

# annual report 2007

annual report



**nacional financiera**  
Banca de Desarrollo

## Board of Directors and Commissioners, as of December 31, 2007

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### BOARD MEMBERS- SERIES "A"

MEMBERS	ALTERNATES
<p><b>DR. AGUSTÍN GUILLERMO CARSTENS CARSTENS</b> Secretary of Finance and Public Credit Chairman of the board</p>	<p><b>DR. RAFAEL GAMBOA GONZÁLEZ</b> Head of Development Banking Unit Secretariat of Finance and Public Credit</p>
<p><b>DR. ALEJANDRO MARIANO WERNER WAINFELD</b> Deputy Secretary of Finance and Public Credit</p>	<p><b>LIC. GERARDO RODRÍGUEZ REGORDOSA</b> Head Public Credit Unit Secretariat of Finance and Public Credit</p>
<p><b>DR. EDUARDO SOJO GARZA ALDAPE</b> Secretariat of Economy</p>	<p><b>LIC. JESÚS HERIBERTO FÉLIX GUERRA</b> Deputy Secretary for Small &amp; Medium-Sized Establishments</p>
<p><b>DRA. GEORGINA YAMILET KESSEL MARTÍNEZ</b> Secretary of Energy</p>	<p><b>LIC. CÉSAR SOTELO SALGADO</b> Deputy Secretary of Hydrocarbons Secretariat of Energy</p>
<p><b>DR. GUILLERMO ORTIZ MARTÍNEZ</b> Governor of Banco de México</p>	<p><b>LIC. ROBERTO DEL CUETO LEGASPI</b> Deputy Governor of Banco de México</p>
<p><b>LIC. JORGE AMIGO CASTAÑEDA</b> General Director of Instituto Mexicano de la Propiedad Industrial</p>	<p><b>DRA. LORENZA MARTÍNEZ TRIGUEROS</b> Director of Insurance, Securities and Pensions Secretariat of Finance and Public Credit</p>



## Board of Directors and Commissioners, as of December 31, 2007

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### BOARD MEMBERS- SERIES "B"

MEMBERS	ALTERNATES
<p><b>SR. ARMANDO PAREDES ARROYO LOZA</b> President of Consejo Coordinador Empresarial</p>	<p><b>LIC. FRANCISCO JAVIER GARZA ZAMBRANO</b> President of CEMEX-Mexico/United States and International Trade</p>
<p><b>SR. ISMAEL PLASCENCIA NÚÑEZ</b> President of Confederación de Cámaras Industriales de los Estados Unidos Mexicanos (CONCAMIN)</p>	<p><b>LIC. MIGUEL MARÓN MANZUR</b> National President of Cámara Nacional de la Industria de Transformación (CANACINTRA)</p>
<p><b>ING. LUIS ANTONIO MAHBUB SARQUIS</b> President of Confederación de Cámaras Nacionales de Comercio, Servicio y Turismo (CONCANACO-SERVYTUR)</p>	<p><b>ING. NETZAHUALCÓYOTL SALVATIERRA LÓPEZ</b> National President of Cámara Mexicana de la Industria de la Construcción</p>

### INDEPENDENT BOARD MEMBERS - SERIES "B"

(BOTH ARE BOARD MEMBERS – NO ALTERNATES IN THIS CATEGORY)

**LIC. PEDRO LUIS EUGENIO PINSÓN EDELEN**  
Director and Associate of Pinson Consultores y Asociados, S.C.

**DR. CARLOS JOSÉ GARCÍA MORENO ELIZONDO**  
Financial Director of América Móvil, S.A. de C.V.



## Board of Directors and Commissioners, as of December 31, 2007

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### COMMISSIONERS

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#### MEMBERS

#### ALTERNATES

#### SERIE "A"

**LIC. JOSÉ MARCO ANTONIO OLMEDO ÁRCEGA**  
Public Commissioner and Delegate from Financial Sector  
Civil Service Secretariat

**SR. ARMANDO PAREDES ARROYO LOZA**  
President of Consejo Coordinador Empresarial

#### SERIE "B"

**C.P. CARLOS AGUILAR VILLALOBOS**  
General Director of Despacho Aguilar Villalobos  
y Asociados

**SR. IGNACIO NÚÑEZ ANTA**  
Auditor and Manager of Grupo Financiero Capital  
and Grupo Financiero Anáhuac

### SECRETARY'S OFFICE OF THE BOARD OF DIRECTORS

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#### SECRETARY

#### DEPUTY SECRETARY

**LIC. MIGUEL GARCÍA Y GARCÍA**

**LIC. LÁZARO JIMÉNEZ GARCÍA**

## Officers Attending Sessions

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OFFICERS ATTENDING SESSIONS OF THE BOARD OF DIRECTORS,  
AS OF DECEMBER 31, 2007

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**C.P. MARIO M. LABORÍN GÓMEZ**

Chief Executive Officer

**ING. LUZ STELLA LOZANO CHONA**

Vice President of Development Financing

**LIC. FEDERICO PATIÑO MÁRQUEZ**

Vice President of Investment Banking

**C.P. JOSÉ LUIS ACUÑA CONTRERAS**

Vice President of Financial Markets Operation

**ING. PEDRO A. ARGÜELLES RODRÍGUEZ**

Vice President of Credit

**LIC. MIGUEL GARCÍA Y GARCÍA**

Vice President of Legal and Fiduciary Operations  
and Secretary of the Board of Directors

**LIC. STEVEN SAIDE AZAR**

Vice President of Administration

**C.P. GUILLERMO BARRERA MORENO**

Vice President of Regional Promotion

**C.P. ROBERTO MUÑOZ Y LEOS**

Head of Internal Auditor's and Controlling  
Entity

**ING. RAMÓN C. AZNAR COON**

Technical Coordinator

**LIC. LÁZARO JIMÉNEZ GARCÍA**

Deputy Secretary of the Board of Directors

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**Destiny**

## Message from the Chief Executive Officer

After Nacional Financiera's recent structural transformation, making it an efficient institution for promoting productive activity, the Felipe Calderón Hinojosa government emphasized, during the first year of its term in office, the importance of development banks as fundamental economic policy instruments that decisively address the needs of Mexico's small and medium-sized establishments (SMEs).

Nafinsa maintains its ongoing focus on SMEs, and seeks to incorporate this productive segment—that generates the greatest proportion of the Gross Domestic Product and creates the most employment in our country—into a scheme of greater participation in the federal public sector's acquisitions of goods and services.

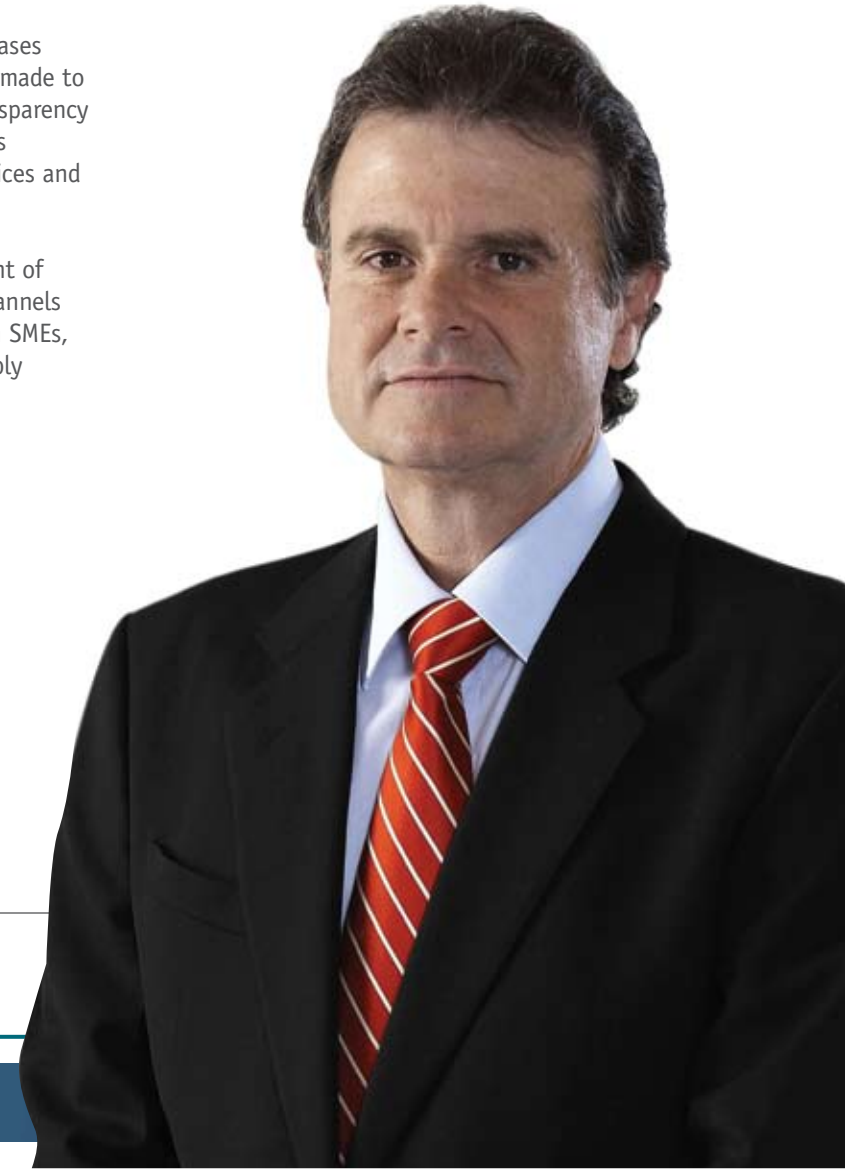
There is no doubt that the Federal Government Purchases Program—part of the successful productive chain scheme that provides financing to hundreds of thousands of supplier companies—constitutes the most outstanding strategy in public administration for providing assistance to SMEs.

With all public offices required to incorporate their accounts payable into Nafinsa's electronic platform, the first step has been taken to ensure that a greater number of SMEs will be able to sell their products and services to the government, and in this way participate

in a market that represents more than 600,000 million pesos annually, and that makes the federal government the largest purchaser of goods and services in our country.

The next step will occur when 35% of the purchases fulfilled by the federal public administration be made to Mexican SMEs in 2012, with the benefits of transparency in the process of public purchases and as well as liquidity to the suppliers of 245 government offices and entities, at financially competitive costs.

Nafinsa will also continue to increase the amount of financing it provides and to incorporate new channels and new products—with the focus remaining on SMEs, including those not yet integrated into the supply networks of large companies or public offices.



## Message from the Chief Executive Officer

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In 2007, we maintained our consistent pattern of growth in operational results:

- The amount of our credit portfolio continued to increase and reached 70,000 million pesos. As a point of reference, this amount was just over 18,000 million pesos in 2000.
- The average amount per financing operation was maintained at 81,000 pesos, indicating that we are providing services to smaller establishments.
- Our overdue portfolio was at 0.7% for the year, with the institution's reserves totaling more than 300% of the amount of this portfolio.
- For the seventh consecutive year, Nafinsa registered a profit—in the amount of 941 million pesos for 2007.
- In summary, the number of clients served by Nafinsa has increased from 15,000 in the year 2000, to more than a million at the end of 2007.

2007 was a year filled with satisfaction for those of us who work at Nacional Financiera. In April the country's president presented us with the National Quality Award—which for the first time was granted to an entire institution, not only to a single process or branch.

In addition the United Nations qualified the nafinsa.com portal as the best e-business web site in the world, ranking it above 650 other competing projects from 150 countries.

Lastly, we are very proud that—based on the results obtained over the last seven years—the John F. Kennedy School of Government at Harvard University selected Nacional Financiera's transformation as one of its case studies.

As a result of the effort, dedication and professionalism that characterizes our personnel and our 580 Advisory Council members around the country, Nacional Financiera is currently a solid, financially viable institution that is closely linked to the private sector.

Today, we can confirm Nafinsa's vitality, capacity and commitment, and its role as an effective instrument of the Mexican government at the service of the goals and objectives of the country's economic and social policies.

We will maintain this rhythm to ensure that Nacional Financiera remains at the forefront of efforts to promote Mexico's economic development.

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**MARIO LABORÍN GÓMEZ**

# **Corporate Governance**

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## Corporate Governance

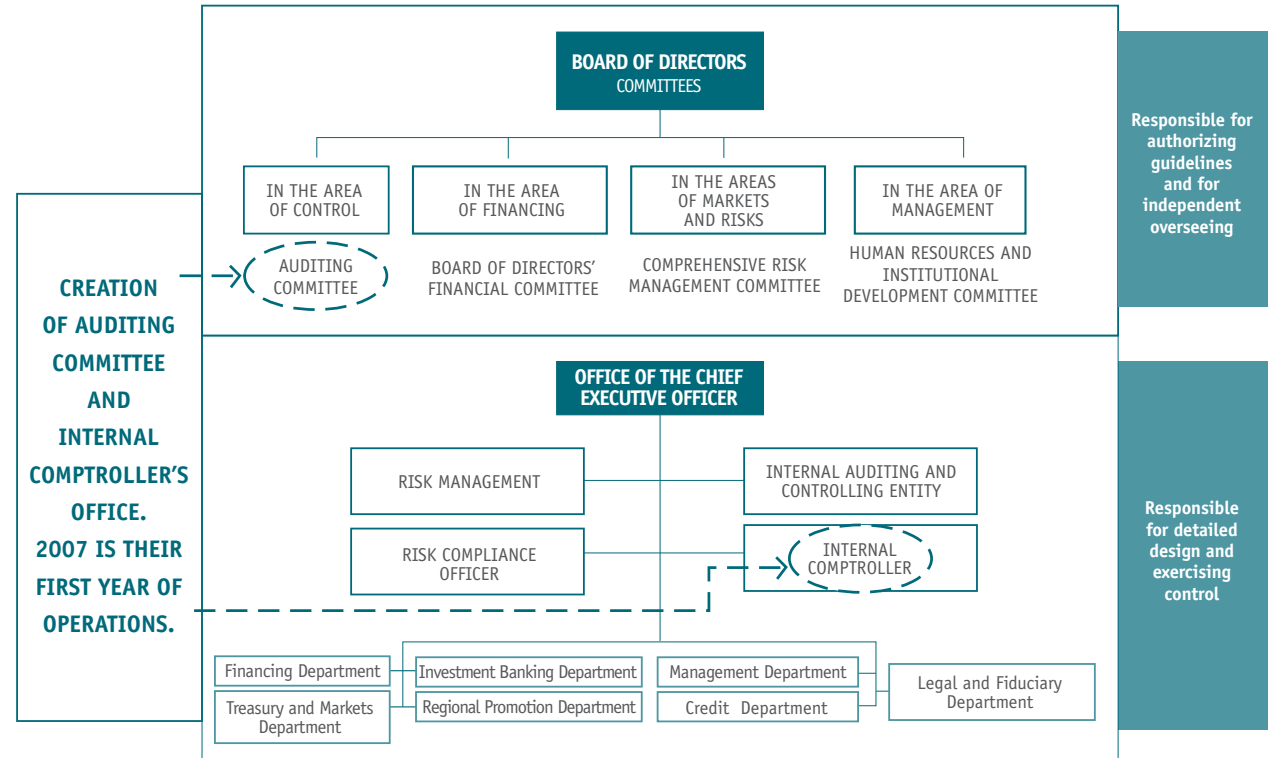
### CONSOLIDATION OF AUDITING COMMITTEE

This year NAFINSA consolidated its Auditing Committee, formerly the Control and Auditing Committee (Comité de Control y Auditoría—COCO A). In addition to its focus on control and auditing, this committee also addresses:

- Organization policies
- Communication channels
- General operating policies
- Operational continuity in the case of contingencies
- Monitoring of approval and registry of operations
- Accounting policies for registry and valuation of financial statements
- Overseeing Nafinsa’s independence, work plan and results from internal and external audits
- Overseeing performance of internal control system.

A fundamental aspect of the results achieved is that the Auditing Committee is made up exclusively of independent members who are experts in these matters and who have demonstrated proven experience. In fact the committee chair is one of the Independent Members on the Board of Directors.

### NAFINSA’S GOVERNANCE STRUCTURE



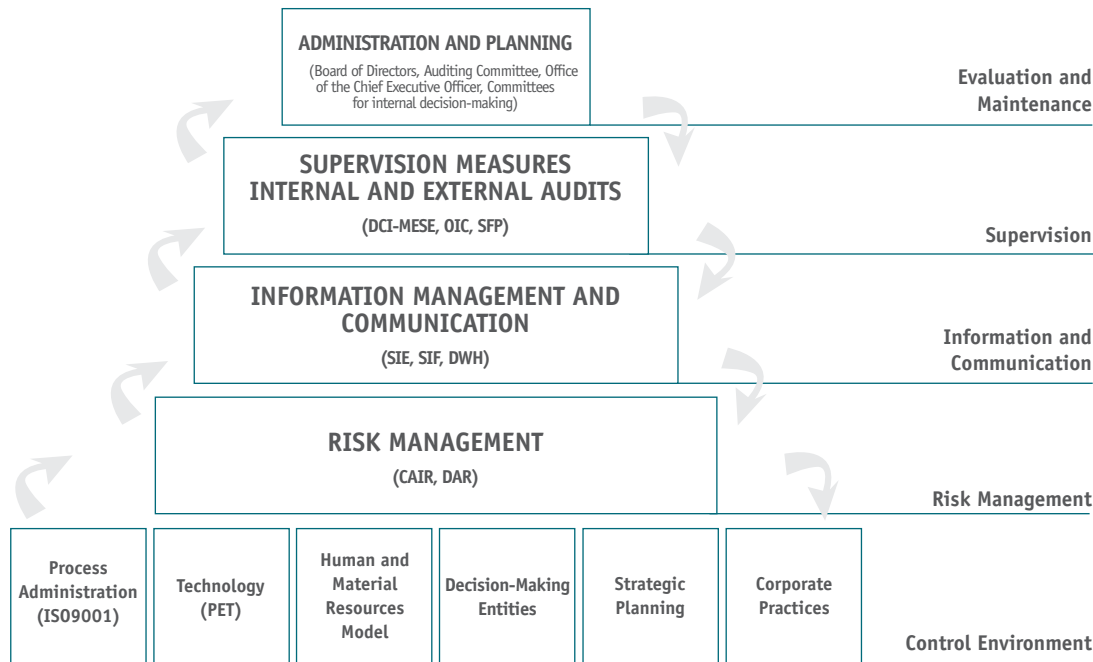
The Auditing Committee met on 11 occasions during 2007, approving various documents and reaching agreements for complying with its responsibilities.

## Corporate Governance

### INTERNAL CONTROL SYSTEM

The Board of Directors approved the “Guidelines for the Institutional Model of Internal Control” at its session on February 22, 2007. These Guidelines were proposed by the Auditing Committee, and contain the objectives of Nafinsa’s Internal Control System, as well as guidelines for implementing them.

The Conceptual Model of the institution’s Internal Control System is illustrated below:



The Auditing Committee, with support from the Internal Comptroller’s Office (Dirección de Contraloría Interna—DCI), has been reviewing the Implementation of Corporate Control Guides, as a self-assessment tool for those responsible for processes, with the aim of strengthening institutional mechanisms of control.

In coordination with the Secretaría de la Función Pública (SFP), Nafinsa conducted a Survey for Evaluating the Institution’s Internal Control. The results indicated that internal control mechanisms are indeed in place in the institution’s departments, and confirmed that the institution’s operations take place in line with the General Standards on Internal Control established by the SFP for Federal Public Administration offices.

## Corporate Governance

### INTERNAL COMPTROLLER

This year the Internal Comptroller's Office focused on communicating its role within the institution, specifically that it adheres to the concept of Corporate Governance and applicable regulations, reports directly to the Chief Executive Officer (CEO), and is responsible for designing, coordinating and monitoring the elements and mechanisms integrated into the Institutional Internal Control System.

In line with best practices in corporate governance, the Internal Comptroller developed general control guidelines applicable to all the institution's departments, and also designed specific control guidelines for the critical processes currently being assessed.

After making the decision to enhance internal control by creating the Internal Comptroller's Office, Nafinsa's administration began to review certain institutional activities and sub-processes which, due to their specific characteristics, were deemed appropriate for including within the new office's responsibilities. One example is the Institutional Model for Transparency and Anti-Corruption (Modelo Institucional de Transparencia y Combate a la Corrupción—MITCC), and another is the Notification to the National Banking and Securities Commission (CNBV) regarding some Information Protected by Financial Secrecy.

In accordance with activities programmed for 2007, Nafinsa worked at preventing and detecting corruption and other illegal acts, through the following:

- Corporate practices
- Money laundering prevention
- Implementation of strategies for fraud prevention and detection
- Evaluation of critical processes (MESE)
- Institutional Model of Transparency and Anti-Corruption (MITCC)
- Security System

# Performance



## Quality Management and Organizational Culture

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### QUALITY MANAGEMENT SYSTEM

#### **Process certification**

The Quality Management System (Sistema de Gestión de la Calidad—SGC), based on Standard ISO9001:2000, continues to cover all of the institution's macro-processes. This year's activities related to process certification were focused on maintaining certification and ongoing improvement in the administration of the System and the processes it covers.

#### **System maintenance**

Nafinsa also carried out activities aimed at expanding the SGC to new processes, which were integrated into the System during the second half of the year.

As part of system maintenance, four internal quality audits were conducted in coordination with the Internal Auditing and Controlling Entity (Órgano Interno de Control—OIC). The audits encompassed 100% of the macro-processes included in the SGC, and were aimed at verifying compliance with Standard ISO9001:2000.

## Quality Management and Organizational Culture

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### Improvement

Improvement in the SGC during this period is associated with the documentation of operations manuals.

- **New Mechanism for Updating Operations Manuals**

After a review of operations manuals for institutional processes, prevention procedures and policies were designed to support the ongoing updating of operations manuals that document institutional processes. The objective is to minimize risks of potential incompliance from not maintaining these documents updated.

## Quality Management and Organizational Culture

### INSTITUTIONAL QUALITY MODEL

In April of this year, the Mexican President personally presented the institution with the 2006 National Quality Award in the category of governance, which recognizes public and private organizations for their exceptional quality practices. This award made it possible for Nafinsa to participate in two international competitions, for the Iberoamerican Quality Award and the Asia Pacific Quality Award.

#### ***Internal Quality and Organizational Culture Index***

This index has made it possible to qualify the institution's quality and organizational culture through systematic measurements, oriented toward improving the institutional quality model. This year the Quality Index was measured at 943 points.

#### ***1st Marathon of Creativity and Innovation***

During the second half of the year, the 1st Marathon of Creativity and Innovation was held with the objective of enhancing the institution's quality culture by encouraging and recognizing personnel for their contribution and implementation of creative and innovative ideas and practices.

In response to the invitation for proposals, 137 initiatives from 28 different areas were received. Five of them were selected as finalists and were recognized by the Chief Executive Officer at an institutional event.

The winning initiatives were:

#### INITIATIVES

In total line with our clients

Interactive portal for SGC administration

Recognizing SMEs, financial intermediaries and first order establishments that contribute to Nafinsa's mission and vision

SME Development Portal 2.0

ASP Portal for SMEs

## Quality Management and Organizational Culture

### AWARDS AND RECOGNITION

During 2006 Nafinsa participated in the National Quality Award program, and it was honored with this award in April of 2007. It is the highest award granted by the Mexican President to the country's public and private organizations in the area of quality. The award is based on application of the National Total Quality Model, which includes criteria such as: clients, leadership, planning, information and knowledge, personnel, processes, social responsibility and competitiveness.

In October Nafinsa was recognized with the Asia Pacific Quality Award in the category of government organizations, with evaluation based on the Malcolm Baldrige Model. The 2007 World Class Award was received in Shanghai, China.

Organizations honored with this World Class Award must achieve a minimum score of 600 points, granted on the basis of analysis of results in areas including Leadership, Strategic Planning, Customer and Market Focus, Knowledge Management, Measurement, and Analysis. Public and private organizations in the Asia-Pacific region participate in this award program.

### Benchmarking

Also during the year, three referential comparison studies were conducted with five national and international organizations, recognized internationally for their quality practices. These exercises in referential comparison facilitated a process of incorporating new methodologies and processes aimed at strengthening and consolidating our quality model.

## Quality Management and Organizational Culture

### CLIENT SATISFACTION

Over the past six years, Nafinsa has made concrete steps in implementing a quality culture with a clear orientation toward our clients. Since 2004 the institution has applied annual surveys of the impact on our clients, with the following results:

2004	2005	2006	2007	As a result of assistance provided by Nacional Financiera, businesses:
40%	44%	49%	58%	Created jobs
81%	86%	80%	85%	Maintained jobs
97%	93%	94%	96%	Increased liquidity
77%	71%	79%	73%	Decreased expenses
56%	60%	72%	70%	Increased sales
97%	94%	98%	97%	Have a generally good perception of services provided



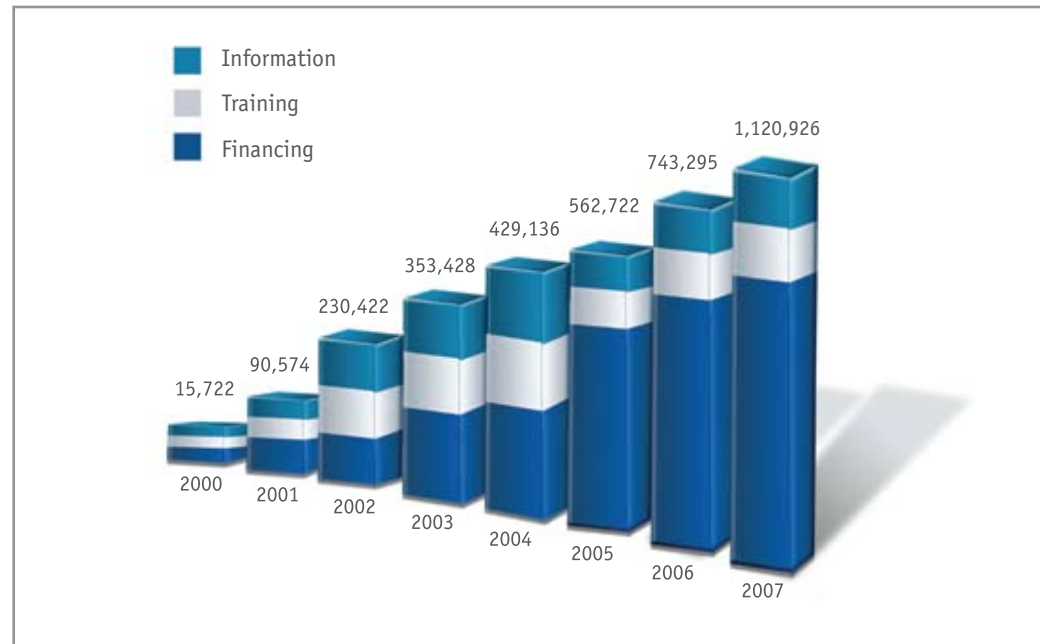
**Diversity**

## Development of SMEs and Financing

### ESTABLISHMENTS ASSISTED

Among Nafinsa's achievements, especially worth mentioning is the development of new products in response to the needs of small and medium-sized establishments (SMEs). These products are currently operated on the basis of cutting-edge technology that has made it possible for the institution's programs to reach a greater number of establishments at a lower cost. The number of establishments that received financing, training and technical assistance in 2007 was 1,120,926.

ESTABLISHMENTS ASSISTED THROUGH INSTITUTIONAL PROGRAMS



## Development of SMEs and Financing

### TOTAL FINANCING PROGRAM

Nafinsa granted a total of 212,138 million pesos in financing, representing a nominal increase of 22% over the prior year.

Of all the financing granted, the majority was channeled to the private sector, in the amount of 210,288 million pesos. Credit operations with public sector entities were minimal, at a total of 1,823 million pesos. Nafinsa concentrated its efforts on assisting SMEs in the private sector, in line with its mission and its law.

TOTAL FINANCING PROGRAM						
					(Millions of Pesos)	
Financed Jan-Dec '06	Concept	Financial Program Jan-Dec '07	Financed Jan-Dec '07	Advance (%)	Difference 07/06	
					Amount	(%)
170,474	Private sector 1/	195,000	210,288	107.8	39,814	23.4
3,601	Public sector	3,630	1,823	50.2	(1,778)	(49.4)
<b>174,075</b>	<b>Total own operations</b>	<b>198,630</b>	<b>212,112</b>	<b>106.8</b>	<b>38,036</b>	<b>21.9</b>
29	Financial agent 2/	11	17	148.1	(12)	(42.5)
<b>174,104</b>	<b>Total for financing programs</b>	<b>198,642</b>	<b>212,128</b>	<b>106.8</b>	<b>38,024</b>	<b>21.8</b>

1/ Considers guarantees and induced financing of 39,795 and 40,513 million pesos in 2006 and 2007, respectively, and 50,000 million pesos programmed.

2/ Does not include 20,710 and 14,356 million pesos granted in 2006 and 2007, respectively, registered as mandates in memorandum accounts.

## Development of SMEs and Financing

### CREDIT AND GUARANTEES PROGRAM FOR PRIVATE SECTOR

The financing for private sector companies was 210,288 million pesos.

Financed Jan-Dec '06	Concept	Financial Program Jan-Dec '07	Financed Jan-Dec '07	Advance (%)	(Millions of Pesos) Difference 07/06	
					Amount	(%)
	<b>Second Tier</b>					
103,268	Productive Chains	120,000	134,777	112.3	31,509	30.5
2,872	Fixed Assets Financing 1/	3,400	5,613	165.1	2,742	95.5
4,554	Micro-businesses	5,000	4,461	89.2	(93)	(2.0)
16,517	Traditional Programs	15,100	24,341	161.2	7,824	47.4
4,394	Construction	1,500	3,695	246.3	(699)	(15.9)
<b>131,605</b>	<b>Total Second Tier</b>	<b>145,000</b>	<b>172,887</b>	<b>119.2</b>	<b>41,282</b>	<b>31.4</b>
<b>855</b>	<b>First Tier</b>	<b>2,000</b>	<b>726</b>	<b>36.3</b>	<b>(129)</b>	<b>(15.1)</b>
<b>132,460</b>	<b>Subtotal</b>	<b>147,000</b>	<b>173,613</b>	<b>118.1</b>	<b>41,153</b>	<b>31.1</b>
<b>38,014</b>	<b>Guarantees and Induced Financing 2/</b>	<b>48,000</b>	<b>36,675</b>	<b>76.4</b>	<b>(1,338)</b>	<b>(3.5)</b>
<b>170,474</b>	<b>Total Private</b>	<b>195,000</b>	<b>210,288</b>	<b>107.8</b>	<b>39,814</b>	<b>23.4</b>

1/ Includes 1,781 and 3,838 million pesos from guarantees and induced financing in 2006 and 2007, respectively, as well as 2,000 million pesos in the Program.

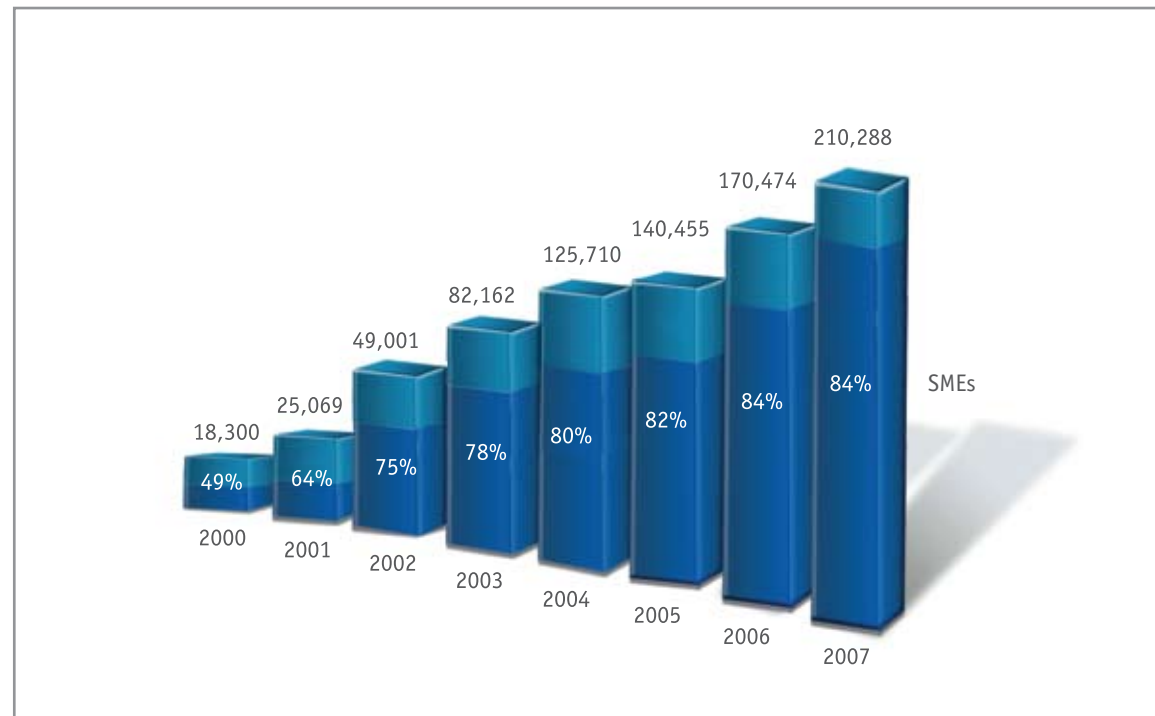
2/ Includes 20,725 and 17,975 million pesos from induced financing in 2006 and 2007, respectively, as well as 25,920 million pesos in the Program.

Especially noteworthy is the financing channeled through the Productive Chains Program, in the amount of 134,777 million pesos. The increase in this category can be explained basically by the incorporation of new productive chains, and the implementation of the Program of Government Purchases from SMEs, with a total of 245 government offices and entities participating.

## Development of SMEs and Financing

### CREDIT AND GUARANTEES PROGRAM FOR PRIVATE SECTOR

FINANCING TO PRIVATE SECTOR (MILLIONS OF PESOS)





## Development of SMEs and Financing

### FEDERAL GOVERNMENT PURCHASES PROGRAM

The objective of this program is for all public sector entities to publish their programmed payments to service-providers in productive chains. This brings the following benefits to the suppliers of those entities:

- Transparency in payments made by government entities.
- Greater participation by SMEs, through courses offered on “How to sell to the government” and consultation provided through TIPS for participating in bidding processes.
  - SMEs generate a commercial record, for receiving financing in the future.
  - Support for an increase in purchases made from national SMEs, with the goal that by the end of 2012, the Federal Government will make 35% of its purchases from micro-small and medium-sized establishments.

The incorporation of government entities in productive chains began in February and by the end of August, 245 entities had been incorporated, and were publishing their accounts payable.

#### 245 OFFICES AND ENTITIES HAVE REGISTERED THEIR ACCOUNTS PAYABLE:

245 OFFICES AND ENTITIES HAVE REGISTERED THEIR ACCOUNTS PAYABLE:					
PHASE I Offices		PHASE II Direct-control entities		PHASE III	
18 Ministries 3 Offices		<ul style="list-style-type: none"> <li>• PEMEX (5)</li> <li>• CFE</li> <li>• IMSS</li> <li>• ISSSTE</li> <li>• Luz y Fuerza</li> </ul>		Indirect-control Entities	
Deconcentrated Agencies					
58		9		157	
2007					
Mar	Apr	May	Jun	Jul	Aug

In an effort to more actively promote this program, training courses and talks were given to enterprises in June, for the purpose of presenting the program and initiating the affiliation process. The training efforts were successful, with attendance from 7,000 enterprises at eight training events, participation by 20 government offices at the inauguration event, and the affiliation of 4,000 enterprises.

