Annual Report 2007

INBURSA
Grupo Financiero

Annual Report 2007

INBURSA

Mission:

A financial group committed to Mexico made up of the finest work force and created to both care for and grow the patrimony of our clients and partners in the most effective way possible.

Vision:

To be leaders in Mexico's financial sector in growth and profits for the benefit of our clients, collaborators and partners.

Values:

• Commitment to Mexico
• Long-term vision
• Integral development of personnel
• Integrity
• Austerity
• Innovation

Key Capabilities:

• Operational efficiency
• Efficient structure with good communications and clearly defined leadership
• Openness with minimal bureaucracy
• Results-oriented
• Clear focus on business
• Precise selection of risks

Annual Report 2007 Grupo Financiero Inbursa

Index

Salvador Dalí • The Anthropomorphic Cabinet • 1982 • Bronze • 96 x 180 x 60 cms.

Corporate Structure

INBURSA Grupo Financiero

C.C. 40,503

Banco Inbursa
C.C. 26,839

Seguros Inbursa
C.C. 4,730

Pensiones Inbursa
C.C. 4,334

Inversora Bursátil
C.C. 2,564

Fianzas Guardiana Inbursa
C.C. 1,415

Operadora Inbursa
C.C. 694

Arrendadora Inbursa
C.C. 99

Sinca Inbursa
C.C. 3,258

Afore Inbursa
C.C. 1,467

Inmobiliaria Inbursa
C.C. 871

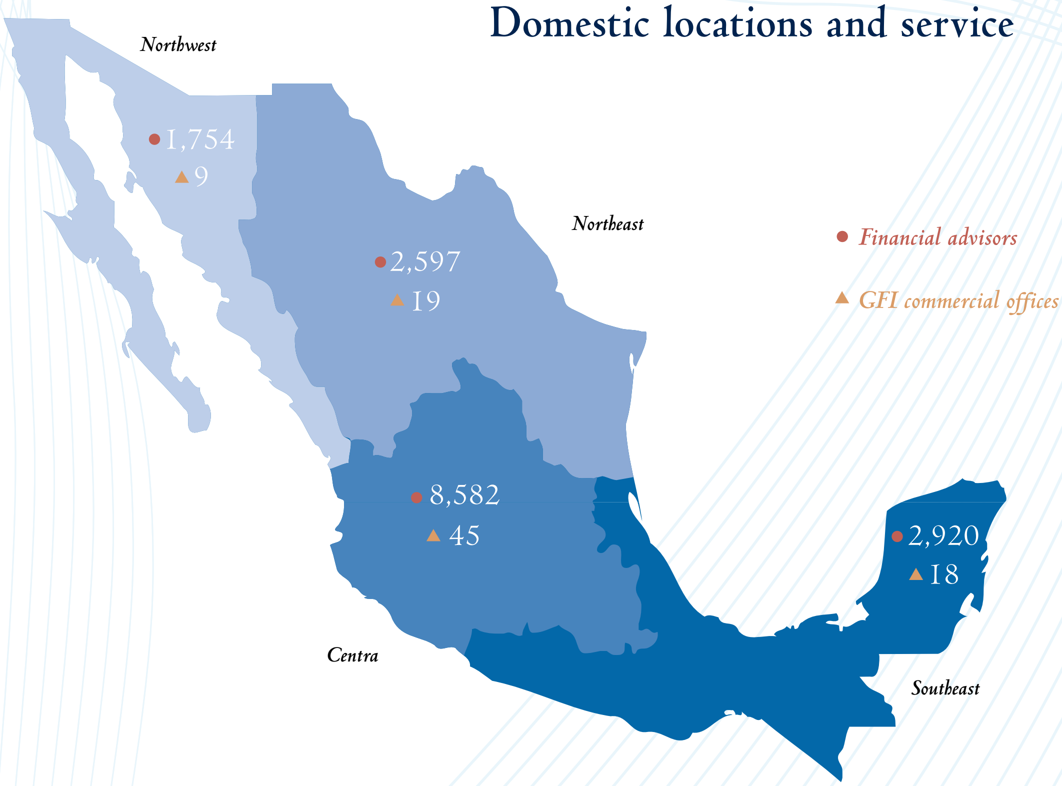
Patrimonial Inbursa
C.C. 1,021

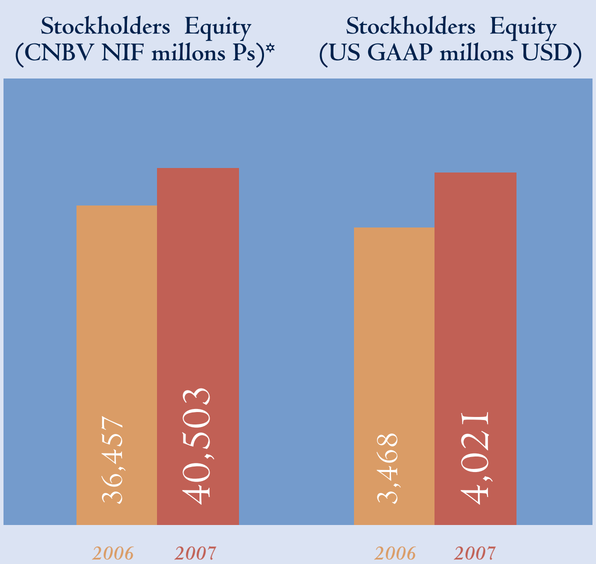
Salud Inbursa
C.C. 137

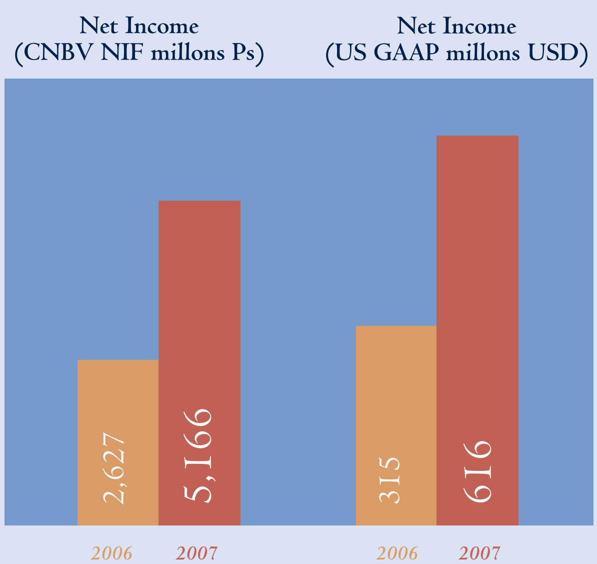
Promotora Inbursa
C.C. 1,869

Relevant Figures

Domestic locations and service







* (CNBV National Banking and Securities CommissionNIF Financial Information Norms

	UNDER CNBV RULES			UNDER US GAAP* RULES		
Assets	**2006** MM Ps	**2007** MM Ps	**% var** (´06 vs´07)	**2006** MM USD	**2007** MM USD	**% var** (´06 vs´07)
Grupo	96,460	132,600	37.5%	11,435	16,052	40.4%
Banco Inbursa	85,167	118,281	38.9%	7,219	10,706	48.3%
Inversora Bursátil	2,431	2,880	18.5%	217	264	21.5%
Operadora Inbursa	696	835	19.9%	62	77	23.4%
Seguros Inbursa	23,371	30,840	32.0%	2,163	3,054	41.2%
Pensiones Inbursa	17,722	18,801	6.1%	1,748	1,889	8.1%
Fianzas Guardiana	1,624	1,836	13.1%	138	164	18.8%
Stockholders' Equity	**2006** MM Ps	**2007** MM Ps	**% var** (´06 vs´07)	**2006** MM USD	**2007** MM USD	**% var** (´06 vs´07)
Grupo	36,457	40,503	11.1%	3,468	4,021	15.9%
Banco Inbursa	25,572	26,839	5.0%	2,044	2,293	12.2%
Inversora Bursátil	2,086	2,564	22.9%	186	235	26.4%
Operadora Inbursa	585	694	18.6%	52	64	21.9%
Seguros Inbursa	3,755	4,730	26.0%	643	746	16.0%
Pensiones Inbursa	3,186	4,334	36.0%	391	519	32.5%
Fianzas Guardiana	1,132	1,415	25.0%	100	129	28.2%
Net Profits	**2006** MM Ps	**2007** MM Ps	**% var** (´06 vs´07)	**2006** MM USD	**2007** MM USD	**% var** (´06 vs´07)
Grupo	2,627	5,166	96.7%	315	616	95.3%
Banco Inbursa	122	2,032	1565.6%	80	257	222.6%
Inversora Bursátil	526	478	-9.1%	52	51	-1.0%
Operadora Inbursa	157	191	21.6%	16	14	-8.3%
Seguros Inbursa	990	992	0.2%	95	117	22.5%
Pensiones Inbursa	495	1,149	132.0%	43	130	200.7%
Fianzas Guardiana	307	278	-9.4%	27	27	-1.5%

** Non-audited figures presented under US GAAP rules*

Infrastructure	2006	2007
Employees	4,993	5,499
ATMs (Automated Teller Machines)	594	578
Promoters' Offices	158	226
Commercial Offices	88	91
Sales Force	13,638	15,853

	INBURSA	Market Average
Tier Capital Ratio (Bank)	19.6%	16.0%
NPL (Non-performing Loans) / Total Loan Portfolio (Bank)	1.8%	2.5%
Reserves / NPL (Bank)	7.0	1.7
Combined Index (Insurance)	94.7%	95.4%
Reserves / Premiums (Insurance and Pensions)	1.56	1.32

Millions of Pesos constant	2006	2007	% var
Assets under Management	1,141,735	2,307,266	102%
Assets in Custody	1,437,007	1,810,242	26%

Report to Shareholders
Economic Environment

In 2007, global economic activity deteriorated in terms of associated growth, principally due to the difficulties observed in the second quarter of the year tied to the key motors of development: The United States and Europe. On the one hand, the surge in financial market tensions attributable primarily to excesses in authorized credit and the decline in the quality of assets began with mortgage failures by high-risk loan customers. These so-called "subprime" loans turned investor fears into a major economic contagion. On the other hand, inflationary pressures surged as a result of increases in the cost of raw materials, including food and energy.

It was in this context, of misinformation and uncertainty in international financial markets, along with a diminished purchasing capacity from the North American population due to price increases, that the United States Federal Reserve began to lower short-term interest rates from 5.25% to 4.25% in December of 2007. Later, the rates were cut to 2.25% in March of 2008 without having a major impact on long-term rates. Additionally, measures were taken to reduce market tensions through injection of liquidity, cooperation with other central banks in derivatives to alleviate problems of dollar funding, and the modification of monetary policy.

For its part, the Mexican economy GDP registered an increase of 3.3%. The growth in the GDP was principally driven by the communications and transportation and the financial services sectors that showed increases in GDP of 8.7% and 5.0% respectively.

Over the course of 2007, family remittances to Mexico slowed down, registering an increase of only 1% with respect to the previous year, totaling $23,979 million dollars. Foreign direct investment grew 20.8% compared to the previous year totaling $23,230 million dollars. The slowdown of the North American economy translated into a trade balance deficit of $11,189 million dollars even with income from petroleum sales of $42,886 million dollars. Total exports show an annual increase of 8.8%, totaling $227,044 million dollars. However, this result was due to an increase of 10.6% in imports.

The Central Bank's conservative monetary policy contributed to a decrease in inflation that, as measured by the national index of consumer prices, was at 3.6% at the end of the year, 29 percentage points below 2006.

The rate of return on Treasury Certificates was 7.43% at the end of 2007. With respect to financial resources, the majority flowing into the private sector came from bank and stock market credits which continued to show elevated annual growth rates, joined with credit to smaller-sized businesses and showing an increase of 35% if compared with 2006.

