

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) U.S. PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS ("QIBs") (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the offering memorandum. By accessing the offering memorandum, 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 CONSTITUTES AN OFFER OF SECURITIES FOR SALE 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 UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD 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 PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES ("QUALIFIED INVESTORS"). IN ADDITION, IN THE UNITED KINGDOM THE OFFERING MEMORANDUM IS ONLY BEING DISTRIBUTED TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE "FSMA") (FINANCIAL PROMOTION) ORDER 2005, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS "RELEVANT PERSONS"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM, RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY 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 THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY U.S. PERSON WHO IS NOT A QIB. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this offering memorandum or make an investment decision with respect to the securities, an investor must be either (1) a U.S. person who is a QIB or (2) a non-U.S. person (within the meaning of Regulation S under the Securities Act) outside the United States. This offering memorandum is being sent at your request and by accepting the e-mail and accessing this offering memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act), and (2) you consent the delivery of such offering memorandum by electronic transmission. You are reminded that this offering memorandum has been delivered to you on the basis that you are a person into whose possession this offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this offering memorandum to any other person. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a

licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of the issuer in such jurisdiction. This offering memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the initial purchasers, nor any person who controls them or any of their directors, officers or employees, nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.



Unifin Financiera, S.A.B. de C.V., SOFOM, E.N.R.
(incorporated under the laws of Mexico)
US\$ 250,000,000
8.875% Subordinated Perpetual Notes

We are offering US\$ 250,000,000 aggregate principal amount of our 8.875% subordinated perpetual notes (the “notes”). The notes have no fixed maturity date. However, at our option, we may redeem the notes, in whole but not part, on January 29, 2025 (the “First Call Date”), and on every fifth anniversary thereafter, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest (including any deferred interest and arrears of interest) up to (but not including) the redemption date of the notes. We may also redeem the notes, in whole but not in part, upon the occurrence of certain tax, accounting, ratings and certain other events at the applicable redemption prices as set forth in this offering memorandum. Subject to our right to defer payment, interest on the notes will be payable semi-annually in arrears on January 29 and July 29 of each year, each an Interest Payment Date, beginning on July 29, 2018.

As more fully described in this offering memorandum, we may, in our sole discretion, defer interest payments on the notes for any period of time; provided that any such deferred payments will themselves bear interest at the same rate as the principal amount of the notes and will become due and payable on any Mandatory Payment Date (as defined under “Description of the Notes—Payment of Deferred Interest”). The notes will bear interest on their principal amount from (and including) January 29, 2018 to but excluding the First Call Date, at a rate of 8.875% per year; and from and including the First Call Date to but excluding the redemption date, if any, at, in respect of each Reset Period (as defined under “Description of the Notes—Principal and Interest Payments—Determination of Interest on the Notes”), the relevant U.S. Treasury Rate plus: (A) in respect of the Reset Period commencing on or after the First Call Date but before January 29, 2040, the Initial Margin; (B) in respect of Reset Periods commencing on or after January 29, 2040 (15 years after the First Call Date): the Initial Margin plus 2.00%; provided that if our S&P credit rating has been upgraded to investment grade and such rating is effective at January 29, 2040, then such 2.00% increase shall only become effective for Reset Periods commencing on or after January 29, 2045 (20 years after the First Call Date).

The notes will be our unsecured and subordinated obligations and will rank (i) junior to all of our existing and future Unsubordinated Indebtedness (as defined under “Description of the Notes—Ranking of the Notes”), (ii) *pari passu* among themselves and with all other future Subordinated Indebtedness (as defined under “Description of the Notes—Ranking of the Notes”), and (iii) senior to all existing and future classes of our Share Capital (as defined under “Description of the Notes—Ranking of the Notes”). The notes will be effectively subordinated to all existing and future liabilities of our subsidiaries. The notes do not restrict our ability or the ability of our subsidiaries to incur additional indebtedness in the future.

No public market currently exists for the notes. Application is expected to be made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange.

Investing in the notes involves risks. See “Risk Factors” beginning on page 24 of this offering memorandum for certain information that you should consider before investing in the notes.

Offering Price: 100.000% plus accrued interest, if any, from January 29, 2018.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE MEXICAN NATIONAL SECURITIES REGISTRY (REGISTRO NACIONAL DE VALORES, OR “RNV”) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (COMISIÓN NACIONAL BANCARIA Y DE VALORES, OR “CNBV”) AND, THEREFORE, MAY NOT BE OFFERED OR SOLD PUBLICLY IN MEXICO OR OTHERWISE BE SUBJECT TO INTERMEDIATION ACTIVITIES IN MEXICO, EXCEPT PURSUANT TO THE REGISTRATION EXEMPTIONS PROVIDED IN ARTICLE 8 OF THE MEXICAN SECURITIES MARKET LAW (LEY DEL MERCADO DE VALORES) AND REGULATIONS THEREUNDER. WE WILL NOTIFY THE CNBV OF THE TERMS AND CONDITIONS OF THIS OFFERING OF THE NOTES OUTSIDE OF MEXICO. SUCH NOTICE WILL BE SUBMITTED FOR INFORMATIONAL PURPOSES ONLY TO THE CNBV TO COMPLY WITH ARTICLE 7, SECOND PARAGRAPH, OF THE MEXICAN SECURITIES MARKET LAW AND REGULATIONS THEREUNDER. THE DELIVERY TO, AND 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 SET FORTH IN THIS OFFERING MEMORANDUM. THIS OFFERING MEMORANDUM IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV, AND MAY NOT BE PUBLICLY DISTRIBUTED IN MEXICO.

The notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), any state securities laws, or the securities laws of any other jurisdiction and may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act (“Regulation S”)), except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered and sold in the United States only to qualified institutional buyers in compliance with Rule 144A under the Securities Act (“Rule 144A”) and to persons other than U.S. persons outside the United States in compliance with Regulation S. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of eligible offerees and certain restrictions on transfer of the notes, see “Transfer Restrictions.”

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “Insurance Mediation Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company (“DTC”) for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, *société anonyme*, Luxembourg (“Clearstream”) on or about, January 29, 2018.

Global Coordinator

Morgan Stanley

Joint Bookrunners

Citigroup

Barclays

Scotiabank

The date of this offering memorandum is January 24, 2018.

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You should rely only on the information contained in this offering memorandum. Neither we nor the initial purchasers have authorized any other person to provide you with information that is different from or additional to that contained in this offering memorandum, and neither we nor the initial purchasers take responsibility for any other information that others may give you. You should assume that the information in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum, regardless of time of delivery of this offering memorandum or any sale of the notes. Our business, financial condition, results of operations and prospects may change after the date on the front cover of this offering memorandum. This offering memorandum may only be used where it is legal to sell the notes. Neither we nor any of the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where such an offer or sale is not permitted.

Unless otherwise specified or the context requires, references in this offering memorandum to “the Company,” “we,” “us” and “our” refer to Unifin Financiera, S.A.B. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and its subsidiaries, and references to “Unifin” or “the Issuer” refer to Unifin Financiera, S.A.B. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, without its subsidiaries.

NOTICE TO INVESTORS

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. By purchasing the notes, you will be deemed to have made the acknowledgements, representations, warranties and agreements described under the heading “Transfer Restrictions” in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

Neither the CNBV nor the U.S. Securities and Exchange Commission (the “SEC”), nor any state or foreign securities commission or regulatory authority, has approved or disapproved of the notes nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy, adequacy or completeness of this offering memorandum. Any representation to the contrary is a criminal offense.

We have submitted this offering memorandum solely to a limited number of qualified institutional buyers in the United States and to investors outside the United States so they can consider a purchase of the notes. We have not authorized its use for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, you agree to these restrictions. See “Transfer Restrictions.”

This offering memorandum is based on information provided by us and by other sources that we believe are reliable. We cannot assure you that this information is accurate or complete. This offering memorandum summarizes certain documents and other information and we refer you to such documents and other information for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of our company and of the terms of this offering and the notes, including the merits and risks involved.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the initial purchasers as to the past or future.

Neither we nor the initial purchasers are making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding any investment in the notes.

We accept responsibility for the information contained in this offering memorandum. To the best of our knowledge and belief (and we have taken all reasonable care to ensure that), the information contained in this offering memorandum is in accordance with the facts and does not omit any material information.

We reserve the right to withdraw this offering of the notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the notes in whole or in part and to allot to any prospective investor less than the full amount of notes sought by that investor. The initial purchasers and certain related entities may acquire for their own account a portion of the notes.

You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor any of the initial purchasers will have any responsibility therefor.

AVAILABLE INFORMATION

We are not subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). To permit compliance with Rule 144A under the Securities Act in connection with resales of notes, we will be required under the indenture under which the notes are issued (the “Indenture”), upon the request of a holder of Rule 144A notes or Regulation S notes (during the restricted period, as defined in the legend included under “Transfer Restrictions”), to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act, unless we either furnish information to the SEC in accordance with Rule 12g3-2(b) under the Exchange Act or furnish information to the SEC pursuant to Section 13 or 15(d) of the Exchange Act. Any such request may be made to us in writing at our main office located at Presidente Masaryk 111, 3rd Floor, Polanco V Section, Delegación Miguel Hidalgo, 11560, Mexico City, Mexico. For as long as our shares are registered with the RNV and listed with the Mexican Stock Exchange (*Bolsa Mexicana de Valores* or “BMV”), we will be required periodically to furnish certain information, including quarterly and annual reports, to the CNBV and to the BMV, which will be available in Spanish for inspection on the BMV’s website at www.bmv.com.mx and on the CNBV’s website at www.cnbv.gob.mx.

The Indenture will further require that we furnish to the Trustee (as defined under “Description of the Notes—General”) all notices of meetings of the holders of notes and other reports and communications that are generally made available to holders of the notes. See “Description of the Notes.”

We will make available to the holders of the notes, at the corporate trust office of the Trustee at no cost, copies of the Indenture, as well as this offering memorandum, including a review of our operations, and copies in English of our annual audited consolidated financial statements and our quarterly unaudited consolidated financial statements. A copy of our by-laws, as amended, has been filed with, and can be examined at, the CNBV and the BMV and is available for review at www.bmv.com.mx. Information will also be available at the office of the Luxembourg Listing Agent (as defined under “Description of the Notes—General”).

Application is expected to be made to admit the notes to listing in the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange, in accordance with its rules. This offering memorandum forms, in all material respects, the listing memorandum for admission to the Luxembourg Stock Exchange. We will be required to comply with any undertakings given by us from time to time to the Luxembourg Stock Exchange in connection with the notes, and to furnish all such information as the rules of the Luxembourg Stock Exchange may require in connection with the listing of the notes.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this offering memorandum relating to our plans, forecasts and expectations regarding future events, strategies and projections are estimates. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding our results of operations and financial position; (ii) statements of plans, objectives or goals, including those related to our operations; and (iii) statements of assumptions underlying such statements. Words such as “may,” “might,” “will,” “would,” “shall,” “should,” “can,” “could,” “believe,” “anticipate,” “continue,” “expect,” “estimate,” “plan,” “intend,” “foresee,” “seeks,” “predict,” “project,” “potential,” or the negative of these terms, and other similar terms are used in this offering memorandum to identify such forward-looking statements. Forward-looking statements included in this offering memorandum are based on our current expectations and projections related to future events and trends which affect or would 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, results of operations, strategies, competitive position and market environment may significantly differ from our estimates, in view of a number of factors, including, but not limited to:

- changes in general economic, business or political or other conditions in Mexico, the United States or elsewhere;
- changes in capital markets in general that may affect policies or attitudes towards investing in Mexico or securities issued by companies in Mexico;
- the ability or willingness of our customers to meet their payment obligations;
- the monetary, foreign exchange and interest rate policies of the Mexican Central Bank (“Banco de México”);
- high levels of inflation or deflation;
- movements in foreign exchange rates;
- any increase in competition, including from new market entrants with substantial resources;
- our ability to access sources of financing on attractive terms or at all;
- any failure or weakness in our operating controls or procedures or in connection with our risk management policies;
- changes in, or failure to comply with, applicable laws and regulations, and the interpretation thereof, or changes in taxes;
- changes in regulations, or interpretations thereof, relating to maximum interest rates and to terms that may be included in our standard agreements with customers;
- any damage to the public’s perception of our brands;
- changes in consumer spending and saving habits;
- changes in the offer of and demand for our products and services;
- any loss of significant customers;
- our ability to implement our plans for growth or to conduct acquisitions or any consolidations;
- our inability to hedge against certain market risks;

- loss of any key personnel;
- changes in labor relations, including any increases in labor costs or any labor strikes;
- our ability to implement new technologies;
- our ability to freely determine the interest rates and premiums that we charge to our customers in our auto loans and other loans;
- our level of capitalization, reserves and charge-offs in respect of non-performing loans;
- any adverse determinations in respect of the financial services industry or our lending business made by antitrust or financial authorities;
- lawsuits initiated by our creditors, borrowers' groups or Mexican authorities and other potential litigation;
- inability to timely and duly enforce collateral or guarantees provided by borrowers and/or guarantors;
- any adverse administrative or legal proceedings against us;
- possible disruptions to commercial activities due to natural and human-induced disasters, including health epidemics, weather conditions, terrorist activities and armed conflicts;
- changes to, or withdrawals from, free trade agreements, including the North American Free Trade Agreement ("NAFTA"), to which Mexico is a party and which is currently undergoing renegotiation;
- other factors or trends affecting our financial condition and results of operation; and
- the factors discussed under "Risk Factors" in this offering memorandum.

Therefore, our actual performance may be adversely affected and may 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 must not rely on the estimates and forward-looking statements included in this offering memorandum to make an investment decision.

Additional factors affecting our business may arise periodically and we cannot predict such factors, nor can we assess the impact of all these factors on our business or the extent to which such factors or combination of factors could cause our results to materially differ from those contained in any forward-looking statement. Although we consider the plans, intentions, expectation and estimates reflected in, or suggested by, forward-looking statements included in this offering memorandum to be reasonable, we cannot provide any assurance that our plans, intentions, expectations and estimates will be achieved. Additionally, historical trends in our statements should not be interpreted as a guarantee that these trends will continue in the future.

Forward-looking statements included herein are made only as of the date of this offering memorandum. 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.

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Financial Information

This offering memorandum includes:

- our audited consolidated financial statements as of and for the years ended December 31, 2016, 2015 and 2014, together with the notes thereto (the “Audited Financial Statements”). Our Audited Financial Statements were audited by PricewaterhouseCoopers, S.C., independent accountants, as stated in their audit report appearing herein; and
- our unaudited condensed consolidated interim financial statements as of September 30, 2017 and for the nine-month periods ended September 30, 2017 and 2016, together with the notes thereto (the “Unaudited Interim Financial Statements”).

Our Audited Financial Statements and our Unaudited Interim Financial Statements are stated in thousands of Mexican pesos. Our Audited Financial Statements and our Unaudited Interim Financial Statements are collectively referred to herein as our “Financial Statements.”

Accounting Principles

As a multiple purpose financial entity (*Sofom*) with shares registered with the RNV, we have prepared our Financial Statements under the accounting criteria established by the CNBV (“*Sofom GAAP*”), which are in accordance with Mexican Financial Reporting Standards (*normas de información financiera*, or “MFRS”), established by the Mexican Board for Financial Information Standards (*Consejo Mexicano de Normas de Información Financiera, A.C.* or “CINIF”), except where based on the judgment of the CNBV it is necessary to apply a different accounting criteria. See Note 2 of the Audited Financial Statements.

Sofom GAAP differs in certain significant respects from accounting principles generally accepted in the United States (“U.S. GAAP”). See “Annex A—Summary of Certain Significant Differences Between *Sofom GAAP* and U.S. GAAP” for a description of certain differences between *Sofom GAAP* and U.S. GAAP as they relate to us. We are not providing any reconciliation to U.S. GAAP of the Financial Statements or other financial information in this offering memorandum. We cannot assure you that such reconciliation would not identify material quantitative differences between the Financial Statements or other financial information as prepared on the basis of *Sofom GAAP* if such information were to be prepared on the basis of U.S. GAAP or any other accounting principles.

Non-GAAP Measures

This offering memorandum contains financial measures that have not been calculated or recognized in accordance with U.S. GAAP or *Sofom GAAP* and are referred to herein as adjusted earnings per share and adjusted consolidated net income. Adjusted earnings per share represents the net consolidated result of the year *divided* by the average number of outstanding common shares for the year, excluding: (i) shares issued in 2015 as part of our Initial Public Offering, as the term is defined below, (ii) shares issued that represent increases in our capital stock through the capitalization of retained earnings, and (iii) the average balance for the period of the shares held within the Company’s share repurchase fund. Adjusted consolidated net income represents net income determined in accordance with *Sofom GAAP*, adjusted for the following non-recurring items net after tax: the sale by us of the shares of the capital stock of Unifin Agente de Seguros y Fianzas, S.A. de C.V. in 2014 (see “Business – Our Business Lines”), gains as a result of the repurchase of US\$ 33.4 million of our 2019 Senior Notes during the year ended December 31, 2015 (reflected in our financial statements for the year ended December 31, 2015) and the entering into of derivative financial instruments to hedge our exposure to risks associated with exchange rates (reflected in our financial statements for the year ended December 31, 2015).

Although our calculations of adjusted earnings per share and adjusted consolidated net income may not be comparable to calculations of similarly titled measures used by other companies, our management believes that disclosure of these selected financial metrics can provide useful information to investors in their evaluation of our operating performance, mainly because, in the case of earnings per share, if the effect of the shares issued in our Initial Public Offering, the shares issued that represent capitalization of retained earnings, and shares held within the

Company's share repurchase fund were not considered, our earnings per share would have increased during such periods, and in the case of our adjusted consolidated net income, because it shows our results of operations without the effect of the non-recurring items. See "Summary Financial and Other Information" and "Selected Financial and Other Information."

Currency Information

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

This offering memorandum 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, U.S. dollar amounts provided in this offering memorandum that have been translated from pesos have been so translated at an exchange rate of Ps. 18.1590 per U.S. dollar, the exchange rate published by the *Banco de México* in the Mexican Federal Official Gazette on October 2, 2017.

Rounding Adjustments

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

Certain Terms Related to our Loan Portfolio

In this offering memorandum, we make reference to the following terms:

- "net total loans" refers to total loans net of the allowances for loans losses;
- "non-performing loans" is defined as past-due loans from our operating leases, financial factoring and auto loans and other lending business lines for which collection became overdue, calculated from the thirty-first day such loans become past-due in conformity with the accounting guidelines established by the CNBV. For more information see Note 3(f), "Loans portfolio" to our Audited Financial Statements;
- "off-balance sheet accounts" is defined as the memorandum accounts that appear in our consolidated balance sheet and are comprised of non-accrued rent payments;
- "performing loans" is defined as the total amount of operating leases, financial factoring and auto loans and other loans that are not past due;
- "total indebtedness" is defined as debt securities (long-term and short-term portions) and bank borrowings and loans from other entities (long-term and short-term portions); and
- "total loans" is defined as the performing loans and non-performing loans without the effect of the allowance for loan losses.

Industry and Market Data

Market data and other statistical information (other than in respect of our financial results and performance) used throughout this offering memorandum are based on independent industry publications, government publications, reports by market research firms or other published independent sources, including the Mexican Association of Leasing, Credit and Factoring Institutions (*Asociación Mexicana de Sociedades Financieras de Arrendamiento, Crédito y Factoraje, A.C.*). Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness. Some data is also based on our estimates, which are derived from our review of internal surveys, as well as independent sources. You should not place undue reliance on estimates as they are inherently uncertain.

SUMMARY

This summary highlights information contained elsewhere in this offering memorandum. Because this is only a summary of this offering memorandum, we urge you to read carefully this entire offering memorandum before investing in the notes, including “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Financial Statements and related notes beginning on page F-1.

Overview

We are a non-regulated Mexican leasing company, operating as a non-banking financial services company, specializing in three main business lines: operating leasing, financial factoring and auto loans and other lending. Through our leasing business line, our core business line, we offer operating leases for all types of machinery and equipment, transportation vehicles (including cars, trucks, helicopters, airplanes and other vessels) and other assets used in a variety of industries. Through our factoring business line, we provide liquidity and financing solutions to our customers by purchasing or discounting their accounts receivable and by providing vendor financing. The auto loans portion of our auto loans and other lending business line is focused on financing the acquisition of new and used vehicles, while the other lending portion of such business line includes financing working capital needs and the acquisition of other capital assets.

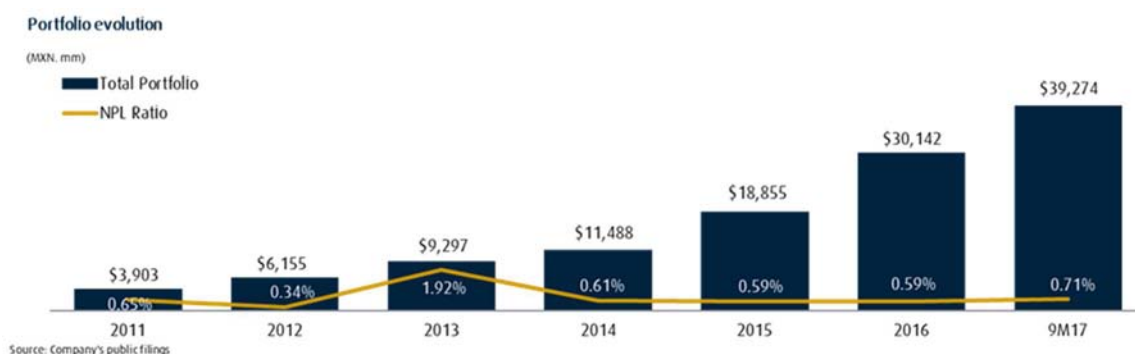
We specialize in serving small and medium-sized enterprises (“SMEs”), which we believe are largely underserved by banking institutions despite representing the majority of the economic activity in Mexico. We believe the SME sector will continue expanding and providing an attractive opportunity for our growth.

The amount per transaction of our operating leases ranges from Ps. 100,000 to Ps. 150 million, with an average balance of Ps. 1.5 million and with maturities between 12 to 48 months and 38 months on average. The annual fixed interest rates that we charge for our operating lease products range from 20.0% to 25.0%. The amount per transaction of our financial factoring products ranges from Ps. 500,000 to Ps. 150 million, with maturities between 8 to 180 days and 88 days on average, with annual interest rates at the Mexican interbank lending rate (*Tasa de Interés Interbancaria de Equilibrio*, or “TIIE”) plus 14.0% to 21.0%. Our auto loans range from Ps. 50,000 to up to 80.0% of the vehicle’s price, with maturities between 12 and 60 months and fixed interest rates between 16.9% and 19.0%.

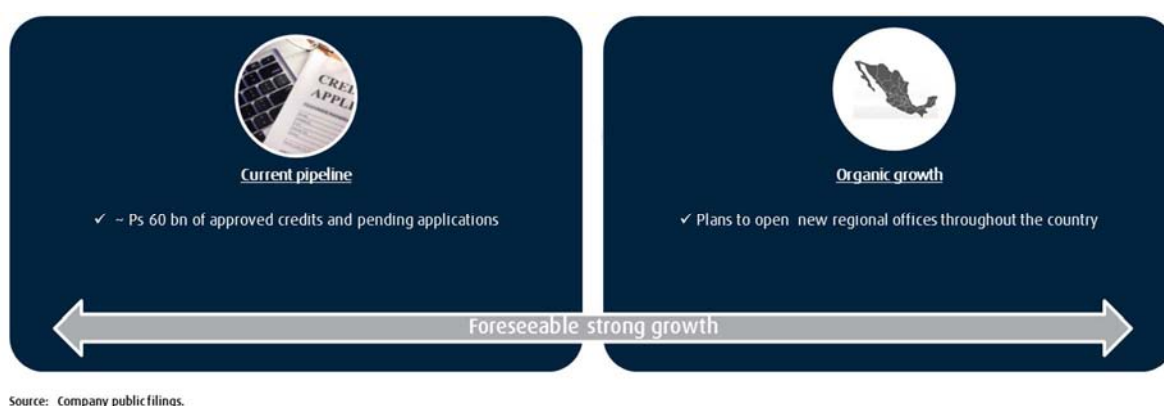
As of September 30, 2017, our operating leasing, financial factoring and auto loans and other lending business lines represented 77.8%, 5.7% and 16.5% (of which 4.7% was represented by auto loans), respectively, of our portfolio (including our off-balance sheet accounts).

In recent years, we have experienced a significant level of growth combined with high rates of return and low rates of non-performing loans. Between 2012 and 2016, our net income and loan portfolio, including our off-balance sheet accounts, each grew at a compound annual growth rate (“CAGR”) of 49.0%, and we had a return on average equity of 34.7% and a return on average assets of 4% during such period, while return on average equity for 2016 was 24.8%. As of September 30, 2017, our net loan portfolio increased by Ps. 9,132.2 million or 30.3% compared to September 30, 2016. Non-performing loans represented 0.59% of our loan portfolio (including our off-balance sheet accounts) as of December 31, 2016. As of September 30, 2017, our non-performing loans accounted for 0.71% of our total portfolio, including off-balance sheet accounts. We believe our growth is the result of various factors including our geographic coverage and wide distribution network integrated by our headquarters in Mexico City and twelve regional offices, our industry knowledge and know-how, our efforts on development and innovation to meet customers’ needs, our customer’s loyalty resulting from our personalized service and our effective origination and collections processes, as well as risk mitigation.

The chart below shows our loan portfolio growth for each of the periods indicated, including off-balance sheet accounts, and our NPL ratio:



We believe that our future growth will be supported by a strong loan portfolio pipeline and clearly identified growth sources:



As of September 30, 2016 and 2017, we had total assets of Ps. 35,457.4 million (US\$ 1,952.6 million) and Ps. 49,462.4 (US\$ 2,723.9 million), respectively. For the years ended December 31, 2014, 2015 and 2016 and the nine-month period ended September 30, 2017, we had consolidated net income of Ps. 482.4 million (US\$ 26.6 million), Ps. 1,093.5 million (US\$ 60.2 million), Ps. 1,210.3 million (US\$ 66.7 million) and Ps. 1,279.9 (US\$ 70.5 million), respectively. For the years ended December 31, 2014, 2015, and 2016 and the nine-month period ended September 30, 2017, we had operating results of Ps. 704.8 million (US\$ 38.8 million), Ps. 1,423.7 million (US\$ 78.4 million), Ps. 1,462.1 million (US\$ 80.5 million) and Ps. 1,589.9 million (US\$ 87.6 million), respectively. As of September 30, 2017, our total loan portfolio (including off-balance sheet accounts) had a value of Ps. 39,274.1 million (US\$ 2,162.8 million). As of September 30, 2017, we had total stockholders' equity of Ps. 5,675.1 million (US\$ 312.5 million).

Industry Overview

We believe that the prospects of the Mexican economy represent an attractive opportunity for us to continue to grow our business and to sustain our consistent past performance. We also believe that we are well positioned to take advantage of these opportunities presented by the Mexican economy. Furthermore, the fundamentally sound Mexican financial system and the Mexican government's plan for infrastructure developments in the coming years each further enhance the outlook for our operating leasing, financial factoring and auto loans and other lending business lines.

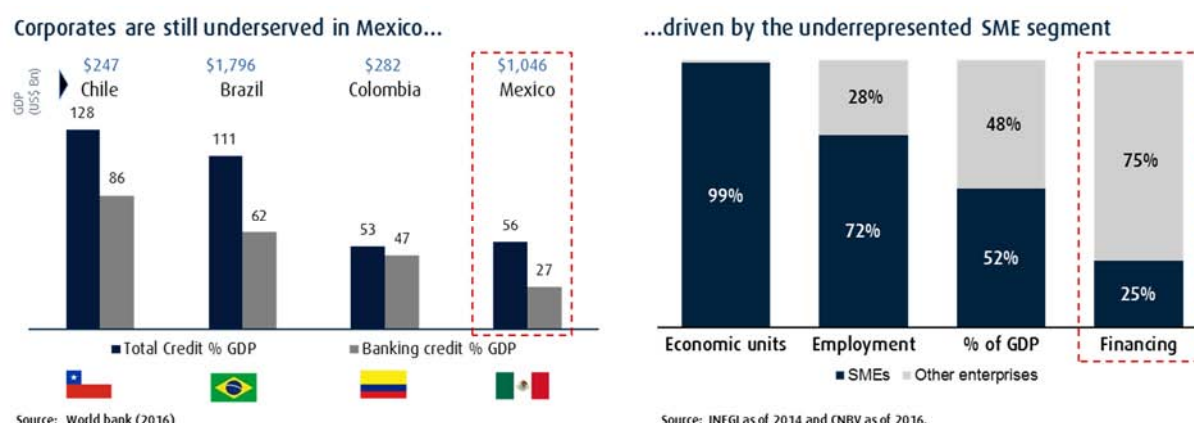
Strong Macroeconomic Environment. Mexico is the second largest market in Latin America in terms of GDP and population. Mexico's GDP is estimated to have grown 2.1% in 2017 and is expected to grow 2.2% in 2018, according to analyst consensus published by Bloomberg, which compares favorably not only to the region, but also relative to other developing or developed markets.

	Mexico		Latin America		U.S.		E.U.	
	2017	2018E	2017	2018E	2017	2018E	2017	2018E
GDP Growth	2.1%	2.2%	1.2%	2.5%	2.3%	2.6%	2.4%	2.1%
Inflation	6.0%	4.0%	51.5%	90.0%	2.1%	2.1%	1.7%	1.7%

Source: Bloomberg, as of January 2, 2018

The above-mentioned estimates are based on prudent monetary, fiscal and public debt policies of the Mexican government. As of December 31, 2016, the gross public debt of the Mexican government represented 50.2% of GDP, compared to approximately 31.5% in Latin America, 92.4% in the Eurozone and 76.5% in the United States, according to Bloomberg as of December 27, 2017. Mexico has steadily increased its international reserves, which have risen from US\$ 176.6 billion in 2013 to US\$ 193.0 billion in 2014, US\$ 176.3 billion in 2015 and US\$ 176.5 billion in 2016. As of December 31, 2016, Mexico's rating on its long-term foreign currency debt remained at A3, BBB+ and BBB+ according to Moody's Investors Service, Inc., Fitch, Inc. and Standard & Poor's, respectively.

Low National Credit Penetration. Mexico's capacity for the sustainable growth of the financial services industry is enhanced by the low levels of credit penetration relative to other markets in the region. According to the latest information available from the local regulators, as of December 31, 2016, commercial loans represented 13.3% of Mexico's GDP, relative to 52.8% in Chile, 23.4% in Brazil, 26.8% in Peru and 29.4% in Colombia. We believe this represents an important growth opportunity for us and the institutions in the financial services industry.



Developing SME Sector. Within Mexico's overall market, SMEs represent a growing share in the market but remain significantly underserved with respect to access to financial services relative to their scale. According to the latest available information published by the Mexican Ministry of Economy (*Secretaría de Economía*), as of December 31, 2014, SMEs represented 99% of all Mexican enterprises, and were responsible for 52% of Mexico's GDP and employed approximately 72% of Mexico's formal jobs. Notwithstanding these facts, SMEs only received 25% of the country's financing as of December 31, 2016, according to the CNBV.

The concentration of these SMEs in selected Mexican states also represents an attractive opportunity to serve these customers with a targeted approach. According to the Mexican Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía* or "INEGI"), 57.6% of the SMEs in Mexico are located in regions in which we have a physical presence.

The Mexican Leasing Market. The Mexican operating lease industry is highly fragmented with only a few sizable players. Our main competition is as follows:

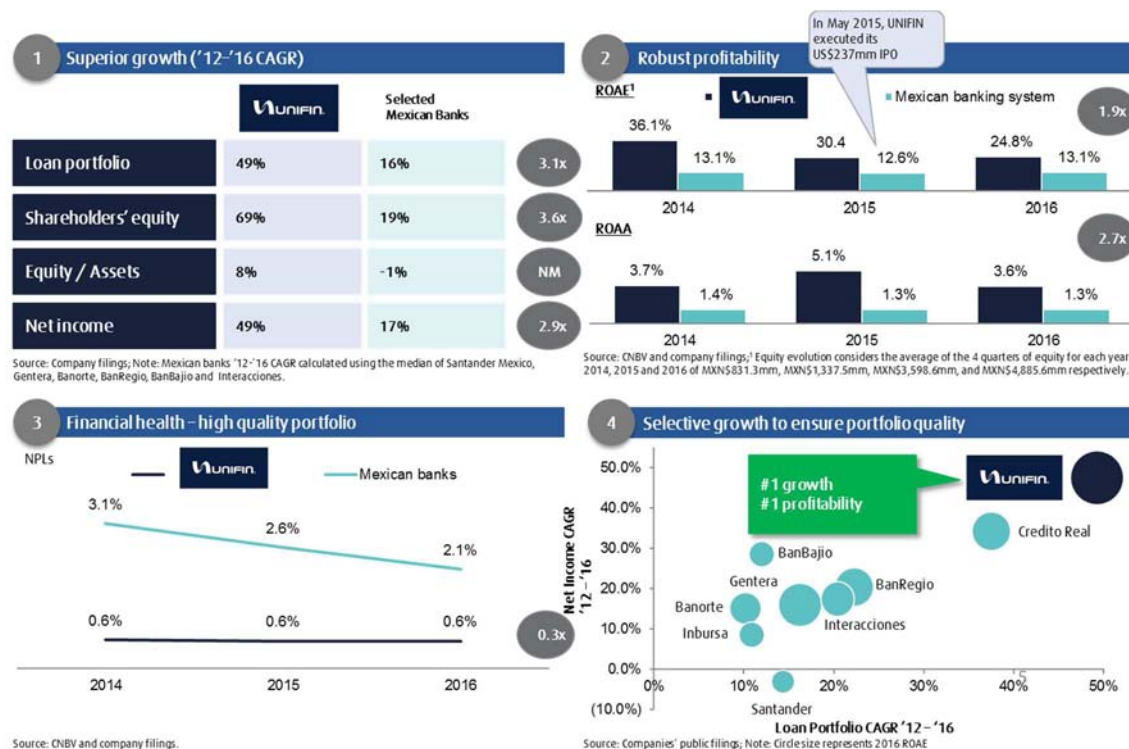
- international players including, among others, CHG-MERIDIAN, Deutsche Computer Leasing AG and CSI Leasing Inc.;
- players related to diversified financial groups including, among others, Facileasing, S.A. de C.V., Arrendadora y Factor Banorte, S.A. de C.V., SOFOM, E.R., Grupo Financiero Banorte, Arrendadora Actinver, S.A. de C.V., AF Banregio, S.A. de C.V., SOFOM, E.R., Banregio Grupo Financiero, Arrendadora Ve por Más, S.A. de C.V., SOFOM, E.R., Grupo Financiero Ve por Más and Inxev Arrendadora, S.A. de C.V.;

- players related to specific brands including, among others, Volkswagen Leasing, S.A. de C.V., Caterpillar Crédito, S.A. de C.V., SOFOM, E.N.R., Hewlett Packard Operations México, S. de R.L. de C.V., GM Financiamiento de México, S.A. de C.V., SOFOM, E.N.R., Paccar Financiamiento México, S.A. de C.V., SOFOM, E.N.R., Navistar Financiamiento, S.A. de C.V., SOFOM, E.N.R., Daimler Financial Services, S.A. de C.V., SOFOM, E.N.R. and NR Finance México, S.A. de C.V.; and
- other independent players including, among others, ABC Leasing, S.A. de C.V., Magna Arrendadora, S.A. de C.V., Arrendomóvil de México, S.A. de C.V., Docuformas, S.A.P.I. de C.V., Corporación Financiera Atlas, S.A. de C.V., SOFOM, E.N.R., Financiera Bepensa, S.A. de C.V., SOFOM, E.N.R., Engencap Fin, S.A. de C.V., SOFOM, E.N.R. and TIP de México, S.A.P.I. de C.V.

Our Competitive Strengths

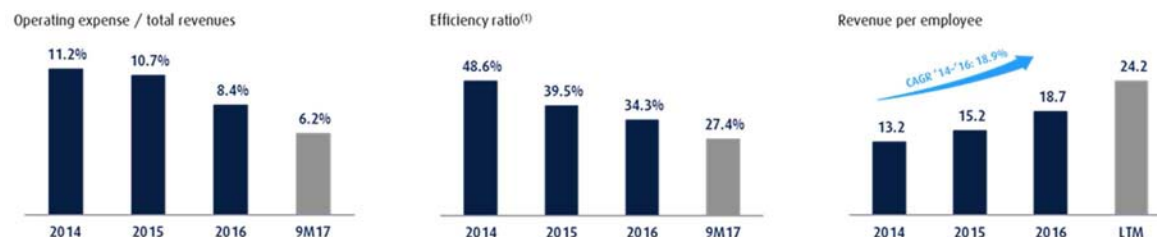
We believe that the following key strengths give us an advantage over our competitors and position us to grow our market share in the Mexican operating leasing, financial factoring and auto loans and other lending industries:

Leader in the Mexican Operating Leasing Industry. Since beginning operations in 1993, we have experienced significant growth and have consolidated our position as a leader in the operating leasing industry with active participation in the Mexican financial industry. We consider ourselves to be the leading independent (non-banking) leasing company in Latin America, based on a report published by The Alta Group in 2017. We believe that our growth and market penetration are primarily a result of our unique business model, which focuses primarily on the continuous development and innovation of our products and financial solutions aimed at meeting our customers' needs; our personalized customer service; our ability to generate demand for our products through our sales efforts supported by our marketing strategies targeted at SMEs and individual business owners; and our efficient credit origination and risk management processes reinforced by advanced information technology systems. Based on this business model, from 2014 to 2016, we increased our operating volume from our operating leases, financial factoring and auto loans at a CAGR of 72.6%, 36.3% and 151.5%, respectively. For the same period, we had a return on average equity of 30.4%. In addition, as shown in the charts below, we have consistently outperformed the Mexican banking sector in terms of CAGR, performing loans, efficiency and profitability.



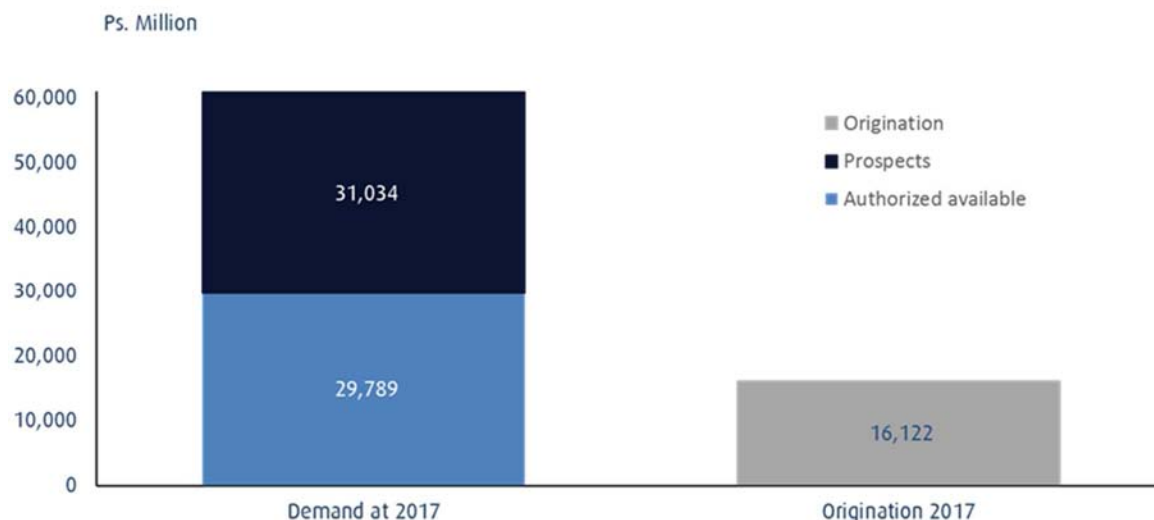
Strong Commercial Structure and an Expanding National Platform. We have a solid commercial structure defined by a highly specialized and capable sales force and an extensive distribution network, comprised of

our main office in Mexico City and twelve regional offices located throughout Mexico. Our regional offices are located in the fastest growing geographical areas in Mexico, and our local presence in such markets allows us to obtain detailed knowledge of specific market needs in order to reach a large number of potential customers. Furthermore, our efficient distribution network affords us a competitive advantage over our competitors by lowering our cost of attracting new customers and improving our profitability through the integration of our business offerings into a single platform. The Mexican states in which we have a physical presence represent in the aggregate 63.1% of Mexico's 2014 GDP, according to INEGI's latest available information. We have also developed certain business strategies (including advertising and marketing campaigns, market and industry analysis, historical portfolio analysis and forming industry and product specific sales teams) in order to focus our sales efforts on high potential customers and markets with attractive growth opportunities, as identified by these business strategies. Despite the growth of our commercial structure and sales force, we have been able to maintain high levels of operational efficiency and attractive margins, as shown in the charts below.



Source: Company public filings.
 (1) Calculated as operating expenses divided by the sum of net financial margin before provisions plus net fees.

Streamlined Origination Process Supported by Comprehensive Risk Management Policies. Through our extensive experience and expertise, we have expedited our credit approval process, while maintaining our high credit standards, as is evidenced by the quality of our portfolio. We have implemented standardized administrative procedures that, together with our solid information technology platform, optimize documentation requirements in connection with leasing and financing requests and renewals. Our origination process is supported by three main pillars: (i) credit rating based on qualitative and quantitative factors, (ii) credit and legal bureau research and (iii) banking and commercial references from our customers. Under our strict credit origination process, a negative result in any of these three categories results in an application's rejection, leading to an average acceptance rate of approximately 40% as of September 30, 2017. In addition, our origination process is supported by three specialized credit committees whose respective responsibilities are based on the amount of the credit analyzed, and who are focused on maintaining credit quality while minimizing response times. We have also implemented a sound risk management system with rigorous policies, processes and procedures, allowing us to efficiently assess credit and operational risks associated with each of our business lines and to respond to potential problems in a timely manner. This risk management system also allows us to comply with internal and legal requirements related to anti-money laundering and personal data protection. In spite of our rapidly growing portfolio and industry leading response times for our customers, our efficient and strict origination process and policies have allowed us to maintain a consistently high quality portfolio with low levels of delinquency. The following chart shows the demand created by the Company as of September 30, 2017, broken down by (i) the amount of authorized credit lines not yet drawn by clients of the Company and (ii) the expected demand of potential clients identified by the Company, as well as the amount of that demand effectively placed.



Effective Collection Process that Results in Low Default Rates. As of December 31, 2016 and September 30, 2017, our non-performing loans accounted for 0.59% and 0.71% of our total portfolio (including our off-balance sheet accounts comprised of non-accrued rent payments), respectively, and, during the past five years, our average default rate has been lower than 1.0% (excluding a Ps. 120 million financial factoring account in 2013, which was later recovered). We have developed an efficient collection process that is comprised of both remote and in-person activities, which includes support from an experienced team of collection agents and attorneys allowing us to carefully monitor customer behavior and to take timely and appropriate preventative collection measures. See “Business—Collections” for a detailed description of our collection practices for our operating leasing, financial factoring and auto loans and other lending business lines.

Diversified Customer Portfolio. We offer our products portfolio to a broad and diversified range of more than 7,000 customers that operate in different industries, which enables us to effectively manage our exposure to credit risk and market volatility and maintain our rapid portfolio growth. As of September 30, 2017, our top 25 customers accounted for less than 19.0% of our total portfolio, none of which individually accounted for more than 1.4% of our portfolio. Our portfolio is also geographically diversified throughout Mexico.

The following table sets forth the composition of our operating leasing portfolio by economic sector, including off-balance sheet accounts:

	As of December 31,			As of September 30, 2017
	2014	2015	2016	
	(in millions of Ps.)			
Economic activity sector				
Commerce.....	932.7	2,319.5	2,446.1	2,683.3
Construction.....	1,739.1	2,457.2	3,681.5	4,354.3
Government	0.0	0.0	0.0	0.0
Transportation	2,563.2	2,073.6	3,037.4	2,528.0
Services	1,361.9	3,137.4	6,783.2	11,492.8
Other.....	2,183.0	3,678.3	6,062.7	9,515.8
Total.....	8,779.9	13,666.0	22,010.9	30,574.2

The following table sets forth the composition of our financial factoring portfolio by economic sector:

	As of December 31,			As of September 30, 2017
	2014	2015	2016	
	(in millions of Ps.)			
Economic activity sector				
Commerce.....	276.2	443.5	490.3	447.7
Construction.....	242.2	318.8	540.5	339.4
Government	0.0	0.0	0.0	0.0
Services	531.6	925.2	1,104.5	1,121.0
Transportation	65.2	114.4	120.8	41.3
Other.....	179.5	324.5	624.4	285.2
Total.....	1,294.7	2,126.4	2,880.4	2,234.6

Access to Diversified Sources of Funding. We fund the growth of our operations through lines of credit with Mexican and international banks and governmental development financial institutions, the international and Mexican bond markets and asset-backed securities issued privately and through the BMV. We believe we do not depend significantly on any single financial institution or financing source to fund our operations. As of September 30, 2017, 88.7% of our total indebtedness consisted of long-term debt, of which 15.5% matures between one and three years and 84.5% has a maturity term of three or more years. As of the same date, 55.8% of our total indebtedness was Mexican peso-denominated and 44.2% was U.S. dollar-denominated. As a result of our 2016 international debt issuance of US\$ 400.0 million and our 2017 international debt issuance of US\$ 450.0 million, we attained access to an additional source of long-term funding and increased the average maturity of our liabilities and increased our liabilities denominated in U.S. dollars. We have entered into derivative financial transactions to fully hedge potential currency exchange risks in connection with our U.S. dollar-denominated liabilities.

Solid Capital Base to Promote Growth. On May 27, 2015, we completed our initial public equity offering, which consisted of a public offering in Mexico through the BMV, combined with a private share placement with international institutional investors in the U.S. and other locations pursuant to Rule 144A and Regulation S under the Securities Act. The primary portion of the offering consisted of 72,800,000 shares (including the over-allotment options) offered at a price of Ps. 28.00 per share, yielding an aggregate value of Ps. 2,038.4 million (US\$ 112.3 million) (the “Initial Public Offering”). The Initial Public Offering allowed us to expand our capitalization levels by increasing stockholders’ equity as a percentage of total assets. As of December 31, 2016, our stockholders’ equity was Ps. 5,500.6 million (US\$ 302.9 million), which represented 13.2% of our total assets, and as of September 30,

2017, our stockholders' equity was \$5,675.1 million (US\$ 312.5 million), which represented 11.5% of our total assets.

Market Knowledge, Experienced Management Team, Board and Shareholder Support. We believe that our 24 years of experience in the leasing, financial factoring and lending industries, together with our management's experience in these sectors, provide us with extensive knowledge and understanding of the products and services we offer, which has given us a competitive advantage over our competitors. Our board of directors and management team have broad experience in the financial services industry, having held former positions with banking institutions as well as with operating leasing, financial factoring, insurance and other lending institutions. The continuing support of our shareholders has also been a significant factor contributing to our sustained growth. We believe that our management team, board of directors and controlling shareholder and their knowledge, experience and support are key differentiating advantages of the Company. Our controlling shareholder directly or indirectly holds more than 62.5% of our capital stock.

Adherence to Strong Corporate Governance and Industry Best Practices. We have historically issued debt and equity securities through public offerings in Mexico under the supervision of the CNBV, which requires us to comply with high standards of corporate governance, reporting and other regulations as a publicly traded corporation (*sociedad anónima bursátil*). We believe that this distinguishes us from other non-banking and privately held competitors and fosters a high degree of trust among our customers and investors. Our board of directors is currently comprised of 50.0% independent directors, and we have established an audit and corporate practices committee, comprised entirely of independent members. We also maintain, among others, credit and risk committees that comply substantially with the standards of the financial industry in Mexico.

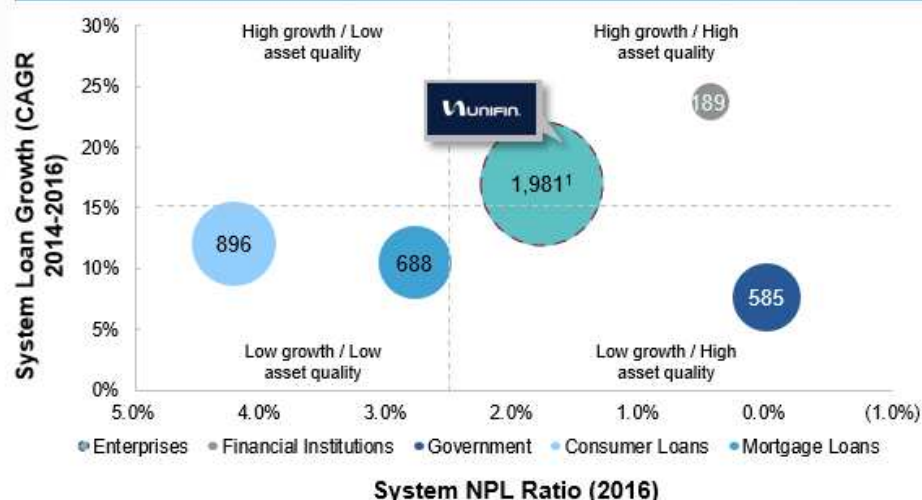
Operating Platform that Presents Significant Barriers to Entry for New Market Participants. We believe our operating platform has created unique barriers to entry for potential competitors. These barriers include: (i) experience and expertise – we have obtained a unique understanding of the leasing, financial factoring and lending industries in Mexico and of our customers' needs, which has allowed us to develop a diversified portfolio; (ii) personalized customer service along with expedited response times – we have created a culture of customer excellence in terms of our service and the quality of our products, as demonstrated by our customers' loyalty; (iii) capital, access to funding and profitability – in addition to the high capitalization requirements necessary to provide leasing services, we have been successful in sustaining sufficient and diverse financing sources and our profitability profile has allowed us to maintain sustained growth; and (iv) advanced technological systems – we have developed and plan to continue to develop advanced technology systems to support our growth and improve our operational and risk management processes.

Our Business Strategy

Our business strategy is to leverage our competitive strengths and operating efficiency in order to maintain our portfolio growth while increasing our profitability and our product market share. We plan to continue pursuing our business strategy by doing the following:

Maintaining our Leading Position in the Operating Leasing Market and thus Increasing our Participation in the Mexican Financing Market. We believe that the Mexican leasing market offers attractive growth potential. According to the latest available information published by the INEGI, as of December 31, 2014, SMEs in Mexico represented 99% of Mexican companies and generated 52% of Mexico's GDP and approximately 72% of formal jobs in Mexico, while according to CNBV, as of December 31, 2016 only 25% of SMEs had access to bank loans during 2016. Our strategy has enabled us to maintain a significant position within the corporate segment, especially with SMEs, positioning us as the fourth largest financial institution in terms of market share and loans to SMEs in Mexico. In light of the current state of the financial industry in Mexico, we will continue to capitalize on our leading market position in the Mexican leasing sector and on our knowledge and experience in the financial industry in order to grow our business. We plan to continue to expand our operating leasing business by increasing our participation in the underserved SME segment by offering financial solutions specifically tailored for such segment. In our factoring business line, we intend to increase our market share by expanding our sales force specialized in factoring and by taking advantage of the expected growth of certain economic sectors, such as retail, infrastructure and energy, to provide factoring solutions to service providers, contractors and other participants in such industries. We plan to capture additional market share in our auto loans and other lending business line by strengthening our existing strategic alliances with car dealers and by increasing our sales and marketing efforts regionally through our local offices. We also intend to support the growth of our three business lines by establishing and opening additional regional offices.

Unifin focuses on the most appealing segment in Mexico

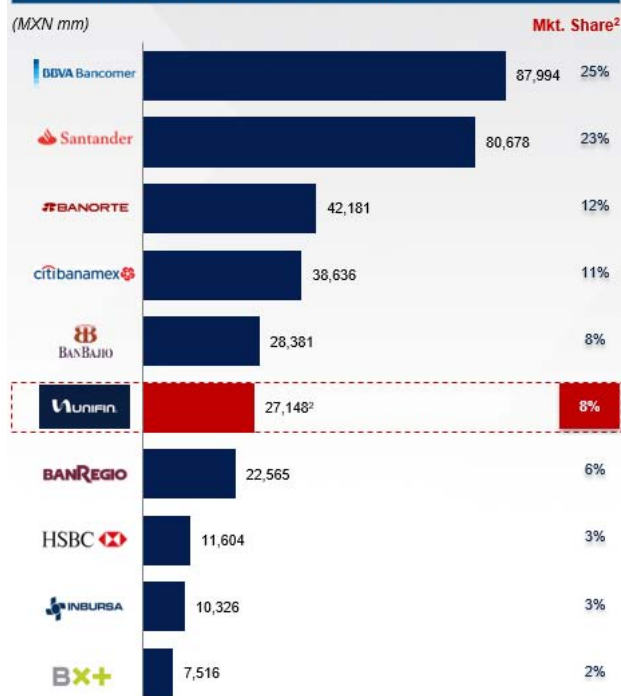


Source: CNBV and company filings. | ¹ Gross Loans Outstanding 2014 – 2016 in MXN\$ mm

We also actively analyze and will continue to analyze the conditions of the market in which we operate, in order to identify strategic opportunities to maximize our growth potential, strengthen our leading position, accelerate our customer and geographic penetration, and broaden our technology and product portfolio, including through strategic alliances or obtaining funding for our operations through transactions in the local and international markets. As a result of our continuous analysis of growth strategies, we believe that this offering will allow us to take advantage of what we consider are favorable market conditions to strengthen our capitalization structure and support our organic growth.

SMEs lending portfolio and market share¹

(MXN mm)



Market Share

UNIFIN ranks among the top players in Mexico and LatAm

Company	Independent LatAm rank	Country
UNIFIN Financiera	1	Mexico
Localiza	2	Brazil
Liquid Capital (Docuformas)	3	Mexico
Movidas	4	Brazil
Unidas	5	Brazil

Source: The Alta Group, as of 2018

Relevant leasing companies in Mexico



Source: Company information, CNBV and Banco de Mexico. ¹ Market share calculated based on top 10 industry players SMEs lending portfolio. ² Latest data available as of September 2018

Pursuing Cross-Selling Opportunities. We intend to increase our market share and profitability by cross-selling our current products and services to existing and new customers. The loyalty of our customer base, as a result of the quality of our services, as well as our constant monitoring of the financial condition and business projections of our customers, represents an opportunity for us to offer our current customers additional products aiming to meet their growth and capital needs. As of September 30, 2017, only 3.0% of our customers had purchased two or more of our products, which we believe provides us with an opportunity to grow through additional cross-selling of our products and services.

Focusing on Improving Operating Efficiencies. We are committed to maintaining our cost discipline and improving our operating efficiency as we continue to expand our portfolio. We believe that an efficient management of our administrative expenses will allow us to increase our competitiveness and profitability. We continuously analyze and implement technological and business solutions to identify the most efficient means for improving our credit and other internal processes, in order to increase our profitability. Through these initiatives, we intend to continue to increase our operating efficiency and financial condition.

Identifying and Pursuing Business Opportunities in Economic Sectors with High Expected Growth. We have invested significant resources in identifying potential clients and underserved markets and we plan to invest in order to focus our efforts on the economic sectors that are expected to have significant levels of growth, such as medium-sized enterprises and other sectors expected to benefit from the implementation of government-sponsored programs.

Maintaining Customer Loyalty and Developing New Customer Relationships. We are committed to generating customer loyalty, maintaining high standards of service quality and offering our customers financial solutions that meet their capital requirements. We intend to reach new customers through our existing distribution network and by opening new regional offices while strengthening our sales efforts targeted at potential customers identified by analyzing economic and industry data.

Maintaining a Solid Balance between our Loan Portfolio and our Indebtedness. We intend to continue to maintain a sound balance between the terms of our financial indebtedness, including interest rates, currency and maturity, and those of our loan portfolio, thereby reducing credit risks. Our leases have an average term of 38 months and our factoring operations have an average term of 88 days in comparison to our principal financial liabilities which have an average term of 57 months. We make efforts to extend the average maturity of our financial indebtedness, in order to reduce credit risks.

Additionally, we will continue to maintain diverse funding sources in order to avoid risks associated with obtaining financing from a limited number of creditors. The chart below shows the maturity profile of our outstanding debt for the periods shown.



Recent Developments

Payment of Dividends

By resolution of the Company's ordinary shareholders meeting held on March 16, 2017, the Company approved a dividend payment in the amount of Ps. 1.00 per share, which was paid by the Company on April 26, 2017.

Term Loan

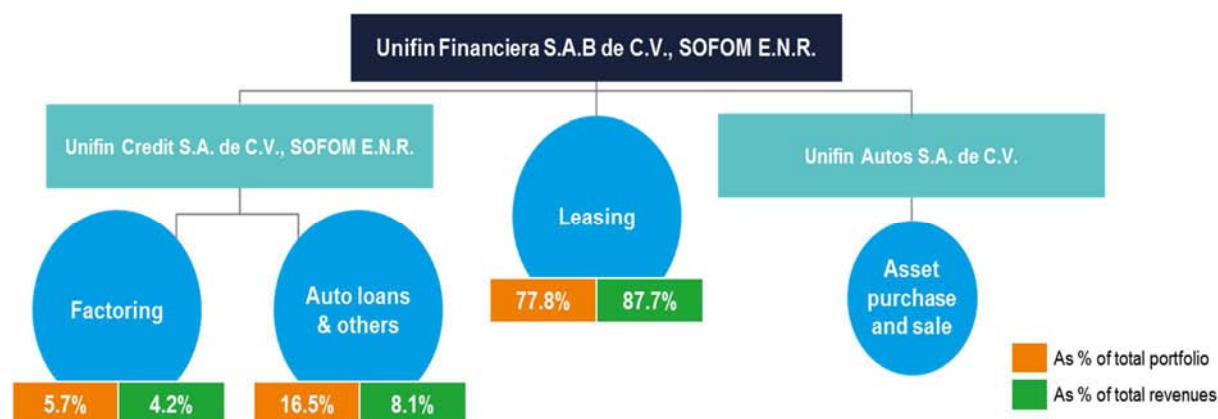
On December 11, 2017, we entered into a US\$ 151.5 million senior unsecured loan agreement (the "Term Loan") with a syndicate of lenders led by Banco Latinoamericano de Comercio Exterior, S.A. and Nomura Securities International, Inc.

The Term Loan contains covenants customary for a facility of this type, including restrictions on the creation of liens to secure indebtedness and certain financial ratios, among others. The Term Loan matures on December 14, 2020.

The proceeds of the Term Loan were used to repay certain existing indebtedness and for other general corporate purposes. As of December 31, 2017, the Term Loan was fully disbursed and remains outstanding as of the date of this offering memorandum.

Our Corporate Structure and Lines of Business

The following chart summarizes our corporate structure as of the date of this offering memorandum, including our principal subsidiaries and business lines.



Our Principal Offices

Our corporate headquarters are located at Presidente Masaryk 111, 3rd Floor, Polanco V Section, Delegación Miguel Hidalgo, 11560, Mexico City, Mexico. Our website is www.unifin.com.mx. The information on our website is not a part of, and is not incorporated by reference into, this offering memorandum.

THE OFFERING

The summary below describes the principal terms of the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The “Description of the Notes” section of this offering memorandum contains a more detailed description of the terms and conditions of the notes.

Issuer	Unifin Financiera, S.A.B. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada.
Notes Offered	US\$ 250.0 million aggregate principal amount of our 8.875% subordinated perpetual notes.
Offering Price	100.000%, plus accrued interest, if any, from January 29, 2018.
Issue Date	The notes will be issued on January 29, 2018 (the “Issue Date”).
Maturity	The notes are perpetual notes with no fixed final maturity date and no sinking fund provision.
Interest Rate / Step-up	<p>The notes will bear interest on their principal amount as follows:</p> <ul style="list-style-type: none">(i) from and including the Issue Date of the notes to but excluding the First Call Date, at a rate of 8.875% per year; and(ii) from and including the First Call Date to but excluding the redemption date, if any, at, in respect of each Reset Period, the relevant U.S. Treasury Rate plus:<ul style="list-style-type: none">(A) in respect of the Reset Period commencing on or after the First Call Date but before the Step-up Date, the Initial Margin;(B) in respect of Reset Periods commencing on or after the Step-up Date: the Initial Margin plus 2.00%; <p>“U.S. Treasury Rate” means as of any Reset Interest Determination Date, as applicable, (i) an interest rate (expressed as a decimal and, in the case of U.S. Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Interest Determination Date, and (B) the other maturity as close as possible to, but later than the Reset Date following the next succeeding Reset Interest Determination Date, in each case as published in the most recent H.15 (519). If the U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the U.S. Treasury Rate will be the same interest rate determined for the prior Reset Interest Determination Date.</p> <p>“H.15 (519)” means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System and most recent H.15 (519) means the H.15 (519) published closest in time but prior to the close of business on the second Business Day prior to the applicable Reset Date. H.15 (519) may be currently obtained at</p>

the following website: <https://www.federalreserve.gov/releases/h15/>.

“Reset Date” means the First Call Date and each date falling on the fifth anniversary thereafter.

“Reset Interest Determination Date” means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period.

“Reset Period” means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

We will give notice of the relevant U.S. Treasury Rate as soon as practicable to each of the paying agent, the holders of the notes and the Trustee, and, if required by the rules of the securities exchange on which such notes are listed from time to time, to such securities exchange.

See “Description of the Notes—Principal and Interest Payments—Interest Rates and Interest Payment Dates.”

First Call Date	January 29, 2025 (seven years from the Issue Date).
Step-up Date	January 29, 2040 (15 years after the First Call Date), unless our S&P credit rating has been upgraded to investment grade and such rating is effective at January 29, 2040, then the Step-up Date shall be January 29, 2045 (20 years after the First Call Date).
Initial Margin	6.308%.
Interest Payment Dates	Subject to our right to defer payment of interest, interest on the notes will be payable semi-annually in arrears on January 29 and July 29 of each year, as applicable, beginning on July 29, 2018.
Ranking	The notes will be our unsecured and subordinated obligations and will rank (i) junior to all of our existing and future Unsubordinated Indebtedness, (ii) <i>pari passu</i> among themselves and with all other future Subordinated Indebtedness, and (iii) senior to all existing and future classes of our Share Capital. The notes will be effectively subordinated to all existing and future liabilities of our subsidiaries. The notes do not restrict our ability or the ability of our subsidiaries to incur additional indebtedness in the future.
Holders Acknowledgement of Subordinated Notes	Each holder of notes agrees that (i) the Trustee will be the only party entitled to receive and distribute amounts paid in respect of the notes in the event of any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, <i>concurso mercantil</i> , <i>quiebra</i> or similar proceedings to which we are party and (ii) in the event that, in connection with such proceedings, notwithstanding the subordination provisions agreed by the holder of the notes, any amount is allocated for payment to the holders of the notes prior to the payment of all of our Unsubordinated Indebtedness, any such amount received by the Trustee will be required to be distributed by the Trustee, on behalf of the holders of the notes, to the creditors of any of our unsatisfied Unsubordinated Indebtedness. In furtherance of this agreement, the Indenture will provide that the Trustee will have the exclusive right, to the fullest extent permitted under applicable law, to file in any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, <i>concurso mercantil</i> , <i>quiebra</i> or

similar proceedings to which we are party for the recognition of the claims of all holders of notes. Each holder of notes irrevocably instructs the Trustee to file, on behalf of such holder, a claim for recognition of the claims of all of the notes in such event. The Indenture will provide that each holder of notes irrevocably instructs the Trustee to abstain from voting during the course of any such bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceedings to which we are party as described above in any matter submitted for approval by our general unsecured creditors in such proceedings.

In connection with any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceedings to which we are party, holders of the notes will only be subject to such protections (including any individual rights) afforded to such holders under Mexican insolvency laws and statutes.

Interest Deferral	We may, in our sole discretion, defer payment of interest that would otherwise be payable on any Interest Payment Date in whole, or in part by giving written notice to the Trustee and holders of the notes not less than seven nor more than 14 business days before the applicable Interest Payment Date. Interest on deferred amounts will accrue from the deferred date, and arrearages of interest will be compounded on subsequent Interest Payment Dates, semi-annually, at the rate of interest applicable to the notes. See “Description of the Notes—Option to Defer Interest Payments.”
Optional Payment of Deferred Interest	We may, in our sole discretion, elect to pay deferred interest at any time, together with any and all related arrearages of interest, with respect to the notes. If we elect to do so, our election must be to pay all outstanding deferred interest and related arrearages of interest with respect to the notes, and we will give not less than seven nor more than 14 business days’ notice thereof to the Trustee and the holders of the notes. See “Description of the Notes—Payment of Deferred Interest.”
Mandatory Payment of Deferred Interest	We will pay any deferred interest and all related arrearages of interest in respect of the notes, in whole but not in part, on the first occurring Mandatory Payment Date following the Interest Payment Date on which such deferred interest first arose. See “Description of the Notes—Payment of Deferred Interest.”
Calculation of Interest	Interest will be computed on the basis of a 360-day year of twelve 30-day months.
Optional Redemption	On the First Call Date of the notes, and on every fifth anniversary thereafter, we have the right to redeem the notes, in whole but not in part, at our option at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes. See “Description of the Notes—Redemption and Repurchase—Optional Redemption.”
Change of Control	<p>In the event of a Change of Control (as defined below) that results in a Ratings Decline (as defined below), we have the right to redeem the notes in whole (but not in part), at a redemption price equal to 101% of the principal amount of the notes to be redeemed.</p> <p>If, in the event of a Change of Control that results in a Ratings Decline, we do not redeem the notes pursuant to the provisions described herein, we will permanently pay additional interest on the notes at a rate of 5.0% per annum. Unless we have redeemed the notes in connection with the occurrence of such event, the additional interest will become effective on the 90th day after the date on which a Change of Control occurs that results in a Ratings Decline. Accrued additional interest will be payable on the same dates and in the same manner as interest is generally paid on</p>

the notes. See “Description of the Notes—Redemption and Repurchase—Redemption upon a Change of Control that Results in a Ratings Decline.”

Redemption for a Rating Methodology Event

If a Rating Methodology Event (as defined below) occurs with respect to the notes, we may redeem all, but not less than all, of the notes at any time (i) at a redemption price equal to 101% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls prior to the First Call Date of the notes, and (ii) at a redemption price equal to 100% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls on or after the First Call Date of the notes, in each case, plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes. See “Description of the Notes—Redemption and Repurchase—Redemption for a Rating Methodology Event.”

Redemption for Tax Deductibility Event

If a Tax Deductibility Event (as defined below) occurs with respect to the notes, we may redeem all, but not less than all, of the notes at any time at (i) a redemption price equal to 101% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls prior to the First Call Date of the notes, and (ii) a redemption price equal to 100% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls on or after the First Call Date of the notes, in each case, plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes. See “Description of the Notes—Redemption and Repurchase—Redemption for a Tax Deductibility Event.”

Redemption for Withholding Tax Event

If a Withholding Tax Event (as defined below) occurs with respect to the notes, we may redeem all, but not less than all, of the notes at any time at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes. See “Description of the Notes—Redemption and Repurchase—Redemption for a Withholding Tax Event.”

Redemption upon a Substantial Repurchase Event

In the event that at least 80% of the initial aggregate principal amount of the notes has been purchased by us or on our behalf, we may redeem all, but not less than all, of the notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes. See “Description of the Notes—Redemption and Repurchase—Redemption upon a Substantial Repurchase Event.”

Redemption following an Accounting Event

If an Accounting Event (as defined below) occurs with respect to the notes, we may redeem all, but not less than all, of the notes at any time at (i) a redemption price equal to 101% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls prior to the First Call Date of the notes, and (ii) a redemption price equal to 100% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls on or after the First Call Date of the notes, in each case, plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes. See “Description of the Notes—Redemption and Repurchase—Redemption following an Accounting Event.”

Payment of Additional Amounts

If you are not a resident of Mexico for tax purposes, payments of interest on the notes to you will generally be subject to Mexican withholding tax at a rate of 4.9%. We will pay additional amounts in respect of those payments of interest so that the amount you receive after Mexican withholding tax is paid equals the amount that you would have received if no such Mexican withholding tax had been applicable,

	subject to the exceptions described under “Description of the Notes—Payment of Additional Amounts” in this offering memorandum.
Limited Covenants	Holders of the notes will benefit from covenants in the Indenture limited to covenants to pay the redemption price, interest, deferred interest, additional amounts and arrearages of interest if and when the same become due and payable (subject to deferral), as well as a reporting requirements covenant. See “Description of the Notes—Covenants.”
Limited Events of Default	<p>Each of the following will be an “Event of Default” with respect to the notes:</p> <ul style="list-style-type: none"> (i) we fail to pay interest on any note within 30 days after its due date; <i>provided</i> that the due date for deferred interest payments shall be the first Mandatory Payment Date following the Interest Payment Date on which such deferred interest first arose; (ii) we fail to pay the principal or premium, if any, of any note within 14 days after its due date; or (iii) certain events involving our liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, <i>concurso mercantil</i>, quiebra or similar proceedings to which we are party (a “Bankruptcy Event of Default”). <p>There is no right of acceleration of the payment of principal of the notes upon the occurrence of any Event of Default described in clauses (i) and (ii) above. However, upon the occurrence of an Event of Default described in clause (iii) above, the entire principal amount of all the notes and any accrued interest and any additional amounts and arrearages of interest will be automatically accelerated as provided under the Indenture and by Mexican insolvency laws and statutes. See “Description of the Notes—Events of Default.”</p>
Further Issuances	We may, from time to time without the consent of holders of the notes, issue additional notes on the same terms and conditions as the notes (except for Issue Date, issue price and, if applicable, the date upon which interest on the notes will begin to accrue and first be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes initially issued in this offering, <i>provided, however</i> , that any additional notes will be issued under a separate CUSIP, Common Code and/or ISIN number unless the additional notes are fungible with the original notes for U.S. federal income tax purposes.
Book-Entry; Delivery and Form	<p>The notes will be issued in registered form, without interest coupons, in minimum denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof.</p> <p>Except in limited circumstances, the notes will be issued in the form of global notes.</p>
Listing	Application is expected to be made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange.
Governing Law	The Indenture and the notes will be governed by the laws of the State of New York.
Use of Proceeds	To pay fees and expenses incurred in connection with this offering and for general corporate purposes.

Taxation	For a summary of the Mexican federal income tax consequences and the U.S. federal income tax consequences of an investment in the notes, see “Taxation.”
Settlement	The notes will initially be issued in the form of registered notes in global form, without interest coupons. The global notes will be delivered in book-entry form through the facilities of DTC, for the accounts of its participants, including Euroclear and Clearstream, and will trade in DTC’s Same-Day Funds Settlement System.
Trustee, Registrar, Transfer Agent and Paying Agent	The Bank of New York Mellon.
Luxembourg Paying Agent, Transfer Agent, and Listing Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Statement of Intention	<p>The following italicized text does not form a part of the terms of the notes:</p> <p><i>We intend (without thereby assuming a legal obligation) to redeem or repurchase the notes only to the extent that the part of the aggregate principal amount of the notes to be redeemed or repurchased, which was assigned “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the notes, does not exceed such part of the net proceeds received by us or any of our Subsidiaries (as defined herein) during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance of securities by us or such Subsidiary to third party purchasers (other than our group entities) of securities assigned by S&P “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the notes), unless:</i></p> <ul style="list-style-type: none"> <i>(i) the international rating assigned by S&P to us is at least “BB” (or such similar nomenclature as is then used by S&P) and we are of the view that such rating would not fall below this level as a result of such redemption or repurchase;</i> <i>(ii) in the case of a repurchase, such repurchase is of less than (a) 10% of the aggregate principal amount of the notes originally issued in any period of 12 consecutive months or (b) 25% of the aggregate principal amount of the notes originally issued in any period of 10 consecutive years;</i> <i>(iii) the notes are redeemed (a) pursuant to a Tax Deductibility Event or (b) pursuant to a Withholding Tax Event or (c) pursuant to a Rating Methodology Event that results from an amendment, clarification or change in the criteria by S&P; or</i> <i>(iv) such redemption or repurchase occurs on or after the Step-up Date.</i>

SUMMARY FINANCIAL AND OTHER INFORMATION

The following tables present certain summary financial information and operating data as of the dates and for each of the periods indicated. You should read the following summary financial data and other information together with “Presentation of Financial and Other Information,” “Selected Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Financial Statements and related notes included elsewhere in this offering memorandum.

The balance sheet data as of September 30, 2017, and the income statement data for the nine month periods ended September 30, 2016 and 2017, are derived from our Unaudited Interim Financial Statements included elsewhere in this offering memorandum. The balance sheet and income statement data as of and for the years ended December 31, 2014, 2015 and 2016, are derived from our Audited Financial Statements included elsewhere in this offering memorandum.

Our Financial Statements were prepared in accordance with *Sofom* GAAP. *Sofom* GAAP differs in certain significant respects from U.S. GAAP. See “Annex A—Summary of Certain Significant Differences between *Sofom* GAAP and U.S. GAAP” for a description of certain differences between *Sofom* GAAP and U.S. GAAP as they relate to us. No reconciliation of any of our Financial Statements to U.S. GAAP has been performed.

	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017 ⁽¹⁾
	(in millions of Ps., except earnings per share)			(in millions of US\$, except earnings per share)	(in millions of Ps., except earnings per share)		(in millions of US\$, except earnings per share)
Income Statement Data							
Operating lease income	3,648.6	5,480.7	7,773.1	428.1	5,550.5	8,073.0	444.6
Interest income	472.9	747.4	1,183.8	65.2	887.4	1,441.9	79.4
Other lease benefits	383.2	317.6	528.7	29.1	370.3	576.5	31.7
Depreciation of assets under operating lease	(2,150.1)	(3,183.6)	(4,537.3)	(249.9)	(3,343.1)	(4,528.8)	(249.4)
Interest expense	(839.7)	(1,192.8)	(1,988.9)	(109.5)	(1,332.7)	(2,685.5)	(147.9)
Other lease expenses	(425.0)	(348.3)	(583.6)	(32.1)	(412.8)	(539.9)	(29.7)
Financial margin	1,089.9	1,820.9	2,375.9	130.8	1,719.7	2,337.2	128.7
Loan loss reserve	30.0	(27.0)	(81.5)	(4.5)	(51.5)	(85.0)	(4.7)
Financial margin adjusted for credit risk	1,119.9	1,793.9	2,294.4	126.4	1,668.2	2,252.2	124.0
Commissions and fees paid (net)	(10.0)	(38.6)	(51.2)	(2.8)	(32.6)	(51.5)	(2.8)
Other operating income (net)	118.7	36.6	16.3	0.9	31.5	15.7	0.9
Financial intermediation results	11.3	335.2	-	-	7.0	-	-
Administrative and promotional expenses	(535.1)	(703.4)	(797.4)	(43.9)	(587.8)	(626.4)	(34.5)
	(415.2)	(370.2)	(832.3)	(45.8)	(581.9)	(662.3)	(36.5)
Operating income	704.8	1,423.7	1,462.1	80.5	1,086.3	1,589.9	87.6
Equity in results of other permanent investments	-	(1.4)	13.4	0.7	11.8	17.6	1.0
Income before income tax ...	704.8	1,422.3	1,475.5	81.3	1,098.1	1,607.6	88.5
Income tax payable	(456.5)	(585.5)	(656.2)	36.1	(355.8)	(646.8)	(35.6)
Deferred income taxes	234.2	256.7	391.0	21.5	173.3	319.2	17.6
Income tax expense	(222.4)	(328.8)	(265.2)	(14.6)	(182.5)	(327.7)	(18.0)

	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017 ⁽¹⁾
	(in millions of Ps., except earnings per share)			(in millions of US\$, except earnings per share)	(in millions of Ps., except earnings per share)		(in millions of US\$, except earnings per share)
Consolidated net income	482.4	1,093.5	1,210.3	66.7	915.6	1,279.9	70.5
Earnings per share ⁽²⁾	81.9	4.9	3.4	0.2	2.6	3.7	0.2

	As of December 31,				As of September 30,	
	2014	2015	2016	2016 ⁽¹⁾	2017	2017
				(in millions of US\$)	(in millions of Ps.)	(in millions of US\$)
(in millions of Ps.)						
Balance Sheet Data						
Cash and cash equivalents	573.7	1,457.8	1,678.9	92.5	3,825.1	210.6
Derivatives financial instruments.....	856.4	2,141.9	3,886.3	214.0	1,296.1	71.5
Performing loans portfolio:						
Commercial loans	2,767.6	5,174.0	7,649.0	421.2	8,044.5	443.0
Consumer loans	236.7	428.6	1,172.4	64.6	1,823.1	100.4
Total performing loans portfolio	3,004.3	5,602.7	8,821.4	485.8	9,867.6	543.4
Past due loans portfolio:						
Commercial loans	70.2	110.9	177.6	9.8	280.6	15.5
Total past due loans portfolio	70.2	110.9	177.6	9.8	280.6	15.5
Total loans portfolio.....	3,074.5	5,713.6	8,999.0	495.6	10,148.1	558.8
Less:						
Loan loss reserve	(88.1)	(114.2)	(196.4)	(10.8)	(281.4)	(15.5)
Loans portfolio (net)	2,986.4	5,599.3	8,802.6	484.4	9,866.8	543.4
Other accounts receivable.....	211.9	282.0	1,140.8	62.8	1,037.3	57.1
Foreclosed assets (net)	130.6	197.3	176.5	9.7	157.3	8.7
Property, machinery and equipment (net)....	9,610.7	14,080.4	23,241.3	1,279.9	29,563.0	1,628.0
Permanent investments.....	14.9	14.0	36.7	2.0	61.3	3.4
Other assets:						
Deferred charges, prepayments and intangible assets.....	406.0	451.5	1,457.6	80.3	2,146.7	118.2
Deferred tax.....	545.8	798.7	1,182.6	65.1	1,501.8	82.7
Other current and long-term assets.....	11.6	6.8	7.0	0.4	7.0	0.4
Total assets.....	15,348.1	25,029.7	41,610.3	2,291.4	49,462.4	2,723.9
Liabilities:						
Debt Securities						
Short-term	166.6	192.3	288.2	15.9	173.1	9.5
Long-term.....	9,975.8	13,356.8	21,291.7	1,172.5	33,185.2	1,827.5
	10,142.4	13,549.1	21,579.9	1,188.4	33,358.3	1,837.0
Bank borrowings and loans from other entities:						
Short-term	2,061.7	4,716.7	6,445.4	355.5	4,239.9	233.5
Long-term.....	392.8	780.6	1,897.2	104.5	1,417.9	78.1
	2,454.5	5,497.3	8,342.6	459.4	5,657.8	311.6
Other accounts payable:						
Income tax payable	100.2	30.7	314.0	17.3	94.6	5.2
Sundry creditors and other accounts payable	982.3	1,367.5	5,427.5	298.9	4,068.7	224.0
	1,082.5	1,398.2	5,741.5	316.2	4,163.4	229.2
Deferred credits and advanced collections...	133.3	238.6	445.7	24.5	607.9	33.5
Total liabilities.....	13,812.7	20,683.2	36,109.7	1,988.5	43,787.3	2,411.3

	As of December 31,				As of September 30,	
	2014	2015	2016	2016 ⁽¹⁾	2017	2017
				(in millions of US\$)	(in millions of Ps.)	(in millions of US\$)
	(in millions of Ps.)					
Stockholders' equity:						
Contributed capital						
Capital stock.....	875.0	963.1	960.3	52.9	958.4	52.8
Share premium.....	125.0	1,935.9	1,935.9	106.6	1,935.9	106.6
	1,000.0	2,899.0	2,896.2	159.5	2,894.3	159.4
Earned capital:						
Capital reserves.....	46.2	70.4	125.0	6.9	185.5	10.2
Prior years' income	6.8	365.0	1,051.3	57.9	1,850.5	101.9
Result of valuation of financial instruments for hedging cash flows	-	(81.3)	217.8	12.0	(535.1)	(29.5)
Net income	482.4	1,093.5	1,210.3	66.7	1,279.9	70.5
Total stockholders' equity.....	1,535.4	4,346.6	5,500.6	302.9	5,675.1	312.5
Total liabilities and stockholders' equity .	15,348.1	25,029.7	41,610.3	2,291.4	49,462.4	2,723.9
Off-balance sheet items:						
Contractual lease rentals to be accrued held in trust	6,038.4	10,887.7	16,026.9	882.6	23,862.5	1,314.1
Contractual lease rentals to be accrued.....	2,375.4	2,253.8	5,116.1	281.7	5,263.5	309.7
	8,413.8	13,141.5	21,143.0	1,164.3	29,126.0	1,603.9

	As of December 31,			Nine Months Ended September 30,
	2014	2015	2016	2017
Selected Financial Metrics				
Total leverage ⁽³⁾	6.3x	3.1x	4.4x	4.6x
Financial leverage ⁽⁴⁾	5.5x	2.8x	3.3x	3.7x
Ratio of non-performing loans ⁽⁵⁾	0.6%	0.59%	0.59%	0.71%
Coverage ratio ⁽⁶⁾	125.5%	103.0%	110.6%	100.3%
Efficiency ratio ⁽⁷⁾	48.6%	39.5%	34.4%	27.4%
Operating margin ⁽⁸⁾	52.7%	57.8%	60.9%	67.4%
Net margin ⁽⁹⁾	44.3%	60.1%	50.9%	54.8%
Return on average equity ⁽¹⁰⁾	36.1%	30.4%	24.8%	29.0%
Return on average assets ⁽¹¹⁾	3.7%	5.1%	3.6%	3.5%
Annualized return on average equity ⁽¹²⁾	44.5%	44.3%	28.5%	31.4%
Annualized return on average assets ⁽¹³⁾	4.3%	6.3%	4.3%	4.2%
Adjusted return on average equity ⁽¹⁴⁾	36.1%	23.9%	24.8%	29.0%
Adjusted return on average assets ⁽¹⁵⁾	3.7%	4.0%	3.6%	3.5%
Total stockholders' equity/total assets.....	10.0%	17.4%	13.2%	11.5%
Dividend payout ratio ⁽¹⁶⁾	29.6%	20.7%	32.3%	29.0%

	As of December 31,				As of September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017 ⁽¹⁾
				(in millions of US\$)	(in millions of Ps.)		(in millions of US\$)
	(in millions of Ps.)						
Adjusted consolidated net income ⁽¹⁷⁾	422.2	857.4	1,210.3	66.7	915.6	1,279.9	70.5

- (1) Translated into U.S. dollars, solely for the convenience of the reader, using an exchange rate of Ps. 18.1590 per U.S. dollar, the exchange rate published in the Mexican Federal Official Gazette on October 2, 2017. These convenience translations should not be construed as representations that the peso amounts actually represent U.S. dollar amounts or could be converted into U.S. dollars at the specified rate or at all. See "Exchange Rates."
- (2) The table below sets forth the calculation of earnings per share determined under the accounting criteria of CNBV and the adjusted earnings per share. Both metrics are calculated from the consolidated net result of the period; however, adjusted earnings per share

excludes: (i) shares issued in 2015 as part of our Initial Public Offering, (ii) shares issued that represent increases in our capital stock through the capitalization of retained earnings, and (iii) the average balance for the period of the shares held within the Company's share repurchase fund. Our management uses this measure as an indicator of our operating results and profitability, and believes that disclosure of adjusted earnings per share can provide useful information to investors in their evaluation of our operating performance, mainly because if the effect of the shares issued in our Initial Public Offering, the shares issued that represent capitalization of retained earnings, and shares held within the Company's share repurchase fund were not considered, our earnings per share would have increased during the period from 2014 to 2016.