## Development of SMEs and Financing

### ASSISTANCE PROGRAM FOR NATURAL DISASTERS

In response to Hurricane Dean in the month of August and severe flooding in the state of Tabasco, Nacional Financiera implemented an agile, immediate response program for economic recovery in the states of Quintana Roo and Tabasco. The assistance program was conducted in the usual manner as in similar situations in previous years, however when the flooding began in Tabasco, modifications were made to the program, with an “Operations Center” established in the affected area, and services and participation provided by the following entities:



All of these efforts were focused on the same objective: to assure the recuperation of economic activity, the reactivation of affected establishments, a program for rapid implementation and immediate response. Considering the magnitude of the disaster, the intention was to provide assistance in the best conditions possible.

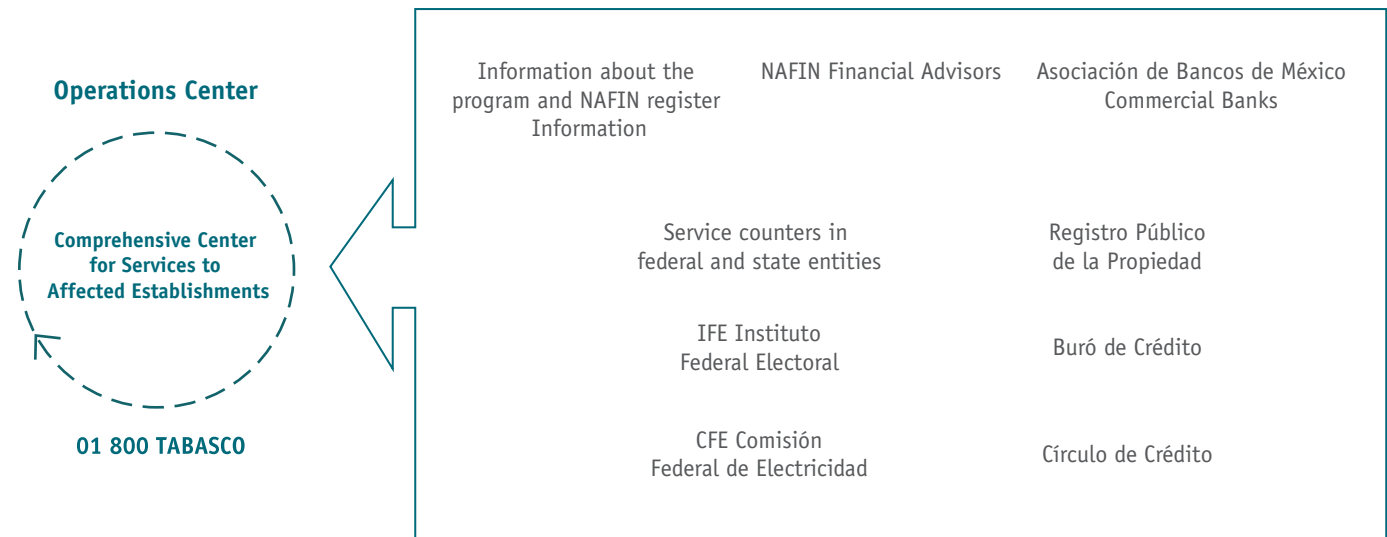
## Development of SMEs and Financing

### ASSISTANCE PROGRAM FOR NATURAL DISASTERS

All of these efforts were focused on the same objective: to assure the recuperation of economic activity, the reactivation of affected establishments, a program for rapid implementation and immediate response. Considering the magnitude of the disaster, the intention was to provide assistance in the best conditions possible.

The Mexican President's Office promised assistance at preferential rates, with a 5.0% rate for the first two years and a three-month grace period for payments on principal and interest. In addition, efforts in developing standardized products for affected businesses were successful, with participation by: Banco Azteca, Banorte, BBVA Bancomer, Banamex and Santander.

Nafinsa's Operations Center has service counters with the following services:






## Development of SMEs and Financing

### SUPPORT PROGRAM FOR STRATEGIC SECTORS

Another major achievement in the area of Financing was the designing and implementation of programs defined as strategic within the National Development Plan: "Child Care Centers," "Higher Education" and the "Tourism Sector."

### ELECTRONIC SERVICES THROUGH nafinsa.com PORTAL

SERVICE	DESCRIPTION
 <p><b>Business Network</b></p>	Business Directory Business community offering on-line services for SMEs. SMEs Directory, for conducting searches on establishments in the business community, by region, product or service.
	Business Opportunities On-line service for announcing opportunities for business exchanges within the SME portal community. On-line services to assist SMEs in developing competitiveness.
 <p><b>Business Development</b></p>	E-Learning On-line course for long-distance promotion of business development: ABCs of credit, Business decision-making, How to sell to the government.
	Self-diagnostic tools Set of on-line tools for SMEs: Business thermometer, Find out if you are eligible for credit.
	Practical guides Simple guidelines for general application: Marketing for small businesses, How to sell more in your store.
 <p><b>Program for sales to Federal Government</b></p>	Calculators and simulators On-line instruments to assist SMEs in analyzing and making business decisions: Credit simulator, Investment project evaluator, Yield calculator.
	Collection of topics on business foundations The best on-line business library for SMEs. A selection of readings on key topics for developing your SME, divided into six sections: How to start a business, Administration, Accounting, Finances, Marketing, Production, Human Resources. Electronic newsletters listing business opportunities with the Government: Set of readings for SMEs on how to sell to the government.

A close-up photograph of a map of Mexico. A red pushpin is stuck into the map, pointing to the state of Jalisco. The word 'Mexico' is printed in large black letters across the map. A white rectangular box is superimposed over the map, containing the word 'Distribution' in white text. The background is a blurred map of Mexico with various colors representing different regions and topography.

**Distribution**



## Regional Promotion

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### REGIONAL PROMOTION NETWORK AND ADVISORY COUNCILS

#### Regional Promotion Network

At the regional level, the strategy of offering better financing alternatives was maintained. Consequently, the total amount of financing in the five regions was increased by more than 23%. The greatest increase was registered in the Northwest region, with 18,695 million pesos representing an increase of 60.8% with respect to 2006. This increase was primarily due to the productive chain programs in the areas of construction and support to micro-producers. Next in line was the Southeast region with 19,045 million pesos representing an increase of 27.3 % over the previous year. At the state level, the greatest increases in resources were registered in Sinaloa with 104%, Tabasco with 100%, Campeche with 56% and Chihuahua with 53%.

Another focus of Nafinsa's efforts was on installing state and municipal productive chains, as an efficient means for small and medium-sized suppliers in the different states and municipalities to achieve liquidity. As a result, by the end of the year, productive chains had been established in 30 state governments plus in the Federal District (Mexico City), and this efficient financing mechanism was also operating in 31 municipalities.

## Regional Promotion

### ADVISORY COUNCILS

#### Advisory Councils

One of Nafinsa's central tasks at the regional level was to strengthen the functioning of its network of Advisory Councils with the aim of maintaining and improving the links established among businesses and the country's entrepreneurs. Some of the actions taken were: to incorporate the state-level representatives of Coparmex (Mexican Employers Confederation) and the Mexican Business Council of Foreign Trade (Consejo Empresarial Mexicano de Comercio Exterior—COMCE) as Nafinsa Advisory Council members, and to invite Tourism Secretaries in the country's state governments to participate in Nafinsa Advisory Council sessions.

The Advisory Council Network is made up of 35 Councils, one in each state, one in the Federal District (Mexico City) and three in the United States: in Los Angeles, California; Chicago, Illinois; and Dallas, Texas. There are nearly 600 Council members in all.

#### Regional Second-Tier Financing and Guarantees to Private Sector Amount and Number of Recipients

January-December 2007/2006								
Financing and Guarantees Jan-Dec 2006		Region/State	Financing and Guarantees Jan-Dec 2007		Difference % 2007/2006		Struc.% National Recipients	
MDP*	Recipients		MDP*	Recipients	MDP*	Recipients	2006	2007
11,627	169,886	NORTHWEST	18,695	171,471	60.8	0.9	26.4	21.1
3,359	18,557	B. California	5,013	31,105	49.2	67.6	2.9	3.8
668	3,605	B. California Sur	994	8,234	48.7	128.4	0.6	1.0
4,437	83,540	Sinaloa	9,066	59,096	104.3	(29.3)	13.0	7.3
3,162	64,184	Sonora	3,623	73,036	14.6	13.8	10.0	9.0
48,341	96,994	NORTHEAST	59,147	135,083	22.4	39.3	15.1	16.6
5,174	24,909	Coahuila	6,477	29,150	25.2	17.0	3.9	3.6
2,350	20,665	Chihuahua	3,597	28,542	53.1	38.1	3.2	3.5
1,232	10,044	Durango	1,328	10,008	7.8	(0.4)	1.6	1.2
36,158	25,528	Nuevo León	43,836	36,408	21.2	42.6	4.0	4.5
3,427	15,848	Tamaulipas	3,910	30,975	14.1	95.5	2.5	3.8
25,587	142,733	CENTRAL WESTERN	30,837	179,227	20.5	25.6	22.2	22.1
1,163	7,030	Aguascalientes	1,345	8,238	15.6	17.2	1.1	1.0
594	7,893	Colima	816	14,481	37.5	83.5	1.2	1.8
3,678	25,291	Guanajuato	4,729	36,691	28.6	45.1	3.9	4.5
10,208	30,825	Jalisco	12,138	38,148	18.9	23.8	4.8	4.7
3,164	21,150	Michoacán	3,635	28,025	14.9	32.5	3.3	3.5
692	15,314	Nayarit	750	15,167	8.4	(1.0)	2.4	1.9
2,148	6,620	Querétaro	2,607	6,814	21.4	2.9	1.0	0.8
2,737	21,949	San Luis Potosí	3,606	21,350	31.8	(2.7)	3.4	2.6
1,204	6,661	Zacatecas	1,211	10,313	0.5	54.8	1.0	1.3
69,956	76,650	CENTRAL	82,564	141,141	18.0	84.1	11.9	17.4
49,801	16,627	D.F.	56,250	37,794	12.9	127.3	2.6	4.7
1,033	20,031	Guerrero	1,213	19,362	17.5	(3.3)	3.1	2.4
1,273	2,421	Hidalgo	1,627	6,708	27.9	177.1	0.4	0.8
16,751	26,873	México	22,170	61,760	32.3	129.8	4.2	7.6
1,099	10,698	Morelos	1,304	15,517	18.6	45.0	1.7	1.9
14,963	156,799	SOUTH-SOUTHEAST	19,045	185,163	27.3	18.1	24.4	22.8
994	8,125	Campeche	1,550	6,358	55.9	(21.7)	1.3	0.8
1,304	21,004	Chiapas	1,619	18,122	24.1	(13.7)	3.3	2.2
915	14,044	Oaxaca	1,214	12,765	32.7	(9.1)	2.2	1.6
3,240	24,707	Puebla	3,984	27,907	23.0	13.0	3.8	3.4
885	10,618	Quintana Roo	1,203	9,528	35.9	(10.3)	1.7	1.2
1,371	9,800	Tabasco	2,747	24,597	100.3	151.0	1.5	3.0
465	7,207	Tlaxcala	504	5,195	8.4	(27.9)	1.1	0.6
4,059	39,442	Veracruz	4,251	64,957	4.7	64.7	6.1	8.0
1,730	21,852	Yucatán	1,974	15,734	14.1	(28.0)	3.4	1.9
1/ 170,474	643,062	TOTAL	210,288	812,085	23.4	26.3	100.0	100.0

\* MDP = millions of pesos.

1/Includes (4,427) loans corresponding to programs for loans to individuals in 2007

A large tracked excavator is positioned in a dark, underground tunnel. The excavator's arm is extended upwards, and its headlights are on, illuminating the surrounding environment. The tunnel walls are rough and appear to be made of concrete or rock. There are some wooden beams and scaffolding visible in the background. The overall atmosphere is dimly lit, with the primary light source being the excavator's lights.

**Development**

## Investment Banking

Activities worth highlighting in the area of investment banking during 2007 can be summarized as follows:

- Mandate for the bidding of Mexican highways.
- SCADA-SCADI: financial advisory to Bancomext on the sale of the Chilean highway package.
- Aerovías de México: Financial assessment to determine Aeroméxico's payment capacity and risk.
- Clean Development Mechanism (CDM) Projects and Carbon Bonds.
- States and Municipalities: Designing financial schemes for economic infrastructure projects in the states of Tamaulipas, Sinaloa and Colima.

## Venture Capital

### *Indirect*

Nafinsa made capital contributions to the Fund of Funds in the amount of 9.6 million pesos during the year, and participated in the Mexican Corporation of Capital Investments (Fund of Funds) with 57.01% of its capital. Nafinsa contributions represented 8.7%.

During the year the Fund of Funds approved six new investments with commitments of 85 million dollars and a multiplying effect of nearly 14 times that amount. This means resources from the funds in the amount of 1,175 million dollars will be available for assisting businesses. This represents 120% compliance with the initial goal for the number of authorized funds, and 242% compliance with respect to the amount of authorized investment—which reaffirms the country's favorable climate for business.

At year's end the Fund of Funds portfolio was composed of 23 funds of which 17 are operating and six are in the process of being formalized; plus eight capital investment funds, seven direct investments and 15 debt operations.

Nafinsa maintains five corporations in its indirect investment portfolio. They were not transferred to the Fund of Funds, because they were either not operating or were in a period of liquidation. The process of their divestment continues, and during 2007 a total of 0.56 million dollars was recovered.

### *Direct*

The divestment of the direct investment portfolio produced 41.4 million pesos of revenue for the institution, with 16.94 million pesos of that amount corresponding to three sales or liquidations of businesses, and 24.4 million pesos corresponding to partial reimbursement of capital.

The Andean Development Corporation (Corporación Andina de Fomento—CAF) approved the distribution of dividends on shares, with 166 Series C shares corresponding to Nafinsa. The institution accumulated a total balance of 3,499 Series C shares, which to date register a value of 377 million pesos, in comparison to the acquisition cost of 216 million pesos.



## Investment Banking

### Guarantees on Securities Instruments

The Securities Financing Program was presented to 13 State Advisory Councils. Three business meetings were held in Tlaxcala, Cuernavaca and Veracruz.

Together with financial advisors and auditor firms, Nafinsa organized an initial series of regional conventions, held in Culiacán, Los Mochis, Mazatlan, Hermosillo and Ciudad Obregon. As a result of all this promotion work, 13 meetings were held with Nafinsa Advisory Council members, as well as eight business conferences and 37 one-one-one meetings between businesspersons. At year's end, a securities guarantee operation for a total amount of 30 million pesos was formalized, with induced credit of 100 million pesos.

### Financial Advisory Contracts

In this area, the goal of initiating four financial advisory contracts was met, specifically with Fonatur, SHCP-IPAB, Planfia and Infonacot.

### Eurocentro Nafin México

Twenty-six events were held within the European Commission's Latin American Investment Program. One was organized by Eurocentro Nafin México as the principal operator, and 25 were organized in collaboration with European and Latin American entities (Network of Eurocentros and Coopecos).

### Support Program for Entrepreneurs

A total of 1,099 projects have been reviewed; 398 projects are now available on the portal; and a record number of 2,744 investors ("Ángeles") are registered. Agreements were promoted with universities and organizations that contribute projects to the program, and the current number of agreements established is 110. Fifty-five gateways have been established, and 20 projects have received assistance.



**Decision**



## Markets and Treasury

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### TREASURY

At year's end, the funds balance in pesos amounted to 86,200 million pesos, with over 90% integrated in notes with periods of up to a year.

In terms of foreign currency, Nafinsa was able to obtain funds in dollars at attractive costs through Certificates of Deposit, making use of our London branch infrastructure. It is important to mention that the institution plans to diversify its sources of funds through the placement of dollar-denominated time deposits, which will strengthen the funding structure and expand possibilities for investing on the market.

During 2007, the availability of funds in foreign currency corresponding to Treasury operations rose to 4,499 million dollars in short-term funds.

## Markets and Treasury

### MARKETS

During the year, market areas obtained a combined net revenue of 1,037 million pesos. Overall, the accumulated net results for the money market and treasury totaled 917 million pesos, thus constituting the primary source of profits from financial markets.

Taking advantage of market opportunities, in the foreign exchange market operations, the bank generated 54 million pesos in profits.

Net revenue generated in 2007 by the institution's capital market totaled 66 million pesos. It is important to mention that, as Naftrac's administrator, it was necessary for Nafinsa to increase its net share balance position to 594 million pesos.

The value of Naftrac's assets was 41,161 million pesos, representing a 265.3% increase and signifying third place internationally in the growth rate of Exchange Traded Funds (ETFs). In terms of the amount operated, Naftrac is in third place, above major issuers in the Mexican market.

#### Asset and liabilities management

Nafinsa maintained the strategy of minimizing the impact from changes in interest rates, using the necessary hedging transactions to protect the bank's revenue corresponding to the financial margin in loans granted to SMEs, thereby strengthening the bank's capital and minimizing volatility in the capital ratio.

#### Subsidiary in New York and London branch

Nafinsa's subsidiary in New York obtained net earnings of 644,000 dollars, representing 40% more than in the previous year, due to more active participation in debt markets operations by the main office. The institution has been able to strengthen the subsidiary's financial situation, and surpass the self-sufficiency objectives established by the Board of Directors.

The London branch is now installed in a smaller office space, and has successfully consolidated the process of optimizing its structure, operations and administration under more flexible terms and at a lower cost. The branch continues to support Nafinsa's funding activities in foreign currency, operating the authorized Certificates of Deposit program, and it is now exploring new business areas to maximize the advantages offered by that program and by its strategic location.

#### Money Market Promotion Desks

Nafinsa's Money Market Promotion Desks (Provincial and Metropolitan) maintained their ongoing work with the country's primary public and private treasuries, in order to offer our clients financial services and diverse government, banking and corporate instruments in the short, medium and long term, as well as to contribute toward meeting the institution's need to maintain a competitive cost of funds.

This promotion work, together with its active link with our most representative clients, contributed significantly to results at the year's closing in which the treasuries in the public and private sectors maintained a total of 1,860 active contracts and registered a balance of 274,088 million pesos—thereby surpassing the funding goal established for the Money Market Promotion Desks for 2007.

## Markets and Treasury

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### MUTUAL FUNDS

The assets managed by Nafinsa's Operating Society of Investment Funds (Operadora de Fondos Nafinsa) increased by 4.58% at year's end in comparison to the close of the previous year, with a total of 15,708 million pesos. Two new partnerships were consolidated with entities responsible for distributing the institution's funds, thus reaching a total of 22 distributors.

Three new series in funds for non-tax-paying entities were created, decreasing the amount of commissions charged, resulting in more competitive returns while meeting the needs of clients. The necessary modifications were made in the investors' information sheets, in accordance with the time periods established in the official notice for investment companies and the stipulations applicable to fund operators. In addition, Nafinsa created a new department for Comprehensive Risk Management, using the SIARGAF and Opvantage systems, and with certification of personnel in charge of the department.

# Determination

A person is running on a dark pebbly beach towards the right. The ocean is in the background with waves breaking. The sky is filled with large, white, fluffy clouds, and the sun is low on the horizon, creating a bright glow. The word "Determination" is written in a bold, dark font inside a thin black rectangular box in the center of the image.



## Legal and Fiduciary Operations

### CORPORATE AND BUSINESS

This year Nafinsa reinforced its measures for providing certainty in legal processes related to financial markets, venture capital, and international and corporate matters.

In addition to providing support in developing and reviewing contracts for national and foreign operations in response to the needs of the institution's various departments, Nafinsa's legal activities resulted in some important achievements. Especially worth noting is the intervention in formalizing the issuing of FBD CEDES, TIIE CEDES, Fixed Rate CEDES and NOTES (Certificates of Deposit), for a total of 9,600 million pesos; support for the sale of Nafinsa's shares in Consorcio Aeroméxico, S.A. de C.V., and providing the necessary advisory to the SCT (Secretariat of Communications and Transportation) and IPAB (Institute for Bank's Savings Protection); legal support for business schemes such as financing for the Mazatlán-Durango highway project; and the dissemination of information on the standards established in the new Law on Transparency and Structuring in Financial Services (Ley de Transparencia y Ordenamiento de los Servicios Financieros), and the activities necessary to comply with obligations in that law.

## Legal and Fiduciary Operations

### OFFICIAL NORMATIVITY

Nafinsa complied with the official standards applicable to gubernamental banks, overseeing the development and implementation of legal instruments indispensable for conducting the institution's fundamental and support activities. In all, there are 1,299 instruments, including various types of contracts and agreements.

#### **Federal Law on Transparency and Access to Public Government Information.**

In response to the requirement to provide the obligatory information indicated in Article 7 of this law, Nafinsa published all the required records in the Transparency Obligations Portal designed by the Federal Institute for Access to Public Information (Instituto Federal de Acceso a la Información Pública—IFAI), and received IFAI approval.

The institution received and responded to 214 requests for access to information. In the case of 46 requests, a resolution from the Information Committee was necessary, primarily because the information requested did not exist, or in the case of matters associated with banking and fiduciary secrets, when it was necessary to protect the information of third parties. Below, the requests for information have been grouped into general categories:

TYPE OF RESPONSE PROVIDED	NUMBER OF REQUESTS
Requests for which access to information was granted	138
Requests denied, due to classified or non-existent information	42
Requests corresponded to Liaison Units of other institutions	20
Procedure stipulated in the law was not applicable or was rejected	14
Total number of requests responded to in 2007	214

## Legal and Fiduciary Operations

### LEGAL OPERATIONS

The legal department has developed the necessary agreements and contracts for conducting electronic operations and for enabling the institution to expand the number of micro, small and medium-sized establishments it serves. The department's commitment to design agile, modern schemes for trading in packaged products and services has been fulfilled to an outstanding degree. The department has also managed to decrease the amount of the disputed portfolio and the contingencies arising from legal proceedings filed against Nafinsa, making it possible to reduce accounting provisions, and apply the recuperated resources to projects having economic and social impact.

Among the activities conducted by this department, the following are especially worth mentioning:

- Preventative resolution for operations with Non-Banking Financial Intermediaries (IFNBs), with supervision of the automatic guarantee program, for the purpose of assuring that IFNBs fulfill their obligations, and the identification of matters susceptible to sanctions and the rendering of a legal opinion on the corresponding irrecoverability, within the Institutional Program on Application of Reserves.
- As a result of the Federal Act on the 2007 Expense Budget which in Article 17 establishes the obligation of Federal Public Administration offices and entities to register in Nafinsa's Productive Chain Program, the Productive Chains Agreement was developed.
- Participation in the negotiation and formalization of the Agreement for Incorporation in the Institutional Program of Productive Chains, signed by 245 offices and entities of the Federal Public Administration. The purpose of the program is to facilitate access to the products and services offered in Nafinsa's Productive Chains Program to these offices and entities, as well as to their suppliers and contractors.

## Legal and Fiduciary Operations

### TRUST OPERATIONS

#### **New Businesses and Operations of Existing Businesses**

Twenty-one trusts were created, and through the continuation of efforts to reduce the inventory of businesses, 28 trusts were extinguished, since they had fulfilled their objectives or were not in line with the institution's objectives.

Of the new trusts, especially worth mentioning are four Infonavit Cedevis (housing certificates) issued and another for overdue portfolio recovery; the trust fund for constituting the Mexican Mortgage Association (Asociación Hipotecaria Mexicana); the Trust for Industrial Development in Tabasco and the Solidarity Fund for Economic Development in Chiapas, the purpose of which is to support small and medium-sized firms in these states; and three AAA trusts for productive chains.

With the above, total assets administered from trusts and mandates at the year's closing totaled 571,691 million pesos. Of this amount, 139,276 million pesos correspond to liquid resources, of which 60,439 million pesos are invested in the institution and contribute significantly to obtaining funds for carrying out the institution's fundamental activities.

Earnings from fiduciary fees produced 163 million pesos for the institution.

A high-angle, close-up photograph of a person in a white business suit sitting in the driver's seat of a car. The person is focused on typing on a silver laptop computer. The laptop screen displays a bar chart with five vertical bars of varying heights. A silver mobile phone is resting on the leather seat next to the person. The car's interior is dark, and a bright yellow light source is visible in the upper left corner, creating a strong contrast and casting shadows. The overall scene conveys a sense of professional productivity and discipline.

**Discipline**

## Credit

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### RISK MANAGEMENT

In accordance with provisions in the area of risk management and with the inclusion of regulatory capital among assets subject to operational risks, the Risk Management Department concluded the implementation of the Operational Risk Institutional Model (Modelo Institucional de Riesgo Operativo—MIRO), assuring the following:

- Identification and documentation of processes describing the activities conducted in each of the institution's units and the implicit operational risks.
- Establishment of levels of tolerance for each type of risk identified, defining its causes, origins and factors, with a methodology for conducting quantitative and qualitative analysis, generating type and efficiency indicators.
- Evaluation and report on results to those responsible in the units involved, to enable them to evaluate the different means for controlling such risks, through a report on operational risks.
- A quarterly report to the Board of Directors regarding the consequences for business if the identified risks materialize.
- A record of events when loss has been incurred from operational risks, including those technological and legal in nature. The record should include a detailed classification of the various business units within the institution, with the different types of losses and their costs stored in a data base, in correspondence with an accounting record of such costs, and appropriately identified with the business line in which it originated.

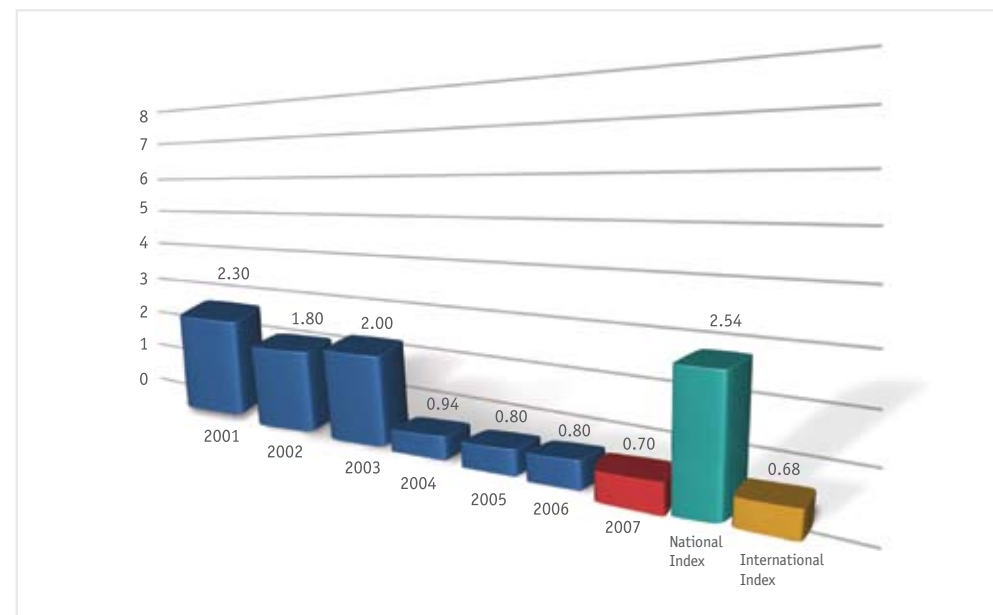
As a result of the audit conducted by TÜV Rheinland in November 2007, the Operational Risk Management process is completely certified under Official Standard ISO 9001-2000.

## Credit

### MONITORING AND RECOVERY

One of the main objectives in the Credit Department is to maintain or reduce the levels of the high-risk overdue loan portfolio. This year it was possible to achieve an overdue loan portfolio index of 0.70 %, which is below the international benchmark.

**NACIONAL FINANCIERA, PAST DUE LOANS INDEX**



This has been achieved through the implementation of timely strategies by the Monitoring and Recovery Department, especially the issuing of early alerts, direct payment collection and greater control and monitoring of overdue portfolio management.

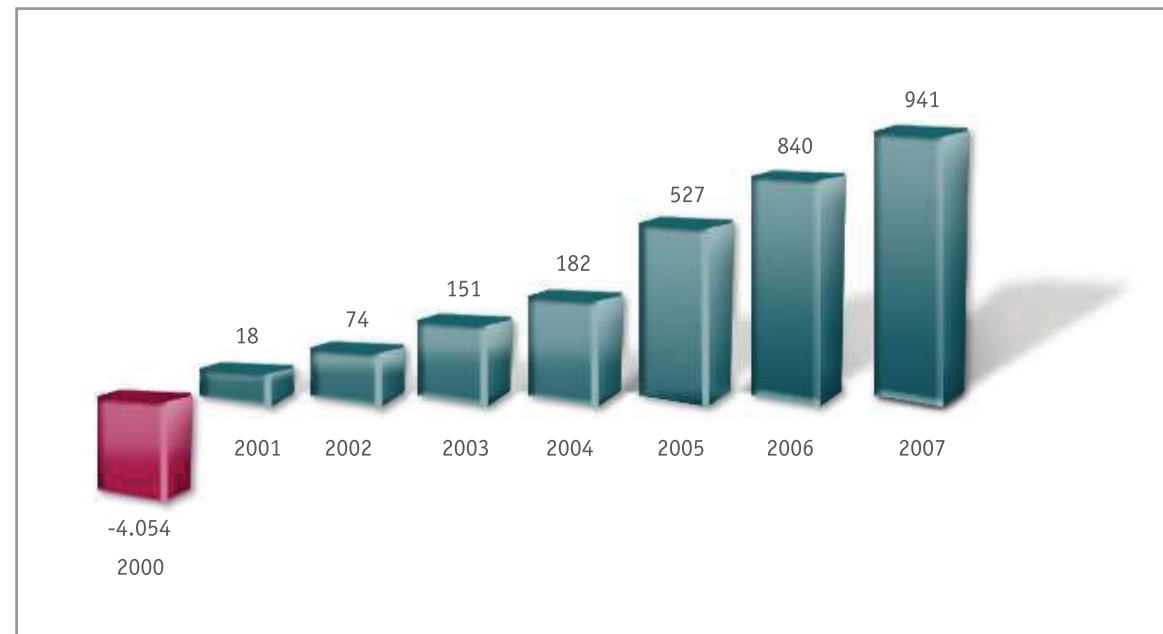
# Financial Results

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## Financial Results

Net profit is the highest in the institution's recent history; its overdue portfolio is less than 1%; and the amount of its reserves is nearly 300% of the amount of that portfolio. In addition, the capital ratio is 14.58%, which is much higher than the minimum required by financial authorities.

PROFITS (MILLIONS OF PESOS)



# **Internal Auditing and Controlling Entity**

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## Internal Auditing and Controlling Entity

The Internal Auditing and Controlling Entity (Órgano Interno de Control—OIC) continued to prioritize the areas of prevention and improvement. Its activities are based on a Risk Management Model aligned with the strategic planning carried out by Nafinsa and the Secretariat of Public Service (Secretaría de la Función Pública—SFP). This Risk Management Model responds to critical processes, relevant information, requests from the Board of Directors, and provisions stipulated by regulatory entities.

During 2007 the OIC conducted 32 reviews focused on prevention and improvement, as well as 33 audits, which included:

- Evaluating and monitoring the quality and integrity of the internal control system.
- Promoting the culture of establishing controls and managing risks, while identifying, measuring and prioritizing operational risks and the associated controls, in consensus with those responsible for operations and processes.

- Verifying compliance with objectives, goals, programs, processes and operations in adherence to the applicable normative framework.

- Strengthening channels for communicating with those responsible for processes.

During these reviews, the Internal Control Entity interacted with other areas of Nafinsa, for the purpose of reaching agreements with those in charge, prior to issuing the OIC report, specifying results and proposals with added value, for eradicating the problematic situations identified and strengthening the internal control system.

The OIC continued to provide advisory services to the 24 institutional committees and the 40 quality operational committees, with the aim of corroborating compliance with norms and assuring that the information generated was reliable, timely and of a high quality. This was a means for promoting transparency and accountability to society.

As Secretary of the Auditing Committee, the head of the OIC attended to the responsibilities defined in the corresponding Committee Work Program in a satisfactory manner. It is especially worth mentioning that during 2007 information was distributed and accessed through an electronic web page, increasing the agility with which Committee members were able to consult and analyze information.

Also, the OIC complied in a timely manner with its responsibility to participate as a member of the Institutional Information Committee, and with its designation as a “public servant” authorized by the SFP to receive and process requests for access to information, in line with the Federal Law on Transparency and Access to Public Government Information (LFTAIPG), and to guarantee the spirit of that law, for the benefit of citizens.

**Nacional Financiera  
In 2008**

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## Nacional Financiera In 2008

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The institution will continue to evolve in this coming year, seeking to satisfy the needs required by the market. The following aspects are especially worth highlighting:

- In the area of financing, the expansion of financing with longer pay-back periods, the strengthening of distribution channels, primarily the development of financial intermediaries. In addition, the institution is planning to increase the promotion of Federal Government productive chains. And it is also planning to establish a new guarantees scheme to make it possible to incorporate a greater number of companies, with direct contributions to the guarantees fund.
- In the area of investment banking: Many of the functions oriented toward designing financial solutions for supporting the development of projects with high economic and regional impact (highways, airports) and also, specialized consultation will be transferred to the National Infrastructure Fund.
- In markets: Nafinsa will maintain profitable operations that are congruent with the risk management policies defined by the Board of Directors, and it will continue to promote mutual funds, in line with the needs of financial intermediaries and small investors.
- With the goal of consolidating its financial viability, Nafinsa will continue to strengthen its financial structure and safeguard its capital by adequately controlling operational risks.

# **Annexes**

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## Annex

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## Annex A

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Table 1

NACIONAL FINANCIERA - RELEVANT FIGURES  
(MILLIONS OF PESOS)

At year-end (Millions of pesos)	2000	2001	2002	2003	2004	2005	2006	2007
Total Assets 1/	225,428	247,989	301,954	305,188	235,705	226,590	192,493	152,830
Financial Agent Portfolio	101,554	91,992	101,159	104,798	84,687	68,126	32,078	29,257
First-Tier Financing Portfolio	52,460	56,493	91,082	58,810	57,689	65,679	55,141	6,779
Second-Tier Financing Portfolio	17,349	15,982	22,280	16,309	21,493	24,405	29,814	38,274
Total Financing Portfolio	171,363	164,467	214,521	179,917	163,869	158,210	117,033	74,310
Stock Portfolio	1,496	1,205	1,242	1,380	1,307	1,201	14,111	507
Securities Portfolio	3,864	3,603	1,217	613	1,553	1,294	12,741	104
Stock investment	6,042	3,433	2,723	3,552	3,034	1,584	706	1,484
Domestic Debt	83,420	126,469	172,991	171,640	126,950	135,536	136,186	96,871
Foreign Debt	129,607	110,430	116,936	120,326	97,857	78,094	41,789	39,228
Deposits in National Currency	70,114	96,572	143,786	131,341	99,787	112,592	112,800	91,299
Preventive Reserves for Credit Risk	764	749	744	791	655	790	889	899
Total Liabilities	219,240	247,893	295,364	298,006	228,450	218,618	180,464	138,682
Equity Capital	6,188	6,096	6,590	7,182	7,255	7,972	12,029	14,148
Patrimony in Trusts	226,574	245,524	276,215	327,787	421,653	451,604	503,304	571,692
Guarantees	2,721	2,549	3,201	3,729	5,014	8,269	10,549	15,943
Net Profit (loss)	-4,054	19	73	151	182	527	840	941
Level of Capitalization (%)	9	9	11	10	12	13	16	15

1/ Consolidated with Subsidiaries and UDIS Trusts.

