Labor Union of Workers of State of Guerrero	-	-	18,935,051
Mexican Institution of Social Security (Instituto Mexicano del Seguro Social)	20,518,350	-	-
Superior Court of Justice of Federal Distrit	20,178,276	22,240,550	16,084,069
Secretary of the Interior (Secretaría de Gobernación)	17,761,687	-	-

Entities	2012	2011	2010
Labor Union of Workers of Education of Section 37 de Mexicali- Baja North of California	19,784,466	20,184,503	-
Gobierno del Distrito Federal.	15,362,691	25,656,875	53,517,162
Secretaria de Salud Sección 50 del Estado de Chiapas	12,541,439	-	-
National Labor Union of Workers of State of Sinaloa, Section 53	11,699,352	-	-
Public Transport System (Metro)	10,879,244	-	-
State Government of Michoacan	8,534,634	7,855,215	-
City Council of Carmen- Campeche	6,137,596	-	-
City Council of Torreon- Coahuila	8,017,678	11,322,735	-
City Council of Acapulco, Guerrero	-	-	14,905,544
State Government of South of Baja California	9,409,076	-	-
Municipio de Juárez, Chihuahua	-	-	14,055,599
City Council of Ensenada- Baja California	7,948,178	8,129,922	8,151,458
City Council of Tijuana, Baja California	-	-	17,570,028
Asociación Sindical de Personal Académico de la Benemérita Univ. Autónoma de Puebla	8,616,648	17,126,062	16,621,422
City Council of Reynosa- Tamps	6,512,583	-	-
City Council of Gomez Palacio, Durango	-	-	11,260,273
City Council of Cabos, Baja California	-	-	8,658,539
National Labor Union of Workers of Education of Quintana Roo, Section 25	-	7,378,270	-
National Labor Union of Workers of Health Secretary of Zacatecas, Section 39	-	7,877,823	-
A City Council of Victoria	8,018,245	-	-
Municipality of Gómez Palacio- Durango	-	6,742,599	-
Other agreements	<u>127,242,483</u>	<u>125,911,031</u>	<u>150,485,018</u>
Total loan portfolio	<u>\$ 1,280,575,777</u>	<u>\$ 1,064,642,285</u>	<u>\$ 720,671,458</u>

The gross portfolio composed of 91,785 for 2012, 80,218 for 20122, and 59,308 for 2010 credits at the end of each year, shows that 60%, 67% and 51% of the total gross portfolio involved five and six main entities each year, respectively.

5. Other accounts receivable

At December 31, are composed as follows:

Item	2012	2011	2010
Sundry debtors (1)	\$ 2,375,586	\$ 6,376,418	\$ 30,300,697
Debtor distributors	50,000	1,566,680	6,872,700
Supplier advances	1,085,400	1,045,379	877,912
Others	<u>-</u>	<u>82,063</u>	<u>-</u>
	<u>\$ 3,510,986</u>	<u>\$ 9,070,540</u>	<u>\$ 38,051,309</u>

- (1) This item is mainly composed of advances paid to commission agents for a) credit placement; b) the execution of a new agreement with an Entity, and/or c) collection. These payments are recognized within the uncollected account until the commission agent concludes the collection activity and presents the respective payment receipt.

6. Recoverable taxes (payable), net

At December 31, the net recoverable (payable) taxes heading is composed as follows:

	2012	2011	2010
Recoverable income tax	\$ 7,322,360	\$ 10,695,574	\$ 15,035,243
Value added tax	2,147,232	(1,086,656)	4,252,861
Withheld taxes payable	-	-	(567,992)
Other recoverable taxes	<u>236,053</u>	<u>133,858</u>	<u>-</u>
	<u>\$ 9,705,645</u>	<u>\$ 9,742,776</u>	<u>\$ 18,720,112</u>

7. Furniture and fixtures, net

At December 31, are composed as follows:

Item	2012	2011	2010	Beginning of 2010
Furniture and office equipment	\$ 3,726,427	\$ 3,726,427	\$ 3,677,812	\$ 3,338,557
Computer equipment	3,893,048	2,706,936	3,614,828	3,178,327
Machinery and equipment	341,819	341,819	341,820	-
Vehicles	<u>2,258,188</u>	<u>-</u>	<u>195,548</u>	<u>-</u>
	10,219,482	6,775,182	7,830,008	6,516,884
Less - Accumulated depreciation	<u>(4,388,725)</u>	<u>(2,998,367)</u>	<u>(2,913,547)</u>	<u>(1,680,185)</u>
Total	<u>\$ 5,830,757</u>	<u>\$ 3,776,815</u>	<u>\$ 4,916,461</u>	<u>\$ 4,836,699</u>

At December 31, 2012, 2011 and 2010, the charge to results for depreciation was \$1,389,094, \$1,119,078 and \$ 1,233,362, respectively.