	As of December 31,				As of September 30,		
	2014 (in millions of Ps., except EPS and number of shares)	2015 (in millions of Ps., except EPS and number of shares)	2016 (in millions of Ps., except EPS and number of shares)	2016 (in millions of US\$ except EPS and number of shares)	2016 (in millions of Ps., except EPS and number of shares)	2017 (in millions of Ps., except EPS and number of shares)	2017 (in millions of US\$ except EPS and number of shares)
Earnings per Share (EPS) determined under Sofom GAAP							
Consolidated net result	482.4	1,093.5	1,210.4	66.7	915.6	1,279.9	70.5
Weighted average of shares...	5,889,726	224,101,117	352,129,543	352,129,543	352,129,543	350,533,388	350,533,388
EPS under <i>Sofom</i> GAAP (in Ps.) ..	81.9	4.9	3.4	0.2	2.6	3.7	0.2
Adjusted Earnings per Share (Adjusted EPS)							
Consolidated net result	482.4	1,093.5	1,210.4	66.7	915.6	1,279.9	70.5
Number of shares outstanding without considering capitalization of retained earnings	2,296,575	224,101,117	352,129,543	352,129,543	352,231,877	350,553,388	350,553,388
Adjusted EPS (in Ps.)	210.1	4.9	3.4	0.2	2.6	3.7	0.2

- (3) Calculated as total liabilities (excluding securitizations) divided by total stockholders' equity, as of the same date.
- (4) Calculated as total financial debt (excluding securitizations) divided by total stockholders' equity, as of the same date.
- (5) Calculated as non-performing loan portfolio divided by total portfolio, including off-balance sheet items, as of the same date.
- (6) Calculated as allowance for loan losses divided by non-performing loan portfolio, as of the same date.
- (7) Calculated as operating expenses divided by the sum of the financial margin and net commissions.
- (8) Calculated as operating income (excluding other operating income-net and financial intermediation results) divided by the financial margin.
- (9) Calculated as consolidated net income for the period divided by the financial margin.
- (10) Calculated as consolidated net income for the previous 12 months divided by the average total stockholders' equity for the previous 12 months.
- (11) Calculated as consolidated net income for the previous 12 months divided by the average assets for the previous 12 months.
- (12) Calculated as consolidated net income (multiplied by four in a quarterly period) divided by the average total stockholder's equity for the previous two year period.
- (13) Calculated as consolidated net income (multiplied by four in a quarterly period) divided by the average assets for the previous two year period.
- (14) Calculated as consolidated net income adjusted for non-recurring items (see note 16 below) divided by the average total stockholders' equity for the previous two year period.
- (15) Calculated as consolidated net income for the period adjusted for non-recurring items (see note 16 below) divided by the average assets for the previous two year period.
- (16) Calculated as dividends paid in the current period divided by consolidated net income for the previous annual period.
- (17) Adjusted consolidated net income determined in accordance with Sofom GAAP, adjusted for the following non-recurring items net after tax: the sale by us of the shares of the capital stock of Unifin Agente de Seguros y Fianzas, S.A. de C.V. in 2014 for a total amount of Ps. 60.2 million (see "Business – Our Business Lines"), earnings in the amount of Ps. 57.5 million as a result of the repurchase of US\$ 33.4 million of our 2019 Senior Notes during the year ended December 31, 2015 (see "Management's Discussion and Analysis of Financial Condition and Results of Operation – Indebtedness – 2019 Senior Notes") and the entering into derivative financial instruments to hedge our exposure to risks associated with exchange rates for an amount of Ps. 178.0 million.

The table below sets forth the calculation of adjusted consolidated net income. Our management uses this measure as an indicator of our operating results and profitability, and believes that disclosure of adjusted consolidated net income can provide useful information to investors in their evaluation of our operating performance, mainly because it excludes the effect on non-recurring items.

	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,		
	2014	2015	2016	2016	2016	2017	2017
	(in millions of Ps.)			(in millions of US\$) ⁽¹⁾	(in millions of Ps.)		(in millions of US\$) ⁽¹⁾
Consolidated Net Income determined under Sofom GAAP....	482.4	1,093.5	1,210.3	66.7	915.6	1,279.9	70.5
Adjusted for:							
Sale of Unifin, Agente de Seguros y Fianzas ...	(60.2)	-	-	-	-	-	-
Earnings for the repurchase of the 2019 Senior Notes	-	(57.5)	-	-	-	-	-
Valuation for the Derivative Financial Instruments.....	-	(178.6)	-	-	-	-	-
Adjusted consolidated net income	422.2	857.4	1,210.3	66.7	915.6	1,279.9	70.5

⁽¹⁾ Translated into U.S. dollars, solely for the convenience of the reader, using an exchange rate of Ps. 18.1590 per U.S. dollar, the exchange rate published in the Mexican Federal Official Gazette on October 2, 2017. These convenience translations should not be construed as representations that the peso amounts actually represent U.S. dollar amounts or could be converted into U.S. dollars at the specified rate or at all. See "Exchange Rates."

RISK FACTORS

An investment in the notes involves risk. You should carefully consider the risks and uncertainties described below and the other information contained in this offering memorandum before making an investment in the notes. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The risks described below are not the only ones facing our Company or investments in Mexico in general. Additional risks and uncertainties not currently known to us or that we currently deem non-material may also impair our business.

Risks Related to Our Business

Our results of operations may be adversely affected by ongoing disruptions and volatility in the global financial markets.

The global economy has recently experienced a period of slowdown and 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 considerable decline in oil prices since 2014, the United Kingdom's referendum on membership in the European Union, and the U.S. presidential election in 2016 have had a significant impact on the worldwide economy and in Mexico.

The current U.S. governmental policies towards Mexico have created instability, uncertainty and may adversely affect the Mexican economy. The results of such policies, notably the possible renewal and negotiation of the NAFTA between the U.S., Canada and Mexico, remain highly uncertain at this time. Any amendments to NAFTA in terms less favorable to Mexico with respect to global trade symmetry or which may otherwise undermine the ability to trade or prevent the progress towards a more competitive North America, or even the withdrawal by any party of NAFTA, could significantly affect the Mexican economy and the financial markets in Mexico. In addition, the recent enactment by the United States of the Tax Cuts and Jobs Act, which, among other things, reduces the maximum U.S. federal corporate income tax rate, may result in a decrease in investments by U.S. corporations in Mexico and negatively impact the Mexican economy and financial markets.

The uncertainty of such policies and/or a worsening of other economic and political conditions worldwide could have the following effects:

- increased regulation of the financial industry, which may increase our costs of capital and limit our ability to pursue business opportunities;
- the inability to estimate losses inherent in credit exposure or to make difficult, subjective and complex judgments, including forecasts of economic conditions and how these economic conditions might impair the ability of our customers to pay their leases and loans; and
- economic downturn or insufficient recovery of the economy generally and the financial markets, which may impact our business, financial condition and results of operations.

The persistence or worsening of the distortion and volatility of the global economy and the financial markets could adversely affect us, including our ability to raise capital and liquidity on favorable terms or at all. The absence of sources of financing through the capital markets or an excessive increase in the cost of such financing may have the effect of increasing our cost of capital and force us to increase the rates we charge our customers. Any such increase in the cost of financing could have a material adverse effect on our margins. In addition, our financial results are exposed to market risks, including interest rate and exchange rate fluctuations, which can have a material adverse effect on our financial condition and results of operations.

Changes in economic conditions in Mexico could materially and adversely affect demand for our financing products and the financial condition of our existing and potential customers.

Demand for our financing products depends on economic conditions, including growth rates, inflation, unemployment, adverse imbalances in international trade, 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. In addition, our ability to receive payments on our leases and loans in full and on time is also heavily dependent on the financial condition of our customers, which is in turn heavily dependent on general economic conditions. Worsening economic conditions in Mexico and globally could negatively impact the financial condition of existing and potential customers, which could in turn increase the share of our existing non-performing leases and loans, thereby reducing our financial margins.

In particular, certain industries in which our customers operate are strongly influenced by macroeconomic conditions in Mexico. Economic contraction in such industries could significantly affect the performance of our portfolio and, as a result, our business, financial condition and results of operations. While we have adopted policies and proceedings to monitor the quality of our portfolio, such policies and proceedings may fail and some customers may face liquidity issues that, in certain cases, may force them to enter into a bankruptcy proceeding, which in turn could affect our financial condition. As a consequence, any consideration received or recovered by us from transactions entered into with customers that are the subject of a bankruptcy petition within a statutory period of time prior to the judgment declaring the insolvency may be the subject of challenges and may be declared null and void. The results of such proceedings, if adverse to us, could have an adverse effect on our business, financial condition and results of operation.

Furthermore, the increase of the cost of goods generally, caused mainly by inflation or global trade conditions, may adversely affect the ability of our customers to acquire or finance such goods, including through lease transactions, which could adversely affect their results of operations and our business may be further negatively affected as a result.

In addition, government forecasts of Mexico's economic growth may affect rating agencies' perception of the country. Furthermore, the Mexican Congress approved a reduction in the Mexican government's budgetary expenditures for fiscal year 2017, which may affect economic activity and investment. Moody's changed the outlook of Mexico's debt to negative and the Mexican government lowered its GDP growth forecast for 2017, which may have a negative effect on Mexico's credit ratings issued by international rating agencies, which may, in turn, adversely affect our business, financial condition and results of operation.

Financial problems faced by our customers could adversely affect us.

Market turmoil, decrease in government spending, increase in interest rates, and economic recession could materially and adversely affect the liquidity, credit ratings, businesses and/or financial conditions of our borrowers, which could in turn increase our non-performing loan ratios, and result in decreased demand for borrowings in general. Any of the conditions described above could have a material adverse effect on our business, financial condition and results of operations.

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

We face competition from leasing institutions, independent financial institutions, credit providers and their affiliates in each of our business lines. We expect competition will increase as we expand our operations in Mexico. Changes in the financial sector, such as the creation of new multiple purpose financial companies, have led to greater competition. Additionally, the establishment of new leasing companies or financial factoring by commercial banks, financial groups or other financial entities could result in increased competition for us. Our present or future competitors may have significantly greater assets and capital and other resources, and this increased competition in our markets could adversely affect our business, financial condition and results of operations. In addition, future changes to the regulations governing financial institutions may incentivize financial institutions to enter the operating leasing market, which would also increase the competition we face.

We may not be able to effectively control the level of non-performing leases and loans and our allowances for non-performing leases and loans may not be adequate to cover actual losses, which may adversely affect our financial condition.

As a financial services provider, we face the risk of non-performing leases and loans. Whether as a result of the growth of our leases and loan portfolio or other factors beyond our control (such as a weakening of the global or Mexican economy, other macroeconomic and political events affecting Mexico, events affecting specific industries or global trade generally or even natural disasters), we may not be able to effectively control the level of

non-performing leases and loans in our total loan portfolio. In addition, in the case of any non-performing loans or leases, we may not be successful in recovering the underlying assets that secure the leases and loans.

In addition, our allowances for loan losses may not be adequate to cover an increase in the amount of non-performing leases and loans or any future impairment in the overall credit quality of our leases and loan portfolio. If the quality of our leases and loan portfolio deteriorates, we may be required to increase our allowances for loan losses, which may adversely affect our financial condition and results of operations. Moreover, there is no precise method for predicting credit losses, and we cannot assure you that our monitoring and risk management procedures will efficiently predict such losses or that our allowances are sufficient to cover actual losses. Our methodology for measuring credit risk and establishing allowances is based, in large part, on historical experience, and therefore these methods may not be able to accurately estimate future risk exposures, which could be significantly greater than indicated by measures based on historical data. If we are unable to control the level of our non-performing leases and loans or the quality of our leases and loans, or are unable to recover the assets securing such loans or leases, our business, financial condition and results of operations could be materially and adversely affected.

As a non-regulated Sofom, we determine our allowances for loan losses in accordance with an internal methodology that differs from the methodology applicable to regulated Sofomes.

As a non-regulated *Sofom* under the General Law of Auxiliary Credit Organizations and Credit Activities (*Ley General de Organizaciones y Actividades Auxiliares del Crédito* or “GLACOA”), we determine our allowances for loan losses using an internal methodology based on certain rules for classifying and rating loan portfolios. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Loan loss reserves” and Note 3 in our Financial Statements. If we rated our loan portfolio and determined our allowances for loan losses according to the General Provisions (as defined under “Supervision and Regulation of the Mexican Financial Industry—Anti-Money Laundering Provisions”) applicable to regulated *Sofomes* or the General Provisions applicable to lender institutions issued by the CNBV, we could be required to increase our allowances for loan losses.

We may not be able to obtain the capital we need to fund and expand our business.

We have been funding the growth of our business primarily through internally generated cash from our operations, debt securities, including securitizations, bank borrowings and loans from other entities and, to a lesser extent, capital increases by our shareholders. Adverse financial conditions, including crises or a reduction of credit availability, could limit our access to new or sustained funding. Any decrease in the availability of one or more of our funding sources, or the cancellation of our current credit lines, 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 operating lease, financial factoring and auto and other loans portfolio, remain competitive or enter into new businesses. In addition, we may need to raise additional capital to maintain or increase our equity base in the event that we experience large, unexpected losses in our lease and loan portfolio. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our financial condition, results of operations, and cash flows;
- general market conditions for capital-raising activities by commercial banks and other financial institutions; and
- economic, political, and other conditions in Mexico and worldwide.

We may not be able to obtain additional capital in a timely manner, on acceptable terms or at all, which could have an adverse effect on our business, financial condition and results of operations. Our credit ratings are an important component of our liquidity profile and downgrades in our credit ratings could increase the cost of future borrowings, as well as negatively impact our ability to renew maturing debt. Our future ability to access financial markets in order to obtain required funding on acceptable terms will also depend to a large degree on prevailing capital and financial market conditions over which we have no control, and accordingly we cannot assure you that

we will be able to do so. Our failure to generate sufficient cash flows from operations or to obtain external financing could have a material adverse effect on our business, financial condition and results of operations.

Most of our debt agreements contain restrictions that may limit flexibility in operating our business, and in the event of a default, all of our borrowings may become immediately due and payable.

The terms of most of our credit and debt agreements impose, and the terms of our future financial indebtedness, including the notes, may impose, operating and other restrictions on us. The agreements governing our credit facilities and international and local bond issuances contain certain covenants restricting our and our subsidiaries' ability to, among other things, incur additional debt, make certain dividend payments, redeem capital stock and make certain investments, transfer and sell assets, engage in lease securitizations and receivables transactions for less than fair market value, enter into agreements that would limit the ability of subsidiaries to pay dividends or make distributions, create liens, effect a consolidation, merger or sale of assets and enter into transactions with affiliates. Additionally, the agreements governing our credit facilities and local and international bond issuances contain requirements that we comply with a number of restrictive financial covenants, including maintaining certain ratios of interest coverage, total debt (excluding securitizations) to stockholders' equity, total assets to stockholders' equity and total portfolio to stockholders' equity, as well as the maintenance of minimum levels of non-performing loans. Our ability to comply with these ratios may be affected by events beyond our control. These restrictions and financial ratios could limit our ability to plan for or react to market conditions, otherwise restrict our activities or business plans and could adversely affect our ability to finance ongoing operations or strategic investments or to engage in other business activities that would be in our interest. Also, the unavailability of sources of funds may impact our ability to obtain the funds necessary to service our debt, including the notes.

Certain of our financial indebtedness is also subject to cross default provisions. Our breach of any of these restrictive covenants or our inability to comply with the financial maintenance ratios and other covenants would result in a default under other applicable debt instruments. If any such default occurs, the lenders may elect to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, which would impact our financial condition and results of operations. If we are unable to repay outstanding borrowings when due, the lenders will have the right to exercise their rights and remedies against us, and we cannot assure you that our assets would be sufficient to repay in full our obligations.

We have a significant amount of indebtedness, which may adversely affect our operating and financial flexibility and could adversely affect your investment in the notes and our business, financial condition and results of operations.

As of September 30, 2017, we had total outstanding financial indebtedness (including accrued interest) of Ps. 39,016.1 million (US\$ 2,148.6 million), of which Ps. 21,875.6 million (US\$ 1,204.7 million) was denominated in Mexican pesos and Ps. 17,140.5 million (US\$ 943.9 million) was denominated in U.S. dollars. Of our total indebtedness as of September 30, 2017, Ps. 3,122.1 million (US\$ 171.9 million), or 8.0%, consisted of indebtedness with maturities of one year or less or indebtedness that otherwise becomes due within one year, which we classify as short-term indebtedness. The remaining Ps. 35,894.0 million (US\$ 1,976.7 million), or 92.0%, of our total outstanding indebtedness consisted of indebtedness with maturities greater than one year that becomes due more than one year after September 30, 2017, which we classify as long-term indebtedness. Accordingly, our capacity to continue funding our operations will depend on the collection of our lease, factoring and loan portfolios. This capacity will also depend on our ability to refinance or restructure our short-term and long-term indebtedness and the prevailing liquidity conditions of the financial market. Our indebtedness could have important consequences, including the following:

- it may increase our vulnerability to general adverse economic, competitive and industry conditions;
- it may be difficult for us to satisfy our obligations under our existing credit facilities and other indebtedness and commitments;
- it may limit our ability, or increase the cost of, refinancing our indebtedness;

- we may not have sufficient financial resources to repay our short-term and long-term indebtedness as it becomes due or sufficient time to finance the repayment thereof;
- 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 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;
- it may expose us to increased interest rates given that certain of our borrowings are at variable rates of interest;
- it may restrict us from making strategic acquisitions or cause us to make non-strategic divestitures;
- it may limit our planning flexibility for, or ability to react to, changes in our business and the industries in which we operate;
- it may impose significant operational and financial restrictions on us, such as our capacity to (i) pay dividends or buy back capital stock, (ii) make investments, (iii) create liens, (iv) enter into transactions with affiliates, (v) sell assets and (vi) consolidate or merge;
- it may limit our ability to enter into hedging transactions by reducing the number of willing counterparties with whom we can enter into such transactions, as well as the volume of those transactions; and
- we may be placed at a competitive disadvantage to our competitors.

If we are unable to comply with the provisions of our credit agreements and debt instruments and are unable to obtain a waiver or amendment of the terms under such agreements and instruments, the indebtedness outstanding under such debt instruments could be accelerated. Acceleration of these debt instruments would have a material adverse effect on our business, financial condition and results of operations.

One of our main sources of financing is the securitization of collection rights of our lease portfolio through the assignment of trust bonds to issuance trusts.

Since 2006, we have obtained financing through securitizations of our collection rights of our lease portfolio through the assignment of such rights to issuance trusts by means of the BMV or private structures. Any collection rights assigned to issuance trusts or other private trusts must comply with certain credit quality and diversification requirements, among others. As of September 30, 2017, we have assigned a total of Ps. 23,862.5 million of collection rights, which represents 60.8% of our total portfolio, including off-balance sheet accounts. Any collection rights assigned to the issuance trusts, for which we act as managers, are subject to the payment of loans executed by the trustees of the respective issuance trust and may not be used by the Company for the payment of any other indebtedness or for any other purpose.

We have granted security interests on certain of the property on which we provide leases in the ordinary course of business to certain lenders for which we have assigned the receivables as required by certain of our Trust Certificates and other structured debt.

We have granted security interests on certain of the property on which we provide leases in the ordinary course of business in order to secure the obligations to certain of our lenders under the terms and conditions of certain of our Trust Certificates and other structured debt. In the event of a failure of our customers to pay their obligations under such leases secured by such collateral, our creditors could bring an enforcement proceeding with respect to such security interest. If those creditors successfully bring enforcement proceedings on a substantial part of the pledged assets, our financial condition could be adversely affected.

We have intercompany debt, which could adversely affect our position as a creditor, if a bankruptcy is initiated against our subsidiaries.

Recent amendments to the Mexican Bankruptcy Law with respect to the priority of creditors pertaining to the same corporate group, established, among other matters that: (i) unsecured indebtedness of persons controlling the debtor will be subordinated to the rights of other third-party creditors; (ii) if the rights of the controlling shareholders in respect of the related party debt represent 25.0% or more of the total amount of indebtedness recognized in the bankruptcy proceeding, such related party creditors would need the consent of at least 50% of the third-party creditors in order to approve a reorganization agreement; and (iii) the controlling shareholders of the debtor are prohibited from voting in favor of a bankruptcy trustee (*síndico*) that is unregistered in the Mexican Federal Institute of Insolvency Specialists (*Instituto Federal de Especialistas de Concursos Mercantiles*). As a result, if a bankruptcy proceeding is initiated against our subsidiaries, our creditor rights may be limited or impaired.

Reductions in our credit ratings could increase our cost of funding and negatively impact our ability to raise new funds or renew maturing debt.

Our credit ratings are an important part of our liquidity profile and are based on, among other factors, the financial strength, credit quality and diversification in our loan portfolio; the level and volatility of our earnings; our capital adequacy; the quality of our management; the liquidity of our balance sheet and our ability to access a broad array of funding sources. Adverse changes in our credit ratings could negatively impact our ability to obtain funding at competitive rates, which may in turn have a material adverse effect on our business, financial condition and results of operations.

Servicing our indebtedness, including the notes, 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 or to fund our other liquidity needs. As a result, we may need to refinance all or a portion of our indebtedness at or before maturity, and we may not be able to complete such refinancing on commercially reasonable terms or at all. We may also not have sufficient resources to repay our indebtedness as it becomes due or sufficient time to finance the repayment thereof. 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, including new loan origination. If we are unable to generate cash to service, repay or refinance our indebtedness, our business, financial condition or results of operations may be materially and adversely affected.

If we are unable to bring an enforcement action on the collateral securing our leases and financial contracts or if the value of collateral under certain of our leases and other financing contracts is inadequate, our results of operations and financial condition could be adversely affected.

We require a lien on assets securing our leases and other financing contracts exceeding Ps. 5.0 million pesos. If we are unable to bring an enforcement action on collateral on a timely basis or at all, or if proceedings related thereto are delayed, our results of operations and financial condition may be adversely affected. Additionally, the value of such collateral may be adversely affected by a number of conditions such as damage, loss, deterioration, devaluation, oversupply or reduced demand for such asset. There can be no assurance that the value of such collateral will not decline. There can also be no assurance that the assumptions relied on by appraisers assessing the value of such collateral are accurate measures of the market and thus the value of such collateral may be evaluated inaccurately. Consequently, the price at which we are able to sell any collateral in the event of an attachment or foreclosure may be lower than the valuation of such collateral and this may have a material adverse effect on our financial condition and results of operations.

The market value of our leased equipment may be lower than anticipated at the time it is sold to third parties, if applicable.

Although most of our clients purchase the leased equipment at a discount at the end of the lease agreements, if the client does not purchase the equipment and it is returned to the Company, we may not be able to lease it again or sell it at market price. This could adversely affect the expected residual value of the equipment and, consequently, the results of operation of the Company. There are several factors beyond our control that could adversely affect the remarketing price that we can obtain for equipment, such as the general market value for the equipment at the time we are attempting to remarket that equipment, the cost of new equipment at the time we are remarketing the used equipment, technological and regulatory developments since our initial purchase of the equipment which could reduce the market value of the equipment, general economic conditions and the conditions in industry-specific market sectors, and the condition of the equipment returned to or repossessed by us. We cannot assure you that we will be able to sell the equipment used for operating leases at market or competitive prices, which could affect our operating results.

Fluctuations in Mexican exchange rates and interest rates may adversely affect our business, financial condition and results of operations.

We are exposed to exchange rate risk to the extent certain of our U.S. dollar-denominated liabilities are not covered by currency financial derivative instruments and whenever we maintain open positions in currencies other than the Mexican peso. We are exposed to interest rate risk whenever there is a mismatch in the revaluation of interest rates or if interest on our leasing, financial factoring or auto loans and other lending portfolio is calculated based on fixed interest rates. The exchange rates and interest rates in Mexico have been subject to significant fluctuations in the past and to limitations on convertibility. Due to the historic volatility of the peso exchange rate and interest rates in Mexico, exchange rate and interest rate risks may be greater in Mexico than in other countries. Exchange rates and interest rates have experienced considerable volatility globally in recent years due to weak economic conditions. We cannot assure you that we will not experience losses in the future due to exchange rate and interest rate fluctuations, which could have a material adverse effect on our financial condition and results of operations. Without the Company taking any risk-mitigating actions, we estimate that an increase of 50 basis points on the TIIE would have a negative impact of approximately 1.2% on our net income.

In recent years, interest rates in Mexico have remained at historically low levels; however, we cannot assure you that interest rates will remain at such levels in the future. As of the end of 2013, 2014, 2015, 2016 and 2017, the 28 day TIIE was 3.79%, 3.32%, 3.55%, 6.11% and 7.63%, respectively. A sustained increase in interest rates would increase our financing costs and may result in a decrease in demand for our financing products. In the event of an increase in interest rates, we may also need to readjust our portfolio of assets and liabilities in order to minimize risks and maintain our profitability. In addition, an increase in interest rates could negatively affect the Mexican economy and the financial condition of our customers and their ability to repay their obligations to us, which could result in the deterioration of the quality of our portfolio. Furthermore, volatility in exchange rates and interest rates could also affect the ability of our customers to repay their obligations to us, which could result in an increase in non-performing leases and loans, and therefore could have a material adverse effect on our business, financial condition and results of operations.

Our business is highly dependent on proper functioning and improvement of information technology systems.

Our business is highly dependent on our ability to timely collect and process a large amount of information related to the existing 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 or the inappropriate handling of the data stored therein 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. Such failures could be caused by, among other things, software bugs, computer virus attacks or conversion errors due to system upgrading. Any security breach caused by unauthorized access to information or systems, intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, could have a material adverse effect on our business, financial condition and results of operations. In addition, we may experience difficulties in upgrading, developing and

expanding our information technology systems quickly enough to accommodate our growing customer base. Our disaster recovery planning may also be insufficient to cover all eventualities, and we may have inadequate insurance coverage or insurance limitations that could prevent us from being fully compensated for losses from a major interruption or other damage to our systems. 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 materially adversely affected.

We may experience operational problems or errors.

We, like all financial institutions, are exposed to many types of operational risks, including the risk of fraud by employees and outsiders, failure to obtain proper authorizations, failure to properly document transactions, equipment failures and errors by employees. Although we maintain a system of operational controls, there can be no assurances that operational problems or errors will not occur and that their occurrence will not have a material adverse impact on our business, financial condition and results of operations.

Changes to the accounting criteria of the CNBV or to any other accounting principles that may become applicable to us could have a negative effect on our internal processes, and the proper implementation of such changes could result in significant expenses.

The accounting criteria of the CNBV, MFRS and any other accounting principles that may become applicable to us could be modified, and new regulations could go into effect in the future. The initial application of new standards or changes to them, or the implementation of any other accounting principles that may become applicable to us, including the International Financial Reporting Standards (“IFRS”), could have a negative impact on our internal processes, as well as on our operating results, financial condition and ability to comply with our contractual obligations. As of the date of this offering memorandum, we have not quantified the possible impact of the application of new standards or any modifications to the accounting standards of the CNBV or MFRS, nor the effects of the implementation of other accounting principles that may become applicable to us, including IFRS. It is also possible that financial information prepared in accordance with any new CNBV and MFRS accounting criteria or their respective amendments or any accounting criteria that may become applicable to us, including IFRS, may not be comparable with the financial information reported during previous periods. See Note 2 (b) of the Financial Statements. You should consult your own advisors regarding potential changes to the accounting criteria of the CNBV, MFRS and, if applicable, IFRS and the way in which those changes could affect the Audited Financial Statements included in this offering memorandum.

Any failure to protect our registered trademarks and intellectual property may materially adversely affect us.

We believe that our commercial advertisements, trademarks and other intellectual property are fundamental to our name recognition and the continued success of our business. Any infringement of our intellectual or industrial property rights or any failure to register or maintain these rights in the jurisdictions in which we operate may result in: (i) litigation, requiring that we dedicate substantial time and resources to defend our intellectual and industrial property; and/or (ii) the potential loss of our ability to use our trademarks. The success of our business depends in part upon our continued ability to use our trademarks to increase brand awareness and further develop our brand in both the Mexican and international markets. We cannot assure you that all of the steps that we have taken to protect our trademarks in Mexico and other countries will be adequate to prevent the infringement of our trademarks by others. The unauthorized reproduction of our trademarks could diminish the value of our brand and our market recognition, our competitive advantages or our goodwill, which could adversely affect our business, results of operations, prospects and financial conditions.

We are dependent on key personnel, our ability to retain and hire additional key personnel and the maintenance of good labor relations.

Our operation and growth depend significantly upon the efforts, relationships, reputation and experience of our board of directors, senior management and other key personnel. The loss of their services, or our inability to attract and retain qualified management personnel to replace them, could have a material adverse effect on our business, financial condition and results of operations. In addition, in line with our planned expansion, our future success also depends on our continuing ability to identify, hire, train and retain other qualified sales, marketing, collections and managerial personnel. Competition for such qualified personnel is intense and we may be unable to

attract, integrate or retain qualified personnel at levels of experience or compensation that are necessary to maintain our quality and reputation or to sustain or expand our operations.

Our risk management systems and policies may not be effective in mitigating our risk exposure, and we may be exposed to unidentified or unanticipated risks, which may materially and adversely affect our business, financial condition and results of operations.

Our risk management systems, hedging strategies, policies and other risk management techniques may not be effective in mitigating our risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon historical market behavior or past events. As a result, these methods may not be able to accurately estimate future risk exposures, which could be significantly greater than indicated by measures based on historical data. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information in all cases may not be accurate, complete, up-to-date or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. Such policies and procedures, including our origination and servicing policies, instituted by us or from time to time modified to respond to changes in the market in which we operate, may not be fully effective. Any failure of our risk management procedures or any failure to identify any applicable risks may have a material adverse effect on our business, financial condition and results of operations.

Risks not contemplated in our insurance policies may affect the assets leased by us.

Although we take actions to ensure that our insurance policies cover most of the risks related with the assets we lease, it is possible that the terms and conditions of the insurance policies we have will not cover a specific event or incident. If any uninsured events occur with respect to a significant portion of our leased assets, such lack of coverage could have a material adverse effect on our financial conditions and results of operations.

Our controls and procedures may fail or be circumvented.

Controls and procedures, particularly those relating to collections and cash management, are important for finance companies. Any system of controls, however well-designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures, or failure to comply with regulations related to controls and procedures, could have a material adverse effect on our business, financial condition and results of operation.

We may not be successful in our plans for growth, development and diversification.

We may not be successful in our plans for growth and diversification of our business, or we may need to incur additional costs in order to carry out these plans, which could have a material adverse effect on our business, financial conditions and results of operations and prospects.

We may be subject to penalties due to our advertising.

Because we are active in financial advertising, we could be subject to penalties based on unfair competition if such advertising includes incorrect or incomplete information, or if such information is considered misleading. Furthermore, we may be subject to penalties if we advertise our products or services to those customers who have expressly requested not to receive such advertising. Such events could adversely affect our business, financial condition and results of operations.

We may not be able to detect money laundering and other illegal or improper activities on a timely basis or at all.

We are required to comply with applicable anti-money laundering, terrorism financing prevention and other laws and regulations. These laws and regulations require us and our subsidiaries, among other things, to adopt and enforce “know your customer” policies and procedures and to report suspicious and large transactions to the applicable authorities. Such regulations have become increasingly complex and detailed over time and require

effective control systems and highly qualified personnel for the supervision of and compliance with such rules. In addition, such regulation is subject to increased surveillance by governmental authorities. While we have adopted policies and procedures aimed at detecting and preventing the use of our network for money laundering activities and related activities, we cannot assure you that such policies and procedures will completely eliminate instances where our accounts or technology may be used by other parties to engage in money laundering and other illegal or improper activities. While we have not been subject to fines or other sanctions as a result of not complying with the applicable regulations related to money laundering activities in the past, to the extent we may fail to fully comply with applicable laws and regulations, the relevant governmental agencies to which we report have the power and authority to impose fines and other penalties on us. Furthermore, although we have not suffered damages to our business or our reputation as a result of money laundering activities in the past, our business and reputation could suffer if customers use us for money laundering or illegal purposes.

We are subject to certain risks associated with derivative financial instruments that we have entered into related to fluctuations in exchange rates and interest rates, which could adversely affect our financial conditions and results of operations.

We are exposed to various risks related to fluctuations in interest rates, currencies and exchange rates. One of the strategies we employ to mitigate the possible negative effects of these risks consists of entering into derivative financial instruments to hedge our exposure to risks associated with our indebtedness, including the 2019 Senior Notes, the 2023 Senior Notes, the 2025 Senior Notes and other debt instruments and lines of credit. The use of such derivative financial instruments could result in losses related to the valuation of the hedging instruments as a result of fluctuations of the peso exchange rate and fluctuations of interest rates in Mexico.

Our swaps are subject to periodic margin calls. We may be required to use a substantial part of our cash to cover such margin calls, which may reduce the resources available for our business operations and capital requirements. As a result, we may incur net losses from our currency swap transactions or may be unable to make our margin calls, any of which could have a material adverse effect on our business, liquidity, financial condition and results of operations.

Our operations are subject to various financial laws and regulations. Any failure by us to comply with the applicable legal requirements could result in the imposition of sanctions or fines, which could result in additional costs that could have a material adverse effect on our financial condition and results of operations.

Our operations are subject to various financial laws and regulations. Any failure by us to comply with the applicable legal requirements or our inability to adjust our processes and operations in accordance with any amendments made to such laws and regulations could result in sanctions or fines or in our being required to implement remedial programs, which could result in significant additional costs for us and which in turn could have a material adverse effect on our financial condition and results of operations and could also disrupt our operations or the implementation of projects or business plans. We cannot predict the effect that future financial laws and regulations may have on our financial condition and results of operations.

Cyber-attacks or other breaches of network or IT security could have an adverse effect on our business.

Our technologies, systems, networks, and those of our business partners may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, misuse or loss of confidential information, or other disruption of our business operations. Cyber-security risks for financial institutions have significantly increased because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists and other external parties. The Company's business is highly dependent on our technology infrastructure and that of our service providers, and we are not immune to attacks against our or their network or systems. Although we have not experienced any material loss related to cyber-attacks, there can be no assurance that we will not be the target of cyber-attacks in the future that could adversely affect our operations or financial condition. As cyber threats continue to evolve, we may be required to incur additional expenses to enhance our protective measures or to remediate any information security vulnerability.

Risks Related to Our Controlling Shareholder

Our controlling shareholder is able to exercise significant control over us, which may result in the adoption of significant decisions with respect to our business strategy and capital structure.

We are currently controlled by Trust Number 2452 (the “Trust”) held with Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario (“Banco Invex”). Our controlling shareholder is in a position, with certain limited exceptions, to direct our management and to determine the result of substantially all matters decided by a majority vote of our shareholders, including, among others: (i) the election of a majority of the members of our board of directors and main executive officers, (ii) sales and dispositions of our assets, the amount of debt financing that we incur and the granting of liens, except when there is a conflict of interests, (iii) undertaking investments and acquisition of assets, (iv) the determination of the amount of dividends to be distributed by us; and (vi) any other relevant strategic decisions regarding our business. As a result, circumstances may occur in which our controlling shareholder’s interests could conflict with your interests as a shareholder, and the decisions of our controlling shareholder may affect the current business strategy of the Company or its financial results. As of the date of this offering memorandum, neither the Company nor, to the knowledge of the Company, its controlling shareholder, are subject to or are engaged in ongoing negotiations with respect to agreements involving a material reorganization of, or a strategic alliance involving, the Company or its business; however, we cannot assure you that the Company or its controlling shareholder will not engage in such negotiations or agreements in the future, which may impact our financial condition.

Banco Invex has the ability to enter into credit facilities backed by a pledge of the shares held in the Trust. In the event of a default under such credit facilities, the creditors thereunder will have the ability to enforce such pledge, which could result in a change of control of the Company.

In accordance with instructions provided by the technical committee of the Trust, Banco Invex may enter into credit facilities and pledge the shares held in the Trust as a guarantee of its obligations thereunder. In the event that the Trust defaults under its payment obligations with respect to such credit facilities, the respective creditors will have the ability to enforce such pledge and, subject to the conclusion of the applicable legal proceedings, collect the pledged shares, which would result in a change of control of the Company. In this circumstance, the creditors of the Trust would be subject to the requirements contained in the Mexican Securities Market Law with respect to obligatory public offers, to the extent applicable.

We often engage in a variety of transactions with related parties which may cause conflicts of interest.

We have engaged and will continue to engage in a variety of transactions with affiliates, such as services and outsourcing agreements and factoring agreements. See “Certain Relationships and Related Party Transactions.” While we intend to continue to transact business with related parties on an arm’s-length basis and in compliance with our corporate governance practices, such transactions could be affected by conflicts of interest between such related parties and us. We have agreed to terms governing certain of our indebtedness that limit our ability to engage in transactions with our affiliates.

Risks Related to Mexico

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

We are incorporated in Mexico, and substantially 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 or state-funded financial institutions could have a significant impact on private-sector entities in general and on us in particular, and on market conditions, including prices and returns on Mexican securities. Also, the Mexican government may implement significant changes in laws, public policies and/or regulations that could affect political and economic conditions in Mexico, which could adversely affect our business. Our business, financial condition and results of operations, may be adversely affected by changes in policies or regulations involving, among others:

- interest rates;
- exchange rates and controls and restrictions on the movement of capital out of Mexico;
- currency fluctuations;
- inflation;
- liquidity of the domestic capital and lending markets; and
- tax and regulatory policies.

Any legislative or regulatory actions and any required changes to our business operations resulting from such legislation and regulations, including without limitation, those derived from recent amendments to certain Mexican financial laws (the “Financial Reforms”) and related legislation issued pursuant thereto, could result in a loss of revenue, limit our ability to pursue certain business opportunities, increase the level of reserves that we are required to maintain, affect our capital adequacy requirements, affect the value of assets that we hold, require us to increase our prices thereby reducing the demand for our products, impose additional costs on us, require that our standard agreements include or exclude certain provisions, or otherwise adversely affect our businesses. Changes in regulations may also cause us to face increased compliance costs and limitations on our ability to pursue certain business opportunities and provide certain products and services.

Although we are not subject to specific regulation with respect to capitalization ratios, financial structure or otherwise, as other banking institutions are, Mexican law could change and future laws and regulations that regulate operations of leasing and other financial companies, such as ours, could be enacted. If such laws or governmental oversight or other changes in Mexican law were to occur, our business, financial condition and results of operations could be materially and adversely affected. Accordingly, there can be no assurance that future changes in regulations or in their interpretation or application will not adversely affect us.

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

Political circumstances in Mexico might significantly affect Mexican economic policies which could have an effect on our operations. Mexico’s next presidential and federal legislative elections will be in July 2018. We cannot predict whether potential changes in Mexican governmental and economic policy could adversely affect economic conditions in Mexico or the sector in which we operate and therefore the election could have an adverse effect on us.

We cannot predict the impact that political, economic and social conditions will have on the Mexican economy. Furthermore, we cannot provide any assurances that political, economic or social developments in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition, results of operations and prospects. Mexico has recently experienced periods of violence and crime due to the activities of organized crime. In response, the Mexican government has implemented various measures to increase security and has strengthened its police and military forces. Despite these efforts, organized crime (especially drug-related crime) continues to exist and operate in Mexico. These activities, their possible escalation and the violence associated with them may have a negative impact on the Mexican economy or on our operations in the future. The social and political situation in Mexico could adversely affect the Mexican economy, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

The current inflation rate in Mexico is higher than the inflation rates of its most important commercial partners, including the U.S. and Canada. High inflation rates could adversely affect our business and financial condition and the results of our operations.

Mexico has a history of high levels of inflation and may experience high inflation in the future. Historically, inflation in Mexico has led to higher interest rates, depreciation of the peso and the imposition of

substantial government controls over exchange rates and prices. The annual rate of inflation for the last three years, as measured by changes in the Mexican National Consumer Price Index (*Índice Nacional de Precios al Consumidor*), as provided by the INEGI and as published by *Banco de México*, was 4.1% in 2014, 2.1% in 2015 and 3.4% in 2016. If Mexico experiences high levels of inflation as it has in the past, these might affect adversely our operations and financial performance.

In addition, increased inflation would raise our cost of funding, which we may not be able to fully pass on to our customers through higher interest rates, given that doing so could adversely affect 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 the interest received on our loans or the rentals and fees charged on our leases and the cost of our funding. Although we have taken measures to minimize the potential impact of inflation by ensuring that the majority of our liabilities have fixed interest rates, if the rate of inflation increases or becomes uncertain and unpredictable, our business, financial condition and results of operations could be adversely affected.

Fluctuations of the peso relative to the U.S. dollar could result in an increase in our cost of financing and limit our ability to make timely payments on foreign currency-denominated debt.

The peso has been subject to significant devaluations against the U.S. dollar and may be subject to significant fluctuations in the future. In 2016, the peso devalued by 20.5% against the U.S. dollar. Because substantially all of our revenues are, and are expected to continue to be, denominated in pesos, if the value of the peso decreases against the U.S. dollar, as has been the case in the recent past, our cost of financing may increase for U.S. dollar-denominated debt that we may incur or have outstanding, to the extent such obligations are not otherwise hedged with financial instruments. Severe depreciation of the peso may also result in disruption of the international foreign exchange markets. This may limit our ability to transfer or convert pesos into U.S. dollars and other currencies for the purpose of making timely payments of interest and principal on our non-Mexican peso-denominated securities and any U.S. dollar-denominated debt that we may incur, to the extent such obligations are not otherwise hedged with financial instruments.

Currently, the peso-dollar exchange rate is determined on the basis of the free market float in accordance with the policy set by *Banco de México*. There is no guarantee that *Banco de México* will maintain the current exchange rate regime or that *Banco de México* will not adopt a different monetary policy that may affect the exchange rate itself, including imposing generalized exchange controls. Any change in the monetary policy, the exchange rate regime or in the exchange rate itself, as a result of market conditions over which we have no control, could have a considerable impact, either positive or negative, on our business, financial condition and results of operations.

Developments in other countries could adversely affect the Mexican economy and our business, financial condition and results of operations.

The Mexican economy may be, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In recent years, for example, the prices of both Mexican debt and equity securities decreased substantially as a result of the prolonged decrease in the United States securities markets. Most recently, credit issues in the United States related principally to the sale of sub-prime mortgages have resulted in significant fluctuations in the financial markets.

Changes in the Governmental policy of the United States.

The results of the U.S. presidential and congressional elections of November 2016 have generated volatility in the world capital markets and have created uncertainty about the relationship between the United States and Mexico. This volatility and uncertainty, as well as changes in the policies implemented by the new administration, could affect the Mexican economy and substantially damage the Company's business, financial condition and results of operations. The current presidential administration of the United States has indicated that it does not support certain terms and conditions of the North American Free Trade Agreement, or NAFTA, and has suggested the implementation of tariffs, border taxes or other measures that could affect the level of trade between the United

States and Mexico. The new U.S. presidential administration has announced that if NAFTA's terms that are being renegotiated are not acceptable, the U.S. may withdraw from NAFTA. Also, in the event of certain changes in U.S. policy implemented by the new U.S. presidential administration, the Mexican government could implement retaliatory actions, such as the imposition of restrictions on Mexican imports of products from the United States or imports and exports of products to the United States or remittances from the United States to Mexico. The acts described above by either the government of the United States or Mexico, or both, could have a significant adverse effect on the Mexican economy and on the Company's operating results.

Reforms to the Mexican Tax Law may adversely affect the Company.

Our business, financial condition and results of operations may be adversely affected as a result of increased taxes on wages, the elimination or limitation of certain tax deductions, or by increased costs due to additional compliance requirements.

We are subject to accounting standards that differ from those applicable to public companies in the United States.

Our Financial Statements were prepared in accordance with *Sofom* GAAP. *Sofom* GAAP differs in certain significant respects from U.S. GAAP. See "Annex A—Summary of Certain Significant Differences Between *Sofom* GAAP and U.S. GAAP" for a description of certain differences between *Sofom* GAAP and U.S. GAAP as they relate to us. We are not providing any reconciliation to U.S. GAAP of the Financial Statements or other financial information in this offering memorandum. We cannot be certain that a reconciliation would not identify material quantitative or qualitative differences in our Financial Statements or other financial information as prepared on the basis of *Sofom* GAAP if such information had been prepared on the basis of U.S. GAAP.

Mexican financial authorities have been given broad authority in certain areas, including in the area of class action lawsuits, as a result of the Financial Reforms.

As part of the Financial Reforms, the Mexican Congress approved changes to the Mexican Law for the Protection and Defense of Financial Services Users, which gives the Mexican National Commission for the Defense of Financial Services Users (*Comisión Nacional para la Defensa de los Usuarios de Servicios Financieros*, or "CONDUSEF") broad authority to oversee financial institutions. Pursuant to such changes, among other things, CONDUSEF: (i) is entitled to initiate class action lawsuits against Mexican financial institutions, like us, in connection with events affecting groups of users of financial services; (ii) shall maintain a new Bureau of Financial Entities (*Buró de Entidades Financieras*), which will set forth any and all information deemed material for users of financial services; (iii) is empowered to order amendments to any of the standard forms of commercial documentation (such as account and loan agreements used by us) used by financial institutions if it considers provisions therein to be detrimental to users; (iv) is permitted to issue resolutions as part of arbitration proceedings, for the benefit of customers, that would permit customers to attach assets of financial institutions prior to the completion of arbitration proceedings; and (v) is given broader authority to fine a financial institution that does not comply with an order issued by CONDUSEF. These new laws grant CONDUSEF, borrowers and other market participants the right to initiate class action lawsuits against us, thereby increasing our exposure to liability. Due to our lack of experience and the lack of judicial precedents regarding these laws, we cannot predict the possible outcome of any class actions initiated under such laws, including the extent of any liability we may face.

The Mexican Supreme Court of Justice has ruled that Mexican judges are entitled to reduce interest rates considered inequitable, at their sole discretion.

In June 2014, the Mexican Supreme Court of Justice issued a ruling of mandatory application, allowing federal judges to determine *ex officio* if an interest rate agreed in a promissory note is evidently excessive, violating an individual's human rights, and consequently establishing a reduced interest rate. The elements the judge should take into account to determine if an interest rate is evidently excessive are (i) the type of relationship between the parties; (ii) the qualification of the persons intervening in the issuance of the promissory note and if the activity of the creditor is regulated; (iii) the purpose of the loan; (iv) the amount of the loan; (v) the term of the loan; (vi) the existence of guarantees or collateral for the payment of the loan; (vii) the interest rates applied by financial institutions in transactions similar to the one under analysis, as a mere reference; (viii) the variation of the national inflation index during the term of the loan; (ix) market conditions; and (x) other issues that may be relevant for the

judge. The mandatory and partly discretionary application of such criteria in the lawsuits affecting our loan portfolio could have a material adverse effect on the interest rates we charge and on our operating results. To date, the Mexican Courts have not issued an order reducing the interest rates on any of our loans.

Risks Related to the Notes

Our obligations under the notes will be subordinated to other claims and obligations and the indenture governing the notes will provide that holders waive certain rights and limit certain claims.

Our obligations under the notes will be unsecured and subordinated. In the event of the acceleration of the principal of the notes due to our insolvency or liquidation and upon any distribution of assets to creditors upon any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceedings to which we are party (1) all principal, premium, if any, and interest due or to become due on all Unsubordinated Indebtedness must be paid in full before the holders of Subordinated Indebtedness (including the notes) are entitled to receive or retain any payment in respect thereof, and (2) the holders of Subordinated Indebtedness (including the notes) will be entitled to receive *pari passu* among themselves any payment in respect thereof. Additionally, the indenture governing the notes will provide that holders of the notes waive certain rights and limit certain claims against us and our creditors. For additional information and a description of the indebtedness that will rank senior to the notes, see “Description of the Notes—Ranking of the Notes.” The notes will also be effectively subordinated to any of our secured debt, to the extent of the collateral securing such debt. See also “—We have granted security interests on certain of the property on which we provide leases in the ordinary course of business to certain lenders for which we have assigned the receivables as required by certain of our Trust Certificates and other structured debt” above for a discussion of the security interests that we have granted on certain of our property. As of September 30, 2017, our outstanding financial indebtedness (including accrued interest) amounted to Ps. 39,016.1 million (US\$ 2,148.6 million), all of which is senior to the notes.

By virtue of such subordination, payments to a holder of notes will, in the events described above, only be made after all our obligations resulting from higher ranking claims have been satisfied. A holder of notes may, therefore, recover significantly less than the holders of Unsubordinated Indebtedness. Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, an investor in subordinated securities such as the notes may lose all or some of its investment if we become subject to any such bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceedings as described above.

The notes may not be a suitable investment for all investors.

Each potential investor in the notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the notes, the merits and risks of investing in the notes and the information contained or incorporated by reference in this offering memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the notes;
- understand thoroughly the terms of the applicable series of notes and be familiar with the behavior of the relevant financial markets and of any financial variable which might have an impact on the return on such series of notes; and
- be able to evaluate (either on their own or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The notes are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in the notes unless it has the expertise (either on their own or with a financial adviser) to evaluate how the notes will perform under changing conditions, the resulting effects on the value of the notes and the impact this investment will have on the potential investor's overall investment portfolio.

The notes are perpetual, have no fixed maturity or mandatory redemption date and are not redeemable at the holders' option at any time. See "—Holders of the notes may be required to bear the financial risks of an investment in the notes for a long period" below.

We will have the right to defer interest payments on the notes.

We may elect, in our sole discretion, to defer, in whole or in part, payment of interest in respect of the notes in respect of any interest period by giving a deferral notice to the Trustee and holders of such notes. Such deferral is not subject to any time limitations or mandatory termination, except in connection with a Mandatory Payment Date. If we make such an election, we shall have no obligation to make such payment and any such non-payment of interest will not constitute a default by us for any purpose. Any interest in respect of any series of notes the payment of which is deferred will, so long as the same remains outstanding, constitute arrearages of interest for that series, and arrearages of interest will only be payable as described in "Description of the Notes—Payment of Deferred Interest." In addition, during any period of deferral of interest, we will not be prohibited from making payments on any indebtedness ranking senior to the notes or on any *pari passu* debt or junior securities pursuant to their terms.

Any deferral of interest payments will likely have a material adverse effect on the market price of the notes. In addition, as a result of the interest deferral provisions of the notes, the market price of the notes may be more volatile than the market prices of other debt securities that are not subject to such deferrals and may be more sensitive generally to adverse changes in our financial performance.

The notes will be subject to optional redemption by us including upon the occurrence of certain specified events.

The notes will be redeemable, at our option, in whole but not in part, on the First Call Date applicable to the notes and on every fifth anniversary thereafter, at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding arrearages of interest.

In addition, upon the occurrence of a Rating Methodology Event, a Tax Deductibility Event, a Withholding Tax Event, a Substantial Repurchase Event, an Accounting Event or a Change of Control that results in a Ratings Decline, we shall have the option to redeem, in whole but not in part, the notes at the prices set forth in "Description of the Notes—Redemption and Repurchase," in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding arrearages of interest.

If we redeem notes, holders may not be able to reinvest the redemption proceeds at favorable rates or in other securities with the same or similar features.

The interest rate on the notes will reset on the applicable First Call Date and for Reset Periods thereafter, which can be expected to affect the interest payment on, and the market value of, the notes.

The notes will accrue interest at a fixed rate until (but excluding) the applicable First Call Date. The initial fixed rate of interest for the notes will be reset on the relevant First Call Date and for subsequent Reset Periods as set forth in "Description of the Notes—Principal and Interest Payments." Holders should be aware that movements in market interest rates can adversely affect the price of the notes and can lead to losses for the holders if they sell the notes.

Holders of securities with a fixed interest rate that will be reset during the term of the securities are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the notes.

Holders of the notes may be required to bear the financial risks of an investment in the notes for a long period.

The notes are perpetual notes with no fixed final maturity date. We will be under no obligation to redeem or repurchase the notes, although we may elect to do so in certain circumstances. Holders of notes will have no right to call for the redemption of the notes, and the notes will only become due and payable in the limited circumstances relating to specified Events of Default (see “Description of the Notes—Events of Default”). Furthermore, holders may only be able to transfer their notes at a price less than the principal amount thereof or not at all. Holders of notes should therefore be aware that they may be required to bear the financial risks associated with an investment in long-term securities and may not recover their investment in the foreseeable future.

We expect to be classified as a passive foreign investment company, or PFIC, which could result in adverse U.S. tax consequences to U.S. holders of our Notes.

Because the notes are perpetual with no fixed final maturity date, and because we may defer payment of interest on the notes, we intend to take the position that the notes will be treated as equity for U.S. federal income tax purposes. Based on the composition of our income and assets and our activities there is a strong likelihood that we will be classified as a PFIC for U.S. federal income tax purposes in the current and future years. PFIC characterization would result in material adverse consequences for you if you are a U.S. holder. See “Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Companies” in this offering memorandum. U.S. holders of notes are urged to consult with their own U.S. tax advisors concerning the U.S. tax consequences of investing in the notes.

The notes will not limit our ability to issue senior or pari passu securities.

The indenture governing the notes will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the notes which may be incurred or assumed by us from time to time, whether before or after the Issue Date. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of notes upon our bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding and/or may increase the likelihood of a deferral of interest payments under the notes.

The notes will contain limited Events of Default and remedies.

Holders of notes will have limited rights to enforce payment or the performance of our obligations in respect of the notes. Payment of principal on the notes will not accelerate if we fail to make payment of any principal, interest or premium when due. Moreover, if we fail to make payment of any principal or interest when due, the rights of holders are limited to requiring the Trustee to initiate proceedings to compel the performance of such obligation, as further described in “Description of the Notes—Events of Default.”

The notes will only become immediately due and payable in the event of certain events involving our insolvency, liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy (including *concurso mercantil* and *quiebra*) or similar proceedings in connection with our insolvency or bankruptcy. In addition, under the indenture governing the notes, each holder of notes will be deemed to have agreed that the Trustee will be the only party entitled to receive and distribute amounts paid in respect of the notes upon our insolvency or similar event. The indenture will also provide that each holder of notes irrevocably instructs the Trustee to abstain from voting during the course of any such bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding as described above in any matter submitted for approval by our general unsecured creditors in such proceedings.

The notes do not have “cross-default,” “cross-acceleration” or similar protections.

The notes will not include an event of default relating to a payment or covenant default with respect to other indebtedness, or acceleration of any other indebtedness. In contrast, certain of our currently outstanding bonds and loans have events of default relating to defaults and accelerations with respect to other instruments, and it is likely that future bonds and loans will also contain such provisions. Accordingly, there may be circumstances where we will be required to repay the principal, interest and other amounts due under other indebtedness, but the holders of notes will not have the right to require repayment of the notes. In such circumstances, we may have an incentive

to pay or restructure other debt instruments prior to paying or restructuring the notes. In addition, in situations of financial distress short of insolvency or similar event, you may be unable to accelerate the notes or take enforcement action for a significant time after other creditors have exercised such rights.

The notes do not include the types of covenants we provide in other debt instruments.

The notes will not have the protections of any material covenants. Accordingly, the holders of notes will not benefit from many of the covenants that we have included in indentures and credit agreements in the past and are likely to include in indentures and credit agreements in the future. As a result, holders of other indebtedness may have the right to pursue remedies against us when the holders of notes may not. In addition, we may be required to seek consents or waivers from holders of other indebtedness (or even prepay or redeem such indebtedness) without taking any action with respect to the notes.

The rating of the notes may be lowered or withdrawn depending on various factors, including the rating agencies' assessments of our financial strength and Mexican sovereign risk.

The rating of the notes addresses the likelihood of payment of principal. The rating also addresses the timely payment of interest on each payment date. The rating of the notes is not a recommendation to purchase, hold or sell the notes, and the rating does not comment on market price or suitability for a particular investor.

We cannot assure you that the rating of the notes or our corporate rating will continue for any given period of time or that the rating will not be lowered or withdrawn. A downgrade in or withdrawal of the ratings will not be an event of default under the indenture. An assigned rating may be raised or lowered depending, among other things, on the respective rating agency's assessment of our financial strength, as well as its assessment of Mexican sovereign risk generally. Any downgrade in or withdrawal of the rating of the notes or our corporate rating may adversely affect the price of the notes.

A credit rating is not a statement as to the likelihood of interest deferral on the notes. Holders of notes have a greater risk of interruption of interest payments than holders of other securities with similar credit ratings but no, or more limited, interest deferral provisions.

The notes are subject to transfer restrictions.

The notes have not been registered under the Securities Act or any state securities laws, and we are not required to and currently do not plan on making any such registration in the immediate future. As a result, the notes 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. Prospective investors should be aware that investors may be required to bear the financial risks of this investment for an indefinite period of time. See "Transfer Restrictions" for a full explanation of such restrictions.

An active trading market for the notes may not develop.

Currently there is no market for the notes. Application is expected to be made to have the notes listed on the Official List of the Luxembourg Stock Exchange and traded on the EuroMTF Market. Even if the notes become listed on this exchange, we may delist the notes. A trading market for the notes may not develop, or if a market for the notes were to develop, the notes may trade at a discount from their initial offering price, depending upon many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition. The initial purchasers are not under any obligation to make a market with respect to the notes, and we cannot assure you that trading markets will develop or be maintained. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the notes. 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.

Payments claimed in Mexico on the notes, pursuant to a judgment or otherwise, would be in pesos.

In the event that judicial proceedings are brought against us in Mexico, either to enforce a judgment or as a result of an original action brought in Mexico, or if payment is otherwise claimed from us in Mexico, we would not

be required to discharge those obligations in a currency other than Mexican currency. Under article 8 of the Monetary Law of the United Mexican States (*Ley Monetaria de los Estados Unidos Mexicanos*) an obligation, whether resulting from a judgment or by agreement, denominated in a currency other than Mexican currency, which is payable in Mexico, may be satisfied in Mexican currency at the rate of exchange in effect on the date on which payments are made. Such rate is currently determined by Banco de México and published every banking day in the Official Federal Gazette. As a result, you may suffer a U.S. dollar shortfall if you obtain a judgment or a payment in Mexico. You should be aware that no separate action exists or is enforceable in Mexico for compensation for any shortfall.

We may not be able to make payments in U.S. dollars.

In the past, the Mexican economy has experienced balance of payments deficits and shortages in foreign exchange reserves. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert pesos to foreign currencies, including U.S. dollars, it has done so in the past and could do so again in the future. We cannot assure you that the Mexican government will not implement a restrictive exchange control policy in the future. Any such restrictive exchange control policy could prevent or restrict our access to U.S. dollars to meet our U.S. dollar obligations and could also have a material adverse effect on our business, financial condition and results of operations. We cannot predict the impact of any such measures on the Mexican economy.

It may be difficult to enforce claims against us or our directors, executive officers and controlling persons.

All of our directors, executive officers and controlling persons are non-residents of the United States and substantially all of the assets of such non-resident persons and substantially 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 upon such persons or us or to enforce against them or us in courts of any jurisdiction outside Mexico, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws. We have been advised that there is doubt as to the enforceability in Mexican courts, in original actions or in actions for enforcement of judgments obtained in courts of jurisdictions outside of Mexico, of civil liabilities arising under the laws of any jurisdiction outside of Mexico, including any judgment predicated solely upon United States federal or state securities laws.

No treaty is currently in effect between the United States and Mexico that covers the reciprocal enforcement of foreign judgments. In the past, Mexican courts have enforced judgments rendered in the United States by virtue of principles of reciprocity and comity as well as the provisions of Mexican law relating to the enforcement of foreign judgments in Mexico, consisting of the review by Mexican courts of the United States judgment in order to ascertain whether Mexican legal principles of due process and public policy (*orden público*), among other requirements, have been duly complied with, without reviewing the merits of the subject matter of the case, provided that U.S. courts would grant reciprocal treatment to Mexican judgments.

Creditors of the Issuer holding negotiable instruments or other instruments governed by Mexican law that grant rights to executory proceedings (*título ejecutivo*) are entitled to attach assets of the Issuer at inception of judicial proceedings, which attachment is likely to result in priorities benefitting those creditors when compared to the rights of holders of the notes.

The Indenture governing the notes will contain periodic reporting requirements that will be different and less burdensome than would be applicable to us if we had agreed to register the notes following the closing of the offering.

We do not presently file periodic reports and other information with the SEC, and the Indenture governing the notes will not require us to file such reports or other information. The Indenture will require us to provide annual and quarterly reports, including English language translations, to the holders of notes and the Trustee. The requirements of the Indenture, however, will be more limited in certain respects than those applicable to public companies under the Exchange Act. See “Description of the Notes—Covenants—Reporting Requirements.”

USE OF PROCEEDS

We estimate that the net proceeds from the issuance of the notes will be approximately US\$ 246.2 million (after deducting the initial purchasers' discounts and commissions and the payment of estimated offering expenses). We intend to use the net proceeds from this offering to pay fees and expenses incurred in connection with this offering, and for general corporate purposes.

EXCHANGE RATES

Mexico has had a free market for foreign exchange since the end of 1994 and *Banco de México* allows the peso to float freely against the U.S. dollar and other foreign currencies. As a result, policy has evolved toward an inflation targeting regime and *Banco de México* intervenes directly in the foreign exchange market only to reduce excessive short-term volatility. *Banco de México*, as an autonomous authority, recognizes price stability as its fundamental goal and implements monetary policy using a target for the overnight interest rate charged in the interbank market. An interest rate regime became effective on January 21, 2008, and substituted the regime based on daily balances known as the “*corto*.” As part of the interest rate target regime, open market operations (liquidity auctions) aim to provide the incentives for commercial banks to keep their accounts at *Banco de México* with a balance of zero at the daily market closing, in an environment where the overnight rate equals the target rate. *Banco de México* provides or withdraws liquidity as needed to meet its target rate through these operations. Positive balances in the accounts kept by the commercial banks at *Banco de México* are not paid interest, while overdrafts or negative balances are charged twice the overnight interest rate target. An increase in interest rates can make domestic financial assets more attractive to investors than foreign financial assets, which could trigger an appreciation of the nominal exchange rate and vice versa.

There can be no assurance that the Mexican government will maintain its current policies with respect to the peso or that the peso will not depreciate significantly in the future. The Mexican economy has suffered balance of payment deficits and shortages in foreign exchange reserves in the past. While the Mexican government, for more than 15 years, has not restricted the ability of Mexican and foreign individuals or entities to convert pesos to U.S. dollars, we cannot assure you that the Mexican government will not institute restrictive exchange control policies in the future. To the extent that any such restrictive exchange control policies were to be instituted in the future in the event of shortages of foreign currency, our ability to transfer or convert pesos into U.S. dollars and other currencies to service our foreign currency obligations would be adversely affected and foreign currency may not be available without substantial additional cost.

The following table sets forth, for the periods indicated, the low, high, average and period-end exchange rates published by the Mexican Federal Official Gazette, all expressed in nominal pesos per U.S. dollar.

Year Ended December 31,	Low	High	Average	Period End
2013	11.98	13.44	12.77	13.07
2014	12.84	14.78	13.29	14.73
2015	14.55	17.37	15.87	17.33
2016	17.18	21.05	18.67	20.66
2017	17.49	21.91	18.91	19.74
Month Ended				
July 2017	17.49	18.36	17.84	17.74
August 2017	17.62	17.97	17.81	17.78
September 2017	17.64	18.20	17.82	18.20
October 2017	18.16	19.22	18.77	19.22
November 2017	18.52	19.23	18.94	18.52
December 2017	18.62	19.79	19.13	19.74
January 2018 (through January 5)	19.24	19.66	19.44	19.24

This offering memorandum 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 they could be converted into U.S. dollars at the specified rate or at all. Unless otherwise indicated, U.S. dollar amounts provided in this offering memorandum that have been translated from pesos have been so translated at an exchange rate of Ps 18.1590 per U.S. dollar, the exchange rate published by the *Banco de México* in the Mexican Federal Official Gazette on October 2, 2017.

The exchange rate published in the Mexican Federal Official Gazette and determined by the Banco de México on January 5, 2018 was Ps. 19.24 per U.S. dollar.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2017 (i) on an actual historical basis and (ii) as adjusted to give effect to the issuance of the notes and the use of the proceeds therefrom as if it had occurred on September 30, 2017.

You should read this table in conjunction with the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Selected Financial and Other Information” and our Financial Statements and the related notes included elsewhere in this offering memorandum.

	Actual (in millions of Ps)	As Adjusted (in millions of Ps.)	Actual (in millions of US\$) ⁽¹⁾	As Adjusted (in millions of US\$) ⁽¹⁾
Cash and cash equivalents	3,825.1	8,364.9	210.6	460.6
Short-term debt:				
Bank borrowings and loans from other entities.....	4,239.9	4,239.9	233.5	233.5
Trust notes under a revolving securitization program	-	-	-	-
International Bonds	113.2	113.2	6.2	6.2
Securitization Programs	59.9	59.9	3.3	3.3
Total short-term debt.....	4,413.0	4,413.0	243.0	243.0
Long-term debt:				
Bank borrowings and loans from other entities	1,417.9	1,417.9	78.1	78.1
International Bonds	15,435.2	15,435.2	850.0	850.0
Securitization Programs	17,750.0	17,750.0	977.5	977.5
Total long-term debt	34,603.1	34,603.1	1,905.6	1,905.6
Other Liabilities	4,771.3	4,771.3	262.8	262.8
Stockholders’ equity:				
Capital stock	958.4	5,498.2	52.8	302.8
Share premium.....	1,935.9	1,935.9	106.6	106.6
Capital reserves.....	185.5	185.5	10.2	10.2
Hedging IFDs - Valuation	(535.1)	(535.1)	(29.5)	(29.5)
Retained earnings.....	1,850.5	1,850.5	101.9	101.9
Net income for the year	1,279.9	1,279.9	70.5	70.5
Total stockholders’ equity	5,675.1	10,214.9	312.5	562.5
Total liabilities and stockholders’ equity	49,462.4	54,002.3	2,723.9	2,973.9

- (1) Mexican peso amounts have been translated solely for the convenience of the reader into U.S. dollars at an exchange rate of Ps. 18.1590 per US\$ 1.00, the exchange rate published in the Mexican Federal Official Gazette on October 2, 2017. These convenience translations should not be construed as representations that the peso amounts actually represent U.S. dollar amounts or could be converted into U.S. dollars at the specified rate or at all. See “Exchange Rates.”

SELECTED FINANCIAL AND OTHER INFORMATION

The following tables present certain selected financial information and operating data as of the dates and for each of the periods indicated. You should read the following selected financial data and other information together with “Presentation of Financial and Other Information,” “Summary Financial and Other Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Financial Statements and related notes included elsewhere in this offering memorandum.

The balance sheet data as of September 30, 2017, and the income statement data for the nine month periods ended September 30, 2016 and 2017, are derived from our Unaudited Interim Financial Statements included elsewhere in this offering memorandum. The balance sheet and income statement data as of and for the years ended December 31, 2014, 2015 and 2016, are derived from our Audited Financial Statements included elsewhere in this offering memorandum.

Our Financial Statements were prepared in accordance with *Sofom* GAAP. *Sofom* GAAP differs in certain significant respects from U.S. GAAP. See “Annex A—Summary of Certain Significant Differences between *Sofom* GAAP and U.S. GAAP” for a description of certain differences between *Sofom* GAAP and U.S. GAAP as they relate to us. No reconciliation of any of our Financial Statements to U.S. GAAP has been performed.

	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017 ⁽¹⁾
	(in millions of Ps., except earnings per share)			(in millions of US\$, except earnings per share)	(in millions of Ps., except earnings per share)		(in millions of US\$, except earnings per share)
Income Statement Data							
Operating lease income	3,648.6	5,480.7	7,773.1	428.1	5,550.5	8,073.0	444.6
Interest income	472.9	747.4	1,183.8	65.2	887.4	1,441.9	79.4
Other lease benefits	383.2	317.6	528.7	29.1	370.3	576.5	31.7
Depreciation of assets under operating lease	(2,150.1)	(3,183.6)	(4,537.3)	(249.9)	(3,343.1)	(4,528.8)	(249.4)
Interest expenses	(839.7)	(1,192.8)	(1,988.9)	(109.5)	(1,332.7)	(2,685.5)	(147.9)
Other lease expenses	(425.0)	(348.3)	(583.6)	(32.1)	(412.8)	(539.9)	(29.7)
Financial margin	1,089.9	1,820.9	2,375.9	130.8	1,719.7	2,337.2	128.7
Loan loss reserve	30.0	(27.0)	(81.5)	(4.5)	(51.5)	(85.0)	(4.7)
Financial margin adjusted for credit risk	1,119.9	1,793.9	2,294.4	126.4	1,668.2	2,252.2	124.0
Commissions and fees paid (net)	(10.0)	(38.6)	(51.2)	(2.8)	(32.6)	(51.5)	(2.8)
Other operating income (net)	118.7	36.6	16.3	0.9	31.5	15.7	0.9
Financial intermediation results	11.3	335.2	-	-	7.0	-	-
Administrative and promotional expenses	(535.1)	(703.4)	(797.4)	(43.9)	(587.8)	(626.4)	(34.5)
	(415.2)	(370.2)	(832.3)	(45.8)	(581.9)	(662.3)	(36.5)
Operating income	704.8	1,423.7	1,462.1	80.5	1,086.3	1,589.9	87.6
Equity in results of other permanent investments	-	(1.4)	13.4	0.7	11.8	17.6	1.0
Income before income tax ...	704.8	1,422.3	1,475.5	81.3	1,098.1	1,607.6	88.5
Income tax payable	(456.5)	(585.5)	(656.2)	36.1	(355.8)	(646.8)	(35.6)
Deferred income taxes	234.2	256.7	391.0	21.5	173.3	319.2	17.6
Income tax expense	(222.4)	(328.8)	(265.2)	(14.6)	(182.5)	(327.7)	(18.0)

	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017 ⁽¹⁾
	(in millions of Ps., except earnings per share)			(in millions of US\$, except earnings per share)	(in millions of Ps., except earnings per share)		(in millions of US\$, except earnings per share)
Consolidated net income	482.4	1,093.5	1,210.3	66.7	915.6	1,279.9	70.5
Earnings per share ⁽²⁾	81.9	4.9	3.4	0.2	2.6	3.7	0.2

	As of December 31,				As of September 30,	
	2014	2015	2016	2016 ⁽¹⁾	2017	2017
				(in millions of US\$)	(in millions of Ps.)	(in millions of US\$)
Balance Sheet Data						
Cash and cash equivalents.....	573.7	1,457.8	1,678.9	92.5	3,825.1	210.6
Derivatives financial instruments	856.4	2,141.9	3,886.3	214.0	1,296.1	71.5
Performing loans portfolio:						
Commercial loans.....	2,767.6	5,174.0	7,649.0	421.2	8,044.5	443.0
Consumer loans.....	236.7	428.6	1,172.4	64.6	1,823.1	100.4
Total performing loans portfolio	3,004.3	5,602.7	8,821.4	485.8	9,867.6	543.4
Past due loans portfolio:						
Commercial loans.....	70.2	110.9	177.6	9.8	280.6	15.5
Total past due loans portfolio.....	70.2	110.9	177.6	9.8	280.6	15.5
Total loans portfolio	3,074.5	5,713.6	8,999.0	495.6	10,148.1	558.8
Less:						
Loan loss reserve.....	(88.1)	(114.2)	(196.4)	(10.8)	(281.4)	(15.5)
Loans portfolio (net).....	2,986.4	5,599.3	8,802.6	484.4	9,866.8	543.4
Other accounts receivable	211.9	282.0	1,140.8	62.8	1,037.3	57.1
Foreclosed assets (net).....	130.6	197.3	176.5	9.7	157.3	8.7
Property, machinery and equipment (net)	9,610.7	14,080.4	23,241.3	1,279.9	29,563.0	1,628.0
Permanent investments	14.9	14.0	36.7	2.0	61.3	3.4
Other assets:						
Deferred charges, prepayments and intangible assets.....	406.0	451.5	1,457.6	80.3	2,146.7	118.2
Deferred tax	545.8	798.7	1,182.6	65.1	1,501.8	82.7
Other current and long-term assets	11.6	6.8	7.0	0.4	7.0	0.4
Total assets	15,348.1	25,029.7	41,610.3	2,291.4	49,462.4	2,723.9
Liabilities:						
Debt securities						
Short-term.....	166.6	192.3	288.2	15.9	173.1	9.5
Long-term.....	9,975.8	13,356.8	21,291.7	1,172.5	33,185.2	1,827.5
	10,142.4	13,549.1	21,579.9	1,188.4	33,358.3	1,837.0
Bank borrowings and loans from other entities:						
Short-term.....	2,061.7	4,716.7	6,445.4	355.5	4,239.9	233.5
Long-term.....	392.8	780.6	1,897.2	104.5	1,417.9	78.1
	2,454.5	5,497.3	8,342.6	459.4	5,657.8	311.6
Other accounts payable:						
Income tax payable.....	100.2	30.7	314.0	17.3	94.6	5.2
Sundry creditors and other accounts payable	982.3	1,367.5	5,427.5	298.9	4,068.7	224.0
	1,082.5	1,398.2	5,741.5	316.2	4,163.4	229.2
Deferred credits and advanced collection...	133.3	238.6	445.7	24.5	607.9	33.5

	As of December 31,				As of September 30,	
	2014	2015	2016	2016 ⁽¹⁾	2017	2017
	(in millions of Ps.)			(in millions of US\$)	(in millions of Ps.)	(in millions of US\$)
Total liabilities	13,812.7	20,683.2	36,109.7	1,988.5	43,787.3	2,411.3
Stockholders' equity:						
Contributed capital						
Capital stock	875.0	963.1	960.3	52.9	958.4	52.8
Share premium	125.0	1,935.9	1,935.9	106.6	1,935.9	106.6
	1,000.0	2,899.0	2,896.2	159.5	2,894.3	159.4
Earned capital:						
Capital reserves	46.2	70.4	125.0	6.9	185.5	10.2
Prior years' income	6.8	365.0	1,051.3	57.9	1,850.5	101.9
Result of valuation of financial instruments for hedging cash flows	-	(81.3)	217.8	12.0	(535.1)	(29.5)
Net income	482.4	1,093.5	1,210.3	66.7	1,279.9	70.5
Total stockholders' equity	1,535.4	4,346.6	5,500.6	302.9	5,675.1	312.5
Total liabilities and stockholders' equity	15,348.1	25,029.7	41,610.3	2,291.4	49,462.4	2,723.9
Off-balance sheet items:						
Contractual lease rentals to be accrued held in trust	6,038.4	10,887.7	16,026.9	882.6	23,862.5	1,314.1
Contractual lease rentals to be accrued	2,375.4	2,253.8	5,116.1	281.7	5,263.5	309.7
	8,413.8	13,141.5	21,143.0	1,164.3	29,126.0	1,603.9

	As of December 31,			Nine Months Ended September 30,
	2014	2015	2016	2017
Selected Financial Metrics				
Total leverage ⁽³⁾	6.3x	3.1x	4.4x	4.6x
Financial leverage ⁽⁴⁾	5.5x	2.8x	3.3x	3.7x
Ratio of non-performing loans ⁽⁵⁾	0.6%	0.59%	0.59%	0.71%
Coverage ratio ⁽⁶⁾	125.5%	103.0%	110.6%	100.3%
Efficiency ratio ⁽⁷⁾	48.6%	39.5%	34.4%	27.4%
Operating margin ⁽⁸⁾	52.7%	57.8%	60.9%	67.4%
Net margin ⁽⁹⁾	44.3%	60.1%	50.9%	54.8%
Return on average equity ⁽¹⁰⁾	36.1%	30.4%	24.8%	29.0%
Return on average assets ⁽¹¹⁾	3.7%	5.1%	3.6%	3.5%
Annualized return on average equity ⁽¹²⁾	44.5%	44.3%	28.5%	31.4%
Annualized return on average assets ⁽¹³⁾	4.3%	6.3%	4.3%	4.2%
Adjusted return on average equity ⁽¹⁴⁾	36.1%	23.9%	24.8%	29.0%
Adjusted return on average assets ⁽¹⁵⁾	3.7%	4.0%	3.6%	3.5%
Total stockholders' equity/total assets	10.0%	17.4%	13.2%	11.5%
Dividend payout ratio ⁽¹⁶⁾	29.6%	20.7%	32.3%	29.0%

	As of December 31,				As of September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017 ⁽¹⁾
	(in millions of Ps.)			(in millions of US\$)	(in millions of Ps.)		(in millions of US\$)
Adjusted consolidated net income ⁽¹⁷⁾	422.2	857.4	1,210.3	66.7	915.6	1,279.9	70.5

- (1) Translated into U.S. dollars, solely for the convenience of the reader, using an exchange rate of Ps. 18.1590 per U.S. dollar, the exchange rate published in the Mexican Federal Official Gazette on October 2, 2017. These convenience translations should not be construed as representations that the peso amounts actually represent U.S. dollar amounts or could be converted into U.S. dollars at the specified rate or at all. See "Exchange Rates."
- (2) The table below sets forth the calculation of earnings per share determined under the accounting criteria of CNBV and the adjusted earnings per share. Both metrics are calculated from the consolidated net result of the period; however, adjusted earnings per share

excludes: (i) shares issued in 2015 as part of our Initial Public Offering, (ii) shares issued that represent increases in our capital stock through the capitalization of retained earnings, and (iii) the average balance for the period of the shares held within the Company's share repurchase fund. Our management uses this measure as an indicator of our operating results and profitability, and believes that disclosure of adjusted earnings per share can provide useful information to investors in their evaluation of our operating performance, mainly because if the effect of the shares issued in our Initial Public Offering, the shares issued that represent capitalization of retained earnings, and shares held within the Company's share repurchase fund were not considered, our earnings per share would have increased during the period from 2014 to 2016.