Table 2

AMOUNTS OF FINANCING AND GUARANTEES TO REGIONS AND STATES  
(MILLIONS OF PESOS)

Regions / States	2000	2001	2002	2003	2004	2005	2006	2007
<b>TOTAL</b>	<b>17,785</b>	<b>24,876</b>	<b>48,944</b>	<b>82,163</b>	<b>116,385</b>	<b>140,455</b>	<b>170,474</b>	<b>210,288</b>
<b>NORTHWEST</b>	<b>2,068</b>	<b>1,883</b>	<b>2,500</b>	<b>5,777</b>	<b>7,718</b>	<b>8,422</b>	<b>11,627</b>	<b>18,695</b>
B. California	241	543	444	2,153	2,599	2,162	3,359	5,013
B. California Sur	863	358	171	221	308	407	668	994
Sinaloa	713	518	1,112	2,000	2,869	2,784	4,437	9,066
Sonora	251	464	773	1,403	1,942	3,069	3,162	3,623
<b>NORTHEAST</b>	<b>3,968</b>	<b>7,451</b>	<b>16,413</b>	<b>28,915</b>	<b>37,249</b>	<b>41,794</b>	<b>48,341</b>	<b>59,147</b>
Coahuila	441	187	1,387	4,148	4,262	4,042	5,174	6,477
Chihuahua	171	110	611	2,315	2,116	1,986	2,350	3,597
Durango	126	111	273	418	569	1,237	1,232	1,328
Nuevo León	3,005	6,774	13,496	19,920	28,078	31,575	36,158	43,836
Tamaulipas	225	269	646	2,114	2,224	2,954	3,427	3,910
<b>CENTRAL WEST</b>	<b>2,262</b>	<b>3,175</b>	<b>4,181</b>	<b>11,063</b>	<b>15,390</b>	<b>21,495</b>	<b>25,587</b>	<b>30,837</b>
Aguascalientes	190	125	264	618	769	859	1,163	1,345
Colima	60	304	64	199	273	458	594	816
Guanajuato	323	461	751	2,308	3,249	3,434	3,678	4,729
Jalisco	897	1,251	1,689	5,345	6,849	8,501	10,208	12,138
Michoacán	148	205	344	470	1,077	2,386	3,164	3,635
Nayarit	44	96	56	136	231	484	692	750
Querétaro	158	136	324	498	939	1,675	2,148	2,607
San Luis Potosí	261	411	497	1,273	1,733	2,670	2,737	3,606
Zacatecas	181	186	192	216	270	1,026	1,204	1,211
<b>CENTRAL</b>	<b>8,367</b>	<b>9,855</b>	<b>23,757</b>	<b>31,714</b>	<b>48,303</b>	<b>57,428</b>	<b>69,956</b>	<b>82,564</b>
D.F.	5,772	6,534	18,725	23,058	34,397	40,596	49,801	56,250
Guerrero	43	79	95	191	586	709	1,033	1,213
Hidalgo	125	101	182	395	660	1,000	1,273	1,627
México	2,316	3,025	4,593	7,028	11,582	14,336	16,751	22,170
Morelos	111	116	162	1,042	1,078	788	1,099	1,304
<b>SOUTH-SOUTHEAST</b>	<b>1,120</b>	<b>2,512</b>	<b>2,093</b>	<b>4,694</b>	<b>7,725</b>	<b>11,316</b>	<b>14,963</b>	<b>19,045</b>
Campeche	77	158	117	222	374	592	994	1,550
Chiapas	133	1,044	412	451	862	927	1,304	1,619
Oaxaca	63	87	123	216	464	803	915	1,214
Puebla	290	326	421	1,045	1,871	2,325	3,240	3,984
Quintana Roo	135	274	175	584	734	650	885	1,203
Tabasco	51	56	33	302	590	1,017	1,371	2,747
Tlaxcala	30	49	101	197	275	446	465	504
Veracruz	252	347	473	1,108	1,631	3,211	4,059	4,251
Yucatán	89	171	238	569	924	1,344	1,730	1,974

Table 3

**PERMANENT STOCK PORTFOLIO**  
**(MILLIONS OF PESOS)**

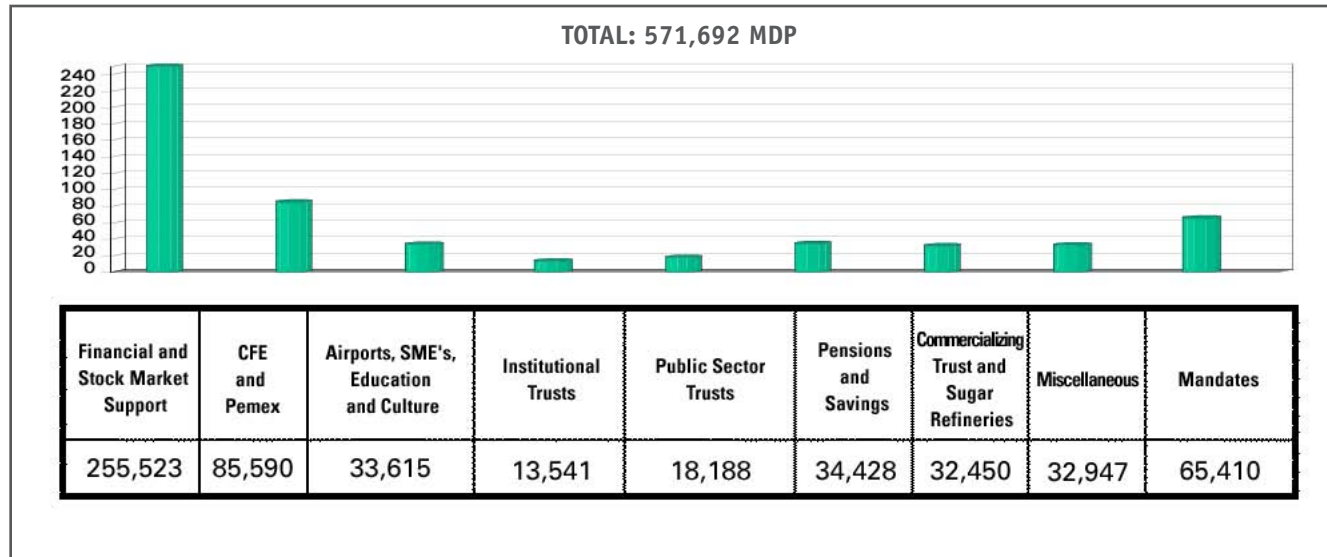
Transactions	2000	2001	2002	2003	2004	2005	2006	2007
Initial Balance	3,972	4,076	3,901	4,107	3,997	4,024	3,540	3,645
Direct	0	0	17	0	17	0	0	0
Indirect	150	52	45	107	120	144	144	10
SINCAS	1	11	3			5	110	10
Multinational Funds	149	41	42	107	120	139	34	0
	150	52	62			144	144	10
Sale and Divestment of Establishments & Capital Reimbursement	-26	-60	-55	-98	-86	-342	-150	-98
Surplus (Deficit) for Stock Valuation	121	-129	87	-193	-21	-235	47	125
Incorporation of Trusts Stocks into Fund of Fund	0	0	0	0	0	0	45	0
Exchange Rate Variation	8	-38	-112	74	-3	-51	19	6
Final Balance	4,074	3,901	4,107	3,997	4,024	3,540	3,645	3,687
<b>Balance</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Affiliated Establishments	265	144	89	79	13	4	896	974
Financial Entities	227	216	251	292	310	336	373	405
Real Estate Agents	2,564	2,694	2,845	2,594	2,692	2,323	2,234	2,180
SINCAS, Funds and Operations	326	235	255	278	272	292	52	52
Intermediate Market Support Fund	159	138	149	135	138	20	16	0
Multinational Funds	452	412	460	556	534	503	6	0
Overseas Subsidiaries	81	62	58	64	64	62	68	76
Permanent Stock Investment	4,074	3,901	4,107	3,997	4,024	3,540	3,645	3,687

Table 4

INVENTORY OF FIDUCIARY BUSINESSES AND PATRIMONY IN TRUSTS AS OF DECEMBER 31, 2007  
(MILLIONS OF PESOS)

Name	2002	2003	2004	2005	2006	2007
1 Contingency Funds	66	68	67	73	68	60
2 Education and Culture	4,967	7,153	3,430	3,608	4,270	8,645
3 SMEs and Promotion Entities	2,805	3,554	4,305	4,938	6,086	6,512
4 Financial and Stock Market	77,695	110,344	204,210	207,422	234,534	255,523
5 CFE and Pemex	15,273	30,330	37,302	41,453	60,866	85,590
6 Institutional Trusts	22,101	6,465	6,936	8,328	12,292	13,541
7 Red Cetro-Creces	153	130			0	0
8 Pensions and Savings	16,657	34,309	33,400	31,302	35,427	34,428
9 AAA Trust	248	751	1,582	2,291	3,592	4,259
10 Public-sector Trusts	20,405	19,695	23,675	22,034	23,492	18,188
11 Sofoles	153	225			0	0
12 Real Estate Agents	7,063	7,027	6,992	307	146	209
13 Social Assistance and Support	211	93	2,298	2,653	2,643	2,847
14 Industrial Cities	752	747	499	396	434	476
15 Airports	19,915	20,253	20,814	42,171	12,826	6,212
16 Susceptible to extinction	179	171	4,192	4,474	4,163	443
17 Registry of State-Level Offices	218	552	554	511	510	504
18 Public Security Funds	0	3,175	2,594	3,449	3,846	3,379
19 Fideicomiso Comercializador e Ingenios	0	0	1,703	3,577	25,106	32,450
20 Federal Shares	0	0	38	48	68	33
21 Trusts in Dispute	0	0	0	0	36	36
22 Miscellaneous	16,232	19,466	25,435	22,520	30,366	32,947
23 Mandates	0	0	0	50,049	42,533	65,409
<b>TOTAL</b>	<b>205,093</b>	<b>264,508</b>	<b>380,026</b>	<b>451,604</b>	<b>503,304</b>	<b>571,691</b>

FIDUCIARY BUSINESSES AS OF DECEMBER 2007 (MILLIONS OF PESOS)



MONEY MARKET INVESTMENT (MILLIONS OF PESOS)

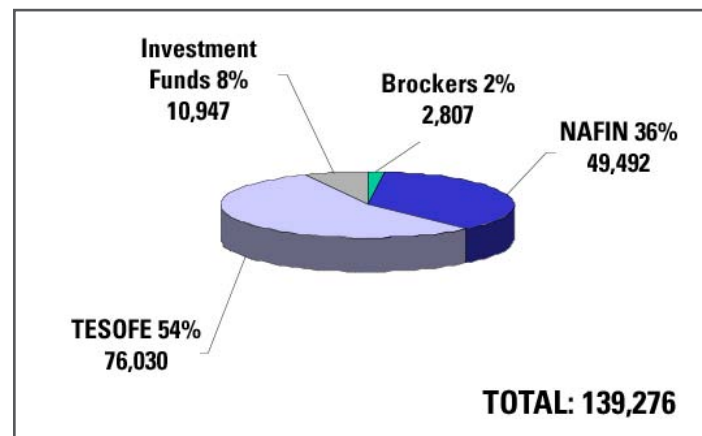


Table 5

DEPOSITS IN NATIONAL CURRENCY  
(MILLIONS OF PESOS)

Instrument	2000	2001	2002	2003	2004	2005	2006	2007
Short-term BAs	49,696	1,532	356	356	356	80	80	80
Medium-term BAs	786	1,354	1,044	364	141	172	172	126
Long-term BAs	226	367	321	321	321	165	115	115
<b>Long-term BAs</b>	<b>50,708</b>	<b>3,253</b>	<b>1,721</b>	<b>1,041</b>	<b>818</b>	<b>417</b>	<b>367</b>	<b>321</b>
Stock Certificates	0	0	0	0	0	2,000	2,000	2,000
Nafties	14,670	15,446	6,446	4,577	4,577	4,577	2,289	763
Nafin PGs	2,500	2,500	2,500	2,500	0	0	0	0
Uditrac	447	469	496	0	0	0	0	0
PG's Nafin	0	57,644	98,508	120,091	83,551	89,143	97,568	86,189
Uditrac	0	0	5	5	5	5	5	0
Zero Coupon Bonds	2	2	2	2	2	2	2	2
<b>New Instruments</b>	<b>17,619</b>	<b>77,061</b>	<b>107,957</b>	<b>127,175</b>	<b>88,135</b>	<b>95,727</b>	<b>101,864</b>	<b>88,954</b>
Miscellaneous Deposits	762	867	5	13	35	42	52	53
Term Deposits	25	15,391	34,103	3,112	10,799	16,405	10,517	1,971
<b>TOTAL</b>	<b>69,114</b>	<b>96,572</b>	<b>143,786</b>	<b>131,341</b>	<b>99,787</b>	<b>112,591</b>	<b>112,800</b>	<b>91,299</b>

Table 6

**LOANS (DIRECT AND MANDATES) AND DONATIONS CONTRACTED  
WITH INTERNATIONAL FINANCIAL INSTITUTIONS**

Figures in US dollars as of December 31, 2007

Bank	No. of Operation	Project, Program, Donation	Sector	Amount	%
IFAD	534-MX	Project for Rural Development in Rubber-Producing Regions of Mexico	Agriculture	25,000,000	0.48
IFAD	626-MX	Micro-Basins	Agriculture	15,000,000	0.29
IFAD	674-MX	Sustainable Development Program for Rural, Indigenous Communities in Semi-arid Northwest Mexico	Agriculture	25,000,000	0.48
W	7061-ME	Quality and Health Development Program (PROCEDES)	Health	350,000,000	6.77
W	7127-ME	Institutional Strengthening (SAT)	Financial	52,000,000	1.01
W	7206-ME	Comprehensive Risk Modernization Program (PMIR)	Agriculture	303,030,303	5.86
W	7207-ME	Community Forestry II	Agriculture	21,300,000	0.41
W	7249-ME	Program for Reducing Educational Backwardness at Early Childhood and Basic Education Phase III (PAREI)	Education	298,394,324	5.77
W	7296-ME	Innovation for Competitiveness Program	Education	250,000,000	4.84
W	7323-ME	Access to Land for Young Farmers Project (SRA)	Agriculture	99,250,000	1.92
W	7347-ME	Quality Schools Project	Education	240,000,000	4.64
W	7375-ME	Environmental Services Project	Environmental	45,000,000	0.87
W	S/N	Comprehensive Management of Basins and Aquifers Program	Agriculture	100,000,000	1.94
W	S/N	Indigenous Infrastructure Project	Social	275,000,000	5.32
W	TF-24371	Mesoamerican Biological Corridor Project	Environmental	14,840,000	0.29
W	TF-24372	Biodiversity Conservation Project in Indigenous Communities in Oaxaca, Michoacan and Guerrero	Environmental	7,500,000	0.15
W	TF-50311	Consolidation of Protected Natural Areas	Environmental	25,660,000	0.50
W	TF-52634	SEDESOL Project for Improving Institutional Capabilities	Social	417,503	0.01
W	TF-53338	Water Resources Management Project II	Environmental	500,000	0.01
W	TF-53710	Project for Financing Support Activities for Developing a National Implementation Plan	Social	500,000	0.01
W	TF-54316	Consolidation Project for Federal Institute for Access to Public Information in Mexico (IFAI)	Social	477,000	0.01
W	TF-54619	Energy to Small Communities Program	Energy	660,000	0.01
W	TF-55578	Comprehensive Energy Services Project for Small, Rural Communities in Mexico	Energy	350,000	0.01
W	TF-56321	Environmental Services Project	Environmental	15,000,000	0.29
W	TF-56781	Large-Scale Renewable Energy Program	Energy	25,000,000	0.48
W	TF-56996	Implementation of Information System on Rural Land Registry and National Agrarian Registry	Agriculture	350,000	0.01
W	TF-57033-ME	Solar Hybrid	Energy	49,350,000	0.95
ID	ATN/SF-5647-ME	Program for Strengthening Public Financing Management	Financial	1,200,000	0.02
ID	ATN/ME/7717-ME	Capitalizing Remittances for Local Economic Development	Financial	832,649	0.02
ID	ATN/ME-8378-ME	Expansion of Cleaner Production Center in Tabasco	Environmental	980,000	0.02
ID	ATN/MT-8654-ME	Program for Incorporating Business Assets into Formal Sector	Financial	2,500,000	0.05
ID	ATN/OC-9615-ME	Program for Strengthening Federal Public Administration Results-Based Budget System in Mexico	Financial	450,000	0.01
ID	ATN/ME-9780-ME	Productive Recuperation after Natural Disasters: Support for Small Establishments	Social	2,500,000	0.05
ID	ATN/MH-10248-ME	Program for Opening Markets to SMEs through Policies on Capacity Building	Industrial	828,900	0.02
ID	ATN/OC-10476-ME	Program for Strengthening Federal Public Administration Results-Based Budget System in Mexico	Financial	1,600,000	0.03
ID	1456/OC-ME	Comprehensive Project for Community Education (PIEC)	Education	210,000,000	4.06
ID	1484/OC-ME	Rural Financing	Agriculture	300,000,000	5.81
ID	1579/OC-ME	Project for Modernizing Technical Education and Training, Phase II	Education	50,400,000	0.98
ID	1583/OC-ME	Program for Addressing Urban Poverty and Social Evaluation	Social	350,000,000	6.77
ID	1618/OC-ME	OPORTUNIDADES	Social	1,200,000,000	23.22
ID	1658/OC-ME	Sector-Based Program for Consolidation of Financial System	Financial	600,000,000	11.61
ID	1732-OC-ME	Migrants 3X1 Program	Social	7,000,000	0.14
ID	1936/OC-ME	Program for Supporting Training and Employment (PACE) Phase II	Social	200,000,000	3.87
<b>TOTAL IN US</b>				<b>5,167,870,679</b>	<b>100.00</b>
CEE	MEX/B7-310/99/149	Project for Strengthening and Modernizing Administration of Justice in Mexico	Judicial	1,350,844	27.91
CEE	ALA/2004/6068	Project for Facilitating Free Trade Agreement Between Mexico and the European Union	Judicial	3,490,000	72.09
<b>TOTAL IN US</b>				<b>4,840,844</b>	<b>100.00</b>

Table 7

**TOTAL FOREIGN DEBT BALANCE, AS OF DECEMBER 31, 2007**  
**(MILLIONS OF DOLLARS)**

Concept	2000	2001	2002	2003	2004	2005	2006	2007
I. Direct Debt	13,487.0	12,043.2	11,201.6	10,707.9	8,776.8	7,343.6	3,865.3	3,594.0
A. Capital Markets	1,087.6	699.7	102.1	173.4	544.6	473.5	535.6	610.0
Euro Notes	462.2	460.7	11.8	13.1	13.7	11.9	0.0	0.0
Certificates of Deposit (London)	375.4	139.1	90.3	160.3	530.9	461.6	535.6	610.0
Foreign Bonds	250.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Multilateral Entities	10,343.7	9,867.1	9,587.6	9,507.4	7,815.0	6,508.7	3,062.6	2,760.0
C. Private Banks, Eximbanks and Suppliers	2,055.7	1,476.4	1,511.9	1,027.1	417.3	361.5	267.1	224.0
II. Total Debt Guaranteed	197.7	135.6	97.0	54.9	14.9	0.0	0.0	0.0
Total	13,684.7	12,178.8	11,298.6	10,762.8	8,791.7	7,343.6	3,865.3	3,594.0



## Annex B

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REPORT ON CONSOLIDATED, AUDITED FINANCIAL  
STATEMENTS WITH SUBSIDIARIES, AS OF  
DECEMBER 31, 2007

Consolidated Financial Statements and  
Independent Auditor's Opinion

**Nacional Financiera, S.N.C.,**

**Development Banking Institution and Subsidiaries.**

As of December 31, 2007 and 2006

Translation of a report originally issued in Spanish



**nacional financiera**

Banca de Desarrollo

**Translation of a financial statements originally issued in Spanish**  
**Nacional Financiera, S. N. C.**  
**Development Banking Institution and subsidiaries**

## **Index**

	<b>Exhibit</b>
<b>Report of Independent Auditor</b>	<b>1</b>
<b>Consolidated balance sheets</b>	<b>3</b>
<b>Consolidated statements of income</b>	<b>5</b>
<b>Consolidated statements of changes in stockholders' equity</b>	<b>7</b>
<b>Consolidated statements of changes in financial position</b>	<b>9</b>
<b>Notes to the consolidated financial statements</b>	<b>11</b>

# Report of Independent Auditor

To the Ministry of Public Function

To the Board of Directors of

Nacional Financiera, S. N. C. Development Banking Institution:

We have examined the consolidated balance sheets of Nacional Financiera, S.N.C. Development Banking Institution (the Institution) and subsidiaries as of December 31, 2007 and 2006 and the related consolidated statements of income, changes in stockholders' equity and changes in financial position for the years then ended. Such financial statements are the responsibility of the Management of the Institution. Our responsibility consists on expressing an opinion on these financial statements based on our audits. The financial statements of the subsidiaries whose assets and income account for 2.42% and 1.89% of the assets and 17.11% and 32.57% of the net income in 2007 and 2006, respectively, of the total consolidated financial statements, were audited by other auditors; our opinion in connection with the amounts included for those subsidiaries is based only on the opinions of the other auditors.

We conducted our exams in accordance with generally accepted auditing standards in Mexico, those standards require the audit to be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatement and are prepared in accordance with the rules of grouping and accounting practices issued by the National Banking and Securities Commission (NBSC) (Comisión Nacional Bancaria y de Valores). The audit consists of examining, on test checks, the evidence supporting the amounts and disclosures of the financial statements; it also includes the evaluation of the grouping and accounting rules and practices used and significant estimates made by the Management, as well as evaluating the overall financial statement presentations. We believe that our audits provide a reasonable basis to support our opinion.

- a. As discussed in Note 14, the opinion of the auditors of Plaza Insurgentes Sur, S. A. de C. V., (Subsidiary Company) dated February 28, 2008 includes a qualification derived from the effectiveness of the Corporate Flat Tax Law (IETU), which generates a liability that was not recorded for deferred taxes approximating \$340, which is in the process of identifying its application to income and stockholders' equity.
- b. As explained in Note 4, the accompanying consolidated financial statements have been prepared on the basis of the accounting criteria established by the NBSC, which, in the cases indicated in such Note, do not concur with financial reporting standards applicable in México.

In our opinion, based on our audits and the opinions of the other auditors referred to in the first paragraph, except for the lack of recognition of the liability that was not recorded for deferred taxes and the effect on income that this liability could have, as discussed in paragraph a) above, the aforementioned consolidated financial statements present fairly in all material aspects, the consolidated financial position of Nacional Financiera, S.N.C., Development Banking Institution and subsidiaries, as of December 31, 2007 y 2006 and the consolidated results of its operations, the changes in its stockholders' equity and the changes in its financial position, for the years then ended, in accordance with the criteria and accounting rules established by the National Banking and Securities Commission of México.

SALLES, SÁINZ – GRANT THORNTON, S.C.

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C.P.C. Julián A. Abad Riera

México, D.F.,

February 22, 2008, except for the qualification discussed in paragraph a), as to which the date is February 28, 2008.

Translation of a financial statements originally issued in Spanish  
Nacional Financiera, S. N. C.

Development Banking Institution and Subsidiaries

Consolidated balance sheets  
As of December 31, 2007 and 2006

(Million of Mexican pesos with purchasing power as of December 31, 2007)

<b>ASSETS</b>	2007	2006	<b>LIABILITIES</b>	2007	2006
CASH AND CASH EQUIVALENTS (Note 6)	\$ 40,202	\$ 35,171	TRADITIONAL FUNDING		
INVESTMENTS IN SECURITIES (Note 7)			Term deposits (Note 15)		
Trading	27,043	30,692	Money market	\$ 90,205	\$ 117,841
Instruments available for sale	247	245	Bank bonds (Note 16)	2,820	4,531
Instruments held to maturity	1,080	1,360	Securities placed abroad (Note 17)	6,657	6,011
	<b>28,370</b>	<b>32,297</b>		<b>99,682</b>	<b>128,383</b>
OPERATIONS WITH SECURITIES AND DERIVATIVES (Note 8)			INTERBANK LOANS AND OTHER LOANS (Note 18)		
Debit balances under repurchase agreements	4	718	Demand	1,681	246
Operations with derivatives financial instruments	523	-	Short-term	7,000	27,187
Loan operations	-	51	Long-term	28,470	29,794
	<b>527</b>	<b>769</b>		<b>37,151</b>	<b>57,227</b>
CURRENT CREDIT PORTFOLIO			OPERATIONS WITH SECURITIES AND DERIVATIVES (Note 8)		
Commercial lendings	7,365	7,760	Credit balances under repurchase agreements	47	-
Loans to financial entities	35,275	29,127	Operations with derivative financial instruments	-	48
Consumer lendings	5	5		<b>47</b>	<b>48</b>
Mortgage loans	216	214	OTHER ACCOUNTS PAYABLE (Note 19)		
Loans to government entities	31,158	84,089	IT, AT and EPS payable	108	50
	<b>74,019</b>	<b>121,195</b>	Sundry creditors and other accounts payable	1,646	1,616
OVERDUE CREDIT PORTFOLIO				<b>1,754</b>	<b>1,666</b>
Commercial lendings	240	233	DEFERRED TAXES (Note 14)	43	-
Loans to financial entities	14	13	DEFERRED CREDITS	5	-
Consumer lendings	7	9			
Mortgage loans	30	31	TOTAL LIABILITIES	<b>138,682</b>	<b>187,324</b>
	<b>291</b>	<b>286</b>	<b>STOCKHOLDERS' EQUITY</b> (Note 21)		
TOTAL CREDIT PORTFOLIO (Note 9)	<b>74,310</b>	<b>121,481</b>	CONTRIBUTED CAPITAL		
PREVENTIVE ESTIMATE POR CREDIT RISKS (Note 10)	<b>(899)</b>	<b>(923)</b>	Capital stock	7,952	7,952
CREDIT PORTFOLIO, NET	<b>73,411</b>	<b>120,558</b>	Contributions for future capital increases	2,595	2,595
OTHER ACCOUNTS RECEIVABLE, NET (Note 11)	2,398	3,391	Premiums on sale of shares	2,030	2,030
FORECLOSED AND REPOSSESSED PROPERTY, NET (Note 12)	4	4		<b>12,577</b>	<b>12,577</b>
PROPERTY, FURNITURE AND EQUIPMENT, NET	2,122	2,232	EARNED CAPITAL		
OTHER INVESTMENTS (Note 13)	1,637	1,119	Capital reserves	1,730	1,730
LONG TERM EQUITY INVESTMENTS (Note 13)	1,741	1,353	Loss from previous periods	(5,313)	(6,190)
OTHER ASSETS, DEFERRED CHARGES AND INTANGIBLES	2,418	2,916	Result from valuation of instruments available for sale	(9)	15
			Translation gain on foreign transactions	193	184
			Effects of valuation on associated and affiliated companies	3,409	3,673
			Result from holding nonmonetary assets-		
			Due to valuation of long-term equity investments	(113)	(375)
			Net income	941	872
				<b>838</b>	<b>(91)</b>
			Minority Interest	733	-
				<b>14,148</b>	<b>12,486</b>
TOTAL ASSETS	<b>\$ 152,830</b>	<b>\$ 199,810</b>	TOTAL STOCKHOLDERS' EQUITY	<b>14,148</b>	<b>12,486</b>
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<b>\$ 152,830</b>	<b>\$ 199,810</b>

## MEMORANDA ACCOUNTS

	2007	2006
Guarantees granted (Note 22)	\$ 31	\$ 34
Other contingent liabilities (Note 22)	16,076	11,890
Irrevocable lines of credit	7	6
Property held in trust or under mandate (Note 23)		
Trust	501,258	475,418
Mandates	23,891	14,055
Federal government's financial agent	46,543	32,962
	<u>571,692</u>	<u>522,435</u>
Property held in custody or under administration	296,151	385,688
Investment bank operations made on account of a third party, net	160,704	197,651
Uncollected accrued interest on overdue portfolio (Note 9)	59	46
Securities receivable under repurchase agreements	85,741	116,715
(Less) Creditors under repurchase agreements	85,788	116,712
	<u>(47)</u>	<u>3</u>
Debtors under repurchase agreements	26,709	57,498
(Less) Securities to be delivered under repurchase agreements	26,705	56,783
	<u>4</u>	<u>715</u>
Other memoranda accounts (Note 24)	603,531	643,217

The historical balance of capital stock as of December 31, 2007 and 2006, amounts to \$950.

These consolidated balance sheets were formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission (NBSC) (Comisión Nacional Bancaria y de Valores) based on Articles 99, 101 and 102 of the Law of Credit Institutions (Ley de Instituciones de Crédito), which observance is general and compulsory, applied consistently, having reflected the operations carried out by the Institution up to the aforementioned dates, which were realized and valued in accordance with banking practices and applicable legal and administrative provisions.

These consolidated balance sheets were approved by the Board of Directors under the responsibility of the officers subscribing them on January 31, 2008.

The Head of the Internal Audit Area hereby signs these consolidated financial statements based on the results of the reviews performed to date, which have allowed verifying the sufficiency of the process for generating financial information established by the Institution's Management and its capacity to generate reliable information.

**The accompanying notes are an integral part of these consolidated balance sheets.**

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C.P. Mario Laborín Gómez  
General Director

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Lic. Steven Saide Azar  
Deputy General Director of Administration

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C.P. Mario Osorio Méndez  
Finance Director

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C.P. Sergio Miranda Flores  
Accounting and Tax Vice Director

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C.P. Luis Angel Vázquez  
Head of the Internal Audit Area

**Consolidated statements of income**  
**For the years ended December 31, 2007 and 2006**  
(Million of Mexican pesos with purchasing power as of December 31, 2007)

	2007	2006
Interest income	\$ 21,511	\$ 26,059
Interest expense	(19,817)	(24,442)
Result from monetary position, net (financial margin) (note 27)	(55)	(12)
<b>FINANCIAL MARGIN</b>	<b>1,639</b>	<b>1,605</b>
Preventive estimate for credit risks	(375)	(687)
<b>FINANCIAL MARGIN ADJUSTED FOR CREDIT RISKS</b>	<b>1,264</b>	<b>918</b>
Commissions and tariffs collected	354	362
Commissions and tariffs paid	(72)	(60)
Intermediation result	526	537
<b>TOTAL OPERATING INCOME</b>	<b>2,072</b>	<b>1,757</b>
Administrative and promotional expenses	(1,869)	(2,125)
<b>OPERATING INCOME (LOSS)</b>	<b>203</b>	<b>(368)</b>
Other income	1,137	1,543
Other expenses	(382)	(429)
<b>EARNINGS BEFORE INCOME TAX (IT), ASSET TAX (AT) AND EMPLOYEE PROFIT SHARING (EPS)</b>	<b>958</b>	<b>746</b>
Current IT, At and EPS (Note 25)	(100)	(44)
Deferred IT and EPS	(43)	1
<b>EARNINGS BEFORE EQUITY IN EARNINGS OF SUBSIDIARIES AND ASSOCIATES</b>	<b>815</b>	<b>703</b>
Equity in earnings of subsidiaries and associates	137	169
<b>NET INCOME</b>	<b>952</b>	<b>872</b>
Minority Interest	(11)	-
<b>NET MAJORITY INCOME FOR THE YEAR</b>	<b>\$ 941</b>	<b>\$ 872</b>

These consolidated statements of income were formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission (NBSC) (Comisión Nacional Bancaria y de Valores) based on Articles 99, 101 and 102 of The Law of Credit Institutions (Ley de Instituciones de Crédito), which observance is general and compulsory, applied consistently, having reflected all the income and expenses derived from operations carried out by the Institution during the aforementioned periods, wich were realized and valued in accordance with banking practices and applicable legal and administrative provisions.

These consolidated statements of income were approved by the Board of Directors under the responsibility of the officers subscribing them on January 31, 2008.

The Head of the Internal Audit Area hereby signs these consolidated financial statements based on the results of the reviews performed to date, which have allowed verifying the sufficiency of the process for generating financial information established by the Institution's Management and its capacity to generate reliable information.

**The accompanying Notes are an integral part of these consolidated statements of income.**

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Head of the Internal Audit Area

**Consolidated statements of stockholders' equity**  
**For the years ended December 31, 2007 and 2006**

(Million of Mexican pesos with purchasing power as of December 31, 2007)

	CONTRIBUTED CAPITAL			EARNED CAPITAL									Total stockholders equity
	Capital stock	Contributions for future capital increases	Premiums on sale of shares	Capital reserves	Loss from previous periods	Result from valuation of instruments available for sale	Translation gain on foreign transactions	Effects of valuation on associated and affiliated companies	Result from holding nonmonetary assets (due to valuation of long-term equity investments)	Adjustments from labor obligations upon retirement	Net income	Minority Interest	
<b>BALANCES AS OF DECEMBER 31, 2005</b>	\$ 7,355	\$ -	\$ 1,877	\$ 1,600	\$ (6,336)	\$ 45	\$ 158	\$ 3,498	\$ (429)	\$ (323)	\$ 527	\$ -	\$ 7,972
<b>RESOLUTIONS ADOPTED BY THE STOCKHOLDERS</b>													
Application of profit for the year 2005	-	-	-	-	527	-	-	-	-	-	(527)	-	-
Foreclosed and repossessed property reserve	-	-	-	-	84	-	-	-	-	-	-	-	84
Contributions for future capital increases	-	2,500	-	-	-	-	-	-	-	-	-	-	2,500
<b>RECOGNITION OF COMPREHENSIVE INCOME</b>													
Net income for the year 2006	-	-	-	-	-	-	-	-	-	-	840	-	840
Effects of valuation on associated and affiliated companies	-	-	-	-	-	-	-	41	-	-	-	-	41
Result from valuation of instruments available for sale	-	-	-	-	-	(25)	-	-	-	-	-	-	(25)
Translation gain on foreign transactions	-	-	-	-	-	-	19	-	-	-	-	-	19
Result from holding nonmonetary assets for long-term equity investments	-	-	-	-	-	-	-	-	68	-	-	-	68
Restatement of capital items	306	-	78	67	(238)	(6)	-	-	-	-	-	-	207
Adjustments from labor obligations upon retirement	-	-	-	-	-	-	-	-	-	323	-	-	323
<b>BALANCES AS OF DECEMBER 31, 2006</b>	7,661	2,500	1,955	1,667	(5,963)	14	177	3,539	(361)	-	840	-	12,029
Restatement to pesos with purchasing power as of December 31, 2007	291	95	75	63	(227)	1	7	134	(14)	-	32	-	457
Restated figures in pesos with purchasing power as of December 31, 2007	7,952	2,595	2,030	1,730	(6,190)	15	184	3,673	(375)	-	872	-	12,486
<b>BALANCES AS OF DECEMBER 31, 2006</b>	7,661	2,500	1,955	1,667	(5,963)	14	177	3,539	(361)	-	840	-	12,029
<b>RESOLUTIONS ADOPTED BY THE STOCKHOLDERS</b>													
Application of profit for the year 2006	-	-	-	-	840	-	-	-	-	-	(840)	-	-
Foreclosed and repossessed property reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions for future capital increases	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>RECOGNITION OF COMPREHENSIVE INCOME</b>													
Net income for the year 2007	-	-	-	-	-	-	-	-	-	-	941	-	941
Effects of valuation on associated and affiliated companies	-	-	-	-	-	-	-	(130)	-	-	-	-	(130)
Result from valuation of instruments available for sale	-	-	-	-	-	(21)	-	-	-	-	-	-	(21)
Translation gain on foreign transactions	-	-	-	-	-	-	16	-	-	-	-	-	16
Result from holding nonmonetary assets for long-term equity investments	-	-	-	-	-	-	-	-	248	-	-	-	248
Minority Interest	-	-	-	-	-	-	-	-	-	-	-	733	733
Restatement of capital items	291	95	75	63	(190)	(2)	-	-	-	-	-	-	332
<b>BALANCES AS OF DECEMBER 31, 2007</b>	\$ 7,952	\$ 2,595	\$ 2,030	\$ 1,730	\$ (5,313)	\$ (9)	\$ 193	\$ 3,409	\$ (113)	\$ -	\$ 941	\$ 733	\$ 14,148

These consolidated statements of stockholders' equity were formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission (NBSC) (Comisión Nacional Bancaria y de Valores) based on Articles 99, 101 and 102 of the Law of Credit Institution (Ley de Instituciones de Crédito), which observance is general and compulsory, applied consistently, having reflected all the movements in stockholders' equity accounts derived from the operations carried out by the Institution up to the aforementioned dates, which were realized and valued in accordance with banking practices and applicable legal and administrative provisions.