8. Other assets, net

At December 31, are composed as follows:

Item	2012	2011	2010
Prepaid commissions (1)	\$ 158,481,525	\$ 126,614,063	\$ 87,755,694
Advisory and legal expenses (2)	67,882,662	53,170,744	42,853,816
Guarantee deposits	1,884,814	1,926,646	1,820,335
Intangible assets	-	4,427	4,427
Others	<u>772,500</u>	<u>772,501</u>	<u>772,500</u>
	229,021,501	182,488,381	133,206,772
Installment and adaptation expenses	8,608,615	8,165,845	7,105,540
Less - Amortization of installment and adaptation expenses	<u>(2,082,308)</u>	<u>(1,669,456)</u>	<u>(1,321,770)</u>
	<u>6,526,307</u>	<u>6,496,389</u>	<u>5,783,770</u>
Total	<u>\$ 235,547,808</u>	<u>\$ 188,984,770</u>	<u>\$ 138,990,542</u>

At December 31, 2012, 2011 and 2010, the charge to results for amortization was \$412,852, \$347,686, and \$348,525, respectively.

- (1) The Company pays commissions for: a) credit placement; b) the execution of a new agreement with an Entity, and/or c) collection. Commissions are presented under this heading once the commission agent has concluded its collection activity and presented the respective payment receipt to the Company.
- (2) Advisory and legal expenses primarily involve the fees paid to attorneys, accountants and consultants, as well as other costs directly attributable to the issuance. As discussed in Note 9, on October 12, 2011, the Company executed a credit contract for which it incurred certain expenses which, due to its legal structure and business strategy, were capitalized. Likewise, during 2012, the Company incurred expenses for the fees paid to attorneys, accountants and consultants, together with other costs directly attributable to the securitized bond issuance of July 17, 2012. These expenses are being applied during the five-year securitization period.

9. Loans with banks and other entities

At December 31, are composed as follows:

Institution	Currency Type	Maturity periods (months)	Guarantee (1)	Average Weighted Rate	Total Credit Line	Utilized Credit Line	Unused Credit Line	Credit Type	2012	2011	2010
Securitized liabilities	Pesos	60	100%	TIIE plus Spread	\$ 420,000,000	\$ 420,000,000	\$ -	With Portfolio guarantee	\$ 420,000,000	\$ -	\$ -
Texas EZPAWN	Pesos	36	No Guarantee	Fixed (2)	180,214,900	180,214,900	-		180,214,900	-	-
CI Banco, S.A., Institución de Banca Múltiple	Pesos	36	100%	Fixed (2)	250,000,000	183,724,496	66,275,504	With Portfolio guarantee	183,724,496	242,597,839	228,476,168
Deutsche Bank AG	Pesos	50	100%	TIIE plus Spread	-	246,000,000	-	Secured by loan portfolio	-	246,000,000	123,620,000
Alsis Latin America Fund, L.P.	Pesos	50	100%	TIIE plus Spread	-	65,855,059	-	Secured by loan portfolio	-	65,855,059	33,800,000
Semper Augustus B.V.	Pesos	50	100%	TIIE plus Spread	-	124,320,000	-	Secured by loan portfolio	-	124,320,000	67,700,000
Banco Invex, S.A. de C.V.	Pesos	48	100%	TIIE plus Spread	50,000,000	27,062,853	22,937,147	With Portfolio guarantee	27,062,853	43,729,485	-
Vehículos Líquidos Financieros, S.A.P.I. SOFOM ENR	Pesos	42	100%	TIIE plus Spread	50,000,000	50,000,000	-	With Portfolio guarantee	50,000,000	50,000,000	-
Ficade, S.A. de C.V., SOFOM ENR	Pesos	60	100%	Fixed (2)	300,000,000	223,550,000	76,450,000	With Portfolio guarantee	223,550,000	75,500,000	-
Entities	Pesos	12, 24 and 36	No Guarantee	Fixed (2)				Without credit guarantee	182,764,161	175,437,733	158,607,683
Individuals	Pesos y USD	12, 24, 36 and 48	No Guarantee	Fixed (2)				Without credit guarantee	<u>96,590,350</u> 1,363,906,760	<u>220,581,828</u> 1,244,021,944	<u>139,675,452</u> 751,879,303
Unpaid accrued interest									<u>7,575,791</u>	<u>48,618,189</u>	<u>14,002,188</u>
									<u>\$ 1,371,482,551</u>	<u>\$ 1,292,640,133</u>	<u>\$ 765,881,491</u>