	As of December 31,				As of September 30,		
	2014 (in millions of Ps., except EPS and number of shares)	2015 (in millions of Ps., except EPS and number of shares)	2016 (in millions of Ps., except EPS and number of shares)	2016 (in millions of US\$ except EPS and number of shares)	2016 (in millions of Ps., except EPS and number of shares)	2017 (in millions of Ps., except EPS and number of shares)	2017 (in millions of US\$ except EPS and number of shares)
Earnings per Share (EPS) determined under Sofom GAAP							
Consolidated net result	482.4	1,093.5	1,210.4	66.7	915.6	1,279.9	70.5
Weighted average of shares...	5,889,726	224,101,117	352,129,543	352,129,543	352,129,543	350,533,388	350,533,388
EPS under <i>Sofom</i> GAAP (in Ps.) ..	81.9	4.9	3.4	0.2	2.6	3.7	0.2
Adjusted Earnings per Share (Adjusted EPS)							
Consolidated net result	482.4	1,093.5	1,210.4	66.7	915.6	1,279.9	70.5
Number of shares outstanding without considering capitalization of retained earnings	2,296,575	224,101,117	352,129,543	352,129,543	352,231,877	350,553,388	350,553,388
Adjusted EPS (in Ps.)	210.1	4.9	3.4	0.2	2.6	3.7	0.2

- (3) Calculated as total liabilities (excluding securitizations) divided by total stockholders' equity, as of the same date.
- (4) Calculated as total financial debt (excluding securitizations) divided by total stockholders' equity, as of the same date.
- (5) Calculated as non-performing loan portfolio divided by total portfolio, including off-balance sheet items, as of the same date.
- (6) Calculated as allowance for loan losses divided by non-performing loan portfolio, as of the same date.
- (7) Calculated as operating expenses divided by the sum of the financial margin and net commissions.
- (8) Calculated as operating income (excluding other operating income-net and financial intermediation results) divided by the financial margin.
- (9) Calculated as consolidated net income for the period divided by the financial margin.
- (10) Calculated as consolidated net income for the previous 12 months divided by the average total stockholders' equity for the previous 12 months.
- (11) Calculated as consolidated net income for the previous 12 months divided by the average assets for the previous 12 months.
- (12) Calculated as consolidated net income (multiplied by four in a quarterly period) divided by the average total stockholder's equity for the previous two-year period.
- (13) Calculated as consolidated net income (multiplied by four in a quarterly period) divided by the average assets for the previous two-year period.
- (14) Calculated as consolidated net income adjusted for non-recurring items (see note 16 below) divided by the average total stockholders' equity for the previous two-year period.
- (15) Calculated as consolidated net income for the period adjusted for non-recurring items (see note 16 below) divided by the average assets for the previous two-year period.
- (16) Calculated as dividends paid in the current period divided by consolidated net income for the previous annual period.
- (17) Adjusted consolidated net income determined in accordance with Sofom GAAP, adjusted for the following non-recurring items net after tax: the sale by us of the shares of the capital stock of Unifin Agente de Seguros y Fianzas, S.A. de C.V. in 2014 for a total

amount of Ps. 60.2 million (see “Business—Our Business Lines”), earnings in the amount of Ps. 57.5 million as a result of the repurchase of US\$ 33.4 million of our 2019 Senior Notes during the year ended December 31, 2015 (see “Management’s Discussion and Analysis of Financial Condition and Results of Operation – Indebtedness – 2019 Senior Notes”) and the entering into derivative financial instruments to hedge our exposure to risks associated with exchange rates for an amount of Ps. 178.0 million.

The table below sets forth the calculation of adjusted consolidated net income. Our management uses this measure as an indicator of our operating results and profitability, and believes that disclosure of adjusted consolidated net income can provide useful information to investors in their evaluation of our operating performance, mainly because it excludes the effect on non-recurring items.

	For the Year Ended December 31,				For the Nine-Month Period Ended September 30,		
	2014	2015	2016	2016 ⁽¹⁾	2016	2017	2017
	(in millions of Ps.)			(in millions of US\$)	(in millions of Ps.)		(in millions of US\$)
Consolidated Net Income determined under Sofom GAAP....	482.4	1,093.5	1,210.3	66.7	915.6	1,279.9	70.5
Adjusted for:							
Sale of Unifin, Agente de Seguros y Fianzas....	(60.2)	-	-	-	-	-	-
Earnings for the repurchase of the 2019 Senior Notes.....	-	(57.5)	-	-	-	-	-
Valuation for the Derivative Financial Instruments.....	-	(178.6)	-	-	-	-	-
Adjusted consolidated net income	422.2	857.4	1,210.3	66.7	915.6	1,279.9	70.5

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

The following discussion should be read in conjunction with our Financial Statements and the notes thereto, and the other financial information included elsewhere in this offering memorandum. The financial data presented herein as of September 30, 2017 and for the nine-month periods ended September 30, 2016 and 2017 and as of and for the years ended December 31, 2014, 2015 and 2016 is stated in Mexican pesos and has been prepared in accordance with Sofom GAAP, which differs in certain respects from U.S. GAAP. See "Annex A—Summary of Certain Significant Differences Between Sofom GAAP and U.S. GAAP" for a description of certain differences between Sofom GAAP and U.S. GAAP as they relate to us. No reconciliation of any of our Financial Statements to U.S. GAAP has been performed.

The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in "Forward-Looking Statements" and "Risk Factors" and the matters set forth in this offering memorandum.

Overview

We are a non-regulated Mexican leasing company, operating as a non-banking financial services company, specializing in three main business lines: operating leasing, financial factoring and auto loans and other lending. Through our leasing business line, our core business line, we offer operating leases for all types of machinery and equipment, transportation vehicles (including cars, trucks, helicopters, airplanes and other vessels) and other assets used in a variety of industries. Through our factoring business line, we provide liquidity and financing solutions to our customers by purchasing or discounting their accounts receivable and by providing vendor financing. The auto loans portion of our auto loans and other lending business line is focused on financing the acquisition of new and used vehicles, while the other lending portion of such business line includes financing working capital needs and the acquisition of other capital assets.

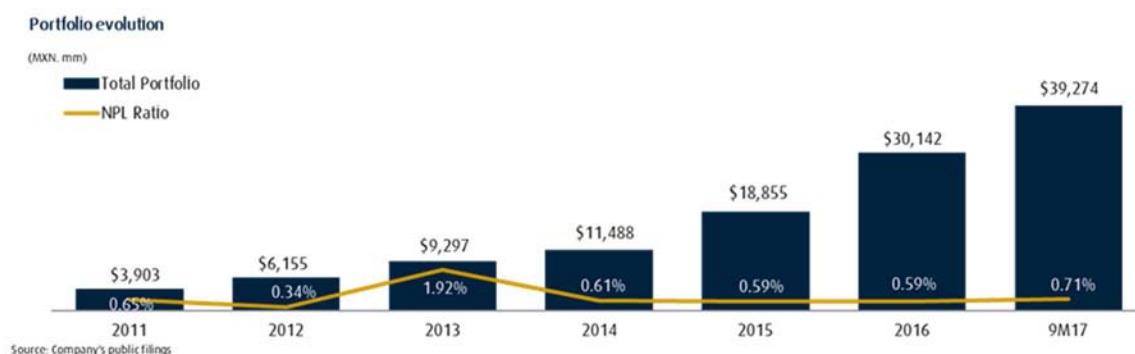
We specialize in serving SMEs, which we believe are largely underserved by banking institutions despite representing the majority of the economic activity in Mexico. We believe the SME sector will continue expanding and providing an attractive opportunity for our growth.

The amount per transaction of our operating leases ranges from Ps. \$100,000 to Ps. 150 million, with an average balance of Ps. 1.5 million and with maturities between 12 to 48 months and 38 months on average. The annual fixed interest rates that we charge for our operating lease products range from 20.0% to 25.0%. The amount per transaction of our financial factoring products ranges from Ps. 500,000 to Ps. 150 million, with maturities between 8 to 180 days and 88 days on average, with annual interest rates at the Mexican interbank lending rate (*Tasa de Interés Interbancaria de Equilibrio*, or "TIIE") plus 14.0% to 21.0%. Our auto loans range from Ps. 50,000 to up to 80.0% of the vehicle's price, with maturities between 12 and 60 months and fixed interest rates between 16.9% and 19.0%.

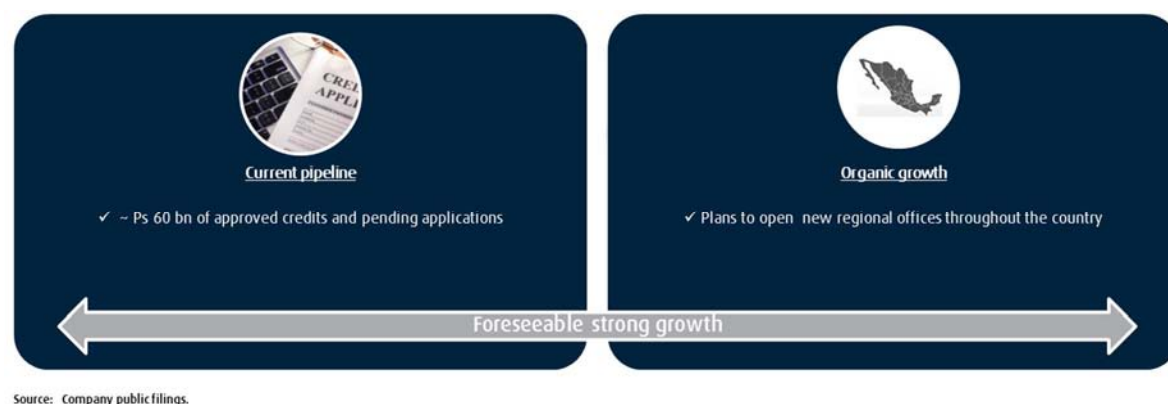
As of September 30, 2017, our operating leasing, financial factoring and auto loans and other lending business lines represented 77.8%, 5.7% and 16.5% (of which 4.7% was represented by auto loans), respectively, of our portfolio (including our off-balance sheet accounts).

In recent years, we have experienced a significant level of growth combined with high rates of return and low rates of non-performing loans. Between 2012 and 2016, our net income and loan portfolio, including our off-balance sheet accounts, each grew at a CAGR of 49.0%, and we had a return on average equity of 34.7% during such period, while return on average equity for 2016 was 24.8%. As of September 30, 2017, our net loan portfolio increased by Ps. 9,132.2 million or 30.3% compared to September 30, 2016. Non-performing loans represented 0.59% of our loan portfolio (including our off-balance sheet accounts) as of December 31, 2016. As of September 30, 2017, our non-performing loans accounted for 0.71% of our total portfolio, including off-balance sheet accounts. We believe our growth is the result of various factors including our geographic coverage and wide distribution network integrated by our headquarters in Mexico City and twelve regional offices, our industry knowledge and know-how, our efforts on development and innovation to meet customers' needs, our customer's loyalty resulting from our personalized service and our effective origination and collections processes, as well as risk mitigation.

The chart below shows our loan portfolio growth for each of the periods indicated, including off-balance sheet accounts, and our NPL ratio:



We believe that our future growth will be supported by a strong loan portfolio pipeline and clearly identified growth sources:



As of September 30, 2016 and 2017, we had total assets of Ps. 35,457.4 million (US\$ 1,952.6 million) and Ps. 49,462.4 (US\$ 2,723.9 million), respectively. For the years ended December 31, 2014, 2015 and 2016 and the nine-month period ended September 30, 2017, we had consolidated net income of Ps. 482.4 million (US\$ 26.6 million), Ps. 1,093.5 million (US\$ 60.2 million), Ps. 1,210.3 million (US\$ 66.7 million) and Ps. 1,279.9 (US\$ 70.5 million), respectively. For the years ended December 31, 2014, 2015, and 2016 and the nine-month period ended September 30, 2017, we had operating results of Ps. 704.8 million (US\$ 38.8 million), Ps. 1,423.7 million (US\$ 78.4 million), Ps. 1,462.1 million (US\$ 80.5 million) and Ps. 1,589.9 million (US\$ 87.6 million), respectively. As of September 30, 2017, our total loan portfolio (including off-balance sheet accounts) had a value of Ps. 39,274.1 million (US\$ 2,162.8 million). As of September 30, 2017, we had total stockholders' equity of Ps. 5,675.1 million (US\$ 312.5 million).

Factors Affecting Our Results of Operations

Our results of operations have been influenced and will continue to be influenced by the following factors:

Mexican Economic Environment

Our business is closely tied to the general economic conditions in Mexico. As a result, our economic performance and our ability to implement our business strategies may be affected by changes in national economic conditions, including slower growth rates as recently announced by the Mexican government. Mexico's economy is also impacted by changes in the global economy and international financial markets.

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, reduced demand as a result of a decrease in government spending, rising unemployment and erosion of consumer confidence. Both, the United Kingdom's referendum on membership in the European Union and the 2016 U.S. presidential election have had an impact on the worldwide economy and in Mexico. The current U.S. governmental policies towards Mexico have created instability, uncertainty and may adversely affect the Mexican economy. The global economic slowdown in general, in addition to the considerable decline in oil prices since 2014, 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 operation.

Effect of Inflation

Under the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*), the effect of inflation on monetary assets and liabilities are to be considered as a deduction, therefore decreasing the taxable income. The effect of inflation on monetary assets and liabilities is estimated taking into account (i) the annual inflation rate recorded and (ii) the excess of either monetary assets or liabilities. The effect of inflation results in a tax deduction when monetary assets exceed monetary liabilities.

Interest Rate Fluctuations

Interest rate fluctuations in Mexico have a significant effect on our business, financial condition and results. The following table provides the lowest interest rate charged by our operating leasing, financial factoring and auto loans and other lending business lines for the periods indicated:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
Operating Leasing ⁽¹⁾	18.0%	18.0%	18.0%	20.0%
Financial Factoring	TIIE + 12.5%	TIIE + 12.5%	TIIE + 14.5%	TIIE + 14.0
Auto Loans and Other Lending	13.0%	13.0%	14.0%	16.9%

⁽¹⁾ Interest rate for our operating leasing business line is calculated by subtracting commissions from the gross interest rate.

Funding Sources

We seek to maintain adequate and diverse sources of funding that will secure funds for our operations. Our sources of funding vary in term, currency and creditor. As of September 30, 2017, our principal sources of funding were international bonds, securitizations and bank debt, which amounted to Ps. \$15,435.2 million, Ps. \$17,750.0 million and Ps. \$5,634.7 million, respectively, equivalent to 39.8%, 45.7% and 14.5% of our indebtedness, respectively.

Lease and Loan Portfolio

Our operating income and profitability is largely dependent upon our lease portfolio size and the number of transactions. The growth of our total operating lease portfolio is a primary driver of the growth of our net profit. Historically, our operating leasing operations have been the primary source of total loans.

As of December 31, 2014, 2015 and 2016 and as of September 30, 2017, our operating lease portfolio, including our off-balance sheet accounts, represented 76.4%, 72.4%, 73.0% and 77.8%, respectively, of our total portfolio. As of December 31, 2014, 2015 and 2016 and as of September 30, 2017, our financial factoring portfolio comprised 11.3%, 11.3%, 9.6% and 5.7%, of our total portfolio, including our off-balance sheet accounts. As of December 31, 2014, 2015 and 2016 and as of September 30, 2017, our auto loans and other lending portfolio represented 12.3%, 16.2%, 17.4% and 16.5%, respectively of our total portfolio (including our off-balance sheet accounts).

Loan Quality

We prepare our Financial Statements in accordance with *Sofom* GAAP and assess our past due accounts receivable on an individual basis and in accordance with our internal methodology. Based on our assessment, we set

aside provisions for both our performing and non-performing loans. We monitor our non-performing loans closely and record an allowance for loan losses if we determine there is little likelihood of continued payment. For more information on our policies on loan quality, see “Critical Accounting Policies—Loan loss reserves” and “Business—Risk Management.”

The following table sets forth the allowances for our operating leasing, financial factoring and other lending business lines for the periods indicated:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
	(in millions of Ps.)			
Operating Leasing.....	(64.2)	(95.1)	(3.9)	(225.7)
Financial Factoring	(10.1)	(5.8)	(12.3)	(25.5)
Auto Loans and Other Lending.....	(13.8)	(13.3)	(180.1)	(30.2)
Total.....	(88.1)	(114.2)	(196.4)	(281.4)

Collateral

Increases in the collateral value of assets underlying certain of our operating leases and our ability to recover these underlying assets result in an increase in the underlying loan quality of our portfolio, as both factors increase the probability that, in the event of default, most, if not all, of the asset’s market value can be recovered.

Critical Accounting Policies

A summary of our significant accounting policies is included in Note 3 to our Audited Financial Statements included elsewhere in this offering memorandum. The following policies are the accounting policies that we believe are the most important to the accurate portrayal of our financial condition and results of operations and that require management’s most difficult, subjective or complex judgments.

Derivative financial instruments (“DFI”)

Derivative financial instruments are initially recognized at fair value in the balance sheet as assets and/or liabilities on the date on which the derivative financial instrument agreement was entered into and are subsequently re-measured at their fair value. The fair values of DFI are determined based on recognized market prices and when not traded on a market, they are determined based on valuation techniques accepted in the financial sector.

The method for recognizing the profit or loss of changes in fair value of derivative financial instruments depends on whether or not they are designated as cash flow hedges, and if so, on the nature of the item being hedged. Such instruments are initially recorded at fair value, which is the price agreed for the transaction, and are valued and classified on the basis of their intended use, as established by the Company’s management.

Subsequently, all derivatives, other than those that form part of a hedge relationship, are valued at fair value, without deducting the transaction costs incurred in the sale or other type of disposal, applying said valuation effect to income for the period.

As of December 31, 2016, the Company’s DFI are recorded using hedging-accounting criteria. See Note 6 of our Audited Financial Statements.

Valuation effects are recognized in the statement of income under “Financial intermediation results,” except in cases where management designated the instruments as hedging. The portion that qualifies for hedging is temporarily recorded in comprehensive income under stockholders’ equity and is reclassified to income when the position covered affects income. The portion that does not qualify for hedging is immediately recorded in intermediation income.

Currently the Company maintains the following FDI transactions:

Option contracts

Options are contracts whereby the purchaser acquires the right, but not the obligation, to buy or sell an underlying asset at a given price on a set date or period. In option contracts involving two parties, the purchaser of the option pays a premium for the acquisition of this right, and the party issuing or selling chooses who receives such premium, and in turn acquires an obligation, not a right.

Swaps

Swaps are contracts between two parties, whereby the bilateral obligation to exchange a series of flows for a given period and pre-established dates are set. Currently, the Company maintains interest rate swaps and foreign exchange swaps.

Interest rate swaps are those that are intended to hedge or mitigate the company's exposure to the potential volatility on floating interest rates that may result from its contracted-for debt. Foreign exchange swaps are those that are intended to hedge or mitigate the company's exposure of a recognized asset or liability set in foreign currency.

Loans portfolio

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The revenues obtained under operating leases (net of any discounts) are recorded in the statement of income based on the straight-line method over the lease term.

The lease loan portfolio corresponds to rental receivables in accordance with the terms of the agreements.

Lease rentals paid in advance by the borrower (lessee) are recorded in the line item "Deferred credits and advanced collections" in the balance sheet and released to the statement of income as the monthly payments come due.

Commissions collected for the initial granting of operating leases are recorded as a deferred credit, which is recognized based on the accrual of lease payments against income for the year under the line item interest income.

Lease payments received from clients as guarantee deposits are recorded as accounts payable and returned to clients upon maturity of the respective lease agreements.

The balances of our operating leases loan portfolio are recognized as past due at 31 calendar days of default by the outstanding amount to be received. As of December 31, 2016 the operating leases loan portfolio balance that was more than 31 calendar days past due was Ps. 176.5 million.

When lease payments not collected exceed three lease payments as per the payment schedule, accrual of lease payments past due not collected is suspended. As long as a rental is classified as part of the past due portfolio, control over lease payments is kept in memorandum accounts.

The Company reclassifies to the performing loans portfolio any past due operating lease rentals balances for which unpaid balances are fully recovered (principal and interest, among other payments), or when sustained payments are made on restructured or renovated loan balances.

An operating lease loan is not considered to be restructured when the full amount of lease payments due has been made at the realization date and where any of the following original rental conditions are modified:

- Guarantees: only when they are extended or replaced by others of better quality.
- Interest rate: when the agreed interest rate is improved.
- Currency: provided that the rate corresponding to the new currency is applied.

- Date of payment: only when the change does not involve exceeding or modifying the frequency of payments. In no case the change in payment date allows parties to omit any payment in a given period.

Costs and expenses associated with the granting of an operating lease are recognized as a deferred charge and are amortized over the lease term and must be recorded in the income statement as the lease income is recognized.

Financial factoring

Financial factoring operations are recorded at nominal value: 90% of the account received as financial factoring is paid in advance and the remaining 10% is considered an amount under guarantee. The maximum term of an account received under financial factoring is 120 days.

The recognition of interest on financial factoring operations with a guarantee is determined based on the value of the portfolio of accounts received less the guarantee, while interest on financial factoring operations with no guarantees is recognized on the total value of the portfolio of accounts received. Such interest is recorded under the line item "interest income."

The unpaid balances of the financial factoring portfolio are recorded as a past due portfolio when there is evidence that the borrower has filed for bankruptcy in accordance with the Mexican Bankruptcy Law, or when the installments have not been covered in full at the originally agreed term.

The unpaid past due balance of the financial factoring portfolio for which unpaid balances are fully recovered or where a restructured or renewed portfolio complies with sustained payments, is reclassified to the performing loans portfolio.

Commissions collected on initial granting of factoring transactions and those recognized after a transaction is made are recognized as interest income when they are incurred.

Costs and expenses associated with a financial factoring transaction are recognized as expenses in the same accounting period in which the commission income is recognized.

Auto loans and other lending

Performing or renewed loans represent the amounts actually given to borrowers and the accrued interest, in accordance with the respective loan payment schedule.

Loans are offered based on the analysis of the financial situation of the borrowers, the economic feasibility of investment projects and other general features established in the Company's internal manuals and policies.

In accordance with the Mexican Bankruptcy Law, the unpaid balances of loans are recorded as a past due portfolio when there is evidence that the borrower has filed for bankruptcy. Even if the borrower that has filed for bankruptcy continues to make payments, amounts are considered past due if its installments have not been paid in full pursuant to the original terms agreed to, and the following is taken into consideration:

- If the pending payments consist of loans whereby the principal and interest are payable in a lump sum at maturity and 30 or more calendar days have elapsed from the payment date.
- If the pending payments relate to loans whereby the principal is to be covered in a lump sum at maturity and interest is payable periodically, and 90 or more calendar days have elapsed since the respective interest payment has not been made, or the payment of principal is 30 calendar days or more past due.
- If the pending payment relate to loans with periodic partial payments of principal and interest and those are 90 calendar days or more past due.

Overdue loans that are restructured or renewed remain in the past due portfolio as long as there is no evidence of sustained payment as established in the accounting criteria. Additionally, loans that establish a single

payment of the principal at maturity and payment of interest in periodic installments, as well as loans that establish a single payment of the principal and interest payable at maturity in a lump sum, that are restructured over the term of the loan or that are renewed at any moment, are considered to be part of the past due portfolio.

Loans that are originated as revolving loans, that are restructured or renewed at any given time, are considered to be performing only when the borrower has paid the entirety of interest accrued, the loan records show no past due billing periods, and there are elements that justify the borrower's solvency.

A loan is not considered to be restructured when the full amount of principal and interest payments due has been made at the realization date and where only one or several of the following original loan conditions are modified:

- Guarantees: only when they imply the extension or replacement for others of better quality.
- Interest rate: when the agreed interest rate is improved.
- Currency: provided that the rate corresponding to the new currency is applied.
- Date of payment: only when the change does not imply exceeding or modifying the frequency of payments. In no case the change in payment date allows parties to omit payment in a given period.

When a loan is considered to be past due, it stops accruing interest, even in the case of loans which, for contractual purposes, capitalize interest on the amount of the debt. As long as the loan is classified as part of the past due portfolio, the records of interest accrued is kept in memorandum accounts. For interest accrued and not collected on such loans, the Company sets up an allowance for an equivalent amount when the loans are transferred to the past due portfolio. The allowance is canceled when there is evidence of sustained payment. If past due interest is collected, it is recognized directly in the income statement of the year.

Past due portfolio balances where unpaid balances are fully recovered (principal and interest, among other balances), or where sustained payments are made on restructured or renewed loan balances, are reclassified to the performing portfolio in accordance with accounting criteria.

Commissions collected when a loan is initially granted are recorded as a deferred charge, and are amortized against income for the year as interest income under the straight line method over the life of the loan, except for commissions arising from revolving loans that must be amortized over a 12 month period. Commissions received after a loan is granted are recognized in the statement of income.

Costs and expenses associated with granting loans are recognized as a deferred credit, which is amortized against net income as interest expenses in the same accounting period in which commissions collected are recognized.

Loan loss reserves

The estimation of the allowance for loan risk is determined in accordance with an internal methodology based on classification and qualification rules for loan portfolio, as follows:

The operating lease, financial factoring and commercial loan portfolio, excluding loans made to federal and municipal entities, is rated based on a general methodology where risk levels are established for each type of loan and applied to individual monthly debit balances, whose balance represents at least an amount equivalent to 4 million investment units ("UDI" by its acronym in Spanish) at the rating date. Loans with balances below that limit at the rating date are allocated with default probabilities in a parametric way, based on the number of defaults observed from the date of the first event of default and up to the rating date.

In order to rate its lease, factoring and straight loan portfolio below 4 million UDI, the Company rates and tracks into its accounting records all preventive loan loss reserves with figures at the last day of each month, in order to consider the probability of default.

The Company periodically evaluates whether a past due loan must remain in the balance sheet or be written off instead. In this case, the balance is written off by canceling the unpaid balance of the loan against the allowance for loan losses. In the event that the loan to be written off exceeds the amount of its allowance, the estimation for the allowance must be increased up to the amount of the difference.

Amounts recovered associated with written-off loans or loans eliminated in the balance sheet are recorded in the income statement for the year.

Pardons, quitclaims, rebates and discounts, either partial or total, are recorded with a charge to the preventive loan loss reserve. In case that the amount of those items exceeds the balance of the respective allowance, the Company sets up an allowance for up to the amount of the difference.

The most recent credit portfolio rating was performed on December 31, 2016 and we consider that the resulting allowance is sufficient to absorb portfolio loan risk losses.

Debt securities

The Company issued long-term debt instruments to generate working capital through Senior Notes and a securitization vehicle that holds the collection rights of the corresponding operating lease loan portfolio, which can be done directly or through a trust. All incurred issuance costs related to debt securities are recorded under the other assets line item as deferred charges, and are recognized in the statement of income as interest expenses using the straight-line method over the term of each instrument.

Securitization

Securitization refers to a transaction whereby certain assets are transferred to a vehicle created for that purpose (usually a trust) to issue debt securities to be placed with public and private investors. The securitizations made by the Company failed to meet the conditions set forth in the accounting criteria to qualify as a transfer of ownership.

Under a financing securitization, the seller records the financing but not the outflow of assets in the balance sheet. Yields generated by financial assets (collection rights over operating lease loan portfolios) under securitization are recorded in income for the period.

Memorandum accounts

The Company maintains memorandum accounts records to control future collection rights associated with the operating lease agreements, classified as lease rentals to be accrued held in trust (collection rights transferred to a trust) and other lease rentals to be accrued (the Company's own portfolio).

Changes to IFRS

Some IFRS have recently been modified and others could be modified or become effective in the future (or new IFRS could be issued). In connection with the entry into force of IFRS 9 "Financial Instruments", IFRS 15 "Revenue from Ordinary Activities from Contracts with Customers", as of January 1, 2018, as well as IFRS 16 "Leases", from January 1, 2019, the Company estimates that there will be no impact on its internal processes, financial situation, results of operations or ability to comply with its contractual obligations. Unifin prepares its financial statements in accordance with *Sofom* GAAP, which follow the accounting guidelines of the IFRS, issued by the IASB, except when, in the judgment of the CNBV, it is necessary to apply a different accounting criteria. See Note 2 of the Audited Financial Statements, Note 2 of the Unaudited Interim Financial Statements and "Annex A – Summary of Certain Significant Differences Between Sofom GAAP and U.S. GAAP."

Operating Segments

Sofom GAAP requires an entity to report financial and descriptive information about its reportable segments, which are its operating segments or certain aggregations of its operating segments that meet a specified criteria.

For management and financial reporting purposes, as of and for each of the years ended December 31, 2014, 2015 and 2016 and as of September 30, 2017 and for each of the nine-month periods ended September 30, 2016 and 2017, we were organized into the following three business segments:

- operating leases;
- financial factoring; and
- other lending.

The following tables show the main revenue and expense items for each of our business segments for the years ended December 31, 2014, 2015 and 2016 and the nine-month period ended September 30, 2017:

	For the Year Ended December 31, 2014			
	Operating Leasing	Financial Factoring	Auto Loans and Other Lending	Total
Operating lease income.....	3,648.6	-	-	3,648.6
Interest income.....	264.9	99.3	108.3	472.9
Other lease benefits	383.2	-	-	383.2
Depreciation of assets under operating lease.....	(2,150.1)	-	-	(2,150.1)
Interest expenses	(585.3)	(121.8)	(132.6)	(839.7)
Other lease expenses.....	(425.0)	-	-	(425.0)
Loan loss reserves	(10.0)	40.0	-	30.0
Financial margin adjusted for credit risks	1,126.3	17.5	(24.3)	1,119.9

	For the Year Ended December 31, 2015			
	Operating Leasing	Financial Factoring	Auto Loans and Other Lending	Total
Operating lease income.....	5,480.7	-	-	5,480.6
Interest income.....	141.2	322.6	283.5	747.4
Other lease benefits	317.6	-	-	317.6
Depreciation of assets under operating lease.....	(3,183.6)	-	-	(3,183.6)
Interest expenses	(864.6)	(134.5)	(193.8)	(1,192.8)
Other lease expenses.....	(348.3)	-	-	(348.3)
Loan loss reserves	(27.0)	-	-	(27.0)
Financial margin adjusted for credit risks	1,516.0	188.1	89.8	1,793.9

	For the Year Ended December 31, 2016			
	Operating Leasing	Financial Factoring	Auto Loans and Other Lending	Total
Operating lease income.....	7,773.1	-	-	7,773.1

	For the Year Ended December 31, 2016			
	Operating Leasing	Financial Factoring	Auto Loans and Other Lending	Total
Interest income.....	150.8	497.6	535.4	1,183.8
Other lease benefits	528.7	-	-	528.7
Depreciation of assets under operating lease.....	(4,537.3)	-	-	(4,537.3)
Interest expenses	(1,689.3)	(185.4)	(114.1)	(1,988.8)
Other lease expenses.....	(583.6)	-	-	(583.6)
Loan loss reserves	(67.5)	(14.0)	-	(81.5)
Financial margin adjusted for credit risks	1,574.9	298.2	421.3	2,294.4

	For the Nine Months Ended September 30, 2017			
	Operating Leasing	Financial Factoring	Auto Loans and Other Lending	Total
Operating lease income.....	8,073.0	-	-	8,073.0
Interest income.....	200.8	427.5	813.6	1,441.9
Other lease benefits	576.5	-	-	576.5
Depreciation of assets under operating lease.....	(4,528.8)	-	-	(4,528.8)
Interest expenses	(2,209.2)	(173.6)	(302.7)	(2,685.5)
Other lease expenses.....	(539.9)	-	-	(539.9)
Loan loss reserves	(61.4)	(0.4)	(23.2)	(85.0)
Financial margin adjusted for credit risks	1,511.0	253.5	487.7	2,251.2

For more information regarding the percentage that each of our business lines represents of our total portfolio and revenue, see “Business – Our Business Lines.”

Results of Operations

The following is a brief description of our results of operation for the periods indicated.

Revenue

Our revenue includes:

- revenue from operating leasing, which includes: (i) rentals, (ii) commissions earned from a fixed fee charged to our customers per transaction, (iii) other income from insurance covering our leasing transactions and (iv) other leasing benefits;
- revenue from financial factoring, which includes: (i) amounts earned by us resulting from the difference between the face amount and the discount purchase price paid by us for the accounts receivable that we purchase under our financial factoring segment (the price differential), (ii) interest earned as a result of delayed payments by the accounts receivable debtor and (iii) other income from the payment of provisioned loans and expenses incurred in financial factoring transactions which are charged to the customer; and
- revenue from auto loans and other lending, which includes: (i) interest earned, (ii) commissions earned from a fixed fee charged to our customers per transaction and (iii) other income from the payment of provisioned loans and insurance covering our auto financing loans.

Financial margin, adjusted for credit risk

Our financial margin, adjusted for credit risk, includes:

- financial margin, adjusted for credit risk, from leasing, which includes revenue from leasing less: (i) depreciation, (ii) interest expenses, (iii) allowances and (iv) other leasing expenses;
- financial margin, adjusted for credit risk, from financial factoring, which includes revenue from financial factoring less: (i) interest expenses and (ii) allowances; and
- financial margin, adjusted for credit risk, from auto loans and other lending, which includes revenue from auto loans and other lending less: (i) interest expenses and (ii) allowances.

Administrative and promotional expenses. Our administrative and promotional expenses are primarily composed of staffing agency fees, third party advisor and consulting services, leases and insurance, overhead and other expenses.

Commissions and fees paid, net. Our commissions and fees, net, include: (i) commissions earned from a fixed fee charged to our customers for each financial factoring transaction (including fees charged to open or renew an existing financial factoring credit line) and (ii) commissions paid for banking and other financial facilities.

The following financial information has been derived from our Unaudited Interim Financial Statements included elsewhere in this offering memorandum.

	For the Nine-Month Period Ended September 30,		Percentage Change
	2016	2017	2017 vs. 2016
	(in millions of Ps., except for percentages)		
Operating lease income.....	5,550.5	8,073.0	45.4%
Interest income.....	887.4	1,441.9	62.5%
Other lease benefits	370.3	576.5	55.7%
Depreciation of assets under operating lease	(3,343.1)	(4,528.8)	35.5%
Interest expenses	(1,332.7)	(2,685.5)	101.5%
Other lease expenses.....	(412.8)	(539.9)	30.8%
Financial margin.....	1,719.7	2,337.2	35.9%
Allowance for loan losses	(51.5)	(85.0)	65.0%
Financial margin adjusted for credit risk .	1,668.2	2,252.3	35.0%
Commissions and fees paid - net.....	(32.6)	(51.5)	58%
Other operating income - net.....	31.5	15.7	(50.3%)
Financial intermediation results	7.0	-	(100.0%)
Administrative and promotional expenses	(587.8)	(626.4)	6.6%
Operating income.....	1,086.3	1,589.9	46.4%
Valuation of other permanent investments	11.8	17.6	50.1%
Result before income tax	1,098.1	1,607.6	46.4%
Income tax expenses.....	(182.5)	(327.7)	79.5%
Consolidated net income.....	915.6	1,279.9	39.8%

The following financial information has been derived from our Audited Financial Statements included elsewhere in this offering memorandum.

For the Year Ended December 31,			Percentage Change	
2014	2015	2016	2015 vs. 2014	2016 vs. 2015

	(in millions of Ps., except for percentages)				
Operating lease income.....	3,648.6	5,480.6	7,773.1	50.2%	41.8%
Interest income.....	472.9	747.4	1,183.8	58.1%	58.4%
Other lease benefits	383.2	317.6	528.7	(17.1)%	66.5%
Depreciation of assets under operating lease	(2,150.1)	(3,183.6)	(4,537.4)	48.1%	42.5%
Interest expenses	(839.7)	(1,192.8)	(1,988.8)	42.1%	66.7%
Other lease expenses.....	(425.0)	(348.3)	(583.6)	(18.0)%	67.5%
Financial margin.....	1,089.9	1,820.9	2,375.9	67.1%	30.5%
Loan loss reserves	30.0	(27.0)	(81.5)	(190.0)%	201.9%
Financial margin adjusted for credit risk .	1,119.9	1,793.9	2,294.4	60.2%	27.9%
Commissions and fees paid - net.....	(10.0)	(38.6)	(51.2)	286.0%	32.7%
Other operating income - net.....	118.7	36.6	16.3	(69.2)%	(55.3%)
Financial intermediation results	11.3	335.2	-	2,866.4%	(100.0%)
Administrative and promotional expenses	(535.1)	(703.4)	(797.4)	31.5%	(13.4%)
	(415.1)	(370.2)	(832.3)	(10.8)%	124.8%
Operating income	704.8	1,423.7	1,462.1	102.0%	2.7%
Permanent investments	-	(1.4)	13.4	100.0%	1,032.3%
Income before income taxes	704.8	1,422.3	1,475.5	101.8%	3.7%
Income tax expenses.....	(222.4)	(328.8)	(265.2)	47.8%	(19.3%)
Consolidated net income for the year	482.5	1,093.5	1,210.3	126.7%	10.7%

Nine-Month Period Ended September 30, 2017 Compared to the Nine-Month Period Ended September 30, 2016

Operating Lease Income

Operating lease income, which consists primarily of operating lease rent payments, increased by Ps. 2,522.5 million, or 45.4%, to Ps. 8,073.0 million for the nine-month period ended September 30, 2017 from Ps. 5,550.5 million for the same period in 2016. This increase was primarily due to the growth of our leasing portfolio as a result of increased demand, organic growth and the consolidation of our regional offices.

Interest Income

Interest income increased by Ps. 554.4 million, or 62.5%, to Ps. 1,442.9 million for the nine-month period ended September 30, 2017 from Ps. 887.4 million for the same period in 2016. This increase was primarily due to the growth of our operations.

The table below sets forth a breakdown of our interest income by segment for the periods indicated.

	Nine Months Ended September 30,			
	2016	Percent of Interest Income	2017	Percent of Interest Income
	(in millions of Ps., except for percentages)			
Operating Leasing	140.7	15.9%	200.7	13.9%
Financial Factoring.....	354.6	39.9%	427.5	29.7%
Other Lending	392.2	44.2%	813.6	56.4%
Total	887.5	100.0%	1,441.9	100.0%

Other Lease Benefits

Other lease benefits, which consist primarily of the sale of fixed assets at the end of the lease period, increased by Ps. 206.2 million, or 55.7%, to Ps. 576.5 million for the nine-month period ended September 30, 2017 from Ps. 370.3 million for the same period in 2016. This increase was primarily due to the termination of lease agreements in the ordinary course of business.

Depreciation of Assets under Operating Lease

Depreciation of assets under operating lease increased by Ps. 1,185.7million, or 35.5%, to Ps. 4,528.8 million for the nine-month period ended September 30, 2017 from Ps. \$3,343.1 million for the same period in 2016. This increase was directly related to the increase of the depreciable assets held as a result of the growth of the lease operations.

Interest Expense

Interest expense increased by Ps. \$1,352,8 million, or 101.5%, to Ps. 2,685.5 million for the nine-month period ended September 30, 2017 from Ps. 1,332.7 million for the same period in 2016. This increase was primarily due to an increase in financial liabilities to support the volume of operations of the Company and an increase of the reference interest rates during the last 12 months.

The table below sets forth a breakdown of our interest expenses by segment for the periods indicated.

	Nine Months Ended September 30,			
	2016	Percent of Interest Expenses	2017	Percent of Interest Expenses
	(in millions of Ps., except for percentages)			
Operating Leasing	(1,255.2)	94.2%	(2,209.2)	82.2%
Financial Factoring.....	0.4	0.0%	(173.6)	6.5%
Other Lending	(77.9)	5.8%	(302.7)	11.3%
Total	(1,332.7)	100.0%	(2,685.5)	100.0%

Other Lease Expenses

Other lease expenses, which consist primarily of cost of sales of fixed assets, increased by Ps. 127.1 million, or 30.8%, to Ps. 539.9 million for the nine-month period ended September 30, 2017 from Ps. 412.8 million for the same period in 2016. This increase was primarily due to an increase in the sale of fixed assets resulting from the termination of leasing operations in the ordinary course of business.

Financial Margin

Financial margin increased by Ps. 617.5million, or 35.9%, to Ps. 2,337.2 million for the nine-month period ended September 30, 2017 from Ps. 1,719.7 million for the same period in 2016. This increase was primarily due to the factors previously described, specifically the growth of our income and our business portfolio.

Financial Margin Adjusted for Credit Risk

Financial margin adjusted for credit risk increased by Ps. 584 million, or 35%, to Ps. 2,52.2 million for the nine-month period ended September 30, 2017 from Ps. 1,668.2 million for the same period in 2016. This increase was primarily due to the factors described above.

Commissions and Fees Paid – Net

Commissions and fees paid – net increased by Ps. 18.9 million, or 58%, to Ps. 51.5 million for the nine-month period ended September 30, 2017 from Ps. 32.6 million for the same period in 2016. This increase was primarily due to the increase in the payment of commissions for availability of existing lines of credit.

Other Operating Income – Net

Other operating income – net, which consists primarily of recovery of insurance expenses, property sales, allowance for impairment value and other income, decreased by Ps. 15.8 million, or 50.3%, to Ps. 15.7 million for the nine-month period ended September 30, 2017 from Ps. 31.5 million for the same period in 2016. This decrease was primarily due to the decrease of commissions received by insurance brokers resulting from the acquisition of insurance policies with respect to assets leased by the Company in its ordinary course of business.

Financial Intermediation Results

Financial intermediation results, which consist primarily of the mark-to-market valuation of our cross-currency swaps and exchange rate valuations of such swaps, increased by Ps. 7.0 million, to a non cash profit of Ps. 0 million, or 100% for the nine-month period ended September 30, 2017 from Ps. 7 million for the same period in 2016. This decrease was primarily due to the reclassification of derivative financial instruments of the Company, for hedging purposes.

Administrative and Promotional Expenses

Administrative and promotional expenses increased by Ps. 38.6 million, or 6.6%, to Ps. 626.4 million for the nine-month period ended September 30, 2017 from Ps. 587.8 million for the same period in 2016. As a percentage of revenue, administrative and promotional expenses decreased by 27.9% from 8.6% for the nine-month period ended September 30, 2016 to 6.2% for the nine-month period ended September 30, 2017. This variation was primarily due to the strict control of expenses implemented by the Company and to a non-recurring reduction of an expense of Ps. 63 million.

Operating Income

Operating income increased by Ps. 503.6 million, or 46.4%, to Ps. 1,589.9 million for the nine-month period ended September 30, 2017 from Ps. 1,086.3 million for the same period in 2016. This increase was primarily due to the set of factors described above.

Income Tax Expenses

Income tax expenses increased by Ps. 145.1 million, or 79.5%, to Ps. 327.7 million for the nine-month period ended September 30, 2017 from Ps. 182.5 million for the same period in 2016. This increase was primarily due to the growth of our leasing operations and the effect of deferred taxes resulting mainly from the difference between our tax depreciation rate of 10.0% and our accounting depreciation rate of 20.0% with respect to equipment and machinery.

Consolidated Net Income

Consolidated net income increased by Ps. 364.3 million, or 39.8%, to Ps. 1,279.9 million for the nine-month period ended September 30, 2017 from Ps. 915.6 million for the same period in 2016. This increase was primarily due to the factors explained above.

Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

Operating Lease Income

Operating lease income, which consists primarily of operating lease rent payments, increased by Ps. 2,292.4 million, or 41.8%, to Ps. 7,773.1 million for the year ended December 31, 2016 from Ps. 5,480.7 million for the year ended December 31, 2015. This increase was primarily due to the growth of our leasing portfolio as a result of increased demand, organic growth and an increase in our distribution network and sales team.

Interest Income

Interest income increased by Ps. 436.4 million, or 58.4%, to Ps. 1,183.8 million for the year ended December 31, 2016, from Ps. 747.4 million for the year ended December 31, 2015. This increase was primarily due to growth across all of our lines of business.

The table below sets forth a breakdown of our interest income by segment for the periods indicated.

	Year Ended December 31,			
	2015	Percent of Interest Income	2016	Percent of Interest Income
	(in millions of Ps., except for percentages)			
Operating Leasing	141.3	18.9%	150.8	12.8%
Financial Factoring.....	322.6	43.2%	497.6	42.0%
Other Lending	283.5	37.9%	535.3	45.2%
Total	747.4	100.0%	1,183.8	100.0%

Other Lease Benefits

Other lease benefits, which consist primarily of the sale of fixed assets at the end of the lease period, increased by Ps. 211.1 million, or 66.5%, to Ps. 528.7 million for the year ended December 31, 2016 from Ps. 317.6 million for the year ended December 31, 2015. This was primarily due to the expiration of certain leasing agreements in the ordinary course of business.

Depreciation of Assets under Operating Lease

Depreciation of assets under operating lease increased by Ps. 1,353.8 million, or 42.5%, to Ps. 4,537.3 million for the year ended December 31, 2016 from Ps. 3,183.5 million for the year ended December 31, 2015. This increase was directly related to the growth of depreciable assets held as a result of the growth in our leasing operations as discussed above.

Interest Expenses

Interest expenses increased by Ps. 796.0 million, or 66.7%, to Ps. 1,988.8 million for the year ended December 31, 2016 from Ps. 1,192.8 million for the year ended December 31, 2015. This increase was primarily due to the growth of the Company across its business lines and the offering of the 2023 Senior Notes.

The table below sets forth a breakdown of our interest expense by segment for the periods indicated.

	Year Ended December 31,			
	2015	Percent of Interest Expense	2016	Percent of Interest Expense
	(in millions of Ps., except for percentages)			
Operating Leasing	864.6	72.5%	1,689.3	85.0%
Financial Factoring.....	134.5	11.3%	185.4	9.3%
Other Lending	193.7	16.2%	114.1	5.7%
Total	1,192.8	100.0%	1,988.8	100.0%

Other Lease Expenses

Other lease expenses, which consist primarily of cost of sales of fixed assets, increased by Ps. 235.2 million, or 67.5%, to Ps. 583.6 million for the year ended December 31, 2016 from Ps. 348.3 million for the year ended December 31, 2015. This increase was primarily due to the growth of our operations.

Financial Margin

Financial margin increased by Ps. 554.9 million, or 30.5%, to Ps. 2,375.9 million for the year ended December 31, 2016 from Ps. 1,820.9 million for the year ended December 31, 2015. This increase was primarily due to the growth of our business lines.

Financial Margin Adjusted for Credit Risk

Financial margin adjusted for credit risk increased by Ps. 500.4 million, or 27.9%, to Ps. 2,294.4 million for the year ended December 31, 2016 from Ps. 1,793.9 million for the year ended December 31, 2015. This increase was primarily due to the growth of our loan portfolio.

Commissions and Fees Paid – Net

Commissions and fees paid – net increased by Ps. 12.6 million, or 32.7%, to Ps. 51.2 million for the year ended December 31, 2016 from Ps. 38.5 million for the year ended December 31, 2015. This increase was primarily due to an increase in the commissions we pay in connection with the availability of our credit lines.

Other Operating Income – Net

Other operating income – net, which consists primarily of recovery of insurance expenses, sale of non-operational assets, allowance for impairment value and other income, decreased by Ps. 20.3 million, or 55.3%, to Ps. 16.4 million for the year ended December 31, 2016 from Ps. 36.6 million for the year ended December 31, 2015. This decrease is due to an income tax refund received by the Company during 2015.

Financial Intermediation Results

Financial intermediation results, which consist primarily of the mark-to-market valuation of our cross-currency swaps and exchange rate valuations of such swaps, decreased by Ps. 335.2 million, or 100.0%, to Ps. 0.0 million for the year ended December 31, 2016 from Ps. 335.2 million for the year ended December 31, 2015. This decrease was primarily due to classification of our derivative transactions for hedging purposes as opposed to the classification for trading purposes used in previous years.

Administrative and Promotional Expenses

Administrative and promotional expenses increased by Ps. 94.0 million, or 13.4%, to Ps. 797.4 million for the year ended December 31, 2016 from Ps. 703.3 million for the year ended December 31, 2015. This increase was primarily due to the growth of our work force and the opening of new regional offices. However, as a percentage of revenue, administrative and promotional expenses decreased by 234 bps from 10.7% for the year ended December 31, 2015.

Operating Income

Operating income increased by Ps. 38.4 million, or 2.7%, to Ps. 1,462.1 million for the year ended December 31, 2016 from Ps. 1,423.7 million for the year ended December 31, 2015. This increase is explained by the factors described above.

Income Tax Expenses – Net

Income tax expenses decreased by Ps. 63.7 million, or 19.4%, to Ps. 265.2 million for the year ended December 31, 2016 from Ps. 328.8 million for the year ended December 31, 2015. This decrease was primarily due to expenses incurred in the offering of the 2023 Senior Notes, which were fully deducted during such period, thus, reducing the effective tax rate for fiscal year 2016 from 23.3% to 18.0%.

Consolidated Net Income

Consolidated net income increased by Ps. 116.8 million, or 10.7%, to Ps. 1,210.3 million for the year ended December 31, 2016 from Ps. 1,093.5 million for the year ended December 31, 2015. This increase was primarily due to the factors described above.

Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

Operating Lease Income

Operating lease income, which consists primarily of operating lease rent payments, increased by Ps. 1,832.1 million, or 50.2%, to Ps. 5,480.7 million for the year ended December 31, 2015 from Ps. 3,648.6 million for the year ended December 31, 2014. This increase was primarily due to the growth of our leasing portfolio as a result of increased demand, our organic growth and an increase of our distribution network and sales team.

Interest Income

Interest income increased by Ps. 274.5 million, or 58.1%, to Ps. 747.4 million for the year ended December 31, 2015 from Ps. 472.9 million for the year ended December 31, 2014. This increase was primarily due to the growth of our portfolio, as well as the recognition of an exchange rate gain in connection with the issuance of our 2019 Senior Notes and the execution of related financial derivative hedges with respect to our 2019 Senior Notes.

The table below sets forth a breakdown of our interest income by segment for the years indicated.

	Year Ended December 31,			
	2014	Percent of Interest Income	2015	Percent of Interest Income
	(in millions of Ps., except for percentages)			
Operating Leasing	265.3	56.1%	141.3	18.9%
Financial Factoring.....	99.3	21.0%	322.6	43.2%
Other Lending	108.3	22.9%	283.5	37.9%
Total	472.9	100.0%	747.4	100.0%

Other Lease Benefits

Other lease benefits, which consist primarily of the sale of fixed assets at the end of the lease period, decreased by Ps. 65.6 million, or 17.1%, to Ps. 317.6 million for the year ended December 31, 2015 from Ps. 383.2 million for the year ended December 31, 2014. This was primarily due to an increase in the maturity of our operating leases year over year.

Depreciation of Assets under Operating Lease

Depreciation of assets under operating lease increased by Ps. 1,033.5 million, or 48.1%, to Ps. 3,183.6 million for the year ended December 31, 2015 from Ps. 2,150.1 million for the year ended December 31, 2014. This increase was directly related to the growth of depreciable assets held as a result of the growth in our leasing operations as discussed above.

Interest Expenses

Interest expenses increased by Ps. 353.1 million, or 42.1%, to Ps. 1,192.8 million for the year ended December 31, 2015 from Ps. 839.7 million for the year ended December 31, 2014. This increase was primarily due to the issuance of our 2019 Senior Notes and the increase in our indebtedness to support our growth.

The table below sets forth a breakdown of our interest expense by segment for the years indicated.

	Year Ended December 31,			
	2014	Percent of Interest Expense	2015	Percent of Interest Expense
	(in millions of Ps., except for percentages)			
Operating Lease	585.3	69.7%	864.6	72.5%
Financial Factoring.....	121.8	14.5%	134.5	11.3%
Auto Loans and Other Lending.....	132.6	15.8%	193.7	16.2%
Total	839.7	100.0%	1,192.8	100.0%

Other Lease Expenses

Other lease expenses, which consist primarily of cost of sales of fixed assets, decreased by Ps. 76.7 million, or 18.0%, to Ps. 348.3 million for the year ended December 31, 2015 from Ps. 425.0 million for the year ended December 31, 2014. The foregoing is associated with the decrease of our other lease benefits.

Financial Margin

Financial margin increased by Ps. 731.0 million, or 67.1%, to Ps. 1,820.9 million for the year ended December 31, 2015 from Ps. 1,089.9 million for the year ended December 31, 2014. This increase was primarily due to the factors described above.

Loan Loss Reserves

Loan loss reserves for the year ended December 31, 2015 increased by Ps. 57.0 million as a result of the growth of our portfolio and the adjustment to the loan loss reserves due to the recovery in full of a Ps. 120.0 million financial factoring account in June 2014.

Financial Margin Adjusted for Credit Risk

Financial margin adjusted for credit risk increased by Ps. 674.0 million, or 60.2%, to Ps. 1,793.9 million for the year ended December 31, 2015 from Ps. 1,119.9 million for the year ended December 31, 2014. This increase was primarily due to the factors described above.

Commissions and Fees Paid – Net

Commissions and fees paid – net increased by Ps. 28.6 million, or 286.0%, to Ps. 38.6 million for the year ended December 31, 2015 from Ps. 10.0 million for the year ended December 31, 2014. This increase was primarily due to an increase in the fees we pay in connection with the availability of our lines of credit.

Other Operating Income – Net

Other operating income – net, which consists primarily of recovery of insurance expenses, property sales, allowance for impairment value and other income, decreased by Ps. 82.1 million, or 69.1%, to Ps. 36.6 million for the year ended December 31, 2015 from Ps. 118.7 million for the year ended December 31, 2014. This decrease was primarily due to the sale in 2014 of 25.0% of the capital stock of Unifin, Agente de Seguros y de Fianzas, S.A. de C.V. to an unrelated third party for a total amount of Ps. 88.2 million.

Financial Intermediation Results

Financial intermediation results, which consist primarily of the mark-to-market valuation of our DFI, increased by Ps. 323.9 million, or 2,866.4%, to Ps. 335.2 million for the year ended December 31, 2015 from a Ps. 11.3 million for the year ended December 31, 2014. This increase was primarily due to an increase in the valuation at the end of the period of our interest swap instruments used to hedge our 2019 Senior Notes and options.

Administrative and Promotional Expenses

Administrative and promotional expenses increased by Ps. 168.3 million, or 31.5%, to Ps. 703.4 million for the year ended December 31, 2015 from Ps. 535.1 million for the year ended December 31, 2014. This increase was primarily due to the growth of our labor force and the opening of new regional offices.

Operating Income

Operating income increased by Ps. 718.9 million, or 102.0%, to Ps. 1,423.7 million for the year ended December 31, 2015 from Ps. 704.8 million for the year ended December 31, 2014. This increase was primarily due to the good results posted throughout the year in addition to Financial Intermediation Results.

Income Tax Expenses

Income tax expenses increased by Ps. 106.4 million, or 47.8%, to Ps. 328.8 million for the year ended December 31, 2015 from Ps. 222.4 million for the year ended December 31, 2014. This increase was primarily due to the growth of our operations and to the effect of deferred taxes resulting mainly from the difference between our

tax depreciation rate of 10.0% and our accounting depreciation rate of 20.0% with respect to equipment and machinery. Our effective income tax rate decreased from 31.6% in 2014 to 23.1% in 2015.

Consolidated Net Income for the Year

Consolidated net income for the year increased by Ps. 611.1 million, or 126.7%, to Ps. 1,093.5 million for the year ended December 31, 2015 from Ps. 482.4 million for the year ended December 31, 2014. This increase was primarily due to the factors described above.

Liquidity and Capital Resources

General

Our treasury aims to provide the necessary resources to meet our working capital requirements. Our principal sources of liquidity are:

- operating cash flows (including operating lease income and interest income);
- cash from securitizations of leases; and
- cash from borrowings and financing arrangements including the issuance of bonds on the local and international markets.

Our principal cash requirements or uses have historically been:

- operating activities (or financing of our main business lines);
- servicing our debt;
- capital expenditures, if applicable; and
- payments of dividends.

The main policies of our treasury include (i) investing surpluses daily for maximum periods of one to seven days; (ii) investing surpluses in government treasuries or fixed income funds at banking institutions; and (iii) paying service providers and vendors on a weekly basis. The resources administered by our treasury are denominated in pesos and U.S. dollars, which are recorded at the exchange rate on the date of the transaction and are updated at the close of the relevant period.

Our cash from operations, current financing initiatives and cash and cash equivalents were sufficient to satisfy our operating activities and debt service during the year ended December 31, 2016. We believe that our cash from operations, current financing initiatives (including this offering) and cash and cash equivalents will be sufficient to fund our operating activities and debt service obligations during 2017. See “Summary.”

Loan and Leasing Portfolio

Total loan amounts set forth in this section include the total principal amount of performing and non-performing loans outstanding at the dates presented. The term “Net Loans” refers to the total of the performing loan portfolio (defined as performing loan portfolio net of allowances) and the total of the non-performing portfolio (defined as expired loan portfolio net of allowances).

As of September 30, 2017, our total portfolio, including off-balance sheet items, amounted to Ps. 39,274.1 million. This balance increased from December 31, 2016 primarily due to the growth of our leasing portfolio as a result of increased demand, organic growth and an increase in our distribution network.

As of September 30, 2017, our total portfolio, excluding off-balance sheet items, amounted to Ps. 10,148.1 million. This balance increased from December 31, 2016 primarily due to the factors described above.

As of December 31, 2014, 2015 and 2016, our total portfolio, including off-balance sheet items, amounted to Ps. 11,488.3 million, Ps. 18,855.1 and Ps. 30,142.0 million, respectively. From 2014 to 2015, our total portfolio grew by 64.1%, primarily due to the growth in our leasing business. From 2015 to 2016, our total portfolio grew by 59.9%, primarily due to the growth in our leasing business during such period.

As of December 31, 2014, 2015 and 2016, our total portfolio, excluding off-balance sheet items, amounted to, Ps. 3,074.5 million, Ps. 5,713.5 and 8,998.9 million, respectively.

The following tables present the total loans, performing loans, non-performing loans, allowances for loan losses and net loans for our leasing, financial factoring and auto loans and other lending business lines for the periods indicated:

As of December 31, 2014

	Total loans	Performing loans	Non-Performing loans	Allowances	Net loans
	(in millions of Ps.)				
Operating Leasing	366.1	295.4	70.2	(64.2)	301.9
Financial Factoring.....	1,294.7	1,294.7	-	(10.1)	1,284.6
Auto Loans and Other Lending	1,413.7	1,413.7	-	(13.8)	1,399.9
Total	<u>3,074.5</u>	<u>3,004.3</u>	<u>70.2</u>	<u>(88.1)</u>	<u>2,986.4</u>
Off-Balance Sheet Accounts	8,413.8				

As of December 31, 2015

	Total loans	Performing loans	Non-Performing loans	Allowances	Net loans
	(in millions of Ps.)				
Operating Leasing	524.5	413.6	110.9	(95.1)	429.4
Financial Factoring.....	2,126.4	2,126.4	-	(5.8)	2,120.6
Auto Loans and Other Lending	3,062.7	3,062.7	-	(13.3)	3,049.4
Total	<u>5,713.6</u>	<u>5,602.7</u>	<u>110.9</u>	<u>(114.2)</u>	<u>5,599.4</u>
Off-Balance Sheet Accounts	13,141.5				

As of December 31, 2016

	Total loans	Performing loans	Non-Performing loans	Allowances	Net loans
	(in millions of Ps.)				
Operating Leasing	867.9	691.4	176.5	(3.9)	864.0
Financial Factoring.....	2,880.4	2,880.4	-	(12.3)	2,868.1
Auto Loans and Other Lending	5,250.7	5,249.6	1.1	(180.2)	5,070.5
Total	<u>8,999.0</u>	<u>8,821.4</u>	<u>177.6</u>	<u>(196.4)</u>	<u>8,802.6</u>
Off-Balance Sheet Accounts	21,143.0				

As of September 30, 2017

	Total loans	Performing loans	Non-Performing loans	Allowances	Net loans
	(in millions of Ps.)				
Operating Leasing	1,448.2	1,200.7	247.5	(225.7)	1,222.5
Financial Factoring.....	2,234.6	2,209.1	7.6	(25.5)	2,209.1
Auto Loans and Other Lending	6,465.4	6,457.8	25.5	(30.2)	6,435.2
Total	<u>10,148.2</u>	<u>9,867.6</u>	<u>280.6</u>	<u>(281.4)</u>	<u>9,866.8</u>
Off-Balance Sheet Accounts	29,126.0				

For additional information on our loan portfolio, see Note 7 to our Audited Financial Statements and Note 3 to the Unaudited Interim Financial Statements included elsewhere in this offering memorandum.

We are carrying out various analyses of the accounting criteria applicable to “Operating Leasing” and “Other Accounts Receivable” and their presentation in our consolidated balance sheet. Upon the conclusion of such analyses, we will determine whether any reclassification is necessary. However, we do not anticipate that any such reclassification would impact our overall results, negatively affect our financial ratios or solvency, or be material to the Financial Statements as a whole.

Total Loans as of September 30, 2017 Compared to December 31, 2016

Total loans, excluding our off-balance sheet accounts, totaled Ps. 10,148.2 million as of September 30, 2017, reflecting an increase of Ps. 1,149.2 million, or 12.8%, compared to December 31, 2016.

Total operating leases, excluding our off-balance sheet accounts, totaled Ps. 1,448.2 million as of September 30, 2017, reflecting an increase of Ps. 580.3 million, or 66.9%, compared to December 31, 2016. Operating leases outstanding as a percentage of our total loan portfolio, excluding our off-balance sheet accounts, were 14.3% as of September 30, 2017 and 9.6% as of December 31, 2016.

Our total lease portfolio, including our off-balance sheet accounts, as of September 30, 2017 and December 31, 2016 amounted to Ps. 30,574.2 million and Ps. 22,010.9 million, respectively, or 77.8% and 73.0%, respectively, of our total loan portfolio, including off-balance sheet accounts.

Financial factoring loans totaled Ps. 2,234.6 million as of September 30, 2017, reflecting a decrease of Ps. 645.8 million, or -22.4%, compared to December 31, 2016. Financial factoring loans as a percentage of our total loan portfolio, excluding off-balance sheet accounts, was 22.0% as of September 30, 2017 and 32.0% as of December 31, 2016. Financial factoring loans outstanding as a percentage of our total loan portfolio, including off-balance sheet accounts, were 5.7% as of September 30, 2017 and 9.6% as of December 31, 2016.

Auto loans and other lending totaled Ps. 6,465.4 million as of September 30, 2017, reflecting an increase of Ps. 1,214.7 million, or 23.1%, compared to December 31, 2016. Auto financing loans and other loans outstanding as a percentage of our total loan portfolio, excluding off-balance sheet accounts, were 63.7% as of September 30, 2017 and 58.3% as of December 31, 2016. Auto financing loans and other loans outstanding as a percentage of our total loan portfolio, including off-balance sheet accounts, were 16.5% as of September 30, 2017 and 17.4% as of December 31, 2016.

Total Loans as of December 31, 2016 Compared to December 31, 2015

Total loans, excluding our off-balance sheet accounts, totaled Ps. 8,999.0 million as of December 31, 2016, reflecting an increase of Ps. 3,285.4 million, or 57.5%, compared to December 31, 2015.

Total operating leases, excluding our off-balance sheet accounts, totaled Ps. 867.9 million as of December 31, 2016, reflecting an increase of Ps. 343.4 million, or 65.5%, compared to December 31, 2015. Operating leases outstanding as a percentage of our total loan portfolio, excluding our off-balance sheet accounts, were 9.6% as of December 31, 2016 and 9.2% as of December 31, 2015.

Our total lease portfolio, including our off-balance sheet accounts, as of December 31, 2016 and December 31, 2015 amounted to Ps. 22,010.9 million and Ps. 13,666.0 million, respectively, or 73.0% and 72.5%, respectively, of our total loan portfolio, including off-balance sheet accounts.

Financial factoring loans totaled Ps. 2,880.4 million as of December 31, 2016, reflecting an increase of Ps. 754.0 million, or 35.5%, compared to December 31, 2015. Financial factoring loans outstanding as a percentage of our total loan portfolio, excluding off-balance sheet accounts, were 32.0% as of December 31, 2016 and 37.2% as of December 31, 2015.

Auto loans and other lending totaled Ps. 5,250.7 million as of December 31, 2016, reflecting an increase of Ps. 2,188.0 million, or 71.4%, compared to December 31, 2015. Auto financing loans and other loans outstanding as a percentage of our total loan portfolio, excluding off-balance sheet accounts, were 58.3% as of December 31, 2016 and 53.6% as of December 31, 2015.

Total Loans as of December 31, 2015 Compared to December 31, 2014

Total loans, excluding our off-balance sheet accounts, totaled Ps. 5,713.6 million as of December 31, 2015, reflecting an increase of Ps. 2,639.1 million, or 85.8%, compared to December 31, 2014.

Total operating leases, excluding our off-balance sheet accounts, totaled Ps. 524.5 million as of December 31, 2015, reflecting an increase of Ps. 158.4 million, or 43.3%, compared to December 31, 2014.

Operating leases outstanding as a percentage of our total loan portfolio were 9.2% as of December 31, 2015 and 11.9% as of December 31, 2014.

Our total lease portfolio, including our off-balance sheet accounts, as of December 31, 2015 and December 31, 2014 amounted to Ps. 13,666 million and Ps. 8,779.9 million, respectively, or 72.4% and 76.4%, respectively, of our total loan portfolio, including off-balance sheet accounts.

Financial factoring loans totaled Ps. 2,126.4 million as of December 31, 2015, reflecting an increase of Ps. 831.7 million, or 65.1%, compared to December 31, 2014. Financial factoring loans outstanding as a percentage of our total loan portfolio, excluding off-balance sheet accounts, were 37.2% as of December 31, 2015 and 42.1% as of December 31, 2014. Financial factoring loans outstanding as a percentage of our total loan portfolio, including our off-balance sheet accounts, were 11.3% as of December 31, 2015 and 11.3% as of December 31, 2014.

Auto loans and other lending totaled Ps. 3,062.7 million as of December 31, 2015, reflecting an increase of Ps. 1,649.0 million, or 116.6%, compared to December 31, 2014. Auto financing loans and other loans outstanding as a percentage of our total loan portfolio, excluding off-balance sheet accounts, were 53.6% as of December 31, 2015 and 46.0% as of December 31, 2014. Auto loans and other lending outstanding as a percentage of our total loan portfolio, including our off-balance sheet accounts, were 16.2% as of December 31, 2015 and 12.3% as of December 31, 2014.

Non-Performing Loan Portfolio as of September 30, 2017 Compared to December 31, 2016

Our total non-performing loans, including off-balance sheet accounts, as of September 30, 2017 and December 31, 2016 amounted to Ps. 280.6 million and Ps. 167.6 million, respectively, or 0.71 % and 0.59 %, respectively, of our total loan portfolio, including off-balance sheet accounts. The total non-performing loans increased by Ps. 103.0 million or 58.0%, as of September 30, 2017.

Non-Performing Loan Portfolio as of December 31, 2016 Compared to December 31, 2015

Our total non-performing loans as of December 31, 2016 and December 31, 2015 amounted to Ps. 177.6 million and Ps. 110.9 million, respectively, or 0.6% and 0.6%, respectively, of our total loan portfolio, including off-balance sheet accounts. The total non-performing loans increased by Ps. 66.7 million or 60.2%, as of December 31, 2015.

Non-Performing Loan Portfolio as of December 31, 2015 Compared to December 31, 2014

Our total non-performing loans as of December 31, 2015 and December 31, 2014 amounted to Ps. 110.9 million and Ps. 70.2 million, respectively, or 0.6% and 0.6%, respectively, of our total loan portfolio, including off-balance sheet accounts. This increase of Ps. 26.1 million, or 29.6%, is explained by incremental reserves associated with the growth of our business.

The following table presents the past-due loan portfolios of our operating leasing, financial factoring and auto loans and other lending business lines for the periods indicated:

Operating Leasing Past-due Installments As of December 31,				As of September 30,	
Days	2014	2015	2016	2017	
(in millions of Ps.)					
Past due.....	>31	70.2	110.9	176.5 ⁽¹⁾	247.4
Financial Factoring Past-due Installments As of December 31,				As of September 30,	
Days	2014	2015	2016	2017	
(in millions of Ps.)					
Past due.....	>31	-	-	-	25.5
Auto and Other Loans Past-due Installments As of December 31,				As of September 30,	
Days	2014	2015	2016	2017	
(in millions of Ps.)					
Past due.....	>31	-	-	1.1	7.6

(1) As of December 31, 2014, we began to consider as past due all installments past due for more than 31 days.

Maturity Composition of the Loan and Leasing Portfolio

The following table sets forth the maturity profile of our loan portfolio, including off-balance sheet items.

	As of December 31,						As of September 30,	
	2014		2015		2016		2017	
	Loan and Leasing Amount	% of Portfolio ⁽²⁾	Loan and Leasing Amount	% of Portfolio ⁽²⁾	Loan and Leasing Amount	% of Portfolio ⁽²⁾	Loan and Leasing Amount	% of Portfolio ⁽²⁾
Due within 180 days.....	4,291.6	37.4%	5,613.4	29.8%	5,783.7	19.2%	8,303.3	21.1%
Between 181 and 365 days	1,870.9	16.3%	3,497.0	18.5%	7,636.8	25.3%	8,619.3	22.0%
Over 365 days.....	5,325.8	46.3%	9,744.7	51.7%	16,721.5	55.5%	22,354.5	56.9%
Total performing loan portfolio ⁽¹⁾	11,488.3	100.0%	18,855.1	100%	30,142.0	100.0%	39,274.1	100.0%

⁽¹⁾Maturity composition is based on the period remaining to the maturity of the loans.

⁽²⁾Percentage of portfolio equals the relevant loan amount by period divided by the sum of the total loans for each period.

Loan and Leasing Portfolio Breakdown by Customers

The following table sets forth the number of customers that have loans outstanding under our operating leasing, financial factoring and auto loans and other lending business lines:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
Operating Leasing ⁽¹⁾	1,630	2,111	2,645	4,182
Financial Factoring	303	450	767	1,117
Auto Loans and Other Lending	1,175	1,489	1,666	2,131

(1) Including off-balance sheet accounts.

The classification of the required allowance for loan losses is as follows:

		As of December 31,			As of September 30,
Grade	Provision (%)	2014	2015	2016	2017
(in millions of Ps.)					
A-1	0 to 0.50	54.8	91.6	149.2	163.5
A-2	0.51 to 0.99	13.5	-	-	-
B-1	1.00 to 4.99	-	-	1.0	-
B-2	5.00 to 9.99	-	-	-	-
B-3	10.00 to 19.99	0.6	0.5	0.5	29.9
C-1	20.00 to 39.99	-	4.8	-	-
C-2	40.00 to 59.99	1.3	10.0	23.7	32.1
D	60.00 to 89.99	-	-	5.5	15.6
E.....	90.00 to 100.00	2.4	8.3	1.5	39.4
Total		72.6	115.2	181.4	280.5

The following table shows our allowances for non-performing loans for the periods presented.

	As of and for the Year Ended December 31,			As of and for the Nine Months Ended September 30,
	2014	2015	2016	2017
(in millions of Ps.)				
Balance at beginning of year	120.2	88.1	114.2	196.4
Additions to provisions	10.0	27.0	81.5	85.0
Release of reserves	(40.0)	(0.9)	0.7	-
Decrease in provisions	(2.1)	-	-	-
Balance at end of year	88.1	114.2	196.4	281.4

Analysis of Cash Flows

The following table summarizes our generation and use of cash for the periods presented:

	For the Year Ended December 31,			For the Nine Months Ended September 30,	
	2014	2015	2016	2016	2017
	(in millions of Ps.)				
Net cash flows provided by operating activities	4,562.6	6,420.9	14,292.7	9,958.4	17,882.2
Net cash flows used in investing activities	(5,098.6)	(7,335.8)	(13,716.3)	(10,091.0)	(14,165.8)
Net cash flows provided by financing activities	100.0	1,799.0	(355.3)	(196.0)	(962.8)

Cash Flows for the Nine Months Ended September 30, 2016 Compared to the Nine Months Ended September 30, 2017

Taking into account our cash flows from operations, cash flows from financing activities and cash flows from investing activities, we had a net cash inflow of Ps. 2,753.6 million for the nine months ended September 30, 2017.

Operating Activities. Our net cash provided by operating activities increased to Ps. 17,882.2 million for the nine months ended September 30, 2017 from Ps. 9,958.4 million for the same period in 2016. This change was primarily due to the increase of the operations of the Company.

Investing Activities. Our net cash used in investing activities increased for the nine months ended September 31, 2017 to Ps. 14,165.8 million from Ps. 10,091.0 million for the same period in 2016. This change was primarily due to the increase of the acquisition of assets used for our leasing business.

Financing Activities. Our net cash used in financing activities increased for the nine months ended September 30, 2017 to Ps. 962.8 million from Ps. 196 million for the same period in 2016. This increase was primarily due to the valuation of derivative financial instruments.

Cash Flows for the Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

Taking into account our cash flows from operations, cash flows from financing activities and cash flows from investing activities, we had a net cash inflow of Ps. 221.1 million for the year ended December 31, 2016 compared to a net cash inflow of Ps. 884.0 million for the year ended December 31, 2015.

Operating Activities. Our net cash provided by operating activities increased to Ps. 14,292.7 million for the year ended December 31, 2016 from Ps. 6,420.8 million for the year ended December 31, 2015. This change was primarily due to an increase in the origination across our business lines.

Investing Activities. Our net cash used in investing activities increased for the year ended December 31, 2016 to Ps. 13,716.3 million from 7,335.8 million for the year ended December 31, 2015. This change was primarily due to an increase of the acquisition of assets related to our operating leasing business.

Financing Activities. Our net cash used in financing activities decreased for the year ended December 31, 2016 to Ps. 355.3 million from Ps. 1,799.0 million for the year ended December 31, 2015. This decrease is primarily explained by dividends paid by the Company during 2016.

Cash Flows for the Year Ended December 31, 2015 Compared to the Year Ended December 31, 2014

Taking into account our cash flows from operations, cash flows from financing activities and cash flows from investing activities, we had a net cash inflow of Ps. 884.1 million for the year ended December 31, 2015, compared to a net cash outflow of Ps. 436.0 million for the year ended December 31, 2014.

Operating Activities. Our net cash provided by operating activities increased to Ps. 6,420.9 million for the year ended December 31, 2015 from Ps. 4,562.6 million for the year ended December 31, 2014. This change was primarily due to our organic growth, resulting in a higher net income and the necessary debt acquired for funding this growth.

Investing Activities. Our net cash used in investing activities increased for the year ended December 31, 2015 to Ps. 7,335.8 million from Ps. 5,098.7 million for the year ended December 31, 2014. This change was primarily due to an increase in the acquisition of assets related to operating leases.

Financing Activities. Our net cash provided by financing activities increased for the year ended December 31, 2015 to Ps. 1,799.0 million from Ps. 100.0 million for the year ended December 31, 2014. This increase was primarily due to proceeds from our Initial Public Offering (partially offset by the payment of dividends).