These consolidated statements of stockholders' equity were approved by the Board of Directors under the responsibility of the officers subscribing them on January 31, 2008.

The Head of Internal Audit Area hereby signs these financial statements based on the result of the reviews performed to date, which have allowed verifying the sufficiency of the process for generating financial information established by the Institution's Management and its capacity to generate reliable information.

**The accompanying notes are an integral part of these consolidated statements.**

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## Consolidated statements of changes in financial position

For the years ended december 31, 2007 and 2006

(Million of Mexican pesos with purchasing power as of December 31, 2007)

	2007	2006
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 941	\$ 872
Items applied to income that did not (generate) or require a cash outlay-		
Fair value results	(270)	(33)
Preventive estimate for credit risks	375	687
Depreciation and amortization	65	63
Deferred Taxes	43	-
Provisions for obligations	(221)	(121)
Minority Interest	733	-
Equity in earnings of nonconsolidated subsidiaries and associates	(137)	(169)
Others	2	83
	<b>590</b>	<b>510</b>
Increase or decrease in items related to operations:		
Traditional funding	(28,701)	(3,546)
Credit portfolio	46,772	49,239
Operations with investments in securities	4,034	(6,788)
Operations with repurchase agreements	739	(650)
Securities lending	51	(50)
Financial derivative instruments for trading purposes	(386)	(78)
Interbank loans and other loans	355,115	358,088
Amortization of interbank loans and other loans	(375,191)	(401,568)
	<b>2,433</b>	<b>(5,353)</b>
Cash (used) generated in operations	<b>3,964</b>	<b>(3,971)</b>
<b>FINANCING:</b>		
Contributions for future capital increases	-	2,595
Surplus on valuation of instruments available for sale	(24)	(26)
Result from labor obligations upon retirement	-	338
Result on translation of foreign transactions	9	20
Foreclosed and repossessed property reserve	5	87
Cash generated (used) in financing activities	<b>(10)</b>	<b>3,014</b>
<b>INVESTING:</b>		
Increase or decrease in-		
Sale of property, furniture and equipment	45	90
Long-term equity investments	(253)	6
Deferred charges and credits	504	(1,939)
Foreclosed and repossessed property	(103)	89
Sale of foreclosed and repossessed property	103	(90)
Other receivable and payable accounts	1,299	(2,412)
Other investments	(518)	(240)
Cash (used in) derived from investing activities	<b>1,077</b>	<b>(4,496)</b>
Increase (decrease) in cash and cash equivalents	<b>5,031</b>	<b>(5,453)</b>
Cash and cash equivalents at the beginning of the year	<b>35,171</b>	<b>40,624</b>
Cash and cash equivalents at the end of the year	<b>\$ 40,202</b>	<b>\$ 35,171</b>

These consolidated statement of changes of financial position were formulated in accordance with the Accounting Criteria for Credit Institutions, issued by the National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) based on Articles 99, 101 and 102 of the Law of Credit Institutions (Ley de Instituciones de Crédito), which observance is general and compulsory, applied consistently, having reflected all the sources and applications of cash derived from operations carried out by the Institution during the aforementioned periods, which were realized and valued in accordance with banking practices and applicable legal and administrative provisions.

These consolidated statements of changes in financial position were approved by the Board of Directors under the responsibility of the officers subscribing them on January 31, 2008.

The Head of the Internal Audit Area hereby signs these financial statements based on the results of the reviews performed to date, which have allowed verifying the sufficiency of the process for generating financial information established by the Institution's Management and its capacity to generate reliable information.

**The accompanying Notes are an integral part of these consolidated statements.**

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Head of the Internal Audit Area

## **Notes to the consolidated financial statements**

**As of december 31, 2007 and 2006**

**(Million of mexican pesos with purchasing power as of December 31, 2007)**

### **1 Organization and objective:**

Nacional Financiera, S.N.C. (NAFIN or the Institution) is a Development Banking Institution that operates in accordance with the rules of its own Organic Law, the Law of Credit Institutions (Ley de Instituciones de Crédito) and the rules issued by the National Banking and Securities Commission (NBSC), Comisión Nacional Bancaria y de Valores.

The objectives of NAFIN are to promote the integral development and modernization of the industrial sector with a regional approach; stimulate the development of small and medium sized enterprise supplying financing, personal empowering and technical assistance; support financial markets development with the purpose of enhancing regional growth and job creation and act as financial agent of the Federal Government in the negotiation, contracting and management of credits from abroad.

NAFIN carries out its operations in accordance with financial criteria applicable to development banks, channeling its funds mainly through Commercial Banks and non-banking financial intermediaries. The principal sources of NAFIN's resources are loans from international development institutions such as the International Bank for Reconstruction and Development – IBRD and the Interamerican Development Bank – IDB, as well as lines of credit from foreign banks and placement of securities in the international and domestic markets.

As of December 31, 2007, the operating structure of NAFIN abroad includes two branches: one in London, England and another in Grand Cayman; two representative offices in Washington and Santa Anna California and a subsidiary established in New York within the U.S.A.

Article 10 of NAFIN's Organic Law establishes that the Nation will respond at all times for the transactions carried out by NAFIN with individuals and corporations, with foreign institutions and for the deposits received in terms of such Law.

### **2 Basis of consolidation:**

The consolidated financial statements include the assets, liabilities, and income (loss) of Nacional Financiera, S.N.C., and those subsidiaries in which it holds more than 50% of their capital and/or exercises operating and financial control, which render financial or supplementary services to the Institution.

All intercompany balances and transactions have been eliminated in consolidation.

The subsidiary companies included in the consolidated financial statements are as follows:

**Translation of financial statements originally issued in Spanish**  
**Nacional Financiera, S. N. C.**  
**Development Banking Institution and subsidiaries**

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	% of equity holding	2007	2006
<b>Financial Activities</b>			
Nafinsa Holdings Corporation	99.99	\$ 76	\$ 71
Operadora de Fondos Nafinsa, S.A. de C.V.	99.99	43	46
<b>Nonfinancial Activities</b>			
Promotora Azucarera, S. A. de C. V.	98.00	-	
Fondo de Apoyo al Mercado Intermedio, S. A. de C. V.	99.99	-	17
Corporación Mexicana de Inversiones de Capital, S. A. de C. V.	57.01	971	927
<b>Other services</b>			
Plaza Insurgentes Sur, S.A. de C.V.	99.99	2,180	2,319
Pissa Servicios Corporativos, S.A. de C.V.	99.99	-	-
		\$ 3,270	\$ 3,380

The assets, liabilities, and income (loss) of the subsidiary companies are included in or excluded from consolidation as of the date on which those companies are acquired or up to the date on which the formal plan of its sale was approved.

The main activities of the subsidiaries: financial and non financial companies and supplementary service institutions, are the following:

**Nafinsa Holdings Corporation.-**

Its is mainly intended to act as an operating unit of NAFIN abroad that facilitates identification of potential customers for bond and certificates of deposit trading with an efficient expense level that allows for maintaining financial equilibrium and operating licenses in the United States of America, in addition to safeguarding and managing the shares of Nafinsa Securities, Inc. and Nafinsa Real Estate, Co.

**Operadora de Fondos Nafinsa, S. A. de C. V.-**

The Company mainly renders management services to mutual funds; it also distributes and repurchases stock, manages stock portfolio, and promotes stock or investment plans authorized for this purpose by the mutual funds, in performance of the Mutual Funds Law, the Mexican Corporate Law and other bodies of law applicable thereto.

**Promotora Azucarera, S.A. de C.V.-**

The Company mainly receives and transfers the pertinent rights for managing and trading assets and industrial units of expropriated companies through financial, trustee and, in general, juridical instruments required to be implemented for that purpose, as set forth in the Executive Orders published in the Official Gazette on September 3 and 10, 2001.

**Fondo de Apoyo al Mercado Intermedio, S.A. de C.V.-**

The Company trades securities and notes issued by companies that require long-term funding, whose activities are related preferably to the objectives of National Development Planning.

**Nacional Financiera, S. N. C.**

**Development Banking Institution and subsidiaries**

**Corporación Mexicana de Inversiones de Capital, S.A. de C.V.-**

This Company among other things buys, sells, and invests in companies, entities, and funds, or in any other form of legally established organization, risk capital, in conformity with the sector of each governmental entity in the terms and under the investment policy criterion determined to be acting as an instrument for allocating funds.

This Company was incorporated with part of the stock portfolio of some development banking institutions. NAFIN initially participated with 58.99% equity consisting of the investment it held in some SINCAS, as well as domestic and multinational funds.

The origin of this Company is summarized below:

In performance of Article 5, subsection II, Article 6, subsection IV, and Article 30 of the Nacional Financiera internal regulations, the Institution carried out various actions in 2006, to promote and encourage capital risk investments. Toward that end, authorization was obtained from its Board of Directors and the Ministry of Finance and Public Credit to participate in the incorporation of the Corporacion Mexicana de Inversiones de Capital, S. A. de C. V. (CIMIC), as the sole vehicle of the Federal Government development financial system, whereby funds will be allocated to be invested in uniform capital risk that assist promotion and development of the capital risk industry in Mexico.

In addition to participation in the incorporation of the CIMIC and in order to capitalize the company, the Board of Directors and the Ministry of Finance and Public Credit authorized NAFIN to transfer its mutual fund portfolio and SINCAS, just like the rest of the stockholders.

As of December 31, 2007, NAFIN's equity participation amounts to 57.01%.

**Plaza Insurgentes Sur, S. A. de C. V.-**

The Company mainly buys and sells all types of urban property, expressively included undeveloped property, and contracting leases as a lessor or lessee.

**Pissa Servicios Corporativos, S. A. de C. V. (in liquidation)-**

The Company mainly renders supplementary or auxiliary services in managing or realizing the corporate purpose of any domestic lending company which is or might become its stockholder, as well as of auxiliary companies and trusts thereof.

**3 Financial Reporting Standards:**

The Mexican Board for Research and Development of Financial Information Standards (CINIF) is an independent agency in its patrimony and operation, incorporated by leading entities of the public and private sectors in 2002, with the following objectives:

- Develop transparent, objective, reliable financial information standards related to the performance of economic and governmental entities that are useful to issuers and users of financial information.
- Carry out processes encompassing the research, discussion, issue, and communication of financial information standards that result in comparable and transparent financial information at an international level.
- Merge local financial information standards successfully with globally accepted financial information standards.

**Nacional Financiera, S. N. C.****Development Banking Institution and subsidiaries**

The CINIF has issued Financial Reporting standards (NIF, for its Acronym in Spanish), which constitute the conceptual framework on what particular NIF's will be based on, and they will further replace Accounting Principles Generally Accepted in Mexico, previously issued by the Mexican Institute of Public Accountants (IMPC, for its Acronym in Spanish).

Accordingly, NIF's will consist of:

- NIF's and interpretations of NIF's, approved by the issuing Board of the CINIF, and issued by that CINIF.
- The Bullentins issued by the IMCP and transferred to the CINIF on May 31, 2004, that have not been modified, substituted or repealed by new NIF's; and
- The International Financial Reporting Standards (IFRS) which are applicable suppletorily.

**4 Significant accounting policies:**

The consolidated financial statements of the Institution have been prepared in accordance with the practices and accounting rules issued by the NBSC, and institutional policies in this respect, which in certain aspects do not concur with Financial Reporting Standards applicable in Mexico (NIF's) established by the Mexican Board for Research and Development of Financial Information Standards (CINIF). The main differences are as follows:

- The recognition of unrealized gains and losses on investments available for sale are recorded in stockholders' equity, while NIFs establish their recognition in the statement of income (Notes 4 c and 7.).
- Repurchase agreements are recognized as purchase-sale transactions or as temporary transfer of the securities that constitute the guarantee of the operation; however, they are not recognized in relation to the substance of the transaction (financing). In addition, its valuation is determined by the present value of the price agreed at the maturity of the operation, while NIFs establish the straight-line recognition of the premium accrued. (Notes 4 d and 8).
- The liabilities for funding are not classified considering their demand in short or long term; NIFs do establish it.

Following there is a description of the most significant accounting rules and practices applied by the Institution in the preparation of its consolidated financial statements for the periods 2007 and 2006, according to the general provisions applicable to Lending Institutions issued by the NBSC, effective December 3, 2005. .Eventually, when reviewing the financial statements, among its legal inspection and monitoring powers, the NBSC may order whatever modifications or corrections which at its discretion are considered appropriate for their publication.

**a) Recognition of the impact of inflation on financial information.-**

The amounts shown in the financial statements have been restated in constant pesos, according to the following guidelines:

- In the periods ended December 31, 2007 and 2006, an inflation factor resulting from the value of the Investment Units (Unidades de Inversión – UDIS) was used to recognize the impact of inflation on the financial statements. The annual inflation factors for 2007 and 2006 based on UDIS were 3.8% and 4.16%, respectively.

**Nacional Financiera, S. N. C.**

**Development Banking Institution and subsidiaries**

- Stockholders' equity and retained income are restated based on the UDIS inflation factor from the time the contributions were made or income were generated, through the latest consolidated balance sheet date. According to the provisions of the NBSC, the year 1989 was used as base date for the first restatement of capital accounts.
- Nonmonetary items included in the consolidated balance sheet are expressed in pesos with purchasing power as of December 31, 2007.
- Monetary assets and liabilities generate gains or losses due to the decrease in the purchasing power of the Mexican peso. The effect of inflation on the Institution's average monetary position is recognized in the statement of income.
- Amounts shown in the statement of income are restated in constant pesos considering the inflation factor from the month in which transactions occurred through December 31, 2007.

**b) Valuation of foreign currencies.-**

NAFIN maintains accounting records for each type of foreign currencies in which it has assets and liabilities, which are valued at the exchange rate for the settlement of foreign currency obligations determined by BANXICO.

**c) Investments in securities.-**

The record and valuation of investments in securities are subject to the following guidelines:

- **Trading**

These securities refer to the Institution's proprietary positions which are acquired or sold to obtain gains based on expectations of future market movements and conditions.

These securities are initially recorded at acquisition cost and are then valued to reflect net fair values, based on market prices. If these cannot be reliably obtained or are not representative, the prices of financial instruments with similar characteristics, or prices calculated based on broadly accepted formal valuation techniques are used as reference. The accounting effect of this valuation is recorded in the statement of income. Fair value includes both the component of principal and the accrued interest of the securities.

The concept of fair value is applicable using the concept of a price vendor.

Accrued interest is recorded directly in the statement of income, while dividends received in cash are deducted from the book value of securities, without affecting the statement of income.

- **Available for sale**

These securities refer to the Institution's proprietary positions acquired with a different purpose than trading or holding them to maturity.

The securities are initially recorded at acquisition cost and are then valued at fair value, using market prices; if these cannot be reliably obtained or are not representative, the prices of financial instruments with similar characteristics, or prices calculated based on broadly accepted formal valuation techniques are used as reference. The effect of valuation at fair value is recorded in stockholders' equity. Fair value includes both the component of principal and the accrued interest of the securities.

The concept of fair value is applicable using the concept of a price vendor.

Accrued interest is recorded directly in the statement of income, while dividends received in cash are deducted from the book value of securities without affecting the statement of income.

- **Held to maturity**

These securities are acquired by the Institution with the main purpose of holding them to maturity, agreeing minimum terms of 90 days.

According to the standards issued by the NBSC, these instruments are initially stated at acquisition cost and any proceeds are recognized as realized in the statement of income.

**d) Repurchase operation.-**

Represent the temporary purchase or sale of certain financial instruments in exchange for an **given** premium, with the obligation to resell or repurchase the securities at the maturity.

Any securities related to repurchase operations are valued at fair value, using market prices; if these may not be reliably obtained or are not representative, the prices of financial instruments with similar characteristics, or prices calculated based on broadly accepted formal valuation techniques are used as reference. The accounting effect of this valuation is recorded in the statement of income; the recognition of premiums is based on the present value at the maturity of the transaction, affecting assets or liabilities, as well as the statement of income.

The debit or credit balance resulting from the repurchase operations is presented in the assets or liabilities of the balance sheet as part of the operations with securities and derivatives caption.

**e) Securities loans.-**

These loans represent the transfer of ownership of various securities and receive a premium as a consideration, as well as the right to receive those securities at maturity of the contract.

Securities receivable are valued at fair value, in conformity with the valuation procedure of trading securities that gave rise to the securities loan transaction.

The amount of the premium is recorded as a deferred credit and the straight-line method is used to apply it to income during the term of the transaction.

**f) Operations with derivative financial instruments.-**

The Institution carries out two types of operations:

- For hedging purposes, which consists of executing operations with derivative financial instruments, in order to reduce the market risk of a transaction or group of transactions.
- For trading purposes, which consists on the position assumed by NAFIN as a market participant, with a different purpose than hedging risk positions.

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The results of the open risk position are presented jointly with the primary position, while the trading operations are presented in assets or liabilities, as the case may be.

The recognition or cancellation in the financial statements of assets and/or liabilities derived from transactions with derivative financial instruments, is made on the date the transaction is executed, regardless of the date of liquidation or delivery of the underlying instrument.

**Forward contracts:**

When transactions are executed for trading purposes, their balance represents the difference between the fair value of the contract and the forward price stipulated therein. According to the nature of the balance, after setting-off assets and liabilities, it is presented either in asset or liabilities, under the operations with securities and derivatives caption.

**Futures contracts:**

If futures contracts are for trading purposes, a lending part and a borrowing part are recorded. Contract price fluctuations are recognized directly as a gain or loss on intermediation result, hence, the value of the lending part is always equal to the value of the borrowing part.

**Options:**

When transactions are executed for trading purposes, their balance represents the fair value, which is presented in assets or liabilities under the operations with securities and derivatives caption. These options are daily valued at fair value, reflecting in the statement of income any differences between their fair value and the historical value of premiums.

**Swaps:**

When transactions are executed for trading purposes, their balance represents the difference between the fair value of assets and liabilities, respectively. The balance is presented in assets or liabilities under the operations with securities and derivatives caption.

Effective January 2007, the NBSC issued the criterion “Derivative Financial instruments and hedging transactions” that define and designate Cash Flow Hedges and Fair Value Hedges for valuation purposes.

These provisions are intended to specify the application of particular standards set forth in FRS C-10, considering the following:

- Establish the characteristics that a financial instrument should have to be considered as a derivative.
- Define and calculate the journalization models of hedging transactions.
- Establish the conditions that a derivative financial instrument should meet to be designated as a hedging instrument, as well as set forth the conditions that primary positions should comply with to be designated in connection with a hedge.
- Define the concept of hedge effectiveness and establish the rules relative to their initial evaluation and subsequent measurement, since it involves an essential characteristic that the derivative financial instrument should have so as to be designated and documented as a hedging instrument.
- Establish the rules for recognition and valuation, presentation and disclosure set forth in Bulletin C-2, applicable to derivative financial instruments including those for hedging purposes.
- Establish the rules for recognition and valuation, presentation and disclosure applicable to derivative hedging transactions.

A fair value hedging transaction should be recognized as follows:

- a) The gain or loss on valuation of the hedging instrument at its fair value should be immediately recognized in income of the period in which it occurs; and
- b) The gain or loss on valuing the primary position attributable to the hedged risk should adjust the carrying value of that position and immediately adjust it in income of the period in which it occurs.

A cash flow hedging transaction should be recognized as follows:

- a) The effective portion of gains or losses on the hedging instrument should be recognized in a comprehensive income account in stockholders' equity, and the ineffective portion should be immediately recognized in income of the period;
- b) The item of stockholders' equity that forms part of comprehensive income associated with the primary position will be adjusted to the lower value (in an absolute value) between:
  - i. The hedging instrument gain or loss; and
  - ii. The accumulated change in fair value of cash flows of the primary position, since the inception of the hedging transaction.

If the risk management strategy of an entity for a particular hedge excludes a specific item of the gain or loss from the determination of its effectiveness or from the cash flows related to the hedging instrument, then that item should be reflected in income of the period.

Pursuant to the foregoing, swaps designated as hedges are classified as fair value hedges and cash flow hedges, applying the effect of their valuation (gain or loss) in the book accounts of Income and Capital, respectively.

**g) Credit portfolio.-**

Credits granted are recorded as an asset at the time the funds are available. Whenever amortizations on credits or accrued interest are not paid at the time they are due, the total principal and interest are transferred to the overdue portfolio 90 days after the first installment was due.

Interest on outstanding credit operations is recognized and credited to the statement of income as it accrues. Accrued interest is no longer recorded once credits are transferred to the overdue portfolio.

The main policies and procedures established in the guidelines issued by NAFIN for granting, controlling and recovering of credits are as follows:

- Any credits granted or guaranteed by the Institution should finance projects and entities that are economically and financially viable.
- The maximum financing limit is determined according to the needs of the investment project and the result from an evaluation of the payment capacity of the entity or project.

- The terms and grace periods of credits are established considering the payment capacity of entities.
- Real guarantees are obtained, preferably real estate, in an adequate and sufficient proportion according to the credit characteristics and, in the case, based on the type of financial intermediary granting such credit.
- All credit guarantees granted by the Institution, are supplemented of those that should be offered by borrower and do not substitute them; therefore financial intermediaries should negotiate in each case with the credit recipient the guarantees that support the respective credit.
- The credit recipient must have a proven moral and credit solvency.
- Credit (lending) operations of both Bank Financial Intermediaries (BFI) and Non-Bank Financial Intermediaries (NBFI) are recorded at the headquarters offices of the Institution. Bank Financial Intermediary balances are reconciled quarterly and Non-Bank Financial Intermediary balances are reconciled monthly.
- Portfolio recovery is performed through SIRAC system, and administered at headquarters of NAFIN by the Management of Credit Administration.
- No further credit operations will be carried out with an entity that has overdue credits.
- Once 90 days have elapsed after a payment is overdue, the related credit balance is considered overdue and collections are made through legal proceedings, whether directly in the case of direct loans, or through financial intermediaries in the case of discounted credits.

NAFIN's main policies and procedures for the evaluation and follow-up of credit risks according to the type of transactions are as follows:

**Wholesale Loan Operations:**

- Type "A" Financial Intermediaries, defined as banks or factoring or leasing companies which are part of a financial group, which includes a bank. In view of the payment procedure to charge their BANXICO account, these intermediaries are considered within the lower risk level.

A method for assigning credit risk limits to operate with banks in Mexico known as "Metodología de Asignación de Límites de Riesgo Crediticio para Operar con Bancos en México", has been established for these intermediaries. The methodology determines the maximum credit risk levels that may be accepted in each case, with respect to both credit and discounted operations, and to financial markets transactions. The follow-up of credit limits is made on a daily basis, and limits are updated monthly.

- Type "B" Financial Intermediaries, correspond to all NBFI that are not part of a financial group which includes a bank. These Intermediaries are considered as a medium credit risk source, and therefore specific rules and standards have been established that NBFI should comply with for the intermediation of operations involving funds from the Institution.

Supervision mechanisms have been established for these Intermediaries, including monthly follow-up of their financial evolution and compliance with rules established. In addition, loans granted to these intermediaries are rated in conformity with the general provisions applicable to the credit institutions, published by the NBSC in the Official Daily Gazette on December 2, 2005.

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**Direct loan operations:**

- These transactions are marginal for the Institution, and there is a procedure to follow-up credit risk based on the classification of the portfolio credit risk, according to guidelines established.

**Guarantee program operations:**

- There is a monthly follow-up for the portfolio of guarantee program operations which includes an analysis of harvests, an analysis at a sampling level of the results from the follow-up of processes agreed with banks and also an analysis of the financial evolution of the guarantee trust established in NAFIN. In an independent way, the banks that participate in this program submit the credits supported under the guarantee program to their own credit risks follow-up policies and procedures, as well as to the classification of risk according to the guidelines established.

**h) Preventive provision for credit risks.-**

The tax authority (Secretaría de Hacienda y Crédito Público - SHCP) jointly with the NBSC establish the rules for rating the credit portfolio of National Credit Institutions, Development Banking Institutions (Sociedades Nacionales de Crédito, Instituciones de Banca de Desarrollo). The provision corresponding to credit risks is estimated on a monthly basis according to quantitative and qualitative factors, included in the classification methodology established by the NBSC, which considers an analysis of the portfolio with problems according to its current risk. Considering foreseeable future risks, there is a practice to create additional reserves on a global basis, to cover possible contingencies.

Through general provisions applicable to the rating methodology of the loan portfolio of credit institutions, the NBSC sets forth the rating methodologies of loan portfolios based on the type of loans comprising them, which allow for:

- Evaluating each borrower, in the case of the consumer lending portfolio, taking into account various quantitative elements related to the risk of borrower nonperformance and simultaneously obtaining a rating for each loan considering, if applicable, the value of the guarantees associated with such loans, in order to estimate a probable loss on each loan;
- Stratifying borrower in accordance with delinquency in payments including, in the case of the mortgage housing lending portfolio, the likelihood of nonperformance and the value of the guarantee of the loan, so that the amount of necessary preventive reserves can be determined in each stratum of the portfolio based thereon;
- Analyzing the creditworthiness of its debtors, in the case of the commercial lending portfolio, and estimating possible losses so that the amount of necessary preventive reserves can be determined based thereon;
- Using internal methodologies, in accordance with the aforementioned provisions, drawn up by credit institutions themselves when they certify that they have met the requirements for that purpose determined by the Commission.

In accordance with these regulations, the provisions for credit risk applicable to the mortgage housing and consumer lending portfolio are estimated monthly, based on balances at the last day of the month.

In addition, the balances relative for to the quarters concluding in March, June, September, and December are used for rating the commercial portfolio, and the pertinent preventive reserves are recorded in the accounting at each quarter-end, considering the balance of the debt recorded on the last day of the foregoing months. For the two months subsequent to each quarter-end, the pertinent rating applicable to credit used at the immediately foregoing quarter-end is applied to the balance of the debt recorded on the last day of the foregoing months.

**i) Property, furniture and equipment.-**

These assets are initially stated at acquisition cost, then restated based on UDPS inflation factors.

**j) Foreclosed and repossessed property and property received as payment in kind.-**

Foreclosed and repossessed property is stated at lower of either the awarded cost or the net realizable value of the property. Property received as payment in kind is stated at the lower of either the cost or the net realizable value.

In case there is evidence that the realizable value of foreclosed property is lower than its book value, the recorded value is modified.

Foreclosed properties are considered nonmonetary items, and therefore are subject to restatement for the effects of inflation.

Conformity with the general provisions applicable to the loan portfolio rating methodology of credit institutions, the NBSC sets forth that it is advisable to update the calculation methodologies of the additional reserves for foreclosed property acquired through judicial or out-of-court proceedings, or received as payment in kind.

Toward that end, additional provisions are created quarterly to recognize the potential losses of value due to the time elapsed of foreclosed properties assets acquired through judicial or out-of-court proceedings or received as payment in kind, as well as collection rights and investments in securities that have been received as assets acquired through juridical proceedings or received as a dation in payment, considering the time elapsed, effective the adjudication or dation in payment.

In the event that valuations subsequent to the adjudication or of foreclosed or received in kind properties result in an accounting entry of a write-down of value of collection rights, values, personal or real property, preventive reserves must be calculated on the written-down value.

**k) Deferred taxes.-**

Deferred Income Tax and employee profit sharing are calculated in accordance with the guidelines set forth in NIF D-4, issued by the CINIF. This Bulletin sets forth the recognition of deferred assets and/or liabilities generated by temporary differences between taxable and book income that will have an effect on such income by generating a benefit or incurring a liability for tax purposes in a defined turnaround period. In addition, deferred or advanced employee profit sharing derived from these items is recorded only when it can be reasonably presumed that those items are going to generate a liability or a benefit, and there is no indication that this situation is going to change in such a way that the liability is not paid and the benefit is not realized.

In December 2007, the CINIF issued the interpretation of Financial Reporting Standards IFRS-8 Effects of Corporate Flat Tax (IETU) which sets forth the obligation that deferred IETU be recognized in fiscal 2007. This means that even though the IETU went into effect starting 2008, due to economic importance, the Institution will have to recognize an obligation or a recovery of economic benefits in 2007, even though its realization is contemplated effective 2008. The enactment of the Law itself is considered the event that generates a liability accrual or a deferred IETU asset.

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**l) Long-term equity investments.-**

Long-term trust and equity investments that are not subsidiaries entities, are valued under the equity method considering the financial information reported by such entities. Whenever it is practically impossible to obtain financial information of the entities, the investment is adjusted to zero value or at acquisition cost. The adjustment mechanism is chosen considering the prudential criterion to apply the particular rules set forth in the FRS. The result of applying the equity method is classified as a specific cost. It is determined as a gain or loss on holding nonmonetary assets, the difference between the restatement of the balance at the beginning of the period, and the increase or decrease derived from using the equity method.

**m) Unamortized expenses.-**

Installation and organization expenses are recorded at acquisition cost and amortized at an annual rate of 5%, restating the values based on inflation factors.

**n) Funding.-**

The liabilities for funding through Certificates of deposit, bankers' acceptances, promissory notes with interest payable at maturity, loans from local and foreign banks and bank bonds, are recorded based on the contractual value of the obligation. Any accrued interest is charged to the statement of income and credited to liability accounts.

**o) Interbank loans and loans for other agencies.-**

Liabilities form interbank loans are recorded based on the contractual value of the obligation. Accrued interest is recognized directly in income of the Institution.

**p) Labor obligations.-**

Payments to employees and workers, who no longer render their services, as provided for in the Federal Labor Law and the labor conditions in effect, are recorded as follows:

**Indemnifications-**

Payments made to personnel retiring under certain circumstances for indemnification, which do not substitute retirement, are expensed in the period they are made.

**Seniority premiums-**

Seniority premiums payable to employees that have completed fifteen or more years of service, as provided for in the Federal Labor Law, are recognized as a cost during the years of service of personnel. Toward that end, there is a provision that covers the actuarial present value of benefit obligation, which was determined in accordance with actuarial calculations with amounts as of December 31, 2007 and 2006.

In accordance with the Federal Labor Law, the Institution has a liability for indemnifying employees who are dismissed under certain circumstances, and an obligation to pay a seniority bonus when they retire (provided that they have completed fifteen years or more of service), are dismissed without a justifiable reason or pass away.

In conformity with General Work Conditions (GWC), workers who reach 65 years of age and complete 30 years of service will be eligible for a retirement annuity. Moreover, upon reaching 65 years of age with 5 years of seniority, workers will be eligible to receive a pension whose amount will be equal to the proportion of the net monthly salary or wage during the last year of service, derived from multiplying the number of years of services rendered by the 0.0385 factor. The Institution reserves the right to pay a pension to that worker who has reached 60 years of age or completed 26 years of service.

On the other hand, the GWC dated August 12, 1994 set forth that workers who joined the Institution prior to the above date and reach 55 years of age and have completed 30 years of service or reached 60 years of age and complete 5 years of seniority will be eligible for a pension in the terms of the GWC referred to above.

In the event of an unjustified dismissal or termination of the employer-employee relationship, the worker may choose to receive the pertinent indemnification or a retirement annuity calculated based on the main characteristics of the retirement plan discussed above if the worker is 50 years old and has 16 or more years of seniority.

**q) Recognition of interest.-**

Interest generated by outstanding credit operations is recognized and recorded in the statement of income based on the accrued amount. Interest on the overdue portfolio is recorded in the statement of income at the time of collection. The proceeds from interest on investments in securities are recorded in the statement of income based on the accrued amount.

Interest on liability operations is recognized in the statement of income as accrued, regardless of its payment date.

For presentation purposes in the statement of income, the commissions, premiums and exchange operations are included in the interest income caption.

**r) Intermediation results.-**

Intermediation results are derived from security and derivative transactions, valuations of investments in security and derivative financial instruments at fair value, and recognition of the increase or decrease in the value of security investments.

**s) Trusts.-**

The operations in which NAFIN acts as Trustee are recorded and controlled in memoranda accounts. According to the Mexican Income Tax Law (Ley del Impuesto Sobre la Renta - ISR), as Trustee, NAFIN is responsible for the compliance of tax obligations derived from the trusts performing business activities up to the amount of the equity in trust.

**t) Foreign operations.-**

Monetary and nonmonetary assets and liabilities as well as items corresponding to the statement of income of subsidiaries abroad, are translated using the closing exchange rate on the date of valuation; the corresponding financial statements are restated by applying the inflation indexes of the country where the subsidiary is established. The difference resulting from the translation of currencies, is shown in stockholders' equity under the translation gain on foreign transactions caption.

**u) Clearing accounts.-**

For purposes of presentation of the financial statements, the balance of debit and credit clearance accounts may be offset, provided that the resulting balances are derived from the same type of transactions, which have been carried out with the same counterparty and are liquidated on the maturity date.

**v) Evaluation of long-lived assets.-**

Long-lived assets are valued in accordance with the guidelines set forth in the FRS C-15 "Impairment of the value of long-lived assets and their disposal", which sets forth, among other things, new rules for the calculation and recognition of impairment losses on these assets and their reversal. This Bulletin further presents examples of indications of the existence of possible impairment of the value of long-lived assets in use, tangible and intangible assets, including goodwill. In order to calculate impairment loss, recovery value should be determined that is now defined as the higher between the net selling price of a cash generating unit and its value in use (wearing value),

which is the present value of future net cash flows, by using an appropriate discount rate. In provisions prior to this Bulletin, future net cash flows referred to purchasing power at the date of evaluation. Consequently, those cash flows were not required to be discounted.

As of December 31, 2007, the Institution shows no indications of impairment as set forth the FRS before mentioned.

**5 Foreign currency position:**

As of December 31, 2007 and 2006, the foreign currency position translated in to Mexican pesos is comprised as follows:

	2007		2006	
Assets	\$	50,258	\$	49,088
Liabilities		42,785		49,776
Long position (short)	\$	7,473	\$	(688)

The assets and liabilities in foreign currencies are documented as follows:

	Assets		Liabilities		Net 2007		Net 2006	
U.S. dollars	\$	35,328	\$	27,901	\$	7,427	\$	(729)
Units of account		12,621		12,625		(4)		(4)
Japanese yens		472		470		2		-
Euros		1,652		1,651		1		-
Sterling pounds		54		7		47		45
Special revolving rights		131		131		-		-
Total	\$	50,258	\$	42,785	\$	7,473	\$	(688)

As of December 31, 2007 and 2006, the exchange rates of the Mexican peso relative to the value of the U.S. dollar were \$10.9157 and \$10.8116, respectively, according to the exchange rate for the settlement of obligations denominated in foreign currency, determined by BANXICO. Other foreign currencies are valued considering the exchange rate relative to the U.S. dollar.

**6 Cash and cash equivalents:**

As of December 31, 2007 and 2006, the cash and cash equivalents caption is comprised as follows:

	2007		2006	
Cash	\$	-	\$	-
Deposits in BANXICO		25,520		26,478
Deposits in domestic and foreign banks		10,830		992
Call Money deposits		3,797		7,687
Security deposits		45		8
Other liquid assets		2		2
Cash and cash equivalents in subsidiariaries		8		4
	\$	40,202	\$	35,171

Deposits in BANXICO apply to monetary regulation deposits, in accordance with bank reserve requirements (encaje legal), in conformity with the telefax circular 1/2006 issued by BANXICO on January 27, 2006.