Although the anticipated negative effect of the slowdown of the United States economy on the economy of Mexico stands out, there are certain factors that would reduce the impact: I) the expectation that a bigger investment in infrastructure in 2008 will create an impulse for growth in the economy, II) the dynamism of the internal economy and, in particular, the growth which has come from financing to the private sector, particularly for smaller-sized businesses, and, III) the greater diversification in non-petroleum exports both in terms of products and export destinations.

Grupo Financiero Inbursa

Grupo Financiero Inbursa stated a net income of 5,166 million pesos during the year 2007 in comparison with the 2,627 million pesos for the previous year, representing a growth of 97%. The growth is principally explained by greater profits in each of the subsidiaries along with improved market conditions and extraordinary income for Pensiones Inbursa and Sinca Inbursa.

Grupo Financiero Inbursa's cross-selling strategy for its products has resulted in significant advances distinguished by operating efficiency, offering better-differentiated products and services to our clients, resulting in a client base of more than seven million. At the end of 2007, the sales force of financial advisors numbered 15,853 compared to 13,638 at the end of 2006, representing a 16% increase. It is important to note that only 8% of these advisors have clients with two or more products contracted with the group that is evidence of an important growth opportunity in this area.

Throughout 2007, Grupo Financiero Inbursa, through its distinct subsidiaries, demonstrated a growing participation in the Mexican financial market. Inbursa's main goal is a profitable growth with a solid capital base, high quality assets, careful selection of risk and the work and talent of its employees. Inbursa enjoys the advantage of being a Mexican group of companies that is close to its clients, knows the economic environment and responds effectively to opportunity.

At the close of last year, Grupo Financiero Inbursa stockholders' equity stood at 40,503 million pesos, signifying an 11% increase compared to 36,457 million pesos for the same period the year before. Adjusted for the payment of 1,229 million pesos in dividends in May of 2007, stockholders' equity would have grown 14%.

The credit portfolio grew 27% compared with 2006 to 84,941 million pesos at the close of 2007. The increase in all aspects of the portfolio and the 10% market share of commercial credits should be noted. In regards to consumer credit, the client base grew 2.2 times more over the same period from 340,212 million pesos to 746,580 million pesos. The growth was principally due to the credit card increase. Non-performing loans represented 1.8% of the total portfolio. It should be emphasized that the total balance of a commercial credit is considered non-performing the day following non-payment on the payment due date.

Preventive reserves totaled 10,544 million pesos showing an increase of 15% and equaling coverage of seven times non-performing loans.
The financial margin reached 3,983 million pesos for a favorable comparison with 3,200 million pesos in 2006 and was principally due to the growth in the credit portfolio with a larger margin.

Retail accounts reached 34,487 million pesos, 22% greater than the balance registered in the previous year. The Inbursa CT account is worth mentioning in this regard. Five years after its launch, it has consolidated itself as a one of the most successful products in the market, reaching a balance of more than 27,000 million pesos. The average balance per client was 150,670 pesos at the close of the year with 228,228 clients.

Banco Inbursa achieved a stable to positive investment rating from Standard & Poor's which based its rating upon the following fundamental factors: 1) solid capitalization, 2) historically positive asset quality indicators, 3) long-term market trajectory with experience in the corporate sector, and 4) average to superior efficiency levels.

At the close of December 2007, Afore Inbursa showed increases of 13% and 104% in commission income and net income. The results are principally explained by a 4% growth in assets under management that totaled a balance of 92,750 million pesos representing 11.1% of the total market and a lowering of the cost of acquisition.

The insurance business in 2007 was characterized by increases in premiums to 14,117 million pesos, representing a 31% increase compared to the close of 2006. It should be noted that in June of 2007, PEMEX obtained property damage coverage for 20 months for 2,724 million pesos. Seguros Inbursa and Patrimonial Inbursa reported combined profits of 992 million pesos, with a combined ratio of 94.7%.

In April of 2007, the General Meeting of Stockholders of Grupo Financiero Inbursa approved the payment of dividends equal to 40 Mexican cents per share signifying a total amount of 1,229 million pesos.

These 2007 results were obtained as a consequence of the loyalty of our clients, the efforts and talents of those that work in our institutions and the trustworthiness of our associates. Grupo Financiero Inbursa has become one of the most solid institutions in the country, a key factor for its continued growth in operating efficiency and profitability, making it an attractive alternative for our clients and contributing to the development of Mexico. Grupo Financiero Inbursa maintains a solid position for taking advantage of market opportunities and for continuing to satisfy the needs of more clients every day.

Marco Antonio Slim Domit
Chairman of the Board of Directors

Mexico City, March 31, 2008

Board of Directors,
Grupo Financiero Inbursa, S.A.B. de C.V.

In terms of the fraction II of the 43rd article of the Securities Market Laws and in fulfillment with the recommendations contained in the Code of Better Corporate Practices, on behalf of the Audit Committee of Grupo Financiero Inbursa, S.A.B of C.V. (the "Society" or "GFInbursa"), we allow ourselves to report on the activities made by this social body in the performance of its functions during the fiscal year ending on Dec. 31, 2007.

It should be noted that one of the fundamental responsibilities of the Management of the Corporation is the issuing of elaborated financial statements based upon applicable accounting requirements and the applicable financial norms for financial groups in Mexico . These financial statements must reflect in a clear, sufficient and adequate way the operations of the Corporation and the companies controlled by the Corporation. Also, the Corporation's Management is in charge of implementing adequate internal control and audit systems and to disclose adequate, timely and important information to the public investors according to applicable legal requirements.

For its part, the Audit Committee, in its role as an auxiliary body of the Board of Directors, is in charge of the overseeing the management, conduct and execution of the Corporation's businesses and the persons who control them, as well as the oversight of the Corporation's diverse operating procedures and internal control procedures.

Also, in compliance with the principal functions of the Corporation's Audit Committee's duties during the fiscal year, the following activities were performed:
a. Verification of the internal control system and internal audit of the corporation and its main subsidiaries. The Board of Directors has been informed on a timely basis about deficiencies or deviations found by the internal audit area or in the audits performed by the authorities in charge of the supervision and surveillance of GFInbursa and its subsidiaries such as the Mexican National Banking and Securities Commission, the National Commission of Insurance and Bonds, the National Commission of the Retirement Savings System and the Bank of Mexico, among others. For the evaluation of these concepts, the opinions, reports, official notices and the report of the external auditors, as well as the reports issued by independent experts contracted by the Corporation during the period covered by this report, were taken into consideration. After reviewing the status of the internal control and audit systems, we concluded that no deficiencies or deviations can be reported in addition to the ones already made known to the Board of Directors.

In addition to the aforementioned, follow up was performed on the completion of the Code of Ethics applicable to the Corporation and the companies controlled by it, manifesting that there are no deviations to report in this matter.

In this regard, observations considered to be relevant and reached by the corresponding authorities, are: the Mexican National Banking and Securities Commission, the National Insurance and Guarantees Commission, the National Retirement Savings System Commission of the Bank of Mexico, among others, made timely follow up and opportune reports to this Committee as intermediary to the Board of Directors.

b. Regarding the follow up on the preventive and corrective measures adopted as a consequence of the breach of the operation and accounting recording guidelines and policies of GFInbursa and/or its subsidiary financial organizations, the Corporation's internal audit area reported to this Committee the contents of diverse documents issued by authorities in charge of the supervision and surveillance of GFInbursa and its subsidiaries relating to the Corporation's operation, adopting the preventive and corrective measures applicable to prevent future observations in this regard.

c. The performance of Despacho Mancera, S.C. was evaluated and considered to be acceptable and such entity was approved by the Board of Directors as External Auditor for the purpose of reviewing the financial status and the elaboration of the corresponding financial report of the Corporation and the companies in its control for the fiscal year 2007. Verification of the suitable preparation and presentation of the intermediate financial information of the Corporation, related to the same, was clear, precise and in compliance with the applicable regulations issued by the Mexican National Banking and Securities Commission and the resulting applicable financial norms. d. Since there was no need to contract additional or complementary services to the external audit, this Committee did not express any opinions on the matter.

The Corporation's and its subsidiaries' financial statements were reviewed as of Dec. 31, 2007, the report of the auditors, as well as the rules of accounting used in the elaboration of the financial statements and it was verified that the necessary information according to applicable effective norms was revealed. After having listened to the external auditors' commentaries, whose responsibility it is to express their opinion regarding the reasonableness of the financial statements and their conformity with generally accepted accounting principles issued by the Mexican National Banking and Securities Commission and by the resulting applicable financial information norms, it's approval was recommended to the Board of Directors with the purpose that these financial statements be presented at the Annual Ordinary General Shareholders' Meeting since we consider that they reasonably reflect the financial situation of the Corporation on the indicated date.

f. The financial statements of GFInbursa and its subsidiaries have been prepared in conformance with criteria established by the CNBV (Mexican National Banking and Securities Commission) and Mexican Financial Information Norms, including rules pertaining specifically to the recording, assessment and dispersal of financial information in those cases covered by such rules.

During the fiscal year ending on Dec. 31, 2007, at GFInbursa and its subsidiaries, the following relevant accounting events occurred impacting the preparation of the financial statements of the institution: a) Modifications undertaken according to the accounting criteria B-5 "Derivatives Financial Instruments" issued by the CNBV (Mexican National Banking and Securities Commission) were considered, b) Consolidation of Financial Statements, in accordance with modifications undertaken according to the accounting criteria A-2 "Application of Specific Norms" and c) acknowledgment of Commissions Charged for Credit Operations. (However, this did not have significant effects on the financial statements of the institution.)

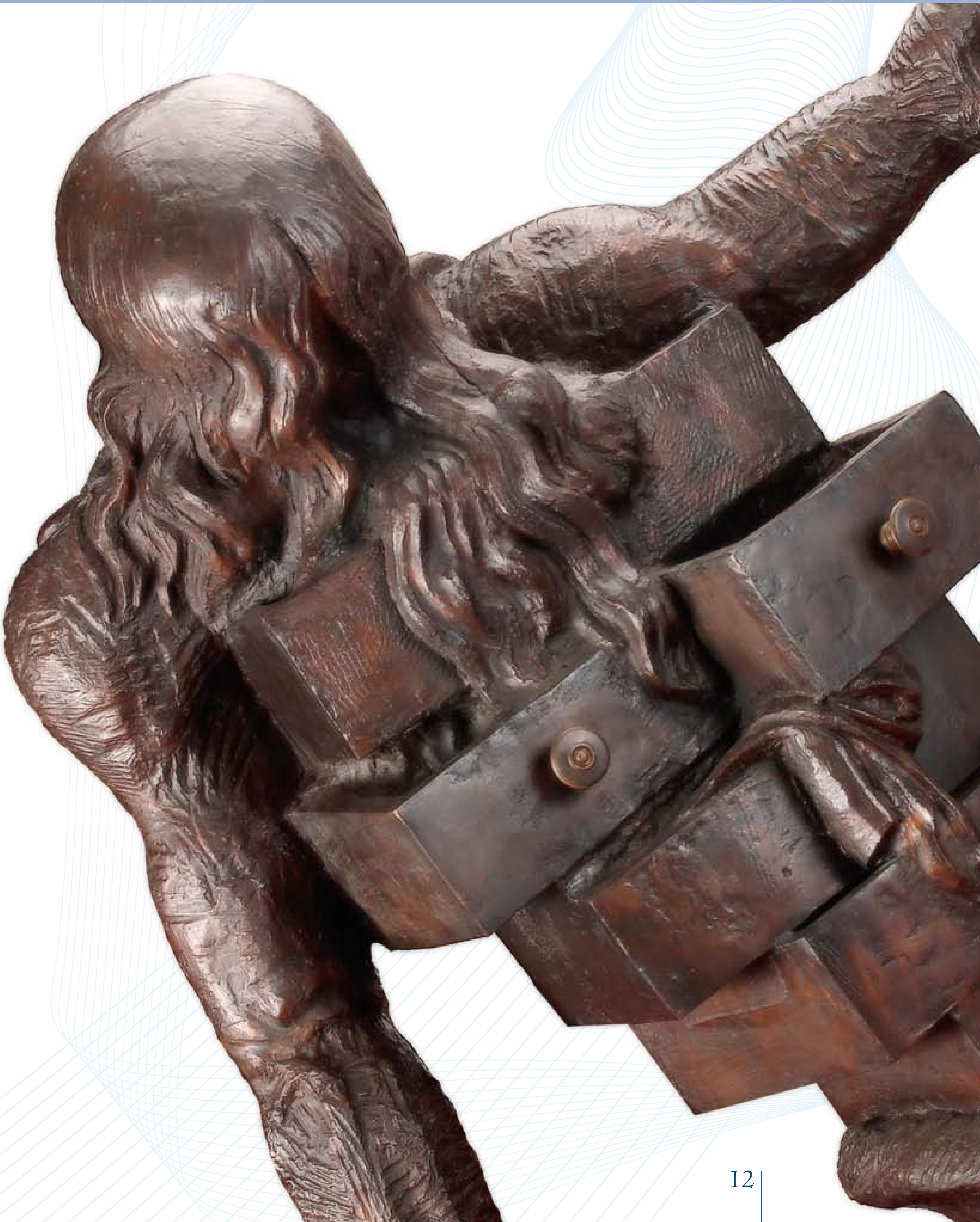
g. Follow up was performed on the resolutions taken at the Shareholders' meetings and the Board of Directors' meetings.