(1) The guarantee is the same amount of the loan received for the loan asset.

(2) The fixed rates are between 7% and 20%.

Debt securitization

On July 17, 2012, the Company made its first public issuance through the assignment of a portfolio of eligible credit collection rights of an Issuer Fund, which will issue fiduciary securitization certificates. The Company continues to perform administrative and collection management activities related to the Portfolio. This issuance was authorized through the resolution unanimously taken by the Board of Directors on April 26, 2012, which authorized an amount of up to \$1,500,000,000. The first tranche was on July 19, 2012 for an amount of \$420,000,000.

Through the above transaction, the Company strengthened its financing structure, while also obtaining reduced interest rates and settling liabilities contracted in 2010 with Deutsche Bank, Alsis Fund and Semper Augustus.

The Company incurred certain expenses to close the securitization transaction, thus resulting in a cost of approximately \$36 million pesos.

The securitization process operates through a trust structure which the Company created at the end of 2010 for the liabilities contracted with Deutsche Bank. This structure consists of the creation of a Master Trust (the "Trust"), which allows the participation of different creditors.

The structure of this Trust, which will be administered, has the following characteristics:

- a. Offer an alternative payment mechanism for each of the Beneficiaries funding the credits granted to the employees of the Entities with which the Company has executed collaboration agreements.
- b. This mechanism is independent of the Company's primary obligation to pay the credit granted by each of the Beneficiaries.
- c. The credits granted to the Company are guaranteed by the cash flow derived from the payments made by each of the Entities to the Trust.
- d. The Trust will transfer to the Beneficiaries the amounts received by the Trust and which are related to the Credit Contracts and Promissory Notes funded by each Beneficiary. Accordingly, each creditor is a first Beneficiary as regards the transactions it funds.
- e. The Trust functions as a collection agent for the rights of the different Beneficiaries.
- f. The Beneficiaries are:
 - i. Deutsche Bank Guarantee Trust
 - ii. CI Banco Guarantee Trust
 - iii. A Guarantee Trust for each new creditor
- g. Based on the Management Contract executed with the Trust, the Company performs collection management activities.

The structure detailed above is designed to eventually make public issuances and obtain access to lower-cost funding.

Texas EZ Pawn, L.P.

On January 30, 2012, the Company entered into an unsecured revolving loan agreement with Texas EZPAWN, L.P., a subsidiary of EZCORP, for borrowings of up to \$140 million pesos. On July 17, 2012, the maximum borrowings under this line of credit line were increased up to \$265.3 million pesos. This loan bears interest at a fixed 10% rate and has a maturity date of January 31, 2015.

CI Banco, S.A., Institución de Banca Múltiple.

On October 12, 2010, the Company entered into a secured revolving loan agreement with CI Banco, S.A.,

Institución de Banca Múltiple, for an amount of \$250 million pesos. The term of the facility is 36 months from the first borrowing, which was on October 15, 2010. This loan bears interest at a floating rate of TIIE plus 130 basis points. The loan is secured by a portion of the Company's accounts receivable.

Deutsche Bank AG, London Branch; Alsis Latin America Fund, L.P.; Semper Augustus B.V.