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As of December 31, 2007 and 2006, in this caption is included \$1,848 and \$999 respectively, by concept of currency spot sales. As of December 31, 2007 the Institution maintains Call Money deposits for a maximum term of three banking days, amounting \$3,797, of which \$1,866 were contracted at an average rate of 7.5% in Mexican pesos, and \$1,931 at an average rate of 4.35% in foreign currency.

The caption of liquid assets considers spot trading of restricted currencies in a total amount of \$1,877.

Foreign currencies denominated of liquid assets as of December 31, 2007, are summarized as shown below:

	Amount	Exchange Rate		Equivalent in Mexican pesos
Euros	53	15.94893	\$	850
U.S. dollars	1,086	10.91570		11,859
Sterling pounds	2	21.70587		45
Japanese yens	13	0.09770		1
			\$	12,755

As of December 31, 2007, the concept of other liquid assets includes gold coined, amounting to \$2, which are stated at market value.

**7 Investments in securities:**

As of December 31, 2007 and 2006, investments in securities are comprised as follows:

**Trading:**

Instrument	2007			2006	
	Acquisition cost	Accrued interest	Valuation	Book Value	Book Value
Development fund Shares for the Securities Market (FDMV)	\$ 1,164	\$ -	\$ 317	\$ 1,481	\$ 434
Bondes	13,987	23	5	14,015	11,543
Fixed rate bonds	-	-	-	-	17,455
Treasury Certificates (Cetes)	-	-	-	-	13
Monetary Regulation Bonds (Banxico)	-	-	-	-	275
Deposit certificates	391	-	-	391	-
Marketable certificates	1,254	4	6	1,264	226
Udibonos	8,023	-	(15)	8,008	627
Ipbonds	80	-	-	80	38
Debentures and other securities	56	-	(2)	54	-
Promissories with liquid yield at maturity	1,378	-	-	1,378	-
<b>Collateralized financial instruments</b>					
Bondes	18	-	-	18	6
Ipbonds	-	-	-	-	3
<b>Financial instruments restricted or granted</b>					
Segregable marketable certificates	(10)	-	-	(10)	-
Investments in subsidiaries	364	-	-	364	72
<b>Total</b>	<b>\$ 26,705</b>	<b>\$ 27</b>	<b>\$ 311</b>	<b>\$ 27,043</b>	<b>\$ 30,692</b>

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The terms at which these investments are agreed on as of December 31, 2007, at their acquisition cost, are shown below:

Instrument	With no fixed term	Total
Development Fund Shares for the Securities Market (FDMV)	\$ 1,164	\$ 1,164
Federal Government Development Bonds (Bondes)	13,987	13,987
Deposit certificates	391	391
Marketable certificates	1,254	1,254
Udibonds	8,023	8,023
Ipabonds	80	80
Debentures and other securities	56	56
Promissories with liquid yield at maturity	1,378	1,378
<b>Collateralized financial instruments</b>		
Bondes	18	18
<b>Financial instruments restricted or granted in guarantee</b>		
Segregable marketable certificates	(10)	(10)
Investments in subsidiaries	364	364
<b>Total</b>	<b>\$ 26,705</b>	<b>\$ 26,705</b>

**Available – for – sale securities:**

Instrument	2007				2006
	Acquisition Cost	Accrued Interest	Valuation	Book Value	Book Value
FDMV Shares	\$ -	\$ -	\$ -	\$ -	\$ 245
Marketable certificates	246	1	-	247	-
<b>Total</b>	<b>\$ 246</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 247</b>	<b>\$ 245</b>

The terms at which these investments are agreed on as of December 31, 2007, at their acquisition cost, are shown below:

Instrument	With no fixed Term	Total
Marketable certificates	\$ 246	\$ 246

**Held – to – maturity securities:**

Medium and long – term securities

Instrument	2007				2006
	Acquisition cost	Accrued Interest	Book value	Book value	Book value
Prides convertible Bonds	\$ 3	\$ -	\$ 3	\$ 3	\$ 3
Sovereign debt	630	20	650	650	682
Debentures and other securities	418	9	427	427	675
<b>Total</b>	<b>\$ 1,051</b>	<b>\$ 29</b>	<b>\$ 1,080</b>	<b>\$ 1,080</b>	<b>\$ 1,360</b>

For fiscal year 2007, interest income for investments in securities amounted \$9,472, the surplus on valuation amounted \$150 and the gain on securities trading amounted \$218.

**8 Securities and derivatives trading:**

As of December 31, 2007 and 2006, securities and derivatives trading is comprised as follows:

**(a) Debit and credit balances under repurchase agreements:**

**Seller:**

Instrument	2007			2006		
	Assets value of securities receivable	Liabilities creditors under repurchase	Difference	Assets value of securities receivable	Liabilities creditors under repurchase	Difference
<b>Government securities</b>						
Cetes	\$ 892	\$ 892	\$ -	\$ 5,865	\$ 5,863	\$ 2
Bondes	44,932	44,925	7	69,640	69,682	(42)
Udibonds	6,656	6,667	(11)	1,225	1,194	31
Fixed rate bonds	21,976	22,010	(34)	20,313	20,322	(9)
Ipabonds	5,330	5,326	4	9,174	9,162	12
Monetary Regulation Bonds (Banxico)	-	-	-	3,656	3,655	1
Segregable marketable certificates	2,292	2,307		3,851	3,831	20
			(15)			
	82,078	82,127	(49)	113,724	113,709	15
<b>Banking securities</b>						
Certificates of deposit	1,972	1,981	(9)	2,533	2,540	(7)
	1,972	1,981	(9)	2,533	2,540	(7)
<b>Debentures and other securities</b>						
Marketable certificates	1,691	1,680	11	458	463	(5)
	1,691	1,680	11	458	463	(5)
<b>Total \$</b>	<b>85,741</b>	<b>\$ 85,788</b>	<b>\$ (47)</b>	<b>\$ 116,715</b>	<b>\$ 116,712</b>	<b>\$ 3</b>

**Buyer:**

Instrument	2007			2006		
	Assets Repurchase Debtors	Liabilities Value securities deliverable	Difference	Assets Repurchase Debtors	Liabilities Value securities deliverable	Difference
<b>Government Securities</b>						
Bondes	\$ 9,786	\$ 9,788	\$ (2)	\$ 6,344	\$ 6,344	\$ -
Cetes	891	891	-	5,864	5,865	(1)
Udibonds	-	-	-	1,811	1,852	(41)
Segregable marketable certificates	-	-	-	1,402	1,400	2
Fixed rate bonds	8,623	8,599	24	30,142	29,373	769
Ipabonds	5,406	5,410	(4)	9,060	9,072	(12)
Monetary Regulation Bonds (Banxico)	-	-	-	2,719	2,720	(1)
	24,706	24,688	18	57,342	56,626	716

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Instrument	2007			2006		
	Assets Repurchase Debtors	Liabilities Value securities deliverable	Difference	Assets Repurchase Debtors	Liabilities Value securities deliverable	Difference
Marketable certificates	2,003	2,017	(14)	156	157	(1)
	2,003	2,017	(14)	156	157	(1)
Total	\$ 26,709	\$ 26,705	\$ 4	\$ 57,498	\$ 56,783	\$ 715

As of December 31, 2007 valuation result on asset and liability repurchase operations amounted \$56 and \$(82), respectively, and are recorded in the statement of income, according to the guidelines issued by the NBSC.

In addition, as of December 31, 2007, premiums paid and received amounted \$7,725 and \$2,343 respectively, and were recorded in the statement of income.

The contracting terms of repurchase operations carried out by the Institution range from 1 to 180 days.

**(b) Receivable operations on value loan:**

Assets	2007			2006	
	Principal	Valuation	Total	Total	
Nafrac 02	\$ -	\$ -	\$ -	\$ -	51
Total	\$ -	\$ -	\$ -	\$ -	51

**(c) Operations with derivative financial instruments:**

As of December 31, 2007 and 2006, the Institution maintained balances in operations with derivative instruments as follows:

**For trading purposes:**

December 31, 2007:	Lending Balance	Borrowing Balance	Debit Balance	Credit Balance
Long – position futures	\$ 1,461	\$ 1,461	\$ -	\$ -
Short – position futures	10,991	10,991	-	-
Long – position forward contracts	75,967	75,967	-	-
Short – position forward contracts	83,520	83,520	-	-
Valuation of futures	4	4	-	-
Valuation of forward contracts	(571)	(666)	95	-
Total	\$ 171,372	\$ 171,277	\$ 95	\$ -

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Swaps \$ 754 \$ 747 \$ 7 \$ -

December 31, 2006:	Lending Balance	Borrowing Balance	Debit Balance	Credit Balance
Long – position futures	\$ 4,533	\$ 4,533	\$ -	\$ -
Short – position futures	1,546	1,546	-	-
Long – position forward contracts	47,250	47,250	-	-
Short – position forward contracts	46,532	46,532	-	-
Valuation of forward contracts	(1,029)	(981)	-	48
<b>Total</b>	<b>\$ 98,832</b>	<b>\$ 98,880</b>	<b>\$ -</b>	<b>\$ 48</b>

**Hedging instruments:**

December 31, 2007:	Lending Balance	Borrowing Balance	Debit Balance	Credit Balance
Swaps	\$ 3,203	\$ 2,782	\$ 421	\$ -

December 31, 2006:	Lending Balance	Borrowing Balance	Debit Balance	Credit Balance
Swaps	\$ 2,909	\$ 2,732	\$ 177	\$ -

**Futures and forward contracts:**

**Trading instruments:**

**December 31, 2007:**

Transaction	Uderlying	Sales		Purchases		Book balance
		Contract Value	Receivable	Contract Value	Payable	
Futures	TIIE	\$ 1,420	\$ 1,420	\$ 9,639	\$ 9,639	\$ -
	CETES	-	-	883	883	-
	IPC	41	45	469	473	-
		1,461	1,465	10,991	10,995	-
Forwards Contracts	U.S. Dollars	75,966	75,395	83,520	82,854	95
		<b>\$ 77,427</b>	<b>\$ 76,860</b>	<b>\$ 94,511</b>	<b>\$ 93,849</b>	<b>\$ 95</b>

**December 31, 2006:**

Futures	TIIE	\$ 3,819	\$ 3,819	\$ 1,342	\$ 1,342	\$ -
	CETES	714	714	204	204	-
Forwards Contracts	U.S. Dollars	4,533	4,533	1,546	1,546	-
		47,250	46,221	46,532	45,551	(48)
		<b>\$ 51,783</b>	<b>\$ 50,754</b>	<b>\$ 48,078</b>	<b>\$ 47,097</b>	<b>\$ (48)</b>

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NAFIN participates in the Derivatives Mexican Market (called Mercado Mexicano de Derivados, MEXDER), through the purchase/sale of interest rate and currency futures, according to an authorization granted by BANXICO.

In the case of U.S. dollar-peso forwards, operations over-the-counter or in other markets different than recognized markets, the master agreement for such operation does not stipulate the maintenance of guarantees. In any case penalties are applied to the defaulting counterpart, over the amounts in pesos or U.S. dollars depending on the position of the operation. In addition, the mentioned agreement stipulates the applicable law and jurisdiction which should be involved to solve any discrepancies in the flows of currencies, if necessary.

**Swaps:**

**For trading purposes:**

**December 31, 2007:**

Underlying	Contract Value (Pesos)	Receivable	Payable	Net Position
Interest Rates	\$ 8,560	\$ 754	\$ 747	\$ 7

**Hedging instruments:**

Underlying	Contract Value (pesos)	Receivable	Payable	Net Position
<b>December 31, 2007:</b>				
Currency	\$ 2,068	\$ 2,127	\$ 2,106	\$ 21
Interest Rates	\$ 8,560	\$ 1,076	\$ 676	\$ 400
	\$ 10,628	\$ 3,203	\$ 2,782	\$ 421

**December 31, 2006:**

Currency	\$ 722	\$ 724	\$ 681	\$ 43
Interest Rates	\$ 10,349	\$ 2,185	\$ 2,051	\$ 134
	\$ 11,071	\$ 2,909	\$ 2,732	\$ 177

**Options:**

**Hedging instruments:**

**December, 31 2007:**

Underlying	Contract Value (pesos)	Premium Collected	Valuation	Net Position
Subyacente Interest Rates	\$ 111	\$ -	\$ -	\$ -

**December, 31 2006:**

Interest Rates	\$ 168	\$ -	\$ -	\$ -
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The currency and interest rate future and forward transactions executed by NAFIN's headquarters in Mexico City, are for handling its own positions in order to obtain profits, as well as to provide liquidity to the MEXDER by carrying out constant operations in it.

In the case of U.S. dollar-peso forwards executed for intermediation purposes, the fair value represents the amount that two parties agree to exchange on, considering that both maintain common sources of information on the principal financial indicators that affect the prices of this type of derivatives.

The difference between the fair value in the contract and the forward price stipulated, multiplied by the amount of the underlying instrument and discounted at the respective date, represents the unrealized gain or loss according to the financial conditions prevailing at the time of execution of such transaction. The fair value is determined by the banking interest rate curve resulting from the prevailing rates among interbank transactions carried out in the Mexican Republic and informed by the price vendor, as well as similar rates in the United States.

The Institution performs various analysis on the underlying markets of derivative instruments negotiated, in order to determine and propose any implied risks in the position of NAFIN, through the risk committee known as Comité de Administración Integral de Riesgos (CAIR, or Risk Administration Committee).

The benefits, costs, and valuations of futures transactions and forward contracts are recognized in the foreign exchange accounts and gains or losses on market valuation, and they are presented in the captions of interest earned, and intermediation result, in the statement of income.

Futures trading and forward contracts involve recovery risks in case of contractual fluctuations. In order to reduce risks when trading these instruments, NAFIN maintains offset positions

As of December 31, 2007, the valuation recorded derived from the application of FRS C-10 is discussed in detail below:

**Swaps designated as fair value hedges (application to income):**

	Amount of valuation
Underlying item	
Interest rates	
Bankers' acceptances	\$ (26)
Marketable certificates	16
Promissory note with liquid yield at maturity	16
	<u>\$ 6</u>

**Swaps designated as cash flow hedges (application to stockholders' equity).**

	Amount of valuation
Underlying item	
Foreign currency	
Peso – Dollars	\$ (8)
Dollars – Japanese Yen	8
	<u>\$ -</u>

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**Trading Swaps (application to income)**

	Amount of valuation
Underlying item	
Interest rates	\$ 7

Moreover, the retrospective application of this FRS C-10 as of December 31, 2006, which was not recognized in the financial statements would generate the following effects:

**Swaps designated as fair value hedges (application to income):**

	Amount of valuation
Underlying item	
Interest rates	
Bankers' acceptances	\$ 17
Marketable certificates	21
	<u>\$ 38</u>

**Swaps designated as cash flow hedges (application to stockholders' equity).**

	Amount of valuation
Underlying item	
Foreign currency	
Dollars – Japanese Yen	\$ 3

**9 Credit portfolio:**

As of December 31, 2007 and 2006, the credit portfolio by type of debtor is comprised as follows:

	2007	2006
<b>Current portfolio</b>		
Commercial lending	7,365	7,760
Loans to financial entities	35,275	29,127
Consumer lending	5	5
Mortgage loans	216	214
Loans to government entities	31,158	84,089
	<u>\$ 74,019</u>	<u>\$ 121,195</u>
<b>Overdue portfolio</b>		
Comercial lending	240	233
Loans to financial entities	14	13
Consumer lending	7	9
Mortgage loans	30	31
	<u>291</u>	<u>286</u>
<b>Total</b>	<u>\$ 74,310</u>	<u>\$ 121,481</u>

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As of December 31, 2007, the credit portfolio by currency is comprised of the following:

	<b>Current</b>	<b>Overdue</b>
Mexican pesos	\$ 38,982	\$ 215
Foreign currency	35,037	76
	<b>\$ 74,019</b>	<b>\$ 291</b>

The credits granted as Financial Broker correspond to financing granted to entities of the Federal Government with funds obtained from international organizations for specific purposes, and are included in the loans to government entities caption.

The commercial lending and loans to government entities portfolios are executed with NAFIN own funds to companies of the private and public sector, and government entities. As of December 31, 2007, government entity transactions include a balance in the amount of \$29,257, applicable to loans granted as Financial Broker, backed by the Federal Government.

During fiscal 2007, the credit granted to the IPAB in the amount of \$46,450 was prepaid in full.

The credits to financial entities are granted to banking and nonbanking institutions, through the discounting of documents payable by corporations and individuals engaged in business activities.

As of December 31, 2007, the balance of the overdue portfolio for a total of \$291, as from the date in which it was classified as overdue, is comprised as follows:

	<b>Principal and Interest</b>	<b>Amount</b>	<b>Term</b>
Commercial lending	\$ 240	\$ 240	More than 2 years
Loans to financial entities	14	2 12	1 to 180 days More than 2 years
Consumer lending	7	1 6	1 to 180 days More than 2 years
Mortgage loans	30	9 21	1 to 180 days 1 to 2 years
	<b>\$ 291</b>	<b>\$ 291</b>	

As of December 31, 2007, the interest and commissions of the credit portfolio are comprised as follows:

	<b>Interest</b>	<b>Commissions</b>	<b>Total</b>
Commercial lending	\$ 706	\$ 38	\$ 744
Loans to government entities	3,325	-	3,325
Loans to financial entities	2,237	-	2,237
Consumer lending	-	-	-
Mortgage loans	7	-	7

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\$	6,275	\$	38	\$	6,313
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The effect derived from suspending the accrual of interest of the overdue portfolio represented a increase in the amount of \$13, with respect to fiscal year 2006.

As of December 31, 2007 the balance of restructured credits is comprised of the following:

	Current		Overdue		Total
Commercial lending	\$ 3	\$	83	\$	86
Financial entities	79		2		81
Mortgage loans	4		3		7
	\$ 86	\$	88	\$	174

The portfolio subject to Banking Debtor Support Programs as of December 31, 2007 consists of \$5, applicable to 13 loans originally classified to receive the FINAPE (Agreement for the Financing of the Agricultural and Fishing Sector) subsidy, which were trade through the IFNB that are in the nonperforming portfolio and in a recovery process through legal means. The term stipulated for covering most of those credits in full had already expired and most of them had already been applied against preventive reserves as well.

It is worth noting that pursuant to Official Communication No. 112-9/524553/2006 dated December 5, 2006, issued by the National Banking and Securities Commission, the FOPYME concluded on October 1, 2006, upon completing the 10 years set forth in Section II DISCOUNTS ON PAYMENTS of the Agreement of Financial Support and Development of Micro, Small, and Medium-sized Companies.

As of December 31, 2007, the percentage of concentration of the portfolio by sector is as follows:

	%
Federal Government	21.64
IPAB	17.86
Other private financial brokers	31.27
Full Service banking	16.12
Decentralized public agencies and private companies	2.43
Domestic companies	8.77
Foreign corporations and individuals	1.47
Development banking	0.08
Private parties	0.36
	100.00

In conformity with Bulletin B-6, paragraph 5 of the sole circular, all commercial credits which are understood as impaired portfolio, are those which, based on current information and events, as well as the review process of such credits, there is a considerable likelihood that the both the principal and interest of impaired portfolio may not be entirely recovered as set forth in the agreement. Both the current portfolio and nonperforming portfolio may be identified as impaired portfolio.

As of December 31, 2007, problematical commercial lending portfolio is recognized as shown below:

	Degree of risk		Total	Reserve Created
	D	E		
Current	\$ -	\$ 11	\$ 11	\$ 11
Overdue	4	198	202	197
	\$ 4	\$ 209	\$ 213	\$ 208

**10 Preventive estimate for credit risks:**

According to the Credit Portfolio Rating Rules applicable to Development Banking Institutions, the credit portfolio due from the Federal Government and the portfolio of wholesale lending operations through development banking institutions, are not subject to the creation of preventive provisions since these entities assume the credit risk. The credit portfolio and that of the contingent operations recorded in memoranda accounts subject to evaluation are evaluated based on the balances at the end of each quarter of the year. The provision for credit risks recorded as of December 31, 2007 and 2006, is based on the rating of the portfolio balances at December 31 of those same years, respectively, as follows:

**December 31, 2007:**

Risk	Amount of Liabilities	Estimate of the provision	
		% of reserve	Amount
A	\$ 56,247	0.00 – 0.99	\$ 296
B	2,669	1.00 – 19.99	282
C	83	20.00 – 59.99	33
D	24	60.00 – 89.99	17
E	268	90.00 – 100.00	268
Rated portfolio	59,291		896
Less: Collateral received in cash	-		47
	59,291		849
Excepted portfolio:			
Federal Government	30,098		-
Development Banking Institutions	60		-
Additional reserve	-		50
	\$ 90,259		\$ 899

Of the rated portafolio, \$47 was reduced from the commercial portfolio rated with a D and E risk weight in the amounts of \$1 and \$46, respectively, for which the pertinent reserve was not created since the Institution has collateral received in cash at NAFIN. The foregoing is presented as a loan portfolio in the respective risk weight in the accounting records.

As of December 31, 2007, the preventive provision for credit risks by type of credits is as follows:

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**Specific estimates:**

**Loan portfolio.-**

Commercial lending	\$	250
Consumer lending		7
Mortgage loans		24
Loans to financial entities		549
Loans to government entities		1
		831

**Contingent portfolio.-**

Guarantees by endorsement executed		18
Additional estimates		50
Total preventive estimates	\$	899

**December 31, 2006:**

Risk	Amount of Liabilities	Estimate of the provision	
		% of reserve	Amount
A	\$ 46,600	0.00 – 0.99	\$ 266
B	2,621	1.00 – 19.99	255
C	108	20.00 – 59.99	43
D	19	60.00 – 89.99	14
E	306	90.00 – 100.00	293
Rated portfolio	49,654		871
Less: Collateral received in cash	-		44
	49,654		827
Excepted portfolio:			
Federal Government	82,598		-
Development Banking Institutions	128		-
Additional reserve	-		96
	\$ 132,380		\$ 923

As of December 31, 2007 and 2006, the preventive provision for credit risks includes \$7, corresponding to the total balance of overdue interest.

The movements in the preventive provision for credit risks are as follows:

	2007	2006
Balances as of January 1°	\$ 889	\$ 790
Increases:		
Reserves created for credit risks	368	646
Slippage of the foreign currency reserve	1	-
	1,258	1,436
Applications:		
Discounts on debts recovered	14	15
Write – off of reserves in excess	342	519
Credits transferred to memoranda accounts	3	9
Slippage of the foreign currency reserve	-	4
	899	889

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Restatement as of December 31, 2007	-	34
Balances as of December 31	\$ 899	\$ 923

**11 Other receivables:**

As of December 31, 2007 and 2006, this line item is summarized as follows:

	2007	2006
Loans to institution personnel	\$ 1,877	\$ 1,902
Clearing accounts	13	1,308
Other receivables	472	251
Receivables for fees on current trading activities	37	36
Estimates for write-offs of other receivables	(137)	(147)
Other receivables of subsidiaries	136	41
	\$ 2,398	\$ 3,391

**12 Foreclosed and repossessed property:**

As of December 31, 2007 and 2006, the foreclosed and repossessed property is comprised of the following:

	2007	2006
Real property	\$ 71	\$ 73
Securities	16	351
Rights	-	23
Personal property	-	-
Subtotal	87	447
Estimation for write-offs	(83)	(443)
Net	\$ 4	\$ 4

Foreclosed and repossessed property write-offs recorded in the statement of income for the periods 2007 and 2006, amounted \$1 and \$60, respectively.

In conformity with the general provisions applicable to the rating methodology of the loan or credit portfolio of credit institutions, additional reserves have been recognized for holding assets adjudicated through legal proceedings and out-of-court proceedings or received as payment in kind.

Moreover, based on the provision set forth in temporary provision SIX of the general provisions applicable to the rating methodology of credit portfolio issued in 2004, the NBSC authorized the initial effect of the first application of these provisions to be recognized in stockholders' equity, instead of applying it to the statement of income of the institution.

**13 Long – term equity investments and other investments:**

The investments that comprise these captions of the balance sheet are the following:

	2007	2006
<b>Long-term equito investments:</b>		
North American Enviroment Fund LP	\$ -	\$ 6
Corporación Andina de Fomento	377	361
Corporación Mexicana de Inversiones de Capital, S. A.	-	928
Subtotal	377	1,295

	2007	2006
<b>Subsidiaries' investments (Corporación Mexicana de Inversiones de Capital, S.A.):</b>		
AIG-GE Capital Latin American Infrastructure Fund, L.P.	51	-
Fondo Inmobiliario Posadas, S.A.	139	-
Frigorífico de Occidente, S.A.	60	-
Darby BBVA Latin American Private Equity Fund, L.P.	76	-
Discovery Americas I, L.P.	76	-
Multinacional Industrial Fund	111	-
Zn Mexico Trust	45	-
Zn Mexico II, L.P.	343	-
Other corporations	418	-
Subtotal	1,319	-
Other subsidiaries' investments	45	58
	<b>\$ 1,741</b>	<b>\$ 1,353</b>
<b>Other investments:</b>		
Fideicomiso Nafin Riesgo Crediticio	\$ 1,599	\$ 1,071
Fideicomiso al Mercado Intermedio de Valores	2	21
Equity in other trusts	36	27
	<b>\$ 1,637</b>	<b>\$ 1,119</b>

#### **14 Deferred taxes:**

In May 1999 the IMCP issued its Bulletin D-4 (presently FRS D-4) Accounting Treatment of Income Tax, Assets Tax and Employee Profit Sharing, whose guidelines should be applied as of the period starting on January 1, 2000.

The NIFs D-4 includes accounting provisions for both the amounts payable in the period for Income Tax, Assets Tax and Employees' Profit Sharing, as well as the deferred effects derived from operations and other economic events recognized in the financial statements in periods other than those considered in the corporate tax returns.

Offsettable Assets Tax and Tax loss carryforwards were not considered by the Institution in the determination of deferred taxes in view of the uncertainty of having enough taxable income in the future to apply deferred taxes.

The major concepts included in the accounts of deferred taxes are as follows:

	2007		2006	
	ISR	PTU	ISR	PTU
<b>Liabilities</b>				
Prepaid expenses	\$ 2	\$ -	\$ 193	\$ -
<b>Assets</b>				
Stock	2	-	193	-
Total	\$ -	\$ -	\$ -	\$ -

Furthermore, in December 2007, the CINIF issued the interpretation of Financial Reporting Standards IFRS-8 Effects of Corporate Flat Tax (IETU) which sets forth the obligation that deferred IETU be recognized in fiscal 2007. This means that even though the IETU went into effect starting 2008, due to economic importance, the

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Institution will have to recognize an obligation or a recovery of economic benefits in 2007, even though its realization is contemplated effective 2008. The enactment of the Law itself is considered the event that generates a IETU liability accrual or a deferred asset.

The main items included in the determination and calculation of deferred IETU as of December 31, 2007 are: Fixed assets acquired from September to December 2008, balance not yet deducted from fixed assets acquired from January 1998 to August 2007, and the cumulative amount of the provision for interest on swap trading activities, with a net effect payable by the Institution in the amount of \$43.

The financial statements of Plaza Insurgentes Sur, S. A. de C. V. (Subsidiary Company) as of December 31, 2007 include a qualification due to a liability that was not recorded for deferred taxes approximating \$340. The Institution is in the process of identifying its application to income and to stockholders' equity.

**15 Term deposits:**

As of December 31, 2007 and 2006, the maturities of these instruments are as follows:

	2007	2006
Less than one year	\$ 87,184	\$ 112,776
At five years	1,220	3,517
At ten years	253	310
At twenty years	226	235
	88,883	116,838
Unpaid accrued interest	1,322	1,003
	\$ 90,205	\$ 117,841

**16 Bank bonds:**

The balance of this account is comprised as follows:

	Maturity	2007	2006
NAFTIIE	2008	\$ 763	\$ 2,376
UDITRAC	2007	-	5
Zero coupon bonds	2010	2	3
Marketable certificates	2010	2,000	2,076
		2,765	4,460
Unpaid accrued interest		55	71
		\$ 2,820	\$ 4,531

Returns on these instruments are referenced to the CETES discount rates, the Average Interbank Interest Rate (AIIR) and the Equilibrium Interbank Interest Rate (EIIR).

**17 Securities placed abroad:**

The current balance of placements of securities issued by NAFIN abroad are included in this caption and is comprised by original currency as follows:

December 31, 2007:	Amount	Equivalence in Mexican pesos
US dollars	539	\$ 5,889
Euros	48	768
	\$	6,657

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December 31, 2006:	Amount	Equivalence in Mexican pesos
US dollars	536 \$	6,011

As of December 31, 2007 and 2006, the maturity of securities for a term of less than a year amount \$6,657 and \$6,011, respectively.

**18 Interbank loans and other loans:**

This caption mainly consists of loans received from foreign financial institutions, at preferential or current market rates. An analysis is as follows:

	2007	2006
Multinacional and governmental agencies:		
World Bank	\$ 13,891	\$ 15,059
Inter – American Development Bank	17,402	20,746
Japan Bank International Cooperation (antes Eximbank)	180	371
Others	128	138
	31,601	36,314
Foreign bank institutions	970	1,260
Domestic bank institutions	3,681	18,516
Other loans	593	735
Unpaid accrued interest	306	402
	\$ 37,151	\$ 57,227

As of December 31, 2007 and 2006, the maturity of loans for a term of less than a year amount \$8,681 and \$19,220, respectively.

At 2007 year-end, Interbank loans and other loans are summarized as follows:

Currency	Financial Institution	Rate	Term	Balances	
				Foreign currency	Mexican Pesos
Mexican pesos	Banco Ahorro FAMSA, S. A.	7.0	2 days		\$ 2
	Banco Multiva, S. A.	7.0	2 days		7
	Banco Wal Mart de México Adelante, S. A.	7.4	2 days		19
	Banco ABN AMRO Bank	7.1	2 days		1,450
	Banco de GE Capital Bank México	7.3	2 days		150
	Banco de México	7.52	9 days		2,000
	Gobierno Federal	CETES 28 days	15 years		169
					\$ 3,797
USD Dollars	Bank of America National Trust	5.98	25 years	0.2	2
	Export Import Bank of Japan	5.345	4 years	3.0	32
	Export Import Bank of Japan	5.345	5 years	0.6	6

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Currency	Financial Institution	Rate	Term	Balances	
				Foreign currency	Mexican Pesos
	Export Import Bank of Japan	5.345	8 years	6.8	74
	Export Import Bank of Japan	5.345	10 years	6.2	68
	Instituto de Crédito Oficial de España	1.5	20 years	1.6	17
	Instituto de Crédito Oficial de España	1.25	30 years	8.3	91
	Instituto de Crédito Oficial de España	1.5	30 years	5.8	64
	Nordic Investment Bank	5.1675	10 years	4.5	49
	Nordic Investment Bank	5.8681	10 years	10.0	109
	Gobierno Federal	Libor 3 months +0.5	15 years	29.7	324
	Gobierno Federal	Libor 3 months	15 years	9.2	100
					936
Euros	Banjercito, S.N.C.	2.6	2 days	3.3	53
	Natexis Banque	2.0	30 years	39.0	623
	Netherlands Investment Bank	3.5	30 years	0.9	15
					691
Interest					15
Total				\$	5,439

**FINANCIAL AGENCY:**

Mexican Pesos	IDB	0.00	25 years		1
USD Dollars	IDB	4.0986	12 years	220.0	2,401
	IDB	5.61	15 years	200.0	2,183
	IDB	5.61	21 years	13.0	142
	IDB	3.0	25 years	2.2	24
	IBRD	4.7954	9 years	0.8	8
	IBRD	4.09	10 years	505.1	5,513
	IBRD	4.7984	10 years	505.1	5,513
	IBRD	5.5921	14 years	37.9	414
	IBRD	4.6863	15 years	223.8	2,443
					18,641
Euros	IDB	3.00	25 years	10.8	172
					172
Units of Account	IDB	4.25	15 years	109.8	1,999
	IDB	4.25	20 years	575.6	10,480
					12,479
Special Drawing Rights (SDRs)	FIDA	5.68	15 years	2.6	35
	FIDA	5.68	18 years	5.4	93
					128
Interest					291
Total					31,712

Total	\$ 37,151
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**19 Other accounts payable:**

This caption is comprised of the following reserves and provisions:

	2007	2006
Provision for tax payments (ISR, IMPAC and PTU)	\$ 108	\$ 50
Provisions for other ítems	111	72
Other liabilities	1,393	1,168
Security deposits	53	54
Additional obligations for labor benefits	56	285
Other payable accounts of subsidiaries	33	37
	\$ 1,754	\$ 1,666

**20 Labor Obligations:**

According to the General Labor Conditions (GLC), all employees that are 65 years old and have 30 years of services in the Institution are entitled to a lifetime pension upon retirement. In addition, employees who reach 65 years of age and a 5 years seniority will be entitled to a pension equal to a proportion of the average net monthly salary received during the last year of services, which results from multiplying the number of years of services rendered, by 0.0385; the Institution reserves the right to pension those employees who are 60 years old or who have provided 26 years of services.

On the other hand, the transition provisions of the GLC dated August 12, 1994 set forth that workers who entered the Institution prior to that date and are either 55 years old and have 30 years of service, 60 years old and 26 years of service or 60 years old and have 5 years of seniority, will be eligible for a retirement pension pursuant to the terms of the GLC referred to above.

In the event of an unjustified dismissal or termination of the labor relationship, if the individual is 50 years old and has 16 or more years of seniority, that employee can decide on the indemnification or have retirement pension, based on the proportion explained in the first paragraph regarding the main characteristics of the retirement plan.

Transition Article Five paragraph a) of the CGT, 2006 review, sets forth that persons who have obtained a pension for disablement, disability or retirement at a date prior to this review and those workers who have joined the Institution at a date prior to the effectiveness of this review to whom the Defined Retirement Benefit Plan applies, will continue to enjoy the right to receive the following additional benefits from the Institution at the time when they retire:

*a) Short-term loans, medium-term loans, and Special Loan for Savings, which will be paid with a charge to administration and promotion expenses with an 18% net guaranteed return of the maximum capacity to invest that will be calculated on 41.66% of the net monthly pension multiplied by 72 months, as well as the available capacity that will be over 50% of the net pension, less the month deductions from the short and medium-term loans with capital and interest multiplied by 72 months, with a 41.66% cap or ceiling of the monthly net pension. The Special Loan for Savings will accrue a 1% rate annual interest on its amount, which will be withheld by the Institution.*

Pursuant to the foregoing, the Institution had a cost for loans to retired personnel amounting to \$89 during 2007. That cost was \$79 in 2006.

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The actuarial valuation of labor obligations was determined by an independent actuary in accordance with the provisions established by the NBSC and by FRS D-3 issued by the CINIF. As of December 31, 2007 and 2006, the actuarial calculations are summarized as follows:

	2007	2006
Actuarial present value of benefit obligations	\$ 4,221	\$ 4,193
Plan's assets	4,804	4,898
Projected benefit obligations	4,242	4,217
Additional liability	-	-
Unamortized transitional liability	176	213
Prior services and amendments of plan	482	538
Profit due to assumptions modifications	679	869

The rates used in the calculation of projected benefit obligations and proceeds from the plan's assets are as follows:

	2007	2006
I. Discount rate	4.5% annual compound	4.5% annual compound
II.- Salary increase rate	0.5% annual compound	0.5% annual compound
III.- Long – term estimated rate for proceeds from plan assets	4.5% retirement reserve 4.5% assets reserve	4.5% retirement reserve 4.5% assets reserve
IV.- Rate of increase of the cost of medical services	2.5% annual compound	

The net period costs charged to the statements of income for the periods 2007 and 2006 were \$72 and \$202, respectively.