Finally, we state that we have reviewed the consolidated financial statements of the Corporation as of Dec. 31, 2007, along with the opinion of the external auditor of the Corporation, considering that such financial statements were prepared according to the policies, accounting procedures and practices set forth by current laws and in accordance with the accounting criteria set forth by the Mexican National Banking and Securities Commission, and we agree with their contents as we deem that they reflect reasonably the financial standing of the Corporation as of Dec. 31, 2007.

We manifest the aforementioned with regard to the purpose of fulfilling the obligations of this body anticipated by the Mexican Stock Exchange Law, and any other functions entrusted to us by the Corporation Board of Directors, emphasizing that for the elaboration of the present report, the relevant directives of the Corporation were consulted.

Sincerely,

Lic. José Kuri Harfush
President, Auditing Committee,
Grupo Financiero Inbursa, S.A.B. de C.V.



Mexico City, March 31, 2008

Board of Directors
Grupo Financiero Inbursa, S.A.B. de C.V.

According to the provisions of Article 43 (Section I) of the Mexican Stock Exchange Law and to comply with the recommendations of the Mexican Code of Best Corporate Practices, on behalf of the Committee of Association Practices of Grupo Financiero Inbursa, S.A.B. de C.V. (the "Corporation" or "GFInbursa"), we inform you about the activities performed by this body to comply with its duties during the fiscal year ended on Dec. 31, 2007.

Some of the fundamental responsibilities of the Corporation Management are (i) the proper administration of GFInbursa to create value in benefit of the Corporation; (ii) the proper and timely disclosure of information relevant for the Corporation according to the applicable legal provisions; (iii) the issuance of financial statements prepared based on the legal accounting provisions applicable to financial groups in force in Mexico and any applicable financial information standards; and (iv) to establish adequate operation, internal control and internal audit processes and procedures to achieve the optimal operation of the Corporation and the companies it controls. Within this context, the Committee of Association Practices is an auxiliary body of the Board of Directors that monitors how the businesses of the Corporation and the companies it controls are managed, conducted and performed according to the Corporation's interest and the applicable laws.

Upon performing its functions, the Committee of Association Practices has met at least on a quarterly basis, requesting from the Corporation, through its relevant officers, the issuance of the information that it has deemed necessary or convenient to analyze the subjects entrusted to it.

Moreover, the Committee of Association Practices has studied the contents of the Corporation's consolidated financial statements as of Dec. 31, 2007, and the opinion of the Corporation's external auditor about such information.

To comply with the main functions of the Committee of Association Practices of GFInbursa, during the fiscal year that ended on Dec. 31, 2007, the following activities were carried out: a. As to finance and evaluation, the Committee analyzed the contents of the Corporation's audited financial statements as of Dec. 31, 2007, along with the comments of the Corporation's external auditor. From this analysis, it was found that the financial statements reflect reasonably and sufficiently the Corporation's relevant information and financial standing.

b. The performance of the Corporation's relevant officers was analyzed according to the periodic reports submitted to this Committee and the results obtained by the Corporation as reflected in the Corporation's consolidated financial statements as of Dec. 31, 2007. In this regard, it was concluded that the performance of the Corporation's relevant officers can be considered satisfactory because (i) the corporation and the companies it controls had positive results that show that the Corporation's management has achieved the creation of value in benefit of the Corporation; and (ii) there have not been any relevant operational deviations that may cause damages to the corporation, the companies it controls or their respective shareholders.

c. As to compensation and evaluation, the Corporation has periodically informed this Committee about the miscellaneous personnel selection, hiring, training and compensation policies, along with the respective statistics. This evaluation also covered the analysis of the Corporation's salary and evaluation policies regarding the growth of the operations and sales of the miscellaneous business segments of the companies controlled by the Corporation.

d. The general salary packages for the officers and employees of the Corporation and the companies it controls have been analyzed, verifying that benefits are established in a general way within the various levels of the organization.

e. The approval of the following is recommended to the Board of Directors (i) the Strategies, Policies and Guidelines for Processing, Conducting and Performing the Businesses of the Corporation and its Subsidiaries; (ii) the Policies and Guidelines to Use and Enjoy the Property of the Corporation and its Subsidiaries; (iii) the Policies and Guidelines to Perform Transactions with Related Individuals and Companies; (iv) the Policies to Appoint and Compensate the

Corporation's Relevant Officers; (vi) the Manual that contains the Policies on Information and Communication with the Shareholders, the Stock Exchange, the Directors and the Relevant Officers; and (vi) the Terms and Conditions to be followed by the Director General upon Exercising his Ownership Powers.

f. The Corporation and the companies it controls only carried out transactions with related individuals and companies within the ordinary field of their businesses and following the laws applicable to each one of such intermediaries.

g. Together with the Audit Committee, this Committee followed up on compliance with the Ethics Code applicable to the Corporation and the companies it controls, finding that there were no deviations to report in this area.

h. During 2007 and in accordance with Article 28, section III, paragraph f) of the Securities Market Law, the Audit Committee approved the authorization of an exemption granted to diverse directors, relevant officers, or persons with management positions within the Corporation or to companies controlled by the Corporation to take advantage of a business opportunity in favor of companies controlled by the Corporation. This exemption was approved by the referred-to body in the performance of the abilities that were delegated to it and in the empowerment of abilities established by Article 28, section III, paragraph f) of the Securities Market Law and in consideration that the amount of the transaction was less than the amount equivalent to 5% of the Corporation's consolidated assets, and considering that the Corporation's balance sheet figures at the close of the immediately previous quarter to the date when the transaction was completed.

i. It is has been verified that the Corporation has adjusted its corporate by-laws and operations according to the most recent Mexican Stock Exchange Law and remaining applicable norms.

j. The Committee has kept a constant supervision of the Corporation's standing to confirm that it continues to follow the applicable laws.

k. Follow-up was performed on the resolutions taken at the Shareholders' Meetings and the Board of Directors' Meetings.

After performing the above activities and reviewing the Corporation's consolidated financial statements as of Dec. 31, 2007, and the opinion of the Corporation's external auditor, and taking into consideration the information provided to this body by the management of the Corporation, we consider that the Corporation has carried out properly the management, performance and execution of the Corporation's businesses during the 2007 fiscal year.

We state the aforesaid in order to comply with the obligations of this body set forth in the Mexican Stock Exchange Law, and any other functions that have been or will be entrusted to us by the Corporation's Board of Directors. It is important to mention that for the preparation of this report, the Committee took into consideration the opinions of the Corporation's relevant officers.

Sincerely,

C.P. Juan Antonio Pérez Simón
President, Committee of Association Practices
Grupo Financiero Inbursa, S.A.B. de C.V.

Board of Directors

NON- INDEPENDENT STANDING DIRECTORS

Marco Antonio Slim Domit (Chairman)	Arturo Elías Ayub
Eduardo Valdés Acra (Vice-Chairman)	Javier Foncerrada Izquierdo
Héctor Slim Seade	

STANDING INDEPENDENT DIRECTORS

Fernando G. Chico Pardo	Claudio X. González Laporte
Antonio Cosío Pando	Guillermo Gutiérrez Saldívar
Laura Diez Barroso Azcárraga	David Ibarra Muñoz
Ángeles Espinosa Yglesias	José Kuri Harfush
Agustín Franco Macías	Juan Antonio Pérez Simón

Secretary	Assistant Secretary
Raúl Humberto Zepeda Ruiz	José Pablo Antón Sáenz Padilla

CHIEF EXECUTIVE OFFICERS

Grupo Financiero Inbursa	Marco Antonio Slim Domit	Joined GFI: 1992
Inversora Bursátil	Eduardo Valdés Acra	Joined GFI: 1986
Banco Inbursa	Javier Foncerrada Izquierdo	Joined GFI: 1992
Seguros Inbursa	José A. Morales Morales	Joined GFI: 1992
Operadora Inbursa	Guillermo Robles Gil Orvañanos	Joined GFI: 1992
Fianzas Guardiana Inbursa	Alfredo Ortega Arellano	Joined GFI: 1991
Pensiones Inbursa	Heriberto Lechuga Anaya	Joined GFI: 1975
Afore Inbursa	Rafael Mendoza Briones	Joined GFI: 1993

Directors' Curricula

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

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

Fernando G. Chico Pardo
PROMECAP, S.C
Chairman

Laura Diez Barroso Azcárraga
MEXICO CITY HISTORICAL DISTRICT
Member of the Board of Directors

Arturo Elías Ayub
TELÉFONOS DE MÉXICO, S.A.B. DE C.V
Director of Communication,
Institutional Relationships and Strategic Alliances

Ángeles Espinosa Yglesias
AMPARO MUSEUM
Director

Javier Foncerrada Izquierdo
BANCO INBURSA, S.A
CEO

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

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

Guillermo Gutiérrez Saldívar
EQUIPOS MECÁNICOS, S.A DE C.V.
CEO

David Ibarra Muñoz
Independent Advisor

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

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

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

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

Banco Inbursa

Banco Inbursa showed an income of 2,032 million pesos compared to 122 MM pesos in 2006. This result is explained principally by the following: 1) A 24% increase in the financial margin to 3,983 million pesos as a result of the growth in the credit portfolio; 2) 1,066 million pesos as a result of intermediation due to improved market conditions; 3) an increase of 355 million pesos in commissions to 2,028 million pesos or, 21% more, and; 4) better results among the subsidiaries (Afore Inbursa and Sinca Inbursa).

The net income under US GAAP was 257 million pesos compared to 80 million pesos in the previous year. The difference between CNBV (National Banking and Securities Commission) and US GAAP is principally due to adjustments in the exchange rate position.Stockholders' equity at the end of December 2007 was 2,293 million dollars under US GAAP, while under CNBV it totaled 2,447 million dollars.The difference is due to deductions in derivatives of $108 million dollars and an increase in deferred taxes of $144 million dollars. Banco Inbursa's credit portfolio showed an increase of 27% in 2007, totaling $84,941 million pesos. An increase of consumer credit to 70% stands out and was due to a larger client base that went from 340,212 clients at the close of 2006 to 746,580 clients in 2007.