On October 12, 2010, the Company entered into a secured loan agreement with Deutsche Bank AG, London Branch for an amount of up to \$731,293,752, from which Deutsche Bank AG, London Branch or any of its assignees (including Semper Augustus, B.V.) were committed to extend up to \$621.6 million pesos as senior lenders, and Alsis Mexico Opportunities Fund Holdings, L.P. was committed to extend up to \$109,693,752 as a subordinated lender. The term of the facility was 50 months from the execution date. This loan bore interest at a floating rate of TIIE plus 12.5% for the senior Loan and TIIE plus 20% for the subordinated loan. The loan was repaid in July 2012 using proceeds of the securitization.

Banco Invex, S.A., Institución de Banca Múltiple.

On April 7, 2011, the Company entered into a secured loan agreement with Banco Invex, S.A., Institución de Banca Múltiple, for an amount of \$25 million pesos. On September 23, 2011 the Company entered into a second secured loan agreement for an additional amount of \$25 million pesos. The term of the facility is 42 months from the execution date of each loan agreement. This loan bears interest at a floating rate of TIIE plus the spread agreed in each borrowing, which was 9%. The loan is secured by a portion of the Company's accounts receivable.

Vehículos Líquidos Financieros, S.A.P.I., SOFOM, ENR

On August 10, 2011, the Company entered into a secured loan agreement with Vehículos Líquidos Financieros, S.A.P.I., SOFOM, ENR for an amount of \$50 million pesos. The term of the facility is 48 months from the execution date. This loan bears interest at a fixed annual rate of 15%. The loan is secured by a portion of the Company's accounts receivable.

Ficade S.A. de C.V., SOFOM, ENR

On October 28, 2011, the Company agreed to guarantee a credit agreement between Ficade, S.A. de C.V., SOFOM ENR and HSBC, as trustee under the "Ficade" trust. The Ficade trust was created to assign certain credit rights that would secure, as a collateral, the Ficade loan whose proceeds would be received into the trust and transferred to Crediamigo. The loan is for an amount of up to \$300 million pesos and the loan matures on April 30, 2017.

Mount Helicon, L.P.

On July 15, 2012 the Company entered into a loan agreement with Mount Helicon, L.P. for an amount of Ps. 166.1 million. The loan is unsecured and matures on December 15, 2013. The annual interest rate is 15%.

Opciones Financieras Múltiples S.A. de C.V., SOFOM, ENR

On May 7, 2012, the Company entered into an unsecured loan agreement with Opciones Financieras Múltiples S.A. de C.V., SOFOM, E.N.R in the amount of Ps. 7.1 million. The loan matures on March 18, 2013 and bears interest at a fixed annual rate of 10%.

Brainbeam, S. de R.L. de C.V.

On November 27, 2009, the Company entered into a loan agreement with Brainbeam, S. de R.L. de C.V. for an amount of Ps. 10 million. The loan is unsecured and matures on May 27, 2015. The annual interest rate is 10%.

Borrowings from Individuals

The Company has entered into credit agreements with ten individuals, most of whom are shareholders of Crediamigo or other related parties. The loans are unsecured, and loan amounts range between Ps. 0.2 million and Ps. 66.1 million. The average loan amount is approximately Ps. 8.1 million. The annual interest rate is 10% for nine of these loans and 11% for the remaining loan. All of these loans mature at varying dates during 2014.

10. Sundry creditors and other accounts payable

At December, this heading is composed as follows:

Item	2012	2011	2010
Suppliers	\$ 18,478,195	\$ 17,460,874	\$ 2,852,081
Sundry creditors (1)	6,734,113	1,523,885	11,884,046
Payable taxes	<u>1,248,533</u>	<u>1,442,929</u>	<u>-</u>
Total	<u>\$ 26,460,841</u>	<u>\$ 20,427,688</u>	<u>\$ 14,736,127</u>

- (1) At December 31, 2010, the amount refers to undelivered amounts related to collections received from the administered portfolio, because the Company renders services as placement agent on account of another institution which grants the credit line and the Company acts as intermediary between the party granting the cash and the borrower. For this service the Company collects commissions which are stipulated in the contract between both parties.