Indebtedness

The following table summarizes our indebtedness for the periods presented:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
	(in millions of Ps.)			
Short-term debt:				
2019, 2023 and 2025 Senior Notes....	161.4	178.6	196.1	113.3
Securitizations program.....	5.2	13.8	92.0	59.9
Bank borrowings and loans from other entities.....	2,061.7	4,716.7	6,445.5	4,239.9
	2,228.3	4,909.1	6,733.6	4,413.0
Long-term debt:				
2019, 2023 and 2025 Senior Notes....	5,887.2	6,356.8	9,291.7	15,435.2
Securitizations program.....	4,088.6	7,000.0	12,000.0	17,750.0
Bank borrowings and loans from other entities.....	392.8	780.6	1,897.2	1,417.9
	10,368.6	14,137.3	23,188.9	34,603.1
Total	12,596.9	19,046.4	29,922.5	39,016.1

Our material indebtedness as of September 30, 2017 consisted of the following (excluding interest payable):

Secured Notes under Trust Securitization Programs

As of September 30, 2017, the total principal amount of trust notes issued and outstanding under securitization programs (the “Secured Notes Programs”) was Ps. 17,750 million. The following table contains a summary of the secured notes issued under our trust securitization programs outstanding as of September 30, 2017:

Ticker	Issuing Trust	Number of Certificates	Maturity	Interest Rate (%)	Total Amount Issued (in millions of Ps.)	S&P and HR Ratings	Trustee
UNFINCB15	F/17598-4	20,000,000	9-Feb-2020	THIE+1.60	2,000	mxAAAS&P/HRAAA	Banamex
UFINCB15	F/2539	20,000,000	11-Sep-2020	THIE+1.60	2,000	mxAAAS&P/HRAAA	Invex
UFINCB16	F/2720	25,000,000	16-Feb-2021	THIE+1.60	2,500	mxAAAS&P/HRAAA	Invex
UNFINCB16	F/179866	12,500,000	29-Sep-2021	THIE+2.20	1,250	mxAAAS&P/HRAAA	Banamex
UNFINCB16-2	F/179866	12,500,000	29-Sep-2021	9.47	1,250	mxAAAS&P/HRAAA	Banamex
UNFINCB17	F/180295	15,000,000	28-Mar-2022	THIE+2.10	1,500	mxAAAS&P/HRAAA	Banamex
UNFINCB17-2	F/180295	15,000,000	28-Mar-2022	9.62	1,500	mxAAAS&P/HRAAA	Banamex
UNFINCB17-3	F/180406	25,000,000	23-Sep-2022	THIE+2.10	2,500	mxAAAS&P/HRAAA	Banamex
UNFINCB17-4	F/180406	10,000,000	23-Sep-2022	9.38	1,000	mxAAAS&P/HRAAA	Banamex

Bank Debt

As of September 30, 2017, we had the following bank borrowings and loans from other entities:

As of September 30, 2017					
	Balance (in million Ps.)	Denomination	Maturity Date	Interest Rate (%)	Type of Collateral
Short-term debt:					
Nacional Financiera	1,629.0	Pesos	Jan-18	TIIE + 2.75	Unsecured
Banamex	320.0	Pesos	Dec-17	TIIE (91 días) + 3.00	Unsecured
Scotiabank Bilateral	279.3	Pesos	Jul-18	TIIE + 3.60	Factoring Portfolio
Actinver	300.0	Pesos	Jul-18	TIIE + 3.00	Lease portfolio
Multiva.....	200.0	Pesos	Oct-17	TIIE + 3.00	Factoring Portfolio
Barclays	181.6	USD	Jul-18	LIBOR + 4.50	Unsecured
Banamex USD.....	363.2	USD	Oct-17	LIBOR + 4.00	Unsecured
Bladex USD	440.4	USD	Sep-18	LIBOR + 4.00	Residual value portfolio
Bladex.....	232.6	Pesos	Sep-18	TIIE + 3.16	Residual value portfolio
Bancomext	197.8	Pesos	Sep-18	TIIE + 2.70	Lease portfolio
Invex	33.9	Pesos	May-18	TIIE + 3.85	Residual value portfolio
Banco del Bajío	39.1	Pesos	Sep-18	TIIE + 3.20	Residual value portfolio
Accrued interest payable	23.1				
Total short-term debt.....	4,240.0				
Long-term debt:					
Barclays	272.4	USD	Apr-19	LIBOR + 4.50	Unsecured
Bladex USD	330.3	USD	Jun-19	LIBOR + 4.00	Residual value portfolio
Bladex.....	174.5	Pesos	Jun-19	TIIE + 3.16	Residual value portfolio
Scotiabank Bilateral	320.7	Pesos	Oct-20	TIIE + 3.60	Lease portfolio
Bancomext	233.3	Pesos	Apr-21	TIIE + 2.70	Lease portfolio
Banco del Bajío	86.8	Pesos	Aug-21	TIIE + 3.20	Lease portfolio
Total long-term debt	1,418.0				
Total Bank Debt.....	5,658.0				

2019 Senior Notes

On July 22, 2014, we issued US\$ 400 million of 6.250% Senior Notes due 2019 in a Rule 144A/Regulation S offering, which were unconditionally guaranteed by Unifin Credit, S.A. de C.V., SOFOM, E.N.R. and Unifin Autos, S.A. de C.V. (the “2019 Senior Notes”). In January 2015, we repurchased in the open market US\$ 33.4 million of our 2019 Senior Notes, equal to 8.35% of the outstanding principal amount. This repurchase of the 2019 Senior Notes resulted in extraordinary income of Ps. 82.2 million, which was included in the financial intermediation results in our Audited Financial Statements. As a result of this repurchase, we were able to fully hedge our exchange rate risk through the use of financial instruments. In October 2016, we consummated a tender offer pursuant to which a total of US\$ 315.9 million of the 2019 Senior Notes were repurchased, or 86.2% of the outstanding amount at that time. In June 2017, we redeemed the entire remaining outstanding amount of the 2019 Senior Notes.

2023 Senior Notes

On September 27, 2016, we issued US\$ 400 million of 7.250% Senior Notes due 2023 in a Rule 144A/Regulation S offering, which were unconditionally guaranteed by Unifin Credit, S.A. de C.V., SOFOM, E.N.R. and Unifin Autos, S.A. de C.V. (the “2023 Senior Notes”).

2025 Senior Notes

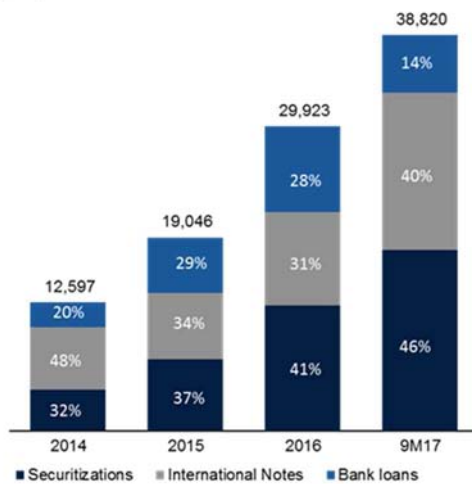
On May 15, 2017, we issued US\$ 450 million of 7.000% Senior Notes due 2025 in a Rule 144A/Regulation S offering, which were unconditionally guaranteed by Unifin Credit, S.A. de C.V., SOFOM, E.N.R. and Unifin Autos, S.A. de C.V. (the “2025 Senior Notes”).

The charts below summarize our indebtedness and our available funding commitments in millions of pesos, respectively:

Strong funding profile, with ongoing access to liquidity

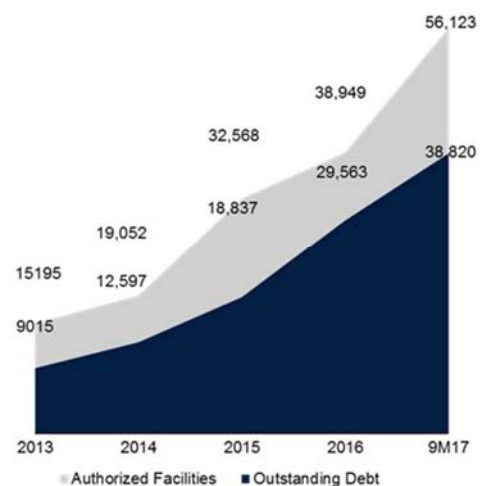
Unifin maintains a diverse funding profile...

(P.s. mm)



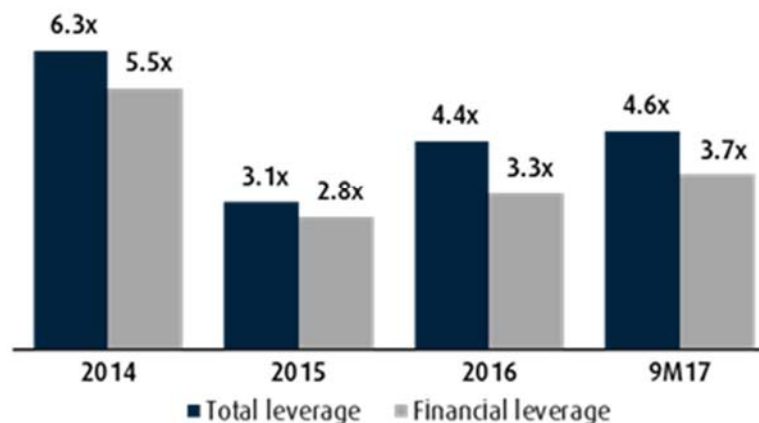
...while increasing its ample liquidity

(P.s. mm)



Source: Unifin

Leverage (excl. securizations)



Our subsidiaries do not have any restrictions on transferring funds to us.

Information regarding Issuance Trusts and Private Structured Trusts

We have obtained financing through the securitization of our collection rights of our leasing portfolio by assigning such rights to publicly-traded or private trusts. Such financing structures are non-recourse to the Company. As of September 30, 2017 we had issued publicly-traded trust bonds and private trust structures for a total principal amount of Ps. 23,862.5 million. See “—Secured Notes under Trust Securitization Programs” and “—Bank Debt.” As of December 31, 2014, 2015 and 2016 and for the nine months ended September 30, 2017, we assigned, by means of these public and private structures, a total of Ps. 6,038.5 million, Ps. 10,887.7 and Ps. 16,026.9 million of collection rights, respectively. As of September 30, 2017, our collection rights assigned to either issuance trusts or private structures represented 60.8% of our total portfolio, including off-balance accounts.

Our issuance trusts through which we have carried out securitizations of our collection rights have allowed us to obtain financing by issuing and placing trust bonds registered with the RNV. Subsequent to each securitization we receive an amount equal to the present value of the collection rights, minus any commissions and fees paid to the trustee, as determined by the technical committee of each trust. The trustee of each issuance trust further pays the trust bonds with amounts paid from the collection rights and according to the priority of payment established in the respective trust agreement.

We also carry out private financing structures with Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat, which operate similar to a securitization program, except that the source of our funding comes from a revolving credit line granted by a financial institution and not through the issuance of trust bonds. Under this private structure, we assign the collection rights of our lease portfolio in favor of the trustee of the respective private structure, which in turn will use the available funds of the credit line granted by Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat to compensate us for the total outstanding amount for the acquisition of such collection rights. Any amounts derived from our collection rights assigned to the trust will be used to pay such credit facility.

Covenants

Our commercial paper, loan agreements and outstanding bonds contain a number of covenants requiring us to comply with certain financial ratios and other tests. As of September 30, 2017, the main restrictive financial covenants under these loan agreements and bonds require us to maintain the following ratios:

- Fixed Charge Coverage Ratio (consolidated cash flow / fixed charges): $\geq 2.00:1.00$
- Capitalization Ratio (total stockholders' equity / total assets): $\geq 9.5\%$
- Capitalization Ratio (total stockholders' equity / total loan portfolio, including off-balance sheet loans): $\geq 10.0\%$
- Indebtedness Leverage Ratio (total financial liabilities, excluding securitizations / total stockholders' equity): ≤ 7 times
- Non-performing Loans (non-performing loans, plus future rentals / total loan portfolio, including off-balance sheet loans): $\leq 9.0\%$
- Non-performing Loans (non-performing loans / total loan portfolio, including off-balance sheet accounts): $\leq 4.0\%$
- Non-performing Loan Portfolio Coverage Ratio (loan loss reserves / total non-performing loans portfolio): ≥ 1
- Debt Coverage Ratio (cash and cash equivalents plus net loan portfolio / total indebtedness, excluding securitizations): ≥ 1 time

In addition, the instruments governing our debt, including the indentures governing our 2023 Senior Notes and 2025 Senior Notes, contain covenants restricting our and our subsidiaries' ability to, among other things incur additional debt, make certain dividend payments, redeem capital stock and make certain investments, transfer and sell assets, engage in lease securitizations and receivables transactions for less than fair market value, enter into agreements that would limit the ability of subsidiaries to pay dividends or make distributions, create liens, effect a consolidation, merger or sale of assets and enter into transactions with affiliates. These debt instruments also contain customary events of default.

As of the date of this offering memorandum, we are in compliance with all of the covenants under our loans, debt and commercial paper instruments.

Derivative Financial Instruments

We engage in derivative financial transactions for risk-hedging purposes. As of December 31, 2014, 2015 and 2016 and September 30, 2017 we had outstanding derivative financial instruments with a fair market value of Ps. 856.4 million, Ps. 2,141.9 million, Ps. 3,886.3 million and Ps. 1,296.1 million respectively. See Note 6 to our Audited Financial Statements and Note 5 of the Unaudited Interim Financial Statements.

Such derivative financial instruments consist mainly of cross-currency swaps to hedge against fluctuations in the currency exchange of our U.S. dollar-denominated liabilities and "CAP" interest rate purchase options, used to hedge against interest rates fluctuations.

The following is qualitative and quantitative information regarding our derivative financial instruments.

Qualitative and Quantitative Information

We use derivative financial instruments for hedging purposes and not for speculation purposes.

We have a designated department in charge of supervising that we maintain adequate coverage reserves for all liabilities contracted by the issuing of stock certificates or through our securities portfolio, which allows us to insure our financial margin. We enter into derivative financial transactions with duly accredited domestic and foreign institution to hedge against interest rates fluctuations, which eliminates the inherent risks of interest rate increases. This allows us to enter leases with our customers at fixed rates.

Based on the risk variable TIIE, and due to our consistent operating structure and the fact that 100.0% of our contracts are in pesos, we have limited currency exchange risks. We hedge against the currency risk with respect to our U.S. dollar-denominated liabilities.

Derivative Financial Instruments Summary

As of September 30, 2017, the composition of our derivative financial instruments portfolio was as follows:

Cross-Currency Swaps

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Notional Amount (in millions of Ps.)	Interest Rate of Debt (%)	Contractual Interest Rate (%)	Fair Value (in millions of Ps.)
International Bonds 2023	27-Sep-2016	27-Sep-2023	2,556	1,156.2	7.25%	8.38	229.2
International Bonds 2023	27-Sep-2016	27-Sep-2023	2,556	1,387.5	7.25%	8.42	272.2
International Bonds 2023	27-Sep-2016	27-Sep-2023	2,556	1,850.0	7.25%	8.33	366.7
International Bonds 2023	27-Sep-2016	27-Sep-2023	2,556	1,850.0	7.25%	8.38	371.3
International Bonds 2023	27-Sep-2016	27-Sep-2023	2,556	1,156.2	7.25%	8.39	228.6
International Bonds 2025	15-May-2017	15-Jan-2025	2,802	2,370.0	7.00%	11.71	(63.3)

International Bonds 2025	15-May-2017	15-Jan-2025	2,802	1,422.0	7.00%	11.78	(43.9)
International Bonds 2025	15-May-2017	15-Jan-2025	2,802	948.0	7.00%	11.77	(28.7)
International Bonds 2025	15-May-2017	15-Jan-2025	2,802	1,422.0	7.00%	11.76	(42.2)
International Bonds 2025	15-May-2017	15-Jan-2025	2,802	1,422.0	7.00%	11.77	(43.1)
UNFINCB17	28-Apr-2017	28-Mar-2022	1,795	1,500.0	TIIE 28	9.55	(0.9)
UNFINCB17-3	15-Sep-2017	23-Aug-2022	1,803	2,500.0	TIIE 28	8.87	(1.4)
F/1355 Facility	18-03-2015	21-Mar-2023	2,925	2,250.0	TIIE 28	6.59	4.5
Bladex Facility	07-Jun-2016	07-Jun-2019	1,095	893.4	Libor+3	TIIE+3.72	(13.2)
Barclays Facility	28-Apr-2017	29-Apr-2019	731	472.6	Libor+3	TIIE+4.00	(11.5)
Total				22,599.9			1,224.3

Interest Rate CAP Options

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Underlying Asset	Exercise Price (%)	Notional Amount (in millions of Ps.)	Prepaid Premium (in millions of Ps.)	Fair Value (in millions of Ps.)
UNFINCB15	13-Feb-2015	09-Feb-2020	1,822	TIIE 28	7.00	2,000.0	48.5	27.7
UFINCB15	09-Nov-2015	09-Nov-2020	1,827	TIIE 28	7.00	2,000.0	52.5	25.9
UFINCB16	12-Feb-2016	16-Feb-2021	1,831	TIIE 28	7.50	2,500.0	39.0	9.8
UNFINCB16	02-Dec-2016	02-Sep-2021	1,735	TIIE 28	7.50	1,250.0	33.7	8.7
Total							219.0	72.0

As of December 31, 2016, the composition of our derivative financial instruments portfolio was as follows:

Cross-Currency Swaps

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Notional Amount (in millions of Ps.)	Interest Rate of Debt (%)	Contractual Interest Rate (%)	Fair Value (in millions of Ps.)
2023 Senior Notes	27-Sep-2016	27-Sep-2023	2,556	1,850.0	7.25%	8.38	777.6
2023 Senior Notes	27-Sep-2016	27-Sep-2023	2,556	1,387.5	7.25%	8.42	580.2
2023 Senior Notes	27-Sep-2016	27-Sep-2023	2,556	1,850.0	7.25%	8.33	813.0
2023 Senior Notes	27-Sep-2016	27-Sep-2023	2,556	1,156.2	7.25%	8.38	488.0
2023 Senior Notes	27-Sep-2016	27-Sep-2023	2,556	1,156.2	7.25%	8.39	506.2
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	718.9	6.25%	5.00	493.7
Bladex	07-Jun-2016	07-Jun-2019	1,095	893.4	Libor+4.0	TIIE+3.72%	78.5
Total				8,119.8			3,737.3

Interest Rate Caps Options and Forwards

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Underlying Asset	Exercise Price (%)	Notional Amount (in millions of Ps.)	Paid Premium (in millions of Ps.)	Fair Value (in millions of Ps.)
UNFINCB13	22-Nov-2013	22-Nov-2018	1,826	TIIE 28	7.00	1,000.0	17.0	6.5
UNFINCB15	13-Feb-2015	09-Feb-2020	1,822	TIIE 28	7.00	2,000.0	48.5	31.5
UFINCB15	11-Sep-2015	11-Sep-2020	1,827	TIIE 28	7.00	2,000.0	52.5	39.4
Scotiabank	18-Mar-2015	21-Feb-2021	2,167	TIIE 28	7.00	2,000.0	28.3	16.1
UFINCB16	12-Feb-2016	16-Feb-2021	1,831	TIIE 28	7.50	2,500.0	39.0	37.0
UNFINCB16	02-Dec-2016	02-Sep-2021	1,735	TIIE 28	7.50	1,250.0	33.7	18.5
Total							219.0	149.0

As of December 31, 2015, the composition of our derivative financial instruments portfolio was as follows:

Cross-Currency Swaps

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Notional Amount (in millions of U.S. dollars)	Interest Rate of Debt (%)	Contractual Interest Rate (%)	Fair Value (in millions of Ps.)
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	85.0	6.25%	THIE+4.20	468.8
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	15.0	6.25%	THIE+4.19	83.2
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	100.0	6.25%	THIE+4.19	539.1
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	33.3	6.25%	THIE+4.19	181.0
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	100.0	6.25%	THIE+4.19	539.1
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	33.3	6.25%	THIE+4.18	181.0
Total				366.6			1,992.2

Interest Rate CAP Options

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Underlying Asset	Exercise Price (%)	Notional Amount (in millions of Ps.)	Prepaid Premium (in millions of Ps.)	Fair Value (in millions of Ps.)
UNFINCB13	22-Nov-2013	22-Nov-2018	1,826	THIE 28	7.00	1,000.0	17.0	9.9
UNFINCB15	13-Feb-2015	09-Feb-2020	1,822	THIE 28	7.00	2,000.0	48.5	41.2
UFINCB15	13-Sep-2015	11-Sep-2020	1,827	THIE 28	7.00	2,000.0	52.5	49.9
Private Structure	18-Mar-2015	21-Feb-2021	2,167	THIE 28	7.00	2,000.0	28.3	37.8
Comerica	03-Dec-2015	02-Mar-2016	90	TC	16.72	83.6	0.0	10.9
Total						7,083.6	146.3	149.7

Other DFI

The Company has one derivative financial instrument which consists of a Forward for a short-term (three month) loan in the amount of US\$ 5.0 million. This derivative instrument has been registered for trading purposes. The variations on the market value of this DFI are not material.

As of December 31, 2014, the composition of our derivative financial instruments portfolio was as follows:

Cross-Currency Swaps

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Notional Amount (in millions of Ps.)	Interest Rate of Debt (%)	Contractual Interest Rate (%)	Fair Value (in millions of Ps.)
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	1,102.5	6.25%	THIE+4.20	74.9
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	194.2	6.25%	THIE+4.19	225.4
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	1,297.2	6.25%	THIE+4.192	34.3
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	431.4	6.25%	THIE+4.19	192.0
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	1,297.2	6.25%	THIE+4.195	74.9
2019 Senior Notes	22-Jul-2014	22-Jul-2019	1,826	431.4	6.25%	THIE+4.185	225.7
Total				4,753.9			827.1

Interest Rate CAPS Options

Hedged Liability	Contracting Date	Maturity Date	Term (days)	Underlying Asset	Exercise Price (%)	Notional Amount (in millions of Ps.)	Prepaid Premium (in millions of Ps.)	Fair Value (in millions of Ps.)
UNIFCB11-2	08-Nov-2010	30-Jun-2015	1,827	THIE 28	9.00	766.7	8.1	3.1
UNIFCB12	04-May-2012	04-May-2017	1,826	THIE 28	9.00	1,000.0	8.9	4.1
UNFINCB13	22-Nov-2013	22-Nov-2018	1,826	THIE 28	7.00	1,000.0	17.1	13.3
Crédito F/1355	10-Dec-2012	10-Dec-2016	1,461	THIE 28	7.00	51.3	0.4	0.2

Crédito F/1355	22-Jan-2013	22-Jan-2017	1,461	TIIE 28	7.00	45.8	0.2	0.1
Crédito F/1355	11-Apr-2013	11-Apr-2017	1,461	TIIE 28	7.00	478.2	2.2	1.5
Crédito F/1355	23-Dec-2013	23-Dec -2018	1,826	TIIE 28	7.00	689.3	7.4	5.9
Crédito F/1355	11-Aug-2014	23-Dec -2014	1,515	TIIE 28	7.00	130.2	1.0	0.9
Total						4,161.5	45.3	29.3

The referenced amount (notional amount) related to the derivative financial instruments reflects the balance of the financial instrument, but does not reflect the risks. The risk amounts are generally limited to profits or losses not reflected by market valuation, which could vary depending on changes in the market value of the respective asset, its volatility and the creditworthiness of the relevant counterparties.

Off-Balance Sheet Liabilities

As of September 30, 2017, we did not have any off-balance sheet liabilities

Tax Credits or Tax Liabilities

As of September 30, 2017, the Company does not have tax credits or tax liabilities, except for the current tax credits and liabilities resulting from assessment of Income Tax and the Value Added Tax, which are to be calculated and declared by means of the corresponding annual tax returns.

Capital Expenditure

During the nine-month periods ended September 30, 2017 and 2016 and the years ended December 31, 2014, 2015 and 2016, we invested Ps. 11,567.0 million, Ps. 9,691.0 million, Ps. 5,098.7 million, Ps. 7,335.8 million and Ps. 13,716.3 million, respectively, in capital expenditures (which includes leased and owned assets) mainly to support the growth of our operations as well as the expansion of our regional offices. We do not anticipate any material capital expenditures out of our ordinary course of business in 2018.

Tabular Disclosure of Contractual Obligations

The table below is a summary of our contractual obligations and other commitments as of September 30, 2017:

	Payments due by period		
	Total	Less than 1 year	More than 3 years
		1 to 3 years	years
		(in millions of Ps.)	
Obligation:			
Long-term debt obligations.....	34,603.1	-	29,226.5
Short-term debt obligations.....	4,412.8	4,412.8	-
Other liabilities ⁽¹⁾	4,771.2	4,771.3	-
Total ⁽²⁾	43,787.3	9,184.1	29,226.5

⁽¹⁾ Includes taxes payable, commercial paper, other accounts payable and allowances.

⁽²⁾ Including accrued interest.

The amounts shown in the table above represent existing contractual obligations only. Our actual expenditures for certain of the items and periods are likely to substantially exceed the amounts shown above.

Qualitative and Quantitative Disclosure about Market Risk

Market risk generally represents the risk that losses may occur in the values of financial instruments as a result of movements in interest rates or foreign currency exchange rates. We are exposed to changes in financial market conditions in the normal course of business due to our use of certain financial instruments as well as transactions incurred in foreign currencies. We continually assess our exposure to market risk that arises in connection with our operations and financial activities.

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, code 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 to create a better credit management culture within the Company.

We have developed and refined our own proprietary underwriting standards and credit review system. In addition to relying on quantitative measures, we also rely on qualitative measures that allow us to make use of our knowledge and experience in evaluating 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 credit histories or customers who work in the informal economy. We believe that our business model limits our credit exposure to credit risk.

As part of our ongoing process to monitor risks, we monitor the credit collection process, which is the most important element in our credit process. We analyze, evaluate and monitor every loan. Special attention is paid to non-performing loans, and stricter measures are used to monitor these loans. See “—Critical Accounting Policies—Loan loss reserves.”

Exchange Rate Risk

We are exposed to foreign currency exchange rate risk to the extent certain of our U.S. dollar-denominated liabilities are not covered by currency financial derivative instruments and whenever we maintain open positions in currencies other than the peso. These derivative financial instruments allow us to make the interest and principal payments on our U.S. dollar-denominated liabilities at fixed pre-determined exchange rates for the applicable dates. We entered into these swaps to ensure that any future devaluation of the peso against the U.S. dollar during the life of our U.S. dollar-denominated liabilities does not affect our ability to meet our obligations given that all of our income is peso-denominated. Under our derivative agreements, we provide the counterparty with an agreed-upon amount of pesos at the beginning of the term and receive from the counterparty a previously agreed-upon amount of U.S. dollars at the end of the term. As of December 31, 2016, 100% of our U.S. dollar-denominated debt was covered by derivative financial instruments. Pursuant to our risk management policies, we use derivative financial instruments for hedging purposes and not for speculation purposes. See “—Derivative Financial Instruments.”

Through the aforementioned currency swap agreements, the interest rate accrued on U.S. dollar denominated liabilities is also converted from a fixed rate denominated in dollars to a variable rate denominated in pesos. Therefore, the Company pays its counterparts interest calculated at variable rates denominated in pesos, every 28 days, and said counterparts deliver interest calculated at fixed rates denominated in U.S. dollars, every six months, with which the Company hedges the semi-annual payment of interests to the holders of the 2023 Notes and 2025 Notes.

Interest Rate Risk

We are exposed to interest rate risk since potential movements on the interest rates may rise to a mismatch in our borrowing and lending interest rates at our different lines of business. A sustained increase in interest rates would increase our financing costs and may result in a decrease in demand for our financing products. In the event of an increase in interest rates, we may also need to readjust our portfolio of assets and liabilities in order to minimize the risk of a mismatch and to maintain our profitability. In addition, an increase in interest rates could negatively affect the Mexican economy and the financial condition of our customers and their ability to repay their obligations to us, which could result in a deterioration in the quality of our portfolio. Furthermore, volatility in interest rates could also affect the ability of our customers to repay their obligations to us, which could result in an increase in non-performing leases and loans, and therefore could have a material adverse effect on our business, financial condition and results of operations.

Market Risk

We monitor exposure to market risk by analyzing the impact of potential interest rate movements and foreign exchange rate changes on our financial performance. Our finance committee constantly monitors our exposure to market risk and recommends necessary measures to be taken monthly in order to reduce any risk. We seek to adjust any variation in our liabilities caused by potential interest rate and foreign exchange to be reflected in our assets. We consider economic, political and other business factors that could affect our results. Our management actions strive to reduce our risk profile. Accordingly, we can give no assurance that actual results would not differ materially from the estimated outcomes of any measures taken by our finance committee. Furthermore, such measures do not represent our current view of expected future interest rate movements.

Internal Control Policy

Our operations are supported and regulated by a management system (“ERP”), which monitors and registers our operating income. Our internal control system is based on the segregation of responsibilities and its processes are in accordance with our internal policies and applicable law. We have made significant investments in ERP to optimize its processes and guarantee the confidentiality of our data.

In addition, we have developed controls and procedures to ensure that the information that we disclose to our investors and governmental authorities is obtained, processed, summarized and disclosed in a timely manner and in accordance with applicable law. These controls and procedures include several requirements, such as that any information disclosed, is first reviewed and approved by our board of directors, or our audit and corporate practices committee, as applicable.

Our audit and corporate practices committee is responsible for the approval, review and amendment of the general guidelines for our internal controls and internal audit. Our management is responsible for implementing and monitoring our standards of internal control to ensure the integrity, reliability and timeliness of our financial information.

BUSINESS

Overview

We are a non-regulated Mexican leasing company, operating as a non-banking financial services company, specializing in three main business lines: operating leasing, financial factoring and auto loans and other lending. Through our leasing business line, our core business line, we offer operating leases for all types of machinery and equipment, transportation vehicles (including cars, trucks, helicopters, airplanes and other vessels) and other assets used in a variety of industries. Through our factoring business line, we provide liquidity and financing solutions to our customers by purchasing or discounting their accounts receivable and by providing vendor financing. The auto loans portion of our auto loans and other lending business line is focused on financing the acquisition of new and used vehicles, while the other lending portion of such business line includes financing working capital needs and the acquisition of other capital assets.

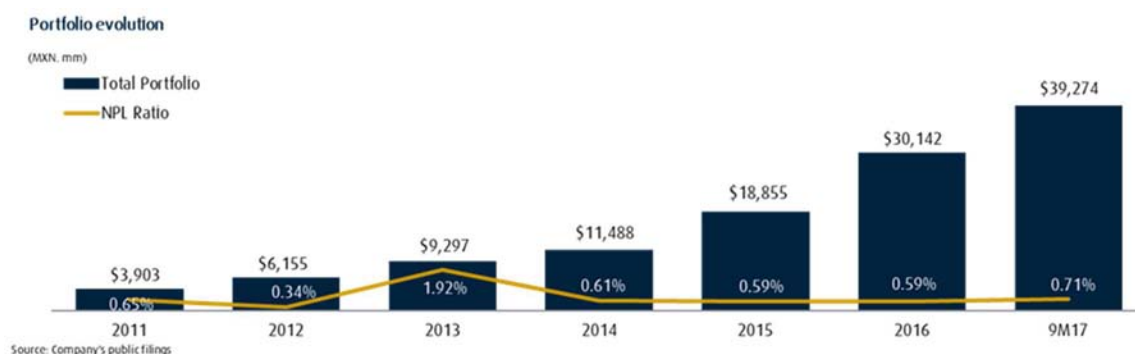
We specialize in serving SMEs, which we believe are largely underserved by banking institutions despite representing the majority of the economic activity in Mexico. We believe the SME sector will continue expanding and providing an attractive opportunity for our growth.

The amount per transaction of our operating leases ranges from Ps. 100,000 to Ps. 150 million, with an average balance of Ps. 1.5 million and with maturities between 12 to 48 months and 38 months on average. The annual fixed interest rates that we charge for our operating lease products range from 20.0% to 25.0%. The amount per transaction of our financial factoring products ranges from Ps. 500,000 to Ps. 150 million, with maturities between 8 to 180 days and 88 days on average, with annual interest rates at the Mexican interbank lending rate (*Tasa de Interés Interbancaria de Equilibrio*, or “TIE”) plus 14.0% to 21.0%. Our auto loans range from Ps. 50,000 to up to 80.0% of the vehicle’s price, with maturities between 12 and 60 months and fixed interest rates between 16.9% and 19.0%.

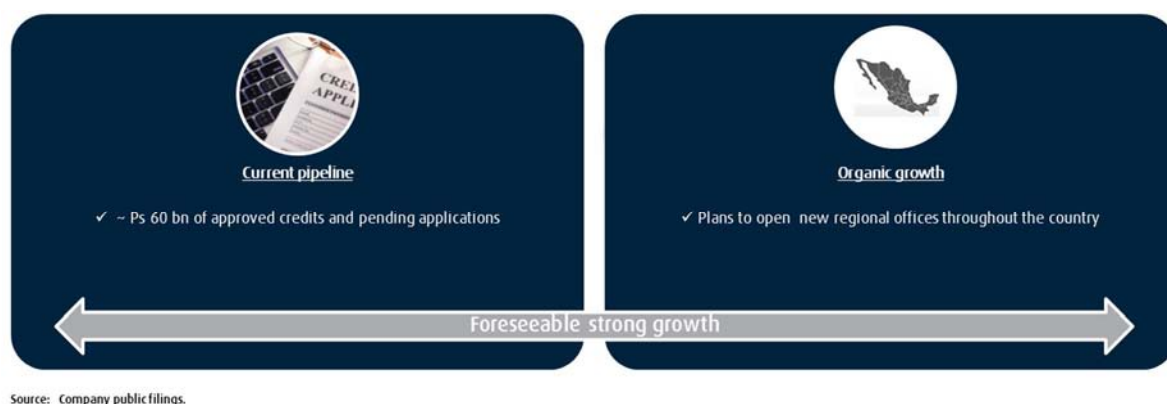
As of September 30, 2017, our operating leasing, financial factoring and auto loans and other lending business lines represented 77.8%, 5.7% and 16.5% (of which 4.7% was represented by auto loans), respectively, of our portfolio (including our off-balance sheet accounts).

In recent years, we have experienced a significant level of growth combined with high rates of return and low rates of non-performing loans. Between 2012 and 2016, our net income and loan portfolio, including our off-balance sheet accounts, each grew at a CAGR of 49.0%, and we had a return on average equity of 34.7% during such period, while return on average equity for 2016 was 24.8%. As of September 30, 2017, our net loan portfolio increased by Ps. 9,132.2 million or 30.3% compared to September 30, 2016. Non-performing loans represented 0.59% of our loan portfolio (including our off-balance sheet accounts) as of December 31, 2016. As of September 30, 2017, our non-performing loans accounted for 0.71% of our total portfolio, including off-balance sheet accounts. We believe our growth is the result of various factors including our geographic coverage and wide distribution network integrated by our headquarters in Mexico City and twelve regional offices, our industry knowledge and know-how, our efforts on development and innovation to meet customers’ needs, our customer’s loyalty resulting from our personalized service and our effective origination and collections processes, as well as risk mitigation.

The chart below shows our loan portfolio growth for each of the periods indicated, including off-balance sheet accounts, and our NPL ratio:



We believe that our future growth will be supported by a strong loan portfolio pipeline and clearly identified growth sources:



As of September 30, 2016 and 2017, we had total assets of Ps. 35,457.4 million (US\$ 1,952.6 million) and Ps. 49,462.4 (US\$ 2,723.9 million), respectively. For the years ended December 31, 2014, 2015 and 2016 and the nine-month period ended September 30, 2017, we had consolidated net income of Ps. 482.4 million (US\$ 26.6 million), Ps. 1,093.5 million (US\$ 60.2 million), Ps. 1,210.3 million (US\$ 66.7 million) and Ps. 1,279.9 (US\$ 70.5 million), respectively. For the years ended December 31, 2014, 2015, and 2016 and the nine-month period ended September 30, 2017, we had operating results of Ps. 704.8 million (US\$ 38.8 million), Ps. 1,423.7 million (US\$ 78.4 million), Ps. 1,462.1 million (US\$ 80.5 million) and Ps. 1,589.9 million (US\$ 87.6 million), respectively. As of September 30, 2017, our total loan portfolio (including off-balance sheet accounts) had a value of Ps. 39,274.1 million (US\$ 2,162.8 million). As of September 30, 2017, we had total stockholders' equity of Ps. 5,675.1 million (US\$ 312.5 million).

Industry Overview

We believe that the prospects of the Mexican economy represent an attractive opportunity for us to continue to grow our business and to sustain our consistent past performance. We also believe that we are well positioned to take advantage of these opportunities presented by the Mexican economy. Furthermore, the fundamentally sound Mexican financial system and the Mexican government's plan for infrastructure developments in the coming years each further enhance the outlook for our operating leasing, financial factoring and auto loans and other lending business lines.

Strong Macroeconomic Environment. Mexico is the second largest market in Latin America in terms of GDP and population. Mexico's GDP is estimated to have grown 2.1% in 2017 and is expected to grow 2.2% in 2018, according to analyst consensus published by Bloomberg, which compares favorably not only to the region, but also relative to other developing or developed markets.

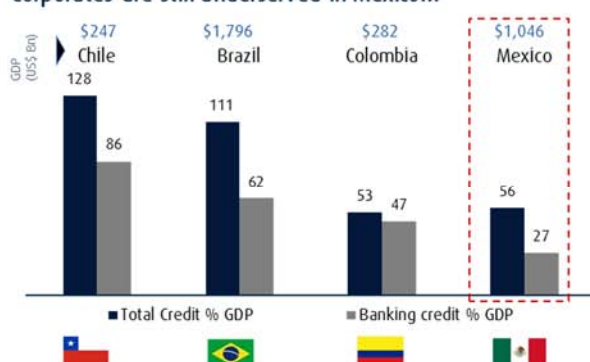
	Mexico		Latin America		U.S.		E.U.	
	2017	2018E	2017	2018E	2017	2018E	2017	2018E
GDP Growth	2.1%	2.2%	1.2%	2.5%	2.3%	2.6%	2.4%	2.1%
Inflation	6.0%	4.0%	51.5%	90.0%	2.1%	2.1%	1.7%	1.7%

Source: Bloomberg, as of January 2, 2018

The above-mentioned estimates are based on prudent monetary, fiscal and public debt policies of the Mexican government. As of December 31, 2016, the gross public debt of the Mexican government represented 50.2% of GDP, compared to approximately 31.5% in Latin America, 92.4% in the Eurozone and 76.5% in the United States according to Bloomberg as of December 27, 2017. Mexico has steadily increased its international reserves, which have risen from US\$ 176.6 billion in 2013 to US\$ 193.0 billion in 2014, US\$ 176.3 billion in 2015 and US\$ 176.5 billion in 2016. As of December 31, 2016 Mexico's rating on its long-term foreign currency debt remained at A3, BBB+ and BBB+ according to Moody's Investors Service, Inc., Fitch, Inc. and Standard & Poor's, respectively.

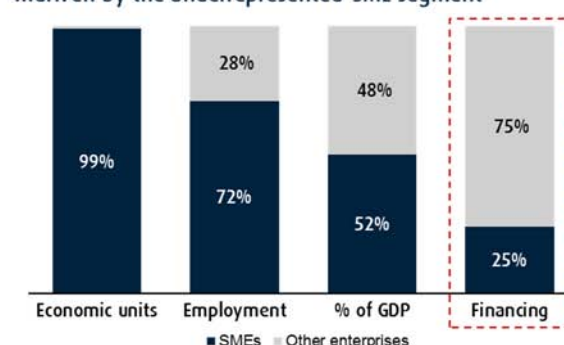
Low National Credit Penetration. Mexico's capacity for the sustainable growth of the financial services industry is enhanced by the low levels of credit penetration relative to other markets in the region. According to the latest information available from the local regulators, as of December 31, 2016, commercial loans represented 13.3% of Mexico's GDP, relative to 52.8% in Chile, 23.4% in Brazil, 26.8% in Peru and 29.4% in Colombia. We believe this represents an important growth opportunity for us and the institutions in the financial services industry.

Corporates are still underserved in Mexico...



Source: World bank (2016)

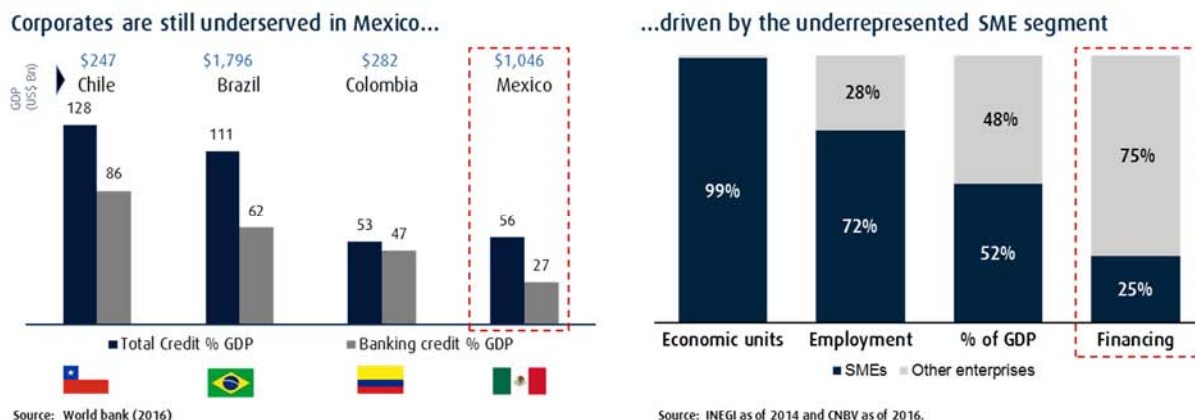
...driven by the underrepresented SME segment



Source: INEGI as of 2014 and CNBV as of 2016.

Developing SME Sector. Within Mexico's overall market, SMEs represent a growing share in the market but remain significantly underserved with respect to access to financial services relative to their scale. According to the latest available information published by the Mexican Ministry of Economy (*Secretaría de Economía*), as of December 31, 2014, SMEs represented 99% of all Mexican enterprises, and were responsible for 52% of Mexico's GDP and employed approximately 72% of Mexico's formal jobs. Notwithstanding these facts, SMEs only received 25% of the country's financing as of December 31, 2016, according to the CNBV.

The concentration of these SMEs in selected Mexican states also represents an attractive opportunity to serve these customers with a targeted approach. According to the Mexican Institute of Statistics and Geography (*Instituto Nacional de Estadística y Geografía* or "INEGI"), 57.6% of the SMEs in Mexico are located in regions in which we have a physical presence.



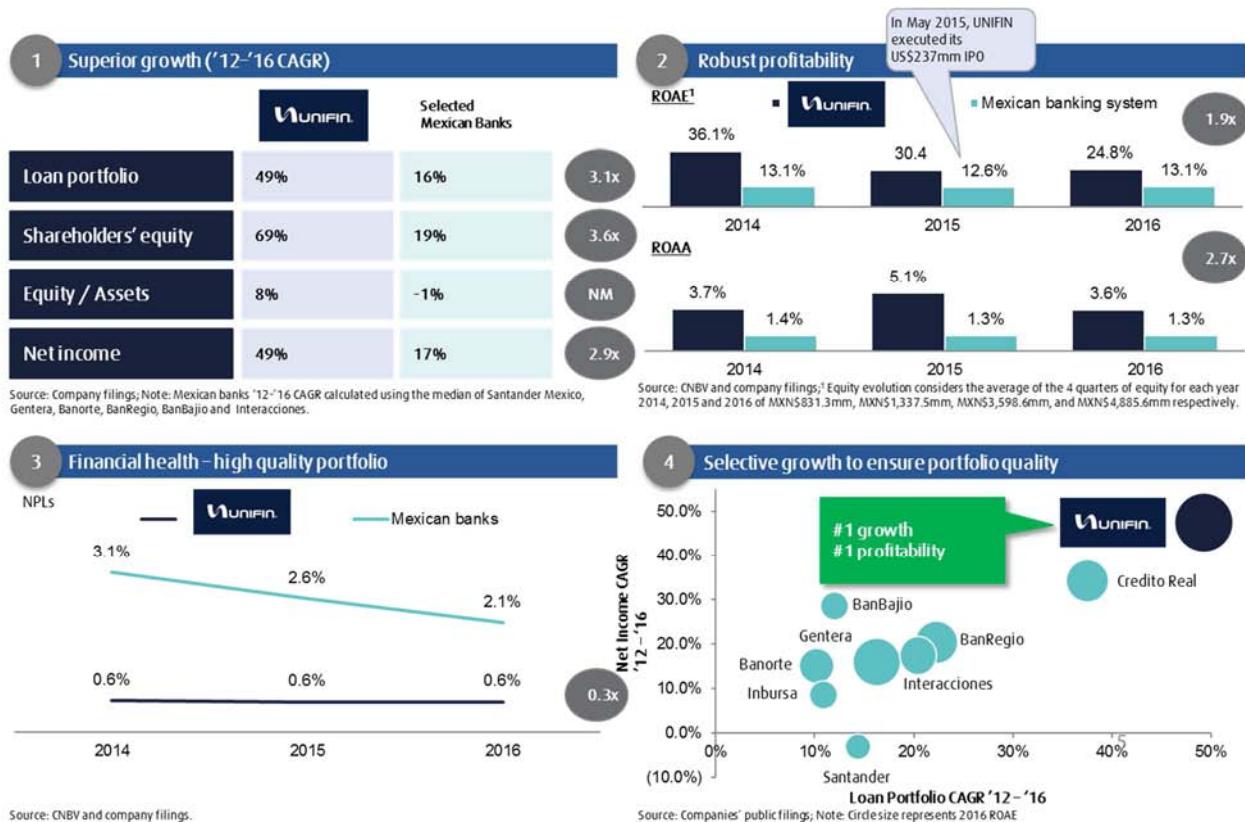
The Mexican Leasing Market. The Mexican operating lease industry is highly fragmented with only a few sizable players. Our main competition is as follows:

- international players including, among others, CHG-MERIDIAN, Deutsche Computer Leasing AG and CSI Leasing Inc.;
- players related to diversified financial groups including, among others, Facileasing, S.A. de C.V., Arrendadora y Factor Banorte, S.A. de C.V., SOFOM, E.R., Grupo Financiero Banorte, Arrendadora Actinver, S.A. de C.V., AF Banregio, S.A. de C.V., SOFOM, E.R., Banregio Grupo Financiero, Arrendadora Ve por Más, S.A. de C.V., SOFOM, E.R., Grupo Financiero Ve por Más and Invex Arrendadora, S.A. de C.V.;
- players related to specific brands including, among others, Volkswagen Leasing, S.A. de C.V., Caterpillar Crédito, S.A. de C.V., SOFOM, E.N.R., Hewlett Packard Operations México, S. de R.L. de C.V., GM Financial de México, S.A. de C.V., SOFOM, E.N.R., Paccar Financial México, S.A. de C.V., SOFOM, E.N.R., Navistar Financial, S.A. de C.V., SOFOM, E.N.R., Daimler Financial Services, S.A. de C.V., SOFOM, E.N.R. and NR Finance México, S.A. de C.V.; and
- other independent players including, among others, ABC Leasing, S.A. de C.V., Magna Arrendadora, S.A. de C.V., Arrendomóvil de México, S.A. de C.V., Docuformas, S.A.P.I. de C.V., Corporación Financiera Atlas, S.A. de C.V., SOFOM, E.N.R., Financiera Bepensa, S.A. de C.V., SOFOM, E.N.R., Engencap Fin, S.A. de C.V., SOFOM, E.N.R. and TIP de México, S.A.P.I. de C.V.

Our Competitive Strengths

We believe that the following key strengths give us an advantage over our competitors and position us to grow our market share in the Mexican operating leasing, financial factoring and auto loans and other lending industries:

Leader in the Mexican Operating Leasing Industry. Since beginning operations in 1993, we have experienced significant growth and have consolidated our position as a leader in the operating leasing industry with an active participation in the Mexican financial industry. We consider ourselves to be the leading independent (non-banking) leasing company in Latin America, based on a report published by The Alta Group in 2017. We believe that our growth and market penetration are primarily a result of our unique business model, which focuses primarily on the continuous development and innovation of our products and financial solutions aimed at meeting our customers' needs; our personalized customer service; our ability to generate demand for our products through our sales efforts supported by our marketing strategies targeted at SMEs and individual business owners; and our efficient credit origination and risk management processes reinforced by advanced information technology systems. Based on this business model, from 2014 to 2016, we increased our operating volume from our operating leases, financial factoring and auto loans at a CAGR of 72.6%, 36.3% and 151.5%, respectively. For the same period, we had a return on average equity of 30.4%. In addition, as shown in the charts below, we have consistently outperformed the Mexican banking sector in terms of CAGR, performing loans, efficiency and profitability.

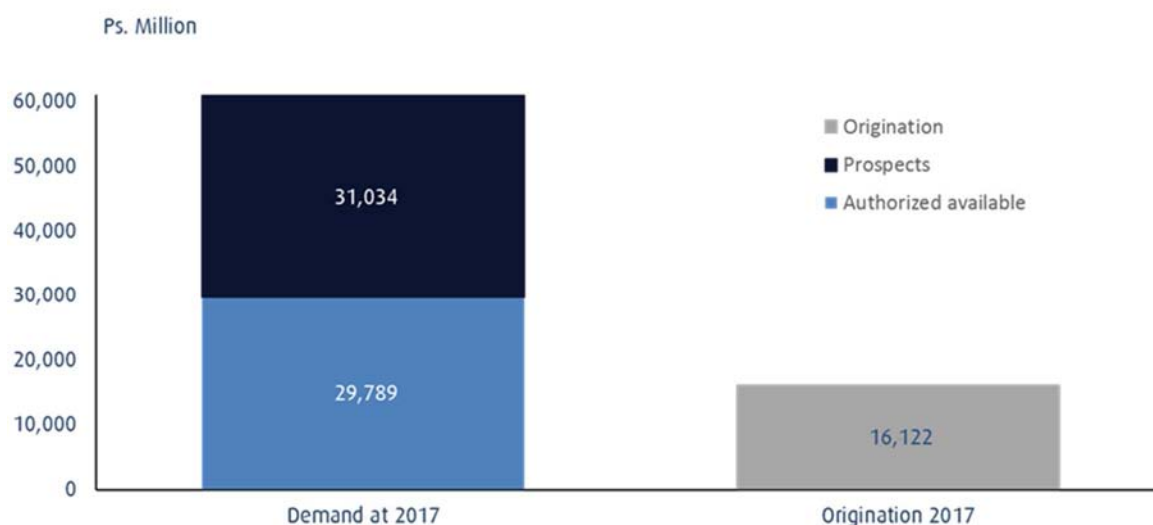


Strong Commercial Structure and an Expanding National Platform. We have a solid commercial structure defined by a highly specialized and capable sales force and an extensive distribution network, comprised of our main office in Mexico City and twelve regional offices located throughout Mexico. Our regional offices are located in the fastest growing geographical areas in Mexico, and our local presence in such markets allows us to obtain detailed knowledge of specific market needs in order to reach a large number of potential customers. Furthermore, our efficient distribution network affords us a competitive advantage over our competitors by lowering our cost of attracting new customers and improving our profitability through the integration of our business offerings into a single platform. The Mexican states in which we have a physical presence represent in the aggregate 63.1% of Mexico's 2014 GDP, according to INEGI's latest available information. We have also developed certain business strategies (including advertising and marketing campaigns, market and industry analysis, historical portfolio analysis and forming industry and product specific sales teams) in order to focus our sales efforts on high potential customers and markets with attractive growth opportunities, as identified by these business strategies. Despite the growth of our commercial structure and sales force, we have been able to maintain high levels of operational efficiency and attractive margins, as shown in the charts below.



Streamlined Origination Process Supported by Comprehensive Risk Management Policies. Through our extensive experience and expertise, we have expedited our credit approval process, while maintaining our high

credit standards, as is evidenced by the quality of our portfolio. We have implemented standardized administrative procedures that, together with our solid information technology platform, optimize documentation requirements in connection with leasing and financing requests and renewals. Our origination process is supported by three main pillars: (i) credit rating based on qualitative and quantitative factors, (ii) credit and legal bureau research and (iii) banking and commercial references from our customers. Under our strict credit origination process, a negative result in any of these three categories results in an application's rejection, leading to an average acceptance rate of approximately 40% as of September 30, 2017. In addition, our origination process is supported by three specialized credit committees whose respective responsibilities are based on the amount of the credit analyzed, and who are focused on maintaining credit quality while minimizing response times. We have also implemented a sound risk management system with rigorous policies, processes and procedures, allowing us to efficiently assess credit and operational risks associated with each of our business lines and to respond to potential problems in a timely manner. This risk management system also allows us to comply with internal and legal requirements related to anti-money laundering and personal data protection. In spite of our rapidly growing portfolio and industry leading response times for our customers, our efficient and strict origination process and policies have allowed us to maintain a consistently high quality portfolio with low levels of delinquency. The following chart shows the demand created by the Company as of September 30, 2017, broken down by (i) the amount of authorized credit lines not yet drawn by clients of the Company and (ii) the expected demand of potential clients identified by the Company, as well as the amount of that demand effectively placed.



Effective Collection Process that Results in Low Default Rates. As of December 31, 2016 and 2017, our non-performing loans accounted for 0.59% and 0.71% of our total portfolio (including our off-balance sheet accounts comprised of non-accrued rent payments), respectively, and, during the past five years, our average default rate has been lower than 1.0% (excluding a Ps. 120 million financial factoring account in 2013, which was later recovered). We have developed an efficient collection process that is comprised of both remote and in-person activities, which includes support from an experienced team of collection agents and attorneys allowing us to carefully monitor customer behavior and to take timely and appropriate preventative collection measures. See “Business—Collections” for a detailed description of our collection practices for our operating leasing, financial factoring and auto loans and other lending business lines.

Diversified Customer Portfolio. We offer our products portfolio to a broad and diversified range of more than 7,000 customers that operate in different industries, which enables us to effectively manage our exposure to credit risk and market volatility and maintain our rapid portfolio growth. As of September 30, 2017, our top 25 customers accounted for less than 19.0% of our total portfolio, none of which individually accounted for more than 1.4% of our portfolio. Our portfolio is also geographically diversified throughout Mexico.

The following table sets forth the composition of our operating leasing portfolio by economic sector, including off-balance sheet accounts:

	As of December 31,			As of September 30, 2017
	2014	2015	2016	
	(in millions of Ps.)			
Economic activity sector				
Commerce.....	932.7	2,319.5	2,446.1	2,683.3
Construction.....	1,739.1	2,457.2	3,681.5	4,354.3
Government	0.0	0.0	0.0	0.0
Transportation	2,563.2	2,073.6	3,037.4	2,528.1
Services	1,361.9	3,137.4	6,783.2	11,492.8
Other.....	2,183.0	3,678.3	6,062.7	9,515.8
Total.....	8,779.9	13,666.0	22,010.9	30,574.2

The following table sets forth the composition of our financial factoring portfolio by economic sector:

	As of December 31,			As of September 30, 2017
	2014	2015	2016	
	(in millions of Ps.)			
Economic activity sector				
Commerce.....	276.2	443.5	490.3	447.7
Construction.....	242.2	318.8	540.5	339.4
Government	0.0	0.0	0.0	0.0
Services	531.6	925.2	1,104.5	1,121.0
Transportation	65.2	114.4	120.8	41.3
Other.....	179.5	324.5	624.4	285.2
Total.....	1,294.7	2,126.4	2,880.4	2,234.6

Access to Diversified Sources of Funding. We fund the growth of our operations through lines of credit with Mexican and international banks and governmental development financial institutions, the international and Mexican bond markets and asset-backed securities issued privately and through the BMV. We believe we do not depend significantly on any single financial institution or financing source to fund our operations. As of September 30, 2017, 88.7% of our total indebtedness consisted of long-term debt, of which 15.5% matures between one and three years and 84.5% has a maturity term of three or more years. As of the same date, 55.8% of our total indebtedness was Mexican peso-denominated and 44.2% was U.S. dollar-denominated. As a result of our 2016 international debt issuance of US\$ 400.0 million and our 2017 international debt issuance of US\$ 450.0 million, we attained access to an additional source of long-term funding and increased the average maturity of our liabilities and increased our liabilities denominated in U.S. dollars. We have entered into derivative financial transactions to fully hedge potential currency exchange risks in connection with our U.S. dollar-denominated liabilities.

Solid Capital Base to Promote Growth. On May 27, 2015, we completed our Initial Public Offering, which consisted of a public offering in Mexico through the BMV, combined with a private share placement with international institutional investors in the U.S. and other locations pursuant to Rule 144A and Regulation S under the Securities Act. The primary portion of the offering consisted of 72,800,000 shares (including the over-allotment options) offered at a price of Ps. 28.00 per share, yielding an aggregate value of Ps. 2,038.4 million (US\$ 112.3 million). The Initial Public Offering allowed us to expand our capitalization levels by increasing stockholders'

equity as a percentage of total assets. As of December 31, 2016, our stockholders' equity was Ps. 5,500.6 million (US\$ 302.9 million), which represented 13.2% of our total assets, and as of September 30, 2017, our stockholders' equity was \$5,675.1 million (US\$ 312.5 million), which represented 11.5% of our total assets.

Market Knowledge, Experienced Management Team, Board and Shareholder Support. We believe that our 24 years of experience in the leasing, financial factoring and lending industries, together with our management's experience in these sectors, provide us with extensive knowledge and understanding of the products and services we offer, which has given us a competitive advantage over our competitors. Our board of directors and management team have broad experience in the financial services industry, having held former positions with banking institutions as well as with operating leasing, financial factoring, insurance and other lending institutions. The continuing support of our shareholders has also been a significant factor contributing to our sustained growth. We believe that our management team, board of directors and controlling shareholder and their knowledge, experience and support are key differentiating advantages of the Company. Our controlling shareholder directly or indirectly holds more than 62.5% of our capital stock.

Adherence to Strong Corporate Governance and Industry Best Practices. We have historically issued debt and equity securities through public offerings in Mexico under the supervision of the CNBV, which requires us to comply with high standards of corporate governance, reporting and other regulations as a publicly traded corporation (*sociedad anónima bursátil*). We believe that this distinguishes us from other non-banking and privately held competitors and fosters a high degree of trust among our customers and investors. Our board of directors is currently comprised of 50.0% independent directors, and we have established an audit and corporate practices committee, comprised entirely of independent members. We also maintain, among others, credit and risk committees that comply substantially with the standards of the financial industry in Mexico.

Operating Platform that Presents Significant Barriers to Entry for New Market Participants. We believe our operating platform has created unique barriers to entry for potential competitors. These barriers include: (i) experience and expertise – we have obtained a unique understanding of the leasing, financial factoring and lending industries in Mexico and of our customers' needs, which has allowed us to develop a diversified portfolio; (ii) personalized customer service along with expedited response times – we have created a culture of customer excellence in terms of our service and the quality of our products, as demonstrated by our customers' loyalty; (iii) capital, access to funding and profitability – in addition to the high capitalization requirements necessary to provide leasing services, we have been successful in sustaining sufficient and diverse financing sources and our profitability profile has allowed us to maintain sustained growth; and (iv) advanced technological systems – we have developed and plan to continue to develop advanced technology systems to support our growth and improve our operational and risk management processes.

Our History

We are organized as a non-regulated multiple purpose financial company in the form of a publicly traded company with variable capital stock (*sociedad anónima bursátil de capital variable, sociedad financiera de objeto múltiple, entidad no regulada*) under the laws of Mexico. We were incorporated in 1993 under the corporate name Arrendadora Axis, S.A. de C.V. In 1996, we changed our corporate name to Arrendadora Unifin, S.A. de C.V. By resolution of our shareholders adopted on September 27, 2006, we amended our by-laws in order to become organized as a *Sofom Entidad No Regulada*. In 2009, we changed our corporate name again to Unifin Financiera, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada. By the unanimous resolutions of our shareholders dated October 1, 2009, we became a *sociedad anónima promotora de inversión*, regulated by the applicable provisions of the Mexican Securities Market Law, the Mexican General Corporations Law and the GLACOA. In accordance with the resolutions adopted by our shareholders meetings dated February 26, 2015 and April 13, 2015 and the unanimous resolutions adopted by our shareholders on May 7, 2015, we adopted the form of a publicly traded variable capital stock corporation (*sociedad anónima bursátil de capital variable*), amended our by-laws and changed our name to the current name of Unifin Financiera, S.A.B. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada.

In 2000, we initiated a process for the adoption of internal control, operations and corporate governance standards which involved several changes within the Company, including hiring new personnel, changing external auditors, making strong investments in information technology, improving internal processes and adding independent directors with strong expertise in the financial industry to our board of directors. All of these changes

permitted us to access new sources of funding through the BMV by issuing debt and asset-backed securities, as well as other financings obtained from international and domestic financial institutions. In 2002, we completed our first short-term debt issuance through the BMV in the amount of Ps. 20 million, and in 2006 we completed our first lease securitization through the BMV in the amount of Ps. 200 million.

In 2008, we created Fundación Unifin, A.C. (“Fundación Unifin”). Through Fundación Unifin, we donate a portion of our profits to various non-profit organizations in Mexico to support education, health, people with physical and learning disabilities and organizations engaged in improving the Mexican community.

In October 2009, we formed Unifin Factoring, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada as a wholly owned subsidiary, which is engaged in the factoring and credit businesses. Pursuant to resolutions approved during a shareholders’ meeting held on October 18, 2011, Unifin Factoring changed its corporate name to Unifin Credit, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada, its current corporate name.

On November 3, 2009, we purchased 99.99% of the shares of Unifin Autos, S.A. de C.V., a company incorporated on November 31, 2003, engaged in the purchase and sale of vehicles and other assets (“Unifin Autos”).

In 2009, Promecap, S.A. de C.V. and Análisis y Ejecución de Proyectos San Luis, S.A. de C.V. acquired through share subscription 20.0% of our capital stock.

On July 15, 2014, we completed our first issuance of international bonds pursuant to Rule 144A and Regulation S of the Securities Act, in the amount of US \$400 million, followed in 2016 and 2017 by additional issuance of the 2023 Senior Notes and 2025 Senior Notes in the amounts of US\$ 400 million and US\$ 450 million, respectively.

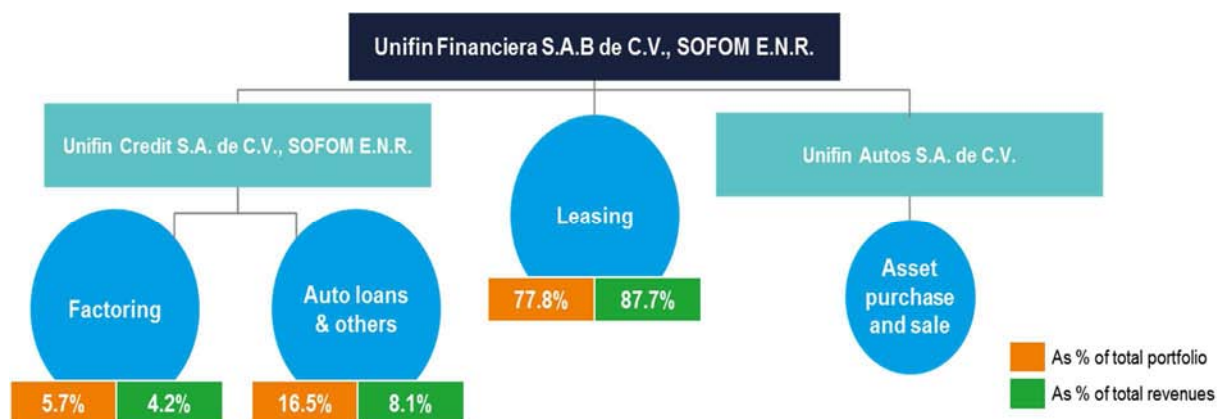
On April 13, 2015, the general extraordinary shareholders meeting of the Issuer approved the merger of Unifin Capital, our controlling shareholder at the time, into the Issuer with the Issuer continuing as the surviving entity. The merger became effective on April 30, 2015. As a result of this merger, the shareholders of Unifin Capital received equity originally owned by Unifin Capital.

On May 27, 2015, we completed our Initial Public Offering, which consisted of a public offering in Mexico through the BMV, combined with a private share placement with international institutional investors in the U.S. and other locations pursuant to Rule 144A and Regulation S under the Securities Act. The primary portion of the offering consisted of 72,800,000 shares (including the over-allotment options) offered at a price of Ps. 28.00 per share, yielding an aggregate value of Ps. 2,038.4 million (US\$ 112.3 million). The Initial Public Offering allowed us to expand our capitalization levels by increasing stockholders’ equity as a percentage of total assets. As of December 31, 2016, our stockholders’ equity was Ps. 5,500.6 million (US\$ 302.9 million), which represented 13.2% of our total assets, and as of September 30, 2017, our stockholders’ equity was \$5,675.1 million (US\$ 312.5 million), which represented 11.5% of our total assets.

Our Business Lines




We conduct our operating leasing, auto loans for individuals and other lending operations through Unifin. Our financial factoring business and auto loans to legal entities and credit business are conducted through our subsidiary, Unifin Credit. Unifin Autos retains our auto purchases and sales business.

The following chart summarizes our corporate structure as of the date of this offering memorandum, including our principal subsidiaries and business lines:



Unifin has a minority stake in Unifin Agente de Seguros y de Fianzas, S.A. de C.V., which is engaged in the insurance brokerage business.

The following table summarizes the main terms by which we operate our three business lines – operating leasing, financial factoring and auto loans and other lending:

Three main products providing valuable financing options for the Mexican SMEs			
	Leasing 	Factoring 	Auto loans 
Destination	■ Machinery, equipment & vehicles	■ Working capital	■ Any type of vehicle
Target clients	■ SMEs ■ Individuals with business activities	■ SMEs ■ Individuals with business activities	■ SMEs ■ Individuals
Number of clients	■ 4,182	■ 1,117	■ 2,131
Loan amount	■ MXN\$100,000-\$150,000,000	■ MXN\$500,000-\$150,000,000	■ Up to 80% of the vehicle's price
Average ticket size	■ MXN\$8.3mm	■ MXN\$8.2mm	■ MXN\$0.8mm
Tenor	■ 12-48 months	■ 8-180 days	■ 12-60 months
Rate & fees	■ Implicit rate: 20% - 25% fixed ¹ ■ Fee: 1.0% - 3.0% of the loan per operation	■ Rate: TIIE + 1,400 - 2,100 bps ■ Fee: 0.5% - 1.5% of the total amount per month term	■ Rate: 16.99% - 19.0% fixed ² ■ Fee: 12-48 month: 2% origination; 60 month: 3% origination
Guarantee	■ Personal guarantees ■ Collateral for transactions > MXN\$7.5mm may be required ³	■ Assignment of loan documentation, personal guarantees and collateral on real property ⁴	■ Personal guarantees and collateral

Source: Company's public filings; ¹ In addition to the interest rate, leasing and auto loans have a down payment attached to them. For leasing, down payment in transportation equipment and other equipment is 10% and 20%, respectively; ² For auto loans, down payment is minimum of 20%; ³ Upon requirement of the credit committee;

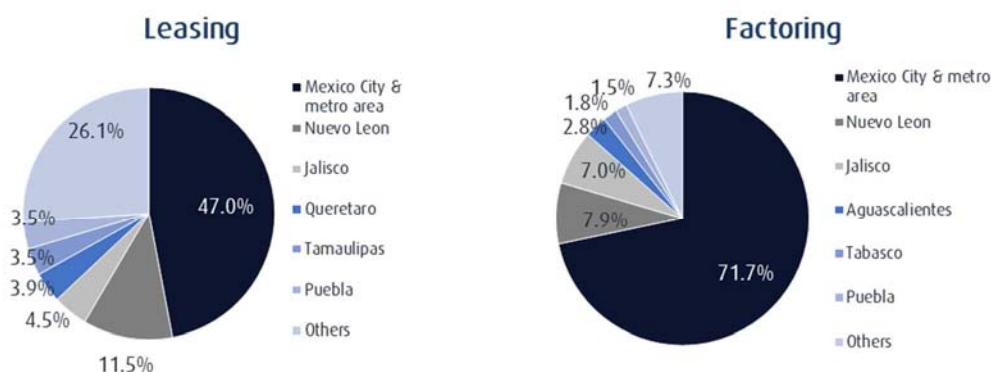
The following charts reflect the size of each of our business lines with respect to our total portfolio and as a percentage of our income as of December 31, 2014, 2015 and 2016 and September 30, 2017:

	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016		As of September 30, 2017	
	(in millions of Ps., except for percentages)							
Operating Leasing ⁽¹⁾	8,779.9	76.4%	13,666.0	72.5%	22,010.9	73.0%	30,574.2	77.8%
Financial Factoring.....	1,294.7	11.3%	2,126.4	11.3%	2,880.4	9.6%	2,234.6	5.7%
Auto Loans and Other Lending	1,413.7	12.3%	3,062.7	16.2%	5,250.7	17.4%	6,465.4	16.5%
Total	11,488.3	100.0%	18,855.1	100.0%	30,142.0	100%	39,274.1	100.0%

⁽¹⁾ Including off - balance sheet accounts.

	As of December 31, 2014		As of December 31, 2015		As of December 31, 2016		As of September 30, 2017	
	(in millions of Ps., except for percentages)							
Operating								
Leasing	4,296.6	95.4%	5,939.5	90.8%	8,452.7	89.1%	8,850.3	87.7%
Financial								
Factoring.....	99.6	2.2%	322.6	4.9%	497.6	5.2%	427.5	4.2%
Auto Loans and								
Other Lending	108.4	2.4%	283.6	4.3%	535.3	5.6%	813.6	8.1%
Total	4,504.6	100.0%	6,545.7	100.0%	9,485.6	100.0%	10,091.4	100.0%

The charts below show the geographic distribution of our leasing and financial factoring businesses as of September 30, 2017:



Leasing Business Overview

We are engaged in operating leasing where we, as lessor, allow the temporary use and enjoyment of machinery, equipment, transportation vehicles (including automobiles, trucks, helicopters, planes and ships) and other assets in a variety of industries to individuals and legal entities, as lessees, in return for, among other things, rental payments, guarantee deposits and the lessees' assumption of certain costs and obligations related with the upkeep and maintenance of the leased asset such as insurance and tax payments. We recognize depreciation on the asset and retain the risks of ownership, including obsolescence. In addition, we derive part of our income from lease renewals and the sale of leased equipment at the end of the lease term.

Our customer base is comprised of individuals carrying out business activities in Mexico and medium-sized companies. The term of our lease products ranges from 12 to 48 months with an average maturity of 38 months.

Our leasing business accounted for 77.8% of our total portfolio and 87.7% of our total revenues for the nine months ended September 30, 2017.

Operating Leases by Industry

The following table sets forth the composition by industry of our leasing customers, including off-balance sheet accounts:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
Economic Sector:	(in millions of Ps.)			
Commerce.....	932.7	2,319.5	2,446.1	2,683.2
Construction.....	1,739.1	2,457.2	3,681.5	4,354.3
Government	0.0	0.0	0.0	-
Services	2,563.2	2,073.6	3,037.4	11,492.8
Transportation	1,361.9	3,137.4	6,783.2	2,528.1
Others	2,183.0	3,678.3	6,062.7	9,515.8
Total	8,779.9	13,666.0	22,010.9	30,574.1

Operating Leases Data

The following table sets forth the number of our operating lease customers, portfolio and average loans for the periods indicated, including off-balance sheet accounts:

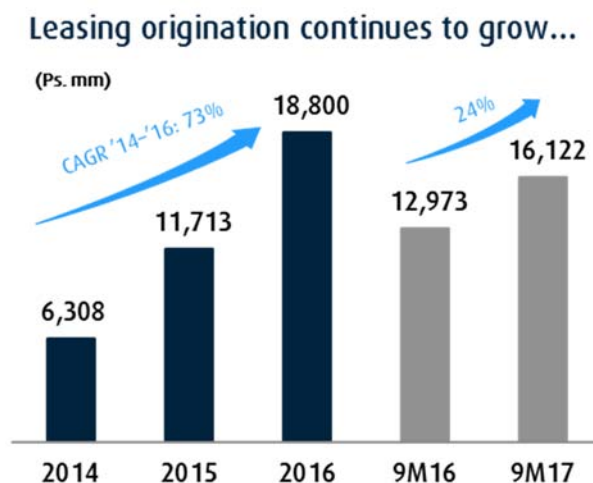
As of	Customers (thousands)	Portfolio (in millions of Ps.)	Average Loans
December 31, 2014.....	1.6	8,779.9	5.9
December 31, 2015.....	2.1	13,666.0	6.5
December 31, 2016.....	2.6	22,010.9	8.3
September 30, 2017.....	4.2	30,574.2	7.3

Operating Leases by Type of Asset

The following table sets forth our leasing products portfolio by type of asset, for the periods indicated, including off-balance sheet accounts:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
	(in millions of Ps.)			
Boats	319.2	555.2	822.2	1,353.5
IT equipment	206.8	216.9	515.9	1,208.4
Medical equipment.....	72.4	115.0	424.5	1,215.0
Transportation.....	2,445.4	3,495.3	6,297.0	7,588.0
Machinery.....	3,602.6	5,780.5	8,150.2	11,555.8
Others.....	2,133.5	3,503.1	5,801.1	7,653.5
Total.....	8,779.9	13,666.0	22,010.9	30,574.2

The following chart represents the growth of originations in our operating leasing business line originated from 2013 to 2016, in millions of pesos:



Financial Factoring

Business Overview

Through our financial factoring business line, we acquire accounts receivables from individuals and legal entities, at a discount to their face value. Within our financial factoring line, we offer three products: (i) factoring with direct collection, where we collect the accounts receivables from the debtor; (ii) factoring with delegated collection, where our customer is obligated to collect payments from the relevant debtor and has to further deliver such amounts collected to us in a timely manner; and (iii) vendor factoring, in which we purchase from suppliers our customers' accounts receivable. All of our financial factoring transactions require our customers to remain jointly and severally liable with respect to the debtor's payment obligations. Our financial factoring business accounted for 4.2% of our revenues for the year ended September 30, 2017.

Financial Factoring Operations, Current and Non-Current

The following table sets forth our portfolio balance derived from our financial factoring activities:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
Financial factoring portfolio balance.....	1,294.7	2,126.4	2,880.4	2,234.6
Allowance for loan losses of factoring transactions.....	(10.1)	(5.8)	(12.3)	(25.5)
Financial factoring portfolio balance – net.....	1,284.6	2,120.6	2,868.1	2,209.1

Financial Factoring Loans Data

The following table sets forth our portfolio balance related to our financial factoring loans and the number of financial factoring customers for the periods indicated:

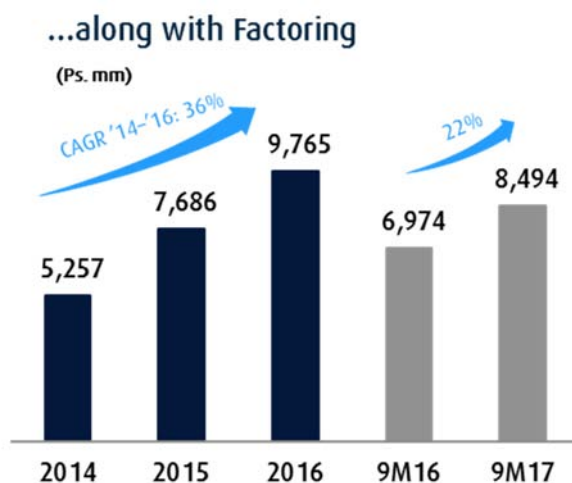
As of	Portfolio Balance	Number of Customers
	(in millions of Ps.)	
December 31, 2014.....	1,294.7	303
December 31, 2015.....	2,126.4	450
December 31, 2016.....	2,880.4	767
September 30, 2017.....	2,234.6	1,117

Financial Factoring Portfolio by Economic Activity

The following table presents the financial factoring portfolio broken out by economic sector showing our concentration of credit risk:

	As of December 31,			As of September 30,
	2014	2015	2016	2017
Economic sector				
Commerce.....	276.2	443.5	490.3	447.7
Construction.....	242.2	318.8	540.5	339.4
Government	0.0	0.0	-	-
Services	531.6	925.2	1,104.5	1,121.0
Transport.....	65.2	114.4	120.8	41.3
Other.....	179.5	324.5	624.3	285.2
Total	1,294.7	2,126.4	2,880.4	2,234.6

The following chart represents the growth of our financial factoring business volume from 2014 to 2016, and for the nine months period ended September 30, 2016 and 2017, for volume traded, in millions of pesos:

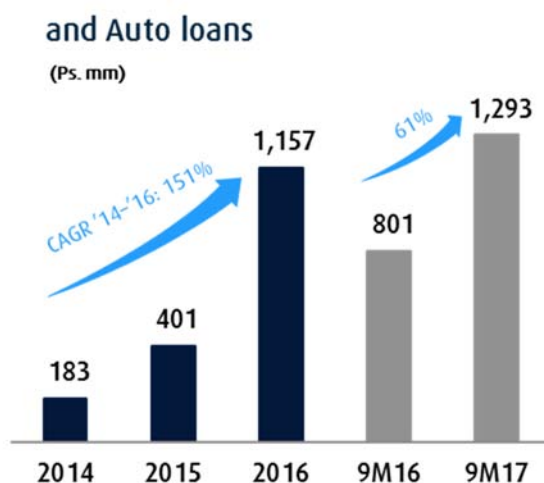


Auto Loans and Other Lending

Business Overview

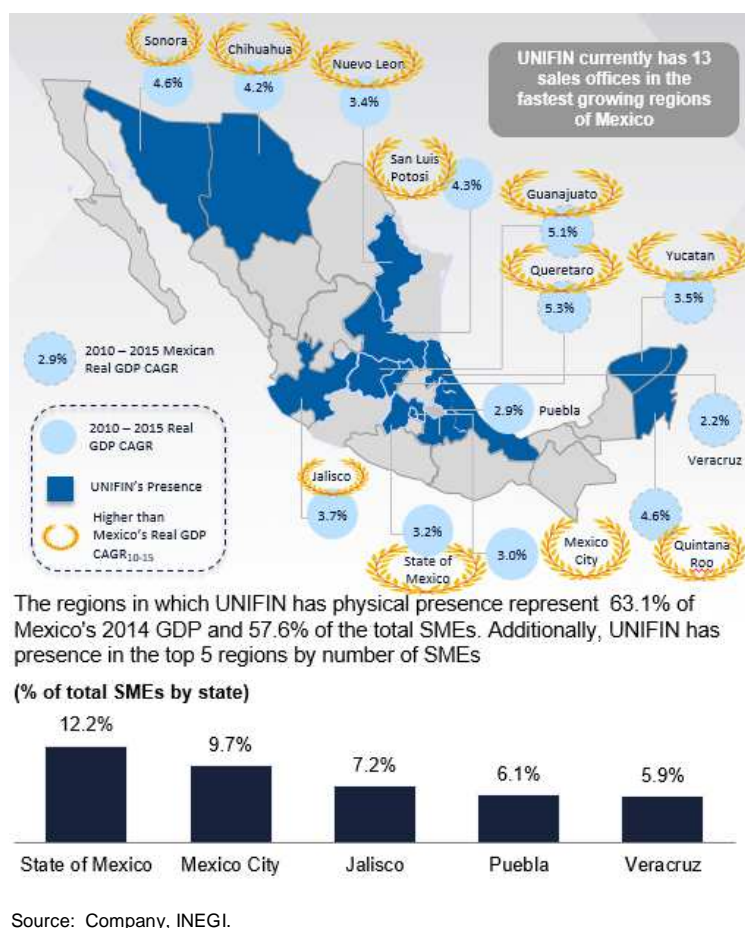
Our auto and other loans business accounted for 8.1% of our total revenues for the year ended September 30, 2017. We provide auto financing for up to 80.0% of the value of the vehicle for a term of 12 to 60 months. This product is targeted at purchasers of new or used vehicles for personal or commercial use.