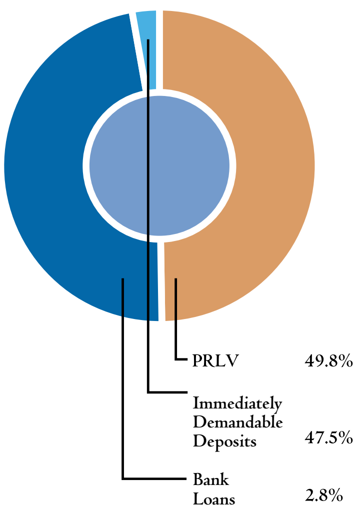
Non-performing loans at the close of the year totaled $1,513 million pesos, representing a non-performing loan ratio of 1.8%. Regarding commercial credits, the total balance of the credit is considered as a non-performing loan from the first day of default.

	January – December `07 MM USD	January – December `06 MM USD
Net Income CNBV NIF	**185.2**	**11.1**
Adjustments for Exchange-rate Position	76.3	73.2
Adjustments for Deferred Liabilities	(17.9)	(2.6)
Others	13.8	(1.9)
Net Increase	72.2	68.7
Net Income US GAAP	**257.4**	**79.8**

	Ene - Dic`07 MM USD	Ene - Dic`06 MM USD
Stockholders' Equity CNBV NIF	**2,446.5**	**2,117.5**
Deferred Taxes	144.1	179.8
Derivatives	-108.4	-239.9
Others	-189.2	-13.4
Stockholders' Equity US GAAP	**2,293.0**	**2,044.0**

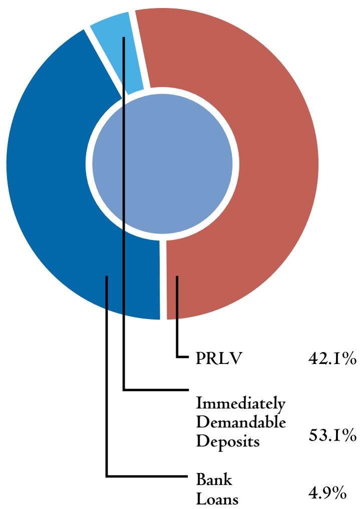
Retail Accounts 2006

January-December `06



Retail Accounts 2007

January-December `07



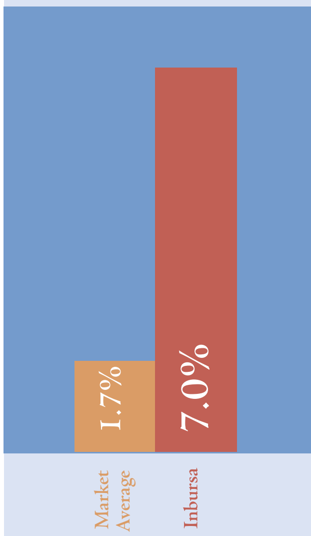
In 2007, preventive reserves of 1,943 million pesos were created, which allowed an accumulation of 10,544 million pesos, or 15% more than the previous year.

This figure is equivalent to seven times coverage of non-performing loans. Regarding raising of funds, immediately eligible deposits showed an increase of 22% during the year. This result is explained by an increase in the raising of the Inbursa CT account for individuals (non-commercial entities) that represented 92% of the total of these deposits.

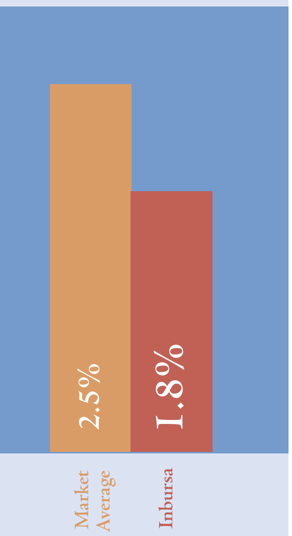
Banco Inbursa is one of the best-capitalized banks in Mexico with a 19.6% tier capital ratio, which is favorably compared with that obtained by the market average, which was 16.0%. This parameter shows, in addition to soundness, Banco Inbursa's capacity to participate in the Mexican credit market credit, principally regarding: infrastructure, commercial lending (smaller sized companies with better margins) and consumer credit.

Banco Inbursa achieved a stable to positive investment rating from Standard & Poor's which based its rating upon the following fundamental factors: 1) solid capitalization, 2) historically positive asset quality indicators, 3) long-term market trajectory with experience in the corporate sector, 4) average to superior efficiency levels.

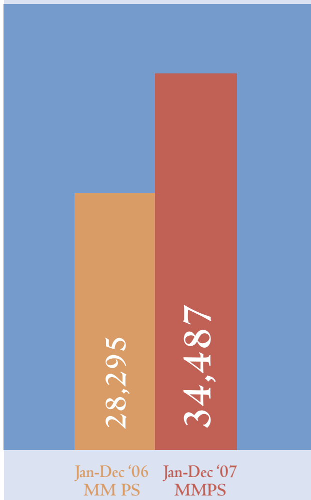
Reserves/Non-performing Loans



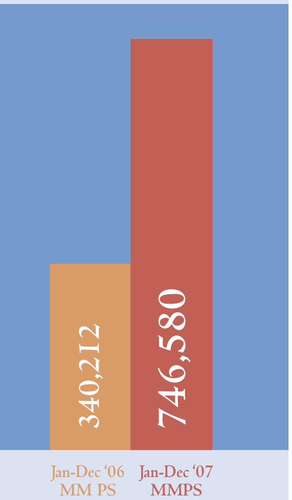
Lateness of Payments Index



Retail Deposits



Consumer Credit (clients)

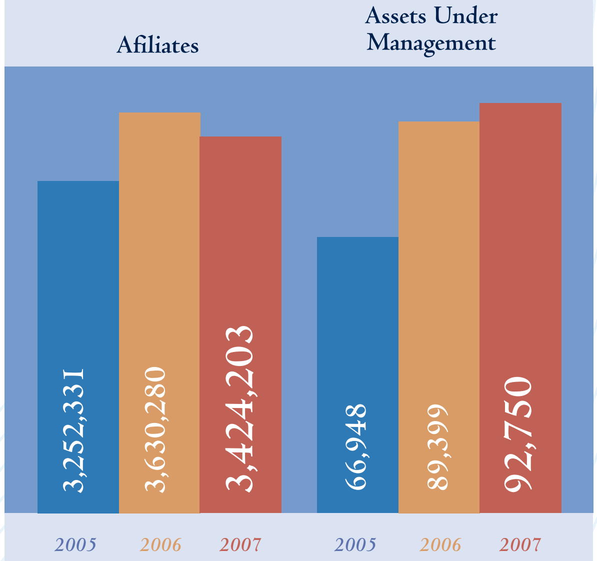


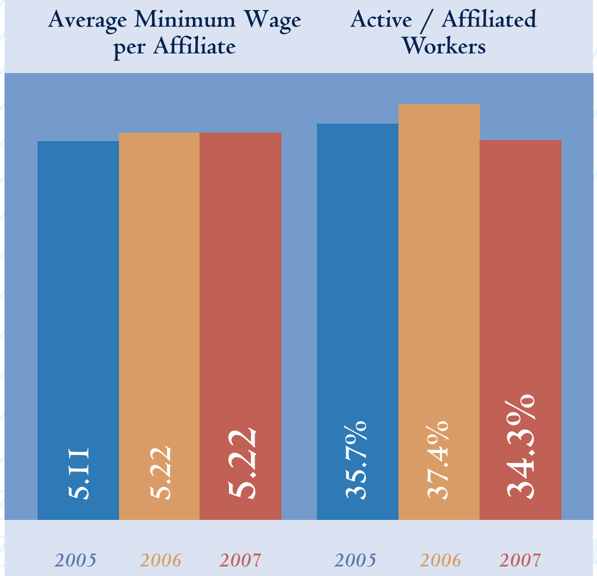
Afore Inbursa

Afore Inbursa income from commissions totaled 1,139 million pesos during 2007, 13.3% higher than that registered during the same period the previous year. The result is principally explained by a 4% increase in assets under management.

Assets under management grew from 89,399 million pesos in 2006 to 92,750 million pesos in 2007. It is important to note that Afore Inbursa was ranked third in the assets management system as of the end of December 2007.

Market share in funds under management was 11.1% en 2007, with 3,424,203 affiliates at the end of the year.In 2007, Afore Inbursa's net income rose to 315 million pesos compared with the 154 million pesos at the end of 2006. Increased commissions due to an increase in the affiliates base and lower acquisition costs explain this result. Stockholders' equity increased 27.4%, ending the year at 1,468 million pesos at the close of December 2007, comparing favorably with the 1,152 million pesos at the end of fiscal 2006.





Sinca Inbursa

Sinca Inbursa registered net income of 408 million pesos, representing an increase of 82% with respect to the previous year. It should be noted that stockholders' equity went from 2,802 million pesos at the end of 2006 to 3,258 million pesos at the end of 2007 with assets totaling 3,687 million pesos.

The following investment activities during 2007 are emphasized:

• The acquisition of 27.55% of Casas Urvitec, S.A. de C.V. (a company specializing in the construction and sale of residential homes) that previously merged with the publicly held company Carso Infraestructura y Construcción, S.A.B. de C.V. ("CICSA").As a result of this acquisition, Sinca owned as part of its temporary investments 2.34% of CICSA. Sinca registered as part of its results the profits generated from the exchange, which was part of the previously mentioned acquisition. That signified an increase of approximately 2.8 times the original investment.

• The investment in 30% of the capital of Argos Comunicaciones, S.A. de C.V.

• An increased share in the owner's equity of Pure Leasing, S.A. de C.V. from 35% to 49%.• An increases share in Quality Films, S. de R.L. de C.V. from 25% al 30%.

• In the month of December, 38.9% of Celsol, S.A. de C.V. was acquired. This is a company specializing in the creation of energy-saving projects, primarily in the hotel sector. Our collaboration with the business will provide stability to the company and high-growth possibilities.

The identification of talented operators that develop their businesses in markets that allow for accelerated growth using greater capital and strategic and commercial synergies will continue to be an objective for increasing our investment portfolio.

The investments made by Sinca Inbursa are registered according to the acquisition value, and their contribution to income is figured according to the share method, taking into account amortization, and, in their case, commercial credit.

MM Ps	Description	Stockholders' Share	Date of Acquisition	Investment (value in pounds)	%
Infraestructura y Transporte México	Railroad	8.25%	Aug-06	1,076	51.6%
Controladora Vuela Compañía de Aviación y subs.	Airline	25.00%	Oct-05	354	17.0%
Pure Leasing	Leasing	49.00%	Jan-06	193	9.3%
Grupo Acir	Radio Broadcasting	20.00%	Aug-06	94	4.5%
Grupo IDESA	Petroleum	9.45%	Aug-06	92	4.4%
Quality Films	Film Distribution	30.00%	Dec-05	61	2.9%
CELSOL	Energy	38.90%	Dec-07	58	2.8%
Movie Risk	Movies	99.99%	Dec-07	58	2.8%
Laboratorio Médico Polanco	Health	48.63%	Aug-06	52	2.5%
Argos Comunicación	Content	30.00%	Feb-07	41	2.0%
In Store de México	Advertising	30.00%	Dec-99	5	0.2%
Media Planning	Marketing	15.00%	Nov-97		0.0%
Total				**2,084**	**100.0%**
Other Investments					
C.I.C.S.A. (61,015,990 shares)*	Construction	2.34%	Nov-07	269	

*URVITEC merged with CICSA in November of 20077

Seguros y Patrimonial Inbursa

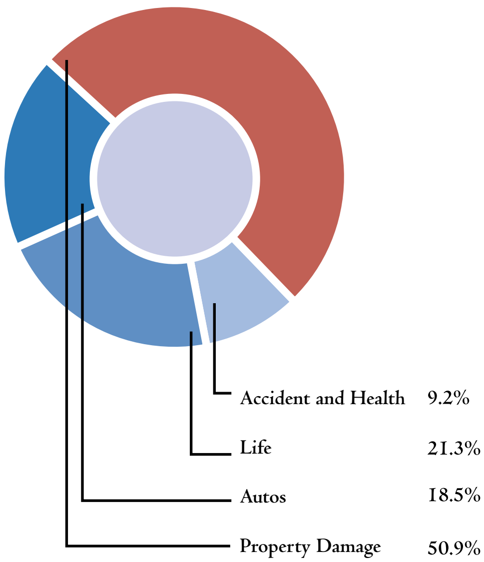
The combined total premiums of Seguros Inbursa and Patrimonial Inbursa grew to 14,117 million pesos, showing an increase of 31.2% in 2007 when compared to the previous year. The increase is principally explained by increases in all business lines and the fact that PEMEX purchased property damage coverage for 2,724 million pesos beginning in June of 2007.