As of December 31, 2007 and 2006, the fund for labor obligations amounted \$4,804 and \$4,898, respectively, and is fully invested in an irrevocable trust incorporated in NAFIN.

Additionally, the Actuarial Valuation of the Reserve for Other Postretirement Benefits (OPB), which mainly considers medical service expenses, was drawn up by an independent actuary who made calculations in conformity with the provisions of the NBSC and FRS D-3 of the CINIF. Following is a summary of the actuarial calculations as of December 31, 2007 and 2006.

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	2007	2006
Accumulated obligations for OPB	\$ 2,894	\$ 2,558
Plan's assets	2,220	2,265
Accumulated obligations for OPB in excess of plan assets	(674)	(293)
Loss on unamortized assumption changes	747	385
Unamortized transition liability	-	1,557
Prior services and/or amendments	1,780	382
Accumulated asset in the Balance Sheet	1,852	2,032

In accordance with provision of this FRS, NAFIN recognized the effect of the liabilities for "other postretirement benefits"; in this financial statement at fiscal 2007 year-end, the net cost of the period recorded in the Institution's income amounted to \$207 and the liability for the same item amounted \$230. At the date of the financial statements, the studies in the pipeline are intended to analyze the feasibility of establishing a pension system with common characteristics for development banking that allow for migrating the present system of defined benefits to a new system structured on the basis of individual accounts and defined contributions, in accordance with labor benefits offered by the Institution. Also to be included, among other things, are health care benefits of employees and retirees, as well as economic dependents of both.

The foregoing will allow for calculating the total labor liability obtained from the sum of obligations for each employee, plus the obligations with current retirees so as to contrast the total labor liability with the provisions created to date and the present value of future contributions expected, thereby allowing for indentifying the level of surplus or actuarial deficit and, therefore, the level of additional funds required to create the inicial provisions of individual accounts (recognized pension).

To contribute to the comprehensive solution of the NAFIN's current pension system, the Federal Government (SHCP) made a capital contribution to Nacional Financiera, S.N.C. in the amount of \$2,500, (nominal's) on December 29,2006. On the same date, Nacional Financiera contributed those same funds to the Institution's Pension Fund Trust.

FRS D-3 Labor Obligations of Financial Reporting Standards (NIF-CINIF) sets forth thath the transition asset or liability is amortized in accordance with the average remaining labor life of workers, which is 8.9 years in the case of NAFIN.

Moreover, FRS D-3 defines the "Projected Net Asset" as the debit result from projected benefit obligations, less plan assets, and unamortized items, which represents a prepayment on remunerations at retirement. This payment is presented in noncurrent assets (others assets). Unamortized items are not applied immediately to income, but rather they should de amortized over the remaining labor life of workers (8.9 years average for NAFIN, in accordance with actuarial calculation).

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Pursuant to the foregoing, the contribution amounting to \$2,500 to increase plan assets generates a “Projected Net Asset” that reduces the debit effect in stockholders’ equity, and eliminates the additional liability, as well as the intangible asset that had been recorded at the time when the contribution was received from the Federal Government.

**21 Stockholders’ equity:**

**a) Capital Stock.-**

Capital stock is represented by 12,540,000 series “A” certificates called Certificados de Aportación Patrimonial (CAP’s), and 6,460,000 series “B” CAP’s, with a par value of fifty Mexican pesos each.

Series “A” certificates represent 66% of NAFIN’s capital stock, which may only be subscribed by the Federal Government. The remaining 34%, represented by series “B” certificates, is subject to the following conditions with respect to subscription:

- Foreign individuals or corporations are prohibited from owning directly or indirectly Series “B” certificates;
- Except for the Federal Government and Common Investment Associations, no individual or corporation may acquire, more than 5% of series “B” CAP’s through one or more transactions of any type, simultaneously or successively.
- As of December 31, 2007 and 2006, the nominal capital stock amounted \$950 and its restated value based on inflation factors is \$7,952.

**b) Contributions for future capital increases.-**

As described in Note 20 above, to contribute to the comprehensive solution of the NAFIN’s current pension system, the Federal Government (SHCP) made a capital contribution to Nacional Financiera, S.N.C. in the amount of \$2,500 on December 29, 2006. On the same date, Nacional Financiera contributed those same funds to the Institution’s Pension Fund Trust, and its restate value in accordance with inflation factors is \$2,595.

**c) Premiums on sale of shares.-**

Corresponds to payments made by holders of series “B” CAP’s. As of December 31, 2007 and 2006, the nominal value of the premium paid was \$230, and its restated value based on inflation factors is \$2,030.

**d) Capital reserves .-**

The nominal value of these reserves as of December 31, 2007 and 2006, is \$314 and its restated value based on inflation factors amounted to \$1,730.

**e) Loss from previous periods.-**

As of December 31, 2007 and 2006, the composition of the balance of this account is as follows:

	2007		2006
Loss on the adjustment due to changes in accounting policies set forth by the NBSC in Circular 1343	\$ (2,848)	\$	(2,744)
Prior years’ losses	(6,672)		(7,267)
Constitution of foreclosed and repossessed property reserve	(260)		(255)
Contributions pending of formalization	4,467		4,303
	(5,313)		(5,963)
Restatement as of December 31, 2007			(227)
	\$ (5,313)	\$	(6,190)

**f) Result from valuation of instruments available for sale.-**

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The adjustments derived from valuations at market of available-for-sale securities are recorded in this line item. The gain or loss is recorded as realized in income up to the fiscal year in which the security is sold or reaches maturity.

As of December 31, 2007 and 2006, the mark-to-market deficit of available-for-sale securities is summarized as follows:

	2007		2006	
Valuation of variable yield securities	\$	-	\$	27
Monetary Position		(9)		(12)
<b>Total</b>	<b>\$</b>	<b>(9)</b>	<b>\$</b>	<b>15</b>

**g) Effects of valuation of associated and affiliated companies.-**

The surplus or deficit not derived from the results of operations of associated or affiliated companies is recognized in this caption. In 2007 there was a decrease in valuation of \$264.

**h) Result from holding nonmonetary assets.-**

During the year 2007, the balance of this account was affected by the valuation of long-term equity investments in the amount of (262).

**i) Legal provisions.-**

On December 24, 2005, the SHCP issued new rules on the capitalization requirements of National Credit Institutions (Sociedades Nacionales de Crédito), Development Banking Institutions, which were enforced as from January 2, 2006. These new capitalization rules establish requirements with specific levels of net capital, as a percentage of the risk assets, with respect to both market risks and credit risks. In this respect, as of December 31, 2007, the level was 14.52%, already confirmed by BANXICO.

Cash dividends received by corporations resident in the Mexican territory, will not be subject to any income tax withholding, unless such dividends are derived from sources other than the Net Taxable Income Account (Cuenta de Utilidad Fiscal Neta - CUFIN).

**j) Net income.-**

As of December 31, 2007 and 2006, income amounted to \$941 and \$872, respectively.

The pertinent captions are summarized below: Financial margin, intermediation result, other income, and other expenses at fiscal 2007 year-end.

**Financial margin:**

Item	Total	Mexican Pesos	Foreign Currency	UDI'S
Commercial credits	\$ 700	\$ 624	\$ 76	\$ -
Housing lending	7	7	-	-
Credits to government entities	3,325	1,896	1,429	-
Second floor loans	2,237	2,164	73	-
Interest earned on current loan portfolio	6,269	4,691	1,578	-
Nonperforming commercial loans	6	6	-	-
Interest collected on nonperforming loan portfolio	6	6	-	-
Trading securities	9,322	9,318	4	-
Available-for-sale securities	2	2	-	-
Held-to-maturity securities	63	-	63	-

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Interest and yields earned on investments in securities	9,387	9,320	67	-
<hr/>				
<b>Item</b>	<b>Total</b>	<b>Mexican Pesos</b>	<b>Foreign Currency</b>	<b>UDI'S</b>
Repurchase transactions	340	340	-	-
Interest and yields earned in repurchase agreement transactions and securities lending	340	340	-	-
<hr/>				
Banks	2,601	1,942	659	-
Interest on liquid assets	2,601	1,942	659	-
<hr/>				
Commercial credits	38	5	33	-
Commissions earned on lending transactions (adjustment to yield)	38	5	33	-
<hr/>				
Repurchase transactions	2,343	2,343	-	-
Securities loans transactions	-	-	-	-
Earned premiums	2,343	2,343	-	-
<hr/>				
Interest earned of subsidiaries	85	85	-	-
Increase due to restatement of interest earned	442	394	48	-
<b>Interest income</b>	<b>21,511</b>	<b>19,126</b>	<b>2,385</b>	<b>-</b>
<hr/>				
Money desk	(6,408)	(6,341)	(67)	-
Interest on term deposit	(6,408)	(6,341)	(67)	-
<hr/>				
Interest on bank bonds	(697)	(291)	(406)	-
Interest expense on interbank loans and from other agencies	(1,976)	(452)	(1,524)	-
<hr/>				
Repurchase transactions	(2,550)	(2,550)	-	-
Interest and yields in repurchase transactions and securities lending	(2,550)	(2,550)	-	-
<hr/>				
Repurchase transactions	(7,725)	(7,725)	-	-
Premiums expense	(7,725)	(7,725)	-	-
<hr/>				
Exchange loss on valuation	(60)	-	(60)	-
<hr/>				
Interest expenses of subsidiaries	9	9	-	-
Increase in restatement of interest expenses	(410)	(366)	(44)	-
<b>Interest expenses</b>	<b>(19,817)</b>	<b>(17,716)</b>	<b>(2,101)</b>	<b>-</b>
<hr/>				
Result on monetary position on positions generating financial margin (net)	(47)	25	(72)	-
Increase in restatement on monetary position (financial margin)	-	-	-	-
Subsidiary	(8)	(8)	-	-
Result on net monetary position ( financial margin)	(55)	17	(72)	-

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Financial margin	\$	1,639	\$	1,427	\$	212	\$	-
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Item	Total	Mexican Pesos	Foreign Currency
<b>Intermediation result</b>			
Trading securities	\$ 151	\$ 154	\$ (3)
Securities receivable on repurchase transactions	(82)	(82)	-
Securities deliverable on repurchase transactions	56	56	-
Derivative financial instruments trading	149	7	142
Hedging financial instruments	(24)	(24)	-
Result on valuation at fair value in securities valued at cost	250	111	139
Trading securities	191	193	(2)
Available-for-sale-securities	42	45	(3)
Derivative financial instruments (trading purposes)	40	(212)	252
Result on trading of securities and derivative financial instruments	273	26	247
Intermediation result of subsidiaries	(16)	(16)	
Increase in restatement of intermediation result	19	11	8
<b>Intermediation result</b>	<b>\$ 526</b>	<b>\$ 132</b>	<b>\$ 394</b>
<b>Other income and other expenses</b>			
Taxes	\$ 1	\$ 1	\$ -
Other	393	393	-
Recoveries	394	394	-
Gain on sale of foreclosed and repossessed property or received in payment in kind	3	3	-
Income on loans to personnel	43	43	-
Other	251	249	2
Reversal of excess of preventive estimates for credit risks	343	260	83
Other income and benefits	640	555	85
Other income of subsidiaries	89	89	
Increase in restatement of other income	14	12	2
<b>Other income</b>	<b>\$ 1,137</b>	<b>\$ 1,050</b>	<b>\$ 87</b>
Write-down of other assets	(2)	(2)	-
Impairment	(2)	(2)	-
Frauds	(7)	(7)	
Others	(14)	(14)	-
Losses	(21)	(21)	-
Sale of property, furniture and equipment	-	-	-
Sale of foreclosed and repossessed property or received in payment in kind	(66)	(66)	-

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Other	(31)	(31)	-
Other losses	(97)	(97)	-

Item	Total	Mexican Pesos	Foreign Currency
Exchange result and result on monetary position derived from items not related to financial margin (credit balance)	(217)	(197)	(20)
Estimated loss on value of foreclosed and repossessed property	(1)	(1)	-
Other expenses of subsidiaries	(39)	(39)	-
Increase in restatement of other expenses	(5)	(5)	-
<b>Other expenses</b>	<b>\$ (382)</b>	<b>\$ (362)</b>	<b>\$ (20)</b>

**k) Minority interest.-**

The consolidation process of the subsidiary Corporacion Mexicana de Inversiones de Capital, S. A. de C. V. in which Nafin has a 57.01% participation generated minority interest in the amount of \$733 on the balance sheet and \$(11) in income as of December 31, 2007.

**22 Commitments and contingencies:**

**Guarantees and Endorsements.-**

As of December 31, 2007 and 2006, NAFIN has granted guarantees in the amount of \$31 and \$34, respectively, which represent a contingent risk in the case the endorsed debtors default on their indebtedness to the respective credit institution. In periods 2007 and 2006 there are no records of losses in NAFIN's statement of income; however, whenever a party endorsed has defaulted on an indebtedness, NAFIN has granted credits to cover the debt. In 2007 there was not any granted credit.

At fiscal 2007 year-end, payment obligations have been guaranteed for loans obtained by Docuformas, S. A. amounting to \$15 and by Corporacion Metropolitana de Arrendamiento, S. A. de C. V. amounting to \$16.

**Contingencies.-**

On October 27, 2006, the Tax Administration Service (SAT), through official letter 330-SAT-VIII-22335 issued by the Central Inspection Administration of the Financial Sector and Large Income Taxpayers, notified the Institution of a tax liability amounting to \$36 applicable to fiscal 2002, which includes the omission of income tax amounting to \$18, plus restatement, fines, and surcharges at that date. Nacional Financiera accepted the omission of Income Tax amounting to \$18. However, the Institution does not agree with the procedure followed by the Authority to determine the tax liability, since that authority did not credit the estimated payments on Income Tax made by the trustee, as well as payments on Asset Tax made by NAFIN, which the Institution had in its favor in fiscal 2002; this is why on December 23, 2005, an amended tax return was filed for fiscal 2002 that included the credits described above. Furthermore, on January 17, 2006, a motion for reconsideration was filed with the Juridical Central Administration of Large Income Taxpayers of the SAT to leave the contested official letter null and void.

On December 14, 2007, the Institution filed an application to be aggregated to the remission program and is waiting for the resolution from the authorities.

**Other contingent liabilities.-**

As of December 31, 2007 and 2006, the balance of this caption is \$16,076 and \$11,890, respectively.

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At the end of the year 2007, under its guarantee scheme, the Institution recognized NAFIN's Credit Risk Trust (Fideicomiso NAFIN Riesgo Crediticio) with a balance of \$13,522, which represents the amount of credits guaranteed to banking intermediaries. NAFIN has a counter-guarantee given by the final creditors to the first tier financing bank, for \$2,390.

As of December 31, 2007 and 2006, certain claims have been filed against the Institution for several types of lawsuits, the Institution considers that there would not be a material adverse effect in its financial statements.

**23 Property held in trust or under mandate:**

As of December 31, 2007 and 2006, the balances of transactions where NAFIN acts as Trustee are comprised as follows:

	2007	2006
Investment trust	\$ 19,320	\$ 20,863
Management trust	456,947	431,703
Garanty	24,991	22,852
Trust Subtotal	501,258	475,418
Mandates	23,891	14,055
Federal Government	46,543	32,962
Total	\$ 571,692	\$ 522,435

During 2007 and 2006, NAFIN obtained income of \$158 and \$146, respectively, from its fiduciary activities.

a) As of December 31, 2007 and 2006, the trust accounts include a balance of \$1,155 and \$1,477, respectively, which correspond to the equity of the Recuperation Portfolio Trust (Fideicomiso de Recuperación de Cartera-FIDERCA), who administrates the accounts with recuperation problems originally belonged to NAFIN and was transferred to the Federal Government during 1996. At present, the Institution owns those trust rights.

b) The Institution created the trust to strengthen its capital in performance of the provisions set forth in article 55 bis of the Credit Institutions Law, and in conformity with the general rules for Development Banking Institutions, for the trading thereof, published in the Official Daily Gazette on October 24, 2002.

**24 Other memoranda accounts:**

As of December 31, 2007 and 2006, the balances of other memoranda accounts are summarized as follows:

	2007	2006
Opening of credits	\$ 22,202	\$ 5,131
Renewed and restructured loans	85	139
Bad debts	1,770	1,821
Mortgages taken from overdue credits	163	175
Bad debts applied against the allowance	371	378
Securities and coupons to incinerate	3	3
Control of loan portfolio due dates	73,478	120,457
Control of overdues liabilities	98,408	127,247
VAT recorded by status	81	84
Portfolio in process of recovery	151	162
Classification of credit portfolio by risk rate	90,259	132,380
Issue of provisional certificates	950	986
Loans obtained not yet drawn down	789	825
Various unspecified loans	128,140	151,445
Precautionary write-down of floreclosed and repossessed property	10	11

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Control of amounts contracted in repurchase transactions and derivative instruments	186,528	101,823
Other memoranda accounts of subsidiaries	143	150
	<b>\$ 603,531</b>	<b>\$ 643,217</b>

The Loans obtained not yet drawn down account, represents the credit lines granted to the Institution not exercised at fiscal year-end, as summarized below:

	2007	2006
BANXICO	\$ 431	\$ 447
Interamerican Development Bank	215	221
International Agricultural Development Fund	143	157
	<b>\$ 789</b>	<b>\$ 825</b>

**25 Income tax (IT), Assets tax (AT) and Employees' profit sharing (EPS):**

**a) Income tax.-**

The tax basis for IT differs from accounting income due to: 1) permanent differences in the treatment of items such as the result from the sale of shares and 2) temporary differences related to the period in which the accounting income and expenses are recognized and the period in which they are accrued and deducted for tax purposes. The Institution records deferred taxes on temporary differences.

The new Income Tax Law went into effect as of January 1, 2002, which set forth that the corporate rate for legal entities would be decreased gradually. In conformity with Article two, subsection I paragraph a) of the transition provisions of the Income Tax Law referred to above, the rate will be 28% for 2007.

As of December 31, 2007, the Institution accumulated tax losses amount to \$1,734 and its subsidiary companies were subject to income tax in the amounts of \$29 and \$37 in 2007 and 2006, respectively.

**b) Assets Tax.-**

The Asset Tax Law sets forth a 1.8% tax on certain assets of companies. In the case of Lending Institutions, tax is determined only on assets not subject to financial intermediation. As of December 31, 2007, Asset Tax exceeded income tax due, therefore, Asset Tax recorded amounted to \$4 in 2007 and \$7 in 2006.

**c) Employee Profit Sharing.-**

Employee Profit Sharing is determined in conformity with the provisions of the Income Tax Law. For fiscal 2007, Employee Profit Sharing amounted to \$67. No taxable income was determined for Employee Profit Sharing purposes for fiscal 2006.

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**26 Information by segments:**

For the periods 2007 and 2006, the information on NAFIN's main operating segments is as follows:

Operating segments	2007		2006	
	Amount	%	Amount	%
Financial broker				
-Assets	\$ 29,257	19	\$ 33,297	17
-Liabilities	31,712	23	36,279	19
-Income	1,380	6	3,183	11
-Expenses	1,458	6	3,108	11
First tier banking				
-Assets	9,414	6	58,623	29
-Income	2,874	12	5,519	19
-Expenses	510	2	910	3
Second tier banking				
-Assets	34,740	23	28,639	14
-Income	2,434	10	2,281	8
-Expenses	232	1	276	1
Investment banking				
-Assets	72,477	47	70,708	36
-Liabilities	105,167	76	149,379	80
-Income	15,863	67	16,380	57
-Expenses	18,033	79	20,868	76
Other segments				
-Assets	6,942	5	8,543	4
-Liabilities	1,803	1	1,666	1
-Income	1,115	5	1,309	5
-Expenses	2,492	12	2,638	9
Total Institution				
-Assets	152,830	100	199,810	100
-Liabilities	138,682	100	187,324	100
-Income	23,666	100	28,672	100
-Expenses	22,725	100	27,800	100
-Net income	\$ 941		\$ 872	

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The Institution is carrying out several processes to sufficiently identify the assignment of liabilities and expenses by segments.

The operating segment where NAFIN participates as Financial Broker of the Federal Government represents 19% of total assets and 23% of liabilities, 6% of the income and 6% of expenses.

First tier bank operations represent 6% of assets and 12% of the income obtained by the Institution, and 2% of the expenses.

Second tier bank segment represents 23% of assets and 10% of the income and 1% the expenses of NAFIN and corresponds to the channeling of funds through BFI and NBFi destined mainly to micro, small and medium companies.

The investment bank segment representing 47% of total assets and 76% of the liabilities, 67% of the income and 79% of the expenses of NAFIN, corresponds to the businesses performed in domestic and international money and capital markets with NAFIN's own funds and funds from corporate treasuries, FDMV investments and equity investments in the capital of public and private entities.

**27 Result on monetary position:**

The net monetary position of each one of the comprised items is determined based on the monthly beginning balances which are shown below:

**Financial margin:**

	Assets			Liabilities		
	Liquid assets (Banks)	Investments in securities and derivatives	Credit Portfolio	Deposits	Interbank Loans and from Other Agencies	Securities and Derivatives Trading
January	\$ 33,877	\$ 200,805	\$ 115,862	\$ 123,220	\$ 55,854	\$ 169,787
February	30,951	191,215	113,811	124,088	46,138	171,603
March	32,832	143,482	113,377	108,515	47,234	134,786
April	38,902	126,885	113,364	112,282	49,249	109,145
May	32,632	120,492	96,162	98,830	44,532	105,338
June	35,024	184,296	90,090	85,901	48,536	172,122
July	36,188	168,988	91,689	99,503	39,161	152,348
August	35,469	178,092	81,071	87,592	39,052	164,211
September	40,101	144,565	81,726	87,630	42,829	138,883
October	40,089	163,186	71,936	81,689	37,953	152,743
November	39,846	149,241	72,197	79,965	36,108	142,866
December	37,441	154,301	70,251	86,309	36,328	136,845

As of December 31, 2007, the loss on monetary position recognized in the financial margin amounted to \$55.

Off – Financial margin:

	Assets			Liabilities	
	Liquid assets (Others)	Investments in securities and derivatives	Others	Securities and Derivatives Trading	Other payables
January	\$ 2	\$ 97,928	\$ 2,258	\$ 95,259	\$ 2,327
February	2	104,518	13,881	101,881	5,845
March	2	112,073	14,620	109,649	11,708
April	2	106,145	8,014	103,318	14,563
May	160	90,816	6,761	88,024	5,501
June	2	116,157	7,521	113,397	7,743
July	1	132,287	5,400	129,483	8,627
August	2	128,601	11,611	125,628	12,977
September	2	170,088	21,319	167,108	15,915
October	2	164,787	13,015	161,850	13,308
November	2	191,808	8,857	188,841	8,593
December	2	191,190	9,014	188,237	8,904

As of December 31, 2007, the loss on monetary position recognized in off-financial margin amounted to \$156.

The net loss on financial margin and off-financial margin positions recorded in income of fiscal 2007 amounted to \$282, which includes \$71, derived from carrying out the transfer from the clearing account in accordance with the General Provisions of the NBSC applicable to Lending Institutions.

**28 Comprehensive net operating income (losses):**

As of December 31, 2007 and 2006 the determinations of NAFIN's comprehensive net results, is as follows

	2007	2006
Net income (loss) of the year	\$ 941	\$ 872
Effect of items recognized in stockholders' equity that have not affected income (loss):		
- Result on valuation of available – for – sale securities	(21)	(32)
- Result on translation of foreign currency transactions	16	20
Result from holding nonmonetary assets on valuation of long-term equity investments	248	71
- Adjustments on labor obligations at retirement	-	335
	243	394
Comprehensive net result	\$ 1,184	\$ 1,266

**29 Risk management and follow - up:**

Domestic and international risk management regulations have undergone an unprecedented evolution in these last years, by incorporating a preventive approach in the financial processes carried out by lending institutions, as

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well as the obligation to issue internal guidelines that provide for establishing controls to contemplate any economic loss due to the materialization of risks, whether discretionary, nondiscretionary or even those that are unquantifiable.

Nacional Financiera has concerned itself with implementing international standards systematically and comprehensively, along with implementing the prudential provisions relating to risk management, credit management, and internal control management applicable to lending institutions, as well as the provisions issued by regulatory agencies in Mexico in money laundering prevention matters.

**DISCRETIONARY QUANTIFIABLE RISKS:**

**Market Risk.-**

Nacional Financiera uses the Value at Risk (VaR) methodology to calculate the market risk of its securities portfolios classified as Trading, Available-for-Sale, and Held-to-Maturity, including hedging positions. The methodology that is being applied generally is historical simulation. The most significant general principles are presented below:

- The confidence interval being applied in the calculation of VaR is 97.5%(considering the extreme left of the distribution of losses and gains).
- The temporary base period considered is 1 day.
- One year of historical information of risk factors is included to generate scenarios.
- The following risk factors are considered: domestic and foreign interest rates, surcharges (spreads), exchange rates, indexes and prices of shares.

In addition to VaR information, sensitivity measures are calculated and stress tests are performed.

Effective July 2005, Back Testing is performed monthly to statistically validate that the market risk measurement model provides reliable results within the parameters selected by Nacional Financiera.

The limits on the values followed up on to date on a daily basis are:

- Value at Risk: Determined based on capital assigned to market risks.
- Notional Values: These refer to maximum nominal values that can be held in position.
- Maximum loss measurement: This establishes a maximum loss limit against unfavorable trends on markets.

The average market Value at Risk of the period (VaR) amounting to \$34,124 represents 0.33% of net capital as of December 2007.

**Asset and liability management.-**

Asset and liability management refers to managing risks that affect the bank's balance sheet. This consists of management techniques and tools necessary to identify, measure, monitor, control, and manage financial risks (liquidity and interest rate) that the institution's balance sheet is exposed to. Moreover, it is intended to maximize its yield adjusted by market risks and, therefore, enhance the use of the bank's capital.

**Liquidity Risk.-**

Liquidity risk that affects a banking institution is generally classified in two categories:

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- **Market liquidity risk:** It is the possible economic loss due to the difficulty of selling or hedging assets without a significant decrease in its price. This type of risk is incurred as a result of drastic changes in interest rates when large positions are adopted in some instrument(s) or investments are made in markets or instruments for which there is no broad supply and demand on the market.
- **Funding liquidity risk:** This represents the difficulty of an institution in obtaining the necessary funds to pay its obligations, through the income generated by its assets or by acquiring new liabilities. This type of crisis is generally caused by a drastic, sudden impairment in the quality of assets that result in extreme difficulty to convert them in to liquid assets.

The Institution, in performance of the provisions of Comprehensive Risk Management, developed a “Liquidity Plan”, which establishes various measures to hedge the risks discussed above.

**Credit Risk.-**

Credit risk is defined as the likelihood that a counterparty or borrower fails to perform its credit obligations in due time and proper form. It further refers to the loss of value of an investment determined by the change in creditworthiness of any counterparty or borrower, without necessarily resulting in an omitted payment.

**Expected Loss.-**

The expected loss on the loan portfolio is obtained by using the portfolio rating methodology set forth in Chapter V of the Sole Circular of the NBSC, in connection with the Loan Portfolio in its version updated as of April 26, 2007.

Pursuant to the reserve obtained under this methodology, the following assumptions are also established:

- The portfolio is not considered to be nonperforming due to nonperformance that had materialized therein.
- The former employee portfolio is excluded to measure the effect of expected losses directly in the exposed portfolio of the private sector.
- The credit to Fiso 1148 is not considered as a contingent (nonperforming) portfolio, since this Fiso is responsible for managing its credit risk.
- No additional reserves are included.

Pursuant to the foregoing, as of December 31, 2007, the expected credit portfolio loss amounts to \$600, equivalent to 1.40% of the rated portfolio and 0.81% of the total portfolio.

	Portfolio Balance as of 12/31/2007	Expected loss	% Expected Loss
<b>Unrated</b>	\$ 30,969	\$ -	-
Risk A	38,890	270	0.70%
Risk B	3,223	164	5.09%
Risk C	704	154	21.94%
Risk D	-	-	-
Risk E	11	12	100.00%
<b>RATED</b>	42,828	600	1.40%
<b>TOTAL</b>	\$ 73,797	\$ 600	0.81%

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**Unexpected Losses.**

The unexpected loss represents the impact that could be suffered by the bank's capital derived from unusual loan portfolio losses, the level of coverage of this loss on capital and reserves of an Institution is a solvency indicator adjusted by the risk thereof.

Effective December 2005, the Institution's estimate of unexpected loan portfolio loss operations is performed at Nacional Financiera, by using analytical and Monte Carlo simulation methodologies. As from that date, the stability of these measures and their behavior in the face of various changes in the environment has been observed to determine which of them should be used as the risk measure of Institution's loan portfolio.

In November 2006, the Comprehensive Risk Management Committee concluded that of the methodologies proposed for the estimate of the unexpected loan portfolio loss, the methodology with an economic approach is the best methodology that best conforms to the basic internal method of Basel II, based on:

- The similarity of concepts existing between the proposed economic methodology and capital requirement for the loan risk estimated starting with the basic approach of Basel II. This approach permits institutions to estimate the necessary capital to support their risk with internal methods.
- The high levels of correlation and similarity of the average capital requirement observed over one year of internal application of proposed unexpected loan portfolio loss methodologies.

Moreover, the Institution considered that the unexpected loan portfolio loss should continue to be estimated monthly using the valuation and Monte Carlo methodologies, so as to have information in view of future changes of banking regulations in which portfolio market valuation is requested. These methodologies are applied over a one-year timeframe with a 95% reliability level.

At December 2007 year-end, the estimate of the unexpected loss under the economic approach amounts to 2 billion 896 million pesos. By the same token, the VaR of the credit amounts to 3 billion 363 million pesos and represents 7.52% of the exposed portfolio.

**Counterparty risk and diversification.-**

The Institution has comprehensive counterparty risk control, by applying the credit exposure limit methodology, which considers transactions throughout all the balance sheet, that is, both in the financial markets and the credit portfolio. This methodology is consistent with the General Rules for Risk Diversification in Carrying Out Lending and Borrowing Transactions Applicable to Lending Institutions.

As of December 31, 2007 year-end:

- No loan risk is concentrated in any economic group above maximum financing limits.
- The following number of loans exceeds 10% of the basic capital individually:

Number of Loans	Total amount	Percentage of Capital
20	\$ 43,078	451%

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- Financing with the three highest debtors or, if applicable, groups of persons that represent common risk amounts to \$13,583.

**Capitalization Ratio.-**

At December 2007 year-end, the capitalization ratio was set at 14.52%, which is incorporated starting with a net capital amounting to \$10,375 and assets adjusted for total risks amounting to \$71,477.

**a) Basic and Complementary Capital**

At December 2007 year-end, net capital of the Institution amounts to \$10,375, consisting of \$10,054 of basic capital and \$321 of complementary capital.

STOCKHOLDERS' EQUITY AS OF OCTOBER 31, 2007 (Informative data)	13,415.40	
STOCKHOLDERS' EQUITY WITHOUT OBLIGATIONS AND WITHOUT CAPITALIZATION INSTRUMENTS PLUS CONTRIBUTIONS TO CAPITAL APPLIED TO TRUST AND HOLDING COMPANIES THEREOF		13,415.40
- Companies and mutual funds, part relative to fixed capital and holding companies thereof	7.60	
- Other financial entities of the country. 1/	82.80	
- Direct investments in nonresident financial entities	453.30	
INVESTMENTS IN SHARES OF COMPANIES		<b>508.80</b>
INVESTMENTS KNOWN AS "RISK CAPITAL" (ONLY FOR DEVELOPMENT BANKS OF MUTUAL FUNDS OF BOTH CAPITAL AND THOSE OF LIMITED PURPOSE WITH EQUITY HIGHER THAN 15% OF THE CAPITAL OF THE MUTUAL FUND INTANGIBLES AS WELL AS ITEMS THAT IMPLY DEFERMENT OF APPLICATION OF EXPENSES OR COSTS IN THE INSTITUTION'S CAPITAL 1/	487.30	
- Intangibles of any type	21.50	
- Items that imply the deferment of the application of expenses or costs in the capital	1.50	
	2,307.30	<b>2,308.80</b>
BASIC CAPITAL WITHOUT DEFERRED TAX ASSETS AND WITHOUT BANK CAPITALIZATION INSTRUMENTS. X =1 (II to IX)		10,054.10
TOTAL BASIC CAPITAL BC = X + (XI to XIII)		10,054.13
PREVENTIVE RESERVES COMPUTABLE AS COMPLEMENTARY 3/		<b>321.00</b>
COMPLEMENTARY CAPITAL 4_/ CC = 1 + 11 + 111		321.00
NET CAPITAL NC = BC + CC		10,375.1

**b) Assets Adjusted for Market Risks**

Assets adjusted for market risks amount to \$28,060 and are equivalent to a capital requirement amounting to \$2,245.

Item	Amount of Equivalent Positions	Capital Requirement
Transactions in local currency at a nominal rate	11,855.5	984.4
Transactions in local currency at an over rate	1,711.7	136.9
Local currency denominated transactions at a real rate or denominated in UDIs	8,307.2	664.6
Foreign currency transactions at a nominal rate	1,135.1	90.8
Positions in UDIs or with a return based on the NCPI	107.6	8.6
Foreign exchange positions or with a yield indexed to the exchange rate	72.2	5.8
Positions in shares with a return indexed to the price of a share of group of shares	4,870.9	389.7
<b>Total</b>	<b>28,060.2</b>	<b>2,244.8</b>

**c) Assets Adjusted for Credit Risk**

Assets adjusted for credit risks amount to \$43,416 and are equivalent to a capital requirement amounting to \$3,473.