11. Transactions and balances with related parties

Balances with related parties are composed as follows:

Item	2012	2011	2010
Payable:			
Capital loans:			
Individuals	\$ 70,022,745	\$ 27,280,597	\$ 17,163,078
Semper Augustus B.V.	-	124,320,000	67,700,000
Texas EZ Pawn, L.P	180,214,900	-	-
Brainbeam S. de R.L. de C.V.	<u>10,000,000</u>	<u>-</u>	<u>-</u>
Total capital	260,237,645	151,600,597	84,863,078
Unpaid accrued loan interest:			
Individuals	1,062,716	1,125,406	725,743
Semper Augustus B.V.	-	-	545,727
Texas EZ Pawn, L.P	700,832	-	-
Brainbeam S. de R.L. de C.V.	<u>44,758</u>	<u>6,242,727</u>	<u>-</u>
Total unpaid accrued interest	<u>1,808,306</u>	<u>7,368,173</u>	<u>1,271,470</u>
Total	<u>\$ 262,045,951</u>	<u>\$ 158,968,770</u>	<u>\$ 86,134,548</u>

- a. The main transactions performed with related parties are detailed below:

	2012	2011	2010
Interest expenses:			
Individuals	\$ 11,512,962	\$ 5,413,303	\$ 4,496,816
Semper Augustus B.V.	-	-	51,063,625
Entities	<u>31,088,429</u>	<u>24,973,913</u>	<u>-</u>
Total	<u>\$ 42,601,391</u>	<u>\$ 30,387,216</u>	<u>\$ 55,560,441</u>

12. Stockholders' equity

At December 31, common stock at face value is composed as follows:

	Number of shares			Amount		
	2012	2011	2010	2012	2011	2010
Fixed capital:						
Series "A"	50,000	50,000	50,000	\$ 50,000	\$ 50,000	\$ 50,000
Variable capital:						
Series "B", "C"						
and "D" shares	<u>30,519,521</u>	<u>17,782,222</u>	<u>17,721,000</u>	<u>370,797,076</u>	<u>122,740,505</u>	<u>119,740,475</u>
Total	<u>30,569,521</u>	<u>17,832,222</u>	<u>17,771,000</u>	<u>\$ 370,847,076</u>	<u>\$ 122,790,505</u>	<u>119,790,475</u>

Variable capital is unlimited; the Company's minimum fixed capital without withdrawal rights is \$50,000.

Pursuant to a resolution unanimously adopted by Company's stockholders on July 15, 2010, an increase in variable capital for \$10 million was approved, which was subscribed proportionally by the stockholders based on their subscribed and paid in equity held. Consequently, the theoretical face value of the representative shares rises in proportion to such increase.

The resolution taken at the stockholders' meeting of the Company held on December 22, 2010 approved the following measures:

- I) Release 1,632,566 Series "C" shares with a value of \$1,632,566, deposited in treasury; such shares are acquired and paid by Semper Augustus, BV, plus a share subscription premium of \$9.51 each share, which comes to \$15,524,657.
- II) An increase in variable capital for \$11,081,619.80 through the issuance of 3,936,885 Series "B" shares and 144,533 Series "C" shares; the subscription price per share is established at \$2.7151 plus a share subscription premium which when paid will be capitalized.
- III) The share issue was subscribed and paid in as follows:
 1. Brainbeam, Sociedad de R.L. de C.V. capitalizes its contribution for future capital increases in the amount of \$40,000,000, acquiring 816,283 shares at a price of \$2.7151 each share, plus a share subscription premium of \$46.49.
 2. Jerónimo de Yturbe Sordo capitalizes his contribution for future capital increases in the amount of \$13,742,379.82, acquiring 280,442 shares at a price of \$2.7151 each share, plus a share subscription premium of \$46.2874.

3. Luiz Ferezin capitalizes his contribution for future capital increases in the amount of \$10,000,000, acquiring 204,071 shares at a price of \$2.7151 each share, plus a share subscription premium of \$46.2874.
4. Semper August B.V. acquires 144,533 Series “C” shares at a price of \$2.7151 each share, plus a share subscription premium of \$1,766,843.

During 2010, based on different entries made in the minutes book, it is agreed to subscribe treasury shares agreed in the respective Meetings held previously for the total amount of \$1,550,943. Such shares are already subscribed and paid in as of December 31, 2010.

Through the Resolution unanimously taken on January 11, 2012, stockholders agreed to cancel 2,574,867 Series “B” shares which had been deposited with the treasury. Furthermore, stockholders declared a variable capital reduction of \$48,913,917.93 based on the cancellation of 6,944,384 Series “B” and 302,598 Series “D” shares.