The following chart represents the growth of the amount of auto loans originated (excluding other lending) from 2013 to 2016, in millions of pesos:



Distribution Channels

Our corporate headquarters are located in Mexico City and we currently have regional offices in Monterrey, Guadalajara, Cancún, Chihuahua, Puebla, Hermosillo, Querétaro, Mérida, Veracruz, Toluca, San Luis Potosí and León. According to the INEGI, the regions in which we have a physical presence represented 63.1% of Mexico's GDP and 57.6% of the total number of SMEs, as of 2014.



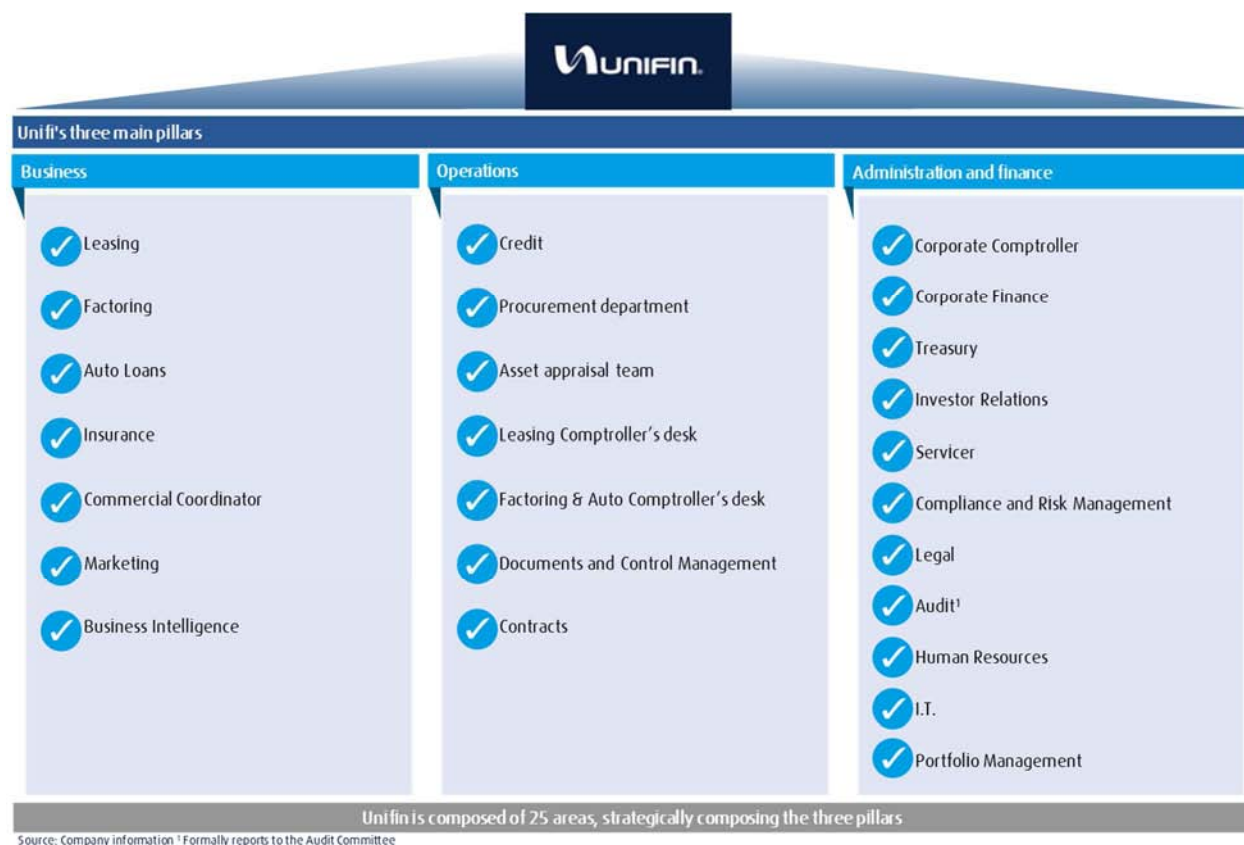
We provide our leasing and financial factoring products through the following distribution channels:
(i) direct contact with potential and recurrent customers; (ii) customer referrals; and (iii) marketing efforts.

- **Direct Contact with Potential and Recurrent Customers:** We identify potential customers from analyzing economic industry or sector-specific information developed or obtained from various sources including industry chambers, other organizations, data providers and networking events. Our sales representatives contact such potential customers by various means, including in-person visits, telephone calls and direct electronic mailing. Our sales team is also focused on maintaining constant contact with long-term customers, aiming to preserve our business relationship with such customers.
- **Customer Referrals:** We market our services to customers referenced directly by other customers, suppliers or business partners.
- **Marketing Efforts:** We have developed a strong, diversified and targeted marketing strategy, which allows us to market our services to specific customers. Such strategy includes printed advertising (including magazines, newspapers, brochures, fliers, etc.), billboards, radio advertising and trade shows and other events.

Our operating leasing and auto loans and other lending businesses are offered through dealers with whom we maintain strategic business alliances. We currently maintain business relationships with more than 1,000 car dealers, through which we offer our auto financing and leasing services to their respective customers.

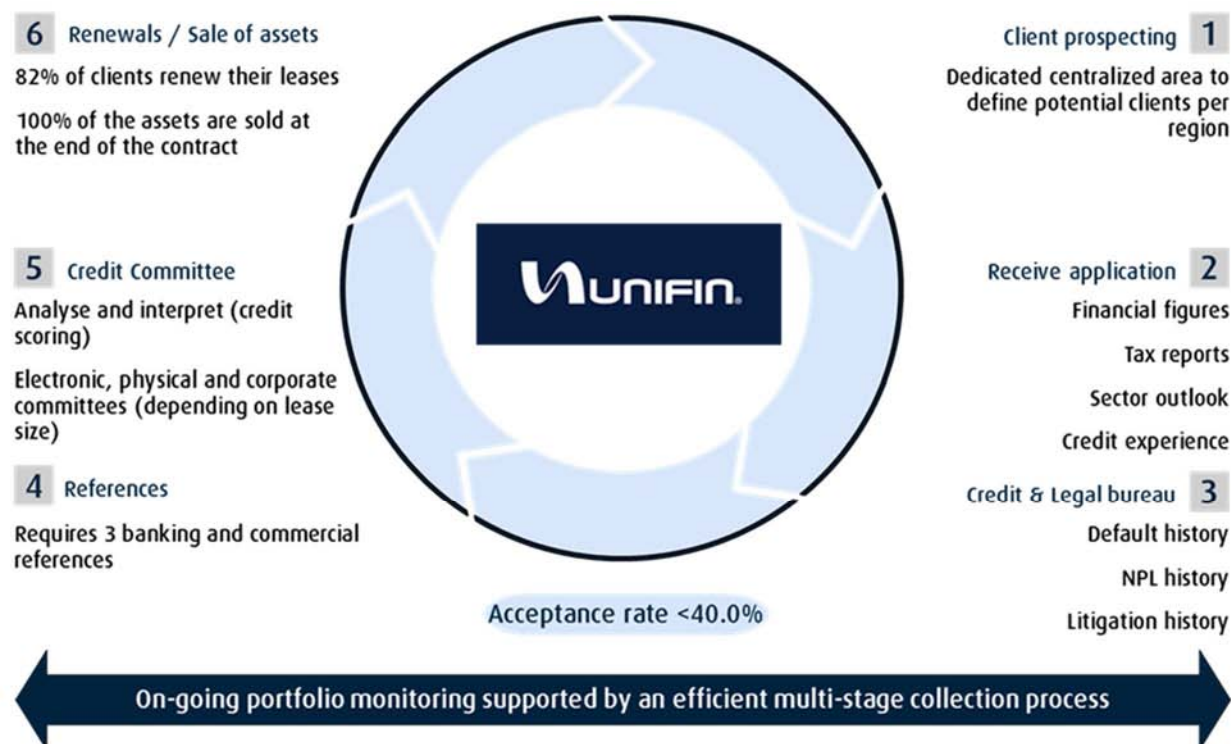
Management Structure

Our business model is developed in accordance with a management structure consisting of three pillars, as follows:



Credit Application and Approval Processes

Our application and approval processes have been designed to minimize operating costs and time, as well as to effectively manage risk. These processes leverage an advanced technology platform in which we constantly make significant investments. The following graphic illustrates the efficient process that we use to analyze and approve credit requests:



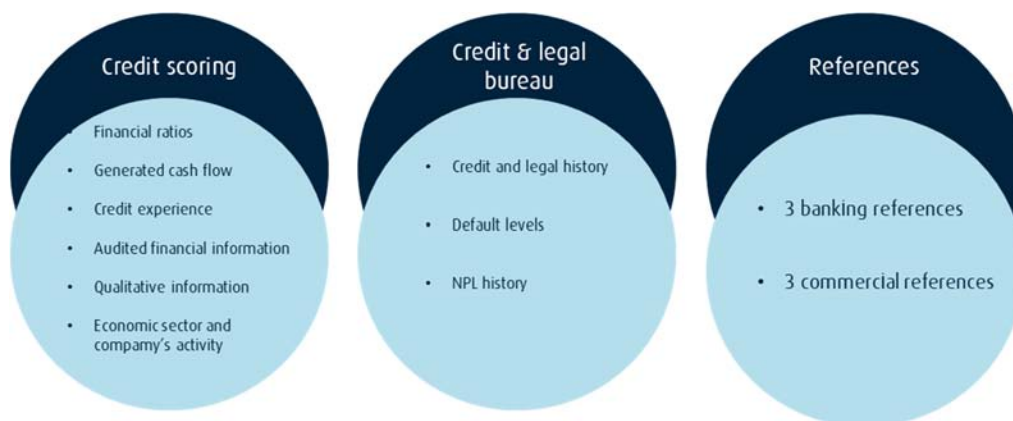
The application and approval processes for the products of our leasing and financial factoring business lines are similar. Applications are evaluated by the credit risk office and, depending on the amount being financed the application may be approved by one or more of our credit committee members through an electronic platform, by our credit committee or by our corporate credit committee. Once financing is approved, our customers must sign a master agreement with our general financing terms and conditions.

The following represents our authorization policy for our leasing and financial factoring business lines:

- Loans of up to Ps. 5.0 million are authorized by one or more of our credit committee members through an e-platform. Such authorizations are granted based on our internal policies on corporate signing and delegation of authorities.
- Loans ranging from Ps. 5.0 million to Ps. 150 million need to be authorized by a majority of our credit committee, which meets two times per week.
- Loans exceeding Ps. 150 million need to be approved by a majority of our corporate credit committee with previous recommendation from the credit committee.

During the approval process, we employ a scoring system for leasing, financial factoring and credit applications which is evaluated periodically against our credit policies and business objectives. The scoring methodology assigns specific weights to key variables such as financial evaluation and customer productivity, and then converts these variables into a rating, which allows us to approve or reject loan disbursement applications more accurately. All documentation received from an applicant is digitalized and sent to our operations center for uploading into our proprietary computing system. This allows our sales force to focus on their core objective, which is to attract new customers, reducing the time to approve loan disbursement applications and minimizing errors in data inputting.

The following chart summarizes our scoring process, comprised of three key elements: (i) credit scoring; (ii) results of credit and legal bureaus; and (iii) bank and commercial references:



We believe that our origination process and credit policies and procedures have enabled us to maintain historically low default rates on our portfolio.

Collections

We have a sophisticated web-based platform that allows us to constantly monitor our loan portfolio performance both on an aggregate and individual level. We actively monitor performance trends to manage risk and endeavor to take preemptive actions when required. See “—Information Technology.”

We have developed an advanced collection process comprised of both remote and in-person activities, supported by an experienced team of collection agents and attorneys. We act promptly upon a customer default by means of our call center and teams of collectors.

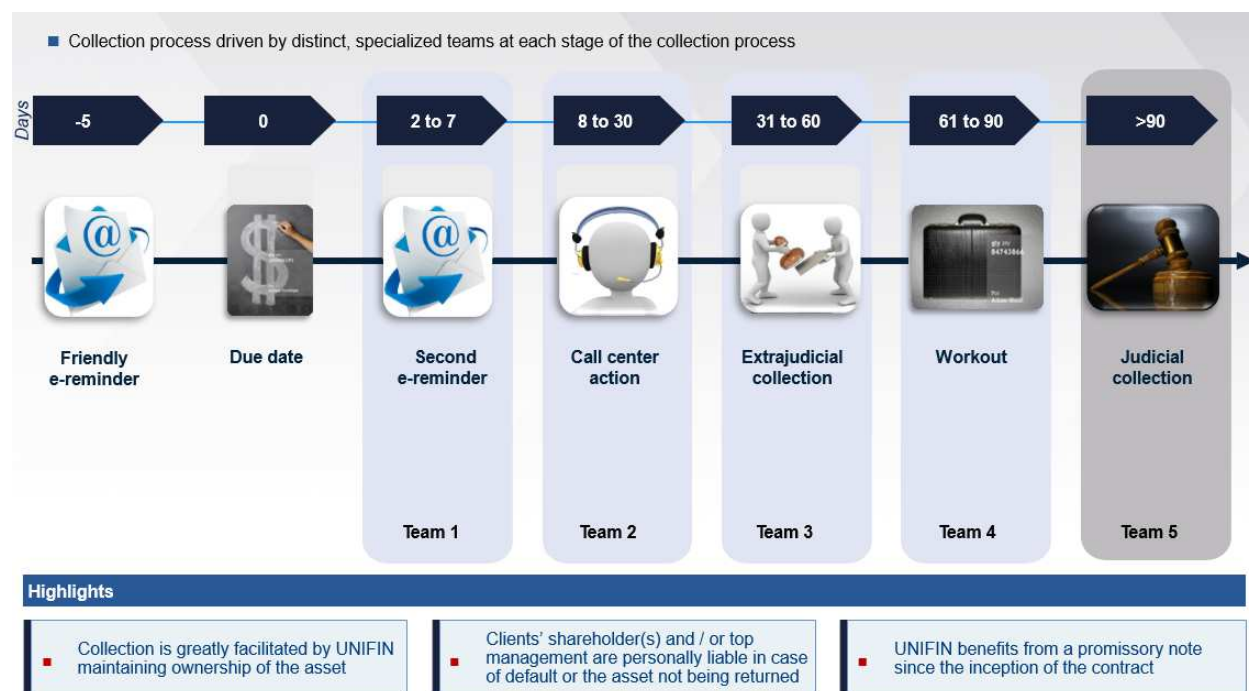
Leasing

The following is a description of our collection method for our operating leasing business:

- We initiate our collecting process for our leases five business days prior to the payment date by sending an automatic electronic reminder to our customers.
- Next, we apply the funds received on the due date and the next business day as a result of the collection process.
- During a period of two to seven days following the maturity date of any lease payment, an initial collection team engages in actions to collect payments, consisting primarily of electronic reminders.
- During a period of eight to 30 days following the maturity date, a second team pursues collection efforts through our call center and through electronic reminders, logging the results.
- During a period of 31 to 60 days following the maturity date, a third team engages in actions to collect payments, including visits to the customer and/or relevant debtor, delivering formal payment requests.
- During a period of 61 to 90 days following the maturity date, a work-out team pursues intensive collection efforts, which include preparing for a possible judicial proceeding. During this stage, the work-out team delivers payment notices to the debtor, guarantor and/or joint obligor and depository before a notary public.
- If the lease remains past due for more than 90 days, we begin judicial proceedings.

With respect to our leasing portfolio, our leasing contracts provide for the appointment of a depository who is responsible for the delivery of the leased assets upon default, which has contributed to the timely collection of accounts.

Allowances for losses are accrued based on the accounting criteria of the CNBV. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Loan loss reserves.”



¹ Non-performing loans, with more than 30 days past due
Source: Company public filings

Financial Factoring

We have similar collection processes for the different products offered under our financial factoring business line. When we analyze potential factoring transactions, we compile a file for each customer and their corresponding debtor.

The following is a description of our collection method for our financial factoring business:

- On the first day of each month, we notify each customer via email specifying the accounts receivable that will expire during the month.
- One day before maturity customers receive a second notice regarding the amount due.
- We initiate our collection process upon maturity of the invoices or receivables acquired on any factoring transaction and for a period of 15 days by contacting our customers and/or the relevant debtors by mobile phone text messages, telephone calls, regular mail, or email, and by in-person visits to their home or place of employment.
- In cases where accounts receivables are delinquent for more than 15 days, a second team initiates extrajudicial collection processes, including visits to the customer and/or relevant debtor, delivering formal payment requests.
- If any invoices or receivables remain past due for more than 30 days, we deliver a notice of default, by means of a Mexican notary public, to the customers and/or the relevant debtor, thereby formally requiring payment.
- If any invoices or receivables remain past due for more than 60 days, we may begin judicial proceedings.

Allowances for losses are accrued based on the accounting criteria of the CNBV. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Loan loss reserves.”

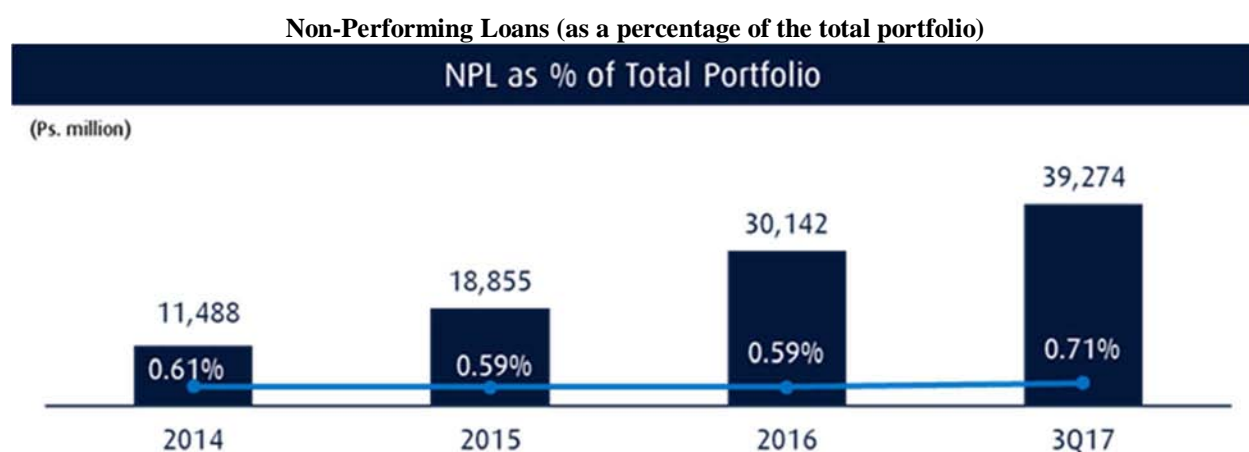
Loans

Substantially all of our loans are paid by means of direct debit. If we do not obtain payment by direct debit, we initiate a collection process in the same manner as described for our leasing business.

Portfolio Performance

During the past five years, our average delinquency rate has been lower than 1.0%. As of December 31, 2014, 2015 and 2016, our non-performing loans accounted for 0.61%, 0.59%, and 0.59%, respectively, of our total loan portfolio, including off-balance sheet accounts. As of September 30, 2017, our non-performing loans accounted for 0.71% of our total portfolio, including off-balance sheet accounts.

The following chart shows our historical non-performing loans ratio as compared to our total portfolio:



Risk Management

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 purposes of credit risk management are (1) to mitigate risk, keeping credit risk exposure within a permissible level relative to capital; (2) to maintain the soundness of assets; and (3) to ensure returns commensurate with risk. Our current credit policy sets forth uniform and basic operating concepts, code 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 to create a better credit management culture within the Company.

We have developed and refined our own proprietary underwriting standards and credit review system. In addition to relying on quantitative measures, we also rely on qualitative measures that allow us to make use of our knowledge and experience in evaluating 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 credit histories or customers who work in the informal economy. We believe that our business model limits our credit exposure to credit risk.

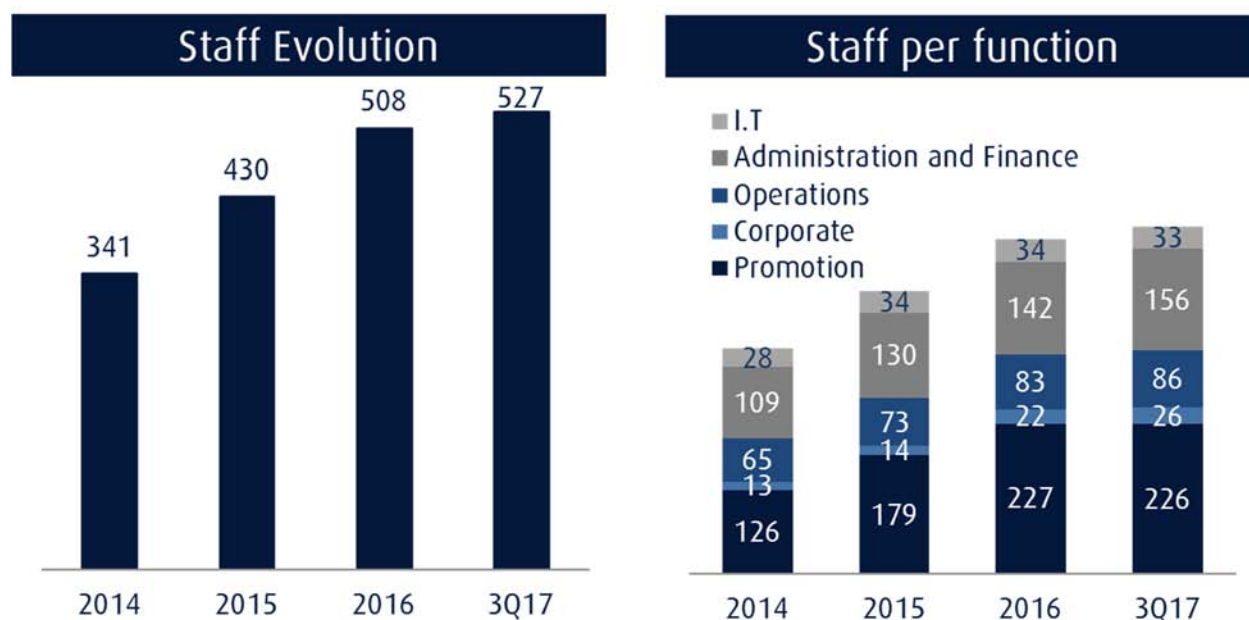
Operational Risk

Operational risk is defined as the possibility of loss caused by internal or external failures due to insufficiencies in processes, people or systems. In order to address the risk type, as well as internal control, we have an internal audit team, which has developed an operating risk management methodology and framework which allows us to identify, analyze, quantify and prioritize possible loss events. This also allows us to establish the proper actions to mitigate, transfer or assume operating risks, and to monitor, control and register risks in a standardized manner.

Employees and Labor Relations

All of our employees are hired through Unifin Servicios Administrativos, S.A. de C.V. and Unifin Administración Corporativa, S.A. de C.V. with which we have entered into services agreements for purposes of receiving services from our officers and other staff members. The total number of employees of these service companies that provide us with services has increased according to our needs and business strategies. As of September 30, 2017, we had 527 employees, all of whom were non-unionized.

The following charts show: (i) the growth of our work force; and (ii) the breakdown of our personnel by activities, in each case as of the end of each of the periods shown:



As of September 30, 2017, our sales force, which accounted for 42.9% of our total work force, was subject to variable compensation plans, based on sales and other financial benchmarks. We have established a variable compensation policy for account executives, managers and directors. In the case of account executives, a budget is set for each executive and a commission of 12.0% is paid when the amount of originated loans exceeds such budget. With respect to managers, a variable compensation of 5.0% of the total amount originated by such manager and his or her team is paid with respect to originated loans that exceed 80.0% of the total group budget. Directors receive a commission of 0.10% for loans originated by their respective teams.

Information Technology

We have a unique business intelligence system which provides us online access to a wide range of financial and operational information relating to our loans and our borrowers, including our customers' credit records. This information allows us to efficiently manage and monitor customer contact, payment information, the status of

collection processes and a variety of other key metrics and statistics about customers' credit history with us. This system has been developed for the administration and management of information and is used by our managers and sub-managers.

We believe that our information technology system enables us to quickly and efficiently (i) make adjustments to credit policies, (ii) track and analyze the credit behavior of our customers, (iii) make informed decisions about new products to market and develop such products, (iv) optimize loan approval and collection, (v) reduce the cost and time associated with loan approvals, monitoring and collection practices and (vi) identify unusual transactions so that we can comply with our anti-money laundering law reporting obligations. For example, one system that we have developed in the leasing and auto financing business allows us to receive internet loan applications and approve or reject such applications within approximately 72 hours (except for loans exceeding Ps. 5 million). We believe that our operating efficiency, information management and technology systems are more competitive than those found in traditional financial institutions and have differentiated us from our competitors.

Our technology and communications equipment receives preventive maintenance and ongoing upgrades approximately every six months. All equipment that has been in service for more than three years is replaced. During 2016, we invested approximately Ps. 54.8 million in technology and communications equipment.

We have an on-site information management center as well as an off-site data center. Our on-site information management center processes everyday operations and our off-site data center works as a back-up system in the event of a contingency. All of our systems are subject to security and quality control standards that are in line with industry practices. As of the date of this offering memorandum, we have not encountered any contingency.

Properties and Leases

We lease the premises where our executive offices and main operations center is located in Mexico City. We also have eleven regional offices located throughout Mexico, all of which we lease.

Intellectual Property

We own the trademarks, service marks and trade names related to the operation and marketing of our business. Our relevant trademarks include: Unifin®, Unifin Financiera®, Unileasing®, Unifinanciar®, Unifactoring®, Unifactoraje®, Unifin Credit®, Uniautos®, Unidos por un mismo fin® and Soluciones Financieras a tu Medida®, each of which is registered in Mexico and other jurisdictions.

We believe that such trademarks, trade names and service marks are valuable assets to us which successfully differentiate us from our competitors. We actively protect our intellectual property rights.

Insurance

We maintain insurance policies that are customary for companies operating in our industry. In addition to civil liability insurance, we maintain insurance policies covering our fixed assets, equipment and leased assets that protect us in the event of natural disasters or third party injury. We believe that our insurance policies are adequate to meet our needs.

Relevant Contracts

Since 2013, Interprotección, Agente de Seguros y de Fianzas, S.A. de C.V. ("Interprotección") has acted as the main insurance broker with respect to the assets that we lease to our customers in the ordinary course of our business. Additionally, we and Interprotección, through Unifin Agente de Seguros y de Fianzas, S.A. de C.V., have carried out a business strategy aimed at meeting the insurance needs of our customers, as well as customers referred by us. In 2014, we sold to Interprotección 51% of the representative shares of the capital stock of Unifin Agente de Seguros y de Fianzas, S.A. de C.V. See "Business – Our Business Lines."

We have entered into a framework contract for the execution of contracts for the insurance of leased machinery and/or equipment with Mapfre Tepeyac, S.A., under which we offer our customers complementary insurance of leased assets.

Legal Proceedings

We are from time to time involved in certain legal proceedings that are incidental to our business. As of the date of this offering memorandum, we do not believe that we are involved in any legal proceedings the outcome of which, if decided adversely to us, would have a material adverse effect on our business, financial condition, cash flows or results of operations.

MANAGEMENT

Board of Directors

We are managed by our board of directors which, in accordance with our by-laws, may consist of up to 21 directors, of which at least 25.0% must be independent according to our by-laws. Each director may have an alternate, and the alternate directors of independent directors also must be independent.

Currently, our board of directors consists of 10 directors and their respective alternates, elected or ratified at our shareholders' meeting on March 16, 2017, each of whose tenure is for one year but who will continue after that period for up to 30 days in the absence of a designation of the individuals that would substitute them.

The following are the current members of the board of directors:

Name	Title	Age	Year of appointment
Rodrigo Lebois Mateos	Chairman of the Board	54	1993
Luis Gerardo Barroso González	Director	54	2001
Rodrigo Balli Thiele	Director	42	2005
Almudena Lebois Ocejo	Director	28	2015
Rodrigo Lebois Ocejo	Director	26	2016
Federico Chávez Peón Mijares	Director ⁽¹⁾	50	2003
José Luis Llamas Figueroa	Director ⁽¹⁾	53	2007
José Luis Fernández	Director ⁽¹⁾	57	2012
Juan Marco Gutiérrez Wanless	Director ⁽¹⁾	57	2015
Enrique Luis Castillo Sánchez	Director ⁽¹⁾	60	2015
Mejorada			
Juan José Trevilla Rivadeneyra	Secretary	64	2012
Guillermo Manuel García San Pedro	Alternate Secretary Non-Member of the Board	37	2017

⁽¹⁾ Independent Director.

The following biographies provide certain information about the members of our board of directors:

Rodrigo Lebois Mateos. Mr. Lebois is the Chairman of our Board of Directors and Chairman of the Executive Committee. Prior to creating Unifin, Mr. Rodrigo Lebois participated in the car dealership industry, holding management and Board positions at several car dealer companies and associations in Mexico, including the National Association of Nissan Car Dealers. Mr. Lebois was also member of the Board of Banco Mexicano, S.A. He is currently President of Fundación Unifin, S.A. and Chairman of the Board of the group companies Unifin Credit and Unifin Agente de Seguros y Fianzas, S.A. de C.V. Mr. Lebois is also Chairman of Aralpa Capital, S.A. de C.V., member of the Board of Directors of Maxcom Telecomunicaciones, S.A.B. de C.V., Organización Sahuayo, S.A. de C.V., Impulsora Sahuayo, S.A. de C.V., Fracsa Alloys Querétaro, S.A.P.I de C.V., Grupo INTER, S.A.P.I. de C.V., and member of the investment committee of Terrafondo I. Mr. Lebois completed studies in Business Administration from Universidad Anáhuac and several executive administration programs.

Luis Gerardo Barroso González. Mr. Barroso is our Chief Executive Officer and has served on our Board of Directors since 2001. Prior to joining us, Mr. Barroso held several positions at Arrendadora Somex, S.A. de C.V., including Management and New Products Executive Director, and he also had several executive positions at Multivalores Arrendadora, S.A. de C.V. and he was part of its Board of Directors up to 2001. He was also a member of the Board of Directors of the Mexican Financial Leasing Companies Association (*Asociación Mexicana de Arrendadoras Financieras, A.C.*) and Multicapitales. Currently he is a member of the Board of the following entities: Unifin Autos, Unifin Credit, Unifin, Agente de Seguros y Fianzas, S.A. de C.V., Unifin Administración Corporativa, S.A. de C.V., and Unifin Servicios Administrativos, S.A. de C.V. He has a degree in Business Administration from Universidad Anáhuac and studies in Finance at the Instituto Mexicano de Valores.

Rodrigo Balli Thiele. Mr. Balli is our Chief Operations Officer since 2005. Prior to joining us, he held several positions in the administrative and sales areas of Bryco Control de Plagas, S.A. de C.V. He acted as the General Evaluation Director of Risk Projects at Home Care, and was the Derivative Deputy Director and Promoter of Debt Securities at Enlace Int. S.A. de C.V. and Prebon Yamane Inc. He has also collaborated with the Fairmont Hotels as Project Manager for the development of a series of touristic projects. Mr. Balli holds a degree in Economics from the Instituto Tecnológico Autónomo de México (ITAM).

Almudena Lebois Ocejo. Ms. Almudena Lebois Ocejo is Managing Director of Aralpa Capital, S.A. de C.V., a private investment fund. Prior to joining Aralpa Capital, S.A. de C.V. she was our Deputy Credit Manager. In 2012 she worked as Treasury Analyst of Navix de México, S.A. de C.V., SOFOM E.N.R. and in the consulting area of Deloitte. She is a member of the Board of Directors and the Investment Committee at Anteris Capital, S.A.P.I. de C.V. Ms. Lebois holds a dual degree in Finance and Accounting from Universidad Anáhuac and graduated with honors from the Banking and Financial Markets master's degree from the same university. She has a variety of credit and risk analysis certifications offered by Moody's Analytics New York.

Rodrigo Lebois Ocejo. Mr. Lebois Ocejo is founder, General Director, and administrator of EQ Credit, S.A. de C.V. and of ROMU Promotores, S.A. de C.V. Prior to this he held different positions at Unifin, including as head of the strategic alliance with Ford Motor Company and sales manager in the leasing department. Previously, he collaborated with Banorte-Ixe, S.A., Institución de Banca Múltiple, as a corporate banking analyst. He is a member of the Board of Directors of Comercializadora Solinfra, S.A.P.I. de C.V. and Controladora RLMV, S.A. de C.V. Mr. Lebois Ocejo holds a B.A. in Administration from the Universidad del Valle de México and various courses in Administration from West London College.

Federico Chávez Peón Mijares. Mr. Chavez Peón has been a member of our Board of Directors since 2003. Currently he is a Partner and the General Manager of Promecap, S.A. de C.V. He is or has been member of the Board of Directors of several companies, including Carrix, Inc., Grupo Aeroportuario del Sureste, S.A.B. de C.V., Inversiones y Técnicas Aeroportuarias, S.A.P.I. de C.V., Grupo Famsa, S.A.B. de C.V., Industrias Innopack, S.A. de C.V., Maxcom Telecomunicaciones, S.A.B. de C.V. and Organización Cultiba, S.A.B. de C.V.

José Luis Llamas Figueroa. Mr. Llamas has been a member of our Board of Directors since 2007. Currently he is the General Manager of Quattro Wealth Management. He was Co-Head of Asset and Wealth Management for Latin America at Deutsche Bank New York and a member of the Executive Committee of the Americas in the same institution. Previously, he was a representative of Deutsche Bank AG Mexico. He was also a founding partner of Fortum in Mexico City. Mr. Llamas has a Degree in Business Administration and an MBA from Universidad Anáhuac.

José Luis Fernández. Mr. Fernández has been a member of our Board of Directors since 2012. Mr. Fernández has been a partner at the tax and accounting firm Chevez Ruiz Zamarripa y Cía, S.C. and is a member of the Colegio de Contadores Públicos de México, A.C., of the Instituto Mexicano de Contadores Públicos, A.C., and the Instituto Mexicano de Ejecutivos de Finanzas. He has given conferences regarding tax matters in national forums, and has written several articles on taxation and accounting. He participates as Board Member of the audit committees of several companies, including Grupo Televisa, S.A.B., Controladora Vuela Compañía de Aviación, S.A.P.I. de C.V. (Volaris), Grupo Financiero Banamex, S.A. de C.V., Banco Nacional de México, S.A. and Arca Continental, S.A.B. de C.V.

Juan Marco Gutiérrez Wanless. Mr. Gutiérrez has been a member of our Board of Directors since 2015, he is Founder and Managing Partner of Anteris Capital S.A.P.I. de C.V. since May 2015, and has held several executive positions, including CEO of Grupo KUO, S.A.B. de C.V., Desc Corporativo, S.A. de C.V. and Pegaso, S.A. de C.V., as well as Deputy General Manager of Telefónica Móviles, S.A. and Managing Director of Promecap, S.A. de C.V. Currently he is a member of the Board of Directors of Quálitas Controladora, S.A.B. de C.V. and of Quálitas Compañía de Seguros, S.A.B. de C.V., and member of the Investment Committee of Quálitas Compañía de Seguros, S.A.B. de C.V., and member of the Board to the School of Engineering of Universidad Anáhuac. He holds an Industrial Engineering degree from Universidad Anáhuac and an MBA studies from ITAM.

Enrique Luis Castillo Sánchez Mejorada. Mr. Castillo has been a member of our Board of Directors since 2015. He holds a Business Administration Degree from Universidad Anáhuac and has more than 34 years of experience in the financial sector. He currently serves as the Chairman of the Board of Directors of Maxcom

Telecomunicaciones, Chairman of the Board of Banco Nacional de México (whereas of lately was named Director) and is member of the Board of Directors of Grupo Herdez, S.A.B. de C.V., Grupo Alfa S.A. B. de C.V., Southern Copper Corporation, and Médica Sur, S.A.B. de C.V. Mr. Castillo served as Chairman of the Board of Ixe Financial Group and as Vicepresident and later as President of the Mexican Bank Association. He also held several executive positions in Nacional Financiera, Casa de Bolsa Inverlat, S.A. Seguros América, S.A., Banco Mexicano, S.A. and Credit Suisse México.

Juan José Trevilla Rivadeneyra. Since 2012 Mr. Trevilla has been the Board Secretary and a non-voting member of our Board of Directors. He is the Board's Secretary of several public and private companies, as well as an active founding member of Larena, Trevilla, Fernández y Fábregas. He is a legal consultant for companies in the tourist, construction, infrastructure development, service delivery, contractors and concessionaires of public services industries. Mr. Trevilla holds a Law Degree from Universidad Autónoma de México.

Guillermo Manuel García San Pedro. Mr. García San Pedro is a Legal Executive Director and has held the position of Alternate Secretary not a member of the Board of Directors since 2017. Mr. Guillermo García San Pedro has more than ten years of experience as a lawyer in financial institutions and in recognized corporate offices. Prior to joining UNIFIN, Mr. García was Legal Director of Corporate and Investment Banking, Treasury and Capital Markets of Banco Nacional de México, SA, a member of Grupo Financiero Banamex, and was responsible for advising and negotiating various operations of local and international financing. Mr. García served as a member of several internal committees of Banco Nacional de México, S.A., member of Grupo Financiero Banamex. He holds a Law Degree from Universidad Anáhuac and a Master of Laws (LL.M.) from Georgetown University.

Executive Officers

Our executive officers are appointed by our board of directors and hold office at the discretion of the board of directors. The following are our current executive officers:

Name	Position	Age	Years of Experience	Years at Unifin
Luis Gerardo Barroso González	Chief Executive Officer	53	35	16
Sergio Jose Camacho Carmona	Chief Financial Officer	41	20	1
Gerardo Tietzsch Rodríguez Peña	Chief Business Officer	39	19	2
Rodrigo Balli Thiele	Chief Operations Officer	42	19	12

Certain biographical information with respect to the members of our senior management that has not been disclosed above in "Board of Directors" is set forth below:

Sergio José Camacho Carmona. Mr. Camacho is our Chief Financial Officer. He has more than 20 years of experience in various companies such as Kimberly Clark de México S.A.B. de C.V. and Fermaca Global. He holds a degree in Economics and a Master's in Business Administration with a specialization in Finance from the Instituto Tecnológico Autónomo de México (ITAM), as well as a degree in Global Management Program from Harvard Business School and has currently attended the Emerging CFO: Strategic Financial Leadership Program imparted by the Stanford Graduate School of Business.

Gerardo Tietzsch Rodríguez Peña. Mr. Tietzsch is our Chief Business Development Officer. Prior to joining us in 2015, he was the Investment Banking and Capital Markets Deputy Managing Director at Casa de Bolsa Banorte Ixe, S.A. de C.V. Grupo Financiero Banorte. Prior to this, he was Director of Corporate Finance and Investment Banking at Ixe Casa de Bolsa S.A.B. de C.V. and worked at Venture Capital Privado (Private Capital Fund). Mr. Tietzsch holds an engineering degree from Universidad Iberoamericana and an MBA from ITAM.

Relationship between Directors and Executive Officers

Mr. Rodrigo Lebois Mateos is the father of Mrs. Almudena Lebois Mateos and Mr. Rodrigo Lebois Ocejo, both members of the Board of Directors.

Audit and Corporate Practices Committee

We maintain an audit and corporate practices committee, which is comprised of three members (all independent directors). Our audit and corporate practices committee meets once every quarter.

The responsibilities and duties of the audit and corporate practices committee are outlined in the Mexican Securities Market Law and our by-laws. Our audit and corporate practices committee's responsibilities include (i) appointing and removing our external auditor, (ii) supervising Pricewaterhouse Coopers, S.C. as our external auditors and analyzing their reports, (iii) analyzing and supervising the preparation of our Financial Statements, (iv) informing our board of directors of our internal controls and their adequacy, (v) requesting reports from our board of directors and executive officers whenever it deems appropriate, (vi) informing our board of directors of any irregularities that it may encounter, (vii) investigating potential irregularities with our operations, rules and policies, internal control systems and internal audit and accounting practices; (viii) receiving and analyzing recommendations and observations made by our shareholders, members of our board of directors, executive officers, our external auditors or any third party and taking the necessary actions, (ix) calling shareholders' meetings, (x) supervising the activities of our Chief Executive Officer, (xi) evaluating the performance of and the documentation prepared by our external auditor, (xii) providing an annual report to the board, (xiii) rendering its opinion to our board of directors in connection with the performance of our key officers, (xiv) reviewing transactions with related parties, (xv) supporting our board of directors in assessing internal control, which includes the supervision of related party transactions and compensation plans and the reports delivered by both external and internal auditors and (xvi) receiving communications and recommendations from Mexican regulatory entities and recommending measures to be taken by management in its response to such communications and recommendations.

The audit and corporate practices committee is further responsible for providing its opinion to the board of directors regarding the performance of our officers, the compensation of the Chief Financial Officer and other relevant officers and transactions with related parties. Also, the committee may obtain opinions from independent third party experts, call shareholders' meetings and assist the board of directors in the preparation of reports.

Under the Mexican Securities Market Law and to our by-laws, all the members of our audit committee must be independent and at least one of them must qualify as a financial expert. Currently José Luis Fernández is the Chairman and José Luis Llamas Figueroa and Juan Marco Gutiérrez Wanless are members of our audit and corporate practices committee.

Executive Committee

Pursuant to our by-laws, we have formed an executive committee, which is responsible for evaluating finance issues, general planning, strategic and organizational issues and any other issues related to the development of our business and our operations. Rodrigo Lebois Mateos is the Chairman and Luis Gerardo Barroso González, Rodrigo Balli Thiele, Gerardo Erwin Tietzsch Rodríguez Peña and Sergio José Camacho Carmona are members of the executive committee.

Finance and Planning Committee

We maintain a finance and planning committee, which is comprised of three members. Our finance and planning committee is in charge of our macroeconomic and our financial strategy and capital structure strategy. The current members of the finance and planning committee are Luis Gerardo Barroso González, Sergio José Camacho Carmona and José Luis Llamas Figueroa.

Credit Committee

We maintain a credit committee, which is comprised of eleven members. Our credit committee reviews and approves credit transactions and operating leasing, financial factoring or auto loans and other lending transactions between Ps. 7.5 million and Ps. 150 million. The current members of the credit committee are Rodrigo Lebois Mateos, Luis Gerardo Barroso González, Gerardo Mier y Terán Suárez, Rodrigo Balli Thiele, Michael Salvador Goeters Arbide, Diego Tomás Aspe Poniatowski, Almudena Lebois Ocejo, Gerardo Erwin Tietzsch Rodríguez Peña, Eduardo Alejandro Castillo Sánchez Mejorada, Sergio José Camacho Carmona and María de Lourdes Campos Toca. Mr. Guillermo Manuel García San Pedro acts as Secretary of this Committee with no vote.

Corporate Credit Committee

We maintain a corporate credit committee, which is comprised of five members. Our corporate credit committee reviews and approves credit transactions exceeding Ps. 150 million. The current members of the corporate credit committee are Rodrigo Lebois Mateos, Luis Gerardo Barroso González, Rodrigo Balli Thiele, Gerardo Mier y Terán Suárez and Gerardo Erwin Tietzsch Rodríguez Peña. Mr. Guillermo Manuel García San Pedro acts as Secretary of this Committee with no vote.

Information Technology Committee

We maintain an information technology committee, which is comprised of nine members. Our information technology committee oversees our IT systems and continuously reviews new alternatives to update our systems, equipment and platform. The current members of the information technology committee are Luis Gerardo Barroso González, Juan José del Cueto Martínez, Gerardo Mier y Terán Suárez, Gerardo Erwin Tietzsch Rodríguez Peña, Rodrigo Balli Thiele, Joaquín Riba Fernández del Valle, Robert Nathan Amper Spitz, Ricardo Legorreta Hernandez and Jorge Brandt Loya. Jorge Brandt and Ricardo Legorreta are independent members.

Communication and Control (Anti-Money Laundering) Committee

We, together with Unifin Credit, maintain a communication and control (anti-money laundering) committee, which is comprised of eight members. Our communication and control (anti-money laundering) committee assures compliance with our obligations in terms of anti-money laundering. The current members of the communication and control (anti-money laundering) committee are Luis Gerardo Barroso González, Juan José del Cueto Martínez, María Esther Talavera Medina (Compliance Officer), Lourdes Campos, Michael Salvador Goeters Arbide, Rodrigo Balli Thiele and Eduardo Alejandro Castillo Sánchez Mejorada. The members of the communication and control (anti-money laundering) committee of Unifin Credit are Lourdes Campos, Juan José del Cueto Martínez, María José Alonso Rodríguez, María Esther Talavera Medina, Gerardo Mier y Terán Suarez, Michael Salvador Goeters Arbide and Rodrigo Balli Thiele. Ms. Rubicelia Zamora Pastrana is the Compliance Officer of Unifin Credit. Mr. Guillermo Manuel García San Pedro acts as Secretary of this Committee.

Marketing Committee

We maintain a marketing committee, which is comprised of eight members. Our marketing committee reviews our marketing and promotion strategies. The current members of the marketing committee are Rodrigo Lebois Mateos, Gerardo Erwin Tietzsch Rodríguez Peña, Rodrigo Lebois Ocejo, Rodrigo Balli Thiele, Felipe Arana, Martín Orbea Oyhanarte, Eduardo Villalobos Pani and Yocelyn Terán Cerrillo. Martín Orbea, Felipe Arana, Eduardo Villalobos and Rodrigo Lebois Ocejo are independent members.

Compensation

For the years ended December 31, 2015 and 2016, we paid wages and benefits to our executive officers through outsourcing companies in the amount of Ps. 96.0 and Ps. 101.3 million respectively, comprised of fixed and variable compensation and any corresponding statutory labor costs. See “Business – Employees and Labor Relations” for a description of our variable compensation.

Our board of directors approves, based on the favorable opinion of our corporate practices committee, the compensation of the Chief Executive Officer. Also, our corporate practices committee issues recommendations regarding the compensation of the other relevant officers.

Our directors’ compensation for their services rendered in such capacity is determined by our shareholders. The shareholders’ meeting held on March 16, 2017 approved the following directors’ compensation: (i) Ps. 30,000 to the independent directors and the secretary non-member of our board for each meeting of the board that they attend; (ii) Ps. 50,000 to the Chairman of the audit and corporate practices committee for each session of the committee that the Chairman attends; and (iii) Ps. 25,000 to the members of these committees for each session of the committee that they attend.

Employee Stock Incentive Plan

The shareholders approved, in an ordinary and extraordinary shareholders' meeting held on February 26, 2015, the implementation of an officers' and employee incentive plan for an amount equal to 4.0% of our outstanding share capital (the "Stock Incentive Plan"). The shareholders delegated authority to the board of directors to structure, implement, administer and modify (with certain exceptions) our Stock Incentive Plan and establish the criteria and policies applicable for the determination of the officers and employees that will participate in this plan and the amount of the shares that they may receive or acquire under the same.

We created Administration Trust Number 2405 with Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero, for purposes of the implementation and management of the Stock Incentive Plan (the "Administration Trust"). The Administration Trust will hold shares of our capital stock to be sold to employees pursuant to the terms and subject to the conditions of the Stock Incentive Plan.

Duties of Directors and Executive Officers

Our directors and executive officers are subject to the duties of care and loyalty and other obligations arising from their positions under the Mexican Securities Market Act, the Issuers Circular (*Circular Única de Emisoras*) and other applicable regulations on insider trading and transactions in securities issued by us, among others.

Share Ownership

See "Principal Shareholders" for a description of the current ownership of our common stock by our directors.

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-banking financial institutions, such as insurance and reinsurance companies, bonding companies, credit unions, savings and loans companies, foreign exchange houses, factoring companies, bonded warehouses, financial and operating leasing companies, mutual fund companies, pension fund management companies and *Sofomes*. On January 10, 2014, a new Financial Groups Law (*Ley para Regular las Agrupaciones Financieras*) was published as part of the Financial Reforms. The new Financial Groups Law aims to improve the regulations and controls applicable to financial services companies that operate under a single financial group holding company. Most major Mexican financial institutions are members of financial groups.

The principal financial authorities that regulate financial institutions are the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*, or "SHCP"), the *Banco de México*, the CNBV, the National Commission of the System 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 CONDUSEF.

Our operations are primarily regulated by the GLACOA, certain regulations of the *Banco de México*, the Mexican Law for the Protection and Defense of Financial Services Users, the Law for the Transparency and Ordering of Financial Services, the Law for the Identification and Prevention of Transactions with Illegal Funds (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*, or the "Identification of Illegal Funds Law"), the Anti-Money Laundering Provisions, its regulations and general rules, the regulations issued by CONDUSEF and *Sofom* GAAP, and other regulations issued by the CNBV.

Under the provisions of GLACOA, *Sofomes* are entitled to conduct money lending transactions, engage in financial and operating leasing activities (*arrendamiento financiero y operativo*) and perform factoring (*factoraje financiero*) transactions. Such activities do not require a license from any Mexican governmental authority. In order to operate as a *Sofom*, all *Sofomes*, including non-regulated *Sofomes*, are required to register in a registry managed by CONDUSEF. *Sofomes* are considered financial entities.

Under the provisions of the amended GLACOA, published as part of the Financial Reforms, *Sofomes* are regulated and supervised by the CNBV if (i) they have a financial connection (*vínculo patrimonial*) with, among other financial institutions, Mexican banks, (ii) they issue debt securities registered with the RNV or (iii) they voluntarily adopt such regime.

Sofomes are deemed to have a financial connection (*vínculo patrimonial*) if (i) among other financial institutions, a Mexican bank holds an interest equal to or greater than 20.0% of the capital stock or the *Sofom* holds such interest in the Mexican bank, (ii) the holding company of a financial group, which includes a banking institution, holds an interest of at least 51.0% in such *Sofom*, or (iii) the *Sofom* has common shareholders with, among other financial institutions, a Mexican bank, pursuant to the terms more specifically described in the GLACOA.

Regulated *Sofomes*, as a result of a financial connection (*vínculo patrimonial*) with, among other financial institutions, Mexican banks, are also subject to several provisions of, among others, the Mexican Banking Law and other rules and regulations applicable to financial institutions, which can include capital adequacy requirements, grading of loan portfolio requirements, reserve 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.

Regulated *Sofomes* as a result of the issuance of debt securities registered with the RNV, as well as those *Sofomes* that voluntarily adopt the regulated regime, will be subject to the General Provisions issued by the CNBV with respect to the following: (i) qualification of the loan portfolio and establishing allowances for credit losses; (ii) disclosure and presentation of financial information and external auditors; (iii) accounting; and (iv) prevention of business with funds that may be from illegal sources. In the past, we have issued local bonds registered with the

RNV under various programs authorized by the CNBV. As of the date of this offering memorandum, we do not have bonds registered with the RNV nor have we applied to voluntarily adopt the form of a regulated multiple purpose financial company. However, in the event that in the future we issue local debt securities registered with the RNV or we voluntarily elect to become a regulated entity, we will become a regulated multiple purpose financial company in accordance with GLACOA and will be required to adopt the necessary measures to adjust our operations and internal policies to comply with the legal requirements applicable to regulated *Sofomes*. Any other *Sofom* 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.

Law for the Protection and Defense of Financial Services Users

The Mexican Law for the Protection and Defense of Financial Services Users became effective in April 1999 and was modified pursuant to the Financial Reforms. The purpose of this law is to protect and defend the rights and interests of users of financial services. This law created and now regulates the CONDUSEF, an autonomous governmental entity that protects the interests of users of financial services. CONDUSEF acts as a mediator and/or arbitrator with respect to disputes submitted to its jurisdiction and seeks to promote better relationships among users of financial services and the financial institutions. As a *Sofom*, we must submit to CONDUSEF's jurisdiction in all customer administrative proceedings and may choose to submit to CONDUSEF's jurisdiction in all arbitration proceedings that may be brought before it by customers. We may be required to provide reserves against contingencies which could arise from proceedings pending before CONDUSEF. In case of a claim by a customer where the parties fail to reach a settlement and there is no submission to arbitration, CONDUSEF is authorized to issue a resolution which may result in the attachment of our assets for the benefit of our customers. We are also subject to certain required amendments by the CONDUSEF regarding our standard 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 Services Users requires *Sofomes*, such as us, to maintain an internal unit (*unidad especializada*) designated to resolve any and all controversies submitted by our customers. We maintain such a unit. CONDUSEF also maintains a Registry of Financial Services 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*, are required to register their standard form of agreements (*contratos de adhesión*) in the Registry for Standard Form Agreements (*Registro de Contratos de Adhesión*), 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 standard form of agreement for purposes of complying with the laws and regulations for protection and defense of financial users. All of our standard form agreements have been registered before CONDUSEF. Pursuant to the Financial Reforms, all *Sofomes*, including non-regulated *Sofomes*, are required to register or renew their existing registration in a registry managed by CONDUSEF to operate as such. We currently hold registration in the CONDUSEF as a *Sociedad Financiera de Objeto Múltiple, Entidad No Regulada* and we are in the process of renovating our registration before the CONDUSEF pursuant to the General Provisions for the Registry of Financial Services Providers (*Disposiciones de Carácter General para el Registro de Prestadores de Servicios Financieros*).

As a result of the Financial Reforms, CONDUSEF was recently empowered to initiate class action lawsuits related to financial services institutions, including *Sofomes*.

Law for the Transparency and Ordering of Financial Services

The Law for the Transparency and Ordering of Financial Services became effective in June 2007 and was recently modified pursuant to the Financial Reforms. In an effort to make financial services more transparent and to protect the interests of the users of such services, the law regulates: (1) the fees charged to customers 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 as means to ensure competition, free access, non-discrimination and the protection of customer interests; (2) the fees that financial institutions charge to each other for the use of any payment system;

(3) the interest rates that may be charged to customers; and (4) other aspects related to financial services. This law grants the *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 standard forms of agreement used by financial entities, the statements of account that are delivered by financial entities to their customers and the advertisement conducted by financial entities. Further, the *Banco de México* has the authority to specify the basis upon which financial institutions must calculate their aggregate annual cost (*costo anual total*), which comprises interest rates and fees, on an aggregate basis, charged in respect of loans and other services.

As part of the amendments to the Law for the Transparency and Ordering of Financial Services enacted in connection with the Financial Reforms, the *Banco de México* may issue temporary regulations applicable to interest rates and fees, if it or the Federal Competition Commission (*Comisión Federal de Competencia Económica*, or “COFECE”) determine that no reasonable competitive conditions exist among financial institutions.

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 standard form agreements are required to include provisions 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 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.

Mexican law does not currently impose any limit on the interest rate or fees that a non-regulated *Sofom*, such as us, may charge its customers. However, the possibility of imposing such limits has been and continues to be debated by the Mexican Congress and Mexican regulation authorities.

The Law for the Transparency and Ordering of Financial Services grants the *Banco de México* the authority to specify the basis upon which each financial institution 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 form agreements and disclosed in their statements of account and advertisements. We regularly publish our aggregate annual cost pursuant to this law.

Fees

Under *Banco de México* regulations, Mexican banks, and *Sofomes* may not, in respect of loans, deposits or other forms of funding and services with their respective customers, (1) charge fees that are not included in their respective, publicly disclosed, aggregate annual cost (*costo anual 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. Additionally, the Law for the Transparency and Ordering of Financial Services provides that, among other restrictions, *Sofomes* (1) may only charge fees related to services provided to customers, (2) may not charge more than one fee for a single act or event, (3) may not charge fees that are intended to prevent or hinder the mobility or migration of customers from one financial institution to another and (4) may not charge fees for payments received from customers or users in relation to loans granted by other financial entities.

The *Banco de México*, on its own initiative or as per request from CONDUSEF, banks, or *Sofomes*, may assess whether reasonable competitive conditions exist in connection with fees charged by banks, or *Sofomes* in performing financial operations. The *Banco de México* must obtain the COFECE’s opinion to carry out this assessment. The *Banco de México* may take measures to address these issues.

Law for the Protection of Personal Data held by Private Parties

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 in the Mexican Federal Official Gazette and it became effective on the next day. The purpose of the LFPDP is to protect personal data collected, held or provided by individuals, 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 or deletion 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 limited 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 recently created National Institute for Transparency, Access to Information and Personal Data Protection (*Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales*, or "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 rights 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 up to the equivalent of Ps. 19.1 million (approximately US\$ 1.1 million) a prison sentence of up to five years, or double the applicable fine or sentence for violations related to sensitive personal data.

Anti-Money Laundering Provisions

On March 17, 2011, the General Provisions Applicable to Sofomes Relating to Money Laundering (Disposiciones de Carácter General a que se refieren los artículos 115 de la Ley de Instituciones de Crédito, en relación con el 87-D de la Ley General de Organizaciones y Actividades del Crédito 95-Bis de este último ordenamiento, aplicables a las sociedades financieras de objeto múltiple, or "General Provisions"), issued by the SHCP, were published in the Mexican Federal Official Gazette. On December 23, 2011, December 31, 2014 and March 9, 2017 a series of amendments to such General Provisions were also published on the Mexican Federal Official Gazette. The purposes of such General Provisions, which have been published and become effective is to establish anti-money laundering rules and guidelines.

The General Provisions require *Sofomes* to (1) establish identification ("know-your-customer") policies and guidelines similar to those imposed on Mexican banks and other regulated financial entities, subject to strict identification methods and controls on customers and users of the *Sofomes* services; (2) recording and keeping information on customers and on money transfer and exchange transaction; and (3) reporting to authorities on relevant, unusual and suspicious transactions, among other obligations.

On July 17, 2013, the Identification of Illegal Funds Law became effective, after approval from the Mexican Congress. Under the Identification of Illegal Funds Law, the SHCP is given broad authority to obtain information about unlawful activities, coordinate activities with foreign authorities and present claims related to unlawful activities. The Identification of Illegal Funds Law also grants authority to the Federal Attorney General of the Republic (*Procuraduría General de la República*) to investigate and prosecute illegal activities, in coordination with the SHCP. To secure full effectiveness of the Identification of Illegal Funds Law, the Mexican President and the Minister of Finance and Public Credit (*Secretario de Hacienda y Crédito Público*) issued regulations and general rules on August 16, 2013, which have become effective.

Pursuant to the Identification of Illegal Funds Law, we are required to establish procedures to monitor and detect unlawful activities regulated by this law and to report any suspect activities to the SHCP.

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.

Collateral Mechanisms

Laws regarding the granting and enforcement of security interests contemplate pledging assets without transferring possession (*prenda sin transmisión de posesión*), as well as a security arrangement known in Mexico as the security trust (*fideicomiso de garantía*). 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 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 through an extra-judicial proceeding, which is an alternative that has enhanced lending activities and expedited restructurings and foreclosures.

Bankruptcy Law

The Mexican 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 Mexican Bankruptcy Law provides for a single insolvency proceeding encompassing two successive phases: a conciliatory phase of mediation between creditors and debtor and bankruptcy.

The Mexican 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) 35.0% 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 80.0% of its obligations which are due and payable. The Mexican Bankruptcy Law was recently amended to include the ability of a debtor to request the initiation of insolvency proceedings prior to being generally in default with respect to its payment obligations, when such situation is expected to occur inevitably within the following 90 days. Furthermore, the Mexican Bankruptcy Law now allows the consolidation of insolvency proceedings of companies that are part of the same corporate group.

The Mexican Bankruptcy 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 that the insolvency judgment is entered, all peso-denominated obligations are converted into UDIs, and foreign currency-denominated obligations are converted into pesos at the exchange rate 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 Mexican Bankruptcy Law mandates the netting of derivative transactions upon the declaration of insolvency.

The Mexican 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 set at 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 determine that a longer retroactive period may apply. As a result of recent reforms, the retroactive period was lengthened to 540 calendar days with respect to transactions entered into with inter-company creditors.

A restructuring agreement must be subscribed to by the debtor, as well as recognized creditors representing more than 50.0% of (i) the sum of the total recognized amount corresponding to common creditors and (ii) the total recognized amount corresponding to secured or privileged creditors subscribing to 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.

The Mexican Bankruptcy Law incorporates 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.

The Mexican Bankruptcy Law was recently amended to expressly recognize subordinated creditors, including inter-company creditors in accordance with certain rules, and sets forth that such inter-company creditors will not be allowed to vote for the approval of the debt restructuring agreement when such inter-company creditors represent 25.0% or more of the aggregate amount of recognized claims, unless such inter-company creditors consent to the agreement adopted by the rest of the recognized creditors.

PRINCIPAL SHAREHOLDERS

The Trust 2452 constituted with Banco Invex, S.A., Institución de Banca Múltiple, Invex Grupo Financiero is the owner, directly or indirectly, of more than 60.0% of the shares of the Company, and exercises control of the Company. Mr. Rodrigo Lebois Mateos and members of his immediate family, as a group, and Mr. Luis Gerardo Barroso González, hold indirectly, more than 10.0% of the Company's capital stock. Mr. Rodrigo Lebois Mateos, indirectly, exercises control of Unifin. Pursuant to the terms of the Trust 2452, the shares held by the Trust will always be voted in block and in the same way. Likewise, Trust 2452 establishes certain restrictions regarding the transfer and encumbrance of the trustee rights.

Mr. Rodrigo Lebois Mateos, and members of his immediate family, and Mr. Luis Gerardo Barroso González, are directors of the Company, and are jointly and indirectly beneficiaries of more than 60.0% of the Company's capital stock. Except for the aforementioned persons, to the knowledge of the Company, none of the other directors or senior executives of the Company has an individual share interest higher than 1.0% and lower than 10.0% of the Company's capital stock.

For the last three years, there has been no significant changes in the share of interest of the principal shareholders.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

From time to time, we may enter into transactions with parties that have relationships with us, our officers, directors or entities in which we have an ownership interest. It is our policy to conduct all of these transactions on an arm's-length basis.

Amounts from transactions with related parties during the years ended December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, which were carried out at an arm's-length basis, were as follows:

	For the Year Ended December 31,			For the Nine Months Ended September 30,
	2014	2015	2016	2017
	(in millions of Ps.)			
Income				
Interest income	0.1	-	-	480.6
Auto rentals	4.1	2.0	-	0.7
Other income.....	-	1.3	-	0.3
Auto sales.....	-	15.8	21.1	44.3
Administrative services.....	3.9	-	-	-
Expense				
Administrative services.....	299.3	455.4	508.2	453.8
Reimbursement of expenses	-	-	-	0.3
Donations or gift	2.0	4.4	8.8	13.4
Other services.....	-	-	-	11.9

As of December 31, 2014, 2015 and 2016 and the nine months ended September 30, 2017, the balances with related parties were as follows:

	As of December 31,			For the Nine Months Ended September 30,
	2014	2015	2016	2017
	(in millions of Ps.)			
Receivables				
Administradora Brios, S.A. de C.V. ⁽¹⁾	48.8	75.7	236.8	255.7
Administración de Flotillas, S.A. de C.V.	0.6	0.1	-	0.7
Aralpa Capital, S.A. de C.V.	0.6	1.2	-	-
The Company's Officers.....	-	12.0	-	-
Unifin Capital, S.A. de C.V.	0.2	-	-	-
Unifin Administración Corporativa, S.A. de C.V.	2.2	17.6	17.6	22.0
Unifin Servicios Administrativos, S.A. de C.V.....	-	-	12.0	17.3
Others.....	-	-	0.7	-
Payables				
Unifin Administración Corporativa, S.A. de C.V. ⁽²⁾	0.2	0.0	13.5	-
Unifin Servicios Administrativos, S.A. de C.V. ⁽³⁾	-	-	7.4	12.0
Administradora Brios, S.A. de C.V.	2.3	2.3	2.3	2.3
Unifin Capital, S.A. de C.V. (formerly Unifin Corporativo, S.A. de C.V.).....	0.1	-	-	-
Others.....	-	-	2.3	2.3

⁽¹⁾ Related to credit agreements entered into between us as creditor and Administradora Brios, S.A. de C.V. as debtor.

⁽²⁾ Employee outsourcing agency.

⁽³⁾ Employee outsourcing agency.

In November 2014, Unifin acquired 100% of Unifin Agente de Seguros y de Fianzas, S.A. de C.V. from Unifin Capital, its parent company at the time, at Unifin Capital's nominal value.

DESCRIPTION OF THE NOTES

This section of the offering memorandum summarizes the material terms of the Indenture (as defined below) and the notes. It does not, however, describe all of the terms of the Indenture and the notes. Upon request, we will provide you with copies of the Indenture. See “Available Information” in this offering memorandum for information concerning how to obtain such copies.

In this section of the offering memorandum, references to the “Company,” “we,” “us” and “our” are to Unifin Financiera, S.A.B. de C.V., SOFOM, E.N.R. only and do not include our subsidiaries or affiliates. References to “holders” mean those who have notes registered in their names on the books that we or the Trustee (as defined below) maintain for this purpose, and not those who own beneficial interests in notes issued in book-entry form through The Depository Trust Company (“DTC”), or in notes registered in street name. Owners of beneficial interests in the notes should refer to “Book-Entry, Delivery and Form.”

General

The notes will be issued under the indenture (the “Indenture”), to be dated as of January 29, 2018, among us, The Bank of New York Mellon, as trustee (the “Trustee”), security registrar, paying agent and transfer agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent and transfer agent.

The notes will be issued in registered form, without interest coupons, in minimum denominations of U.S.\$ 200,000 and integral multiples of U.S.\$ 1,000 in excess thereof. All payments of principal of and premium, if any, and interest on the notes will be made in U.S. dollars.

The notes will be issued in the form of global notes. Owners of beneficial interests in the global notes will not be entitled to receive physical delivery of notes in certificated form except in limited circumstances. See “Book-Entry, Delivery and Form” in this offering memorandum.

The notes will not be registered under the Securities Act and may not be sold or otherwise transferred except pursuant to registration under the Securities Act, or in a transaction that is otherwise exempt from or not subject to the registration requirements of the Securities Act. See “Transfer Restrictions.”

In certain circumstances, the notes may be redeemed at our option. The notes will not be subject to repayment at the option of the holders. There will be no sinking fund for the notes.

We may, from time to time without the consent of holders of the notes, issue additional notes on the same terms and conditions as the notes (except for issue date, issue price and, if applicable, the date upon which interest will begin to accrue and first be paid), which additional notes will increase the aggregate principal amount of, and will be consolidated and form a single series with, the notes initially issued in this offering; *provided, however*, that any additional notes will be issued under a separate CUSIP, Common Code and/or ISIN number unless the additional notes are fungible with the original notes for U.S. federal income tax purposes.

Ranking of the Notes

The notes are our unsecured and subordinated obligations.

The Indenture for the notes provides that the notes will rank (i) junior to all of our existing and future Unsubordinated Indebtedness (as defined below), (ii) *pari passu* among themselves and with all other existing and future Subordinated Indebtedness (as defined below), and (iii) senior to all existing and future classes of our Share Capital (as defined below). The notes will be effectively subordinated to all existing and future liabilities of our subsidiaries. The Indenture for the notes does not restrict our ability or the ability of our subsidiaries to incur additional indebtedness in the future.

Upon any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which we are party, (1) all principal, premium, if any, and interest due or to become due on all Unsubordinated Indebtedness and all other indebtedness preferred by statute must be paid in full before the holders of Subordinated Indebtedness (including the notes) are entitled to receive or retain any payment in respect thereof, and (2) the holders of

Subordinated Indebtedness (including the notes) will be entitled to receive *pari passu* among themselves any payment in respect thereof. In any such event, the notes and any other Subordinated Indebtedness will be senior to all classes of our Share Capital.

“Unsubordinated Indebtedness” means all indebtedness for borrowed money, whether or not evidenced by notes, debentures or other written instruments, and whether outstanding on the date of execution of the Indenture or thereafter created, assumed or incurred, unless the terms thereof specifically provide that it is not superior in right of payment to Subordinated Indebtedness (including the notes).

“Subordinated Indebtedness” means all indebtedness for borrowed money, whether or not evidenced by notes, debentures or other written instruments, and whether outstanding on the date of execution of the Indenture or thereafter created, assumed or incurred, the terms of which specifically provide that it is junior in right of payment to Unsubordinated Indebtedness, but is senior in right of payment to all classes of Share Capital.

“Share Capital” means our common shares and any other future class of equity securities.

Holders Acknowledgement of Subordination of Notes

Each holder of notes (for itself and on behalf of the beneficial owners thereof), by purchasing the notes, whether in connection with the initial offering of the notes or a subsequent purchase at a later date, will be deemed to have agreed with us for the benefit of all of our present and future creditors, to subordinate the right of such holder to collect any amount of principal, premium, if any, and interest due or to become due in respect of the notes as described in “—Ranking of the Notes” above. We, for the benefit of all of our present and future creditors, accept this undertaking of the holders of the notes.

Each holder of notes agrees, to the fullest extent permitted under applicable law, that (i) the Trustee will be the only party entitled to receive and distribute amounts paid in respect of the notes in the event of any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which we are party and (ii) in the event that, in connection with such proceedings, notwithstanding the subordination provisions agreed by the holder of the notes, any amount is allocated for payment to the holders of the notes prior to the payment of all of our Unsubordinated Indebtedness, any such amount received by the Trustee will be required to be distributed by the Trustee, on behalf of the holders of the notes, to the creditors of any of our unsatisfied Unsubordinated Indebtedness. In furtherance of this agreement, the Indenture will provide that the Trustee will have the exclusive right, to the fullest extent permitted under applicable law, to file in any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which we are party for the recognition of the claims of all holders of notes. Each holder of notes irrevocably instructs the Trustee to file, on behalf of such holder, a claim for recognition of the claims of all of the notes in such event. The Indenture will provide that each holder of notes irrevocably instructs the Trustee to abstain from voting during the course of any such bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which we are party as described above in any matter submitted for approval by our general unsecured creditors in any such proceeding.

By purchasing the notes, whether in connection with the initial offering of the notes or a subsequent purchase at a later date, each holder of notes will be deemed to have waived any right of set-off, counterclaim or combination of accounts with respect to the notes (or between our obligations regarding the notes and any liability owed by a holder or the Trustee to us) that such holder might otherwise have against us. To the fullest extent permitted under applicable law, if a payment or distribution is made to holders that, due to the subordination provisions, should not have been made to them, such holders are required to hold such payment or distribution in trust for the holders of Unsubordinated Indebtedness and pay such amounts over to them as their interests may appear.

Principal and Interest Payments

Maturity

The notes are perpetual notes with no fixed final maturity date or mandatory redemption date. We may redeem the notes in accordance with the provisions described in “—Redemption and Repurchase.”

Interest Rates and Interest Payment Dates

Subject to our right to defer payment of interest (see “—Option to Defer Interest Payments”), interest on the notes will be payable semi-annually in arrears on January 29 and July 29 of each year, as applicable (each an “Interest Payment Date”), beginning on July 29, 2018.

We will pay interest on the notes on the Interest Payment Dates to the holders in whose names the notes are registered at the close of business on January 14 and July 14, respectively, immediately prior to the applicable Interest Payment Date. Each payment of interest due on an Interest Payment Date will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the Issue Date (as defined below), if none has been paid or made available for payment, to but excluding the relevant payment date.

The notes will bear interest on their principal amount as follows:

- (1) from and including January 29, 2018 (the “Issue Date”) to but excluding January 29, 2025 (the “First Call Date”), at a rate of 8.875% per year; and
- (2) from and including the First Call Date to but excluding the redemption date, if any, at, in respect of each Reset Period (as defined below), the U.S. Treasury Rate (as defined below) plus:
 - (i) in respect of the Reset Period commencing on or after the First Call Date but before the Step-up Date (as defined below), the Initial Margin; or
 - (ii) in respect of Reset Periods commencing on or after the Step-up Date: the Initial Margin plus 2.00%.

If any payment is due on the notes on a day that is not a Business Day (as defined below), we will make the payment on the next Business Day. Payments postponed to the next Business Day in this situation will be treated under the Indenture as if they were made on the original payment date. Postponement of this kind will not result in a default under the notes or the Indenture, and no interest will accrue on the postponed amount from the original payment date to the next Business Day.

Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

“Business Day” means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in New York, New York or Mexico City, Mexico.

“Fitch” means Fitch Ratings Ltd.

“Initial Margin” means 6.308%.

“Moody’s” means Moody’s Investors Service Ltd.

“Step-up Date” means January 29, 2040 unless the Company’s credit rating has been upgraded to S&P Investment Grade on or prior to January 29, 2040 and such rating is effective at January 29, 2040, then the Step-up Date shall be January 29, 2045.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.

“S&P Investment Grade” means BBB- (or the equivalent) or higher by S&P.

Determination of Interest on the Notes

We will give notice of the U.S. Treasury Rate as soon as practicable to each paying agent, the holders of the notes, the Trustee and, if required by the rules of the securities exchange on which such notes are listed from time to time, to such securities exchange.

“U.S. Treasury Rate” means as of any Reset Interest Determination Date, as applicable, (i) an interest rate (expressed as a decimal and, in the case of U.S. Treasury bills, converted to a bond equivalent yield) determined to be the per annum rate equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of five years from the next Reset Date and trading in the public securities markets or (ii) if there is no such published U.S. Treasury security with a maturity of five years from the next Reset Date and trading in the public securities markets, then the rate will be determined by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market, (A) one maturing as close as possible to, but earlier than, the Reset Date following the next succeeding Reset Interest Determination Date, and (B) the other maturity as close as possible to, but later than the Reset Date following the next succeeding Reset Interest Determination Date, in each case as published in the most recent H.15 (519). If the U.S. Treasury Rate cannot be determined pursuant to the methods described in clauses (i) or (ii) above, then the U.S. Treasury Rate will be the same interest rate determined for the prior Reset Interest Determination Date.

“H.15 (519)” means the weekly statistical release designated as such, or any successor publication, published by the Board of Governors of the United States Federal Reserve System and most recent H.15 (519) means the H.15 (519) published closest in time but prior to the close of business on the second Business Day prior to the applicable Reset Date. H.15 (519) may be currently obtained at the following website: <https://www.federalreserve.gov/releases/h15/>.

“Reset Date” means the First Call Date and each date falling on the fifth anniversary thereafter.

“Reset Interest Determination Date” means, in respect of any Reset Period, the day falling two (2) Business Days prior to the beginning of the relevant Reset Period.

“Reset Period” means each period from and including the First Call Date to but excluding the next following Reset Date and thereafter from and including each Reset Date to but excluding the next following Reset Date.

Unclaimed Payments

All money paid by us to the Trustee or any paying agent that remains unclaimed at the end of two (2) years after the amount is due to a holder will be repaid to us. After that two-year period, the holder may look only to us for payment and not to the Trustee, any paying agent or anyone else.

Option to Defer Interest Payments

We may, in our sole discretion, defer payment of interest that would otherwise be payable on any Interest Payment Date in whole, or in part. Interest may be so deferred by giving written notice of our decision to do so to the Trustee and holders of the notes as set forth under “—Notices,” not less than seven (7) nor more than fourteen (14) Business Days before the applicable Interest Payment Date.

If we elect not to make any payment of interest on an Interest Payment Date, then we will have no obligation to do so, and our failure to pay interest will not be an Event of Default or any other breach of our obligations under the notes.

Interest payments deferred at our option as described above are referred to as “deferred interest.” Any and all deferred interest will bear interest as if it constituted principal of the notes at a rate which corresponds to the interest rate applicable to the notes (such further interest together with the deferred interest, being “arrearage of interest”).

Interest on deferred amounts will accrue from the deferred date, and arrearage of interest will be compounded on subsequent Interest Payment Dates, semi-annually, at the rate of interest applicable to the notes.

Payment of Deferred Interest

We may, in our sole discretion, elect to pay deferred interest at any time, together with any and all related arrears of interest, with respect to the notes. If we elect to do so, our election must be to pay all outstanding deferred interest and related arrears of interest with respect to the notes, and we will give not less than seven (7) nor more than fourteen (14) Business Days' notice thereof to the Trustee and the holders of the notes as set forth under "—Notices." On the payment date specified by us in any such notice, all outstanding deferred interest and related arrears of interest with respect to the notes will become due and payable. Such notice will also specify the record date for determining the registered holders to which such amounts will be paid.

In addition, we will pay any deferred interest and all related arrears of interest in respect of the notes, in whole but not in part, on the first occurring Mandatory Payment Date following the Interest Payment Date on which such deferred interest first arose.

"Mandatory Payment Date" means the earlier of:

- (i) the fifth business day following the occurrence of a Compulsory Arrears of Interest Settlement Event;
- (ii) the date on which the notes are redeemed in whole or repaid in full in accordance with the terms of the Indenture;
- (iii) an Interest Payment Date in respect of which we have not elected to defer payment of the relevant scheduled interest payment with respect to the notes;
- (iv) in case of the filing of a voluntary petition for the commencement of, or the entry of a judicial order (*sentencia de concurso mercantil*) approving involuntary proceedings against us that would constitute a Bankruptcy Event of Default; or
- (v) the adoption, by resolution of our shareholders of a plan relating to our liquidation or dissolution; *provided, however*, that this clause will not be applicable to a Subsidiary consolidating with, merging into or transferring all or part of its properties and assets to the Company or another Subsidiary of the Company or the Company merging with an affiliate of the Company solely for the purpose of reincorporating the Company in another jurisdiction.

A "Compulsory Arrears of Interest Settlement Event" shall have occurred if:

- (1) a dividend, other distribution or payment of any nature was declared, paid or made in respect of any of our Share Capital or Parity Security (as defined below); or
- (2) we, or any of our Subsidiaries, have repurchased, redeemed or otherwise acquired any of our Share Capital or Parity Security;

except, in each case, (x) where we are, or any of our Subsidiaries is, obligated under the terms of such securities to make such declaration, distribution, payment, redemption, repurchase or acquisition, or (y) any purchase of our Share Capital undertaken in connection with any employee stock option plan or other employee participation plan, or (z) in respect of Parity Securities only, where such redemption, repurchase or acquisition is effected as a cash tender offer or exchange offer to all holders thereof at a purchase price per security which is below its par value.

"Parity Securities" means, at any time, any security evidencing Subordinated Indebtedness (including any of the notes). The term Parity Security shall apply *mutatis mutandis* to any securities issued by one of our Subsidiaries to the extent that such securities are guaranteed by us or we otherwise assume liability for them and such guarantee or assumption of liability ranks *pari passu* with our obligations under Subordinated Indebtedness.

"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.

"Voting Stock" means, with respect to any person, 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.