In this regard, the life and health, auto, and property damages lines registered premium increases of 6.9%, 12.9%, and 123.3% compared with the previous year, creating a larger client surpassing 2,305,796 clients in 2006 to 2,435,526 clients in 2007.

	January-December '07 MM USD	January-December '06 MM USD
Net Income US GAAP	90.8	88.3
Adjustments in Reserves	23.1	19.0
Adjustments in Investments	1.6	0.5
Deferred Taxes	(6.2)	5.3
Deferred Costs of Acquisitions	8.0	10.5
Adjustments for Exchange-rate Position	47.7	46.3
Others	(48.3)	(74.6)
Net Increase	25.9	7.0
Net income US GAAP	116.7	95.3

	January-December '07 MM USD	January-December '06 MM USD
Stockholders' Equity CNBV NIF	431.1	334.7
Adjustments to assets	20.4	19.8
Deferred Costs of Acquisitions	78.7	19.8
Fixed Assets	(58.3)	(54.1)
Adjustments to reserves	320.9	457.1
Deferred Taxes	(248.3)	(301.0)
Others	221.6	132.0
Net increase	314.6	307.9
Stockholders' Equity US GAAP	745.7	642.6

Total Premium Detail per Business Line (2007)

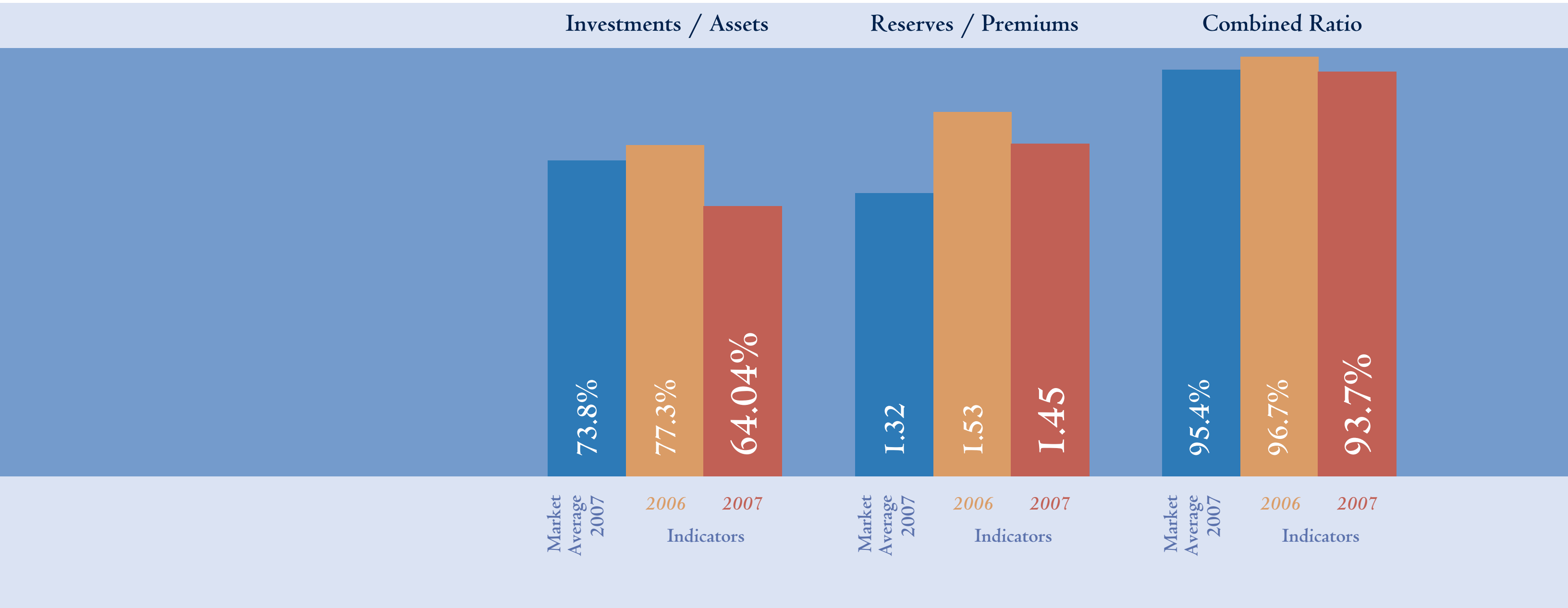


As a result of the aforementioned, Seguros y Patrimonial Inbursa reported profits of 992 million pesos at the end of 2007, similar to the fiscal year 2006 results of 990 million pesos.

Stockholders' equity grew by 22% during the year to 5,751 million pesos.

The combined ratio, that is to say the cost of operations, acquisitions and loss rate in relation to retained premiums was 93.7% in 2007, which compared favorably with 96.7% at the end of 2006.

Indicators	Jan-Dec 2007	Jan-Dec 2006
Total Premiums	14,117	10,757



Pensiones Inbursa

	Jan-Dec`07 MM USD	Jan-Dec`06 MM USD
Net Income US GAAP	105.3	44.2
Adjustments to Reserves	5.4	(0.9)
Adjustments in Investments	2.1	(45.6)
Deferred Taxes	0.0	(0.4)
Deferred Costs of Acquisitions	0.2	0.0
Adjustments for Exchange-rate Position	56.1	58.4
Others	(39.5)	(12.6)
Net increase	24.3	(1.1)
Net income US GAAP	**129.6**	**43.1**

	Jan-Dec`07 MM USD	Jan-Dec`06 MM USD
Stockholders' Equity CNBV NIF	390.8	284.0
Adjustments in Investments	(64.2)	(71.1)
Adjustments to Reserves	175.5	176.7
Deferred Taxes	(79.9)	(75.2)
Others	96.3	76.9
Net Inccrease	127.7	107.3
Stockholders' Equity US GAAP	**518.5**	**391.3**

MM Ps	2007	2006
Total Premiums	17.0	179.0
Reserves	(268.0)	(99.2)
Costs of Acquisitions	0.2	9.9
Operating Income	(514.2)	(549.6)
Results of Inversions	1,232.9	1,099.4
Result on Exchange Rate Position (REPOMO)	(612.1)	(655.6)
Subsidiaries Share	838.7	106.4
Net Income	**1,149.3**	**495.5**
Assets	18,800.8	17,721.8
Investments	18,640.8	17,601.0
Reserves	14,111.3	14,402.3
Stockholders' Equity	**4,334.3**	**3,186.2**

At the end of 2007, Pensiones Inbursa reported an income of 1,149 million pesos compared with 495 million pesos the year before, 1.3 times greater. The results are explained by subsidiaries investments (Promotora Inbursa) that produced income from stock valuations, which grew to 1,045 million pesos.

For their part, premiums declined from 179 MM Ps in 2006 to 17 MM Ps in 2007, due to the fact that a decline in real rates in Mexico substantially reduced the business' financial margins.

Stockholders' equity was $518 million dollars under US GAAP accounting rules compared with $391 million dollars produced under the CNSF accounting rules (National Commission of Insurances and Guarantees).

This difference is explained due to positive effects in the adjustments to reserves and others by an amount of $272 million dollars compensated by deductions equivalent to $144 million dollars of adjustments in deferred taxes and investments.

Pensiones Inbursa stockholder equity rose to 4,334 million pesos under CNSF accounting rules, a 37% increase compared to the close of 2006.

Operadora Inbursa

At the close of 1007, funds under management by Operadora Inbursa totaled 47,174 million pesos, showing an increase of 23% when compared to the previous fiscal year.

The investment fund in debt instruments (INBUREX), grew to 9,878 MM Ps, and produced an annual yield of 6.37%, which was higher than the market average. DINBUR managed funds totaled 4,336 MM Ps with profits above those of the competition.

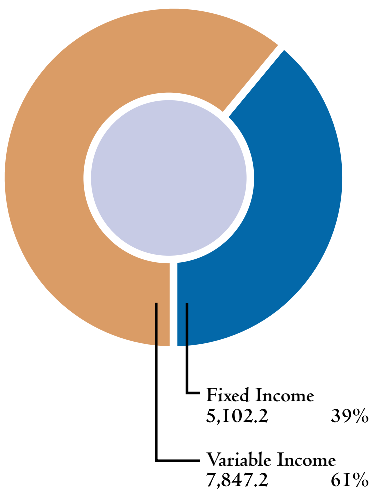
On the other hand, the IGLOBAL variable income fund, with portfolio equivalent to 7,403 million pesos, produced an annual yield of 19.36%, showing a difference of 345 basis points with the market average.

	January - December 2007	
Fund	**Annual Yield**	
	Inbursa	Market Average
DINBUR	6.01%	5.83%
INBUREX	6.37%	5.83%
INBURSA	20.44%	15.91%
FONIBUR	20.85%	15.91%
IGLOBAL	19.36%	15.91%

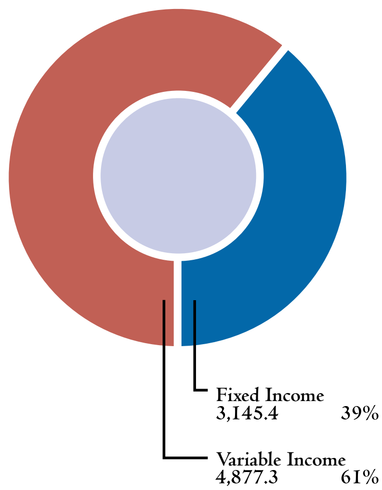
Annual average yield in dollars*	
Inbursa	21.9%
IP y C	15.9%
Dow Jones	10.3%
Cetes	8.4%
Inflación	2.8%

** From March 31, 1981 to December 31, 2007*

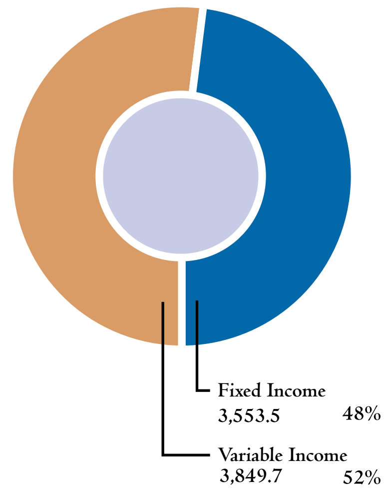
Fonibur
12,949.4



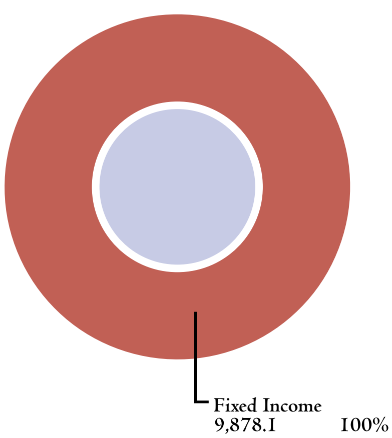
Inbursa
8,022.7



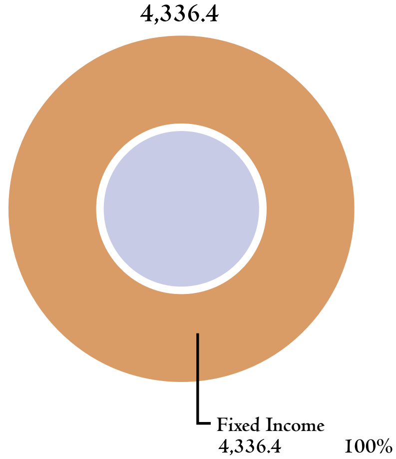
Iglobal
7,403.2



Inburex
9,878.1



Dinbur
4,336.4



Inversora Bursátil

In 2007, Inversora reported income of 478 million pesos compared to 526 million pesos at the close of fiscal year 2006. The result is explained by unfavorable market conditions, principally at the end of the year.