Through the Resolution unanimously taken on January 13, 2012, stockholders agreed to declare a variable capital increase of \$48,913,917.93 through the subscription of 7,246,982 shares.

Finally, through the resolution unanimously taken outside the meeting structure on January 30, 2012, Stockholders agreed to increase the Company's variable capital by \$263,890,000 by issuing 12,737,299 ordinary, nominative Series “A” and Series “B”, Class II shares at no par value, which have been subscribed and paid-in.

Furthermore, the stockholders approved the reimbursement of the balance of the capital contribution account for future capital increases.

Through the Resolution unanimously adopted on June 22, 2012, Stockholders agreed to increase the Company's variable capital by \$63,333,552.00 through issuance of 3,912,895 Series “A” shares.

Outstanding Debentures- During July 2010 the Company entered into different loan contracts, which present the option of fully repaying the loan subject matter of the contract or declaring an increase in common stock with the approval of the stockholders for the amount of principal, through a variable capital share subscription (for each 20 pesos to one share), with the value of each share defined in the contract. The total amount of the contracts executed under this assumption comes to \$19,450,703. These contracts generated a 22.5% annual fixed rate with maturity to 5 years. Furthermore, in January 2012, the Company changed the structure of its subordinated debt contracts to short-term debt contracts. Accordingly, this item has been eliminated from equity and presented under the liabilities heading.

13. Income taxes

In 2012, the Company is subject to the payment of ISR and IETU.

In 2012, ISR is calculated by considering certain effects of inflation, like depreciation calculated according to constant peso values, as taxable or deductible. The effect of inflation on certain monetary assets and liabilities is accrued or deducted through the annual adjustment for inflation.

In 2010, 2011 and 2012, the corporate ISR rate was 30%; it is 29% in 2013 and will be 28% in 2014

The 2013 Federal Incomes Law modified the ISR rate through a transition period affecting 2013 and 2014. In 2012 and 2011 the income tax rate was 30%, is 29% in 2013 and will be 28% in 2014, 2015 and subsequent years.

As a general rule, IETU is applicable to income, deductions and certain tax credits based on cash flows. The Business Flat Tax Law (LIETU) establishes that tax is payable at the 17.5% rate in 2012 and 2011.

Based on the assumptions and financial projections prepared according to INIF 8, “Business Flat Tax Effects”, Management considers that the Company will essentially pay ISR and will not incur IETU in the medium-term, as indicated by financial and tax assumptions. Accordingly, the Company only recognizes deferred ISR.

The income tax provision recorded by the Company in results is composed as follows:

	2012	2011	2010
Current ISR	\$ -	\$ -	\$ -
Deferred ISR	<u>25,055,137</u>	<u>(8,631,073)</u>	<u>(6,999,321)</u>
	<u>\$ 25,055,137</u>	<u>\$ (8,631,073)</u>	<u>\$ (6,999,321)</u>

Reconciliation of the accounting and tax results – The main items affecting the determination of the Company's tax result were the annual adjustment for inflation, prepaid expenses, collected prepaid commissions, the recovery of uncollectible credits and the difference between depreciation and amortization for accounting and tax purposes.

Tax loss carryforwards and the IETU credit– At December 31, 2012 and 2011, the Company does not have IETU credits. Likewise, at December 31, 2012, the Company has tax loss carry forwards of \$54,175,291 for ISR purposes.

Deferred taxes – At December 31, the Company's deferred taxes are composed as follows:

	2012	2011	2010
Deferred ISR asset:			
Allowance for loan losses	\$ 19,410,331	\$ 10,486,305	\$ 3,551,616
Collected prepaid commissions	7,646,377	7,831,386	3,886,199
Fixed asset depreciation	552,233	1,142,636	115,929
Unapplied tax losses	<u>16,252,587</u>	<u>12,621,393</u>	<u>12,780,616</u>
Total deferred ISR asset	43,861,528	32,081,720	20,334,360
Deferred ISR liability:			
Collected prepaid commissions	(47,544,458)	(18,354,766)	(18,333,557)
Prepaid expenses	<u>(10,509,885)</u>	<u>(15,951,223)</u>	<u>(12,856,145)</u>
Total deferred ISR liability	<u>(58,054,343)</u>	<u>(34,305,989)</u>	<u>(31,189,702)</u>
Total deferred income taxes, net	<u>\$ (14,192,815)</u>	<u>\$ (2,224,269)</u>	<u>\$ (10,855,342)</u>