Paying Agents

Initially, we have appointed the Trustee, at its corporate trust office in New York City, as a paying agent and, The Bank of New York Mellon SA/NV, Luxembourg Branch, as Luxembourg paying agent. We may appoint one or more other financial institutions to act as our paying agents, at whose designated offices the notes may be surrendered for payment upon their redemption, if any. We may add, replace or terminate paying agents from time to time; *provided* that we will maintain a paying agent in New York City. We may also choose to act as our own paying agent. We must notify you of changes in the paying agents as described under “—Notices.”

Payment of Additional Amounts

We are required by Mexican law to deduct Mexican withholding taxes from payments of interest, and amounts deemed interest (such as those arising from a discount in the purchase price), to holders of notes who are not residents of Mexico for tax purposes as described under “Taxation-Mexican Tax Considerations” in this offering memorandum.

We will pay to holders of the notes all additional amounts that may be necessary so that every net payment of interest or principal or premium to the holder will not be less than the amount provided for in the notes. By net payment, we mean the amount that we or our paying agent will 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 or levied with respect to that payment by Mexico or any political subdivision or taxing authority thereof or therein.

Our obligation to pay additional amounts is, however, subject to several important exceptions. We will not pay additional amounts to or on behalf of any holder or beneficial owner for or on account of any of the following:

- (i) any taxes, duties, assessments or other governmental charges imposed solely because at any time there is or was a connection between the holder and Mexico, other than being a holder (or beneficial owner) of the notes or, receiving payments, of any nature, on the notes or enforcing rights under the notes;
- (ii) any taxes, duties, assessments or other governmental charges imposed solely because the holder or any other person fails to comply with any certification, identification or other reporting requirement concerning the nationality, residence, identity or connection with Mexico of the holder or any beneficial owner of the note, if compliance is required by law, regulation or by an applicable income tax treaty to which Mexico is a party and which is in effect, as a precondition to exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and we have given the holders at least thirty (30) calendar days’ notice prior to the first payment date with respect to which such certification, identification or reporting requirement is required to the effect that holders will be required to provide such information and identification;
- (iii) any taxes, duties, assessments or other governmental charges with respect to a note presented for payment more than thirty (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 holder 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;
- (iv) any estate, inheritance, gift or other similar tax, assessment or other governmental charge imposed with respect to the notes;
- (v) any tax, duty, assessment or other governmental charge payable otherwise than by deduction or withholding from payments on the notes;

- (vi) any payment on a 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 such note;
- (vii) any tax, assessment or governmental charge that would not have been imposed but for a failure by the holder or beneficial owner (or any financial institution through which the holder or beneficial owner holds any note or through which payment on the note is made) to comply with any certification, information, identification, documentation or other reporting requirements (including entering into and complying with an agreement with the Internal Revenue Service) imposed pursuant to, or under an intergovernmental agreement entered into between the United States and the government of another country in order to implement the requirements of, Sections 1471 through 1474 of the Internal Revenue Code as in effect on the date of issuance of the notes or any successor or amended version of these provisions, to the extent such successor or amended version is not materially more onerous than these provisions as enacted on such date; and
- (viii) any combination of the items in the clauses above.

The limitations on our obligations to pay additional amounts described in item (ii) above will not apply if the provision of information, documentation or other evidence described in item (ii) above 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 applicable U.S. law and Mexican law, regulation or administrative practice, than comparable information or other reporting requirements imposed under U.S. law (including any applicable income tax treaty to which Mexico is a party and which is in effect), regulations and administrative practice.

In addition, the limitation described in item (ii) above does not require that any person, including any non-Mexican pension fund, retirement fund or financial institution, register with the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*, or the “SHCP”) or the Tax Administration Service (*Servicio de Administración Tributaria*) to establish eligibility for an exemption from, or a reduction of, Mexican withholding tax.

We will remit the full amount of any Mexican taxes withheld to the applicable Mexican taxing authorities in accordance with applicable law. We will also provide the Trustee with documentation satisfactory to the Trustee evidencing the payment of Mexican taxes in respect of which we have paid any additional amounts. We will provide copies of such documentation to the holders of the notes upon request.

In the event that additional amounts actually paid with respect to the notes pursuant to the preceding paragraphs are based on rates of deduction or withholding of withholding taxes in excess of the appropriate rate applicable to the holder of such notes, and as a result thereof such holder is entitled to make a claim for a refund or credit of such excess from the authority imposing such withholding tax, then such holder shall, by accepting such notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to us. However, by making such assignment, the holder makes no representation or warranty that we will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

Any reference in this offering memorandum, the Indenture or the notes to principal, premium, if any, interest (including any deferred interest and arrears of interest) or any other amount payable in respect of the notes by us will be deemed also to refer to any additional amounts that may be payable with respect to that amount under the obligations referred to in this subsection.

Redemption and Repurchase

We may redeem the notes in the circumstances, in the manner and at the prices described below. Unless we default in the payment of the redemption price, any redeemed notes will stop bearing interest on the redemption date, even if you do not collect your money.

“Redemption Price” means:

- (i) in the case of a Rating Methodology Event, a Tax Deductibility Event or an Accounting Event (each as defined below), either:
 - (1) a redemption price equal to 101% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls prior to the First Call Date of the notes;
 - (2) a redemption price equal to 100% of the principal amount of the notes to be redeemed, if the date fixed for redemption falls on or after the First Call Date of the notes;
- (ii) in the case of an Optional Redemption, a Withholding Tax Event or a Substantial Repurchase Event (each as defined below), a redemption price equal to 100% of the principal amount of the notes to be redeemed; or
- (iii) in the case of a Change of Control that results in a Ratings Decline (each as defined below), at a redemption price equal to 101% of the principal amount of the notes to be redeemed;

in each case, plus accrued interest (including any deferred interest and arrearages of interest) up to (but not including) the redemption date of the notes.

We may also at any time purchase notes together with their rights to interest and any other amounts relating thereto in the open market or otherwise at any price, subject to the provisions of the Indenture and applicable laws and regulations.

Optional Redemption

We have the right to redeem all, but not less than all, of the notes at our option on each Reset Date (“Optional Redemption”), at the applicable Redemption Price upon giving not less than thirty (30) and not more than sixty (60) calendar days’ irrevocable notice of redemption to the Trustee and the holders as set forth under “— Notices.”

Redemption for a Rating Methodology Event

If a Rating Methodology Event occurs with respect to the notes, we may redeem all, but not less than all, of the notes at any time at the applicable Redemption Price upon giving not less than thirty (30) and not more than sixty (60) calendar days’ irrevocable notice of redemption to the Trustee and the holders as set forth under “— Notices.”

Prior to giving such notice to the holders, we will deliver to the Trustee in a form reasonably satisfactory to the Trustee an Officer’s Certificate stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to redeem the notes in accordance with the Indenture have been satisfied, and the Trustee shall be entitled to accept and conclusively rely on the above certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein, in which event the same shall be conclusive and binding on holders of such notes.

“Officer” means the Chief Executive Officer, any Vice President, the Chief Financial Officer, the Treasurer or the Secretary who is a legal representative of the Company.

“Officer’s Certificate” means a certificate signed by an Officer.

A “Rating Methodology Event” means that we certify in a notice to the Trustee that an amendment, clarification or change has occurred in the equity credit criteria of S&P or Fitch, which amendment, clarification or change results in a lower equity credit for the notes than the then respective equity credit assigned on the Issue Date, or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time.

Redemption for Tax Deductibility Event

If a Tax Deductibility Event occurs with respect to the notes, we may redeem all, but not less than all, of the notes at any time at the applicable Redemption Price upon giving not less than thirty (30) and not more than sixty (60) calendar days' irrevocable notice of redemption to the Trustee and the holders as set forth under "—Notices."

Prior to giving such notice to the holders, we will deliver to the Trustee in a form reasonably satisfactory to the Trustee:

- (i) an Officer's Certificate stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to redeem the notes in accordance with the Indenture have been satisfied; and
- (ii) an opinion of an independent legal or tax adviser, appointed by us at our own expense, of recognized standing in Mexico to the effect that payments of interest by us in respect of the notes are no longer, or within ninety (90) calendar days of the date of that opinion will no longer be, deductible in whole or in part for corporate income tax purposes in Mexico or any political subdivision or taxing authority thereof or therein affecting taxation as a result of a Tax Law Change.

The Trustee shall be entitled to accept and conclusively rely on the above certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein in which event the same shall be conclusive and binding on the holders.

"Tax Law Change" means any amendment to, or change in, the laws (or any rules or regulations thereunder) of Mexico or any political subdivision thereof affecting taxation, or any amendment to or change in an official 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 Issue Date of the notes.

A "Tax Deductibility Event" shall be deemed to have occurred with respect to the notes if, as a result of a Tax Law Change (even if such change is not yet effective), payments of interest by us in respect of the notes are no longer, or within ninety (90) calendar days of the date of any opinion of counsel provided pursuant to the Indenture will no longer be, deductible in whole or in part for corporate income tax purposes in Mexico or any political subdivision or taxing authority thereof or therein affecting taxation, and we cannot avoid the foregoing by taking reasonable measures available to us.

Redemption for Withholding Tax Event

If, as a result of any Tax Law Change, which is announced and becomes effective on or after the date on which the notes are issued, we would be obligated, after taking such measures as we may consider reasonable 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 payments of interest and amounts deemed interest on the notes (see "—Payment of Additional Amounts" and "Taxation-Mexican Tax Considerations") (a "Withholding Tax Event"), then, at our option, all, but not less than all, of the notes may be redeemed at any time on giving not less than thirty (30) and not more than sixty (60) days' irrevocable notice of redemption to the Trustee and the holders as set forth under "—Notices," at the applicable Redemption Price; *provided, however*, that (1) no notice of redemption for tax reasons may be given earlier than ninety (90) days prior to the earliest date on which we 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 for taxation reasons, we will deliver to the Trustee:

- (i) an Officer's Certificate stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right of redemption for taxation reasons have occurred; and

- (ii) an opinion of Mexican legal counsel of recognized standing to the effect that we have or will become obligated to pay additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and conclusively rely on the above certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein in which event the same shall be conclusive and binding on the holders.

Redemption upon a Substantial Repurchase Event

In the event that at least 80% of the initial aggregate principal amount of the notes has been purchased by us or on our behalf (a “Substantial Repurchase Event”), we may redeem all, but not less than all, of the notes at any time at the applicable Redemption Price upon giving not less than thirty (30) and not more than sixty (60) calendar days’ irrevocable notice of redemption to the Trustee and the holders as set forth under “—Notices.”

Prior to giving such notice to the holders, we will deliver to the Trustee in a form reasonably satisfactory to the Trustee an Officer’s Certificate stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to redeem the notes in accordance with the Indenture have been satisfied and the Trustee shall be entitled to accept and conclusively rely on the above certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein, in which event the same shall be conclusive and binding on holders of such notes.

Redemption following an Accounting Event

If an Accounting Event occurs, we may redeem all, but not less than all, of the notes at any time at the applicable Redemption Price upon giving not less than thirty (30) and not more than sixty (60) calendar days’ irrevocable notice of redemption to the Trustee and the holders as set forth under “—Notices.”

Prior to the giving of notice of redemption of the notes following an Accounting Event pursuant to the Indenture, we will deliver to the Trustee:

- (i) an Officer’s Certificate to the effect that the Company is or at the time of the redemption will be entitled to effect such a redemption pursuant to the Indenture, and setting forth in reasonable detail the circumstances giving rise to such right of redemption; and
- (ii) a copy of the Accounting Opinion (as defined below) relating to the applicable Accounting Event, and the Trustee shall be entitled to accept and rely conclusively upon the above certificate and a copy of the Accounting Opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event the same shall be conclusive and binding on the holders.

An “Accounting Event” shall be deemed to occur if the Company has received an opinion of a recognized accounting firm of international standing (an “Accounting Opinion”) stating that, as a result of a change after the Issue Date in the accounting rules, methodology or official interpretations of the International Accounting Standards Board (“IASB”), the CNBV or similar governing body effective in Mexico, the notes, in whole or in part, must not or must no longer be recorded as “equity” pursuant to *Sofom* GAAP as in effect in Mexico or any other accounting principles applicable to us in lieu of *Sofom* GAAP.

“*Sofom* GAAP” means, collectively, the accounting criteria established by the CNBV in its General Provisions Applicable to Public Bonded Warehouses, Exchange Houses, Credit Unions and Regulated Multipurpose Financial Institutions (*Disposiciones de Carácter General Aplicables a los Almacenes Generales de Depósito, Casas de Cambio, Uniones de Crédito y Sociedades Financieras de Objeto Múltiple Reguladas* and *Disposiciones de carácter general aplicables a las Instituciones de Crédito*).

Redemption upon a Change of Control that Results in a Ratings Decline

In the event that a Change of Control occurs that results in a Ratings Decline, we may redeem the notes in whole (but not in part) at our option, at any time, at the applicable Redemption Price upon giving not less than thirty (30) and not more than sixty (60) calendar days’ irrevocable notice of redemption to the Trustee and the holders as set forth under “—Notices.”

Prior to giving such written notice to the holders, we will deliver to the Trustee an Officer's Certificate stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right to redeem the notes in accordance with the Indenture have been satisfied and the Trustee shall be entitled to accept and conclusively rely on the above certificate as sufficient evidence of the satisfaction of the conditions precedent set out above and the facts set out therein, in which event the same shall be conclusive and binding on holders of such notes.

If, in the event of a Change of Control that results in a Ratings Decline, we do not redeem the notes pursuant to the provisions described herein, we will permanently pay additional interest on the notes at a rate of 5.0% per annum. Unless the Company has redeemed the notes in connection with the occurrence of such event, the additional interest will become effective on the 90th day after the date on which a Change of Control occurs that results in a Ratings Decline. Accrued additional interest will be payable on the same dates and in the same manner as interest is generally paid on the notes.

The feature of the notes relating to a Change of Control that results in a Ratings Decline may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management.

"Change of Control" means the occurrence of one or more of the following events:

- (i) any Person or a Group other than the Permitted Holders (as defined below) 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 Company; *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 Company (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 Company 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);
- (ii) the Company consolidates with, or merges with or into, another Person, or the Company sells, conveys, assigns, transfers, leases or otherwise disposes of all or substantially all of the assets of the Company, 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 Company 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 Indenture;
- (iii) individuals who on the Issue Date constituted the board of directors of the Company, together with any new directors whose election or whose nomination for election to the board of directors by the stockholders of the Company was voted upon favorably by the Permitted Holders, cease for any reason to constitute a majority of the board of directors of the Company then in office; or
- (iv) the approval by the holders of capital stock of the Company of any plan or proposal for the liquidation or dissolution of the Company, whether or not otherwise in compliance with the provisions of the Indenture.

For purposes of this definition:

- (1) “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.
- (2) “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
- (3) 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 amount of the Voting Stock of the parent corporation.

“Permitted Holders” means (i) Rodrigo Lebois Mateos, (ii) Luis Gerardo Barroso González, (iii) a parent, brother or sister of an individual named in clauses (i) and (ii), (iv) the spouse or a former spouse of any individual named in clauses (i), (ii) or (iii), (v) the lineal descendants of any person named in clauses (i), (ii), (iii) and (iv), (vi) the estate or any guardian, custodian or other legal representative of any individual named in clauses (i), (ii) and (iii) through (v), (vii) any trust or other vehicle established principally for the benefit of any one or more of the individuals named in clauses (i), (ii) and (iii) through (vi), and (viii) any Person, including investment funds, in which a majority of the Voting Stock is owned or controlled, directly or indirectly, by any one or more of the Persons named in clauses (i) through (vii).

“Ratings Decline” means that at any time within ninety (90) days (which period shall be extended so long as the rating of our senior unsecured indebtedness is under publicly announced consideration for possible downgrade by any Rating Agency) after the earlier of the date of public notice of a Change of Control and of our intention or the intention of any person to effect a Change of Control, the then-applicable rating for our senior unsecured indebtedness is decreased or withdrawn by (i) if three Rating Agencies are making ratings for our senior unsecured indebtedness publicly available, at least two of the Rating Agencies or (ii) if two or fewer Rating Agencies are making ratings for our senior unsecured indebtedness publicly available, then any one of the Rating Agencies, by one or more categories; unless after such downgrade or withdrawal, our senior unsecured indebtedness is assigned Investment Grade ratings by at least one Rating Agency; *provided* that, in each case, any such Rating Decline results in whole or in part from a Change of Control.

“Investment Grade” means BBB- (or the equivalent) or higher by S&P, Baa3 (or the equivalent) or higher by Moody’s and BBB- (or the equivalent) or higher by Fitch, or the equivalent of such ratings by another Rating Agency.

“Rating Agency” means any of Moody’s, S&P or Fitch (or, in each case, any successor rating agency thereto).

Covenants

Holders will benefit from limited covenants contained in the Indenture including only covenants to pay the redemption price, interest, deferred interest, additional amounts and arrears of interest if and when the same become due and payable (subject to deferral) as well as the reporting requirements and merger, consolidation or sale of assets covenants below. Otherwise, there are no covenants restricting the ability of the Company or our subsidiaries to make payments, incur indebtedness, dispose of assets, issue and sell capital stock, enter into transactions with affiliates or engage in business other than our present business or any other positive or negative covenants. In addition, no negative pledge will apply to the notes.

Our failure to comply with the following provisions will not constitute an Event of Default under the Indenture.

Reporting Requirements

So long as any notes are outstanding, the Company will furnish to the Trustee:

- (i) Within one hundred twenty (120) days following the end of each of the Company'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 memorandum (after taking into consideration any changes to the business and operations of the Company after the Issue Date), consolidated audited income statements, balance sheets and cash flow statements and the related notes thereto for the Company for the two (2) 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 Company's independent auditors;
- (ii) Within sixty (60) days following the end of each of the first three (3) fiscal quarters in each of the Company's fiscal years (beginning with the fiscal quarter ended March 31, 2018), 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 Company 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);
- (iii) Upon becoming aware of any Default or Event of Default, written notice of the event which would constitute a Default or an Event of Default, its status and what action the Company is taking or proposes to take in respect thereof. In addition, the Company is required to deliver to the Trustee, within one hundred and five (105) days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous fiscal year. If a Default or Event of Default occurs, is continuing and a responsible officer of the Trustee has received written notice thereof, the Trustee must mail to each holder notice of the Default or Event of Default within 90 days after the occurrence thereof. Except in the case of a Default or Event of Default in the payment of principal of, premium, if any, or interest on any note, the Trustee may withhold notice if and so long as it in good faith determines that withholding notice is in the interests of the holders.

"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.

"GAAP" means either (i) *Sofom* GAAP, (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*) or (iii) the International Financial Reporting Standards, in each case as in effect from time to time.

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 Company 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 Exchange Act by persons who are not "affiliates" under the Securities Act.

In addition, if and so long as the notes are admitted to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, copies of such reports furnished to the Trustee will also be made available at the specified office of the paying agent in Luxembourg.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt thereof shall not constitute constructive notice of any information contained therein or determinable for information contained therein, including the Company's compliance with any of the their respective covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates).

Merger, Consolidation or Sale of Assets

Unless the following conditions are met, we may not consolidate with or merge into any other person or, directly or indirectly, transfer, convey, sell, lease or otherwise dispose of all or substantially all of our assets and properties and may not permit any person to consolidate with or merge into us:

- (i) if we are not the successor person in the transaction, the successor is organized and validly existing under the laws of Mexico or the United States or any political subdivision thereof and expressly assumes by supplemental indenture our obligations (including the obligation to pay additional amounts) under the notes or the Indenture;
- (ii) immediately after the transaction, no default under the notes has occurred and is continuing. For this purpose, "default under the notes" means an Event of Default or an event that would be an Event of Default with respect to the notes if the requirements for giving us default notice and for our default having to continue for a specific period of time were disregarded; and
- (iii) we have delivered to the Trustee an Officer's Certificate and opinion of counsel, each stating, among other things, that the transaction complies with the Indenture.

If the conditions described above are satisfied, we will not have to obtain the approval of the holders in order to merge or consolidate or to sell or otherwise dispose of our properties and assets substantially as an entirety. In addition, these conditions will apply only if we wish to merge into or consolidate with another person or sell or otherwise dispose of all or substantially all of our assets and properties. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the stock or assets of another person, any transaction that involves a change of control of our company, but in which we do not merge or consolidate, and any transaction in which we sell or otherwise dispose of less than substantially all our assets.

Events of Default

Each of the following will be an "Event of Default" with respect to the notes:

- (i) we fail to pay interest on any note within thirty (30) days after its due date; *provided* that the due date for deferred interest payments shall be the first Mandatory Payment Date following the Interest Payment Date on which such deferred interest first arose;
- (ii) we fail to pay the principal or premium, if any, of any note when due within fourteen (14) days after its due date; or
- (iii) certain events involving our liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which we are party (a "Bankruptcy Event of Default").

Remedies Upon Event of Default

The payment of the principal of the notes will be accelerated only upon the occurrence of a Bankruptcy Event of Default. Upon the occurrence of a Bankruptcy Event of Default, the entire principal amount of all the notes and any accrued interest and any additional amounts and arrears of interest will be automatically accelerated, without any action by the Trustee or any holder and any principal, interest or additional amounts will become immediately due and payable. There is no right of acceleration of the payment of principal of the notes upon the occurrence of any of the other Events of Default noted above. If an Event of Default occurs under the Indenture and is continuing, the Trustee may or, at the written request of holders of not less than 25% in principal amount of the notes and subject to the following two paragraphs, shall pursue any available remedy (excluding acceleration, except

as provided above) under the Indenture to collect the payment of due and unpaid principal of and interest on the notes, or enforce the performance of any provision of the notes or the Indenture.

If any Event of Default occurs, the Trustee will have special duties. In that situation, the Trustee will be obligated to use those of its rights and powers under the Indenture, and to use the same degree of care and skill in doing so, that a prudent person would use under the circumstances in conducting his or her own affairs.

The Trustee is not required to take any action under the Indenture at the request of any holders unless the holders offer the Trustee protection satisfactory to it, known as an indemnity, from expenses and liability. If the Trustee receives an indemnity that is satisfactory to it, the holders of a majority in principal amount of the notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the Trustee. These majority holders may also direct the Trustee in performing any other action under the Indenture with respect to the notes.

The Trustee will have exclusive right, to the fullest extent permitted under applicable law, to file in any liquidation, dissolution, winding up, reorganization, assignment for the benefit of creditors, marshaling of assets or any bankruptcy, insolvency, *concurso mercantil*, *quiebra* or similar proceeding to which we are party for the recognition of the claims of all holders of notes, and you will not be permitted to bring your own lawsuit or other formal legal action under any of these circumstances. In any other circumstance, before you bypass the Trustee and bring your own lawsuit or other formal legal action or take other steps to enforce your rights or protect your interests relating to the notes, the following must occur:

- (i) you must give the Trustee written notice that an Event of Default has occurred and the Event of Default has not been cured or waived;
- (ii) the holders of not less than 25% in principal amount of the notes must make a written request that the Trustee take action with respect to the notes because of the default and they or other holders must offer to the Trustee indemnity reasonably satisfactory to the Trustee against the cost and other liabilities of taking that action;
- (iii) the Trustee must not have taken action for sixty (60) days after the above steps have been taken; and
- (iv) during those sixty (60) days, the holders of a majority in principal amount of the notes must not have given the Trustee directions that are inconsistent with the written request of the holders of not less than 25% in principal amount of the notes;

provided that the Indenture will provide that such rights of holders and responsibilities of the Trustee are limited as described under “—Ranking of the Notes-Holders Acknowledgement of Subordination of Notes.”

Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the Trustee and how to declare or cancel an acceleration of the principal, premium, if any, or interest on the notes.

Waiver of Default

The holders of not less than a majority in principal amount of the notes may waive a past default for all the notes (after complying with the related requirements under the Indenture). If this happens, the default will be treated as if it had been cured. No one can waive a payment default on any note, however, without the approval of the particular holder of that note.

Modification and Waiver

There are three types of changes we can make to the Indenture and the notes under the Indenture.

Changes Requiring Each Holder’s Approval

The following changes cannot be made without the written approval of each holder of the outstanding notes affected by the change:

- (i) a reduction in the principal amount, the interest rate or the applicable Redemption Price for a note;
- (ii) a change in the obligation to pay additional amounts;
- (iii) a change in the currency of any payment on a note other than as permitted by the note;
- (iv) a change in the place or date of any payment on a note;
- (v) an impairment of the holder's right to sue for payment of any amount due on its note;
- (vi) a reduction in the percentage in principal amount of the notes needed to change the Indenture or the notes under the Indenture; and
- (vii) a reduction in the percentage in principal amount of the notes needed to waive our compliance with the Indenture or to waive defaults.

Changes Not Requiring Approval

Some changes will not require the approval of holders of notes. These changes are limited to specific kinds of changes, including, but not limited to, curing any ambiguity, omission, defect or inconsistency, providing for successor entities in compliance with the Indenture, issuance of additional securities and changes as determined by us that would not adversely affect the holders of notes under the Indenture in any material respect.

Changes Requiring Majority Approval

Any other change to the Indenture or the notes will be required to be approved by the holders of a majority in principal amount of the notes affected by the change or waiver. The required approval must be given by written consent.

The same majority approval will be required for us to obtain a waiver of any of our covenants in the Indenture. Our covenants include the promises we make about merging and delivering reports which we describe under "Covenants—Merger, Consolidation or Sale of Assets" and "Covenants—Reporting Requirements." If the holders approve a waiver of a covenant, we will not have to comply with it. The holders, however, cannot approve a waiver of any provision in a particular note or the Indenture, as it affects that note, that we cannot change without the approval of the holder of that note as described under "—Changes Requiring Each Holder's Approval," unless that holder approves the waiver.

Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the Indenture or the notes or request a waiver.

Special Rules for Actions by Holders

When holders take any action under the Indenture, such as giving a notice of default, declaring an acceleration, approving any change or waiver or giving the Trustee a written instruction, we will apply the following rules.

Only Outstanding Notes are Eligible for Action by Holders

Only holders of outstanding notes will be eligible to vote or participate in any action by holders. In addition, we will count only outstanding notes in determining whether the various percentage requirements for voting or taking action have been met. For these purposes, a note will not be "outstanding" if it has been surrendered for cancellation, if we have deposited or set aside, in trust for its holder, money for its payment or redemption or if such note is owned by the Company or an affiliate of the Company.

Determining Record Dates for Action by Holders

We will generally be entitled to set any day as a record date for the purpose of determining the holders that are entitled to take action under the Indenture. In some limited circumstances, only the Trustee will be entitled to set

a record date for action by holders. If we or the Trustee set a record date for an approval or other action to be taken by holders, that vote or action may be taken only by persons or entities who are holders on the record date and must be taken during the period that we specify for this purpose, or that the Trustee specifies if it sets the record date. We or the Trustee, as applicable, may shorten or lengthen this period from time to time. This period, however, may not extend beyond the 180th day after the record date for the action. In addition, record dates for any global notes may be set in accordance with procedures established by the depositary from time to time.

Transfer Agents

We may appoint one or more transfer agents, at whose designated offices any notes in certificated form may be transferred or exchanged and also surrendered before payment is made upon redemption. Initially, we have appointed the Trustee, at its corporate trust office in New York City, as transfer agent. We may also choose to act as our own transfer agent. We must notify you of changes in the transfer agent as described under “—Notices.” If we issue notes in certificated form, holders of notes in certificated form will be able to transfer their notes, in whole or in part, by surrendering the notes, with a duly completed form of transfer, for registration of transfer at the office of our transfer agent in New York City. We will not charge any fee for the registration or transfer or exchange, except that we may require the payment of a sum sufficient to cover any applicable tax or other governmental charge payable in connection with the transfer.

Listing

Application will be made to list the notes on the Official List of the Luxembourg Stock Exchange and to trade the notes on the EuroMTF Market of the Luxembourg Stock Exchange; however, the notes are not yet listed and we cannot assure the holders of the notes that they will be accepted for listing. Following the issuance of the notes, we will use our commercially reasonable efforts to obtain and maintain such admission to listing and trading; provided that if we are unable to list the notes on the Official List of the Luxembourg Stock Exchange and/or the notes do not trade on the EuroMTF Market of the Luxembourg Stock Exchange, or if as a result of any applicable rule, requirement or legislation, we would be required to publish financial information either more regularly than we otherwise would be required to or according to accounting principles which are materially different from the accounting principles that we would otherwise use to prepare our published financial information, or we determine that it is unduly burdensome to maintain a listing on the Luxembourg Stock Exchange, we may delist the notes in accordance with the rules of the Luxembourg Stock Exchange and we will use our commercially reasonable efforts to list and maintain a listing of the notes on a different section of the Luxembourg Stock Exchange or on 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 we may decide.

Notices

So long as the notes are listed on the Official List of the LSE for trading on the Euro MTF Market and it is required by the rules of such exchange, all notices to holders of notes will be published in English:

- in a leading newspaper having a general circulation in Luxembourg (which currently is expected to be *Luxemburger Wort*); or
- on the website of the LSE Exchange at <http://www.bourse.lu>.

Notices will be deemed to have been given on the date of mailing or of publication as aforesaid or, if published on different dates, on the date of the first such publication. If publication as provided above is not practicable, notices will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Governing Law

The Indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Currency Indemnity

Our obligations under the notes will be discharged only to the extent that the relevant holder is able to purchase dollars with any other currency paid to that holder in accordance with any judgment or otherwise. If the holder cannot purchase dollars, in the amount originally to be paid, we have agreed to pay the difference. The holder, however, agrees that, if the amount of dollars purchased exceeds the amount originally to be paid to such holder, the holder will reimburse the excess to us. The holder will not be obligated to make this reimbursement if we are in default of our obligations under the notes.

The indemnity described above:

- (i) constitutes a separate and independent obligation from the other obligations of the Company;
- (ii) will give rise to a separate and independent cause of action;
- (iii) will apply irrespective of any indulgence granted by any holder; and
- (iv) will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any note.

Submission to Jurisdiction

In connection with any legal action or proceeding arising out of or relating to the notes or the Indenture (subject to the exceptions described below), we have:

- (i) submitted to the jurisdiction of any U.S. federal or New York state court in the Borough of Manhattan, The City of New York, and any appellate court thereof;
- (ii) agreed that all claims in respect of such legal action or proceeding may be heard and determined in such U.S. federal or New York state court and waived, to the fullest extent permitted under applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of our place of residence or domicile; and
- (iii) appointed CT Corporation System, with an office at 111 Eighth Avenue, New York, New York 10011, United States of America, as process agent.

The process agent will receive, on our behalf, service of copies of the summons and complaint and any other process which may be served in any such legal action or proceeding brought in such New York state or U.S. federal court sitting in New York City. Service may be made by mailing or delivering a copy of such process to us at the address specified above for the process agent.

A final judgment in any of the above legal actions or proceedings will be conclusive and may be enforced in other jurisdictions, in each case, to the fullest extent permitted under the applicable laws of such jurisdiction.

In addition to the foregoing, the holders may serve legal process in any other manner permitted by applicable law.

To the extent that we have or hereafter may acquire or have attributed to us any sovereign or other immunity under any law, we have agreed to waive, to the fullest extent permitted under applicable law, such immunity from jurisdiction or to service of process in respect of any legal suit, action or proceeding arising out of or relating to the Indenture or the notes.

Our Relationship with the Trustee

The Bank of New York Mellon is initially serving as the Trustee, security registrar, paying agent and transfer agent. The Bank of New York Mellon SA/NV, Luxembourg Branch is serving as Luxembourg paying agent and transfer agent and Luxembourg listing agent. The Bank of New York Mellon and its affiliates may have other business relationships with us from time to time.

Statement of Intention

The following italicized text does not form a part of the terms of the notes or the Indenture:

We intend (without thereby assuming a legal obligation) to redeem or repurchase the notes only to the extent that the part of the aggregate principal amount of the notes to be redeemed or repurchased, which was assigned “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of the issuance of the notes, does not exceed such part of the net proceeds received by us or any of our Subsidiaries (as defined herein) during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance of securities by us or such Subsidiary to third party purchasers (other than our group entities) of securities assigned by S&P “equity credit” (or such similar nomenclature used by S&P from time to time) at the time of sale or issuance of such securities (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the notes), unless:

(i) the international rating assigned by S&P to us is at least “BB” (or such similar nomenclature as is then used by S&P) and we are of the view that such rating would not fall below this level as a result of such redemption or repurchase;

(ii) in the case of a repurchase, such repurchase is of less than (a) 10% of the aggregate principal amount of the notes originally issued in any period of twelve (12) consecutive months or (b) 25% of the aggregate principal amount of the notes originally issued in any period ten (10) consecutive years;

(iii) the notes are redeemed (a) pursuant to a Tax Deductibility Event or (b) pursuant to a Withholding Tax Event or (c) pursuant to a Rating Methodology Event that results from an amendment, clarification or change in the criteria by S&P; or

(iv) such redemption or repurchase occurs on or after the Step-up Date.

BOOK-ENTRY, DELIVERY AND FORM

The notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A (“Rule 144A notes”). Notes also may be offered and sold in offshore transactions in reliance on Regulation S (“Regulation S notes”). Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Rule 144A global notes”). Regulation S notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the “Regulation S global notes” and, together with the Rule 144A global notes, the “global notes”).

The global notes will be deposited upon issuance with the Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the “restricted period”), beneficial interests in the Regulation S global notes may be transferred to a U.S. person only in accordance with the certification requirements described below. Beneficial interests in the Rule 144A global notes may not be exchanged for beneficial interests in the Regulation S global notes at any time except in the limited circumstances described below. See “—Exchanges Between Regulation S Notes and Rule 144A Notes.”

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global notes may not be exchanged for notes in certificated form except in the limited circumstances described below. See “—Exchange of Global Notes for Certificated Notes.” Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive physical delivery of notes in certificated form.

Rule 144A notes (including beneficial interests in the Rule 144A global notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “Transfer Restrictions.” Regulation S notes will also bear the legend as described under “Transfer Restrictions.” In addition, transfers of beneficial interests in the global notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited purpose trust company created to hold securities for its participating organizations (collectively, the “participants”) and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain custodial relationship with a participant, either directly or indirectly (collectively, the “indirect participants”). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

- (1) upon deposit of the global notes, DTC will credit the accounts of participants designated by the initial purchasers with portions of the principal amount of the global notes; and
- (2) ownership of these interests in the global notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the

participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the global notes).

Investors in the global notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the global notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Euroclear and Clearstream will hold interests in the global notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Citibank, N.A., as operator of Clearstream. All interests in a global note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a global note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a global note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the global notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium and additional interest, if any, on a global note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Issuer and the Trustee will treat the persons in whose names the notes, including the global notes, are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the Trustee, the transfer agent, registrar, the paying agent nor any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interest in the global notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the global notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest) is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be our responsibility or that of DTC or the Trustee. Neither the Issuer nor the Trustee nor any of their respective agents will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and the Issuer and the Trustee and each such agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Transfer Restrictions," transfers between participants in DTC will be effected in accordance with DTC's procedures and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the

case may be, by its respective depositary; however, such cross market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counter-party in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf of delivering or receiving interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the global notes 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, if there is an event of default under the notes, DTC reserves the right to exchange the global notes for legended notes in certificated form, and to distribute such notes to its participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A global notes and the Regulation S global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Issuer nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A global note is exchangeable for definitive notes in registered certificated form (“certificated notes”) if:

- (1) DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the global notes and DTC fails to appoint a successor depositary or (b) has ceased to be a clearing agency registered under the Exchange Act;
- (2) The Issuer, at its option, notifies the Trustee in writing that it has elected to cause the issuance of the certificated notes; or
- (3) there has occurred and is continuing a Default or Event of Default with respect to the notes.

In addition, beneficial interests in a global note may be exchanged for certificated notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, certificated notes delivered in exchange for any global note or beneficial interests in global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “Transfer Restrictions,” unless that legend is not required by applicable law.

Exchanges Between Regulation S Notes and Rule 144A Notes

Beneficial interests in the Regulation S global notes may be exchanged for beneficial interests in the Rule 144A global notes during the restricted period only if:

- (1) such exchange occurs in connection with a transfer of the notes pursuant to Rule 144A; and
- (2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the notes are being transferred to a person:
- (3) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;
- (A) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

- (B) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interest in a Rule 144A global note may be transferred to a person who takes delivery in the form of an interest in the Regulation S global note, whether before or after the expiration of the restricted period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S.

Transfers involving exchanges of beneficial interests between the Regulation S global notes and the Rule 144A global notes will be effected in DTC by means of an instruction originated by the DTC participant through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S global note and a corresponding increase in the principal amount of the Rule 144A global note or vice versa, as applicable. Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and will become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other global note for so long as it remains such an interest. Transfers between Regulation S and Rule 144A notes will need to be done on a delivery free of payment basis and separate arrangements will need to be made outside of DTC for payment.

TAXATION

General

The following summary contains a description of the material U.S. and Mexican federal income tax consequences of the purchase, ownership and disposition of the notes, by holders that are non-residents of Mexico for tax purposes.

This summary is based upon federal tax laws of the United States and Mexico as in effect on the date of this offering memorandum, including the provisions of the income tax treaty between the United States and Mexico, which we refer to in this offering memorandum as the Tax Treaty, all of which are subject to change. This summary does not purport to be a comprehensive description of all the U.S. or Mexican federal tax considerations that may be relevant to a decision to purchase, hold or dispose of the notes. The summary does not address any tax consequences under the laws of any state, municipality or locality of Mexico or the United States or the laws of any taxing jurisdiction other than the federal laws of Mexico and the United States.

Prospective investors should consult their own tax advisors as to the Mexican and U.S. tax consequences of the purchase, ownership and disposition of notes, including, in particular, the effect of any foreign (non-Mexican and non-U.S.), state, municipal or local tax laws.

Mexico has also entered into or is negotiating several double taxation treaties with various countries that may have an impact on the tax treatment of the purchase, ownership or disposition of notes. Prospective purchasers of notes should consult their own tax advisors as to the tax consequences, if any, of the application of any such treaties.

Mexican Federal Tax Considerations

General

The following is a general summary of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of the notes, by holders that are not residents of Mexico for Mexican federal income tax purposes and that do not hold such notes through a permanent establishment in Mexico, to which income under the notes is attributable for tax purposes. For purposes of this summary, each such holder is referred to as a non-Mexican Holder.

This summary is based on the Mexican Income Tax Law (*Ley del Impuesto sobre la Renta*) and the Mexican Federal Tax Code (*Código Fiscal de la Federación*) in effect on the date of this offering memorandum, all of which are subject to change, possibly with retroactive effect, or to new or different interpretations, which could affect the continued validity of this general summary.

This summary does not constitute tax advice, does not address all of the Mexican tax consequences that may be applicable to specific holders of the notes and does not purport to be a comprehensive description of all the Mexican tax considerations that may be relevant to a decision to purchase, hold or dispose of the notes.

For purposes of Mexican taxation, an individual or corporation that does not satisfy the requirements to be considered as a resident of Mexico for tax purposes, as specified below, is deemed as a non-resident of Mexico for tax purposes and a non-Mexican Holder for purposes of this summary.

Tax residency is a highly technical definition that involves the application of a number of factors that are described in the Mexican Federal Tax Code and the tax treaties applicable to non-Mexican Holders. Individuals are residents of Mexico for tax purposes, if they have established their home in Mexico or if they have established their principal place of residence outside Mexico, if their core of vital interests (*centro de intereses vitales*) is located in Mexican territory. This will be deemed to occur if (i) more than 50.0% of their aggregate annual income, in any calendar year, derives from a Mexican source or (ii) the main center of their 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 their income is subject to a preferred tax regime pursuant to the provisions of the Mexican Income Tax Law, will be considered Mexican residents for tax

purposes during the fiscal year of the filing of notice of such residence change and during the following three fiscal years.

Unless otherwise proven, a Mexican national is deemed a resident of Mexico for tax purposes. An individual will also be considered a resident of Mexico for tax purposes, if such individual is a Mexican federal government employee, regardless of the location of the individual's core of vital interests.

A legal entity is a resident of Mexico if it maintains the principal administration of its business or the effective location of its management in Mexico.

If a legal entity or an individual is deemed to have a permanent establishment in Mexico for Mexican tax purposes or is deemed a resident of Mexico for tax purposes, any and all income attributable to that permanent establishment of such resident will be subject to Mexican income taxes, in accordance with applicable tax Mexican laws.

Mexico has entered into, and is negotiating, several double taxation treaties with various countries, that may affect the Mexican withholding tax liabilities applicable to Non-Mexican Holders. Prospective purchasers of the notes should consult their own tax advisers as to the tax consequences, if any, of such treaties.

Payments of Interest

Under the Mexican Income Tax Law, payments of interest on 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) made by us in respect of the notes to a non-Mexican Holder will generally be subject to Mexican withholding tax assessed at a rate of 4.9%, if, as expected, the following requirements are met (which we plan to meet):

- the issuance of the notes (including the principal characteristics of the notes) is notified to the CNBV pursuant to Article 7 of the Mexican Securities Market Law and Articles 24 Bis and 24 Bis 1 of the general regulations applicable to issuers and other market participants issued by the CNBV;
- the notes, as expected, are placed outside of Mexico through banks or broker-dealers, in a country with which Mexico has entered into a tax treaty for the avoidance of double taxation which is in effect (which currently includes the United States); and
- we timely comply with the documentation and information requirements specified from time to time by the Mexican tax authorities under their general rules, including, after completion of the transaction described in this offering memorandum, the filing with the Mexican Tax Administration Service (*Servicio de Administración Tributaria*, or "SAT") of certain information regarding the issuance of the notes and this offering memorandum.

If any of the above mentioned requirements is not met, the Mexican withholding tax applicable to interest payments or amounts deemed interest paid by us to non-Mexican Holders in respect of the notes, would be imposed at a rate of 10.0% or higher under certain circumstances.

We have agreed to pay additional amounts, that we will deem as interest, so that non-Mexican Holders receive the net amount each of them would have received, had no withholding taxes been imposed.

If the effective beneficiaries, whether acting directly or indirectly, individually or jointly with related parties, that receive more than 5% of the aggregate amount of each interest payment under the notes are (i) persons who own, directly or indirectly, individually or with related parties, 10% of our voting stock, or (ii) corporations or other entities, of which 20% or more of the voting stock is owned, directly or indirectly, jointly or severally, by persons related to us, then the Mexican withholding tax rate applicable to payments of interest under our notes will increase to the maximum applicable rate according to the Mexican Income Tax Law. For these purposes, persons will be related if:

- one person holds an interest in the business of the other person;

- both persons have common interests; or
- a third party has an interest in the business or assets of both persons.

Payments of interest on the notes made by us to non-Mexican pension and retirement funds will be exempt from Mexican withholding tax provided that:

- the applicable fund is duly incorporated pursuant to the laws of its country of residence and is the effective beneficiary of the interest payment;
- such income is exempt from taxes in its country of residence; and
- such fund is registered with the SAT, through us, in accordance with rules issued by SAT for these purposes.

Holders or beneficial owners of the notes may be requested by us or on our behalf, subject to specified exceptions and limitations, to provide certain information or documentation necessary to enable us to determine the appropriate Mexican withholding tax rate on interest payments under the notes, made by us to holders of the notes that are not residents of Mexico. Additionally, the Mexican Income Tax Law provides that, in order for a non-Mexican Holder to be entitled to the benefits under the effective treaties for the avoidance of double taxation entered into by Mexico, it is necessary for the non-Mexican Holder to meet the procedural requirements set forth in such Law. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not provided to us, or on our behalf, on a complete or timely basis our obligation to pay Additional Amounts may be limited as described under “Description of the Notes—Additional Amounts.”

Payments of Principal

Under Mexican Income Tax Law, payments of principal on the notes made by us to non-Mexican Holders will not be subject to any Mexican withholding or similar tax.

Taxation of Capital Gains

Under the Mexican Income Tax Law, capital gains resulting from the sale or other disposition of the notes by a non-Mexican Holder to another holder of the notes that is not a resident of Mexico, will not be subject to Mexican withholding taxes. However, gains resulting from the sale of the notes by a holder of the notes that is not resident of Mexico to a Mexican resident for tax purposes or to a foreign holder deemed to have a permanent establishment in Mexico for tax purposes, will be subject to Mexican federal income or other taxes pursuant to the rules described above applicable to interest payments, in respect of the difference between the nominal value (or the face value) or the acquisition price of the notes and the price obtained upon sale by the seller, and any such withholding taxes will not benefit from our obligations to pay Additional Amounts, except in the case of a redemption by us.

Other Mexican Taxes

Under current Mexican tax laws, generally there are no estate, inheritance, succession or gift taxes applicable to the purchase, ownership or disposition of the notes by a holder of the notes that is not resident of Mexico. Gratuitous transfers of the notes in certain circumstances may result in the imposition of a Mexican federal tax upon the recipient. There are no Mexican stamp, issuer registration or similar taxes or duties payable by foreign holders of the notes with respect to the notes.

U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes. Except as otherwise indicated, this discussion applies only to beneficial owners of notes who are “U.S. Holders” (as defined below) who hold such notes as capital assets for U.S. federal income tax purposes (generally, property held for investment). This discussion is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing final, temporary and proposed U.S. Treasury

Regulations, administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”) and judicial decisions, all as are currently in effect and all of which are subject to change (possibly on a retroactive basis) and to differing interpretations.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular holder. In addition, this discussion does not address tax consequences that may be relevant to U.S. Holders subject to special U.S. federal income tax treatment including:

- insurance companies;
- tax-exempt organizations;
- broker-dealers;
- traders in securities that elect to mark-to-market;
- banks or other financial institutions;
- partnerships or other pass-through entities;
- real estate investment trusts and regulated investment companies;
- persons whose functional currency is not the U.S. Dollar;
- U.S. expatriates;
- persons who hold our notes as part of a hedge, straddle or conversion transaction; or
- persons who own, directly, indirectly or by attribution, 10% or more of the total combined voting power or value of our equity.

This discussion does not address any U.S. federal alternative minimum tax consequences, any U.S. federal estate or gift tax consequences, any state or local tax consequences, or any non-U.S. tax consequences of the acquisition, ownership or disposition of our notes. You should consult your tax advisor regarding the U.S. federal, state, local and non-U.S. tax consequences to you of the acquisition, ownership and disposition of our notes based on your particular circumstances.

You are a “U.S. Holder” if you are a beneficial owner of our notes and for U.S. federal income tax purposes, you are:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our notes, the tax treatment of a partner in such partnership will generally depend upon the status of the partner and the activities of the partnership. Partners or partnerships considering an investment in our notes should consult their tax advisors as to the U.S. federal, state, local and non-U.S. tax consequences to them of the acquisition, ownership and disposition of our notes.

U.S. Federal Income Tax Characterization of the Notes

Because the notes are perpetual with no fixed final maturity date, and because we may defer payment of interest on the notes, the notes should be treated as equity for U.S. federal income tax purposes.

Passive Foreign Investment Companies

Special adverse U.S. federal income tax rules apply to U.S. persons owning shares of a passive foreign investment company, or PFIC. A non-U.S. entity treated as a corporation for U.S. federal income tax purposes generally will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules with respect to certain subsidiaries, either:

- at least 75% of its gross income is “passive income,” or
- on average, at least 50% of the value of its assets is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes, among other things, interest, dividends, gains from the disposition of assets that produce passive income and gains from commodities transactions. Based on certain estimates of our gross income and gross assets and the nature of our business, there is a strong likelihood that we will be classified as a PFIC for the current taxable year and for future taxable years. If we are a PFIC for any taxable year in which a U.S. Holder holds our notes (as we expect will be the case), absent such U.S. Holder validly making one of the elections discussed below, a U.S. Holder will be subject to special adverse tax rules with respect to (i) “excess distributions” received on our notes and (ii) any gain recognized upon a sale or other disposition (including a pledge) of our notes. Excess distributions are distributions, including distributions that may not be dividends for U.S. federal income tax purposes, received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder’s holding period for its notes. Under these special tax rules, (a) the excess distribution or gain will be allocated ratably over the U.S. Holder’s holding period for its notes, (b) the amount allocated to the current taxable year and any year prior to our becoming a PFIC will be treated as ordinary income, and (c) the amount allocated to each other taxable year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax) will be imposed on the resulting tax attributable to each such year.

QEF Election. A U.S. Holder could avoid the adverse PFIC tax consequences described above by making a “qualified electing fund,” or QEF, election. If a U.S. Holder makes this election, such holder would be taxed currently on its proportionate share of our ordinary income and net capital gains, but any gain subsequently recognized by the holder upon a sale or other taxable disposition of its notes generally would be taxed as capital gain as described below under “—Sale, Exchange or Other Taxable Disposition of Notes.” We intend to provide each U.S. Holder of the notes a PFIC Annual Information Statement that reflects, to the extent reasonable based on our earnings and profits, an amount equivalent to the stated coupon on the notes for such year as ordinary income so that each such U.S. Holder is able to make a QEF election.

If we are a PFIC and we have any direct, and in certain circumstances, indirect subsidiaries that are PFICs (each a “Subsidiary PFIC”), a U.S. Holder will be treated as owning its pro rata share of the stock of each such Subsidiary PFIC and will be subject to the PFIC rules with respect to each such Subsidiary PFIC. However, it is not clear how the PFIC rules would apply to a U.S. shareholder that owns a limited preferred interest in a PFIC that owns subsidiaries that are PFICs. We do not intend to comply with the necessary accounting and record keeping requirements that would allow a U.S. Holder to make a QEF election with respect to any Subsidiary PFIC.

Mark-to-Market Election. A U.S. Holder can also avoid the adverse PFIC tax consequences described above by making an election to include gain or loss on its notes in its U.S. federal taxable income under a mark-to-market method of accounting, provided that the notes are “marketable stock” for purposes of the PFIC rules. We do not expect that our notes will be (or will remain) treated as marketable stock for purposes of the PFIC rules and accordingly, do not expect that the mark-to-market election will be available to U.S. Holders in respect of the notes.

The rules dealing with PFICs are complex and are affected by various factors in addition to those described above. U.S. Holders are urged to consult their tax advisors regarding the PFIC rules in connection with their acquisition, ownership and disposition of our notes.

PFIC Reporting Requirements. Subject to certain exceptions, a U.S. Holder is required to file an annual information return, currently on Form 8621, with respect to each PFIC in which it owns an interest directly or, in some cases, indirectly (including through certain pass-through entities), and the statute of limitations for collections may be suspended if it does not file such form. However, we may be unable to provide investors in the notes with the information necessary to comply with reporting obligations with respect to any Subsidiary PFICs. U.S. Holders should consult their own tax advisors regarding the PFIC reporting requirements.

Taxation of Payments on the Notes

Subject to the discussion above under “—Passive Foreign Investment Companies,” payments of stated interest on the notes (including any Mexican tax withheld and Additional Amounts paid in respect thereof) will be treated as distributions on our stock and as dividends to the extent paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles). We do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles, so it is expected that distributions paid to U.S. Holders will generally be reported as dividends.

Payments on the notes that are treated as dividends for U.S. tax purposes generally will not be eligible for the dividends received deduction available under the Code for certain corporate U.S. Holders. Dividends received by non-corporate U.S. Holders of qualified foreign corporations are subject to U.S. federal income tax at lower rates than other types of ordinary income if certain conditions are met. However, non-corporate U.S. Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. As discussed above, we expect that we will be classified as a PFIC for the current and future years. Therefore, we do not expect that dividends we pay will be entitled to such reduced rates. You should consult your own tax advisors regarding the application of this legislation to your particular circumstances.

A U.S. Holder will be entitled, subject to a number of complex limitations and conditions, to claim a U.S. foreign tax credit in respect of Mexican withholding taxes imposed on dividends on the notes (but at a rate not exceeding the applicable rate provided by the Tax Treaty). U.S. Holders who do not elect to claim a credit for any foreign taxes paid during the taxable year may instead claim a deduction in respect of such Mexican withholding taxes, provided that the U.S. Holder elects to deduct all foreign taxes paid or accrued for the taxable year. Dividends received with respect to our notes will be treated as foreign source income and will generally constitute passive category income for purposes of the foreign tax credit. Further, in certain circumstances, if you have held our notes for less than a specified period during which you are not protected from risk of loss, or are obligated to make payments related to the dividends, you may not be allowed a foreign tax credit for foreign taxes imposed on dividends paid on our notes. The rules governing the application of the U.S. foreign tax credit are extremely complex and you are urged to consult your tax advisor regarding the availability of the foreign tax credit to you based on your particular circumstances.

Sale, Exchange or Other Taxable Disposition of Notes

Subject to the discussion above under “—Passive Foreign Investment Companies,” a U.S. Holder generally will recognize gain or loss upon a sale, exchange or other taxable disposition of our notes measured by the difference between the amount realized on the sale, exchange or other taxable disposition of our notes and the U.S. Holder’s adjusted tax basis in our notes. Any such gain or loss recognized will generally be capital gain or loss (provided that, if we are a PFIC, a QEF election is made) and will be long-term capital gain or loss if our notes have been held for more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

If a Mexican income tax is withheld on the sale or other disposition of our notes, your amount realized will include the gross amount of the proceeds of that sale or other disposition before deduction of the Mexican income tax. Capital gain or loss, if any, realized by you on the sale, exchange or other taxable disposition of our notes

generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, in the case of gain from the disposition of our notes that is subject to Mexican income tax, you may not be able to benefit from the foreign tax credit for that Mexican income tax (i.e., because the gain from the disposition would be U.S. source), unless you can apply the credit (subject to applicable limitations) against U.S. federal income tax payable on other income from foreign sources or you are entitled to treat such gain as Mexican source under the Tax Treaty if you are considered a resident of the United States for purposes of, and otherwise meet the requirements of, the Tax Treaty. Alternatively, you may take a deduction for the Mexican income tax if you do not take a credit for any foreign taxes paid or accrued during the taxable year. The rules governing the application of the U.S. foreign tax credit are extremely complex and you are urged to consult your tax advisor regarding the availability of the foreign tax credit to you based on your particular circumstances.

Net Investment Income Tax

Certain U.S. Holders who are individuals, estates and trusts will be subject to a 3.8% tax on some or all of their “net investment income.” Net investment income generally includes gross income from dividends and gains from the sale of property (unless such income is derived in the ordinary course of a trade or business other than a trade or business that consists of certain passive or trading activities). U.S. Holders that are individuals, estates, or trusts should consult their own tax advisors regarding the applicability of this additional tax.

Information Reporting and Backup Withholding

Information returns may be filed with the IRS in connection with payments in respect of our notes and proceeds from the sale or other disposition of our notes unless an exemption applies. U.S. Holders that fail to establish an exemption from information reporting may also be subject to backup withholding if they fail to provide a correct U.S. taxpayer identification number (or certification of other exempt status) or comply with any other applicable certification procedures. The amount of any backup withholding will be allowed as a credit against a U.S. Holder’s U.S. federal income tax liability and may entitle a U.S. Holder to a refund to the extent the withheld tax exceeds such U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Specified Foreign Financial Assets

U.S. Holders are required to report information with respect to their investments in certain “foreign financial assets” to the IRS, which would include an investment in our notes not held through a custodial account with a U.S. financial institution. Investors who fail to report required information could become subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors are encouraged to consult their tax advisors regarding the possible implications of this reporting requirement on their investment in our notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement dated the date of this offering memorandum among us and the initial purchasers, we have agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from us the principal amount of notes set forth opposite its name below.

Initial Purchasers	Principal Amount of Notes
Barclays Capital Inc.....	U.S.\$ 62,500,000
Citigroup Global Markets Inc.....	U.S.\$ 62,500,000
Morgan Stanley & Co. LLC	U.S.\$ 62,500,000
Scotia Capital (USA) Inc.....	U.S.\$ 62,500,000
Total	<u>U.S.\$ 250,000,000</u>

Subject to the terms and conditions set forth in the purchase agreement, the initial purchasers have agreed, severally and not jointly, to purchase all of the notes sold under the purchase agreement if any of these notes are purchased. The initial purchasers may offer and sell the notes through certain of their affiliates. If an initial purchaser defaults, the purchase agreement provides that the purchase commitments of the non-defaulting initial purchasers may be increased, the commitments of the defaulting initial purchaser may be assumed by other persons satisfactory to us or the purchase agreement may be terminated.

We have agreed to indemnify the several initial purchasers and their controlling persons against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments the initial purchasers may be required to make in respect of those liabilities.

The initial purchasers are offering the notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the notes and other conditions contained in the purchase agreement, such as the receipt by the initial purchasers of officer's certificates and legal opinions. The initial purchasers reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The initial purchasers have advised us that they propose initially to offer the notes at the offering price set forth on the cover page of this offering memorandum. After the initial offering, the offering price or any other term of the offering may be changed.

Notes Are Not Being Registered

The notes have not been, and will not be, registered under the Securities Act or any state securities laws. The initial purchasers propose to offer the notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The initial purchasers will not offer or sell the notes except to persons they reasonably believe to be qualified institutional buyers or pursuant to offers and sales that occur outside of the United States pursuant to Regulation S. In addition, until 40 days following the commencement of this offering, an offer or sale of notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. Each purchaser of the notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

The notes have not been registered in Mexico with the RNV maintained by the CNBV. Accordingly, the notes may not be offered or sold in Mexico, absent an available registration exemption under the Mexican Securities Market Law. We will notify the CNBV of the terms and conditions of this offering of the notes outside of Mexico. Such notice will be submitted for informational purposes only to the CNBV to comply with Article 7, second paragraph, of the Mexican Securities Market Law and regulations thereunder. The delivery to, and 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 set forth in this offering memorandum. This offering memorandum is solely our responsibility and has not been reviewed or authorized by the CNBV, and may not be publicly distributed in Mexico.

New Issue of Notes

The notes are a new issue of securities with no established trading market. We do not intend to apply for listing of the notes on any U.S. national securities exchange. Application is expected to be made to admit the notes to listing on the Official List of the Luxembourg Stock Exchange and to trading on the EuroMTF Market of the Luxembourg Stock Exchange. However, we cannot assure you that the listing application will be approved. We have been advised by the initial purchasers that they presently intend to make a market in the notes after completion of the offering. However, they are under no obligation to do so, and may discontinue any market-making activities at any time without any notice. We cannot assure the liquidity of the trading market for the notes. If an active trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. If the notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

We expect that delivery of the notes will be made to investors on or about January 29, 2018, which will be the third business day following the date of this offering memorandum (such settlement being referred to as “T+3”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes prior to the delivery of the notes hereunder may be required, by virtue of the fact that the notes initially settle in T+3, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their advisors.

No Sales of Similar Securities

We have agreed that we will not, for a period of 30 days after the date of this offering memorandum, without first obtaining the prior written consent of each initial purchaser, directly or indirectly, (i) offer, sell, issue, contract to sell, pledge or otherwise dispose, (ii) grant any option, right or warrant to purchase, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position or (v) file with the SEC a registration statement under the Securities Act, in each case in respect of any U.S. dollar-denominated debt securities having a maturity of more than one year from the date of issue or securities exchangeable for, or convertible into, such securities issued or guaranteed by us and sold in the international capital markets, except for certain customary exceptions, including the notes sold to the initial purchasers pursuant to the purchase agreement.

Short Positions

In connection with the offering, the initial purchasers may purchase and sell the notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the initial purchasers of a greater principal amount of notes than they are required to purchase in the offering. The initial purchasers must close out any short position by purchasing notes in the open market. A short position is more likely to be created if the initial purchasers are concerned that there may be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, purchases by the initial purchasers to cover the syndicate short sales may have the effect of raising or maintaining the market price of the notes, or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market.

Neither we nor any of the initial purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor any of the initial purchasers make any representation that the initial purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Certain Relationships

Some of the initial purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. In particular, certain of the initial purchasers or their affiliates are lenders under certain of our credit facilities, including bilateral credit facilities and facilities through lease securitizations and receivables transactions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, certain of the initial purchasers or their affiliates are counterparties to several of our derivative transactions.

In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates may hedge their credit exposure to us, consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to customers that they acquire, long and/or short positions in such securities and instruments.

Sales Outside the United States

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

Notice to Prospective Investors in European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), an offer to the public of any notes which are the subject of the offering contemplated by this offering memorandum may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any notes may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant initial purchaser or initial purchasers nominated by the issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of notes shall result in a requirement for the publication by us or any representative or the initial purchasers of a prospectus pursuant to Article 3 of the Prospectus Directive.

Any person making or intending to make any offer of notes within the EEA should only do so in circumstances in which no obligation arises for us or any of the initial purchasers to produce a prospectus for such offer. Neither we nor the initial purchasers have authorized, nor do they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the initial purchasers which constitute the final offering of notes contemplated in this offering memorandum.

For the purposes of this provision, and your representation below, the expression an “offer 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 any 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 Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offer of notes contemplated by this offering memorandum will be deemed to have represented, warranted and agreed to and with us and each initial purchaser that:

- (a) it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- (b) in the case of any notes acquired by it as a financial intermediary, as that terms used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than “qualified investors” (as defined in the Prospectus Directive) or in circumstances in which the prior consent of the initial purchasers has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.

Prohibition of Sales to EEA Retail Investors

Each Agent has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “offer” includes 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.

Notice to Prospective Investors in United Kingdom

In the United Kingdom, this offering memorandum is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this offering memorandum relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or the rules of any other stock exchange or regulated trading facility in Switzerland, and neither this offering memorandum nor any other offering or marketing material relating to the notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Hong Kong

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act. No. 25 of 1948, as amended; the FIEA), and the initial purchasers have represented and agreed that they will not offer or sell any notes, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Prospective Investors in Singapore

Each initial purchaser has acknowledged that this offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore and the notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, nor be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore or

the SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the securities under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers and Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Canada

The notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Brazil

The offer of notes described in this offering memorandum will not be carried out by any means that would constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets under Federal Law No. 6,385, of December 7, 1976, as amended, and under Rule (*Instrução*) No. 400, of December 29, 2003, as amended, of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or the "CVM"). The offer and sale of the notes have not been and will not be registered with the CVM in Brazil. Any public offering or distribution, as defined under Brazilian laws and regulations, of securities in Brazil is not legal without such prior registration with the CVM or is exempted. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, as the offering of the notes is not a public offering of securities in Brazil, nor may they be used in connection with any offer for sale of the notes to the public in Brazil. This offering memorandum is confidential and addressed to you personally, for your sole benefit, and is not to be

transmitted to anyone else, to be relied upon by anyone else or for any other purpose either quoted or referred to in any other public or private document or to be filed with anyone without our prior, express and written consent.

Notice to Prospective Investors in Luxembourg

The notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and, neither this offering memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, the Grand Duchy of Luxembourg, except for the sole purpose of the admission to trading and listing of the notes on the Official List of the Luxembourg Stock Exchange and except in circumstances which do not constitute a public offer of securities to the public.

Notice to Prospective Investors in Colombia

The notes have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the notes may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

The offering memorandum is for the sole and exclusive use of the addressee as an offeree in Colombia, and the offering memorandum shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

The recipient of the notes acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the notes being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

Notice to Prospective Investors in Dubai

In the Dubai International Financial Centre (the “DIFC”), the notes have not been and are not being, publicly offered, sold, promoted or advertised other than in compliance with the laws of the DIFC and applicable rules of the Dubai Financial Services Authority (the “DFSA”). No offer of the notes shall be made to any person in or from the DIFC unless such offer is

- (1) an “Exempt Offer” for the purposes of the Markets Rules (“MKT”) module of the DFSA Rulebook; and
- (2) made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the Conduct of Business module of the DFSA Rulebook.

This document has not been and will not be filed with the DFSA or with any other authority in the DIFC and no such authority assumes any liability for its contents.

Notice to Prospective Investors in Ireland

Each initial purchaser has represented, warranted and agreed (and each additional initial purchaser appointed under the offering will be required to represent, warrant and agree) that:

- (1) it will not offer, underwrite the issue of, or place, the notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;
- (2) it will not offer, underwrite the issue of, or place, the notes, otherwise than in conformity with the provisions of the Central Banks Acts 1942 to 2011 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;

- (3) it will not offer, underwrite the issue of, or place, or do anything in Ireland in respect of the Securities otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland (the “Central Bank”);
- (4) it will not offer, underwrite the issue of, place, or otherwise act in Ireland in respect of the notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank; and
- (5) no notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank.

Notice to Prospective Investors in Italy

The offering of the notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation. Accordingly, each initial purchaser has represented and agreed that it has not offered, sold or delivered, directly or indirectly, any notes to the public in the Republic of Italy.

For the purposes of this provision, the expression “offer of notes to the public” in Italy 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, including the placement through authorized intermediaries.

Each initial purchaser has represented and agreed that it will not offer, sell or deliver, directly or indirectly, any note or distribute copies of this offering memorandum or of any other document relating to the notes in the Republic of Italy except:

- (1) to qualified investors (*investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of February 24, 1998, as amended (the “Italian Financial Act”), as implemented by Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (“Regulation No. 16190”), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended (“Regulation No. 11971”); or
- (2) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and its implementing CONSOB regulations including Regulation No. 11971.

Any such offer, sale or delivery of the notes or distribution of copies of the offering memorandum or any other document relating to the notes in the Republic of Italy must be in compliance with the selling restriction under (1) and (2) above and:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 16190, Legislative Decree No. 385 of September 1, 1993 as amended (the “Banking Act”) and any other applicable laws or regulation;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

Any investor purchasing the notes is solely responsible for ensuring that any offer, sale, delivery or resale of the notes by such investor occurs in compliance with applicable Italian laws and regulations.

Notice to Prospective Investors in Peru

Neither this offering memorandum nor the notes have been registered with the Peruvian Securities Market Regulator (*Superintendencia del Mercado de Valores*). Accordingly, each initial purchaser has further represented and agreed, and each further initial purchaser appointed under the offering will be required to represent and agree, that it and each of its affiliates has not offered or sold, and will not offer or sell, any notes in Peru except that they may offer notes in circumstances which do not constitute a public offering under Peruvian laws and regulations.

The notes will not be registered in the *Registro Público del Mercado de Valores*. As a result, the offering of the notes is limited to the restrictions set forth in the Peruvian Securities Market Law. Holders of the notes are not permitted to transfer the notes in Peru unless said transfer involves an institutional investor or the notes are previously registered in the *Registro Público del Mercado de Valores*.

Notice to Prospective Investors in Chile

The offer of the notes is subject to General Rule No. 336 issued by the *Superintendencia de Valores y Seguros de Chile* (Chilean Securities and Insurance Superintendency or “SVS”). The commencement date of this offering is the one contained in the cover pages of this offering memorandum. The notes will not be registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the SVS and will not be subject to the supervision of the SVS. As unregistered securities, the Company has no obligation to deliver/disclose public information about the notes in Chile. The notes cannot and will not be publicly offered in Chile unless registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the SVS. If the notes are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the SVS, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities under Chilean law.

“La oferta de los valores se acoge a la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros o “SVS”. La fecha de inicio de la presente oferta es la indicada en la portada de este offering memorandum. Los valores no estarán inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, y tales valores no estarán sujetos a la fiscalización de la SVS. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Los valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores o el Registro de Valores Extranjeros que lleva la SVS. Si los valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General N°336 de la SVS, una excepción a la obligación de inscripción, o en circunstancias que no constituyan una oferta pública de valores en Chile de conformidad a la ley chilena.”

TRANSFER RESTRICTIONS

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 pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the notes are being offered hereby only (a) to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act), or QIBs, in compliance with Rule 144A under the Securities Act and (b) in offers and sales that occur outside the United States to persons other than U.S. persons (“non-U.S. purchasers,” which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)), in offshore transactions meeting the requirements of Rule 903 of Regulation S. As used herein, the terms “offshore transactions,” “United States” and “U.S. person” have the respective meanings given to them in Regulation S.

Each purchaser of notes will be deemed to have represented and agreed with us and the initial purchasers as follows:

- (1) It is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is (a) a QIB, and is aware that the sale to it is being made in reliance on Rule 144A under the Securities Act or (b) a non-U.S. purchaser that is outside the United States (or a non-U.S. purchaser that is a dealer or other fiduciary as referred to above);
- (2) It understands that the notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the notes have not been and will not be registered under the Securities Act, and that the notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except as set forth below;
- (3) It shall not resell or otherwise transfer any of such notes except:
 - to the Company or any of its subsidiaries;
 - pursuant to a registration statement which has been declared effective under the Securities Act;
 - within the United States to a QIB in compliance with Rule 144A under the Securities Act;
 - outside the United States to non-U.S. purchasers in offshore transactions meeting the requirements of Rule 903 or Rule 904 of Regulation S under the Securities Act; or
 - pursuant to another available exemption from the registration requirements of the Securities Act;
- (4) It agrees that it will give notice of any restrictions on transfer of such notes to each person to whom it transfers the notes;
- (5) It understands that the certificates evidencing the notes (other than the Regulation S global notes) will bear a legend substantially to the following effect unless otherwise determined by us:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE OR OTHER SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT, AND ANY ACCOUNT FOR WHICH IT IS ACTING, (A) IS A “QUALIFIED INSTITUTIONAL BUYER” (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT) OR (B) IS NOT A U.S. PERSON AND

IS ACQUIRING THIS SECURITY IN AN “OFFSHORE TRANSACTION” PURSUANT TO RULE 903 OR 904 OF REGULATION S AND, WITH RESPECT TO (A) AND (B), EXERCISES SOLE INVESTMENT DISCRETION WITH RESPECT TO SUCH ACCOUNT, (2) AGREES FOR THE BENEFIT OF THE COMPANY THAT IT WILL NOT OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY OR ANY BENEFICIAL INTEREST HEREIN, EXCEPT (A) (I) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (II) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BECOME EFFECTIVE UNDER THE SECURITIES ACT, (III) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (IV) IN AN OFFSHORE TRANSACTION COMPLYING WITH THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE), AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES” AND “U.S. PERSON” HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH PARAGRAPH 2A(V) ABOVE, THE COMPANY RESERVES THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND SHALL ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

- (6) If it is a non-U.S. purchaser acquiring a beneficial interest in a Regulation S global note offered pursuant to this offering memorandum, it acknowledges and agrees that, until the expiration of the 40-day “distribution compliance period” within the meaning of Regulation S, any offer, sale, pledge or other transfer shall not be made by it in the United States or to, or for the account or benefit of, a U.S. person, except pursuant to Rule 144A to a QIB taking delivery thereof in the form of a beneficial interest in a U.S. global note, and that each Regulation S global note will contain a legend to substantially the following effect:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY STATE OR OTHER SECURITIES LAWS. PRIOR TO EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S (“REGULATION S”)), UNDER THE SECURITIES ACT, THIS SECURITY MAY NOT BE REOFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S), EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE REFERRED TO HEREIN.

- (7) It acknowledges that the foregoing restrictions apply to holders of beneficial interests in the notes, as well as holders of the notes;
- (8) It acknowledges that the Company will not be required to accept for registration of transfer any notes acquired by it, except upon presentation of evidence satisfactory to the Company that the restrictions set forth herein have been complied with; and
- (9) It acknowledges that the Company, the Trustee, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the notes are no longer accurate, it shall promptly notify the Company, the Trustee

and the initial purchasers. If it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are organized as a non-regulated multiple purpose financial company in the form of a publicly traded company with variable capital stock (*sociedad anónima bursátil de capital variable, sociedad financiera de objeto múltiple, entidad no regulada*) under the laws of Mexico. All of our directors, executive officers and controlling persons named herein are non-residents of the United States and substantially all of the assets of such non-resident persons and substantially 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 upon such persons or us or to enforce against them or us in courts of any jurisdiction outside Mexico, judgments predicated upon the laws of any such jurisdiction, including any judgment predicated substantially upon the civil liability provisions of United States federal and state securities laws.

No treaty exists between the United States and Mexico for the reciprocal enforcement of foreign judgments. 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, there is doubt as to the enforceability, in original actions in Mexican courts, 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 on the civil liability provisions of U.S. federal securities laws.

LEGAL MATTERS

The validity of the notes will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, our United States counsel, and for the initial purchasers by Skadden, Arps, Slate, Meagher & Flom LLP, United States counsel to the initial purchasers. Certain matters of Mexican law relating to the notes will be passed upon for us by Mancera, S.C., our Mexican counsel, and Galicia Abogados, S.C., Mexican counsel to the initial purchasers.

INDEPENDENT ACCOUNTANTS

The Audited Financial Statements as of December 31, 2016, 2015 and 2014, and for the three years ended December 31, 2016 included in this offering memorandum, have been audited by PricewaterhouseCoopers, S.C., independent accountants as stated in their report appearing herein.

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***Unifin Financiera, S. A. B. de C. V., Sociedad
Financiera de Objeto Múltiple, Entidad No
Regulada and subsidiaries***

Audited Consolidated Financial Statements
December 31, 2016, 2015 and 2014

Report of Independent Auditors

To the Shareholders of
Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad no Regulada

Opinion

We have audited the consolidated financial statements of Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and its subsidiaries (Company), which comprise the consolidated balance sheets as of December, 31, 2016, 2015 and 2014 and the related consolidated statements of income, of changes in stockholders' equity and of cash flows for the years then ended and the notes to the consolidated financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Company as at December 31, 2016, 2015 and 2014 and for the years ended, are prepared, in all material respects, in accordance with the accounting standards applicable to multiple purpose financial entities regulated in Mexico, issued by the National Banking and Securities Commission (CNBV, by its initials in Spanish).

Basis for opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company in accordance with the Ethics Standards of Mexican Institute of Public accountants, together with other requirements applicable to our audit in Mexico. We have fulfilled our other ethical responsibilities in accordance with those requirements and standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

Allowance for credit risk

As mentioned in Notes 3.g and 7, the allowance for credit risk of Ps196 million is based on an expected loss model for the following twelve months and is determined according to the Company's internal methodology that is based on the regulations for classification and credit rating defined by CNBV for lending institutions. This methodology involves identifying the probability of default, the severity of loss and the default exposure of each type of loan. For the aforementioned identification, these regulations establish a method for rating and classifying the different types of loan portfolios, including a number of qualitative and quantitative factors, such as: i) in relation to consumer loans (car loans), the possibility of default, potential losses, credit risk and guarantees received and ii) in relation to commercial loans, the regulations focus on the assessment of the debtor's capacity to repay the loan (including country, financial and industry risk and payment experience), as well as the assessment of the respective guarantees.

We have focused on this caption in our audit due to the significance of the book value of the loan portfolio and the related allowance for credit risk, and because the process for determining the allowance for credit risk involves different input data, as described in the preceding paragraph.

In particular, we focused our audit effort on: i) the integrity and accuracy of key input data used in the models, such as: payment experience, days of arrears, amounts due, guarantees, credit historical information, quitclaims, penalties, restructurings, and financial information, among others, and ii) the compliance with the applicable methodology.

How our audit addressed the issue

Our audit also included the following procedures:

- We evaluated and considered the design and operating effectiveness of the controls related to the process for classifying and rating the loan portfolio, mainly considering those related to the model and accuracy and integrity of key input data used to determine the allowance and the data transferred from source systems to the general ledger.
- We tested on a sample basis key input data as follows:
 - Amount due and days of arrears, were compared with the portfolio system.
 - Credit historical information, quitclaims, penalties and restructurings with other financial institutions were compared with credit bureau report.
 - Fair value of the guarantees granted to the Company by borrowers was compared with the valuation obtained by Management from an independent third party.
 - Recent borrower financial information was compared against the financial statements used at the rating date.
 - Own quitclaims, penalties and restructurings were compared with agreements with clients indicating the new credit conditions approved by corresponding levels of authorization.
 - With the assistance of our experts, we independently reperformed the calculation of the allowance considering the Company's internal methodology and the aforementioned input data.

Other information

Management is responsible for the other information. The other information comprises in the offering memorandum presented to the initial purchases outside United States, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated and issue the report on offering memorandum. If, based on the work we have performed, we conclude that there is a material misstatement on this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and of those charged with Governance for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with accounting standards applicable to multiple purpose financial entities regulated in Mexico issued by CNBV and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and subsidiaries audit. We remain solely responsible for our audit opinion.

We communicate with those charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with Governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Nicolás Germán Ramírez.

PricewaterhouseCoopers, S. C.

A handwritten signature in black ink, appearing to read "Nicolás Germán Ramírez", written over a horizontal line.