Likewise, in 2007, the assets under management showed an increase of 25.7%, reaching 1,848 millions of pesos.

Stockholders' equity in Inversora increased by 23% in 2007 to 2,564 million pesos compared to 2,086 million pesos for the previous year.

MM Ps.	2007	2006
Operating Results	641	715
Interest Income	3,715	3,409
Net Income	**478**	**526**
Total Assets	2,880	2,431
Investment Portfolio	2,577	1,994
Stockholders' Equity	**2,564**	**2,086**
Assets in Custody	1,847,981	1,470,880

Fianzas Guardiana Inbursa

At the close of the fiscal year ending on Dec. 31, 2007, Fianzas Guardiana Inbursa reported premiums of 681 million pesos representing a 19.1% increase in comparison with 572 million pesos at the close of the previous year.

The net income under US GAAP was 278 million pesos compared to 307 million pesos in the previous year.

Stockholders' equity was 1,415 million pesos, representing an increase of 25% when compared with the close of fiscal year 2006 when it was 1,132 million pesos.

MM Ps	2007	2006
Premiums	681.3	572.0
Operating Income	203.6	245.3
Results of Inversions	14.4	13.7
REPOMO	(48.7)	(42.0)
Net Income	**277.7**	**307.4**
Total Assets	1,836.1	1,623.9
Investments	1,545.2	1,290.6
Reserves	249.8	227.2
Stockholders' Equity	**1,414.8**	**1,131.6**

Grupo Financiero Inbursa

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2007 and 2006

Report of Independent Auditors

To the Stockholders of Grupo Financiero Inbursa, S.A.B. de C.V. and subsidiaries

We have audited the accompanying consolidated balance sheets of Grupo Financiero Inbursa, S.A.B. de C.V. (the Group) 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. These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Grupo Financiero Inbursa, S.A.B. de C.V. and subsidiaries at December 31, 2007 and 2006, and the consolidated results of their operations, changes in their stockholders' equity and changes in their financial position for the years then ended, in conformity with the accounting criteria mentioned in the paragraph above.

As mentioned in Note 1b, the financial statements at and for the year ended December 31, 2006 have been restructured so as to be comparable to the 2007 financial information and to reflect changes in accounting rules issued during 2007 that refer to the valuation of derivative financial transactions and the consolidation of capital investment funds. The effects of the restructuring are shown in Note 30.

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

Mexico City
February 29, 2008

GRUPO FINANCIERO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Balance Sheets

(In millions of Mexican pesos with purchasing power at December 31, 2007) (Notes 1 and 2)

AS OF DECEMBER 31	2007	Restructured 2006
Assets		
Cash and cash equivalents (Note 6)	Ps. 17,728	Ps. 9,681
Investment in securities (Note 7)		
For trading	13,704	9,610
Held-to-maturity	1,424	1,803
	15,128	11,413
Securities and derivatives		
Debit balances under repurchase agreements (Note 8)	40	109
Derivatives (Note 9)	2,444	3,661
	2,484	3,770
Performing loan portfolio (Note 10)		
Commercial loans	60,686	54,402
Loans to financial entities	10,626	5,897
Consumer loans	7,092	4,160
Home mortgage loans	819	966
Loans to government entities	3,001	785
Total performing loan portfolio	82,224	66,210
Past-due loan portfolio (Note 10)		
Commercial loans	969	349
Consumer loans	432	184
Home mortgage loans	112	88
Total past-due loan portfolio	1,513	621
Total loan portfolio	83,737	66,831
Preventive provision for credit risks (Note 11)	(10,545)	(9,193)
Loan portfolio (Net)	73,192	57,638
Other accounts receivable (Net) (Note 12)	7,184	870
Foreclosed and repossessed property	40	55
Buildings, furniture and equipment (Net) (Note 13)	2,039	898
Long-term equity investments (Notes 3 and 14)	13,865	11,060
Deferred taxes (Note 20)	-	4
Other assets, deferred charges and intangibles (Net) (Note 15)	940	1,071
Total assets	**Ps. 132,600**	**Ps. 96,460**

AS OF DECEMBER 31		2007		Restructured 2006
Liabilities				
Traditional deposits (Note 16)				
Demand deposits	Ps.	34,480	Ps.	28,294
Time deposits		36,121		22,417
		70,601		50,711
Interbank and other borrowings (Note 17)				
Demand deposits		-		1,039
Short-term		1,590		795
Long-term		607		764
		2,197		2,598
Securities and derivatives				
Credit balances under repurchase agreements (Note 8)		33		109
Derivatives (Note 9)		1,196		3,369
		1,229		3,478
Other accounts payable				
Income tax and employee profit sharing payable (Note 18)		126		278
Sundry creditors and other accounts payable (Note 19)		16,334		1,970
		16,460		2,248
Deferred taxes (Note 20)		1,588		966
Deferred credits		22		2
Total liabilities		92,097		60,003
Stockholders' equity (Note 21):				
Contributed capital				
Capital stock		14,043		14,043
Stock premium		643		643
		14,686		14,686
Earned capital				
Capital reserves		2,987		2,987
Retained earnings		29,401		28,003
Deficit from restatement of stockholders' equity		(10,850)		(10,850)
Result from holding non-monetary assets derived from valuation of long-term equity investments		(971)		(1,062)
Net income		5,166		2,627
		25,733		21,705
Minority interest		84		66
Total stockholders' equity		40,503		36,457
Total liabilities and stockholders' equity	**Ps.**	**132,600**	**Ps.**	**96,460**

Memoranda Accounts (Note 27)		2007		2006
Transactions on behalf of others				
Customers' current accounts				
Customers' banks	Ps.	-	Ps.	-
Settlement of customers' transactions		(589)		(137)
		(589)		(137)
Customers' securities				
Customers' securities received for safekeeping		1,810,242		1,437,007
Securities and notes received in guarantee		215		2,614
		1,810,457		1,439,621
Transactions on behalf of customers				
Customers' repurchase agreements		55,974		65,508
Managed trusts		2,394		-
Total transactions on behalf of others	**Ps.**	**1,868,236**	Ps.	1,504,992

		2007		2006
Proprietary transactions				
Proprietary memoranda accounts				
Contingent assets and liabilities	Ps.	42,316	Ps.	35,417
Loan commitments		2,995		2,805
Property held in trust or under mandate		284,805		249,981
Property held for safekeeping or under management		2,307,266		1,141,735
		2,637,382		1,429,938
Repurchase agreements				
Securities to be received		55,690		65,508
Creditors		(55,695)		(65,602)
		(5)		(94)
Securities to be delivered		59,518		65,918
Debtors		(59,530)		(65,932)
		(12)		(14)
Total proprietary transactions	**Ps.**	**2,637,365**	Ps.	1,429,830

Note: The historical capital stock is Ps. 2,594 at December 31, 2007 and 2006.

See accompanying notes.

These consolidated balance sheets and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated balance sheets were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Marco Antonio Slim Domit	C.P. Raúl Reynal Peña	C.P. Federico Loaiza Montaño	C.P. Alejandro Santillán Estrada
General Director	Administrative and Finance Director	Audit Director	Internal Control Assistant Director

GRUPO FINANCIERO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Income

For the years ended December 31, 2007 and 2006

(In millions of Mexican pesos with purchasing power at December 31, 2007) (Notes 1 and 2)

		2007		Reformulados 2006
Interest income	Ps.	13,232	Ps.	12,143
Interest expense		8,449		7,685
Net monetary position loss (financial margin)		(910)		(972)
Financial margin (Note 24)		3,873		3,486
Preventive provision for credit risks (Note 11)		1,943		1,578
Financial margin adjusted for credit risks		1,930		1,908
Commissions and fees collected (Note 25)		2,501		2,164
Commissions and fees paid		(101)		(72)
Intermediation income (loss) (Note 26)		1,512		(636)
		3,912		1,456
Total operating revenues		5,842		3,364
Administrative and promotional expenses		3,074		2,731
Operating income		2,768		633
Other income		981		551
Other expenses		106		188
		875		363
Income before income tax and employee profit sharing		3,643		996
Current year income tax and employee profit sharing (Note 18)		(542)		(628)
Deferred income tax and employee profit sharing (Note 20)		(671)		273
		(1,213)		(355)
Income before equity interest in net income of subsidiaries and associates		2,430		641
Equity interest in net income of subsidiaries and associates (Note 14)		2,754		1,978
Income before discontinued operations		5,184		2,619
Discontinued operations		-		16
Consolidated net income		5,184		2,635
Minority interest		18		8
Net majority income	Ps.	5,166	Ps.	2,627

See accompanying notes.

These consolidated statements of income and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated statements of income were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Marco Antonio Slim Domit	C.P. Raúl Reynal Peña	C.P. Federico Loaiza Montaño	C.P. Alejandro Santillán Estrada
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GRUPO FINANCIERO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in

For the years ended December 31, 2007 and 2006

(In millions of Mexican pesos with purchasing power at December 31, 2007) (Notes 1, 2, 21 and 22)

	Contributed capital				Earned capital	
	Capital stock		Stock premium		Capital reserves	
Balance at December 31, 2005	Ps.	14,043	Ps.	643	Ps.	2,987
Resolutions adopted by stockholders						
Appropriation of net income of year ended December 31, 2005 to retained earnings						
Dividend declared as per ordinary stockholders' meeting held on April 20, 2006						
Recognition of comprehensive income (Note 22)						
Comprehensive income						
Net income of the year						
Gain on valuation of long-term equity investments						
Minority interest						
Balance at December 31, 2006 (restructured)		14,043		643		2,987
Resolutions adopted by stockholders						
Appropriation of net income of year ended December 31, 2006 to retained earnings						
Dividend declared as per ordinary stockholders' meeting held on April 26, 2007						
Recognition of comprehensive income (Note 22)						
Comprehensive income						
Net income of the year						
Gain on valuation of long-term equity investments						
Minority interest						
Balance at December 31, 2007	**Ps.**	**14,043**	**$**	**643**	**Ps.**	**2,987**

See accompanying notes.