The reconciliation of the legal and effective ISR rates expressed as a percentage of profit is as follows:

	2012	2011	2010
Legal rate	30%	30%	30%
Annual adjustment for inflation	(2)%	-	5%
Other nondeductible items	2%	(21)%	11%
Other permanent differences	<u>(4)%</u>	<u>1%</u>	<u>(25)%</u>
	<u>26%</u>	<u>8%</u>	<u>21%</u>

At December 31 (informative data), tax aspects are as follows:

Item	2012	2011	2010
Contributed capital account	\$ <u>303,459,309</u>	\$ <u>51,158,388</u>	\$ <u>46,320,227</u>

14. Commissions and tariffs collected and paid

At December 31, collected commissions are composed as follows:

Item	2012	2011	2010
Collected commissions:			
Commissions collected from customers	\$ 15,649,907	\$ 12,866,560	\$ 3,156,817
Commissions charged for the placement of credits in the name of another institution	<u>-</u>	<u>4,698,436</u>	<u>34,322,300</u>
	\$ <u>15,649,907</u>	\$ <u>17,564,996</u>	\$ <u>37,479,117</u>

At December 31, paid commissions are composed as follows:

Item	2012	2011	2010
Paid commissions:			
Entities	\$ 77,818,938	\$ 74,378,665	\$ 43,477,038
Individuals	<u>8,165,914</u>	<u>4,169,847</u>	<u>5,511,212</u>
	\$ <u>85,984,852</u>	\$ <u>81,548,512</u>	\$ <u>48,988,250</u>

15. Other proceeds (expenses), net

Item	2012	2011	2010
Portfolio sale	\$ 7,000,000	\$ -	\$ -
Prior year tax adjustment	-	(9,932,274)	-
Taxes paid due to self-correction	(859,388)	-	-
Other income	<u>3,648,058</u>	<u>904,343</u>	<u>2,061,565</u>
Total	\$ <u>9,788,670</u>	\$ <u>(9,027,931)</u>	\$ <u>2,061,565</u>

16. Commitments contracted

As of December 31, 2010, the Company has entered into a personnel supply agreement with Servicios Empresariales de Alta Calidad, S.A. de C.V. ("SEAC"). This contract went into effect on August 1, 2010 for an indefinite period.

As of December 31, 2010, the Company has entered into loan contracts with Deutsche Bank, for a term of 50 months, whereby a promissory note will be signed for each disposition with a maximum expiration date of December 16, 2014. The promissory note with this institution is for \$123,620,000, whose unpaid balance will begin to be paid as of October 12, 2012 (date of the promissory note), on the 16th day of each calendar month until the unpaid principal amount is fully repaid.

As of December 31, 2010, the Company has a loan with CI Banco for the amount of \$228,476,168. The Company has signed promissory notes which mature in 36 months.

The Company executed a personnel services contract with SEAC for the commercial area and with SPD, Creativo, SA de CV.; these contracts took effect for an indefinite period as of August 1, 2011.

17. Contingencies

At December 31, 2012, 2011 and 2010, lawsuits have been filed against the Company. However, its external and internal advisors consider that these claims are unlawful and that in the event of an unfavorable verdict, the Company's financial position would not be significantly affected. Consequently, at December 31, 2012, 2011, and 2010 the Company has not created a reserve for these issues.

18. Table of maturities of the Company's main assets and liabilities

At December 31, 2012, the maturities of the main asset and liability headings are as follows:

Assets	Up to one year	Two years	More than two years	Total
Cash equivalents	\$ 147,811,156	\$ -	\$ -	\$ 147,811,156
Current credit portfolio	329,725,987	361,542,007	589,307,783	1,280,575,777
Accounts receivable from entities	196,864,598	-	-	196,864,598
Other accounts receivable	<u>3,510,986</u>	<u>-</u>	<u>-</u>	<u>3,510,986</u>
Total assets	<u>677,912,727</u>	<u>361,542,007</u>	<u>589,307,783</u>	<u>1,628,762,517</u>
Liabilities				
Loans from banks and other entities	341,717,981	239,757,448	790,007,122	1,371,482,551
Sundry creditors and other accounts payable	<u>26,460,841</u>	<u>-</u>	<u>-</u>	<u>26,460,841</u>
Total liabilities	<u>368,178,822</u>	<u>239,757,448</u>	<u>790,007,122</u>	<u>1,397,943,392</u>
Assets less liabilities	<u>\$ 309,733,905</u>	<u>\$ 121,784,559</u>	<u>\$ (200,699,339)</u>	<u>\$ 230,819,125</u>