Nicolás Germán Ramírez
Audit Partner

Mexico City, May 3, 2017

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Balance Sheets

(Notes 1, 2, 3, 4 and 21)

Thousands of Mexican pesos

	December 31,			December 31,	
Assets	2016	2015	Liabilities and Stockholders' Equity	2016	2015
Cash and cash equivalents (Note 5)	Ps 1,678,896	Ps 1,457,795	Liabilities:	Ps 288,173	Ps 192,328
Derivatives held for trade (Note 6)	3,886,319	2,141,926	Debt securities (Note 12)	21,291,700	13,356,771
Performing loans portfolio (Note 7):			Short-term		
Commercial loans	7,649,047	5,174,059	Long-term	21,579,873	13,549,099
Consumer loans	1,172,361	428,628			
Total performing loans portfolio	8,821,408	5,602,687	Bank borrowings and loans from other entities (Note 13):		
Past due loans portfolio (Note 7):			Short term	6,445,413	4,716,730
Commercial loans	177,583	110,867	Long term	1,897,236	780,559
Total past due loans portfolio	177,583	110,867	Other accounts payable:	8,342,649	5,497,289
Total loans portfolio	8,998,991	5,713,554	Income tax payable (Note 16)	313,996	30,679
Less:			Sundry creditors and other accounts payable (Note 14)	5,427,506	1,367,513
Loan loss reserve (Note 7)	(196,374)	(114,237)		5,741,502	1,398,192
Loans portfolio - Net	8,802,617	5,599,317	Deferred credits and advance collections (Note 3f.)	445,688	238,596
Other accounts receivable - Net (Note 8)	1,140,811	282,041	Total liabilities	36,109,712	20,683,176
Foreclosed assets - Net (Note 9)	176,541	197,284	Stockholders' equity (Note 15):		
Property, machinery and equipment - Net (Note 10)	23,241,275	14,080,375	Contributed capital		
Permanent investments (Note 11)	36,717	13,951	Capital stock	960,341	963,111
Deferred tax (Note 16)	1,182,608	798,740	Share premium	1,935,900	1,935,900
Other assets:			Earned capital:	2,896,241	2,899,011
Deferred charges, prepayments and intangible assets	1,457,580	451,546	Capital reserves	125,009	70,335
Other current and long-term assets	6,981	6,767	Prior years' income	1,051,296	365,002
	1,464,561	458,313	Result of valuation of financial instruments for hedging cash flows	217,738	(81,259)
			Net income	1,210,349	1,093,477
				2,604,392	1,447,555
			Shareholders' investment:		
			Controlling interest	5,500,633	4,346,566
			Non-controlling interest	-	-
			Total stockholders' equity	5,500,633	4,346,566
Total assets	Ps 41,610,345	Ps 25,029,742	Total liabilities and stockholders' equity	Ps 41,610,345	Ps 25,029,742

Memorandum accounts (Note 20)

	2016	2015
Other recording accounts	Ps 21,142,980	Ps 13,141,504

The accompanying twenty one notes are an integral part of these consolidated financial statements, which were authorized for issuance on April 25, 2017 by the undersigned officers.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Income
(Notes 1, 2, 3, 17, 18, 19 and 21)

Thousands of Mexican pesos, except for profit per share

	<u>Year ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating lease income	\$ 7,773,136	\$ 5,480,661	\$ 3,648,586
Interest income	1,183,770	747,407	472,889
Other lease benefits	528,719	317,591	383,189
Depreciation of assets under operating lease (Note 10)	(4,537,348)	(3,183,590)	(2,150,092)
Interest expense	(1,988,852)	(1,192,823)	(839,655)
Other lease expenses	<u>(583,567)</u>	<u>(348,338)</u>	<u>(424,978)</u>
Financial margin	2,375,858	1,820,908	1,089,939
Loan loss reserve (Note 7)	<u>81,500</u>	<u>27,000</u>	<u>(30,000)</u>
Financial margin adjusted for credit risk	2,294,358	1,793,908	1,119,939
Commissions and fees paid	(51,214)	(38,586)	(10,019)
Intermediation results	-	335,162	11,274
Other operating income - Net	16,357	36,624	118,674
Administration and promotion expenses	<u>(797,408)</u>	<u>(703,380)</u>	<u>(535,095)</u>
	(832,265)	(370,180)	(415,166)
Operating income	1,462,093	1,423,728	704,773
Equity in results of other permanent investments (Note 11)	<u>13,417</u>	<u>(1,439)</u>	<u>-</u>
Income before income taxes	1,475,510	1,422,289	704,773
Income taxes payable (Note 16)	(656,117)	(585,485)	(456,515)
Deferred income taxes (Note 16)	<u>390,956</u>	<u>256,673</u>	<u>234,150</u>
Income taxes	<u>(265,161)</u>	<u>(328,812)</u>	<u>(222,365)</u>
Consolidated net income	<u>\$ 1,210,349</u>	<u>\$ 1,093,477</u>	<u>\$ 482,408</u>
Net income attributable to:			
Controlling interest	\$ 1,210,349	\$ 1,093,477	\$ 482,398
Non-controlling interest	<u>-</u>	<u>-</u>	<u>10</u>
Consolidated net income	<u>\$ 1,210,349</u>	<u>\$ 1,093,477</u>	<u>\$ 482,408</u>

The accompanying twenty one notes are an integral part of these consolidated financial statements, which were authorized for issuance on April 25, 2017 by the undersigned officers.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

(Note 15)

	Thousand of Mexican pesos									
	Contributed capital			Earned capital						
	Capital Stock	Share premium	Capital reserves	Prior years' results	Valuation of instruments hedging cash flows	Result for Income (loss) for the period	Total controlling interest	Non-controlling interest	Total stockholder's equity	
Balances at January 1, 2014	Ps 275,000	Ps 125,000	Ps 29,317	Ps 185,665	Ps -	Ps 337,957	Ps 952,939	Ps 14	Ps 952,953	
Changes arising from decisions made by stockholders:										
Transfer of consolidated net income to prior years' results	-	-	-	337,957	-	(337,957)	-	-	-	
Creation of reserves	-	-	16,898	(16,898)	-	-	-	-	-	
Dividend payments	-	-	-	(100,000)	-	-	(100,000)	-	(100,000)	
Transfer of consolidated net income to prior years' results	600,000	-	-	(400,000)	-	-	200,000	-	200,000	
Total	600,000	-	16,898	(178,941)	-	(337,957)	100,000	-	100,000	
Changes arising from recognition of comprehensive income:										
Consolidated net income	-	-	-	-	-	482,398	482,398	10	482,408	
	-	-	-	-	-	482,398	482,398	10	482,408	
Balances at December 31, 2014	875,000	125,000	46,215	6,724	-	482,398	1,535,337	24	1,535,361	
Changes arising from decisions made by stockholders:										
Transfer of consolidated net income to prior years' results	-	-	-	482,398	-	(482,398)	-	-	-	
Creation of reserves	-	-	24,120	(24,120)	-	-	-	(24)	(24)	
Dividend payments	-	-	-	(100,000)	-	-	(100,000)	-	(100,000)	
Share issue and placement	227,500	1,810,900	-	-	-	-	2,038,400	-	2,038,400	
Share issue expenses	(139,389)	-	-	-	-	-	(139,389)	-	(139,389)	
Total	88,111	1,810,900	24,120	358,278	-	(482,398)	1,799,011	(24)	1,798,987	
Changes arising from recognition of comprehensive income:										
Result of valuation of hedging instruments	-	-	-	-	(81,259)	-	(81,259)	-	(81,259)	
Consolidated net income	-	-	-	-	-	1,093,477	1,093,477	-	1,093,477	
Total	-	-	-	-	(81,259)	1,093,477	1,012,218	-	1,012,218	
Balances at December 31, 2015	963,111	1,935,900	70,335	365,002	(81,259)	1,093,477	4,346,566	-	4,346,566	
Changes arising from decisions made by stockholders:										
Transfer of consolidated net income to prior years' results	-	-	-	1,093,477	-	(1,093,477)	-	-	-	
Creation of reserves	-	-	54,674	(54,674)	-	-	-	-	-	
Dividend payments	-	-	-	(352,509)	-	-	(352,509)	-	(352,509)	
Share issue expenses	(2,770)	-	-	-	-	-	(2,770)	-	(2,770)	
Total	(2,770)	-	54,674	686,294	-	(1,093,477)	(355,279)	-	(355,279)	
Changes arising from recognition of comprehensive income:										
Result from valuation of hedge instruments	-	-	-	-	298,997	-	298,997	-	298,997	
Consolidated net income	-	-	-	-	-	1,210,349	1,210,349	-	1,210,349	
Total	-	-	-	-	298,997	1,210,349	1,509,346	-	1,509,346	
Balances at December 31, 2016	Ps 960,341	Ps 1,935,900	Ps 125,009	Ps 1,051,296	Ps 217,738	Ps 1,210,349	Ps 5,500,633	Ps -	Ps 5,500,633	

The accompanying twenty one notes are an integral part of these consolidated financial statements, which were authorized for issuance on April 25, 2017 by the undersigned officers.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

Thousands of Mexican pesos

	<u>Year ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net income	Ps1,210,349	Ps1,093,477	Ps 482,408
Adjustments for items not involving cash flows:			
Loan loss reserve	81,500	27,000	(30,000)
Depreciation and amortization	4,572,039	3,195,458	2,176,972
Income taxes current and deferred	265,161	(328,812)	(222,365)
Valuation of other permanent investments	<u>(13,417)</u>	<u>1,439</u>	<u>-</u>
	6,115,632	3,988,562	2,407,015
Operating activities			
Change in derivatives	(1,445,396)	(1,366,759)	(814,216)
Change in loan portfolio	(3,284,800)	(2,639,982)	(737,523)
Change in foreclosed assets	(984)	(66,673)	(117,907)
Change in other accounts receivable	(858,771)	(71,091)	(23,077)
Change in other operating assets	(1,003,380)	(293,623)	(381,016)
Change in debt securities	8,030,774	3,406,742	3,453,586
Change in bank borrowings and loans from other entities	2,845,361	3,042,791	128,068
Change in deferred commissions	207,091	105,250	37,460
Change in other operating liabilities	<u>3,687,191</u>	<u>315,651</u>	<u>610,251</u>
Net cash flows provided by operating activities	<u>14,292,718</u>	<u>6,420,868</u>	<u>4,562,641</u>
Investing activities			
Payment for acquisition of property, machinery and equipment - Net	(13,706,989)	(7,335,816)	(5,098,656)
Payment for acquisition of other permanent investments	<u>(9,349)</u>	<u>-</u>	<u>-</u>
Net cash flows used in investing activities	<u>(13,716,338)</u>	<u>(7,335,816)</u>	<u>(5,098,656)</u>
Financing activities			
Increase in capital stock for issuance and in cash	(2,770)	1,899,011	200,000
Dividend payments in cash	<u>(352,509)</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net cash flows provided by financing activities	<u>(355,279)</u>	<u>1,799,011</u>	<u>100,000</u>
Net increase (decrease) in cash and cash equivalents	221,101	884,063	(436,015)
Cash and cash equivalents at beginning of year	<u>1,457,795</u>	<u>573,732</u>	<u>1,009,747</u>
Cash and cash equivalents at end of year	<u>Ps1,678,896</u>	<u>Ps1,457,795</u>	<u>Ps 573,732</u>

The accompanying twenty one notes are an integral part of these consolidated financial statements, which were authorized for issuance on April 25, 2017 by the undersigned officers.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

Thousands of Mexican pesos [Ps] (Note 2), except foreign currency, exchange rates, nominal value, number of titles, shares and price per share

Note 1 - Company operations:

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Company) was incorporated on February 3, 1993 in accordance with Mexican laws.

The Company is mainly engaged in providing operating leases for automotive vehicles, machinery and equipment, among other lease arrangements, and in granting loans, carrying out financial factoring operations, acting as administrator for guarantee trusts, obtaining loans, guaranteeing obligations through different means, and issuing, subscribing, accepting, endorsing, selling, discounting and pledging all kinds of credit.

The Company is an unregulated non-bank financial entity or Sofom E. N. R., as specified in article 87-B of General Law of Credit Organizations and Auxiliary Activities (LGOAAC, by its initials in Spanish).

The Company has no employees, and all legal, accounting and administrative services are provided by related party.

At the Extraordinary General Stockholders' Meeting of April 13, 2015, the stockholders agreed to merge the Company and Unifin Capital, with the Company as the surviving company. According to the Corporations Law and the terms and conditions established in the merger agreement, the Company assumes all Unifin Capital rights and obligations as of that date. The merger was carried out on the basis of Company and Unifin unaudited financial information at March 31, 2015.

On May 22, 2015, the Company issued its Initial Public Bid on the Mexican Stock Exchange (BMV, for its initials in Spanish), and for international purposes it made the issue under rule 144 A/Reg S for a total of \$3,606,400, comprised of 50% primary shares and 50% of secondary shares. The amount includes the overallotment option, which comprised 15% of the total offer. On May 22, 2015, the Company started trading its shares on the BMV. As a result of the foregoing, it changed its business name to Sociedad Anónima Bursátil (S. A. B.).

The purpose of the aforementioned Public Bid was to strengthen the Company's capital stock structure and support the projected growth.

On September 22, 2016, the Company concluded a private offering and placement of debt securities in the form of senior notes in the US and other foreign markets, further to rule 144 A and Regulation S of the US Securities Act of 1933 and the regulations applicable in the countries in which the offering was made.

The accompanying consolidated financial statements are prepared specifically to be included in the offering memorandum under rule 144a of the U. S. Securities Act of 1933.

These consolidated financial statements include the figures of the Company and its subsidiaries as of December 31, 2016 and 2015 in which the Company has control, as mentioned in the following page:

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

<u>Entity</u>	<u>Business activity</u>	<u>Ownership (%)</u>	
		<u>2016</u>	<u>2015</u>
Unifin Credit, S. A. de C. V. SOFOM, E. N. R. (Unifin Credit)	Financial factoring	99.99	99.99
Unifin Autos, S. A. de C. V. (Unifin Autos)	Purchase and sale of cars	99.99	99.99

Note 2 - Basis for preparation of the financial information:

Preparation of the financial statements

In accordance with the provisions of the Sole Circular for Issuers of Securities issued by the Mexican National Banking and Securities Commission (Commission), Non-Bank Financial Entities whose debt securities are listed in the Mexican Stock Exchange must prepare their financial statements in compliance with the rules and accounting practices established by the Commission in the “accounting criteria for regulated non-bank financial entities” contained in the “General provisions applicable to regulated non-bank financial entities” (Accounting Criteria).

On the basis of the foregoing, the enclosed consolidated financial statements at December 31, 2016 and 2015, have been prepared in accordance with the Accounting Criteria established by the Commission, which observe the accounting guidelines of the Mexican Financial Reporting Standards (MFRS), except when the Commission consider it is necessary to apply a specific accounting standard or criterion. For that purpose, the Company has prepared its financial statements in accordance with the Commission’s presentation requirements, the purpose of which it is to present information on the entity’s operation, as well as other economic occurrences affecting it, which do not necessarily result from the decisions or transactions of the entity’s shareholders over a specific period.

According to accounting criteria, in the absence of a specific accounting rule issued by the Commission, the Company must apply supplementary criteria, as established in MFRS A-8 “Supplementation” in the following order: MFRS, International Financial Reporting Standards, approved and issued by the International Accounting Standards Board, Generally Accepted Accounting Principles applicable in the United States, or otherwise any accounting standard that forms part of a group of formal and accepted standards.

Accounting criteria effective in 2016

In 2015, the Commission issued new Accounting Criteria applicable to lending institutions, which came into force as of January 1, 2016 and had not significant effects on the financial information presented by the Company.

2016 MFRS

In 2015 the Mexican Financial Reporting Standards Board (CINIF) issued the following MFRS revisions effective as of 2016. Those MFRS are not expected to significantly affect the financial information presented by the Company.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

2016 MFRS revisions

MFRS C-1 “Cash and cash equivalents”. Establishes that initial and subsequent recognition of cash must be valued at fair value; indicates that cash equivalents are held to comply with short-term obligations and modifies the term “Investments available for sale” to be replaced by “Highly-liquid financial instruments”, which may not exceed three months and must be valued by applying the respective MFRS for financial instruments.

Statement C-9 “Liabilities, provisions, contingent assets and liabilities and commitments”. Incorporates the concept of “Transaction costs” and defines them as the costs incurred in order to generate a financial asset or to assume a financial liability, which would not have been incurred had said financial asset or liability not been recognized.

MFRS C-7 “Investments in associated companies, joint businesses and other permanent investments”. Specifies that the contributions in kind made by a holding company or joint business must be recorded at fair value, unless they arise from the capitalization of debt.

Financial statements authorization

The accompanying consolidated financial statements and the notes thereto as of December 31, 2016 and for the year then ended were authorized for their issuance on April 25, 2017, by Mr. Luis G. Barroso González, Chief Executive Officer, Mr. Sergio José Camacho Carmona, Chief Financial Officer, and Mr. Sergio Cancino Rodríguez, Corporate Controller.

Note 3 - Summary of significant accounting policies:

The most significant accounting policies are summarized as follows, which have been consistently applied in the reporting years, unless otherwise indicated.

The accounting criteria require the use of some critical accounting estimates in the preparation of the financial statements. They also require Management’s judgment in the process of defining and applying the Company’s accounting policies.

a. Consolidation

Subsidiaries

Subsidiaries are all entities over which the Company has control to direct its relevant activities, has the right (and is exposed) to variable returns from its interest and has the ability to affect those returns through its power. In assessing whether the Company controls an entity, the existence and effect of potential voting rights that are currently exercisable or convertible were considered. Subsidiaries are consolidated as from the date they are controlled by the Company and are no longer consolidated when the control is lost.

Transactions, balances and unrealized gains or losses arising from transactions between the consolidated companies have been eliminated. The accounting policies applied by the subsidiaries have been modified to ensure consistency with the accounting policies adopted by the Company when its necessary.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

The consolidation was performed based on the financial statements of the subsidiaries.

Other permanent investments

The other permanent investments are represented by investments in shares of other entities where the Company has no control or the ability to have significant influence. The other permanent investments are initially measured at historical cost and subsequently at equity method.

b. Recording, functional and reporting currency

Items included in the financial statements of each of the Company subsidiaries are measured using the currency of the primary economic environment in which the entity operates, i.e. the “Functional currency”. The consolidated financial statements are presented in Mexican pesos, which is the Company reporting, recording and functional currency.

According to the provisions of MFRS B-15, the Company has identified the following currencies:

<u>Entity</u>	<u>Currency</u>		
	<u>Recording</u>	<u>Functional</u>	<u>Reporting</u>
Unifin Credit	Peso	Peso	Peso
Unifin Autos	Peso	Peso	Peso

There were no changes when identifying these currencies in the preceding period.

c. Inflation effects on the financial information

According to the MFRS B-10 “Inflation effects”, the Mexican economy is not in an inflationary environment, since cumulative inflation for the last three years is below 26% (maximum limit for an economy to be considered non-inflationary under MFRS). Therefore, as of January 1, 2008, the entity discontinued recognition of the effects of inflation on the financial information. Consequently, the figures at December 31, 2016 and 2015 shown in the accompanying consolidated financial statements are expressed in historical pesos, modified by the effects of inflation on the financial information recognized until December 31, 2007.

Following are the percentages of inflation in Mexico:

	<u>December 31,</u>		
	<u>2016</u> (%)	<u>2015</u> (%)	<u>2014</u> (%)
For the year	3.36	2.13	4.08
Cumulative in the last three years	9.57	10.18	12.06

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

d. Cash and cash equivalents

Cash and cash equivalents are recorded at nominal value, and cash and cash equivalents in foreign currencies are valued at the exchange rate published by the Banco de México (Banxico) at the date of the consolidated financial statements. Yields arising from cash and cash equivalents are recorded in the statement of income as they accrue. They consist mainly of bank deposits in checking accounts and highly liquid short-term investments, readily convertible into cash.

e. Derivative Financial Instruments (DFI)

DFI are initially recognized at fair value in the balance sheet as assets and/or liabilities on the date on which the respective derivative financial instrument agreement is entered into, and they are subsequently re-measured at their fair value. The fair values of DFI are determined based on recognized market prices and when not traded on a market, they are determined based on valuation techniques accepted in the financial sector.

The method for recognizing the profit or loss of changes in fair value of derivative financial instruments depends on whether or not they are designated as cash flow hedges, and if so, on the nature of the item being hedged. Those instruments are initially recorded at fair value, which is the price agreed for the operation, and are valued and classified on the basis of their intended use, as established by the Company's Management.

Subsequently, all derivatives, other than those that form part of a hedge relationship, are valued at fair value, without deducting the transaction costs incurred in the sale or other type of disposal, applying said valuation effect to income for the period. See Note 6.

Valuation effects are recognized in the statement of income under "Financial intermediation results", except in cases where Management designated the instruments as hedging. The effective portion is temporarily recorded in comprehensive income under stockholders' equity and is reclassified to income when the position covered affects income. The ineffective portion is immediately recorded in intermediation income.

Additionally, the "Intermediation results" caption shows the result of the purchase-sale generated at the time of sale of a DFI, and the impairment loss of financial assets derived from the rights set forth in the DFI and, where applicable, the effect of reversal.

The Company currently carries out the following DFI transactions:

Option

Options are contracts whereby the purchaser acquires the right, but not the obligation, to buy or sell an underlying asset at a given price known as the exercise price, on a set date or period. Option contracts involve two parties: the party purchasing the option pays a premium for the acquisition thereof and in exchange obtains a right, but not an obligation, and the party issuing or selling the option receives a premium in exchange, and in turn acquires an obligation, not a right.

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Consolidated Statements of Cash Flows

Swaps

Swaps are contracts between two parties, whereby the bilateral obligation to exchange a series of flows for a given period and pre-established dates is set. Currently, the Company holds interest rate swaps and foreign exchange swaps.

Interest rate swaps are designed to hedge or mitigate the Company's exposure to the potential volatility of variable interest rates that may result from its contracted debt.

Foreign exchange swaps are used to hedge or mitigate the Company's exposure related to a recognized asset or liability set in a foreign currency.

f. Loan portfolio

Operating leases

Leases in which a significant portion of the risks and rewards of ownership retained by the lessor are classified as operating leases. The revenues obtained under operating leases are recorded in income based on the straight-line method over the lease term.

The lease loan portfolio corresponds to rental receivables in accordance with the terms of the agreements.

Lease payments paid in advance by the lessee are recorded under deferred credits and advance collections and are applied to the loan portfolio as the monthly payments come due.

Commissions collected for the initial granting of operating leases are recorded as a deferred credit, which is recognized based on the accrual of lease payments against income for the year under interest income.

Lease payments received from clients as guarantee deposits are recorded as other accounts payable and returned to clients upon maturity of the respective lease agreements.

Operating lease loan portfolio balances are recognized as outstanding by the amount of the payment not paid in full at the latest 31 calendar days past the due date.

When lease payments not collected exceed three lease payments as per the payment schedule, billing of lease payments past due not collected is suspended. As long as a rental is classified as part of the past due portfolio, control over lease payments is kept in memorandum accounts.

The Company reclassifies to the performing loans portfolio any past due operating lease balances for which unpaid balances are fully recovered (principal and interest, among other payments), or when sustained payments are made on renovated loan balances.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

An operating lease loan is not considered to be restructured when the full amount of lease payments due has been made at the realization date and where any of the following original rental conditions are modified:

- i. Guarantees: only when they are extended or replaced by others of better quality.
- ii. Interest rate: when the agreed interest rate is improved.
- iii. Currency: provided that the rate corresponding to the new currency is applied.
- iv. Date of payment: only when the change does not involve exceeding or modifying the periodicity of payments. In no case does the change in payment date allow parties to omit payment in a given period.

Costs and expenses associated with granting an operating lease are recognized as a deferred charge and are amortized over the lease term and must be recorded in income as lease income is recognized.

Financial factoring

Factoring operations are recorded at nominal value: 90% of the account received as factoring is paid in advance and the remaining 10% is considered an amount under guarantee. The maximum term of an account received under factoring is 120 days.

Recognition of interest on factoring operations under a guarantee is determined based on the differences arising between the values of the portfolio of accounts received less the guarantee, while interest on factoring operations with no guarantees is recognized on the total value of the portfolio of accounts received. Such interest is recorded in income for the period under interest income.

The unpaid balances of the financial factoring portfolio are recorded as a past due portfolio when there is evidence that the borrower has filed for bankruptcy in accordance with the Mexican Bankruptcy Law, or when the installments have not been covered in full at the originally agreed term.

The unpaid past due balance of the financial factoring portfolio for which unpaid balances are fully recovered or where a restructured or renewed portfolio complies with sustained payments, is reclassified to the performing loans portfolio.

Commissions collected when a loan is initially granted and those that become known after the loan is granted are recorded as interest income on the date they accrue.

Costs and expenses associated with the initial granting of loans are recognized as expenses in the same accounting period in which commissions collected are recognized.

Straight loans

Loans and commercial notes, both current and renewed, represent the amount actually delivered to borrowers, plus interest as it arises, as per the loan payment schedule.

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Loans are made after analyzing the financial situation of the borrower, the economic feasibility of investment projects and other general factors established in the Company's internal manuals and policies.

Unpaid loan balances are recorded as past due portfolio when it is known that the borrower has been declared bankrupt in accordance with the Bankruptcy Law. Irrespectively of whether a borrower that has filed for bankruptcy continues making loan payments, outstanding balances of loans granted are recorded as past-due portfolio when payments thereon have not been settled in their entirety in the terms originally agreed upon, considering the following:

- If the pending payments consist of loans whereby the principal and interest are payable in a lump sum at maturity and 30 or more calendar days have elapsed from the payment date.
- If pending payments relate to a lump sum payment of the principal and periodic partial payments of interest and the latter are 90 calendar days or more past due, or otherwise 30 calendar days or more after the principal matures.
- If the amounts owed consist of loans payable in periodic instalments of principal and interest and they are 90 or more calendar days past due.

Overdue loans that are restructured or renewed remain in the past due portfolio as long as there is no evidence of sustained payment as established in the accounting criteria. Additionally, loans that establish a lump sum payment of the principal at maturity and payment of interest in periodic installments, as well as loans that establish a lump sum payment of the principal and interest payable at maturity, that are restructured over the term of the loan or that are renewed at any moment, are considered to be part of the past due portfolio.

Loans that are originated as revolving loans, and that are restructured or renewed at any given time, are considered to be performing only when the borrower has paid the entirety of interest accrued, the loan records show no past due billing periods, and there are elements that justify the borrowers solvency, i.e., that there is a high probability that the borrower will make the respective payments.

A loan is not considered to be restructured when the full amount of principal and interest payments due has been met at the realization date and where only one or several of the following original loan conditions are modified:

- i. Guarantees: only when they imply the extension or replacement for others of better quality.
- ii. Interest rate: when the agreed interest rate is improved.
- iii. Currency: provided that the rate for the new currency is applied.
- iv. Date of payment: only when the change does not imply exceeding or modifying the periodicity of payments. In no case does the change in payment date allow parties to omit payment in a given period.

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When a loan is considered to be past due, it stops accruing interest, even in the case of loans which, for contractual purposes, capitalize interest on the amount of the debt. As long as the loan is classified as part of the past due portfolio, the records of interest accrued is kept in memorandum accounts. For interest accrued and not collected on such loans, the Company sets up an allowance for an equivalent amount when the loans are transferred to the past due portfolio. The allowance is canceled when there is evidence of sustained payment. If past due interest is collected, it is recognized directly in income for the year.

Past due portfolio balances where unpaid balances are fully recovered (principal and interest, among other balances), or where sustained payments are made on restructured or renewed loan balances, are reclassified to the performing portfolio in accordance with accounting criteria.

Commissions charged on the initial granting of loans are recorded as a deferred credit, and are amortized against income for the year under the straight-line method over the life of the loan, except for commissions arising from revolving loans that must be amortized over a 12-month period. Commissions received after a loan is granted are recognized in income for the period.

Costs and expenses associated with the initial granting of the loan are recorded as a deferred charge, which is amortized against income for the period as interest expense over the same accounting period in which the respective commission income collected is recorded.

g. Preventive loan loss reserve

The preventive loan loss reserve is determined based on the Company's internal methodology taking into consideration the rules for classifying and rating loan portfolios, as follows:

The operating lease, factoring and commercial loan portfolio is rated based on a general methodology where risk levels are established for each type of loan and applied to individual monthly debit balances, whose balance represents at least an amount equivalent to 4,000,000 Investment Units (UDI, by its initials in Spanish) at the rating date. Loans with balances below that limit at the rating date are rated allocating default probabilities on parametric bases, depending on the number of defaults observed from the date of the first event of default up to the rating date.

In order to rate its lease, factoring and straight loan portfolio below 4,000,000 UDIs, the Company rates and tracks in its accounting records all preventive loan loss reserves with figures at the last day of each month, considering the probability of default.

The Company periodically evaluates whether a past due loan must remain in the balance sheet or be written off instead. In this case, the balance is written off by canceling the unpaid balance of the loan against the preventive loan loss reserve. In the event that the loan to be written off exceeds the amount of its allowance, before writing the respective amount off, the estimation for the allowance must be increased up to the amount of the difference.

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Amounts recovered associated with written off or eliminated loans in the balance sheet are recorded in income for the year.

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Pardons, quitclaims, rebates and discounts, either partial or total, are recorded with a charge to the preventive loan loss reserve. In the event that the amount of those items exceeds the balance of the respective allowance, the Company sets up an allowance for up to the amount of the difference.

The most recent credit portfolio rating was performed at December 31, 2016; Management considers that the resulting allowance is sufficient to absorb portfolio loan risk losses.

h. Foreclosed assets

Foreclosed assets are recorded at the date on which the approval of the auction resulting in the award of assets enters into effect, and assets received as a result of payment in kind are recorded at the date on which the payment in kind is signed, or when transfer of ownership over the assets is formalized.

The initial value at which the foreclosed assets are recorded is the lower of the cost or the net realization value at the award date less the resulting strictly indispensable costs and expenses incurred. On the date on which foreclosed assets are recorded, the total value of the assets giving rise to the award, and the allowance, if any, are removed from the balance sheet. Also, if the portion corresponding to payments accrued or past due is only covered by a partial payment in kind, it is removed as well.

The amount of the allowance that recognizes potential value losses due to the aging of the foreclosed assets is determined based on the value of the foreclosed asset or giving in payment (hereinafter foreclosed assets), following the procedures established in the applicable provisions.

Foreclosed assets are valued to recognize potential losses in accordance with the type of assets, and the effect of the valuation is recorded in the statement of income under other operating income (expenses). This valuation is determined by applying the following percentages to each foreclosed asset:

<u>Time elapsed as from the date the award is made (months)</u>	<u>Percentage of reserve (%)</u>
Up to 12	0
More than 12 and up to 24	10
More than 24 and up to 30	15
More than 30 and up to 36	25
More than 36 and up to 42	30
More than 42 and up to 48	35
More than 48 and up to 54	40
More than 54 and up to 60	50
More than 60	100

The amount of the estimate that recognizes the potential loss of value over time of foreclosed assets is determined on the value of the award based on the procedures established by the applicable provisions.

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At the time of sale, the difference between the sales price and the book value of the respective foreclosed assets, net of allowances, is recognized in income for the period under other operating income (expenses).

j. Property, machinery and equipment

Property, machinery and equipment for own use and for assigning under operating leases are expressed as follows: i) acquisitions made as from January 1, 2008 at historical cost, and ii) acquisitions made until December 31, 2007, restated by applying National Consumer Price Index (NCPI) factors to their acquisitions costs. Consequently, they are expressed at modified historical cost, less accumulated depreciation and, when applicable, impairment loss.

The acquisition cost of property, machinery and equipment, is depreciated systematically using the straight-line method based on the estimated useful lives of components of property, machinery and equipment.

Property, machinery and equipment are subject to annual impairment tests only when there is indication of impairment. At December 31, 2016 and 2015, there were no signs of impairment, and accordingly no impairment tests were performed.

k. Prepayments

Prepayments represent expenditures made by the Company where the risks and benefits of the goods to be acquired or services to be received have not been transferred. Prepayments are recorded at their cost and presented in the balance sheet as current or non-current assets, depending on the item under which they are to be recorded. Prepayments in foreign currencies are recognized at the exchange rate in effect at the transaction date, without changes for subsequent fluctuations between currencies. Once the goods and/or services related to prepayments are received, they must be recognized as an asset or an expense in the statement of income for the period, depending on their respective nature.

l. Debt securities

Debt security liabilities relate to long-term debt issued to generate working capital (international notes and debt securities), which are recorded at the contractual value of the obligations, recognizing interest in income as it accrues.

All incurred issuance costs related to debt securities are recorded under other assets as deferred charges, and are recognized in the statement of income as interest expenses by the straight-line method over the term of each instrument. These costs are shown in income as part of interest paid.

Securitization

Securitization refers to a transaction whereby certain assets are transferred to a vehicle created for that purpose (usually a trust), in order for the latter to issue debt securities to be placed with public and private investors. Securitizations made by the Company failed to meet the conditions set forth in the accounting criteria to qualify as a transfer of ownership.

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Under a financing securitization, the seller records the financing but not the outflow of assets in the balance sheet. Yields generated by financial assets (collection rights over operating lease loan portfolios) under securitization are recorded in income for the period.

m. Bank loans and loans from other entities

Bank loans and loans from other entities refer to credit lines and other loans obtained from financial institutions that are recorded at the contractual value of the obligation, recognizing interest expenses in income as they accrue.

n. Provisions

Liability provisions represent current obligations for past events where the outflow of economic resources is possible (more likely than not). These accruals have been recorded based on Management's best estimation.

o. Current and deferred income tax

Current and deferred taxes are applied to income for the period as an expense, except when arising from a transaction or event recognized outside income for the period as other comprehensive income or an item recognized directly in stockholders' equity.

Deferred income tax is recorded based on the comprehensive asset-and-liability method, which consists of recognizing deferred tax on all temporary differences between the accounting and tax values of assets and liabilities that will be materialized in the future, at rates enacted in effective tax provisions at financial statement date.

The Company recognized deferred income tax whenever the financial and tax projections prepared by the Company show that it will be required to pay income tax in the future.

p. Stockholders' equity

The capital stock, share premium, capital reserve and prior years' income are expressed as follows: i) movements made after January 1, 2008 at historical cost, and ii) movements made before January 1, 2008 at restated values determined by applying NCPI factors to their historical values. Consequently, the different stockholders' equity items are expressed at their modified historical cost.

The share premium represents the surplus between the payment for subscribed shares and the value of \$3.1250 per share.

q. Memorandum accounts

The Company keeps memorandum account records to control future collection rights associated to operating lease agreements, classified as lease fees to be accrued held in trust (collection rights transferred to a trust) and other lease fees to be accrued (Company's own portfolio).

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r. Revenue recognition

Operating lease income is recognized by the straight-line method over the lease period.

Interest on the loan portfolio is recognized as it accrues, except for interest on the overdue portfolio, which is recorded when the respective amounts are actually collected. Commissions collected on the initial granting of operating leasing and loans are recorded as a deferred credit, which is amortized against income for the year on a straight line basis over the life of the lease arrangements and loans.

Income arising from management of trusts and income arising from administration or custodial services is recorded in income as it accrues.

Income from the sale of property, machinery and equipment is recorded in income when all of the following requirements are met: a) the risks and benefits associated to the goods are transferred to the purchaser and no significant control over such property is kept by the seller; b) income and costs incurred or to be incurred are determined reliably, and c) it is probable that the Company will receive the economic benefits associated to the sale.

s. Earnings per share

Basic earnings per share are calculated by dividing the net income for the year by the weighted average number of outstanding shares issued during the year.

There are no effects arising from potentially dilutive shares.

t. Related parties

The Company carries out transactions with related parties in the regular course of business. Related party transactions are understood to be transactions where related parties owe amounts payable to the Company in relation to debt, trading, other deposit or loan or credit operations, or revocable or irrevocable discounts granted, and documented through credit titles or agreements, or restructurings, renewals or amendments to existing loans contracted with the Company.

u. Exchange differences

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the dates they are entered into and/or settled. Assets and liabilities denominated in such currencies are translated at the exchange rate prevailing at the balance sheet date. Exchange differences arising from fluctuations in the exchange rates between the transactions and settlement dates, or the valuation at the period closing date, are recognized in interest income (losses) according to their respective nature.

v. Financial information by segment

The accounting criteria establish that in identifying the different operating segments, the Company must segregate its activities based on its credit operations. Additionally, given the importance of this matter, the Company may identify additional operating segments or sub segments in the future.

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Note 4 - Foreign currency position:

At December 31, 2016 and 2015, the Company held the following US dollar (Dlls.) position:

	<u>2016</u>	<u>2015</u>
Assets	Dlls.508,822,442	Dlls.360,457,279
Liabilities	<u>(504,848,970)</u>	<u>(374,495,586)</u>
Net short position	<u>Dlls. 3,973,472</u>	<u>(Dlls. 14,038,307)</u>

At December 31, 2016 and 2015, the exchange rates used by the Company to measure its foreign currency assets and liabilities were Ps20.7314 and Ps17.2065, per dollar, respectively. At April 25, 2017, date of issue of these financial statements, the exchange rate was Ps19.8322 per US dollar.

Note 5 - Cash and cash equivalents:

This item is comprised as follows:

	<u>Local currency</u>		<u>Valued foreign currency</u>		<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash on hand	Ps -	Ps 80	Ps -	Ps -	Ps -	Ps 80
Local and foreign banks	428,220	235,184	115,980	14,566	544,200	249,750
Promissory notes with yields payable at maturity (PRLV)	97,700	565,786	-	-	97,700	565,786
Federal development bonds (Bondes)	<u>1,036,996</u>	<u>642,179</u>	<u>-</u>	<u>-</u>	<u>1,036,996</u>	<u>642,179</u>
	<u>Ps 1,562,916</u>	<u>Ps 1,443,229</u>	<u>Ps 115,980</u>	<u>Ps 14,566</u>	<u>Ps 1,678,896</u>	<u>Ps 1,457,795</u>

At December 31, 2016 and 2015, cash and cash equivalents include balances (bonds) of Ps1,036,996 and Ps642,179, respectively, which correspond to cash flows assigned to the Company's securitization trusts.

PRLVs and Bondes accrue daily interest at the rate of 3.92 and 3.08% per year, respectively. The weighted average maturity term is approximately 1.5 days in 2016 and 2015.

Balances in foreign currencies total Dlls. 5,594,442 and Dlls. 847,703, converted at the exchange rate of Ps 20.7314 in 2016 and Ps17.2065 in 2015.

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Note 6 - Operations with DFI:

At December 31, 2016, the Company has contracted cross-currency swaps held for hedging, as follows:

Hedged liability	Contracting date	Maturity date	Term (days)	Notional amount*	Debt rate (%)	Contracted rate (%)	Fair value
International Notes	Sep- 27-16	Sep- 27-23	2,556	Ps 1,850,000	7.25	8.38	Ps 777,621
International Notes	Sep- 27-16	Sep- 27-23	2,556	1,387,500	7.25	8.42	580,240
International Notes	Sep- 27-16	Sep- 27-23	2,556	1,850,000	7.25	8.33	812,988
International Notes	Sep- 27-16	Sep- 27-23	2,556	1,156,250	7.25	8.38	488,047
International Notes	Sep- 27-16	Sep- 27-23	2,556	1,156,250	7.25	8.39	506,212
International Notes	Jul-22-14	Jul-22-19	1,826	718,931	6.25	5.00	493,673
Bank loans	Jun-07-16	Jun-07-19	1,095	<u>893,418</u>	Libor+4.00	TIIE + 3.72	<u>78,479</u>
							<u>Ps3,737,260</u>

At December 31, 2016, the Company has contracted the following options and forwards:

Hedged liability	Contracting date	Maturity date	Term (days)	Underlying asset	Exercise price (%)	Notional amount*	Paid premium	Fair value
UNFINCB13	Nov-22-13	Nov-22-18	1,826	TIIE 28	7.00	Ps1,000,000	Ps 17,050	Ps 6,536
UNFINCB15	Feb-13-15	Feb-09-20	1,822	TIIE 28	7.00	2,000,000	48,500	31,525
UFINCB15	Sep-11-15	Sep-11-20	1,827	TIIE 28	7.00	2,000,000	52,500	39,375
Private structure	Mar-18-15	Feb-21-21	2,167	TIIE 28	7.00	2,000,000	28,294	16,051
UFIN CB16	Feb-12-16	Feb-16-21	1,831	TIIE 28	7.50	2,500,000	38,985	37,047
UNFIN CB16	Dec-02-16	Sep-02-21	1,735	TIIE 28	7.50	<u>1,250,000</u>	<u>33,720</u>	<u>18,525</u>
							<u>Ps219,049</u>	<u>Ps 149,059</u>

At December 31, 2015, the Company has contracted the following cross currency swaps held for trade:

Hedged liability	Contracting date	Maturity date	Term (days)	National amount (*)	Debt rate (%)	Contracted rate (%)	Fair value
International Notes	July-22-14	July-22-19	1,826	Ps 1,102,450	6.25	TIIE+4.20	Ps 468,744
International Notes	July-22-14	July-22-19	1,826	194,160	6.25	TIIE+4.19	83,241
International Notes	July-22-14	July-22-19	1,826	1,297,200	6.25	TIIE+4.192	539,105
International Notes	July-22-14	July-22-19	1,826	431,467	6.25	TIIE+4.19	181,007
International Notes	July-22-14	July-22-19	1,826	1,297,200	6.25	TIIE+4.195	539,109
International Notes	July-22-14	July-22-19	1,826	<u>431,383</u>	6.25	TIIE+4.185	<u>181,004</u>
							<u>Ps 1,992,210</u>

At December 31, 2015, the Company has contracted the following “CAP” options:

Hedged liability	Contracting date	Maturity date	Term (days)	Underlying asset	Exercise price (%)	Notional amount*	Paid premium	Fair value
UNFINCB13	22-nov-13	22-nov-18	1,826	TIIE 28	7.00	Ps1,000,000	Ps 17,050	Ps 9,946
UNFINCB15	13-feb-15	09-feb-20	1,822	TIIE 28	7.00	2,000,000	48,500	41,225
UFINCB15	11-sep-15	11-sep-20	1,827	TIIE 28	7.00	2,000,000	52,500	49,875
Private structure	18-mar-15	21-feb-21	2,167	TIIE 28	7.00	2,000,000	28,294	37,821
Comerica Bank	03-dec-15	02-mar-16	90	TC	16.72	<u>83,597</u>	<u>0</u>	<u>10,849</u>
							<u>Ps146,344</u>	<u>Ps 149,716</u>

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* Notional amounts related to DFI reflect the reference volume contracted; however, they do not reflect the amounts at risk as concerns future flows.

The net profit (losses) on financial assets and liabilities related to DFI held for trade in 2016 and 2015 total Ps0 and Ps254,867, respectively. In September 2015, the Company recorded DFI (*Cross Currency-Swap*) for hedging, as they complied with all mandatory requirements. The effect of valuation of said instruments when they qualified as held for trade represented a credit to income of Ps335,162. In 2016 and 2015, the effect of DFI held for hedging was recorded as "Result of valuing hedge financial instruments" under stockholder's equity, with a credit of Ps298,997 and a debit of Ps81,259, respectively.

On September 22, 2016, the Company negotiated new terms for its hedging financial instruments as a result of the private offering and placement of debt securities totaling Dlls.400,000,000. The amount of principal and interest payments of the 2023 Notes is covered from the date of issue to maturity at the new average fixed rate of 8.30% and the exchange rate of Ps18.50 to the US dollar. The purpose behind those terms is to reduce the effect of macroeconomic volatility of rate increases in the UNIFIN margins, improve the Company's financial conditions and increase the market depth of the 2023 Notes, in line with the Company's conservative approach to risk management.

Note 7 - Loan portfolio:

The classification of performing and past due loans at December 31, 2016 and 2015 is as follows:

<u>Performing portfolio</u>	<u>2016</u>	<u>2015</u>
Commercial loans:		
Operating leases	Ps 691,372	Ps 413,596
Financial factoring*	2,880,409	2,126,397
Straight loan*	<u>4,077,266</u>	<u>2,634,066</u>
	<u>7,649,047</u>	<u>5,174,059</u>
Consumer loans:		
Car loans	<u>1,172,361</u>	<u>428,628</u>
	<u>8,821,408</u>	<u>5,602,687</u>
<u>Past due portfolio</u>		
Commercial loans:		
Operating leases	176,536	110,867
Car loans	<u>1,047</u>	<u>-</u>
	<u>177,583</u>	<u>110,867</u>
Total loan portfolio	<u>Ps8,998,991</u>	<u>Ps5,713,554</u>

* Includes balances with related parties.

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At December 31, 2016 and 2015, the maturity of the total past due portfolio is as shown below:

Type of portfolio	Past-due portfolio in days					
	2016			2015		
	<u>1 to 180</u>	<u>181 onwards</u>	<u>Total</u>	<u>1 to 180</u>	<u>181 onwards</u>	<u>Total</u>
Operating leases	Ps 69,506	Ps107,030	Ps176,536	Ps 73,231	Ps 37,636	\$ 110,867
Car loans	<u>1,047</u>	<u>-</u>	<u>1,047</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total past due portfolio	<u>Ps 70,553</u>	<u>Ps107,030</u>	<u>Ps177,583</u>	<u>Ps 73,231</u>	<u>\$ 37,636</u>	<u>\$ 110,867</u>

Income from interest, operating leases and commissions for the periods ended in 2016 and 2015 per type of loan is as follows:

Performing portfolio	2016			
	<u>Interest</u>	<u>Lease fees</u>	<u>Commissions</u>	<u>Total</u>
Operating leases	Ps -	Ps 7,773,136	Ps 139,219	Ps 7,912,355
Financial factoring	390,750	-	106,132	496,882
Other lending	465,299	-	7,992	473,291
Car loans	<u>95,475</u>	<u>-</u>	<u>18,229</u>	<u>113,704</u>
	<u>Ps 951,524</u>	<u>Ps 7,773,136</u>	<u>Ps 271,572</u>	<u>Ps 8,996,232</u>

Performing portfolio	2015			
	<u>Interest</u>	<u>Lease fees</u>	<u>Commissions</u>	<u>Total</u>
Operating leases	Ps -	Ps 5,480,661	Ps 104,264	Ps 5,584,925
Financial factoring	256,725	-	65,747	322,472
Other lending	248,566	-	11,073	259,639
Car loans	<u>41,875</u>	<u>-</u>	<u>5,365</u>	<u>47,240</u>
	<u>Ps 547,166</u>	<u>Ps 5,480,661</u>	<u>Ps 186,449</u>	<u>Ps 6,214,276</u>

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At December 31, 2016 and 2015, the portfolio rating, including the contractual collection rights due in future periods recorded in memorandum accounts, and the preventive loan loss reserve, are as follows:

Risk	Loan portfolio				Global loan loss reserve		
	%		Amount		Amount		
	2016	2015	2016	2015	Allowance (%)	2016	2015
A-1	99.40	99.43	Ps 8,821,409	Ps 5,602,687	0 a 0.50	Ps 43,480	Ps 25,430
A-2	-	-	-	-	0.51 to 0.99	-	-
B-1	0.33	0.27	99,482	51,453	1.00 to 4.99	995	515
B-2	-	-	-	-	5.00 to 9.99	-	-
B-3	0.02	0.02	5,390	4,636	10.00 to 19.99	539	464
C-1	-	0.08	-	16,015	20.00 to 39.99	-	4,804
C-2	0.20	0.13	59,269	24,957	40.00 to 49.99	23,707	9,983
D	0.04	-	10,959	-	50.00 to 59.99	5,480	-
E	0.01	0.07	2,482	13,806	60.00 to 100.00	1,489	8,283
	<u>100.00</u>	<u>100.00</u>	8,998,991	5,713,554		75,690	49,479
Memorandum accounts			<u>21,142,980</u>	<u>13,141,504</u>	0.50	<u>105,715</u>	<u>65,708</u>
			<u>Ps30,141,971</u>	<u>Ps18,855,058</u>		<u>Ps 181,405</u>	<u>Ps115,187</u>

The composition of portfolio classified by type of loan at December 31, 2016 and 2015 is shown below:

Risk grade	December 31, 2016				December 31, 2015
	Operating lease	Financial factoring	Straight loans	Total	Total
A-1	Ps 691,373	Ps 2,880,409	Ps 4,077,266	Ps 7,649,048	Ps 5,174,058
A-2	-	-	-	-	-
B-1	124,389	-	-	124,389	51,453
B-2	-	-	-	-	-
B-3	5,390	-	-	5,390	4,636
C-1	-	-	-	-	16,015
C-2	33,315	-	-	33,315	24,957
D	10,959	-	-	10,959	-
E	2,482	-	-	2,482	13,806
Total loan portfolio	<u>Ps 867,908</u>	<u>Ps 2,880,409</u>	<u>Ps 4,077,266</u>	<u>Ps 7,825,583</u>	<u>Ps 5,284,925</u>

The composition of the consumer loan portfolio (straight loans and car loans), per type of risk, is as follows:

Risk grade	December 31,	
	2016	2015
A-1	Ps 1,172,361	Ps 428,628
B-1	<u>1,048</u>	<u>-</u>
Total	<u>Ps 1,173,409</u>	<u>Ps 428,628</u>

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The loan loss reserve per type of loan is comprised as shown below:

Risk grade	December 31, 2016					December 31, 2015
	Operating lease	Financial factoring	Straight loans	Car loans	Total	Total
A-1	Ps102,664	Ps 24,031	Ps 17,614	Ps 4,886	Ps 149,195	Ps 91,138
A-2	-	-	-	-	-	-
B-1	995	-	-	-	995	515
B-2	-	-	-	-	-	-
B-3	539	-	-	-	539	464
C-1	-	-	-	-	-	4,804
C-2	23,707	-	-	-	23,707	9,983
D	5,480	-	-	-	5,480	-
E	<u>1,489</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,489</u>	<u>8,283</u>
Total portfolio	<u>Ps134,874</u>	<u>Ps 24,031</u>	<u>Ps 17,614</u>	<u>Ps 4,886</u>	<u>Ps 181,405</u>	<u>Ps115,187</u>

The movements in the preventive loan loss reserve are as follows:

	December 31,	
	2016	2015
Balances at the beginning of the year	Ps 114,237	Ps 88,122
Increases	81,500	27,000
Reserves	<u>637</u>	<u>(885)</u>
Balances at year end	<u>Ps 196,374</u>	<u>Ps 114,237</u>

The behavior of the loan loss reserve hedge is shown below:

	December 31,	
	2016	2015
Recorded loan loss reserve	Ps 196,374	Ps 114,237
Required loan loss reserve	<u>181,405</u>	<u>115,187</u>
Excess (deficit) in loan loss reserve	<u>14,969</u>	<u>(950)</u>
Total past due portfolio hedge	<u>110.58%</u>	<u>103.04%</u>

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At December 31, 2016, total future minimum lease payments under operating leases relate to the following maturities:

	<u>Amount</u>
Up to one year	Ps 6,855,546
Two years	6,612,627
Three years	4,987,552
Four years	2,621,283
Five years	<u>65,972</u>
Total	<u>Ps 21,142,980</u>

The terms and conditions of operating leases agreed by the Company at December 31, 2016 are as follows:

The parties agree to the master agreement in order to establish the bases and general parameters that apply to the legal relationship between the parties, noting that the master agreement will govern multiple leases that will be documented in lease contracts known as “Amending agreements”, which must include the following information:

1. Description of goods: brand, type, serial number, engine number, etc.
2. Term lease.
3. Date of the first and second payment.
4. Initial payment date.
5. Where applicable, the customer will pay the first rent in advance.
6. Monthly rent.
7. Guarantee deposit.
8. Origination fee.
9. Moratorium interest rate.
10. On vehicles, the mileage authorized.
11. Rental type, fixed or variable.
12. Legal representative's data.
13. Where applicable, joint obligor and/or joint guarantor.
14. Designation of the depositary of the leased goods.
15. Where appropriate, constitution of further guarantees or obligations.
16. Signatures of the parties.

Use of leased property

The lessee may only use the good(s) leased within the territory of Mexico and they may be used by people or employees at its service or by persons authorized by the lessee as the solely liable party.

The lessee may only use the good(s) leased for use in accordance with agreed or the nature and purpose thereof.

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The lessee must not sublet or lease in any way the goods to third parties, or assign, in whole or in part, the rights and obligations under the master agreement, without the prior written consent of the lessor. Conversely, the lessor may assign, transfer or otherwise encumber all or part of its rights under the master agreement and exhibits contract alone will be sufficient to notify the lessee.

The lessee is solely liable for all expenses directly or indirectly related to the conservation, functionality, safety and maintenance of (the) good(s) leased.

Insurance

The lessor must contract one or more insurance policies with reputable insurers, whereby Company it is designated as the first beneficiary of any sums payable in the event of an incident.

Cases of termination

The master agreement may be cancelled or terminated in advance without liability to the lessor in the following cases, among others:

- a. Any breach in relation to the principal and accessory obligations of the lessee or any of (the) joint obligor(s) and/or (the) joint guarantor(s) under the master agreement or the contract amendments.
- b. If the lessee is an individual, a business entity or a commercial entity and it files for bankruptcy or is declared bankrupt, either voluntarily or at the request of any of its creditors.
- c. If the good(s) leased (is) are subject to foreclosure, preventive attachment, limiting domain or any other similar charge.
- d. If the lessee is subject to dissolution or a liquidation procedure by agreement of the partners or shareholders; by the authorities or any third party.
- e. If the lessee makes a transfer of property or rights to the detriment of its creditors.
- f. If the shares or equity participation units of the lessee are foreclosed or in any way affected.
- g. If the lessee is a commercial entity and it merges or its merged into another company or companies.
- h. If the lessee is an individual, business entity or commercial entity and it is subjected to processing procedures by their partners or shareholders.
- i. If one of the joint obligor(s) and/or joint guarantor(s) dies, except when the lessor assigns a new person as joint obligor(s) and/or joint guarantor(s).
- j. If the designated depositary in all or any of the agreements, including the exhibits thereto, fails to meet its obligations assumed or presumed or, if there is an event that threatens the availability of the goods in their favor.

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- k. If the lessee in any form transfers or sells a substantial part of its property, assets or rights placed under temporary or permanent state of insolvency.
- l. If the collateral or additional requirements that relate to the last paragraph of clause twenty of the master agreement are not met.
- m. If the lessee and/or any of (the) joint obligor(s) and/or joint guarantor(s) is (are) a business entity or an individual making dividend payments, reducing its capital stock or making payments for liabilities to related parties without the prior written consent of the lessor.

In the event that any of the aforementioned grounds for termination materializes, a contractual penalty is set at the rate of seven monthly rent payments if the cause for expiration takes place during the first year of the master agreement, and of five rent payments if the cause for monthly expiration takes place in years subsequent to the master agreement.

Promissory notes

The lessee undertakes to subscribe, at the request of the lessor, one or more debt securities (notes) to document the amounts of agreed monthly rent payments.

In any case, the credits must be signed by (the) joint obligor(s) and/or (the) joint guarantor(s) as guarantor(s) of the lessee. The lessor reserves the right to request the lessee to establish additional collateral for all obligations stipulated in the master agreement and the respective addendums or for specific agreement without thereby decreasing or releasing the lessee from the obligations that the joint obligor(s) and/or (the) joint guarantor(s) assume under the master agreement and its respective addenda.

Policies for granting loans

The main policies and procedures in place to grant, control and recover loans, as well as those for evaluation and follow up on credit risk, are shown below:

Criteria for acceptance

Loan applicants must comply with the following requirements:

- 1. The entity must not be in a state of bankruptcy.
- 2. The amount of the funding must not be excessive in light of the level of sales and/or stockholders' equity.
- 3. The total liability/total stockholders' equity leveraging financial ratio must not be above 2.0, depending on the entity's line of business.
- 4. The applicant's entity must not be a newly created company, unless it is an investment project that can attest to having a proper level of experience or that has successfully completed two projects similar to the project in question.

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5. It must not be or have been in a state of suspension of payments.
6. The rating of the requesting party's payment history issued by other banks through the credit bureau report must be A1, A2 or B at the lowest.
7. It must not be involved in any type of lawsuits or preventive attachments.
8. It must not have reported losses in the most recent two-year period, unless the most recent financial statements of the applicant can show that the loss trend has been reversed and that profits are being generated.

Loan management policies:

1. Creation and maintenance of a loan file for the purpose of following up on a borrower and on the loans granted.
2. All documentation supporting loan transactions must be kept in the operations file, which must be safeguarded by the factoring operations deputy director's office.
3. Compulsory quarterly reviews of the rating issued for the total loan client portfolio.
4. Semiannually visual reviews and reports of such visits to the company or business.
5. Client payment behavior must be monitored through semiannual consultations with the credit bureau, which will also issue a portfolio rating.
6. Recording of preventive loan loss reserves derived from the loan rating process.

Collection policies

1. Management of a loan ends when the capital, interest and any surcharges are fully collected on each factoring operation processed with a client.
2. Collection can be made in one of three forms:
 - a. Regular.
 - b. Administrative.
 - c. Through litigation or contentious procedures.
3. Policies for loan restructuring or loans under observation.

The heads of the collection and business departments are in charge of monitoring problem loans where the probability of default is very high.

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Policies for credit risk concentrations

Amounts to be granted to each of the principal economic sectors and subsectors, determining the maximum amount to be granted in terms of a percentage of the Company's net capital, both for individuals and for business entities, establishing the desired concentrations according to the types of loans, terms and currency, that will allow locating and concentrating the effects of the rating of the portfolio from which they stem, at the levels demanding fewer preventive loan loss reserve-related requirements.

Portfolio concentration goals and quarterly follow up thereon is established, in order to properly diversify the loan portfolio based on the Company's target market.

Note 8 - Other accounts receivable - Net:

Other accounts receivable as of December 31, 2016 and 2015 are comprised as follows:

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Creditable Value Added Tax (VAT)	Ps 865,438	Ps 193,155
Sundry debtors	15,522	3,839
Recoverable income tax	3,672	882
Recoverable flat tax	564	564
Creditable tax on cash deposits	244	244
Advances to vendors	<u>255,371</u>	<u>83,357</u>
	<u>Ps1,140,811</u>	<u>Ps 282,041</u>

Note 9 - Foreclosed assets:

At December 31, 2016 and 2015, foreclosed assets or ratios in payment are comprised as follows:

	<u>2016</u>	<u>2015</u>
Foreclosed assets	Ps212,416	Ps211,752
Allowance for impairment	<u>(35,875)</u>	<u>(14,468)</u>
	<u>Ps176,541</u>	<u>Ps197,284</u>

In the years ended on December 31, 2016 and 2015, the Company recognized increases in the foreclosed asset reserve of Ps21,407 and Ps8,946, respectively, in accordance with the policy explained in Note 3h. Additionally, there were no cancellations the reserve in those years.

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Note 10 - Property, machinery and equipment for own use and offered on lease:

At December 31, 2016 and 2015, property, machinery and equipment were comprised as follows:

<u>Components subject to depreciation or amortization</u>	<u>2016</u>			<u>Useful life (years)</u>
	<u>Own</u>	<u>Leased</u>	<u>Total</u>	
Building	Ps 34,640	Ps -	Ps 34,640	20
Transportation equipment	119,042	7,321,894	7,440,936	5
Aircraft/Ships	-	1,765,088	1,765,088	5
Computer equipment	75,308	691,495	766,803	3.3
Machinery and equipment	561	16,650,004	16,650,565	5
Office furniture and equipment	46,052	383,668	429,720	10
Medical equipment	-	217,730	217,730	5
Satellite equipment	-	130,006	130,006	5
Luminaries	-	617,944	617,944	5
Telecommunication	-	506,026	506,026	5
Other	<u>15,164</u>	<u>3,285,486</u>	<u>3,300,650</u>	5
	290,767	31,569,341	31,860,108	
Less:				
Accumulated depreciation	<u>(111,078)</u>	<u>(9,156,078)</u>	<u>(9,267,156)</u>	
	<u>179,689</u>	<u>22,413,263</u>	<u>22,592,952</u>	
Installation expenses	105,350	-	105,350	
Accumulated amortization	<u>(17,324)</u>	<u>-</u>	<u>(17,324)</u>	
	<u>88,026</u>	<u>-</u>	<u>88,026</u>	20
Total components subject to depreciation or amortization	267,715	22,413,263	22,680,978	
<u>Components not subject to depreciation or amortization</u>				
Land	<u>560,297</u>	<u>-</u>	<u>560,297</u>	
Total property, machinery and equipment	<u>Ps 828,012</u>	<u>Ps 22,413,263</u>	<u>Ps 23,241,275</u>	

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Components subject to depreciation or amortization	2015			Useful life (years)
	Own	Leased	Total	
Building	Ps 38,421	Ps -	Ps 38,421	20
Transportation equipment	92,954	4,688,236	4,781,190	5
Aircraft/Ships	-	1,284,248	1,284,248	5
Computer equipment	26,123	344,456	370,579	3.3
Machinery and equipment	561	11,201,890	11,202,451	5
Office furniture and equipment	33,171	343,434	376,605	10
Medical equipment	-	73,106	73,106	5
Satellite equipment	-	236,508	236,508	5
Luminaries	-	24,937	24,937	5
Telecommunication	-	597,033	597,033	5
Other	29,107	883,744	912,851	5
	220,337	19,677,592	19,897,929	
Less:				
Accumulated depreciation	(88,282)	(6,208,884)	(6,297,166)	
	132,055	13,468,708	13,600,763	
Installation expenses	67,410	-	67,410	20
Accumulated amortization	(15,622)	-	(15,622)	
	51,788	-	51,788	
Total components subject to depreciation or amortization	183,843	13,468,708	13,652,551	
Components not subject to depreciation or amortization				
Land	427,824	-	427,824	
Total of property, machinery and equipment	Ps 611,667	Ps 13,468,708	Ps 14,080,375	

Depreciation and amortization recorded in income for 2016 and 2015 amounted to Ps4,572,039 (Ps4,437,348 from straight leases) and Ps3,195,458 (Ps3,183,590 from straight leases), respectively.

At December 31, 2016 and 2015, transportation equipment offered on lease and other leased assets amounting to Ps18,325,866 and Ps11,139,406, respectively, were pledged to guarantee the payment of each of the collection rights under trusts.

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Note 11 - Other permanent investments:

Other permanent investments at December 31, 2016 and 2015, over which there is no significant influence, are comprised as follows:

<u>Companies</u>	Interest in stockholders' <u>equity (%)</u>		Value at <u>December 31,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Operadora de Arrendamiento Puro, S. A. de C. V.	.01	.01	Ps 668	Ps 668
Bosque Real, S. A. de C. V.	.01	.01	1,408	1,408
Club de Empresarios Bosques, S. A. de C. V.	.01	.01	305	305
Unión de Crédito para la Contaduría Pública, S. A. de C. V.	.01	.01	1,299	1,299
Unifin Agente	49.00	49.00	13,452	34
Other			<u>19,585</u>	<u>10,237</u>
Total			<u>Ps 36,717</u>	<u>Ps13,951</u>

Note 12- Debt securities:

Debt securities as of December 31, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Short term:		
International notes (accrued interest)	Ps 196,148	Ps 178,563
Debt certificate program:		
Stock structure (accrued interest)	41,531	11,622
Private stock structure (accrued interest)	<u>50,494</u>	<u>2,143</u>
	<u>288,173</u>	<u>192,328</u>
Long term:		
International notes	9,291,700	6,356,771
Debt certificate program:		
Stock structure	10,000,000	5,000,000
Private stock structure	<u>2,000,000</u>	<u>2,000,000</u>
	<u>21,291,700</u>	<u>13,356,771</u>
	<u>Ps21,579,873</u>	<u>Ps13,549,099</u>

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International notes

On September 14, 2016, the Company repurchased the equivalent of 86.2% of the international notes issued in July 2014 for a total of Dlls.315.9 million, of which Dlls.311.9 million were acquired at the unit price of Dlls.105 and Dlls.4.1 million were acquired at the unit price of Dlls.102.

On September 22, 2016, the Company concluded a private offering and placement of debt securities in the form of senior notes in the US and other foreign markets, further to rule 144 A and Regulation S of the US Securities Act of 1933 and the regulations applicable in the countries in which the offering was made.

The main features of the international notes issued are as follows:

- a. Amount issued: Dlls. 400,000,000.
- b. Annual agreed rate: 7.25%.
- c. Payable at maturity: 7 years (maturing in September 2023).
- d. Interest payable semi-annually during the term of the Notes.
- e. Place of issuance of the bond listing: Luxemburg Stock Exchange.
- f. Granted Ratings: BB / BB (Standard & Poor's and Fitch Ratings).
- g. Guarantors: Unifin Credit and Unifin Autos.

In July 2014, the Company issued a number of international notes through a private offering, in accordance with rule 144 A and Regulation S of the US Securities Act of 1933 and the regulations applicable in the countries in which the offering was made. Following are the main features of the international notes issued:

- a. Amount issued Dlls.400,000,000.
- b. Agreed annual rate: 6.25%.
- c. Payable at maturity: 5 years (maturing in July 2019).
- d. Interest payable in six-month periods over the term of the Bond.
- e. Place of issuance of the bond listing: Luxemburg Stock Exchange.
- f. Ratings granted: BB- / BB- (Standard & Poor's and Fitch Ratings).
- g. Guarantors: Unifin Credit and Unifin Autos.

The resources obtained from this issue were used to pay current and long-term financial liabilities.

In January 2015, the Company repurchased 33,400 titles of the international notes comprising 8.35% of the securities issued on July 22, 2014. The transactions took place between the Company and an independent entity located in the United States.

Commitments

The international notes debt impose certain provisions to the Company that limit its ability to incur in additional debt; create liens; pay dividends; make certain investments; reduce its share capital, among others. It also establishes that the Company and its subsidiaries may partially or totally merge or dispose of their assets if the respective transaction meets certain requirements; establishes minimum requirements for carrying out portfolio securitizations and limit the Company's ability to enter into transactions with related parties.

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Trust notes under a securitization program (share structure)

The share structure is set of operations whereby the Company transfers certain rights over certain financial assets to a securitization vehicle created for that specific purpose (usually a trust), in order for that vehicle to issue securities to be placed among the general investing public and for the Company to diversify its funds and increase its operating capacity. The Company entered into an administration, commercial commission and deposit agreement in order for those rights to be transferred back to the Company for management purposes.

Additionally, a pledge agreement has been signed by the Company (collateral guarantor) and the trustee (Pledgee) whereby the Company pledges in first order of preference for payment, each of the leased assets from which the aforementioned collection rights are derived on behalf of the Pledgee to guarantee timely and full payment of all amounts payable by each of the Company clients, in accordance with the lease agreements of which these clients participate.

On February 12, 2016, December 2, 2016, November 19, 2015, September 8, 2015, November 19, 2013, May 2, 2012, February 16 and November 1, 2011, the Commission issued rulings number 153/5726/2015, 153/7644/2013, 153/5727/2015, 153/5047/2015, 153/7676/2013, 153/8359/2012, 153/30501/2011 and 153/31580/2011, respectively, authorizing the revolving trust bonds programs (Trustee programs), under ticker symbols UFINCB16, UNFINCB16, UNFINCB16-2, UNFINCB15, UFINCB15, UNIFCB13, UNIFCB12, UNIFCB11 and UNIFCB11-2, for an amount up to Ps10,000,000, Ps7,000,000 Ps7,000,000, Ps7,000,000, Ps7,000,000, Ps5,000,000 and Ps3,500,000, respectively. The Company has conducted issuances under such Trust programs, entering into trust agreements whereby it acts as trustor of the Trust; as trustees, Banco Nacional de México, S. A., Institución de Banca Múltiple, Grupo Financiero Banamex División Fiduciaria (Banamex), INVEX Banco, Institución de Banca Múltiple, Invex Grupo Financiero, Fiduciario and HSBC México, S. A., Institución de Banca Múltiple, Grupo Financiero HSBC, División Fiduciaria(HSBC), and Monex Casa de Bolsa, S. A. de C. V., Grupo Financiero Monex as common representative; and the holders of the stock certificates and the Company as first and second place trustees, respectively.

According to the supplements to the Trustee Programs, the Company and the issuing trustee are not responsible for paying amounts due under these debt certificates in the event that the equity of the issuing trust is insufficient to pay in full the amounts owed under the notes, and the holders of those notes are not entitled to claim from the trustor nor the trustee payment thereof. The trustor and trustee are responsible for ensuring that the Trust equity is sufficient to cover amounts owed.

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The secured notes of trust programs as of December 31, 2016 are described below:

<u>Ticker symbol</u>	<u>Issuing trust</u>	<u>Number of titles*</u>	<u>Maturity</u>	<u>Rate (%)</u>	<u>Total amount of issue</u>	<u>Rating S&P</u>	<u>Trustee</u>
UNFINCB13	F/17293-4 Banamex	10,000,000	Nov 2018	TIIE + 1.60	Ps1,000,000	mxAAA S&P/HR	AAA
UNFINCB15	F/17598-4 Banamex	20,000,000	Feb 2020	TIIE + 1.60	2,000,000	mxAAA S&P/HR	AAA
UFINCB15	F/2539 INVEX	20,000,000	Sep 2020	TIIE + 1.60	2,000,000	mxAAA S&P/HR	AAA
UFINCB16	F/2720 INVEX	25,000,000	Feb 2021	TIIE + 1.60	2,500,000	mxAAA S&P/HR	AAA
UNFINCB16	F/179866 Banamex	12,500,000	Sep 2021	TIIE + 2.20	1,250,000	mxAAA S&P/HR	AAA
UNFINCB16-2	F/179866 Banamex	12,500,000	Sep 2021	9.47	<u>1,250,000</u>	mxAAA S&P/HR	AAA
Total					10,000,000		
Interest accrued in the short-term					<u>41,531</u>		
					<u>Ps10,041,531</u>		

The secured notes program issues as of December 31, 2015 are described below:

<u>Ticker symbol</u>	<u>Issuing trust</u>	<u>Number of titles*</u>	<u>Maturity</u>	<u>Rate (%)</u>	<u>Total amount of issue</u>	<u>Rating S&P</u>	<u>Trustee</u>
UNFINCB13	F/17293-4 Banamex	10,000,000	Nov 2018	TIIE + 1.60	Ps1,000,000	mxAAA S&P/HR	AAA
UNFINCB15	F/17598-4 Banamex	20,000,000	Feb 2020	TIIE + 1.60	2,000,000	mxAAA S&P/HR	AAA
UFINCB15	F/2539 INVEX	20,000,000	Sep 2020	TIIE + 1.60	<u>2,000,000</u>	mxAAA S&P/HR	AAA
Total					<u>5,000,000</u>		
Interest accrued in the short-term					<u>11,622</u>		
					<u>Ps5,011,622</u>		

At December 31, 2016 and 2015, income earned relating to trust management services amount to Ps62,998 and Ps51,401, respectively.

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At December 31, 2016 and 2015, issue expenses are as follows:

Ticker symbol	Issuance costs						Ending balance 2016
	Opening balance 2015	Increase	Decrease	Ending balance 2015	Increase	Decrease	
UNIFCB11-2	Ps 12,450	Ps 13,506	Ps 25,956	Ps -	Ps -	Ps -	Ps -
UNIFCB12	17,047	3,210	20,257	-	-	-	-
UNFINCB13	23,517	12,041	8,307	27,251	-	9,107	18,144
UNFINCB15	-	101,304	-	101,304	-	24,101	77,203
UFINCB15	-	81,879	-	81,879	1,174	18,914	64,139
International notes 2019	166,828	-	70,193	96,635	75,566	24,387	147,814
International notes 2023	-	-	-	-	533,608	16,115	517,493
UFIN CB16	-	-	-	-	102,071	10,202	91,869
UNFIN CB16	-	-	-	-	22,359	1,118	21,241
UNFIN CB16-2	-	-	-	-	1,401	-	1,401
Total	<u>Ps 219,842</u>	<u>Ps 211,940</u>	<u>Ps 124,713</u>	<u>Ps 307,069</u>	<u>Ps 736,179</u>	<u>Ps 103,944</u>	<u>939,304</u>

Private trust bonds

On November 30, 2012, the Company in its capacity as Trustor and Second Beneficiary, entered into Irrevocable Transfer of Ownership Trust agreement “F/1355” (Trust), with Banco Invex, S. A., Institución de Banca Múltiple, Invex Grupo Financiero as Trustee (Invex) and Scotiabank Inverlat, S. A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat (Scotiabank) as first Beneficiary, whereby the collection rights (Trust equity) are assigned to secure the payment of cash withdrawals from the revolving credit line of Ps1,500,000 contracted by Invex with Scotiabank on that same date.

At December 31, 2016 and 2015, private trust bonds were as follows:

<u>Outstanding amount</u>						
	<u>2016</u>	<u>2015</u>	<u>Currency</u>	<u>Maturity</u>	<u>Rate</u>	<u>Type</u>
Invex	Ps 2,000,000	Ps 2,000,000	MXN	11/06/12 to 11/21/18	TIIE+1.60	Collection rights
Interest accrued	<u>50,494</u>	<u>2,143</u>				
	<u>Ps 2,050,494</u>	<u>Ps 2,002,143</u>				

At December 31, 2016 and 2015, collection rights assignments amount to Ps6,322,999 and Ps4,959,971, and costs incurred amount to Ps1,403 and Ps24,211, respectively.

The Company and Invex entered into an agreement for administration, commercial commission and deposit services for the purpose of managing collection rights.

Some of the Company's issues establish obligations to do and not to do, which have been covered at December 31, 2016 and 2015.

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Note 13 - Bank borrowings and loans from other entities:

At December 31, 2016 and 2015, bank borrowings and loans from other entities were as follows:

2016					
<u>Short-term</u>	<u>Outstanding amount</u>	<u>Currency</u>	<u>Maturity</u>	<u>Rate</u>	<u>Guarantee</u>
Nafinsa	Ps 2,500,000	MXN	Feb/17	TIIE+2.75	Unsecured
Citibanamex	1,500,000	MXN	May/17	TIIE (91d)+3.00	Unsecured
Scotiabank	1,343,024	MXN	Nov/17	TIIE+3.00	Unsecured
Multivalores	300,000	MXN	Dec/17	TIIE+3.00	Factoring portfolio
CIBanco	200,000	MXN	Nov/17	TIIE+4.00	Unsecured
Bladex USD	171,939	USD	Dec/17	TIIE+3.72	Residual values
Comerica Bank	141,134	MXN	Feb/17	TIIE+2.75	Residual values
Bladex	87,525	MXN	Dec/17	TIIE+3.16	Residual values
Bancomext	91,080	MXN	Dec/17	TIIE+2.70	Leasing portfolio
Invex	31,280	MXN	Feb/17	TIIE+3.85	Residual values
Banco del Bajío	7,569	MXN	Nov/17	TIIE+3.20	Leasing portfolio
Subtotal	6,373,551				
Accrued interest payable	71,862				
Total short-term	6,445,413				
<u>Long term</u>					
Bladex USD	742,009	USD	Jun/19	TIIE+3.72	Residual values
Bladex	377,717	MXN	Jun/19	TIIE+3.16	Residual values
Scotiabank	372,030	MXN	Jun/20	TIIE+3.60	Leasing portfolio
Bancomext	290,016	MXN	Nov/20	TIIE+2.70	Leasing portfolio
Banco del Bajío	78,822	MXN	Aug/21	TIIE+3.20	Leasing portfolio
Invex	36,642	MXN	May/18	TIIE+3.85	Residual values
Total long-term	1,897,236				
Total short and long-term	Ps 8,342,649				

2015					
<u>Long-term</u>	<u>Outstanding amount</u>	<u>Currency</u>	<u>Maturity</u>	<u>Rate</u>	<u>Guarantee</u>
Nafinsa	Ps 2,352,061	MXN	Mar/16	TIIE+2.75	Unsecured
Banamex	1,000,000	MXN	Jan/16	TIIE (91d)+3.00	Unsecured
IXE	532,000	MXN	Feb/16	TIIE+3.50	Leasing portfolio
Scotiabank	442,235	MXN	Dec/16	TIIE+3.60	Unsecured
CIBanco	200,000	MXN	Feb/16	TIIE+3.50	Unsecured
Comerica Bank	170,298	MXN	Mar/16	LIBOR+3.50	Residual values
Fideicomiso fondo minero	3,129	MXN	Apr/16	TIIE+1.95	Leasing portfolio
Subtotal	4,699,723				
Accrued interest payable	17,007				
Total short-term	4,716,730				
<u>Long-term</u>					
Bladex	250,000	MXN	Oct/17	TIIE+3.085	Residual values
Scotiabank	247,583	MXN	Jul/18	TIIE+3.60	Unsecured
Bancomext	208,912	MXN	Aug/19	TIIE+2.70	Leasing portfolio
Invex	60,347	MXN	Feb/17	TIIE+3.85	Residual values
EXIM Bank	9,387	MXN	Jun/17	3.13	Leasing portfolio
Fideicomiso fondo minero	4,330	MXN	Feb/17	TIIE+1.95	Leasing portfolio
Total long-term	780,559				
Total short and long-term	Ps 5,497,289				

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The unused amounts of the lines of credit received by the Company are as follows:

	<u>2016</u>	<u>2015</u>
Ixe Banco	Ps 649,000	Ps 117,000
Santander	550,000	-
Scotiabank	533,898	560,183
Bancomext	121,228	291,088
Banco del Bajío, S. A.	13,609	-
Multiva	-	100,000
FIFOMI	-	107,750
Interacciones	-	150,000
CI Banco	-	100,000
Corporación Interamericana de Inversiones	-	50,000
Unión de Crédito para la Contaduría Pública	-	50,000
Nafinsa	-	147,939
	<u>Ps 1,867,735</u>	<u>Ps1,673,960</u>

As of December 31, 2016 and 2015, the Company is in compliance with all restrictive financial covenants to do and not do.

Note 14 - Sundry creditors and other accounts payable:

At December 31, 2016 and 2015, this balance is made up as follows:

	<u>2016</u>	<u>2015</u>
Liabilities relating to acquisition of fixed assets	Ps4,880,578	Ps 1,241,800
Sundry creditors	371,773	34,086
Income tax and VAT withholdings	12,389	7,654
Guarantee deposits	<u>162,766</u>	<u>83,973</u>
	<u>Ps5,427,506</u>	<u>Ps 1,367,513</u>

Note 15 - Stockholders' equity:

On May 22, 2015, the Company issued its Initial Public Offering on the BMV, and for international purposes it issued it under rule 144/Reg S, for a total of Ps3,606,400, comprised of 50%primary shares and 50% secondary shares. The amount includes the over-allotment option, which comprised 15% of the total offering.

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The capital stock at December 31, 2016 and 2015 is comprised as follows:

<u>Number of shares *</u>		<u>Description</u>	<u>Amount</u>	
<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>
		Series "A" fixed portion of capital	Ps 1,000	Ps 1,000
<u>352,800,000</u>	<u>352,800,000</u>	Series "A" variable portion of capital with voting rights	<u>1,101,500</u>	<u>1,101,500</u>
<u>352,800,000</u>	<u>352,800,000</u>	Capital stock at December 31, 2016 and 2015	<u>Ps 1,102,500</u>	<u>Ps1,102,500</u>

* Common, nominal shares with no par value, fully subscribed and paid in.

The profit for the year is subject to the legal provision requiring that at least 5% of the profit be set aside to increase the legal reserve until it reaches an amount equivalent to one fifth of the capital stock.

The profit per share at the 2016, 2015 and 2014 year-end closing was Ps3.43, Ps4.88 and Ps81.91 (pesos), respectively.

Dividends are free from income tax if paid out from the After-Tax Earnings Account (CUFIN). Dividends in excess of the CUFIN and Reinvested CUFIN are subject to 42.86% tax if paid in 2017. Tax incurred is payable by the Company and may be credited against income tax for the current period or for the following two periods. Dividends paid from previously taxed profits are not subject to tax withholding or additional tax payments.

As of 2014, the Income Tax Law (ITL) establishes an additional 10% tax on earnings generated as from 2014 from dividends paid to parties' resident abroad and to Mexican individuals.

Additionally, the ITL grants a tax incentive to individuals resident in Mexico that are subject to payment of additional 10% tax on dividends or profits distributed.

The incentive is applicable provided that those dividends or profits arise in 2014, 2015 and 2016 and that they are reinvested in the same business entity from which they arose. The incentive consists of a tax credit equivalent to the amount resulting from applying the percentage in effect for the year of distribution to the dividend or profits distributed, as follows:

<u>Year of distribution of dividend or profit</u>	<u>Percentage applicable to the amount of the dividend or profit distributed (%)</u>
2017	1
2018	2
2019 onward	5

The tax credit determined is creditable only against the additional 10% income tax that the business entity is required to withhold and pay over.

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Business entities distributing dividends or profits with regard to shares placed among the large investing public must inform the brokerage firm, credit institutions, investment operating companies, persons in charge of distributing the shares of investment entities, or any other securities market intermediary, of the periods in which said dividends arise, in order for said intermediaries to withhold the respective tax. In the periods ended on December 31, 2016 and 2015, the Company generated profits in the amount of Ps1,210,349 and Ps1,093,477, which could be subject to that incentive.

At the March 9, 2016 and February 20, 2015 Extraordinary General Meetings, the shareholders agreed to pay dividends of Ps352,507 and Ps100,000, respectively, arising from prior years' income.

In the event of a capital reduction, any excess of stockholders' equity over capital contributions, the latter restated in accordance with the provisions of the ITL, is accorded the same tax treatment as dividends.