These consolidated statements of changes in stockholders' equity and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated statements of changes in stockholders' equity were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Marco Antonio Slim Domit
General Director

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Administrative and Finance Director

C.P. Federico Loaiza Montaño
Audit Director

C.P. Alejandro Santillán Estrada
Internal Control Assistant Director

Stockholders’ Equity

Retained earnings	Deficit from restatement of stockholders’ equity	Result from holding non-monetary assets	Net income	Minority interest in stockholders’ equity	Total stockholders’ equity
Ps. 25,889	Ps. (10,850)	Ps. (1,150)	Ps. 3,073	Ps. 42	Ps. 34,677
3,073			(3,073)		
(959)					(959)
			2,627		2,627
		88			88
				24	24
28,003	(10,850)	(1,062)	2,627	66	36,457
2,627			(2,627)		
(1,229)					(1,229)
			5,166		5,166
		91			91
				18	18
Ps. 29,401	**$ (10,850)**	**Ps. (971)**	**Ps. 5,166**	**Ps. 84**	**Ps. 40,503**

GRUPO FINANCIERO, S.A.B. DE C.V. AND SUBSIDIARIES

Consolidated Statements of Changes in Financial Position

For the years ended December 31, 2007 and 2006

(In millions of Mexican pesos with purchasing power at December 31, 2007) (Notes 1 and 2)

	2007	Restructured 2006
Operating activities		
Net income	Ps. 5,166	Ps. 2,627
Items not requiring (providing) the use of Group's resources:		
Depreciation and amortization	202	160
Deferred taxes	671	(346)
Preventive provision for credit risks	1,943	1,578
Fair value valuation result	(1,771)	590
Equity interest in net income of subsidiaries	(2,754)	(1,978)
Discontinued operations	-	16
	3,457	2,647
Increase or decrease in items pertaining to operating activities		
Loan portfolio	(17,497)	(7,776)
Treasury transactions	(3,384)	(2,353)
Derivatives for trading	477	2,650
Traditional deposits	19,890	811
Bank loans	(401)	280
Other accounts receivable; foreclosed and repossessed property; other assets, deferred charges; other accounts payable and deferred credits	8,019	(504)
Resources provided by (used in) operating activities	10,561	(4,245)
Financing activities		
Dividend paid	(1,229)	(959)
Resources used in financing activities	(1,229)	(959)
Investing activities		
(Increase) decrease in fixed assets and long-term equity investments	(1,285)	310
Resources (used in) provided by investing activities	(1,285)	310
Net increase (decrease) in cash and cash equivalents	8,047	(4,894)
Cash and cash equivalents at beginning of year	9,681	14,575
Cash and cash equivalents at end of year	Ps. 17,728	Ps. 9,681

See accompanying notes.

These consolidated statements of changes in financial position and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated statements of changes in financial position were approved by the Group's board of directors under the responsibility of the signing officers.

Lic. Marco Antonio Slim Domit	C.P. Raúl Reynal Peña	C.P. Federico Loaiza Montaño	C.P. Alejandro Santillán Estrada
General Director	Administrative and Finance Director	Audit Director	Internal Control Assistant Director

GRUPO FINANCIERO, S.A.B. DE C.V. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

December 31, 2007 and 2006

(In millions of Mexican pesos with purchasing power at December 31, 2007, except for exchange rates and where otherwise indicated)

1. Description of the Business and Relevant Events

a) Description of the business

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

In conformity with the Law Regulating Financial Groups, the Group is liable alternatively and unconditionally for the liabilities and losses of its subsidiaries (Note 29).

In conformity with the requirements of the CNBV applicable to Controlling Companies of Financial Groups, the accompanying financial statements include the consolidated financial information.

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

I. Companies regulated by the CNBV

• Arrendadora Financiera Inbursa, S.A. de C.V.

is an auxiliary credit organization that conducts its transactions in conformity with the regulations established in the Auxiliary Credit Organizations and Activities Act and the general regulations imposed by the CNBV. The Company is engaged primarily in leasing all types of personal and real property under financial and operating leases, in terms of the Auxiliary Credit Organizations and Activities Act and regulations.

• Banco Inbursa, S.A.

is a multiple-type banking institution engaged in providing banking and credit services and acting as a trust company, in conformity with the requirements of the Mexican Credit Institutions Act, the CNBV and Banco de México (the central bank or BANXICO).

Sinca Inbursa, S.A. de C.V., a subsidiary of Banco Inbursa, does not exercise control over promoted companies, in terms of Mexican FRS B-8, *Consolidated and Combined Financial Statements and the Valuation of Long-Term Equity Investments*. Therefore, such companies are not subject to consolidation, except for Movie Risk, S.A. de C.V., a company newly created in 2007, and over which the Company exercises control, since it holds 99.99% of its outstanding shares.

• Inversora Bursátil, S.A. de C.V.

acts primarily as an intermediary in the trading of securities and currencies in terms of the Securities Trading Act and the general regulations established by the CNBV.

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

conducts its transactions in conformity with the Mexican Investment Funds Act, and the general regulations established by the CNBV. The Company is engaged primarily in providing administrative and stock distribution and repurchasing services, as well as administering the portfolios of the investment funds it manages.

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

• Seguros Inbursa, S.A.

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

• Fianzas Guardiana Inbursa, S.A.

is duly authorized by the Mexican government to guarantee, for a fee, the fulfillment of contracted financial obligations of individuals or corporate entities to other individuals or corporate entities, public or private. The Company is also liable for the payment of claims arising under bonds extended.

• Pensiones Inbursa, S.A.

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

III. Other companies

• Out Sourcing Inburnet, S.A. de C.V.

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

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

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

b) Relevant events

During the year ended December 31, 2007, the Group's operations were affected by the following relevant events:

i) Changes in accounting provisions applicable to controlling companies of financial groups

On August 14, 2006, changes in accounting provisions applicable to controlling companies of financial groups were published in the *Official Gazette* that went into effect on January 1, 2007. The most important changes are described below:

a) Accounting criterion A-2, *Application of particular standards*, issued by the CNBV, is effective for years beginning on or after January 1, 2007. This criterion establishes that long-term equity investments in insurance and bonding companies are not to be subject to consolidation and are to be valued using the equity method, even when the Group is a major stockholder in these companies. The CNBV's criterion through 2006, established that the Group was required to consolidate the financial information of all its subsidiaries in the financial sector, including those subsidiaries that provided supplementary or ancillary services and excluding insurance, bonding and investment funds subsidiaries.

b) Accounting criterion B-2, *Investments in Securities*, issued by the CNBV, is effective for years beginning on or after January 1, 2007 and prohibits financial groups from transferring instruments between categories, except for transfers from the Held-to-maturity category to the Available-for-sale category. Under the accounting criterion applicable through December 31, 2006, the transfer of instruments to Held-to-maturity or Available-for-sale was prohibited.

ii) Amendments to the *Circular Unica* for banks and stockbrokerage firms

As a result of amendments to the *Circular Unica* for banks and stockbrokerage firms issued in the *Official Gazette* on September 15, 2006 and June 26, 2006, respectively, effective January 1, 2007, the following provisions came into force that had an effect on the preparation of the Group's financial statements:

a) *Derivatives* - the Group considered the amendments made to accounting criterion B-5, *Derivatives, issued by the CNBV. This criterion establishes that Mexican FRS C-10, Derivative Financial Instruments and Hedging Activities,* should be applied using certain particular application rules established by the CNBV. The main changes in this accounting criterion refer to: i) the valuation to fair value of hedging derivatives; and ii) the presentation of net derivative positions in the balance sheet without being offset against the balances recorded in primary hedged positions. Through December 31, 2006 hedge derivatives were valued using the same valuation method as the primary hedged position.

b) Consolidation of financial statements - The Group consolidated the assets and liabilities of the investment fund, Sinca Inbursa, S.A. de C.V., Sociedad de Inversión de Capitales, in conformity with the amendments made to accounting criterion A-2, *Application of particular standards*, issued by the CNBV. Through 2006, the Group was not required to consolidate the financial statements of investment funds.

As a result of changes in the aforementioned accounting criteria, the financial statements at and for the year ended December 31, 2006 were restructured and reclassified for uniformity of presentation with the 2007 financial statements (Note 30).

c) Recognition of commissions collected – The amendments made to the accounting criteria issued by the CNBV include changes in the rules for the recognition of commissions collected on credit transactions. Commissions collected on the initial granting of loans are now recorded as Deferred credits and are carried to the statement of income as interest income using the straight-line method over the terms of the related loans. Prior to this accounting change, commissions collected on loans represented adjustments to the returns on loans granted. The adoption of this accounting criterion had no material effect on the Group's financial statements.

iii) Flat-rate business tax

The Flat-Rate Business Tax (FRBT) Law was published in the *Official Gazette* on October 1, 2007. This Law will come into force as of January 1, 2008 and abolish the Asset Tax Law. In general, current-year FRBT is computed by applying the 17.5% (16.5% in 2008 and 17% in 2009) rate to income determined on the basis of cash flows, net of authorized credits. FRBT shall be payable only to the extent it exceeds income tax for the same period.

On December 21, 2007, the Consejo Mexicano para la Investigación y Desarrollo (CINIF) issued the Interpretation to Mexican FRS-8, *Effects of the Flat-Rate Business Tax*, to clarify that the flat-rate business tax should be treated as a tax on profits, in conformity with Mexican accounting Bulletin D-4, *Accounting for Income Tax and Employee Profit Sharing*. Consequently, the Group used this interpretation to determine its deferred taxes at December 21, 2007 (Note 20).

2. Summary of Significant Accounting Policies and Practices

The financial statements of the Group are prepared on the basis of the accounting criteria established by the CNBV, which include specific rules with respect to the recording, valuation, presentation and disclosure of the Group's financial information. Also, in the instances where no specific criteria have been established by the CNBV, the financial statements were prepared considering the guidelines of Mexican Financial Reporting Standards.

When reviewing the financial statements, the CNBV has, within its inspection and supervisory powers, the right to demand those modifications and corrections that it considers necessary prior to the publication of such statements.

In certain instances the accounting criteria used in the preparation of financial statements are at variance with Mexican Financial Reporting Standards (Mex FRS) as applicable to unregulated entities. The main differences are as follows:

i) Through December 31, 2006, under the CNBV accounting criteria, the unrealized gain or loss on equity investments in companies in which the Group does not have a controlling interest or over which it does not exercise significant influence is recognized using the equity method, whereas Mex FRS require the use of the restated-cost method.

ii) In conformity with Mex FRS and the CNBV accounting criteria, the financial statements of subsidiaries are subject to the consistent recognition of accounting criteria used in the preparation of the consolidated financial information. However, CNBV accounting criteria establish an exception with respect to the recognition of the effects of inflation on the financial information of consolidated investment funds.

iii) For Mex FRS purposes, foreclosed and repossessed property is treated as a non-monetary item, whereas the CNBV rules require that foreclosed and repossessed property be treated as a monetary item.

iv) Under CNBV accounting criteria, premiums receivable and payable on repurchase agreements are recorded at their present value, rather than based on the accrual method, as required by Mex FRS.

v) Under Mexican Financial Reporting Standards, the assets and liabilities of those companies over which the Group is a major stockholder or exercises significant influence must be consolidated. However, CNBV accounting criteria establish exceptions to this rule, as it does not require consolidation of companies in the insurance and bonding sector, even though the Group is a major stockholder or exercises significant influence over such companies.

vi) CNBV accounting criteria establish that the balance of margins related to futures for trading is included as part of the caption Cash and cash equivalents, whereas Mex FRS require that such margins be included in Derivatives caption.

vii) Under Mex FRS, companies are required to eliminate intercompany transactions when using the equity method, whereas under the CNBV accounting criteria, the financial group holding company of companies in the insurance and bonding sector is not required to eliminate intercompany transactions when using the equity method.

viii) Under CNBV accounting criteria, the effect of the change in tax rates used to compute deferred taxes is presented in the statement of income as an extraordinary item and not as part of the caption Deferred taxes, as required by Mex FRS.

ix) There are differences in the way certain accounts in the financial statements are grouped and presented.