<u>Item</u>	<u>Assets Weighted by Risk</u>	<u>Capital Requirement</u>
<u>Group I (Weighted at 0%)</u>	-	-
<u>Others (Weighted at 2.5%)</u>	-	-
<u>Others (Weighted at 10%)</u>	0.7	0.1
<u>Others (Weighted at 11.5%)</u>	-	-
<u>Group II (Weighted at 20%)</u>	10,313.2	825.1
<u>Others (Weighted at 50%)</u>	0.0	0.0
<u>Others (Weighted at 75%)</u>	-	-
<u>Group II (Weighted at 100%)</u>	30,846.7	2,467.7
<u>Others (Weighted at 112%)</u>	-	-
<u>Others (Weighted at 115%)</u>	-	-
<u>Others (Weighted at 128.8%)</u>	-	-
<u>Others (Weighted at 150%)</u>	-	-
<u>Permanent Portfolio and Others</u>	2,255.8	180.5
<b>Total</b>	<b>43,416.3</b>	<b>3,473.3</b>

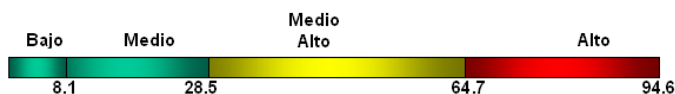
**NONDISCRETIONARY QUANTIFIABLE RISKS:**

**Operating Risk Management**

**Qualitative Analysis**

The relevant Quality Management System (Q.M.S.) processes are rated by applying Self-Evaluation methodologies (Scorecards), pursuant to two indicators:

**Nature.** It is the degree of importance of the process analyzed in connection with the institution's other processes and require a higher or lower availability of funds and infrastructure to guarantee the business as a going concern. The levels of tolerance are distributed as follows:



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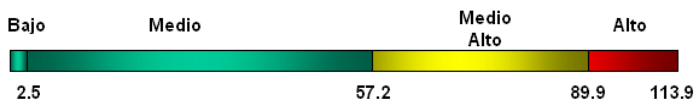
The result obtained from the Institution's twenty most relevant processes at December month-end is as follows:

DATE OF ANALYSIS	ID PROCESS	NAME OF PROCESS	INDICATOR OF NATURE	LEVEL OF TOLERANCE
31/12/2007	11	Flow of Funds	71.63	High risk
31/12/2007	3	Operating expenses	58.94	Medium High Risk
31/12/2007	15	General Cash	58.48	Medium High Risk
31/12/2007	43	Money Market	58.38	Medium High Risk
31/12/2007	20	Treasury	56.72	Medium High Risk
31/12/2007	1	Capitals	53.14	Medium High Risk
31/12/2007	29	Safeguarding of securities	52.2	Medium High Risk
31/12/2007	9	Custody and Management of Securities	50.5	Medium High Risk
31/12/2007	26	Foreign exchange	50.14	Medium High Risk
31/12/2007	54	IFBs	48.63	Medium High Risk
31/12/2007	8	Trustee	48.43	Medium High Risk
31/12/2007	65	2nd Floor IFNBs	47.64	Medium High Risk
31/12/2007	37	1st floor and emerg.	46.13	Medium High Risk
31/12/2007	31	Financial A.	44.79	Medium High Risk
31/12/2007	59	1st Floor	44.11	Medium High Risk
31/12/2007	58	Guarantees	43.61	Medium High Risk
31/12/2007	17	M.D.C.	41.43	Medium High Risk
31/12/2007	7	Alternate Channels	37.83	Medium High Risk
31/12/2007	60	Former Employees	35.58	Medium High Risk
31/12/2007	30	Accounting – Markets	35.15	Medium High Risk

<sup>1</sup> Source: General Offices of Risk Management. Office of the Assistant Director of Loan Risks

Note .- The higher the score, the more critical the nature of the process.

**Efficiency.** It is the measure of adequate execution of a process that allows for developing plans to foresee undesired events that permit development of sensitivity toward the perception of operating risk through a measure. The levels of tolerance are distributed as follows:



In connection with the same sample of twenty relevant processes in terms of efficiency, their behavior was as follows:

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DATE OF ANALYSIS	ID PROCESS	NAME OF PROCESS	INDICATOR OF NATURE	LEVEL OF TOLERANCE
31/12/2007	30	Accounting – Markets	30.7	Medium Risk
31/12/2007	11	Flow of Funds	27.19	Medium risk
31/12/2007	29	Safeguarding of securities	27.02	Medium Risk
31/12/2007	58	Guarantees	24.21	Medium Risk
31/12/2007	3	Operating expenses	23.47	Médium Risk
31/12/2007	7	Alternate Channels	22.24	Médium Risk
31/12/2007	8	Trustee	21.77	Médium Risk
31/12/2007	37	1st Floor and Emerging	20.64	Médium Risk
31/12/2007	17	M.D.C.	19.37	Médium Risk
31/12/2007	43	Money Market	18.21	Médium Risk
31/12/2007	60	Former Employees	18.2	Médium Risk
31/12/2007	65	2nd Floor IFNBs	17.63	Médium Risk
31/12/2007	20	Treasury	17.63	Médium Risk
31/12/2007	31	Financial A.	16.41	Médium Risk
31/12/2007	9	Treasury	15.7	Médium Risk
31/12/2007	1	Capitals	14.59	Médium Risk
31/12/2007	15	General Cash	14.12	Médium Risk
31/12/2007	26	Foreign exchange	13.86	Médium Risk
31/12/2007	59	1st Floor	12.27	Médium Risk
31/12/2007	54	IFBs	6.64	Médium Risk

Note .- The lower the score, the lower the operating risk.

**Quantitative Analysis**

During the fourth quarter of 2007, 48 loss events for an economic impact of \$3,404 have been recorded in the books.

Month	Currency	Frequency	Likely economic impact
31/12/2007	MXP	11	\$ 3,160
30/11/2007	MXP	23	169
31/10/2007	MXP	14	75
		48	\$ 3,404

These amounts complement the total of 2007, which would be shown as follows:

Year	Currency	Frequency	Likely economic impact
2007	MXP	112	\$ 10,273

**Technological Risk Management.-**

In order to conduct Technological Risk Management adequately, the Informatics Department carried out the following actions at this year-end.

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In order to evaluate the vulnerability of hardware, software, systems, security applications, and recovery of information and networks, the Institution has the following:

- By issuing monthly vulnerability reports that consist of analyzing the logbooks obtained from the perimetral security platform to evaluate the level of perimeter security level and take preventive measures.
- An Information Technology architecture was generated supported by the evaluation of weaknesses and improvements in availability aspects of services based on the hardware platform, software, applications supported in redundancy strategies, as well as maintain the backup platform and recover that allows for backing up the total central systems.
- Backup capacity in magnetic means was increased.
- Server capacity was evaluated periodically and it grew with respect to the PC, memory, disk, and backup capacity for customer oriented systems.
- With respect to networks, there is a total redundancy of connection services, local internet, and WAN. Internet capacity has increased 100% during this period.
- Perimetral security modules of the platform were updated.
- The backup and processes operation is maintained and a high percentage is carried out by automated systems, based on a software scheduler.

In connection with the implementation of internal controls, the following actions were carried out:

- Third party service levels are incorporated into NETWORK service contracts, service and security level policies, as well as the minimum encryption and VPN levels that take care of integrity.
- There are no contracts with third parties for processing.
- Availability management indicators are issued of equipment that support operations of systems that give service to the customer that allows for determining departures in availability due to failures.
- Logbook schemes have been implemented of operations with critical systems, and the project for the improvement and unification of records of operations has been started.
- The quality process that establishes an agreement and strives for compliance with negotiated business levels with the business areas was updated in customer related operations.

In order to maintain distribution channels for banking operations with customers carried out through Internet, automatic tellers, telephone banking, and branches oriented toward establishing measurements and controls that assure confidentiality in generation, storage, transmission, and receipt, the following actions were taken.

- A second authentication method has been implemented through TOKENS for the TRUSTEE and CUSTODY systems.
- An authentication system was consolidated with generation, confidentiality, and access code storage policies for the CHAIN, TRUSTEE, and CUSTODY systems, complemented by a delivery and controlled activation procedure.
- The security zone scheme was reinforced which now contemplates the separation of the production zone and development.
- The Institution has operating policies and procedures, and access to systems authorization, databases, and applications.
- Access control to systems schemes were implemented by authentication of users.

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- The capacity of backups was increased on a SAN platform which generates on-line backups. Units of tape were added to the Robots that allow for making backups on magnetic tapes. Those backups are kept in internal and external vaults that allow us to recover databases.
- A computer contingency center is maintained with the platform and critical systems operating and updated, which was tested technically and operatively this year and is kept in operation. Moreover, there is a recovery process and strategy.
- Security bulletins were sent to personnel in general.
- Logbook schemes were implemented of operations with critical systems, and the project for the improvement and unification of records has been started.
- The PKI (public keys) platform was updated to operate with new versions of software in customer PCs.
- Electronic signatures, screens, control questions and, if applicable, recording of calls are used in chain systems.

Effective April this year, the sample of informatics services to measure for the indicator “Availability level of non-critical services” was increased and is as follows:

NON-CRITICAL SERVICES	
FINANCIAL BROKER	
Financial Reporting System	
Control Desk	
System for safekeeping of securities	
Comprehensive Human Resources Management System	
• <i>Nafin Safekeeping System</i>	
• <i>Comprehensive Guarantee Management System</i>	

During the fourth quarter of 2007, monthly behavior of technological risk indicators was as follows:

Year-Month	Id R.T Indicator.	Description of R.T. Indicator	Unit of Measurement	Goal	Result of Goal
Dic/2007	1	Level of security of access to the Nafinsa network	No intrusions into critical mission equipment	100.00%	100.00%
Dic/2007	2	Detection and blocking of virus into Nafinsa network	No impacts on critical mission equipment	100.00%	100.00%
Dic/2007	3	Nevel of availability of critical services	Percentage of Availability	99.00%	100.00%
Dic/2007	5	Level of Availability of non-critical services	Percentage of Availability	97.00%	99.91%
Nov/2007	1	Level of security of access to the Nafinsa network	No intrusions into critical mission equipment	100.00%	100.00%
Nov/2007	2	Detection and blocking of virus into Nafinsa network	No impacts on critical mission equipment	100.00%	100.00%
Nov/2007	3	Nevel of availability of critical services	Percentage of Availability	99.00%	100.00%
Nov/2007	5	Level of Availability of non-critical services	Percentage of Availability	97.00%	100.00%
Oct/2007	1	Level of security of access to the Nafinsa network	No intrusions into critical mission equipment	100.00%	100.00%
Oct/2007	2	Detection and blocking of virus into Nafinsa network	No impacts on critical mission equipment	100.00%	100.00%
Oct/2007	3	Nevel of availability of critical services	Percentage of Availability	99.00%	99.00%
Oct/2007	4	Recovery of critical services under simulations of contingency disaster	Percentage	100.00%	100.00%
Oct/2007	5	Level of Availability of non-critical services	Percentage of Availability	97.00%	100.00%

Source : Informatic Quality Section

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It is observed that the indicator named “Availability level of non-critical services” was not 100% available in December. However, it was above its goal. The detailed behavior of the services sample that make up this indicator indicates to us that the service that did not reach 100% availability during the month was the “Credit Control Desk”. However, it was above its goal, as summarized below:

Year-Month	Id R.T Indicator.	Description of R.T. Indicator	Description of noncritical service	Goal	Result of Goal
Dic/2007	5	Level of availability of non critical services	Financial Broker Management System	97.00%	100.00%
Dic/2007	5	Level of availability of non critical services	Human Resources System	97.00%	100.00%
Dic/2007	5	Level of availability of non critical services	Financial – Accounting Reporting System	97.00%	100.00%
Dic/2007	5	Level of availability of non critical services	Credit Control Desk	97.00%	99.40%
Dic/2007	5	Level of availability of non critical services	Safeguarding of Securities	97.00%	100.00%
Dic/2007	5	Level of availability of non critical services	Nafin Safeguarding System	97.00%	100.00%
Dic/2007	5	Level of availability of non critical services	Comprehensive Guarantee Management System	97.00%	100.00%

Source of Information: Informatics Quality Section

The indicator named “Availability level of critical services” was not 100% available in October. However, it was above its goal. The detailed behavior of the services sample that make up this indicator indicates to us that the service that did not reach 100% availability during the month was the “N@fin Electrónico”. However, it was above its goal, as summarized below:

Year-Month	Id R.T Indicator.	Description of R.T. Indicator	Description of critical service	Goal	Result of Goal
Oct/2007	3	Level of availability of critical services	Money Market	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	Foreign Exchange Market	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	Capitals Market	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	Cash Flow System	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	Institutional System of Recovery and Management of	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	Trustee System	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	N@fin Electronico	99.20%	99.90%
Oct/2007	3	Level of availability of critical services	Derivatives System	99.00%	100.00%
Oct/2007	3	Level of availability of critical services	Nafin Portal	99.00%	100.00%

Source of Information: Informatics Quality Section

On October 26, critical services were recovered under a simulated disaster contingency in which the goal of 100% was reached, since all services programmed were recovered.

**Legal Risk.-**

This action is carried out through the Assistant Director’s General Offices of Juridical and Trustee Matters.

At fiscal 2007 year-end, the following actions were taken:

In connection with establishing policies and procedures:

- These policies and procedures are perfectly documented in the Operating Manual of Juridical Attention in Acquisitions, Juridical Attention in Governmental Administration and Regulations in the Operating Manual of Rendering Litigious and Bank Contract Services, and finally, in the Operating Manual of Juridical Attention to Financial Markets, Risk Capital, International Matters, and Consulting Matters in

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both general and private matters that, in turn, have inspection points throughout the process to assure full compliance with regulations in effect, both internal and external.

With respect to the estimate of potential losses derived from unfavorable juridical or administrative rulings handed down:

- This has been possible through the foregoing point, since it has established a procedure for recording potential losses in legal risk issues. Accordingly, this has guaranteed that such contingencies be recorded reliably at the proper time, based on the rating assigned to each one of the trials based on the experience and negotiations carried out by the different Juridical Departments. This way, a potential loss is estimated gradually and enables us to avoid impairing the institutional patrimony, due to transactions carried out that lead to the existence of different risks. That rating is carried out quarterly and results in the pertinent accounting application.

In connection with acts carried out by the Institution when governed by a juridical system other than the domestic system:

- It is set forth in the Operating Manual of Juridical Attention in Financial Markets, Risk Capital, International Matters, and Consulting Matters.
- It is worth noting that during this fiscal year, there were no litigations or proceedings in this matter.

In order to inform its directors and employees of the legal and administrative provisions applicable to operations:

- The processes referred to above are periodically carried out by the Operating Quality Committees whereby the members of the process are informed of various topics of interest related to the operations that they carry out.
- In addition, through the Operating Manual of Juridical Attention in Acquisitions, Juridical Attention in Governmental Administration and Regulations of the General Offices of Governmental Regulations, the dissemination of governmental regulations applicable to the Institution in its capacity as a domestic lending entity is contemplated as a government-controlled entity through one of its subprocesses. That dissemination is carried out through a daily review of the Official Daily Gazette and e-mailed to either the areas involved with its application or to all the Institution.
- In a manner similar to the foregoing point, in the Operating Manual of Juridical Attention in financial markets, risk capital, international matters, and consulting matters, dissemination through electronic means of circulars issued by the Central Bank of Mexico is foreseen as one of its subprocesses that are made known to the area through systems established by the Central Bank itself.

With respect to conducting internal legal audits:

- Those provisions are complied with every year, by performing both internal and external audits of all the Adjunct Juridical and Trustee General Officers, by selecting processes in the framework of the quality management system.
- The Internal Control Body is currently performing the pertinent audit of the processes selected.

Finally, in connection with maintaining a historical data base on judicial and administrative rulings handed down, their causes and costs:

- The Litigious and Credit Juridical General Offices have a historical and updated database that contains the main identification data of matters, their amounts, date and cause of termination, in addition to having developed the Litigious Portfolio Management System on a WEB (SIACCW) platform that keeps a record and control of the procedural progress of the matters turned over to the Litigious and

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Credit Juridical General Offices and the database that other juridical areas currently have access to as well, thereby becoming a comprehensive Management System of the Adjunct Juridical and Trustee General Officers.

- Moreover, the Governmental Regulatory General Offices are responsible for labor matters, therefore, payments and background of these litigations are contained in the system referred to as SIACCW.

Finally, with closing amounts applicable to the fourth quarter of 2007, contingencies have arisen in the amount of \$163.4 from September 2006 to date, which in turn have given rise to establish provisions amounting to \$37.8. The foregoing indicates that a provision of potential losses of 23.16% of the known contingencies has been registered and its effect in 2007 income has amounted to \$18.2.

**Amounts as of December 2007**

		Contingency	%	Provision	Income
Total (1+2+3+4)		163,499,175.69	23.16%	-37,869,164.32	18,259,027.06
1)	Labor nature	21,735,750.17	82.01%	-17,825,164.32	8,259,027.06
2)	Litigious portfolio	99,001,394.52	0.00%	0.00	0.00
3)	Trusts	42,762,031.00	46.87%	-20,044,000.00	10,000,000.00
4)	Treasury and Securities Trading	0.00	0.00%	0.00	0.00
5)	Restatement				440,663.00

\* Amounts in local currency, valued at an Exchange rate of 10.9157

Source of information: SIF-Data Warehouse

**Significant Notes**

1.- The main changes to provisions generated by the labor portfolio are derived from seventeen matters whose situation becomes further impaired with respect to the last quarter, which caused the change in its rating and its corresponding restatement. This also caused an additional provision in the amount of 3,074,801.68. The foregoing generates a net effect in income in the same amount at quarter-end.

2.- There are no major changes in the litigious portfolio in connection with the immediately foregoing quarter, except for two lawsuits whereby a ruling was handed down in favor of the Institution. However, it is worth noting that there is a contingency equivalent to 100% of six lawsuits filed against the Institution in the amount of **18,194,3435.88**, which were generated prior to the start-up of the process of recording potential Legal Risk losses.

3.- There are no major changes in trusts in connection with the immediately foregoing quarter. It is worth noting that there is a book entry in memorandum accounts in the amount of 22,718,031.00, derived from a “Mathematical Reserve” (Contingent Liability) created as per instructions from the CONDUSEF derived from a claim. Consequently, the above entry remains posted in memorandum accounts, without entering the dynamic of Legal Risk Ratings. The provision recorded involves two matters totally provided for (100%), since they were considered with a “low” expectation of obtaining a favorable outcome in terms of the methodology applied.

4.- Finally, there is a net effect in income in the amount of 18,259,027.06 so far this year.

**UNQUANTIFIABLE RISKS.**

Unquantifiable risks are derived from losses or unforeseen external events that can not be associated with a likelihood of occurrence and the economic losses caused can be transferred to external risk taking entities.

Type of risk	Definition	Example
Loss	Risk of loss due to catastrophic events of nature that can interrupt the operation or affect Institution’s net	Fire, earthquake, volcanic eruption,

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	worth.	hurricane, among others
External	Risk of loss caused by entities not related to the Institution.	Vandalism, demonstrations, etc.

This type of risks will be followed up on considering the following criteria:

Inventories	Control Measures	Economic Impacts
Net worth	Institutional Net Worth Insurance Program	<ul style="list-style-type: none"> <li>• Payment of premiums</li> <li>• Deductibles in the event of materialization</li> </ul>
Assets Acquired Through Judicial Proceedings		

At December 2007 year-end, eight losses have been presented in connection with the Institution’s net worth.

DATE	POLICY / LINE	DAMAGED ASSET	REASON FOR LOSS
19/01/2007	90900 35337 45146 925388	Computer equipment-Compaq Brand assembled model E500, serie: 1J18FTBZM03E, Inventory No.: 7829-	Material damages
19/01/2007	90900 35337 45146 925388	Computer equipment-Compaq Brand assembled model E500, Inventory No.: 7829-00310	Material damages
29/01/2007 and 31/01/2007	20401643 20493360	Chevy Monza 2003, plates VHS-3805	Material damages
25/07/2007	20401673 20492833	Chrysler Stratus 2001, plates 211-PZY	Material damages
30/07/2007	20401673 20492951	Chevrolet Suburban 2006, 791-TZM	Broken window
14/08/2007	90900 35337 45146	Sony Photographic Camera model DSL590, Series No.	Non-violent robbery
13/09/2007	25300 20401726 20401673 20492799	Renault Megane 2003, 204 SKV	Material Damages / Total loss
17/10/2007	90900 347440044537	LG Cellular Telephone Series 02113909387	Non-violent robbery

Source of Information: Tangible assets Division

**30 Prevention of money laundering and financing of terrorism:**

The 2007-2008 dissemination program was started in the last quarter of 2007. Toward that end, the Institution published the Resolution on the institutional intranet containing the general provisions set forth in Article 115 of the Lending Institutions Act, namely, the General Policies and Guidelines for the identification and knowledge of the customer and identification of users at Nacional Financiera, S.N.C., and the Identification and Knowledge of Customer and / or User form.

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The business areas which bring new clients into Nacional Financiera, were instructed to apply the general policies and guidelines for identification and knowledge of the client and user identification, as well as use the identification and knowledge of client forms as a tool to assure the accurate client information is included in the file prior to starting the business relationship.

To reinforce dissemination, a compact disk was delivered to each area Director of this Institution, containing the external and internal regulations for the prevention of money laundering and financing terrorism. An e-mail was sent to all personnel, informing them of the changes in regulations, and encouraged them to read its content. The "an institutional commitment" campaign was carried out and posters were posted in places where the flow of personnel converges.

**31 Changes in Financial Information Standards, effective January 1, 2008:**

At 2007 year-end, the CINIF issued the following Financial Reporting Standards (FRS), effective for fiscal years beginning after January 1, 2008. Following are the main changes:

**FRS B-10 – Impact of inflation.**

The most significant changes that this standard presents in connection with Bulletin B-10 (FRS B-10.- Recognition of the impact of inflation on the financial information) that will have an effect on the Institution's financial statements of 2008 are as follows:

Two economic settings are defined in which the entities can operate at a determined time:

- a) Inflationary when inflation is equal or exceeds 26% accumulated in the three prior fiscal years (annual 8% average); and
- b) Non-inflationary when inflation is immaterial and, above all, it is considered to be under control in the country, and it is lower than the accumulated 26%.

The impact of inflation on the financial information should be recognized in an inflationary environment, by applying the comprehensive method, and the impact of inflation of the period should not be recognized in a non-inflationary period.

Pursuant to the foregoing, it is estimated that effective 2008, NAFIN will not recognize the impact of inflation.

**FRS D-3 – Employee fringe benefits.**

The main changes in connection with the foregoing pronouncements that will have an effect on NAFIN's financial statements, effective January 1, 2008, are as follows:

- i) Shorter periods are established for the amortization of unamortized items, by even providing the option to be able to recognize actuarial gains or losses in income (formerly denominated as assumption changes and experience adjustments) as accrued.
- ii) This FRS eliminated the treatment relative to the recognition of an additional liability that gave rise to the recognition of an intangible asset and, if admissible, another comprehensive item as a separate element of stockholders' equity.
- iii) The future adoption of this FRS will not imply the recognition of an initial transition liability or asset, except in cases in which a newly defined benefit plan previously unconceived, which will be treated as amendments of plan.
- iv) Effective 2008, any unamortized item should be recognized directly in capital gains as another comprehensive item.

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v) Standards relative to benefits upon termination were changed to establish their treatment as a provision that should be recognized directly in income, unless any particular FRS permits that it be capitalized as an asset, that is, no deferred past service or actuarial gains or losses should be a factor in the foregoing.

vi) This FRS D-3 is incorporating Employee Profit Sharing as part of its regulations, even deferred Employee Profit Sharing. Reference is made in deferred employee profit sharing to the asset and liability method proposed by FRS D-4, *Tax on earnings*.

vii) The regulatory, explanatory paragraphs of Bulletin C-9, *Liabilities, provisions, contingent assets and liabilities, and commitments*, were considered in this FRS D-3, in connection with benefits upon termination due to restructuring, and they were supplemented by the regulatory paragraphs required for this type of obligations.

**Benefits upon termination-**

The unamortized balance of prior service of the transition asset and amendments of plan will be amortized on a straight-line basis over 5 years, since the average remaining labor life exceeds five years.

The amortization relative to fiscal 2008 will amount to \$1, and it will form part of the net cost of the period.

The actuarial loss carryforward amounts to \$2 as of January 1, 2008, and it will be recognized in income of 2008 by forming part of administrative and promotional expenses.

**Benefits upon retirement for seniority bonuses and pensions-**

The unamortized balance of prior service of the initial transition asset or liability will be amortized on a straight-line basis in the minimum between the expected labor life and 5 years.

The unamortized balance of prior service of the initial transition asset will be amortized on a straight-line basis over 5 years, since the average remaining labor life exceeds five years.

The actuarial gain carryforward that amounts to \$18 as of January 1, 2008, will be recognized in income of 2008 by forming part of administrative and promotional expenses.

**FRS D-4, Tax on earnings**

The most significant changes that this standard presents in connection with Bulletin B-4 that will have an effect on the Institution's financial statements of 2008 are as follows:

a) The foregoing requires that the balance of the accrued Income Tax effect be reclassified to retained earnings, unless it is identified with any of the *other comprehensive items* that have not yet been recycled to date.

b) Employee Profit Sharing, due and deferred, will be considered as an ordinary expense associated with employee fringe benefits, therefore, the relative accounting recognition standards are now set forth in FRS D-3, *Employee benefits*.

**FRS B-2 - Statement of cash flow.**

The effectiveness of this FRS generates an accounting change, whose effects should be recognized pursuant to the prospective application set forth in FRS B-1, *Accounting changes and error corrections*. The foregoing implies that in the financial statements of periods prior to 2008 that are presented comparatively with the financial statements of the current period, the entity should include the statement of changes in financial position.

The main changes shown in FRS B-2 in connection with Bulletin B-12 repealed are the following:

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The statements of cash flows will present cash receipts and cash disbursements that occurred in the Company during the period. The statement of changes in financial position only presents the changes in the financial structure of the entity, but not cash flows;

Even when in an inflationary environment, both the statement of changes in financial position and statement of cash flows would be presented in constant pesos. In the process of preparation of the statement of cash flows, the impact of inflation of the period should be eliminated first, and cash flows should be determined in constant pesos based thereon. The impact of inflation of the period is not eliminated in the determination of the statement of changes in financial position.

The statement of cash flows sets forth that cash flows of operating activities should be presented first, then followed by investing activities, and finally by financing activities. The statement of changes in financial position would require that operating activities be presented after financing activities, and finally investing activities.

The possibility is established to determine and present the statement of cash flows by applying either the direct or indirect method, as decided by the entity. The main categories of collections and payments will be presented separately in gross terms in the direct method. In the indirect method, the income or loss before taxes will be presented first, and changes in working capital will be presented, as well as investing activities and financing activities;

FRS B-2 requires that the line items of the main items of collections and payments be presented preferably in gross terms, and only in very specific cases are net changes permitted to be shown. Net changes were generally presented in the statement of changes in financial position.

FRS B-2, unlike Bulletin B-12, requires that confirmation of the cash balance be disclosed, as well as any other information considered pertinent.

**FRS B-15 – Foreign currency translation.**

The relevant changes presented in FRS B-15 in connection with the foregoing pronouncements are:

- a) The classifications of integrated foreign operation and foreign entity operation disappear since the items incorporated are accounting currency, functional currency, and reporting currency;
- b) The procedures are established for the translation of financial information of a foreign operation: i) from the accounting to the functional currency; and ii) from the functional to the reporting currency;
- c) Any Company is permitted to present its financial statements in a reporting currency other than its functional currency.

These notes are an integral part of the financial statements.

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C. P. Mario Laborín Gómez  
General Director

**Translation of financial statements originally issued in Spanish**  
**Nacional Financiera, S. N. C.**  
**Development Banking Institution and subsidiaries**

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Lic. Steven Saide Azar  
Deputy General Director of  
Administration

---

C. P. Mario Osorio Méndez  
Finance Director

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C.P. Sergio Miranda Flores  
Accounting and Tax Vice  
Director

---

C. P. Luís Ángel Vázquez  
Head of the Internal Audit Area

## Annex C

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### NACIONAL FINANCIERA ADVISORY COUNCIL MEMBERS (AS OF DECEMBER 31, 2007)

## Annex C

### NACIONAL FINANCIERA ADVISORY COUNCIL MEMBERS (AS OF DECEMBER 31, 2007)

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Northwest	Baja California	President	Mario	García	Franco
Northwest	Baja California	Vice-President	Gustavo	Camarena	Salinas
Northwest	Baja California	Council Member	José Gabriel	Posada	Gallego
Northwest	Baja California	Council Member	Carlos	Bustamante	Anchondo
Northwest	Baja California	Council Member	Enrique A.	Fajardo	O.
Northwest	Baja California	Council Member	José	Galicot	Behar
Northwest	Baja California	Council Member	Jorge Ignacio	Gallego	Salas
Northwest	Baja California	Council Member	Jorge	Kuri	Rojo
Northwest	Baja California	Council Member	Dennis	La Salle	Ainza
Northwest	Baja California	Council Member	Gastón	Luken	Garza
Northwest	Baja California	Council Member	Enrique	Mier y Terán	Suárez
Northwest	Baja California	Council Member	Antonio G.	Paz	Félix
Northwest	Baja California	Council Member	Cuauhtémoc	Pérez	Román
Northwest	Baja California	Council Member	Francisco	Rubio	Cárdenas
Northwest	Baja California	Council Member	Roberto	Rudametkin	Chapluk
Northwest	Baja California	Council Member	Sergio	Tagliapietra	Nassri
Northwest	Baja Calif. Sur	President	Ricardo N.	Pérez	Razura
Northwest	Baja Calif. Sur	Vice-President	Carlos	Estrada	Talamantes
Northwest	Baja Calif. Sur	Council Member	Jorge Alberto	Vale	Sánchez
Northwest	Baja Calif. Sur	Council Member	Sergio	Berzunza	Camejo
Northwest	Baja Calif. Sur	Council Member	Luis	Bulnes	Molleda
Northwest	Baja Calif. Sur	Council Member	Ricardo	Correa	Lombardía
Northwest	Baja Calif. Sur	Council Member	Juan	de la Peña	Salgado
Northwest	Baja Calif. Sur	Council Member	Margarita	Díaz	Jiménez
Northwest	Baja Calif. Sur	Council Member	Carlos Guillermo	Garzón	Rubio
Northwest	Baja Calif. Sur	Council Member	José Alonso	Germán	Castro
Northwest	Baja Calif. Sur	Council Member	Alfredo	González	Yah
Northwest	Baja Calif. Sur	Council Member	Mario	Hurtado	Mendoza
Northwest	Baja Calif. Sur	Council Member	Carlos Enrique	Lira	Padilla
Northwest	Baja Calif. Sur	Council Member	Humberto	Lozoya	Arriaga



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## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Northwest	Baja Calif. Sur	Council Member	Alejandro	Menchaca	Garza
Northwest	Baja Calif. Sur	Council Member	Alejandro	Moreno	Gallo
Northwest	Baja Calif. Sur	Council Member	Antonio Adolfo	Ruffo	Uribe
Northwest	Baja Calif. Sur	Council Member	Guillermo Alejandro	Ruffo	Uribe
Northwest	Baja Calif. Sur	Council Member	Armando	Sánchez	Porras
Northwest	Baja Calif. Sur	Council Member	Malcolm Neil	Shroyer	Schoen
Northwest	Baja Calif. Sur	Council Member	Homero	Davis	Castro
Northwest	Sinaloa	President	Rodolfo Gerardo	Madero	Rodríguez
Northwest	Sinaloa	Vice-President	José Lauro	Melendrez	Parra
Northwest	Sinaloa	Council Member	Jesús	Vizcarra	Calderón
Northwest	Sinaloa	Council Member	José Luis	Aispuro	Calderón
Northwest	Sinaloa	Council Member	Sebastián	Arana	Escobar
Northwest	Sinaloa	Council Member	Mario	Cadena	Payán
Northwest	Sinaloa	Council Member	Juan Pablo	Castañón	Castañón
Northwest	Sinaloa	Council Member	Eduardo	de la Vega	Canelos
Northwest	Sinaloa	Council Member	Eustaquio Tomás	de Nicolás	Gutiérrez
Northwest	Sinaloa	Council Member	José Ignacio	de Nicolás	Gutiérrez
Northwest	Sinaloa	Council Member	Rafael Ernesto	Domínguez	Kelly
Northwest	Sinaloa	Council Member	Guillermo	Elizondo	Collard
Northwest	Sinaloa	Council Member	Sergio	Esquer	Peiro
Northwest	Sinaloa	Council Member	Fernando	Inukai	Sashida
Northwest	Sinaloa	Council Member	Javier	Lizárraga	Mercado
Northwest	Sinaloa	Council Member	Javier Ernesto	Magaña	Lizárraga
Northwest	Sinaloa	Council Member	Fernando	Medrano	Freeman
Northwest	Sinaloa	Council Member	Jorge Arturo	Pérez	Gavilán
Northwest	Sinaloa	Council Member	Martha Cecilia	Robles	Montijo
Northwest	Sinaloa	Council Member	Luis Javier	Salido	Artola
Northwest	Sinaloa	Council Member	Óscar J.	Lara	Aréchiga
Northwest	Sonora	President	José	Coppel	Luken

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Northwest	Sonora	Vice-President	Germán Alberto	Tapia	Mexia
Northwest	Sonora	Council Member	Francisco	Díaz Brown	Olea
Northwest	Sonora	Council Member	Jorge	Cons	Figueroa
Northwest	Sonora	Council Member	Óscar	Cuéllar	Rosas
Northwest	Sonora	Council Member	Juan Antonio	de la Puente	Bay
Northwest	Sonora	Council Member	José Antonio	Díaz	Quintanar
Northwest	Sonora	Council Member	José Ramón	Fernández	Aguilar
Northwest	Sonora	Council Member	Roberto	García	Madero
Northwest	Sonora	Council Member	Raymundo	García de León	Peñuñuri
Northwest	Sonora	Council Member	Marcos Francisco	Gluyas	Solórzano
Northwest	Sonora	Council Member	Roberto	Gómez del Campo	Laborín
Northwest	Sonora	Council Member	Nikita Demetrio	Kiriakis	Geourgouses
Northwest	Sonora	Council Member	Jorge	Laborín	Gómez
Northwest	Sonora	Council Member	Julio	Luebbert	Duarte
Northwest	Sonora	Council Member	José Manuel	Macías	González
Northwest	Sonora	Council Member	Héctor Manuel	Monroy	Rivera
Northwest	Sonora	Council Member	Noé	Munguía	Gámez
Northwest	Sonora	Council Member	Francisco	Noriega	Astiazaran
Northwest	Sonora	Council Member	Ricardo	Platt	García
Northwest	Sonora	Council Member	Francisco Javier	Robinson Bours	Castelo
Northwest	Sonora	Council Member	Delfín	Ruibal	Corella
Northwest	Sonora	Council Member	Francisco Manuel	Sánchez	Leyva
Northwest	Sonora	Council Member	Octavio	Sánchez	Montaño
Northwest	Sonora	Council Member	Ernesto	Vargas	Gaytán
Northeast	Chihuahua	President	Eugenio	Baeza	Fares
Northeast	Chihuahua	Vice-President	Rómulo	Escobar	Valdez
Northeast	Chihuahua	Council Member	Alejandro	Cano	Ricaud
Northeast	Chihuahua	Council Member	Alberto	Armendáriz	Chaparro
Northeast	Chihuahua	Council Member	Gabriel	Aude	Venzor

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Northeast	Chihuahua	Council Member	Carlos	Carbajal	Lechuga
Northeast	Chihuahua	Council Member	Ricardo	Creel	Ryan
Northeast	Chihuahua	Council Member	Magaly	Fuentes	Yanar
Northeast	Chihuahua	Council Member	Mario Alberto	González	Espinosa
Northeast	Chihuahua	Council Member	Federico	Mares	Delgado
Northeast	Chihuahua	Council Member	Jesús	Mesta	Delgado
Northeast	Chihuahua	Council Member	Carlos	Murguía	Chávez
Northeast	Chihuahua	Council Member	Julio	Ornelas	Gil
Northeast	Chihuahua	Council Member	Alonso	Ramos	Vaca
Northeast	Chihuahua	Council Member	Luis Enrique	Terrazas	Seyffert
Northeast	Chihuahua	Council Member	Luis	Terrazas	Valles
Northeast	Chihuahua	Council Member	Héctor	Valles	Alveláis
Northeast	Coahuila	President	Virgilio	Verduzco	Rosan
Northeast	Coahuila	Vice-President	Ricardo	Santibáñez	Cepeda
Northeast	Coahuila	Council Member	Jorge	Alanis	Canales
Northeast	Coahuila	Council Member	Fernando Javier	Amarante	Zertuche
Northeast	Coahuila	Council Member	César	Cantú	Benavides
Northeast	Coahuila	Council Member	Fernando	Cárdenas	Dávila
Northeast	Coahuila	Council Member	José Ángel	Garza	Blanc
Northeast	Coahuila	Council Member	Rodolfo	Garza	Cavazos
Northeast	Coahuila	Council Member	Ramón	Iriarte	Maisterrena
Northeast	Coahuila	Council Member	Isidro	López	Villareal
Northeast	Coahuila	Council Member	Víctor	Mohamar	Abugaber
Northeast	Coahuila	Council Member	Eduardo	Murra	Marcos
Northeast	Coahuila	Council Member	Jorge Eduardo	Verástegui	Saucedo
Northeast	Coahuila	Council Member	Jesús Raúl	Villarreal	González
Northeast	Coahuila	Council Member	Roberto	Villarreal	Maíz
Northeast	Coahuila	Council Member	Alfonso	Zabaleta	Margáin
Northeast	Coahuila	Council Member	Jorge	Torres	López