19. New accounting principles

As part of its efforts to make Mexican standards converge with international standards, in 2012, the Mexican Board for Research and Development of Financial Reporting Standards ("CINIF") issued the following MFRS, and improvements to MFRS, which will become effective as of January 1, 2013:

NIF B-3, *Statement of Comprehensive Income (Loss)*
NIF B-4, *Statement of Changes in Stockholders' Equity*
NIF B-6, *Statement of Financial Position*

Improvements to Mexican Financial Reporting Standards 2013

Some of the most important changes established by these standards are:

NIF B-3 - *Statement of Comprehensive Income (Loss)* - Provides the options of presenting a) a single statement of comprehensive income (loss) containing the items that make up net income (loss), as well as other comprehensive income (OCI) and equity in OCI of other entities, or b) two statements: the statement of income (loss), which should include only items that make up net income (loss), and the statement of other comprehensive income (loss), which should start from net income (loss) which, in turn, is adjusted by OCI items and equity in OCI of other entities. In addition, NIF B-3 establishes that unusual items should not be separately presented as such in the financial statement or the notes to the financial statements.

NIF B-4, *Statement of Changes in Stockholders' Equity*- Establishes the general rules for the presentation and structure of the statement of changes in stockholders' equity, such as showing retroactive adjustments due to accounting changes and corrections of errors that affect the beginning balances of stockholders' equity and presenting comprehensive income (loss) in a single line item, providing a detail of all items making it up, according to NIF B-3.

NIF B-6, *Statement of Financial Position*- Establishes, in a single standard, the structure of the statement of financial position as well as the related rules for presentation and disclosures.

Improvements to Mexican Financial Reporting Standards 2013- The main improvements that result in accounting changes that should be recognized retroactively in fiscal years beginning on January 1, 2013 are:

Bulletin C-9, *Accounting for Liabilities, Provisions, Contingent Assets and Liabilities and Commitments* and Bulletin C-12, *Accounting for Certain Financial Instruments With Characteristics of Liabilities, Equity or Both*- Stipulate that costs incurred in connection with the issuance of debt obligations should be presented as a reduction of the related liabilities and recognized in current earnings using the effective interest method.

Bulletin C-15, *Accounting for Impairment and Disposal of Long-lived Assets*-The requirement of retroactively restating prior period comparative balance sheets for the deconsolidation of discontinued operations is eliminated.

Bulletin D-5, *Leases*- Stipulates that non-reimbursable lease payments should be deferred over the lease period and recognized in current earnings upon recognition of revenues and related expenses by the lessor and the lessee, respectively.

At the date of issuance of these financial statements, the Company is in the process of determining the effects of these new standards on its financial information.

20. Reclassification of the financial statements

Certain accounts of the financial statements at December 31, 2011 have been reclassified to make their presentation comparable with that of the financial statements at December 31, 2012.

These reclassifications affected the following headings: debtors from repurchase agreements, collateral sold or pledged, other accounts receivable, net, sundry creditors and other accounts payable, payable taxes and other assets.

21. Subsequent event

On January 2, 2013, the Company agreed to acquire Fondo ACH for approximately \$10 million pesos. This acquisition will provide the Company with an additional nine collaboration agreements with government entities, including Petroleos Mexicanos (PEMEX), the biggest company in Latin America. The completion of this acquisition is subject to certain conditions, which the Company expects to be satisfied in the second quarter of 2013.

22. Authorization to issue the financial statements

Authorization to issue the financial statements was given on February 20, 2013 by Mr. Andrés Casas de la Torre, the Company's Finance Director. However, the financial statements are subject to the approval of the Stockholders' Ordinary Meeting, which could require their modification according to the General Corporate Law.

* * * * *

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