At December 31, 2016 and 2015, the Company's stockholders' equity includes Ps298,997 and (Ps81,259), respectively, corresponding to the effect of valuation of derivative financial instruments, the accounting effects of which arise from asset valuations not necessarily realized, which could possibly represent a restriction for reimbursement to stockholders, as this could be considered to give rise to future liquidity problems for the Company.

In 2016 and 2015, the Company incurred Ps2,770 and Ps139,389, respectively, for issue, placement and listing of shares, which was applied to stockholders' equity and is shown under capital stock.

Note 16 - Income tax:

Income tax is determined on the basis of the individual tax results of the Company and its subsidiaries. At December 31, 2016, 2015 and 2014, the Company determined taxable income of Ps2,166,662, Ps1,951,617 and Ps1,521,716, respectively. The tax result differs from the accounting result mainly due to items accrued over time and deducted differently for accounting and tax purposes, to recognition of the effects of inflation for tax purposes, and to items only affecting the book or tax result.

The ITL establishes that income tax applicable in 2014 and subsequent periods is 30% of taxable profit.

The income tax provision is as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Income tax payable	(Ps 656,117)	(Ps 585,485)	(Ps 456,515)
Deferred income tax asset	<u>390,956</u>	<u>256,673</u>	<u>234,150</u>
	<u>(Ps 265,161)</u>	<u>(Ps 328,812)</u>	<u>(Ps 222,365)</u>

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The reconciliation between the incurred and effective income tax rates is shown below:

	<u>2016</u>		<u>2015</u>		<u>2014</u>	
Income before income taxes	Ps	1,475,510	Ps	1,422,289	Ps	704,773
Income tax payable rate		<u>30%</u>		<u>30%</u>		<u>30%</u>
Income tax at statutory rate		442,653		426,687		211,432
Plus (less) effect of the following permanent items on the income tax:						
Nondeductible expenses		578		2,189		599
Annual inflation adjustment		181,019		76,595		98,436
Own and leased machinery and equipment		(226,850)		(84,319)		(84,172)
Deferred commissions		(62,127)		(31,575)		-
Bad debt reserve		(8,782)		(2,735)		-
Liability provisions		(1,155)		(1,406)		-
Deferred charges		(42,432)		(59,195)		-
Prepayments		(17,091)		2,623		-
Other assets		<u>(652)</u>		<u>(52)</u>		<u>(3,930)</u>
Income tax recorded in income	Ps	<u>265,161</u>	Ps	<u>328,812</u>	Ps	<u>222,365</u>
Effective income tax rate		<u>17.97%</u>		<u>23.25%</u>		<u>31.55%</u>

The main temporary differences on which deferred income tax is recognized are shown below:

	<u>December 31,</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
Own and leased machinery and equipment	Ps	3,947,751	Ps	2,458,892	Ps	1,726,357		
Deferred commissions		445,688		238,597		133,346		
Bad debt reserve		171,283		103,147		88,122		
Liability provisions		8,536		4,685		2,231		
Deferred charges		(640,151)		(153,410)		(104,543)		
Other assets		8,977		10,591		(26,041)		
Prepayments		<u>(57)</u>		<u>(33)</u>		<u>-</u>		
		3,942,027		2,662,469		1,819,472		
Applicable income tax rate		<u>30%</u>		<u>30%</u>		<u>30%</u>		
Deferred income tax asset	Ps	<u>1,182,608</u>	Ps	<u>798,740</u>	Ps	<u>545,842</u>		

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Note 17 - Financial information by segment:

Following are the main assets and liabilities per Company segment:

	December 31, 2016			
<u>Assets</u>	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Cash and cash equivalents	Ps 1,350,513	Ps 93,194	Ps 235,189	Ps 1,678,896
DFI	3,886,319	-	-	3,886,319
Loan portfolio	867,908	2,880,409	5,250,674	8,998,991
Preventive loan loss reserve	(3,926)	(12,319)	(180,129)	(196,374)
Property, machinery and equipment	22,903,392	-	337,883	23,241,275
Foreclosed assets	126,085	50,456	-	176,541
Other assets	<u>3,655,819</u>	<u>16,581</u>	<u>152,297</u>	<u>3,824,697</u>
	<u>Ps32,786,110</u>	<u>Ps3,028,321</u>	<u>Ps5,795,914</u>	<u>Ps41,610,345</u>
<u>Liabilities</u>				
Debt securities	Ps15,758,495	Ps2,062,204	Ps3,759,174	Ps21,579,873
Bank loans and other entities' loans	6,092,139	797,236	1,453,274	8,342,649
Deferred commissions	445,688	-	-	445,688
Other liabilities	<u>5,179,863</u>	<u>13,789</u>	<u>547,850</u>	<u>5,741,502</u>
	<u>Ps27,476,185</u>	<u>Ps2,873,229</u>	<u>Ps5,760,298</u>	<u>Ps36,109,712</u>

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	December 31, 2015			
<u>Assets</u>	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Cash and cash equivalents	Ps 1,330,433	Ps 9,399	Ps 117,963	Ps 1,457,795
DFI	2,141,926	-	-	2,141,926
Loan portfolio	524,499	2,126,397	3,062,659	5,713,555
Preventive loan loss reserve	(95,128)	(5,828)	(13,281)	(114,237)
Property, machinery and equipment	13,756,113	-	324,262	14,080,375
Foreclosed assets	197,284	-	-	197,284
Other assets	<u>1,491,983</u>	<u>14,549</u>	<u>46,512</u>	<u>1,553,044</u>
	<u>Ps19,347,110</u>	<u>Ps2,144,517</u>	<u>Ps3,538,115</u>	<u>Ps25,029,742</u>
<u>Liabilities</u>				
Debt securities	Ps 9,820,277	Ps 1,528,015	Ps 2,200,807	Ps 13,549,099
Bank loans and other entities' loans	3,984,390	619,964	892,935	5,497,289
Deferred commissions	238,597	-	-	238,597
Other liabilities	<u>1,393,928</u>	<u>4,263</u>	<u>-</u>	<u>1,398,191</u>
	<u>Ps15,437,192</u>	<u>Ps2,152,242</u>	<u>Ps3,093,742</u>	<u>Ps20,683,176</u>

Given that management considers that the useful information for stakeholders is the Adjusted Financial Margin, in 2016, 2015 and 2014 the respective information is as follows:

	Year ended December 31, 2016			
	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other lending</u>	<u>Total</u>
Operating lease income	Ps 7,773,136	Ps -	Ps -	Ps 7,773,136
Interest income	150,828	497,611	535,332	1,183,771
Other leasing benefits	528,719	-	-	528,719
Depreciation of goods under operating leases	(4,537,348)	-	-	(4,537,348)
Interest expenses	(1,689,340)	(185,425)	(114,087)	(1,988,852)
Other leasing expenses	(583,569)	-	-	(583,569)
Preventive loan loss reserve	<u>(67,500)</u>	<u>(14,000)</u>	<u>-</u>	<u>(81,500)</u>
Adjusted Financial Margin	<u>Ps 1,574,926</u>	<u>Ps 298,186</u>	<u>Ps 421,245</u>	<u>Ps 2,294,357</u>

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	Year ended on December 31, 2015			
	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Operating lease income	Ps5,480,661	Ps -	Ps -	Ps5,480,661
Interest income	141,245	322,625	283,537	747,407
Other leasing benefits	317,591	-	-	317,591
Depreciation of goods under operating leases	(3,183,590)	-	-	(3,183,590)
Interest expenses	(864,548)	(134,522)	(193,753)	(1,192,823)
Other leasing expenses	(348,338)	-	-	(348,338)
Preventive loan loss reserve	<u>(27,000)</u>	<u>-</u>	<u>-</u>	<u>(27,000)</u>
Adjusted Financial Margin	<u>Ps 1,516,021</u>	<u>Ps 188,103</u>	<u>Ps 89,784</u>	<u>Ps 1,793,908</u>

	Year ended on December 31, 2014			
	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Operating lease income	Ps 3,648,586	Ps -	Ps -	Ps 3,648,586
Interest income	264,855	99,646	108,388	472,889
Other leasing benefits	383,189	-	-	383,189
Depreciation of goods under operating leases	(2,150,092)	-	-	(2,150,092)
Interest expenses	(585,307)	(121,588)	(132,760)	(839,655)
Other leasing expenses	(424,978)	-	-	(424,978)
Preventive loan loss reserve	<u>(10,000)</u>	<u>40,000</u>	<u>-</u>	<u>30,000</u>
Adjusted Financial Margin	<u>Ps 1,126,253</u>	<u>Ps 18,058</u>	<u>(Ps 24,372)</u>	<u>Ps 1,119,939</u>

Note 18 - Related parties:

The main balances with related parties at December 31, 2016 and 2015 are shown below:

<u>Receivable:</u>	<u>2016</u>	<u>2015</u>
Administradora Bríos, S. A. de C. V.	Ps236,824	Ps 75,667
Unifin Administración Corporativa, S. A. de C. V.	17,590	17,590
Unifin Servicios Administrativos, S. A. de C. V.	12,000	12,000
Other	<u>746</u>	<u>1,928</u>
Total	<u>Ps267,160</u>	<u>Ps 107,185</u>

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<u>Payable:</u>	<u>2016</u>	<u>2015</u>
Unifin Administración Corporativa, S. A. de C. V.	Ps 13,495	Ps 175
Unifin Servicios Administrativos, S. A. de C. V.	7,363	-
Other	<u>2,300</u>	<u>2,300</u>
Total	<u>Ps 23,158</u>	<u>2,475</u>

In the years ended on December 31, 2016, 2015 and 2014, the following operations were carried out with related parties in addition to the related loans:

	<u>Year ended December 31,</u>		
<u>Income</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Car leases	Ps -	Ps 1,997	Ps 4,275
Other income	40	1,263	-
Car sales	21,054	15,768	-
Administrative services	<u>-</u>	<u>-</u>	<u>3,885</u>
	<u>Ps 21,094</u>	<u>Ps 19,028</u>	<u>Ps 8,160</u>
<u>Expenses</u>			
Administrative services	Ps 508,174	Ps 455,409	Ps 299,324
Donations	<u>8,784</u>	<u>4,435</u>	<u>2,010</u>
	<u>Ps 516,958</u>	<u>Ps 459,844</u>	<u>Ps 301,334</u>

Note 19 - Breakdown of the main items of the statement of income:

Following is the breakdown of the main items of the statement of income for the years ended on December 31, 2016, 2015 and 2014:

Financial margin

a. Operating lease income

	<u>Year ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Leases	Ps 7,749,581	Ps 5,495,766	Ps 3,659,940
Returns and rebates	<u>23,555</u>	<u>(15,105)</u>	<u>(11,354)</u>
Total operating lease income	<u>Ps 7,773,136</u>	<u>Ps 5,480,661</u>	<u>Ps 3,648,586</u>

b. Interest income

Cash and cash equivalents	Ps 52,527	Ps 27,539	Ps 21,648
Loan portfolio	898,997	521,549	337,409
Commissions for opening line of credit	271,572	186,449	113,832
Valuation (loss) gain - Net	<u>(39,326)</u>	<u>11,870</u>	<u>-</u>
Total interest income	<u>Ps 1,183,770</u>	<u>Ps 747,407</u>	<u>Ps 472,889</u>

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	<u>Year ended December 31,</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
c. Other lease benefits			
Sale of fixed assets	Ps 524,643	Ps 305,084	Ps 383,071
Other lease benefits	<u>4,076</u>	<u>12,507</u>	<u>118</u>
Total other lease benefits	<u>Ps 528,719</u>	<u>Ps 317,591</u>	<u>Ps 383,189</u>
d. Depreciation of assets under operating lease			
Depreciation of assets under operating lease	<u>Ps 4,537,348</u>	<u>Ps 3,183,590</u>	<u>Ps 2,150,092</u>
e. Interest expense			
Debt securities	Ps 1,019,146	Ps 582,564	Ps 383,991
Issuance costs	264,550	229,414	105,694
Interbank loans and other entities' loans	575,129	298,429	210,778
Costs and expenses incurred in granting loans	<u>130,027</u>	<u>82,416</u>	<u>139,192</u>
Total interest expenses	<u>Ps 1,988,852</u>	<u>Ps 1,192,823</u>	<u>Ps 839,655</u>
f. Other lease expenses			
Cost of sale of fixed assets	Ps 523,826	Ps 305,084	Ps 383,071
Fixed asset insurance	<u>59,743</u>	<u>43,254</u>	<u>41,907</u>
Total other lease expenses	<u>Ps 583,569</u>	<u>Ps 348,338</u>	<u>Ps 424,978</u>
<u>Operating income</u>			
g. Commissions and rates charged and paid			
Commission for trust management paid	<u>(Ps 51,214)</u>	<u>(Ps 38,586)</u>	<u>(Ps 10,019)</u>
Total commissions and rates charged - Net	<u>(Ps 51,214)</u>	<u>(Ps -38,586)</u>	<u>(Ps 10,019)</u>
h. Other income and expenses			
Recovery of insurance expenses	Ps 9,560	Ps 17,162	Ps 35,103
Other income	16,032	12,376	85,921
Recovered taxes	-	11,577	-
Other expenses	<u>(9,235)</u>	<u>(4,491)</u>	<u>(2,350)</u>
Total other income and expenses - Net	<u>Ps 16,357</u>	<u>Ps 36,624</u>	<u>Ps 118,674</u>
i. Administrative and promotion expenses			
Personnel management	Ps 401,659	Ps 413,400	Ps 266,578
Administrative expenses	144,784	111,115	104,557
Advertising expenses	38,501	17,425	51,955
Depreciation and amortization	34,691	13,425	20,257
Other expenses	109,531	89,278	50,410
Communications	6,950	4,469	8,554
Leasing	48,809	42,588	17,650
Insurance	11,107	11,154	7,712
Electric power	<u>1,376</u>	<u>526</u>	<u>7,422</u>
Total administration and promotion expenses	<u>Ps 797,408</u>	<u>Ps 703,380</u>	<u>Ps 535,095</u>

Note 20 - Memorandum accounts:

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Consolidated Statements of Cash Flows

Following is the breakdown of memorandum accounts for the years ended on December 31, 2016 and 2015:

	Year ended December 31,	
	2016	2015
Accounts receivable under trust	Ps 16,026,862	Ps 10,887,655
Own lease fees receivable	<u>5,116,118</u>	<u>2,253,849</u>
Other recording accounts	<u>Ps 21,142,980</u>	<u>Ps 13,141,504</u>

Note 21 - New accounting pronouncements:

Accounting criteria

On January 6, 2017, the Official Gazette published the ruling amending the General Provisions applicable to Lending Institutions, whereby the methodology for estimating preventive reserves and rating loan portfolios is amended so as to properly hedge consumer loan portfolios. This ruling is effective as of June 1, 2017. Those amendments are not expected to significantly affect the financial information presented by the Company.

Following are the MFRS issued by the CINIF in December 2013, 2014 and 2015, which come into force in 2018. Those MFRS are not expected to significantly affect the financial information presented by the Company.

2018

MFRS C-3 “Accounts receivable”. Establishes the valuation, presentation and disclosure standards for initial and subsequent recognition of trade accounts receivable and other accounts receivable in the financial statements. Specifies that contract-based accounts receivable qualify as financial instruments.

MFRS C-9 “Provisions, contingencies and commitments”. Establishes the standards for book recognition of provisions in the financial statements of entities, as well as the standards to disclose contingent assets, contingent liabilities and commitments in those financial statements. Reduces its scope by reallocating the accounting treatment of financial liabilities to MFRS C-19 “Financial instruments payable”. It additionally updated the terminology used throughout the regulatory wording.

***Unifin Financiera, S. A. B. de C. V., Sociedad
Financiera de Objeto Múltiple, Entidad No
Regulada and subsidiaries***

Unaudited Condensed Consolidated Interim Financial Statements
As of September, 30, 2017 and December 31, 2016 and for the nine-
month periods ended September 30, 2017 and 2016

**Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple,
Entidad No Regulada and subsidiaries**

Unaudited Condensed Consolidated Interim Balance Sheets

(Notes 1, 2, 9, 10 and 11)

As of September 30, 2017 and December 31, 2016

Thousands of Mexican pesos					
	September 30, 2017	December 31, 2016		September 30, 2017	December 31, 2016
Assets			Liabilities and Stockholders' Equity		
Cash and cash equivalents	Ps 3,825,071	Ps 1,678,896	Liability:		
Derivatives for trading and hedge purposes	1,296,054	3,886,319	Debt securities (Note 5)		
Loan portfolio (Note 3):			Short-term	Ps 173,146	Ps 288,173
Performing loans portfolio			Long-term	33,185,150	21,291,700
Commercial loans	8,044,529	7,649,047		33,358,296	21,579,873
Consumer loans	1,823,059	1,172,361			
Total performing loans portfolio	9,867,588	8,821,408	Bank borrowings and loans from other entities (Note 6):		
Past due loans portfolio:			Short term	4,239,847	6,445,413
Commercial loans	280,558	177,583	Long term	1,417,924	1,897,236
Total loans portfolio	10,148,146	8,998,991		5,657,771	8,342,649
Less:			Other accounts payable:		
Allowance for loan losses	(281,374)	(196,374)	Income tax payable (Note 8)	94,623	313,996
Loans portfolio - Net	9,866,772	8,802,617	Sundry creditors and other accounts payable	4,068,781	5,427,506
Other accounts receivable	1,037,368	1,140,811		4,163,404	5,741,502
Foreclosed assets - Net	157,284	176,541	Deferred credits and advanced collections	607,855	445,688
Property, machinery and equipment - Net (Note 4)	29,562,968	23,241,275	Total liabilities	43,787,326	36,109,712
Other permanent investments	61,335	36,717	Stockholders' equity:		
Deferred income tax (Note 8)	1,501,786	1,182,608	Contributed capital (Note 7):		
Other assets:			Capital stock	958,377	960,341
Deferred charges and advanced payments	2,146,741	1,457,580	Share premium	1,935,900	1,935,900
Other long-term assets	7,031	6,981		2,894,277	2,896,342
	2,153,772	1,464,561	Earned capital:		
			Capital reserve	185,526	125,009
			Result of valuation of financial instruments for		
			hedging cash flows	(535,094)	217,738
			Retained earnings	1,850,457	1,051,296
			Net income for the period	1,279,918	1,210,349
				2,780,807	2,604,392
			Controlling interest	5,675,084	5,500,633
			Non-controlling interest	-	-
			Total stockholders' equity	5,675,084	5,500,633
Total assets	Ps 49,462,410	Ps 41,610,345	Total liabilities and stockholders' equity	Ps 49,462,410	Ps 41,610,345
Memorandum accounts					
	September 30, 2017	December 31, 2016			
Other recording accounts	Ps 29,125,992	Ps 21,142,980			

The accompanying eleven notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

**Unaudited Condensed Consolidated Interim Statements of Income
(Notes 1, 2, 9, 10 and 11)**

For the nine-month periods ended September 30, 2017 and 2016

Thousands of Mexican pesos, except for earnings per share

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
Operating lease income	Ps8,072,991	Ps5,550,501
Interest income	1,441,872	887,445
Other lease benefits	576,548	370,315
Depreciation of assets under operating lease	(4,528,837)	(3,343,102)
Interest expense	(2,685,474)	(1,332,672)
Other lease expenses	<u>(539,895)</u>	<u>(412,766)</u>
Financial margin	2,337,205	1,719,721
Allowance for loan losses (Note 3)	<u>85,000</u>	<u>51,500</u>
Financial margin adjusted for credit risk	<u>2,252,205</u>	<u>1,668,221</u>
Commissions and fees (paid) - Net	(51,493)	(32,617)
Financial intermediation results	-	7,028
Other operating income - Net	15,664	31,493
Administration and promotional expenses	<u>(626,438)</u>	<u>(587,791)</u>
	<u>(662,267)</u>	<u>(581,887)</u>
Operating income	1,589,938	1,086,334
Share of profit in associates	<u>17,635</u>	<u>11,752</u>
Income before income tax	<u>1,607,573</u>	<u>1,098,086</u>
Current income tax (Note 8)	646,834	355,811
Deferred income tax (Note 8)	<u>(319,179)</u>	<u>(173,295)</u>
Income tax expense	<u>327,655</u>	<u>182,516</u>
Consolidated net income for the period	<u>Ps1,279,918</u>	<u>Ps 915,570</u>
Consolidated net income for the period:		
Controlling interest	Ps1,279,918	Ps 915,570
Non-controlling interest	<u>-</u>	<u>-</u>
Consolidated net income for the period	<u>Ps1,279,918</u>	<u>Ps 915,570</u>
Earnings per share (pesos)	<u>Ps 3.62</u>	<u>Ps 2.60</u>

The accompanying eleven notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Unaudited Condensed Consolidated Interim Statements of Changes in Stockholders' Equity For the nine-month periods ended September 30, 2017 and 2016

Thousands of Mexican pesos

	Contributed capital			Earned capital					
	Capital stock	Share premium	Capital reserves	Valuation Of instruments hedging cash flows	Prior years results	Result for Income (loss) for the period	Total controlling interest	Non- controlling interest	Total stockholder's equity
Balances at January 1, 2016	Ps 963,111	Ps1,935,900	Ps 70,335	(Ps 81,259)	Ps 365,002	Ps1,093,477	Ps 4,346,566	Ps -	Ps4,346,566
Changes arising from decisions taken by stockholders:									
Transfer of consolidated net income of the year to retained earnings	-	-	-	-	1,093,477	(1,093,477)	-	-	-
Dividend payment	-	-	-	-	(352,509)	-	(352,509)	-	(352,509)
Expenses for issue of shares	(1,934)	-	-	-	-	-	(1,934)	-	(1,934)
Creation of reserves	-	-	54,674	-	(54,674)	-	-	-	-
Total	(1,934)	-	54,674	-	686,294	(1,093,477)	(354,443)	-	(354,443)
Changes arising from recognition of comprehensive income:									
Result of valuation of hedging instruments	-	-	-	158,296	-	-	158,296	-	158,296
Consolidate net income	-	-	-	-	-	915,570	915,570	-	915,570
Total	-	-	-	158,296	-	915,570	1,073,866	-	1,073,866
Balances at September 30, 2016	961,177	1,935,900	125,009	77,037	1,051,296	915,570	5,065,989	-	5,065,989
Balances at January 1, 2017	960,341	Ps1,935,900	Ps125,009	217,738	1,051,296	1,210,349	5,500,633	-	5,500,633
Changes arising from decisions made by stockholders:									
Transfer of consolidated net income to prior years results	-	-	-	-	1,210,349	(1,210,349)	-	-	-
Dividend payment	-	-	-	-	(350,670)	-	(350,670)	-	(350,670)
Expenses for issue of shares	(1,964)	-	-	-	-	-	(1,964)	-	(1,964)
Creation of reserves	-	-	60,517	-	(60,517)	-	-	-	-
Total	(1,964)	-	60,517	-	799,162	(1,210,349)	(352,634)	-	(352,634)
Changes arising from recognition of comprehensive income:									
Result from valuation of hedge instruments	-	-	-	(752,832)	-	-	(752,832)	-	(752,832)
Consolidate net income	-	-	-	-	-	1,279,918	1,279,918	-	1,279,918
Total	-	-	-	(752,832)	-	1,279,918	527,086	-	527,086
Balances at September 30, 2017	Ps 958,377	Ps1,935,900	Ps185,526	(Ps535,094)	Ps 1,850,458	Ps1,279,918	Ps 5,675,085	Ps -	Ps5,675,085

The accompanying eleven notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and Subsidiaries

**Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the six-month periods ended September 30, 2017 and 2016**

Thousands of Mexican pesos

	<u>September 30,</u>	
	<u>2017</u>	<u>2016</u>
Net income for the period	Ps 1,279,918	Ps 915,570
Adjustments for items not involving cash flows:		
Loan loss reserve	85,000	51,500
Valuation of other permanent investments		
Depreciation and amortization	4,528,837	3,343,102
Other	17,635	11,752
Income taxes current and deferred	<u>327,655</u>	<u>182,516</u>
	6,239,045	4,504,440
Operating activities		
Change in derivatives with trading purposes	2,590,266	(1,047,167)
Change in loan portfolio	(1,064,155)	(2,461,154)
Change in foreclosed assets	19,258	13,597
Change in other accounts receivable	(1,014,565)	(1,387,409)
Change in other operating assets		
Change in debt securities	11,778,423	4,915,520
Change in bank borrowings and loans from other entities	(2,684,878)	1,760,125
Change in deferred commissions		
Change in other operating liabilities	<u>(1,415,931)</u>	<u>3,032,554</u>
Net cash flows provided by operating activities	<u>14,447,463</u>	<u>9,330,506</u>
Investing activities		
Payment for acquisition of property, machinery and equipment - Net	<u>(11,197,785)</u>	<u>(9,522,649)</u>
Net cash flows from investing activities	<u>(11,197,785)</u>	<u>(9,522,649)</u>
Financing activities		
Increase in capital stock for issuance and in cash		
Valuation of derivatives	(752,833)	158,297
Dividend payments in cash	<u>(350,670)</u>	<u>(352,507)</u>
Net cash flows used in financing activities	<u>(1,103,503)</u>	<u>(194,210)</u>
Net increase (decrease) in cash and cash equivalents	2,146,175	(386,353)
Cash and cash equivalents at beginning of the period	<u>1,678,896</u>	<u>1,457,795</u>
Cash and cash equivalents at end of the period	<u>Ps 3,825,071</u>	<u>Ps 1,071,442</u>

The accompanying eleven notes are an integral part of these unaudited condensed consolidated interim financial statements.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

*Thousands of Mexican pesos, except foreign currency,
exchange rates, nominal value, number and price of share*

Note 1 - Activity of the Company:

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Company) was incorporated on February 3, 1993 in accordance with Mexican laws.

The predominant activity of the Company is to provide operating leases for automotive vehicles, machinery and equipment, among other lease arrangements. The Company also provides loans, performs financial factoring operations, acts as administrator for trusts, obtains loans, guarantees obligations through different means, and issues, subscribes, accepts, endorses sells, discounts and pledges all kind of credit.

The Company has no employees, and all legal, accounting and administrative services are provided by related parties.

At the Extraordinary General Stockholders' Meeting of April 13, 2015, the stockholders agreed to merge the Company and Unifin Capital, with the Company as the surviving company. According to the Corporations Law and the terms and conditions established in the merger agreement, the Company assumes all Unifin Capital rights and obligations as of that date. The merger was carried out on the basis of Company and Unifin unaudited financial information at March 31, 2015.

The Company's common shares and the par value of its capital stock suffered no changes after the merger.

On May 22, 2015, the Company issued its Initial Public Bid on the Mexican Stock Exchange (BMV, by its initials in Spanish), and for international purposes it issued it under rule 144 A/Reg S for a total of Ps3,606,400, comprised 50% of primary shares and 50% of secondary shares. The amount includes the overallotment option, which comprised 15% of the total offer. On May 22, 2015, the Company started trading its shares on the BMV. As a result of the foregoing, it changed its business name to Sociedad Anónima Bursátil (S. A. B.).

The purpose of the aforementioned Public Bid was to strengthen the Company's capital stock structure and support the projected growth.

On May 15, 2017 and September 22, 2016, the Company concluded private offerings and placement of debt securities in the form of senior notes in the US and other foreign markets, further to rule 144 A and Regulation S of the US Securities Act of 1933 and the regulations applicable in the countries in which the offering was made.

The enclosed unaudited condensed consolidated interim financial statements include the figures of the Company and of its subsidiaries as of September 30, 2017 and December 31, 2016 on which the Company has control as mentioned in the next page.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

<u>Entity</u>	<u>Activity</u>	<u>% of partnership</u>	<u>Functional currency</u>
Unifin Credit, S. A. de C. V. Sociedad Financiera de Objeto Múltiple, Entidad No Regulada (Unifin Credit)	Financial factoring	99.99	Mexican pesos
Unifin Autos, S. A. de C. V. (Unifin Autos)	Purchase-sale of cars	99.99	Mexican pesos

Note 2 - Basis for preparation of the financial information:

Preparation of financial statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with the provisions of the Sole Circular for Issuers of Securities issued by the Mexican National Banking and Securities (Commission) for multiple purpose financial entities whose debt securities are listed in the BMV, that must prepare its financial statements in compliance with the rules and accounting practices established by the Commission in the “Accounting Criteria for Regulated Multiple Purpose Financial Entities” contained in the “General Provisions applicable to Regulated Multiple Purpose Financial Entities”.

These unaudited condensed consolidated interim financial statements as of September 30, 2017 and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016 have not been audited. In the opinion of the Company’s Management, all adjustments (consisting mainly of ordinary, recurring adjustments) necessary for the presentation of the accompanying unaudited condensed consolidated financial statements were included. The results of the periods are not necessarily indicative of the results of the full year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Company and the respective notes as of and for the year ended December 31, 2016.

The accounting policies are consistent with those of the previous financial year.

The unaudited consolidated financial statements are presented in Mexican pesos, which is the Company’s reporting, recording and functional currency.

Financial statements authorization

The accompanying unaudited condensed consolidated interim financial statements as of September 30, 2017 and December 31, 2016 and for the nine-month periods ended September 30, 2017 and September 30, 2016 and the notes thereto, were authorized for their issuance on October 23, 2017 by Mr. Luis Gerardo Barroso González, Chief Executive Officer, Mr. Sergio José Camacho Carmona Chief Financial and Mr. Sergio Manuel Cancino Rodríguez, Corporate Controller.

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

Note 3 - Loan portfolio:

The classification of performing and past due loans as of September 30, 2017 and December 31, 2016 is shown as follows:

<u>Performing portfolio</u>	<u>2017</u>	<u>2016</u>
Commercial loans:		
Operating lease rentals	Ps 1,200,746	Ps 691,372
Financial factoring *	2,209,109	2,880,409
Other lending *	<u>4,634,674</u>	<u>4,077,266</u>
	<u>8,044,529</u>	<u>7,649,047</u>
Consumer loans:		
Car loans	<u>1,823,059</u>	<u>1,172,361</u>
	<u>9,867,588</u>	<u>8,821,408</u>
<u>Past due portfolio</u>		
Commercial loans:		
Operating leases	247,425	176,536
Car loans	7,633	1,047
Financial factoring	<u>25,500</u>	<u>-</u>
	<u>280,558</u>	<u>177,583</u>
Total loan portfolio	<u>Ps 10,148,146</u>	<u>Ps 8,998,991</u>

* Includes balances with related parties

As of September 30, 2017, and December 31, 2016 the maturity of the total past due portfolio is as shown below:

	<u>September 30, 2017</u>		
	<u>Past due portfolio in days</u>		
<u>Type of portfolio</u>	<u>1 to 180</u>	<u>181 onwards</u>	<u>Total</u>
Operating leases	Ps 92,238	Ps 155,187	Ps 247,425
Financial factoring	25,500	-	25,500
Car loans	<u>6,128</u>	<u>1,505</u>	<u>7,633</u>
Total past due portfolio	<u>Ps 123,866</u>	<u>Ps 156,692</u>	<u>Ps 280,558</u>

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

	<u>December 31, 2016</u>		
	<u>Past due portfolio in days</u>		
<u>Type of portfolio</u>	<u>1 to 180</u>	<u>181 onwards</u>	<u>Total</u>
Operating leases	Ps 69,506	Ps 107,030	Ps 176,536
Financial factoring	-	-	-
Car loans	<u>1,047</u>	<u>-</u>	<u>1,047</u>
	<u>Ps 70,553</u>	<u>Ps 107,030</u>	<u>Ps 177,583</u>

Income from interest, rentals and commissions for the nine-month periods ended September 30, 2017 and 2016, according to the type of loan is as shown below:

	<u>September 30, 2017</u>			
<u>Current portfolio:</u>	<u>Interests</u>	<u>Lease fees</u>	<u>Commissions</u>	<u>Total</u>
Operating leases	Ps 200,743	Ps 8,072,991	Ps 576,548	Ps 8,850,282
Financial factoring	427,531	-	-	427,531
Other lending	644,087	-	-	644,087
Car loans	<u>169,511</u>	<u>-</u>	<u>-</u>	<u>169,511</u>
	<u>Ps 1,441,872</u>	<u>Ps 8,072,991</u>	<u>Ps 576,548</u>	<u>Ps 10,091,411</u>

	<u>September 30, 2016</u>			
<u>Current portfolio:</u>	<u>Interests</u>	<u>Lease fees</u>	<u>Commissions</u>	<u>Total</u>
Operating leases	Ps 140,714	Ps 5,550,501	Ps 370,315	Ps 6,061,530
Financial factoring	354,546	-	-	354,546
Other lending	-	-	-	-
Car loans	<u>392,185</u>	<u>-</u>	<u>-</u>	<u>392,185</u>
	<u>Ps 877,445</u>	<u>Ps 5,550,501</u>	<u>Ps 370,315</u>	<u>Ps 6,808,261</u>

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

As of September 30, 2017, and December 31, 2016, the portfolio rating and the allowance for loan losses includes the contractual collection rights due in future periods recorded in memorandum accounts, as follows:

September 30, 2017				
Loan portfolio			Global loan losses reserve	
Risk	%	Amount	Allowance (%)	Amount
A-1	74.74	Ps 7,583,993	0 a 0.50	Ps 38,356
A-2	1.47	148,916	0.51 to 0.99	745
B-1	1.63	165,392	1.00 to 4.99	828
B-2	7.74	785,210	5.00 to 9.99	4,128
B-3	10.24	1,039,496	10.00 to 19.99	5,797
C-1	0.65	65,885	20.00 to 39.99	4,896
C-2	0.65	66,549	40.00 to 59.99	7,571
D	0.30	30,478	60.00 to 89.99	11,512
E	2.58	262,227	90.00 to 100.00	69,735
	<u>100.00</u>	10,148,146		143,568
Memorandum accounts		<u>29,125,992</u>		<u>145,630</u>
		<u>Ps 39,274,138</u>		<u>Ps 289,198</u>

December 31, 2016				
Loan portfolio			Global loan losses reserve	
Risk	%	Amount	Allowance (%)	Amount
A-1	99.40	Ps 8,821,409	0 a 0.50	Ps 43,480
A-2	-	-	0.51 to 0.99	-
B-1	0.33	99,482	1.00 to 4.99	995
B-2	-	-	5.00 to 9.99	-
B-3	0.02	5,390	10.00 to 19.99	539
C-1	-	-	20.00 to 39.99	-
C-2	0.20	59,269	40.00 to 59.99	23,707
D	0.04	10,959	60.00 to 89.99	5,480
E	0.01	2,482	90.00 to 100.00	1,489
	<u>100.00</u>	8,998,991		75,690
Memorandum accounts		<u>21,142,980</u>		<u>105,715</u>
		<u>Ps 30,141,971</u>		<u>Ps 181,405</u>

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

As of September 30, 2017, and December 31, 2016, the behavior of the coverage of the allowance for loan losses in accordance with the Company's best estimate is shown as follows:

	<u>2017</u>	<u>2016</u>
Allowances for loan losses recorded	Ps 281,374	Ps 196,374
Allowances for loan losses required	<u>289,198</u>	<u>181,405</u>
Excess over allowance for loan losses	(Ps 7,824)	Ps 14,969
Past due portfolio hedge	<u>100.29%</u>	<u>110.58%</u>

The roll-forward of the allowance for loan losses roll is as follows:

	<u>Sept 30, 2017</u>	<u>Dec 31, 2016</u>
Balances at the beginning of the year	Ps 196,374	Ps 114,237
Release of reserves	-	637
Increases	<u>85,000</u>	<u>81,500</u>
Balances at year end	<u>Ps 281,374</u>	<u>Ps 196,374</u>

As of September 30, 2017, the total of future minimum lease payments under non-cancellable operating leases, is as follows:

	<u>Amount</u>
Up to one year	Ps 10,168,222
Two years	8,827,414
Three years	6,873,598
Four years	<u>3,256,758</u>
Total	<u>Ps 29,125,992</u>

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Note 4 - Property, machinery and equipment:

As of September 30, 2017, and December 31, 2016, property, machinery and equipment were comprised as follows:

Components subject to depreciation or amortization	September 30, 2017			December 31, 2016	Useful life (years)
	Own	Leased	Total	Total	
Building (*)	Ps 35,635	Ps -	Ps 35,635	Ps 34,640	20
Transportation equipment	100,057	9,174,115	9,274,172	7,440,936	5
Aircraft/Ships		2,392,519	2,392,519	1,765,088	10 and 20
Computer equipment	40,259	1,310,723	1,350,982	766,803	3.3
Machinery and equipment	3,522	21,720,195	21,723,717	16,650,565	5 and 10
Office furniture and equipment	46,856	438,462	485,318	429,720	10
Medical equipment		1,197,758	1,197,758	217,730	20
Satellite equipment	-	224,378	224,378	130,006	20
Luminaries		764,048	764,048	617,944	20
Telecommunication equipment	-	581,309	581,309	506,026	20
Other	22,205	3,657,577	3,679,782	3,300,650	10 and 20
	248,534	41,461,084	41,709,618	31,860,108	
Less:					
Accumulated depreciation	(143,671)	(12,669,547)	(12,813,218)	(9,267,156)	
	104,863	28,791,537	28,896,400	22,592,952	
Installation expenses	108,632	-	108,632	105,350	
Accumulated amortization	(21,330)	-	(21,330)	(17,324)	20
	87,302	-	87,302	88,026	
Total of components subject to depreciation or amortization	192,165	28,791,537	28,983,702	22,680,978	
Components no subject to depreciation or amortization					
Land	579,266	-	579,266	560,297	
Total of property, machinery and equipment net	Ps 771,431	Ps 28,791,537	Ps 29,562,968	Ps 23,241,275	

Depreciation and amortization recorded in the income statement for the nine-month periods ended September 30, 2017 and September 30, 2016 amounted to Ps4,528,837 and Ps3,343,102.

As of September 30, 2017, and December 31, 2016, the transportation equipment offered on lease and other leased assets amounting to Ps21,752,032 and Ps18,325,866, respectively, were pledged to guarantee the payment of each collection rights under trusts.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

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Note 5 - Debt securities:

Debt securities as of September 30, 2017 and December 31, 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Short term accrued interest on:		
International notes (accrued interest)	Ps 113,252	Ps 196,148
Debt certificate program	54,893	41,531
Private stock structure	<u>5,001</u>	<u>50,494</u>
	<u>173,146</u>	<u>288,173</u>
Long term:		
International notes	15,435,150	9,291,700
Debt certificate program	15,500,000	10,000,000
Private stock structure	<u>2,250,000</u>	<u>2,000,000</u>
	<u>33,185,150</u>	<u>21,291,700</u>
	<u>Ps 33,358,296</u>	<u>Ps 21,579,873</u>

International notes

On November 19, 2013 and September 8, 2015, the Commission issue rulings number 153/7644/2013 and 153/5726/2015, authorizing the revolving trust bond programs (trustee programs) for an amount of up to \$20,000 million and \$7,000 million pesos.

On September 14, 2017, April 5, 2017, November 29, 2016, February 9, 2016, September 8, 2015 and February 4, 2016, the commission, issued rulings number 153/10740/2017, 153/10194/2017, 153/105977/2016, 153/105236/2016, 153/5727/2015 and 153/5047/2015, respectively, authorizing the revolving trust bonds programs (Trustee programs) under the ticker symbols UNFINCB17-4 and UNFINCB17-3, UNFINCB17-2 and UNFINCB17, UNFINCB16-2 and UNFINCB16, UNFINCB16, UNFINCB15 and UNFINCB15, for an amount up to \$1,000.0 million, \$2,500.0 million \$1,500.0 million, \$1,500.0 million, \$1,250.0 million, \$1,250.0 million, \$2,500.0 million, \$2,000.0 million and \$2,000.0 million, respectively.

The Company has conducted issuances under such trust programs, entering into trust agreements whereby it acts as trustor of the trust; as trustees: Banco Nacional de México, S. A., Institución de Banca Múltiple, Grupo Financiero Banamex, División Fiduciaria (Banamex) and INVEX Banco, Institución de Banca Múltiple, Invex Grupo Financiero, Monex Grupo Financiero. As trustees on the first place the holders of the certificates, and the holders of the stocks certificates and the Company as first and second place trustees, respectively.

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The unsecured trust bond program as September 30, 2017, are describe as follow:

<u>Ticker symbol</u>	<u>Issuing trust</u>	<u>Number of titles</u>	<u>Maturity</u>	<u>Rate (%)</u>	<u>Total amount of issue</u>	<u>Rating</u>	<u>Trustee</u>
UNFINCB15	F/17598-4	20,000,000	Feb 2020	TIIE+1.60	Ps 2,000,000	mxAAAS&P/HRAAA	Banamex
UFINCB15	F/2539	20,000,000	Sep 2020	TIIE+1.60	2,000,000	mxAAAS&P/HRAAA	Invex
UFINCB16*	F/2720	25,000,000	Feb 2021	TIIE+1.60	2,500,000	mxAAAS&P/HRAAA	Invex
UNFINCB16	F/179866	12,500,000	Sep 2021	TIIE+2.20	1,250,000	mxAAAS&P/HRAAA	Banamex
UNFINCB16-2	F/179866	12,500,000	Sep 2021	9.47	1,250,000	mxAAAS&P/HRAAA	Banamex
UNFINCB17	F/180295	15,000,000	Mar 2022	TIIE+2.10	1,500,000	mxAAAS&P/HRAAA	Banamex
UNFINCB17-2	F/180295	15,000,000	Mar 2022	9.62	1,500,000	mxAAAS&P/HRAAA	Banamex
UNFINCB17-3	F/180406	25,000,000	Sep 2022	TIIE+2.10	2,500,000	mxAAAS&P/HRAAA	Banamex
UNFINCB17-4	F/180406	10,000,000	Sep 2022	9.38	<u>1,000,000</u>	mxAAAS&P/HRAAA	Banamex
Total					15,500,000		
Interest accrued in the short term					<u>54,893</u>		
					<u>Ps 15,554,893</u>		

* On February 12, 2016, December 2, 2016, April 10, 2017 and September 19, 2017, the Company issued in the Mexican market its securitizations from 15th to 18th, with a term of 5 years, with revolving period of three years.

On May 15, 2017, the company issued international notes through a private offering pursuant to Rule 144A and regulation S under the Securities Act 1933 of the United States and applicable regulations of the countries in which such offer was made.

The main features of the international notes issued are as follows.

- Amount issue: Dlls.400,000,000.
- Annual agreed rate: 7.00%.
- Payable at maturity: 7.8 years (maturity January 2025).
- Interest payable semi-annually during the term of the Notes.
- Place of issuance of the bond listing: Luxemburg Stock Exchange.
- Granted Qualifications: BB / BB (Standard & Poor's and Fitch Ratings).
- Guarantors: Unifin Credit y Unifin Autos.

On September 22, 2016, the Company issued international notes through a private offering pursuant to Rule 144A and regulation S under the Securities Act 1933 of the United states and applicable regulations of the countries in which such offer was made.

The main features of the international notes issued are as follows.

- Amount issue: Dlls. 400,000,000.
- Annual agreed rate: 7.25%.
- Payable at maturity: 7 years (maturity September 2023).

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- d. Interest payable semi-annually during the term of the Notes.
- e. Place of issuance of the bond listing: Luxemburg Stock Exchange.
- f. Granted Qualifications: BB/BB (Standard & Poor's y Fitch Ratings).
- g. Guarantors: Unifin Credit y Unifin Autos.

The resources obtained from this issuance were used to pay current and long-term financial liabilities.

The 144A international notes issued on July 2014, were fully prepaid with said notes issuances as follows; Dlls. 315,971,000 with the issuance of September 2016 and the remaining Dlls. 50,629,000 with the issuance of May 2017.

During January 2015, the Company repurchased 33,400 of its International notes titles, equivalent to 8.35% of its debt issuance of July 22, 2014, generating an additional income of Ps82,171, which was recognized in financial intermediation results. With this transaction, the Company has covered 100% of its exposure to foreign exchange rate risk related to these International notes with derivative financial instruments. This transaction was carried out between the Company and a third party, based in the United States.

On September 14, 2016, the Company repurchased the equivalent of 86.2% of the international notes issued in July 2014 for a total of Dlls. 315.9 million, of which Dlls. 311.9 million were acquired at the unit price of Dlls.105 and Dlls.4.1 million were acquired at the unit price of Dlls. 102.

On September 22, 2016 and May 15, 2017, the Company concluded a private offerings and placement of debt securities in the form of senior notes in the US and other foreign markets, further to rule 144 A and Regulation S of the US Securities Act of 1933 and the regulations applicable in the countries in which the offering was made.

Commitments

The international notes debt impose on the Company certain provisions that limit its ability to incur additional debt, create liens, pay dividends, make certain investments, reduce its share capital, among others. It also establishes that the Company and its subsidiaries may partially or totally merge or dispose of their assets if the respective transaction meets certain requirements; establishes minimum requirements for carrying out portfolio securitizations and limit the ability of the Company to enter into transactions with related parties.

****** On February 12, 2016, December 2, 2016, April 10, 2017 and September 19, 2017, the Company issued in the Mexican market its securitizations from 15th to 18th, with a term of 5 years, with revolving period of three years.

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The unsecured notes programs as of December 31, 2016 are detailed below:

<u>Ticker symbol</u>	<u>Issuing of trust</u>	<u>Number of titles</u>	<u>Maturity</u>	<u>Rate (%)</u>	<u>Total amount of issue</u>	<u>Rating S&P</u>	<u>Trustee</u>
UNFINCB13	F/17293-4	10,000,000	Nov 2018	TIIE +1.60	Ps 1,000,000	mxAAA S&P/HR AAA	Banco Nacional de México, S. A. (Banamex)
UNFINCB15	F/17598-4	20,000,000	Sep 2020	TIIE +1.60	2,000,000	mxAAA S&P/HR AAA	Banamex
UFINCB15	F/2539	20,000,000	Sep 2020	TIIE +1.60	2,000,000	mxAAA S&P/HR AAA	Banco Invex, S. A. (Invex)
UFINCB16*	F/2720	25,000,000	Feb 2021	TIIE +1.60	2,500,000	mxAAA S&P/HR AAA	Invex
UNFINCB16	F/179866	12,500,000	Sep 2021	TIIE +2.20	1,250,000	mxAAA S&P/HR AAA	Banamex
UNFINCB16-2	F/179866	12,500,000	Sep 2021	9.47	<u>1,250,000</u>	mxAAA S&P/HR AAA	Banamex
Total					10,000,000		
Interest accrued in the short term					<u>41,531</u>		
					<u>Ps 10,041,531</u>		

* On February 12, 2016, December 2, 2016, April 10, 2017 and September 19, 2017, the Company issued in the Mexican market its securitizations from 15th to 18th, with a term of 5 years, with revolving period of three years.

Private trust bonds

As of September 30, 2017, and December 31, 2016, private trust bond is detailed as follows:

	<u>Outstanding amount</u>					
	<u>September 30, 2017</u>	<u>December 31, 2016</u>	<u>Currency</u>	<u>Maturity</u>	<u>Rate</u>	<u>Type of guarantee</u>
Invex	Ps 2,250,000	Ps 2,000,000	Ps	Nov 2018	TIIE+1.60	Collection rights
Interest accrued in the short term	<u>5,001</u>	<u>50,494</u>				
	<u>Ps 2,255,001</u>	<u>Ps 2,050,494</u>				

As of September 30, 2017, and December 31, 2016, the Company is in compliance with all of the restrictive financial covenants.

The cash and cash equivalents included Ps 2,409,732 and Ps 1,036,985 at September 30, 2017 and December 31, 2016, respectively as restricted by the securities issued.

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Note 6 - Bank borrowings and loans from other entities:

As of September 30, 2017, and December 31, 2016, bank borrowings and loans from other entities are comprised as follows:

	September 30, 2017				
<u>Short term:</u>	<u>Outstanding amount</u>	<u>Currency</u>	<u>Maturity</u>	<u>Rate</u>	<u>Guarantee</u>
Nacional Financiera, S. N. C., Institución de Banca de Desarrollo (Nafinsa)	Ps 1,629,000	Ps	Sep 2018	TIIE+2.75	Unsecured
Invex	33,915	Ps	Oct 2017	TIIE+3.85	Unsecured
Barclays Bank PLC	181,590	Dlls.	Sep 2018	Libor+4.50	
Grupo Financiero Scotiabank Inverlat, S. A., de C. V. (Scotiabank)	279,259	Ps	Oct 2018	TIIE+3.60	Unsecured
Banco Multiva, S. A., Institución de Banca Múltiple (Multiva)	200,000	Ps	Jul 2018	TIIE+3.00	Factoring portfolio
Banamex	683,180	Ps	Sep 2018	TIIE+3.00	Unsecured
Banco Nacional de Comercio Exterior (Bancomext)	197,765	Ps	Oct 2018	TIIE+2.70	Lease portfolio
Banco Actinver, S. A.	300,000	Ps	Oct 2017	TIIE+3.00	Lease portfolio
Banco del Bajío, S. A.	39,084	Ps	Sep 2018	TIIE+3.20	Lease portfolio
Banco Latinoamericano de Comercio Exterior, S. A. (Bladex)	<u>672,976</u>	Ps	Oct 2018	TIIE+3.16	Unsecured
	4,216,769				
Accrued interest payable	<u>23,078</u>				
Total short term	<u>Ps 4,239,847</u>				
<u>Long term:</u>					
Scotiabank	Ps 320,713	Ps	Oct 2020	TIIE+3.60	Lease portfolio
Bancomext	233,330	Ps	Apr 2021	TIIE+2.70	Lease portfolio
Banco del Bajío S. A.	86,763	Ps	Aug 2021	TIIE+3.20	Unsecured
Banco Latinoamericano de Comercio Exterior, S. A. (Bladex)	504,733	Ps	Jun 2019	TIIE+3.16	Unsecured
Barclays Bank PLC	<u>272,385</u>	Ps	Apr 2019	LIBOR+4.50	Unsecured
Total long term	<u>1,417,924</u>				
Total short and long term	<u>Ps 5,657,771</u>				

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At December 31, 2016, bank borrowings and loans from other entities were as follows:

	2016				
<u>Short term:</u>	<u>Outstanding amount</u>	<u>Currency</u>	<u>Maturity</u>	<u>Rate</u>	<u>Guarantee</u>
Nafinsa	Ps 2,500,000	Ps	Feb 2017	TIIE+2.75	Unsecured
CitiBanamex	1,500,000	Ps	May 2017	TIIE (91d)+3.00	Unsecured
Scotiabank	1,343,024	Ps	Nov 2017	TIIE+3.00	Unsecured
Multivalores	300,000	Ps	Dec 2017	TIIE+3.00	Factoring portfolio
CIBanco	200,000	Ps	Nov 2017	TIIE+4	Unsecured
Bladex	171,939	Dlls.	Dec 2017	TIIE+3.72	Residual values
Comerica Bank	141,134	Ps	Feb 2017	TIIE+2.75	Residual values
Bladex	87,525	Ps	Dec 2017	TIIE+3.16	Residual values
Bancomext	91,080	Ps	Dec 2017	TIIE+2.70	Leasing portfolio
Invex	31,280	Ps	Feb 2017	TIIE+3.85	Residual values
Banco del Bajío	<u>7,569</u>	Ps	Nov 2017	TIIE+3.20	Leasing portfolio
	6,373,551				
Accrued interest payable	<u>71,862</u>				
Total short term	<u>6,445,413</u>				
<u>Long term:</u>					
Bladex	742,009	Dlls.	Jun 2019	TIIE+3.72	Residual values
Bladex	377,717	Ps	Jun 2019	TIIE+3.16	Residual values
Scotiabank	372,030	Ps	Jun 2020	TIIE+3.60	Leasing portfolio
Bancomext	290,016	Ps	Nov 2020	TIIE+2.70	Leasing portfolio
Banco del Bajío	78,822	Ps	Aug 2021	TIIE+3.20	Leasing portfolio
Invex	<u>36,642</u>	Ps	May 2018	TIIE+3.85	Residual values
Total long term	<u>1,897,236</u>				
Total short and long term	<u>Ps 8,342,649</u>				

As of September 30, 2017 and December 31, 2016, the Company is in compliance with all of the restrictive financial covenants.

Note 7 - Stockholders' equity:

On May 22, 2015, the Company issued its Initial Public Offering on the BMV, and for international purposes it issued it under rule 144/Reg S, for a total of Ps3,606,400, comprised 50% of primary shares and 50% of secondary shares. The amount includes the over-allotment option, which comprised 15% of the total offering.

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The capital stock at September 30, 2017 and December 31, 2016 is comprised as follows:

<u>Number of shares</u> *		<u>Description</u>	<u>Amount</u>	
<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</u>
		Series "A": comprising the fixed portion of capital with no withdrawal rights	Ps 1,000	Ps 1,000
<u>352,800,000</u>	<u>352,800,000</u>	Series "A" Class II: comprising the variable portion of capital with withdrawal rights	<u>957,377</u>	<u>959,341</u>
<u>352,800,000</u>	<u>352,800,000</u>	Capital stock at September 30, 2017 and December 31, 2016	<u>Ps 958,377</u>	<u>Ps 960,341</u>

* Common nominal shares with no par value, fully subscribed and paid in.

The profit for the year is subject to the legal provision requiring that at least 5% of the profit be set aside to increase the legal reserve until it reaches an amount equivalent to one fifth of the capital stock.

The profit per share for the period ended on September 30, 2017 and 2016 was Ps3.62 and Ps2.60, respectively.

Dividends

In October 2013, the Mexican Congress approved the issuance of a new Income Tax Law (ITL), which came into force on January 1, 2014. Among other matters, the ITL establishes that for periods from 2001 to 2013, the net tax profit is to be determined in the terms of the ITL in force in the tax period in question. It also establishes an additional 10% tax on earnings generated as from 2014 from dividends paid to parties residents abroad and to Mexican individuals. The Federal Revenue Law published on November 18, 2015 in Third article of the temporary provisions of the ITL offers a tax incentive to individuals resident in Mexico that are subject to payment of an additional 10% tax on dividends or profits distributed.

The incentive is applicable provided that those dividends or profits arise in 2014, 2015 and 2016 and that they are reinvested in the same business entity from which they arose. The incentive consists of a tax credit equivalent to the amount resulting from applying the percentage in effect for the year of distribution to the dividend or profits distributed, as shown as follows:

<u>Year of distribution of dividend or profit</u>	<u>Percentage applicable to the amount of the dividend or profit distributed (%)</u>
2017	1
2018	2
2019 onward	5

The tax credit determined is creditable only against the additional 10% income tax that the business entity is required to withhold and pay over.

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In order to apply the credit, the following requirements must be met:

- The business entity must identify in its accounting records the book entries for profits or dividends generated in 2014, 2015 and 2016, as well as the respective distributions.
- It must include in the notes to the financial statements the analytical information for the period in which the profits arose, or the dividends were reinvested or distributed.
- Business entities whose shares have not been placed in the BMV and that apply this incentive must opt to audit their financial statements for tax purposes in the terms of Article 32-A of the Federal Tax Code.

Business entities distributing dividends or profits with regard to shares placed among the large investing public must inform the brokerage firm, credit institutions, investment operating companies, persons in charge of distributing the shares of investment entities, or any other securities market intermediary, of the periods in which said dividends arise, in order for said intermediaries to withhold the respective tax. In the periods ended on September 30, 2017 and 2016 the Company generated profits in the amount of Ps1,279,918 and Ps915,570, which could be subject to that incentive.

Dividends are free from income tax if paid from the Net Tax Profit Account (CUFIN, by its initials in Spanish). Dividends in excess of the CUFIN and reinvested CUFIN (CUFINRE) are subject to 42.86% tax if paid in 2017. The tax is payable by the Company and may be credited against income tax of the current period or the following two periods. Dividends paid from previously taxed profits are subject to no tax withholding or additional tax payments.

At the March 19, 2016 and February 20, 2015 Ordinary and Extraordinary, General Meetings, respectively, the shareholders agreed to pay dividends of Ps352,509 and Ps100,000 arising from prior years' income.

At the April 26, 2017 Extraordinary General Meetings, the shareholders agreed to pay dividends of Ps350,670 arising from prior years' income.

In the event of a capital reduction, any excess of stockholders' equity over capital contributions, the latter restated in accordance with the provisions of the ITL, is accorded the same tax treatment as dividends.

At September 30, 2017 and December 31, 2016, the Company's stockholders' equity includes (Ps535,094) and Ps217,738, respectively, corresponding to the effect of valuation of derivative financial instruments, which accounting effects arise from asset valuations not necessarily realized, and which could possibly represent a restriction for reimbursement to stockholders, as this could be considered to give rise to future liquidity problems for the Company.

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Note 8 – Income tax:

The income tax provision for the nine-month periods ended September 30, 2017 and September 30, 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Income tax payable	Ps 646,835	Ps 355,811
Deferred income tax	<u>(319,179)</u>	<u>(173,295)</u>
	<u>Ps 327,656</u>	<u>Ps 182,516</u>
Effective income tax rate	<u>20.38%</u>	<u>16.62%</u>

Note 9 – Financial information per segment:

Following are the main assets and liabilities per Company segments:

	<u>September 30, 2017</u>			
<u>Assets</u>	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Cash and cash equivalents	Ps 2,951,582	Ps 250,740	Ps 622,749	Ps 3,825,071
Derivative financial instruments	1,296,054	-	-	1,296,054
Loan portfolio	1,448,171	2,234,608	6,465,367	10,148,146
Allowance for loan losses	(225,682)	(25,499)	(30,193)	(281,374)
Foreclosed assets	111,538	45,746	-	157,284
Property, machinery and equipment	29,562,968	-	-	29,562,968
Other assets	<u>4,609,468</u>	<u>31,501</u>	<u>113,292</u>	<u>4,754,261</u>
	<u>Ps 39,754,099</u>	<u>Ps 2,537,096</u>	<u>Ps 7,171,215</u>	<u>Ps 49,462,410</u>

	<u>September 30, 2017</u>			
<u>Liabilities</u>	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Debt securities	Ps 25,740,630	Ps 2,186,692	Ps 5,430,974	Ps 33,358,296
Bank borrowings and loan from other entities	4,365,768	370,876	921,127	5,657,771
Deferred credits and advanced collections	607,855	-	-	607,855
Other liabilities	<u>3,905,128</u>	<u>3,506</u>	<u>254,770</u>	<u>4,163,404</u>
	<u>Ps 34,619,381</u>	<u>Ps 2,561,074</u>	<u>Ps 6,606,871</u>	<u>Ps 43,787,326</u>

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

	December 31, 2016			
<u>Assets</u>	<u>Operating leasing</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Cash and cash equivalents	Ps 1,350,513	Ps 93,194	Ps 235,189	Ps 1,678,896
Derivative financial instruments	3,886,319	-	-	3,886,319
Loan portfolio	867,908	2,880,409	5,250,674	8,998,991
Allowance for loan losses	(3,926)	(12,319)	(180,129)	(196,374)
Foreclosed assets	126,085	50,456	-	176,541
Property, machinery and equipment	22,903,392	-	337,883	23,241,275
Other assets	<u>3,655,819</u>	<u>16,581</u>	<u>152,297</u>	<u>3,824,697</u>
	<u>Ps32,786,110</u>	<u>Ps3,028,321</u>	<u>Ps5,795,914</u>	<u>Ps41,610,345</u>
<u>Liabilities</u>				
Debt securities	Ps15,758,495	Ps2,062,204	Ps3,759,174	Ps21,579,873
Bank borrowings and loan from other entities	6,092,139	797,236	1,453,274	8,342,649
Deferred credits and advanced collections	445,688	-	-	445,688
Other liabilities	<u>5,179,863</u>	<u>13,789</u>	<u>547,850</u>	<u>5,741,502</u>
	<u>Ps27,476,185</u>	<u>Ps2,873,229</u>	<u>Ps5,760,298</u>	<u>Ps36,109,712</u>

Following are the main incomes and expenses per Company segments:

	Nine-month period ended September 30, 2017			
	<u>Operating lease</u>	<u>Financial factoring</u>	<u>Other loans</u>	<u>Total</u>
Operating lease income	Ps 8,072,991	Ps -	Ps -	Ps 8,072,991
Interest income	200,743	427,531	813,598	1,441,872
Other lease benefits	576,548	-	-	576,548
Depreciation of good under operating lease	(4,528,837)	-	-	(4,528,837)
Interest expenses	(2,209,178)	(173,641)	(302,655)	(2,685,474)
Other lease expenses	(539,895)	-	-	(539,895)
Deferred commissions	(48,918)	-	(2,575)	(51,493)
Provision for loan loss	<u>(61,380)</u>	<u>(409)</u>	<u>(23,211)</u>	<u>(85,000)</u>
	<u>Ps 1,462,074</u>	<u>Ps 253,481</u>	<u>Ps 485,157</u>	<u>Ps 2,200,712</u>

Unifin Financiera, S. A. B. de C. V., Sociedad Financiera de Objeto Múltiple, Entidad No Regulada and subsidiaries

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

	Nine-month period ended September 30, 2016			
	Operating lease	Financial factoring	Other loans	Total
Operating lease income	Ps 5,550,501	Ps -	Ps -	Ps 5,550,501
Interest income	140,714	354,546	392,185	887,445
Other lease benefits	370,315	-	-	370,315
Depreciation of good under operating lease	(3,343,102)	-	-	(3,343,102)
Interest expenses	(1,255,143)	356	(77,885)	(1,332,672)
Other lease expenses	(412,767)	-	-	(412,767)
Deferred commissions	(29,577)	-	(3,040)	(32,617)
Provision for loan loss	(47,500)	(4,000)	-	(51,500)
	<u>Ps 973,441</u>	<u>Ps 350,902</u>	<u>Ps 311,260</u>	<u>Ps 1,635,603</u>

Note 10 - Related parties:

Balances with related parties at September 30, 2017 and December 31, 2016 are shown below:

<u>Receivables</u>	<u>2017</u>	<u>2016</u>
Administradora Brios, S. A. de C. V.	Ps 255,716	Ps 236,824
Unifin Servicios Administrativos, S. A. de C. V.	17,292	12,000
Unifin Administración Corporativa, S. A. de C. V.	22,001	17,590
Other	<u>746</u>	<u>746</u>
Total	<u>Ps 295,755</u>	<u>Ps 267,160</u>
<u>Payables</u>		
Administradora Brios, S. A. de C. V.	Ps 2,300	Ps 2,300
Unifin Servicios Administrativos, S. A. de C. V.	2,600	7,363
Unifin Administración Corporativa, S. A. de C. V.	<u>-</u>	<u>13,495</u>
Total	<u>Ps 4,900</u>	<u>Ps 23,158</u>

During the nine-month periods ended September 30, 2017 and 2016, the following operations, in addition to the related loans, were carried out with related parties:

<u>Income</u>	<u>2017</u>	<u>2016</u>
Interest earned	Ps 1,714	Ps 190
Car leases	74	11,324
Other income	<u>-</u>	<u>21</u>
	<u>Ps 1,788</u>	<u>Ps 11,535</u>

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

<u>Expenses</u>	<u>2017</u>	<u>2016</u>
Administrative services	Ps 465,773	Ps 195,617
Donations	<u>13,462</u>	<u>1,350</u>
	<u>Ps 479,235</u>	<u>Ps 196,967</u>

See Note 1, Activity of the Company for information about transactions between the Company and its parent entity.

Note 11 - New accounting pronouncements:

Accounting criteria

In 2017 no new accounting criteria was issued that have an effect on the financial information presented by the Company.

The following describes a series of Mexican Financial Reporting Standard (MFRS) issued by Consejo Mexicano de Normas de Información Financiera during December 2013, 2014 and 2015, which will take effect in 2017 and 2018. Those MFRS are not considered to have a significant impact in the financial information to be presented by the Company.

2018

MFRS B-17 “Fair value determination”. It establishes the guidelines for the fair value determination and the related disclosures. It mentions that fair value determination should use assumptions that market participants would use to fix an asset or liability price in current market conditions on a given date, including risk-related assumptions. It must be considered if the particular asset or liability being valued is a monetary item, if it is used together with other assets or in an independent basis, the market where it is traded and the appropriate valuation techniques for the fair value determination. It is also established that the use of observable and relevant input data should be maximized and the use of unobservable input data should be minimized. The company complied with this MFRS because the derivatives for hedging purposes are valued at fair market value.

MFRS C-2 “Investment in financial instruments”. Establishes the valuation, representation and disclosure standards of the investment in financial instruments. It discards the concept of intention of acquisition and use of an investment in a debt or equity financial instrument to determine its classification and removes the categories of instruments held to maturity and available for sale. It adopts the concept of Management’s business model of investments in financial instruments. The company is showing the investment in financial instruments according with the MFRS C-2. *

MFRS C-3 “Accounts receivable” Establishes the valuation, presentation and disclosure standards for the initial and subsequent recognition of trade receivables and other receivables in the financial statements of an economic entity. Specifies that the accounts receivable based on a contract represent a financial

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

instrument.* Total portfolio have been recorded based on contractual value of each contract following the Commission guidelines.

MFRS C-9 “Provisions, contingencies and commitments”. Establishes the valuation, presentation and disclosure standards for liabilities, provisions and commitments, reducing their scope to relocate the matter related to financial liabilities in MFRS C-19 “Payable financial instruments”. The definition of liability was modified, removing the concept of “Virtually unavoidable” and including the term “Likely”. There are no provisions, contingencies and commitments off-balance at the end of each period.

MFRS C-10 “Derivative financial instruments and hedging relationships”. It establishes the characteristics to be considered to classify a financial instrument as derivative for negotiation or for hedging purposes, defines the presentation and disclosure rules and recognition and valuation for derivative financial instruments, including those for hedging purposes and hedging transactions structured through derivatives. No separation of the embedded derivative financial instruments will be allowed in case the host instrument is a financial asset. If the hybrid contract amount is modified, the modified amount will be charged. A net income or expense position could be designated as a hedged item, if it reflects the entity's risk management strategy. All financial instruments and hedging relationships are complied with this regulation.

MFRS C-16 “Impairment of receivable financial instruments”. Establishes the valuation, accounting recognition, presentation and disclosure standards of impairment losses of receivable financial instruments. According to calculation, impairments have not taken place at the end of each revised period.*

MFRS C-19 “Payable financial instruments”. Establishes the valuation, presentation and disclosure standards for the initial and subsequent recognition of receivables, borrowings and other financial liabilities in the financial statements of an economic entity. The concepts of amortized cost to value financial liabilities and the effective interest rate method, based on the effective interest rate, to make such valuation are introduced. Both discounts and costs of issuance of a financial liability are deducted from the liability. Payable financial instruments are valued based on Commission guidelines.*

MFRS C-20 “Receivable financing instruments”. Establishes the valuation, presentation and disclosure standards for the initial and subsequent recognition of receivable financing instruments in the financial statements of an economic entity that carries out financing activities. It discards the concept of intention of acquisition and holding of financial instruments in the asset to determine their classification. It adopts the concept of management business model. Receivable financial instruments are valued based on Commission guidelines.*

* The early application of the following MFRS is allowed as from January 1, 2016, provided they are applied together with MFRS C-2 “Investment in financial instruments”, MFRS C-3 “Accounts Receivable”, MFRS C-9 “Provisions, contingencies and commitments”, MFRS C-16 “Impairment of receivable financial instruments”, MFRS C-19 “Payable financial instruments” and MFRS C-20 “Receivable financing instruments”.

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Notes to the Unaudited Condensed Consolidated Interim Financial Statements

As of September 30, 2017, and December 31, 2016 and for the nine-month periods ended September 30, 2017 and 2016

MFRS D-1 "Revenue for client contracts". Establishes the valuation, presentation and disclosure standards of revenue incurred in to obtain or comply with client contracts. Establishes the most significant aspects for the recognition of revenue through the transfer of control, identification of obligations to be complied in a contact, allocation of the transaction amount and recognition of collection rights. This MFRS removes the supplementary application of the International Accounting Standard 18 "Revenue" and its interpretation as established in MFRS A-8 "Supplementary application. The company currently provides a breakdown at the revenue line between rents and interest, therefore no further breakdown would be applicable.

MFRS D-2 "Costs for client contracts". Establishes the valuation, presentation and disclosure standards of costs arising from client contracts. Establishes the regulation related to the recognition of costs of client contracts, it also includes the accounting treatment of costs related to contracts for construction and manufacturing of capital goods, including costs related to client contracts. This MFRS, together with MFRS D-1, "Revenue for client contracts", revokes Bulletin D-7, "Contracts for Construction and Manufacturing of Some Capital Goods" and IFRIC 14, "Contracts for Construction, Sale and Delivery of Services Related to Real State".

Improvements to MFRS 2017

- MFRS B-7 "Business acquisitions". The application of the change to improvements 2016 is modified, thus it should be prospectively applied.
- MFRS B-13 "Events subsequent to the date of the financial statements". Establishes that if during the subsequent period (lapse between the date of the financial statements and the date on which they are authorized for issuance to third parties) a debtor entity achieves an agreement to maintain long-term payments for liabilities hired with payment conditions at long term and which it has defaulted, retains the classification of such liability as long-term item at the date of the financial statements.
- MFRS C-11 "Stockholders' equity". Establishes that registration costs in a stock exchange that at the date of such registration were already owned by investors and by which the issuer had already received the corresponding funds should be recognized by the entity in net profit or loss at the time of their accrual, and not in stockholders' equity since they are not considered to be related to an equity transaction of the entity. Additionally, any profit or loss on the acquisition, relocation, issuance or cancelation of entity's shares should be recognized in the comprehensive income statement.

ANNEX A:

SUMMARY OF CERTAIN SIGNIFICANT DIFFERENCES BETWEEN *SOFOM* GAAP AND U.S. GAAP

Our Financial Statements are prepared and presented in accordance with *Sofom* GAAP as prescribed by the CNBV. See Note 2 to our Financial Statements and Note 2 of the Unaudited Interim Financial Statements. Certain differences exist between *Sofom* GAAP and accounting principles generally accepted in the United States of America, or U.S. GAAP, which would be material to the financial information contained herein if reported under U.S. GAAP. The matters described below summarize those differences. We have not prepared a reconciliation of our Financial Statements and related footnote disclosures, appearing in the offering memorandum, from *Sofom* GAAP to U.S. GAAP and we have not quantified those differences. 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 us, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between *Sofom* GAAP and U.S. GAAP, and how those differences might affect the financial information herein.

Accounting for the Inflation Effects

Mexico

Through December 31, 2007, *Sofom* GAAP required that the comprehensive effects of inflation be recorded in the financial information and that such Financial Statements be restated to present constant pesos as of the latest balance sheet date presented. Beginning January 1, 2008, *Sofom* GAAP modified the accounting for inflationary effects and defines two economic environments: an “inflationary environment” and a “non-inflationary environment.” An “inflationary environment” is one in which the cumulative inflation of the three preceding years is 26.0% or more, in which case the comprehensive effects of inflation should be recognized in financial information; a “non-inflationary environment” is one in which the cumulative inflation of the three preceding years is less than 26%, in which case, no inflationary effects should be recognized in financial information. Since 2008, Mexico is considered to be a non-inflationary economy.

United States

Under U.S. GAAP, companies are generally required to prepare financial statements on a historical cost basis. Specific rules and regulations established by the SEC allow for companies to maintain the effects of inflations in its reconciliation from local GAAP to U.S. GAAP for companies registering securities with the SEC for sale in the United States, when, for local purposes, such company prepares comprehensive price-level adjusted financial statements, as required or permitted by their home-country GAAP. This is because the SEC recognizes that presentation of price-level adjusted financial information in inflationary economies is more meaningful than historical-cost based financial reporting.

Preoperating Costs

Mexico

Through December 31, 2002, under *Sofom* GAAP, preoperating costs incurred were permitted to be capitalized and amortized by us over the period of time estimated to generate the income necessary to recover such costs. Beginning January 1, 2003, only preoperating costs incurred during the development stage are capitalized and all other preoperating costs are expensed as incurred; previously capitalized amounts are permitted to continue to be amortized through December 31, 2008. Beginning January 1, 2009, any remaining unamortized preoperating costs must be written off against retained earnings.

United States

Under U.S. GAAP, preoperating costs should be treated as period expenses and are not capitalized.

Labor Obligations

Mexico

Under *Sofom* GAAP, with respect to recognition of liabilities for post-retirement benefits, entities are permitted to defer the recognition of unrecognized items (such as variations in actuarial assumptions, prior service costs and plan amendments and transition assets or liabilities) and amortize such amounts into the liability over a specified period of time.

United States

Under U.S. GAAP, the accounting for defined benefit post-retirement benefit plans, which include seniority premiums within Mexico, was amended in 2006 such that an employer is required to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multi-employer plan). Accordingly, the related asset or liability should be equal to the projected net liability less any plan assets, such that all unrecognized items are recognized as part of the liability, with an offsetting charge or credit through other comprehensive income.

Deferred Income Tax and Statutory Employee Profit Sharing

Mexico

Sofom GAAP is similar to U.S. GAAP with respect to accounting for deferred income taxes in that an asset and liability approach is required. Under *Sofom* GAAP, deferred tax assets must be reduced by a valuation allowance if it is “highly probable” that all or a portion of the deferred tax assets will not be realized. The determination of the need for a valuation allowance must consider future taxable income and the reversal of temporary taxable differences. Net deferred income tax assets or liabilities are presented within long-term assets or liabilities.

Through 2013, Mexican entities were subject to a dual tax system which included the regular income tax, or ISR, and the Flat Tax. For *Sofom* GAAP purposes, companies must determine whether they are principally subject to regular income tax or Flat Tax in the future and recognize deferred taxes accordingly. If a company determines, based on projections of future taxable income, that it will be both subject to Flat Tax and ISR in the future, the company is required to schedule out the reversal of temporary differences under each tax regime and record the amount that represents the larger liability or the smaller benefit. As a result of the repeal of the Flat Tax enacted during 2013, companies are required to eliminate all existing Flat Tax deferred taxes and record deferred taxes arising from ISR with the net effect recognized to earnings.

Under *Sofom* GAAP, through 2007, deferred employee profit sharing is recognized only for timing differences arising from the reconciliation between accounting and taxable income for employee profit sharing purposes, for which it may be reasonably estimated that a future liability or benefit will arise and there is no indication that the liability will not be paid or the benefits will not be realized. Effective January 1, 2008, *Sofom* GAAP was modified such that it now requires a balance sheet methodology for determining deferred employee profit sharing, similar to that used for deferred income taxes.

Sofom GAAP allows the recognition of a net statutory employee profit sharing asset.

United States

Under U.S. GAAP, deferred income taxes are also accounted for using the asset and liability approach. A valuation allowance is recognized to reduce the value of deferred tax assets to the amount that, based on the weight of all positive and negative available evidence, is “more likely than not” to be realized. In order to make this determination, entities must consider future reversals of taxable temporary differences, future taxable income, taxable income in prior carryback years and tax planning strategies. Additionally, if a company has experienced recurring losses, little weight, if any, may be placed on future taxable income as objective evidence to support the recoverability of a deferred income tax asset. Deferred tax assets and liabilities must be classified as current or long-term under U.S. GAAP depending on the classification of the asset or liability to which the deferred relates.

Under U.S. GAAP, through 2012, companies must determine whether they will be principally subject to regular income tax or Flat Tax and recognize deferred taxes accordingly. However, companies that are unable to conclude whether they will be principally subject to Flat Tax and ISR in the future may be required to apply a hybrid approach in which deferred taxes arising from both regular income tax and Flat Tax are recognized. Similar to *Sofom* GAAP, companies replaced all existing Flat Tax deferred taxes with ISR deferred taxes during 2013 in connection with the repeal of the Flat Tax.

U.S. GAAP also requires the use of the balance sheet methodology when calculating deferred employee profit and requires that a related liability be recorded for all temporary differences. U.S. GAAP does not allow the recognition of net deferred employee profit sharing assets.

Impairment of Long-Lived Assets in Use

Mexico

Under *Sofom* GAAP, long-lived assets with definite lives, such as property, machinery and equipment, are evaluated periodically in order to determine if a potential impairment indicator exists. The calculation of impairment losses requires the determination of the recoverable value of the assets. Recoverable value is defined as the greater of the net selling price of a cash generating unit and its value in use. Value in use is the present value of discounted future net cash flows.

In addition, under certain limited circumstances, the reversal of previously recognized impairment losses is permitted. Any recorded impairment losses are presented as non-ordinary expenses.

United States

U.S. GAAP requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The carrying amount of an asset is not recoverable when the estimated future undiscounted cash flows expected to result from the use of the asset are less than the carrying value of the asset. Impairment losses are measured as the difference between the carrying value of the asset and its fair value. Any impairment loss recorded for an asset to be held and used establishes a new cost basis and, therefore, cannot be reversed in the future. Impairment losses are classified within operating expenses in the statement of income.

Fair Value of Financial Instruments

Mexico

Sofom GAAP defines fair value as the amount an interested and informed market participant would be willing to exchange for the purchase or sale of an asset or to assume or settle a liability in a free market. This definition can consider either an entry or an exit price.

United States

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This definition only considers an exit price. Consideration must be given to the principal and most advantageous market and the highest and best use of the asset.

Furthermore, U.S. GAAP establishes a three-level hierarchy to be used when measuring and disclosing fair value in a company's financial statements. Categorization within the fair value hierarchy is based on the lowest level of significant input to its valuation. The following is a description of the three hierarchy levels:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

- Level 3 — Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Allowance for Loan Losses

Mexico

Sofom GAAP requires a specific methodology to determine the allowance for loan losses, which takes into account specific criteria for the financial sector defined by the CNBV, that takes into consideration the value of the loan, the credit rating of the borrower (including country, financial and industry risk and payment experience) and any credit enhancements. Based on these factors, the CNBV prescribes a range of loss percentages that are to be applied to the value of the loan in order to determine the amount of the loan loss to be provisioned. Loan loss percentages are calculated by the CNBV based on either an expected loss model or an incurred loss model depending on the classification of the loan.

United States

U.S. GAAP establishes that for larger, non-homogeneous loans, once an entity determines that a loan is impaired (meaning that it is probable that the entity will be unable to collect all amounts due (both principal and interest) according to the contractual terms of the loan agreement), the entity shall measure impairment based on the present value of expected future cash flows discounted at the loan's effective interest rate. The estimates surrounding credit losses for U.S. GAAP purposes are based on an incurred loss model. For practical purposes, entities may also measure impairment based on a loan's observable market price, or the fair value of the collateral if the loan is collateral dependent. Fair value of the collateral must be used when foreclosure is deemed probable.

For smaller-balance homogeneous loans, entities should collectively evaluate the loans for impairment, using a formula based on various factors to estimate an allowance for loan losses, including past loss experience, recent economic events and current conditions, geographical concentrations and portfolio delinquency rates.

ISSUER

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**Unifin Financiera, S.A.B. de C.V., Sociedad Financiera de Objeto Múltiple,
Entidad No Regulada
(incorporated under the Laws of Mexico)
US\$ 250,000,000
8.875% Subordinated Perpetual Notes**

Global Coordinator
Morgan Stanley

Joint Bookrunners

Citigroup

Barclays

Scotiabank

The date of this offering memorandum is January 24, 2018.