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Northeast	Durango	President	Alfonso	Fernández de Castro	Casas
Northeast	Durango	Vice-President	Juan	Leautaud	Rivera
Northeast	Durango	Council Member	Jorge Ángel	Reynoso	Martínez
Northeast	Durango	Council Member	Rubén	Calderón	Luján
Northeast	Durango	Council Member	Guillermo Jaime	Falomir	Russek
Northeast	Durango	Council Member	José Guadalupe	Gamboa	Silva
Northeast	Durango	Council Member	Arturo	Gilio	Hamdan
Northeast	Durango	Council Member	Alfonso	Gorjón	Fernández
Northeast	Durango	Council Member	Carlos	Gutiérrez	Martínez
Northeast	Durango	Council Member	Jaime	Gutiérrez	Núñez
Northeast	Durango	Council Member	Sergio Alfonso	Necochea	Gámez
Northeast	Durango	Council Member	Francisco	Quiñones	Gallegos
Northeast	Durango	Council Member	Jorge	Saravia	Castillón
Northeast	Nuevo León	President	Francisco	Garza	Zambrano
Northeast	Nuevo León	Vice-President	David Noel	Ramírez	Padilla
Northeast	Nuevo León	Council Member	Alejandro Alberto Carlos	Páez	Aragón
Northeast	Nuevo León	Council Member	Francisco Javier	Azcúnaga	Guerra
Northeast	Nuevo León	Council Member	Jesús Eduardo	Dillon	Montaña
Northeast	Nuevo León	Council Member	Luis Guillermo	Dillon	Montaña
Northeast	Nuevo León	Council Member	Juan Ignacio	Garza	Herrera
Northeast	Nuevo León	Council Member	José María	Garza	Treviño
Northeast	Nuevo León	Council Member	Ramiro	Guzmán	Barbosa
Northeast	Nuevo León	Council Member	Horacio Felipe	Lozano	Tijerina
Northeast	Nuevo León	Council Member	Hugo	Martínez	Fernández
Northeast	Nuevo León	Council Member	Abelardo	Morales	Purón
Northeast	Nuevo León	Council Member	Alejandro	Palacios	Ochoa
Northeast	Nuevo León	Council Member	Hernán	Saldívar	Maldonado
Northeast	Nuevo León	Council Member	Alfonso	Serna	Villarreal
Northeast	Nuevo León	Council Member	Xavier	Toussaint	Elosúa

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Northeast	Nuevo León	Council Member	Raúl	Treviño	Pezino
Northeast	Nuevo León	Council Member	Alfonso	Vera	Cantisani
Northeast	Nuevo León	Council Member	Marcelo	Zambrano	Lozano
Northeast	Nuevo León	Council Member	Guillermo Manuel	Zambrano	Villarreal
Northeast	Tamaulipas	President	César	Treviño	Sáenz
Northeast	Tamaulipas	Vice-President	Jorge Eduardo	Rivera	Magallón
Northeast	Tamaulipas	Council Member	Alfredo	González	Fernández
Northeast	Tamaulipas	Council Member	Javier Eduardo	Cervera	Herrera
Northeast	Tamaulipas	Council Member	Jorge Arturo	Elizondo	Naranjo
Northeast	Tamaulipas	Council Member	Herman Henry	Fleishman	Cahn
Northeast	Tamaulipas	Council Member	Fernando	Galván	Caballero
Northeast	Tamaulipas	Council Member	Eduardo	García	Heredia
Northeast	Tamaulipas	Council Member	Gregorio	Garza	Uribe
Northeast	Tamaulipas	Council Member	Rolando	González	Cruz
Northeast	Tamaulipas	Council Member	René	González	Rascón
Northeast	Tamaulipas	Council Member	Shelby Luis	Longoria	Kowalski
Northeast	Tamaulipas	Council Member	Raúl	López	López
Northeast	Tamaulipas	Council Member	Felipe	Pearl	Zorrilla
Northeast	Tamaulipas	Council Member	Eduardo	Prieto	Sánchez Mejorada
Northeast	Tamaulipas	Council Member	Juan Miguel	Rubio	Elosúa
Northeast	Tamaulipas	Council Member	Juan Carlos	Sánchez	Garza
West	Aguascalientes	President	José Manuel	Gómez	Marmolejo
West	Aguascalientes	Vice-President	José M.	Barba	González
West	Aguascalientes	Council Member	Armando	Jiménez	San Vicente
West	Aguascalientes	Council Member	Salvador	Alcalá	Jiménez
West	Aguascalientes	Council Member	Francisco Javier	Buenrostro	Gándara
West	Aguascalientes	Council Member	Óscar	Carrillo	Muñoz
West	Aguascalientes	Council Member	César	González	González
West	Aguascalientes	Council Member	Felipe de Jesús	González	Ramírez

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
West	Aguascalientes	Council Member	Salomón	Gutiérrez	Mayorga
West	Aguascalientes	Council Member	Emilio	Hernández	Guzmán
West	Aguascalientes	Council Member	Óscar Humberto	Lomelín	Ibarra
West	Aguascalientes	Council Member	Rogelio	López	López
West	Aguascalientes	Council Member	Enrique	Mancilla	Leal
West	Aguascalientes	Council Member	Juan Bernardo	Manríquez	Paniagua
West	Aguascalientes	Council Member	Irma Patricia	Muñoz	de León
West	Aguascalientes	Council Member	Luis Miguel	Rentería	Arias
West	Aguascalientes	Council Member	Óscar Jaime	Reynoso	Femat
West	Aguascalientes	Council Member	Juan Carlos	Rodríguez	García
West	Aguascalientes	Council Member	Antonio	Romo	Femat
West	Colima	President	Juan Pablo	Balleza	Patiño
West	Colima	Vice-President	Alberto Salvador	Barreda	Córdova
West	Colima	Council Member	José Ignacio	Peralta	Sánchez
West	Colima	Council Member	Francisco	Arizti	Galnares
West	Colima	Council Member	Eduardo Antonio	Brun	Solórzano
West	Colima	Council Member	José Manuel	Costa	Lavín
West	Colima	Council Member	Guillermo	Gómez	Espinoza
West	Colima	Council Member	Jesús Alberto	Lara	Arechavala
West	Colima	Council Member	Rafael	Martínez	Brun
West	Colima	Council Member	Juan Ignacio	Mendoza	Ahumada
West	Colima	Council Member	Mario Carlos	Moncada	Cantú
West	Colima	Council Member	José de Jesús	Moreno	Díaz
West	Colima	Council Member	Javier	Oldenbourg	Ceballos
West	Guanajuato	President	Carlos Ramón	Romo	Ramsden
West	Guanajuato	Vice-President	José	Martínez	González
West	Guanajuato	Council Member	Héctor Germán René	López	Santillana
West	Guanajuato	Council Member	José	Acevedo	Arjona
West	Guanajuato	Council Member	Alejandro	Arena	Torres Landa



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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
West	Guanajuato	Council Member	Enrique	Castro	Villalobos
West	Guanajuato	Council Member	Mateo	D'amico	Martínez
West	Guanajuato	Council Member	Adolfo	Garza	López
West	Guanajuato	Council Member	Aurelio	Martínez	Velázquez
West	Guanajuato	Council Member	Víctor Guillermo	Medina	Gama
West	Guanajuato	Council Member	Adrián	Peña	Miranda
West	Guanajuato	Council Member	Alejandro	Sierra	Villafaña
West	Guanajuato	Council Member	Gerardo	Stoever	Von Schmeling
West	Guanajuato	Council Member	Gerardo	Zavala	Vergil
West	Jalisco	President	Ernesto	Gómez	Ibarra
West	Jalisco	Vice-President	Javier	Arroyo	Chávez
West	Jalisco	Council Member	Guillermo	Martínez	Mora
West	Jalisco	Council Member	José María	Andrés	Villalobos
West	Jalisco	Council Member	Susumu	Azano	Moritani
West	Jalisco	Council Member	Héctor Manuel	Castellanos	Frank
West	Jalisco	Council Member	Bernardo	Cueva	Jasso
West	Jalisco	Council Member	Raúl	Cuevas	López
West	Jalisco	Council Member	Leopoldo	Espinosa	Abdalá
West	Jalisco	Council Member	Miguel	Flores	Ibarra
West	Jalisco	Council Member	Julio	García	Briseño
West	Jalisco	Council Member	Óscar	Garciarce	Muñiz
West	Jalisco	Council Member	Valentín	González	Cosío
West	Jalisco	Council Member	Héctor Heladio	Hermosillo	Allende
West	Jalisco	Council Member	Miguel Ángel	Lares	Rojas
West	Jalisco	Council Member	Tomás	López	Miranda
West	Jalisco	Council Member	José Alberto	Martínez	Barone
West	Jalisco	Council Member	Guillermo	Martínez	Conte
West	Jalisco	Council Member	Eduardo	Orendain	Giovannini
West	Jalisco	Council Member	Manuel	Romo	Muñoz

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
West	Jalisco	Council Member	Francisco Javier	Sánchez	Gil
West	Jalisco	Council Member	Federico	Torres	López
West	Michoacán	President	Germán	Oteiza	Figaredo
West	Michoacán	Vice-President	Sergio	Sistos	Rangel
West	Michoacán	Council Member	Jesús	Melgoza	Velázquez
West	Michoacán	Council Member	José Luis	Dueñas	González
West	Michoacán	Council Member	Jorge	García	Santos
West	Michoacán	Council Member	José Luis	Gil	Arroyo
West	Michoacán	Council Member	Alonso	Gómez	Sánz
West	Michoacán	Council Member	Carlos G.	Martínez	García
West	Michoacán	Council Member	Tranquilino	Nájera	Ávila
West	Michoacán	Council Member	Enrique	Ramírez	Magaña
West	Michoacán	Council Member	Ricardo	Rubí	Bustamante
West	Michoacán	Council Member	Francisco	Sánchez	Ruiz
West	Nayarit	President	Manuel	Menchaca	Díaz del Guante
West	Nayarit	Council Member	Alonso	Villaseñor	Anguiano
West	Nayarit	Council Member	David	Castro	Monroy
West	Nayarit	Council Member	Mario	Chaurand	Sandoval
West	Nayarit	Council Member	Florencio	Gutiérrez	López
West	Nayarit	Council Member	José Luis	Jiménez	Guerrero
West	Nayarit	Council Member	José Octavio	Menchaca	Díaz del Guante
West	Nayarit	Council Member	Alfonso	Rizzuto	Salvo
West	Nayarit	Council Member	Raúl	Rodríguez	Abud
West	Nayarit	Council Member	Héctor	Romero	González
West	Nayarit	Council Member	Eduardo	Ruelas	Gutiérrez
West	Nayarit	Council Member	Guillermo	Valdés	Menchaca
West	Querétaro	President	Francisco	Núñez	Elías
West	Querétaro	Vice-President	Carlos	Garza	Adame
West	Querétaro	Council Member	Renato	López	Otamendi

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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
West	Querétaro	Council Member	José	de la Garza	Pedraza
West	Querétaro	Council Member	Alejandro	Espinosa	Medina
West	Querétaro	Council Member	Luis Alfonso	García	Alcocer
West	Querétaro	Council Member	Sénen	Gómez	Alcocer
West	Querétaro	Council Member	Edmundo Salvador	Jiménez	Suso
West	Querétaro	Council Member	Mauricio	Kuri	González
West	Querétaro	Council Member	Eduardo	López	Otamendi
West	Querétaro	Council Member	Rafael	Morelos-Zaragoza	Valle
West	Querétaro	Council Member	Óscar Eduardo	Peralta	Cásares
West	Querétaro	Council Member	Rafael	Roiz	González
West	Querétaro	Council Member	Pedro Alfredo	Ruiz Velazco	Márquez
West	Querétaro	Council Member	Alejandro	Sáinz	Gallo
West	Querétaro	Council Member	Sergio Esteban	Villaseñor	Pelayo
West	San Luis Potosí	President	Alejandro	Hernández	de la Rosa
West	San Luis Potosí	Vice-President	Alejandro	Mancilla	Villarreal
West	San Luis Potosí	Council Member	Carlos F.	Bárcena	Pous
West	San Luis Potosí	Council Member	José Martín	Alba	Herrán
West	San Luis Potosí	Council Member	Alessandro	Alessi	Berardi
West	San Luis Potosí	Council Member	Juan Alberto	Autrique	Ruiz
West	San Luis Potosí	Council Member	Ángel Eduardo	de Luna	de la Vega
West	San Luis Potosí	Council Member	Javier	García	Navarro
West	San Luis Potosí	Council Member	Luis Antonio	Mahbub	Sarquis
West	San Luis Potosí	Council Member	Julio	Nemer	Quiroz
West	San Luis Potosí	Council Member	Luis Gerardo	Ortuño	Díaz Infante
West	San Luis Potosí	Council Member	Jorge Enrique	Quintero	Higuera
West	San Luis Potosí	Council Member	Eduardo	Rueda	Moreno
West	San Luis Potosí	Council Member	Carlos	Torres	Corzo
West	Zacatecas	President	Pablo	Reimers	Morales
West	Zacatecas	Council Member	Nicolás	Castañeda	Tejeda

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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
West	Zacatecas	Council Member	Jesús	Acevedo	Robles
West	Zacatecas	Council Member	José de Jesús	Aguirre	Campos
West	Zacatecas	Council Member	Galo	Borrego	Iturbe
West	Zacatecas	Council Member	Ismael	Gutiérrez	Hermosillo
West	Zacatecas	Council Member	Pedro	Lara	Rojas
West	Zacatecas	Council Member	Eduardo	López	Muñoz
West	Zacatecas	Council Member	Guillermo	Muñoz	Popoca
West	Zacatecas	Council Member	Jorge	Rabling	Reyes
West	Zacatecas	Council Member	María Dolores	Serna	Ibarra
West	Zacatecas	Council Member	Rafael	Sescosse	Soto
Center	Mexico City	President	Luis Alfonso	Villaseñor	Zepeda
Center	Mexico City	Council Member	Laura	Velázquez	Alzúa
Center	Mexico City	Council Member	José	Akle	Fierro
Center	Mexico City	Council Member	Bernardo	Ardavín	Migoni
Center	Mexico City	Council Member	Juan Manuel	Arriaga	Albarrán
Center	Mexico City	Council Member	Luis Eduardo	Barrios	Sánchez
Center	Mexico City	Council Member	José Alfredo	Chacón	Pérez
Center	Mexico City	Council Member	Jorge	Familiar	Haro
Center	Mexico City	Council Member	Horacio	Fernández	Terviño
Center	Mexico City	Council Member	Héctor	Hernández Pons	Torres
Center	Mexico City	Council Member	Héctor	Larios	Santillán
Center	Mexico City	Council Member	Arseny	Lepiavka	Ruiz
Center	Mexico City	Council Member	Carlos	Ludlow	Saldívar
Center	Mexico City	Council Member	Valentín	Martínez	Gama
Center	Mexico City	Council Member	Víctor	Milke	Aüais
Center	Mexico City	Council Member	Juan	Murguía	Pozzi
Center	Mexico City	Council Member	Carlos	Noriega	Arias
Center	Mexico City	Council Member	José	Ortega	Martínez
Center	Mexico City	Council Member	Miguel	Ramírez	Barber



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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Center	Mexico City	Council Member	Francisco	Santoyo	Vargas
Center	Mexico City	Council Member	Gerardo	Trejo	Veitia
Center	Mexico City	Council Member	Alejandro	Von Mohr	del Conde
Center	Mexico City	Council Member	Lorenzo	Ysasi	Martínez
Center	State of Mexico	President	Mario	Abedrop	Almada
Center	State of Mexico	Vice-President	Rubén Gonzalo	Martínez	Cárdenas
Center	State of Mexico	Council Member	Enrique	Jacob	Rocha
Center	State of Mexico	Council Member	José Salvador	Aburto	González
Center	State of Mexico	Council Member	Víctor	Álvarez	Herrera
Center	State of Mexico	Council Member	Roberto	Arandía	Gutiérrez
Center	State of Mexico	Council Member	Santiago	Barcón	Palomar
Center	State of Mexico	Council Member	Guillermo	Barnetche	Davison
Center	State of Mexico	Council Member	Arturo	Beteta	de la Garza
Center	State of Mexico	Council Member	Álvaro Antonio	Cárdenas	Navarro
Center	State of Mexico	Council Member	Simón	Cohen	Hamui
Center	State of Mexico	Council Member	Francisco José	Cuevas	Dobarganes
Center	State of Mexico	Council Member	Jorge	Dosal	Estrada
Center	State of Mexico	Council Member	Alberto	García	Hurtado
Center	State of Mexico	Council Member	Faustina	García	Reyes
Center	State of Mexico	Council Member	Peter	Homberg	Lehmann
Center	State of Mexico	Council Member	Isidro	López	Ancona
Center	State of Mexico	Council Member	Luciano	Martínez	García
Center	State of Mexico	Council Member	Luis Miguel	Monroy	Carrillo
Center	State of Mexico	Council Member	Sergio A.	Ramírez	Moreno
Center	State of Mexico	Council Member	Enrique	Ugarte	Dornbierer
Center	State of Mexico	Council Member	Gabriel	Villaseñor	Ruiz
Center	Guerrero	President	Miguel Ángel	Cabello	González
Center	Guerrero	Council Member	Jorge Alfonso	Peña	Soberanis
Center	Guerrero	Council Member	Jesús	Avellaneda	Chávez

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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Center	Guerrero	Council Member	Miguel Ángel Adolfo	Chávez	Romero
Center	Guerrero	Council Member	María de los Ángeles	González	Astorga
Center	Guerrero	Council Member	Mariano	Gutiérrez	Otero
Center	Guerrero	Council Member	Víctor Ernesto	Hernández	Alcaráz
Center	Guerrero	Council Member	Alfonso	Hernández	Reyes
Center	Guerrero	Council Member	Feliciano Fernando	Meraza	Catalán
Center	Guerrero	Council Member	J. David	Peña	Soberanis
Center	Guerrero	Council Member	Mauricio	Rivera	Garza
Center	Guerrero	Council Member	Zacañas	Rodríguez	Cabrera
Center	Guerrero	Council Member	Roberto	Sampedro	Rosas
Center	Guerrero	Council Member	Celso	Sánchez	Castillo
Center	Guerrero	Council Member	Fernando	Tenopala	Zalce
Center	Guerrero	Council Member	Guillermo	Zang	Sarawanitzer
Center	Hidalgo	President	José David	Maauad	Abud
Center	Hidalgo	Vice-President	Jorge	Rosas	Ruiz
Center	Hidalgo	Council Member	Gerardo Alejandro	González	Espínola
Center	Hidalgo	Council Member	Vito Alessio	Aguirre	Chávez
Center	Hidalgo	Council Member	Gabriel	Aguirre	Posada
Center	Hidalgo	Council Member	Elías	Bitar	Macedo
Center	Hidalgo	Council Member	Isabel	Conde	Gutiérrez
Center	Hidalgo	Council Member	Javier	Conde	Rivemar
Center	Hidalgo	Council Member	Susana	Enríquez	Roselló
Center	Hidalgo	Council Member	Rafael	Fraire	Dueñez
Center	Hidalgo	Council Member	David	García	Cosío
Center	Hidalgo	Council Member	Raymundo	Lazcano	Mejía
Center	Hidalgo	Council Member	Ricardo	Ludlow	Reverter
Center	Hidalgo	Council Member	Cristino	Morales	Resendiz
Center	Hidalgo	Council Member	Carlos	Sepúlveda	Ibarra
Center	Hidalgo	Council Member	Romualdo	Tellería	Beltrán

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Center	Hidalgo	Council Member	Cuahtémoc	Ochoa	Fernández
Center	Morelos	President	Guillermo	León	Flores
Center	Morelos	Vice-President	Roberto	Rivera	Aranda
Center	Morelos	Council Member	Rafael	Tamayo	Flores
Center	Morelos	Council Member	Fernando	Ahumada	Ayala
Center	Morelos	Council Member	Humberto	Arriaga	Cardoza
Center	Morelos	Council Member	Salvador	Castañeda	Brillanti
Center	Morelos	Council Member	Ricardo	de Vecchi	Armella
Center	Morelos	Council Member	Justo	Ezquer	García
Center	Morelos	Council Member	John	Nielsen	León
Center	Morelos	Council Member	Paulino	Rivera Torres	Mansi
Center	Morelos	Council Member	Manuel Juan de Jesús	Rodríguez	Lomelí
Center	Morelos	Council Member	Alfredo	Rodríguez	Quevedo
Center	Morelos	Council Member	Martín	Sánchez	Alarcón
Center	Morelos	Council Member	Javier	Terroba	Garza
Center	Morelos	Council Member	Carlos	Trueba	Castañeda
Center	Morelos	Council Member	Marcos Manuel	Suárez	Gerard
Southeast	Campeche	President	Rafael	Ruiz	Ortiz
Southeast	Campeche	Vice-President	Víctor	Abraham	Elías
Southeast	Campeche	Vice-President	José Antonio	Richaud	Pinto
Southeast	Campeche	Council Member	Alejandro	Azar	Pérez
Southeast	Campeche	Council Member	Eduardo Arturo	Contreras	González
Southeast	Campeche	Council Member	Ramón	Espinola	Toraya
Southeast	Campeche	Council Member	Santiago	Espósito	Semerena
Southeast	Campeche	Council Member	Augusto Melitón	Gordillo	Días
Southeast	Campeche	Council Member	Eduardo Enrique	Guerrero	Ramos
Southeast	Campeche	Council Member	Carlos	Lavalle	Azar
Southeast	Campeche	Council Member	Jaime Ermilo	Olivera	Valladares
Southeast	Campeche	Council Member	Carlos	Ramírez	González



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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Southeast	Campeche	Council Member	Ignacio	Sánchez	Núñez
Southeast	Campeche	Council Member	Carlos Manuel	Sánchez	Palma
Southeast	Chiapas	President	Adrián	Marengo	Olavarrieta
Southeast	Chiapas	Vice-President	Juan Manuel	Zardaín	Borbolla
Southeast	Chiapas	Council Member	Roberto Armando	Albores	Gleason
Southeast	Chiapas	Council Member	David	Coutiño	Abud
Southeast	Chiapas	Council Member	Alberto Edison	Coutiño	Pastrana
Southeast	Chiapas	Council Member	Carlos Martín	Coutiño	Rodríguez
Southeast	Chiapas	Council Member	Antonio	D'amiano	Gregonis
Southeast	Chiapas	Council Member	Luis Manuel	Díaz de León	Tena
Southeast	Chiapas	Council Member	Felipe	Granda	Pastrana
Southeast	Chiapas	Council Member	Carlos	Gutiérrez	Liévano
Southeast	Chiapas	Council Member	José del Carmen	Guzmán	Bermúdez
Southeast	Chiapas	Council Member	José Luis	Mandiola	Toticagüena
Southeast	Chiapas	Council Member	Octavio	Marín	de la Torre
Southeast	Chiapas	Council Member	Constancio Antonio	Narváez	Rincón
Southeast	Chiapas	Council Member	Miguel Ángel	Pérez	Reyes
Southeast	Chiapas	Council Member	Eduardo	Ruiz	Peralta
Southeast	Chiapas	Council Member	Martha Noemi	Zapata	Pérez
Southeast	Oaxaca	President	Felipe	Martínez	Vasconcelos
Southeast	Oaxaca	Vice-President	Eugenio	Díaz	Fernández
Southeast	Oaxaca	Council Member	Enrique	Sada	Fernández
Southeast	Oaxaca	Council Member	Juan Rodolfo	Albisúa	Rosas
Southeast	Oaxaca	Council Member	Freddy	Alcántara	Carrillo
Southeast	Oaxaca	Council Member	Rafael	Gómez	Ruiz
Southeast	Oaxaca	Council Member	Gerardo	Gutiérrez	Candiani
Southeast	Oaxaca	Council Member	Raúl	López	Pérez
Southeast	Oaxaca	Council Member	Joaquín Javier	Morales	Noyola
Southeast	Oaxaca	Council Member	Alberto Enrique	Rojas	Calvo

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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Southeast	Oaxaca	Council Member	María del Carmen	Zardaín	Borbolla
Southeast	Oaxaca	Council Member	José	Zorrilla de San Martín	Diego
Southeast	Puebla	President	Ángel	Fernández	Carbajal
Southeast	Puebla	Vice-President	José	González-Cobián	Rodríguez
Southeast	Puebla	Council Member	Gerardo	Fernández	Sánchez
Southeast	Puebla	Council Member	Tomás Armando	Adame	Sosa
Southeast	Puebla	Council Member	José Luis	Balderrama	Ransenberg
Southeast	Puebla	Council Member	Alejandro	Couttolenc	Villar
Southeast	Puebla	Council Member	Jorge	de Velazco	Rivero
Southeast	Puebla	Council Member	Luis	Escudero	Montoto
Southeast	Puebla	Council Member	Jorge	Fernández	Sánchez
Southeast	Puebla	Council Member	José Antonio	González	Quijano
Southeast	Puebla	Council Member	José Luis	Hachity	Rodríguez
Southeast	Puebla	Council Member	Luis Gerardo	Inman	Peraldi
Southeast	Puebla	Council Member	José Alberto	Kuri	Chedraui
Southeast	Puebla	Council Member	Sergio	Martínez	Encinas
Southeast	Puebla	Council Member	Charles E.	Mtanous	Abboud
Southeast	Puebla	Council Member	Yraclis	Psihas	Valdés
Southeast	Puebla	Council Member	Juan José	Rodríguez	Posadas
Southeast	Puebla	Council Member	Rogelio	Sierra	Michelena
Southeast	Puebla	Council Member	Carlos	Solana	Pumarino
Southeast	Quintana Roo	President	Mario	Rendón	Monforte
Southeast	Quintana Roo	Vice-President	Javier Carlos	Olvera	Silveira
Southeast	Quintana Roo	Council Member	Víctor	Alcerreca	Sánchez
Southeast	Quintana Roo	Council Member	Orlando	Arroyo	Marroquín
Southeast	Quintana Roo	Council Member	Óscar	Camino	Decores
Southeast	Quintana Roo	Council Member	Jaime	Carrillo	Santibáñez
Southeast	Quintana Roo	Council Member	José Antonio	Chapur	Zahoul
Southeast	Quintana Roo	Council Member	Carlos	Constandse	Madrazo



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REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Southeast	Quintana Roo	Council Member	Francisco	Córdova	Lira
Southeast	Quintana Roo	Council Member	Diego	de la Peña	García
Southeast	Quintana Roo	Council Member	Isaac	Hamui	Abadi
Southeast	Quintana Roo	Council Member	Roberto	Olán	Carrera
Southeast	Quintana Roo	Council Member	Javier	Olvera	Iglesias
Southeast	Quintana Roo	Council Member	Elías	Reyes	Castellanos
Southeast	Quintana Roo	Council Member	Gerardo	Treviño	Villarreal
Southeast	Quintana Roo	Council Member	Abelardo	Vara	Rivera
Southeast	Tabasco	President	José Luis	Gordillo	Domínguez
Southeast	Tabasco	Vice-President	Cristóbal	Broca	Hernández
Southeast	Tabasco	Council Member	Mario	de la Cruz	Sarabia
Southeast	Tabasco	Council Member	Gustavo	Carrera	Falcón
Southeast	Tabasco	Council Member	Jorge Roberto	Carrión	Arrazate
Southeast	Tabasco	Council Member	Alfredo	Dagdug	Castellanos
Southeast	Tabasco	Council Member	Jaime Alfonso	Domínguez	Cupido
Southeast	Tabasco	Council Member	Andrés	Escudero	Aguilar
Southeast	Tabasco	Council Member	Efraín	García	Mora
Southeast	Tabasco	Council Member	Vicente	Gutiérrez	Cacep
Southeast	Tabasco	Council Member	David Gustavo	Gutiérrez	Ruiz
Southeast	Tabasco	Council Member	Alejandro	Manzur	Castellanos
Southeast	Tabasco	Council Member	José	Narciso	Rovirosa Gular
Southeast	Tabasco	Council Member	Jaime	Priego	Fernández
Southeast	Tabasco	Council Member	Gonzalo Gaspar	Quintana	Giordano
Southeast	Tabasco	Council Member	Miguel Alberto	Rivera	Piza
Southeast	Tabasco	Council Member	Carlos Arturo	Rosario	Pérez
Southeast	Tabasco	Council Member	José Manuel	Sáiz	Pineda
Southeast	Tlaxcala	President	Enrique	Morodo	Santisteban
Southeast	Tlaxcala	Vice-President	Tomás	Reigadas	Huergo
Southeast	Tlaxcala	Council Member	Humberto	Alba	Lagunas

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Southeast	Tlaxcala	Council Member	Alfredo	Arenas	Guerra
Southeast	Tlaxcala	Council Member	Adolfo	Carrasco	Matamoros
Southeast	Tlaxcala	Council Member	Miguel Ángel	Corichi	Barceinas
Southeast	Tlaxcala	Council Member	Marcos	del Rosario	Haget
Southeast	Tlaxcala	Council Member	José Manuel	García	Rozada
Southeast	Tlaxcala	Council Member	Fransue	Molina	García
Southeast	Tlaxcala	Council Member	Arsenio	Muñoz	Cervantes
Southeast	Tlaxcala	Council Member	Marco Alfonso	Santacruz	Moctezuma
Southeast	Tlaxcala	Council Member	Herberto	Villegas	Simó
Southeast	Tlaxcala	Council Member	Daniel	Murga	Herrera
Southeast	Veracruz	President	Ramón	Gómez	Sañudo
Southeast	Veracruz	Vice-President	Valentín	Ruiz	Ortiz
Southeast	Veracruz	Council Member	Carlos	García	Méndez
Southeast	Veracruz	Council Member	Salvador	Abella	García
Southeast	Veracruz	Council Member	Gilberto de Jesús	Bravo	Torra
Southeast	Veracruz	Council Member	Carlos	Canales	Freeman
Southeast	Veracruz	Council Member	Enrique Bernardino de Jesús	Cházaro	Mabarak
Southeast	Veracruz	Council Member	Sergio	Chedraui	Eguía
Southeast	Veracruz	Council Member	José Jorge	Elías	Benigno
Southeast	Veracruz	Council Member	Anselmo	Estandía	Colom
Southeast	Veracruz	Council Member	Manuel	Fernández	Ávila
Southeast	Veracruz	Council Member	Gerardo	Gil	Ortiz
Southeast	Veracruz	Council Member	Manuel	González	Salvador
Southeast	Veracruz	Council Member	Abel Jesús	Gutiérrez	Ruiz
Southeast	Veracruz	Council Member	José Antonio	Marquínez	Moraza
Southeast	Veracruz	Council Member	Rafael	Ortiz de Zárate	Vimber
Southeast	Veracruz	Council Member	Baltazar	Pazos	Gómez
Southeast	Veracruz	Council Member	Alberto	Turrent	Cano
Southeast	Veracruz	Council Member	Antonio	Velázquez	Cruz

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
Southeast	Yucatán	President	Carlos	Gomory	Rivas
Southeast	Yucatán	Vice-President	Emilio	Sansores	Font
Southeast	Yucatán	Council Member	Jaime	Zetina	González
Southeast	Yucatán	Council Member	Juan José	Abraham	Achach
Southeast	Yucatán	Council Member	Humberto	Espinosa	Ávila
Southeast	Yucatán	Council Member	Tuffy	Gaber	Flores
Southeast	Yucatán	Council Member	Fernando	Mantecón	Rojo
Southeast	Yucatán	Council Member	Mario Alberto	Martínez	Laviada
Southeast	Yucatán	Council Member	Raúl Iván	Peniche	Pérez
Southeast	Yucatán	Council Member	Juan Manuel	Ponce	Díaz
Southeast	Yucatán	Council Member	Lourdes Raquel	Rodríguez	Ávila
Southeast	Yucatán	Council Member	Sergio	Rosado	Trujeque
Southeast	Yucatán	Council Member	María Yolanda	Valencia	Vales
Southeast	Yucatán	Council Member	Antonio	Walker	Olvera
USA	Los Ángeles	President	Fernando	Niebla	
USA	Los Ángeles	Vice-President	Javier	Martínez	
USA	Los Ángeles	Council Member	Rigoberto	Armenta	
USA	Los Ángeles	President	Alberto	Azpe	Fimbres
USA	Los Ángeles	Council Member	Alejandro	Balseca	
USA	Los Ángeles	Council Member	Héctor	Cárdenas	Suárez
USA	Los Ángeles	Council Member	Ricardo	Cervantes	
USA	Los Ángeles	Council Member	Felipe	Delgado	
USA	Los Ángeles	Council Member	Óscar	Franck	
USA	Los Ángeles	Council Member	Enrique	Ibarra	
USA	Los Ángeles	Council Member	Francisco	Lara	
USA	Los Ángeles	Council Member	Javier	León	
USA	Los Ángeles	Council Member	Luis	Maizel	
USA	Los Ángeles	Council Member	Roberto	Medrano	
USA	Los Ángeles	Council Member	Francisco	Molina	

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
USA	Los Ángeles	Council Member	Manuel	Monroy	Noriega
USA	Los Ángeles	Council Member	Fernando	Orvañanos	Martínez del Río
USA	Los Ángeles	Council Member	Enrique	Pérez	
USA	Los Ángeles	Council Member	R. C.	Schrader	
USA	Los Ángeles	Council Member	Rubén	Smith	
USA	Los Ángeles	Council Member	Ma. de Lourdes	Sobrino	Franco
USA	Los Ángeles	Council Member	Luis	Villalobos	
USA	Chicago	Council Member	Alejandro	Silva	Platt
USA	Chicago	Council Member	Luis Raúl	Almeida	Dingler
USA	Chicago	Council Member	Ramón	Cepeda	
USA	Chicago	President	Douglas A.	Doetsch	
USA	Chicago	Council Member	Leticia	Herrera	
USA	Chicago	Council Member	Jorge	Miranda	Juárez
USA	Chicago	Council Member	Jorge	Pacheco	
USA	Chicago	Council Member	Roberto	Ramírez	
USA	Chicago	Council Member	John	Rico	
USA	Chicago	Council Member	Eduardo	Rodríguez	
USA	Chicago	Council Member	Manuel	Sánchez	
USA	Chicago	Council Member	Francis X.	Sánchez	
USA	Chicago	Council Member	Caroline	Sánchez	Crozier
USA	Texas	President	Víctor	Almeida	García
USA	Texas	Council Member	Abraham	Achar	
USA	Texas	Council Member	Rodrigo	Amaré	
USA	Texas	Council Member	Alejandro	Carriles	
USA	Texas	Council Member	Javier	Creixell	
USA	Texas	Council Member	Alfredo	Duarte	
USA	Texas	Council Member	Salvador	Escalona	
USA	Texas	Council Member	René	Etcharren	
USA	Texas	Council Member	Horacio	Fernández	

## Nacional Financiera Advisory Council Members

REGION	STATE	POSITION	FIRST/MIDDLE NAME	PATERNAL LAST NAME	MATERNAL LAST NAME
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USA	Texas	Council Member	Moisés	Jaimes	
USA	Texas	Council Member	Miguel	Longoria	
USA	Texas	Council Member	Alberto	Martín	
USA	Texas	Council Member	Jaime	Palmer	
USA	Texas	Council Member	Guillermo	Perales	
USA	Texas	Council Member	John	Williams	

## Annex D

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## Directory Of Regional, States And Overseas Offices

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