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

a) Consolidation of the financial statements

The Group is required to consolidate the financial information of those entities of which it holds more than 50% of the voting shares (Note 3), with the exception of its investments in companies regulated by the CNSF, which, in conformity with CNBV regulations, are recognized using the equity method.

CNBV accounting criteria do not require the recognition of the effects of inflation on the financial information of investment funds – even those that are consolidated. Accordingly, the financial statements of Sinca Inbursa, S.A. de C.V., Sociedad de Inversión de Capitales, were consolidated based on nominal amounts.

Important intercompany balances and transactions have been eliminated in the consolidation, except for those carried out between companies in the insurance and bonding sector. As specified by the CNBV, transactions conducted between the CNSF, regulated subsidiaries and other companies in the Group, have not been eliminated (Note 4).

The financial statements are prepared based on the grouping of accounts required by the CNBV for Controlling Companies of Financial Groups.

b) Basis of preparation of financial statements

CNBV regulations require that amounts shown in the consolidated financial statements of credit institutions be expressed in millions of Mexican pesos with purchasing power at the latest balance sheet date reported on. The accounting records of certain captions of the accompanying consolidated financial statements show balances of less than one million Mexican pesos and, consequently, certain historical or nominal amounts are the same as the amounts restated or are not included in the captions at all.

c) Use of estimates

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

d) Recognition of the effects of inflation on financial information

The amounts shown in the accompanying financial statements and in these notes are expressed in millions of Mexican pesos with purchasing power at December 31, 2007, using factors derived from the value of the Investment Units (UDIs). The restatement factor applied to the financial statements at December 31, 2006 was 1.0380, which is similar to the factor determined using information derived from the Mexican National Consumer Price Index (INPC) from January 1 to December 31, 2007. The main inflation accounting concepts and procedures are as follows:

Capital stock, retained earnings and capital reserves. Capital stock, retained earnings and capital reserves have been restated from the time capital contributions were made or earnings were obtained, through the latest balance sheet date.

The captions Deficit from restatement of stockholders' equity and Result from holding non-monetary assets derived from valuation of long-term equity investments are restated as additional items in stockholders' equity.

Non-monetary items. Non-monetary items different from stockholders' equity (equity investments, buildings, furniture and equipment and deferred charges) are shown restated based on the value of the UDI, from the date of purchase to the latest balance sheet date.

Goodwill. Goodwill represents the difference between the purchase price and the fair value of the net assets acquired at purchase date (long-term equity investments) and is restated based on the value of the UDI, from the date of purchase to the latest balance sheet date being reported on.

Statement of income. The amounts shown in the statement of income are expressed in millions of constant Mexican pesos, based on the factor obtained by dividing the value of the UDI at the end of the year by the value of the UDI in each of the months the transactions occurred.

Monetary position result. Monetary assets and liabilities give rise to gains and losses due to the diminished purchasing power of the Mexican peso. The effect of inflation on the average monetary position of the Group and its subsidiaries is included each month in the statement of income. An analysis of the principal average annual amounts of monetary assets and liabilities considered in determining the monetary position result for the years ended December 31, 2007 and 2006 is as follows:

	2007					
	Average amount		Effect on financial margin		Effect on other expenses	
Assets						
Cash and cash equivalents	Ps.	136,390	Ps.	1,656	Ps.	134,734
Securities and derivatives		205,047		193,766		11,281
Loan portfolio		189,027		69,489		119,538
Other assets		130,389		104,445		25,944
		660,853		369,356		291,497
Liabilities						
Deposits		56,165		56,165		-
Interbank and other borrowings		2,842		2,842		-
Securities and derivatives		184,735		184,735		-
Other accounts payable		283,204		573		282,631
		526,946		244,315		282,631
Net short position	Ps.	(133,907)	Ps.	(125,041)	Ps.	(8,866)
Net monetary position loss	Ps.	(913)	Ps.	(910)	Ps.	(3)

	2006					
	Average amount		Effect on financial margin		Effect on other expenses	
Assets						
Cash and cash equivalents	Ps.	10,184	Ps.	1,112	Ps.	9,072
Securities and derivatives		298,217		297,181		1,036
Loan portfolio		50,333		57,492		(7,159)
Other assets		8,495		1,663		6,832
		367,229		357,448		9,781
Liabilities						
Deposits		47,307		47,307		-
Interbank and other borrowings		2,785		2,785		-
Securities and derivatives		283,964		283,957		7
Other accounts payable		9,560		330		9,230
		343,616		334,379		9,237
Net short position	Ps.	(23,613)	Ps.	(23,069)	Ps.	(544)
Net monetary position loss	Ps.	(983)	Ps.	(972)	Ps.	(11)

Deficit from restatement of stockholders' equity. This represents the accumulated monetary position loss determined at the time the effects of inflation were first recognized.

Accumulated result from holding non-monetary assets. The result from holding non-monetary assets represents the net difference between the increase in the specific value of non-monetary assets and the increase in the value of such assets as measured solely by inflation.

e) Recording of transactions

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

f) Cash and cash equivalents

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

Call money financing, whose repayment period may not exceed three days, are included as part of the caption Cash and cash equivalents for financing extended and Demand deposits for loans received. Earned or accrued interest is charged to income using the accrual method.

g) Foreign currency transactions

- Buying and selling of foreign currency

Transactions involving the buying and selling of foreign currency are recorded at the contracted price. In the case of the buying or selling of foreign currency, where it is agreed that settlement shall be a maximum of two bank-working days after trade date, such currency is recorded as a restricted liquid asset and a liquid asset disbursement, respectively.

- Foreign currency denominated assets and liabilities

Foreign currency denominated assets and liabilities are recorded at the prevailing exchange rate on the day of the related transaction and are translated using the exchange rate of the date of the financial statements, as published by BANXICO on the immediately following bank-working day. Exchange differences are charged or credited to results of operations under the caption Intermediation income (loss).

h) Investments in securities

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

- Securities for trading

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

- Securities available for sale

They refer to cash surplus investments, which are not intended for trading or to be Held-to-maturity. These investments are initially recorded at cost, plus returns, and in the case of debt instruments, interest is determined using the real interest or straight-line method, and is credited to income as part of the caption Interest income.

Such securities are valued at fair value using the restated prices provided by a price supplier authorized by the CNBV and the related gain or loss is credited or charged to stockholders' equity. At the maturity date or at the time the instruments are sold, the difference between their selling price and carrying value is recognized in the results of the year. The mark-to-market adjustment of instruments available-for-sale reflected in stockholders' equity is reversed against results of operations as a realized gain or loss.

At December 31, 2007 and 2006, the Group has no securities available-for-sale.

- Securities held to maturity

Investments in debt instruments with determined payments are acquired by the Group or its subsidiaries with the intention of holding them to maturity. These investments are recorded at cost, plus returns determined using the straight-line method, which are credited to income as part of the caption Interest income. Since these investments are recorded at their nominal value, the effects of their market valuation are not recognized for financial reporting purposes.

In conformity with the CNBV accounting Criterion B-2, a debt instrument cannot be classified as held-to-maturity if the Group, based on the experience acquired during the current year or the two immediately preceding years, has sold or transferred a security with similar characteristics prior to its maturity, except for the following situations: i) when the security has been sold within 28 days prior to maturity; and ii) when at the time of sale, more than 85% of the instrument's nominal yield has accrued.

- Transfer of instruments between categories

In conformity with the CNBV accounting criteria, the transfer of instruments between categories is prohibited, except for transfers from the Held-to-maturity category to the Available-for-sale category. In these instances, the related unrealized gain or loss on valuation at the date of transfer must be recognized in stockholders' equity. The unrealized gain or loss on valuation corresponds to the difference resulting from comparing the book value against the fair value of the financial instrument.

For the year ended December 31, 2007, the Group made no transfers of instruments between categories. For the year ended December 31, 2006, the Group transferred instruments from the Held-to-maturity category to the For-trading category, as permitted under the CNBV accounting criteria in force at that year.

- Dividends

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

Cash dividends received are recorded by decreasing the value of the related equity investment.

i) Repurchase agreements

In security repurchase agreements, a portion is recorded as an asset and the other portion as a liability, in both memoranda and balance sheet accounts.

At the end of each month, securities to be received and to be delivered under repurchase agreements are valued at their fair value based on prices provided by a price supplier. Accounts receivable and payable under security repurchase agreements are valued at the present value of the price at maturity (the contracted price plus the related premium), based on the rate of return on similar securities, whose maturity is equal to the remaining period of the repurchase agreement. The related gain or loss on valuation is included as part of the caption Intermediation income (loss).

In conformity with CNBV requirements, the net debit and credit balances shown in the balance sheets correspond to individual offsetting of the asset and liability positions for each transaction.

Repurchase transactions with collateral are carried out when maturities are of more than three business days or when the risk limits established with other intermediaries have been exceeded. Guarantees received in repurchase transactions in which the Group acts as buyer are recorded in memoranda accounts. For transactions in which the Group acts as seller, securities delivered in guarantee are maintained in investments in securities and are restricted as instruments delivered in guarantee under security repurchase agreements. These securities are also recorded in memoranda accounts.

j) Derivatives

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

- Counterparty obligations

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

- Deliver the accounting and legal information agreed upon by the parties in the contract exhibits and confirmation of transactions.

- Provide the other party with any other document agreed upon in the contract exhibits and confirmation of transactions.

- Comply with all applicable laws, regulations and provisions contemplated in the agreement.

- Maintain in force all any internal or government authorizations necessary to fulfill the relevant contractual obligations.

- Give immediate written notice to the other party when the Company knows that it is in one of the circumstances that are cause for early termination established in the standard agreement.

- Regulations

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

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

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

• Forwards for trading

The position in forwards for trading is recognized as an asset and a liability at the initially contracted price multiplied by the notional amount. The net balance (position) is presented in the balance sheet as part of the caption Securities and derivatives.

The valuation effect resulting from the difference between the contracted price and the fair value is recognized in the statements of income under the caption Intermediation income (loss). The fair value of forwards is provided by a price supplier authorized by the CNBV.

• Futures for trading

The position in futures for trading is recognized as an asset and a liability at the initially contracted price multiplied by the notional amount. The net balance (position) is presented in the balance sheet as part of the caption Cash and cash equivalents, together with the guarantees provided (margin).

Fluctuations in futures transactions are recognized in results of operations as Intermediation income (loss). The fair value is obtained based on the related price quotations in the markets where futures are traded: the Chicago Mercantile Exchange (CME) and the Mexican Derivatives Market (MexDer).

• Swaps

Swaps for trading and for hedging are recorded at the initially contracted price.

Swaps for trading are valued at their fair value based on the information provided by a price supplier authorized by the CNBV. Fair value represents the present value of anticipated future cash flows to be received and to be delivered, which are projected based on the applicable implicit future rates, discounted by the prevailing market interest rates at the date of valuation. The determined result of this valuation is recognized in results of operations as an unrealized gain or loss as either part of the caption Intermediation income (loss) or in stockholders' equity, as the case may be.

The realized gain or loss from interest generated on these derivative transactions is recognized as part of Financial margin, while exchange differences are recorded as part of the caption Intermediation income (loss).

For presentation purposes, the net credit or debit balance (position) of anticipated future cash flows to be received and to be delivered is presented in the balance sheet as part of the caption Securities and derivatives.

k) Clearing accounts

Clearing account balances refer to the buying and selling of securities or foreign currency that are not paid or settled the same day on which such transactions are carried out.

With respect to transactions involving the buying and selling of foreign currency that are not paid for immediately in cash or where settlement is not on a same-day basis, the related amount receivable or payable is recorded in Mexican pesos in a clearing account, until the respective payment is made. The net amount of debit and credit balances in clearing accounts, when the requirements established by the CNBV are met, is included as part of the caption Other accounts receivable and Sundry creditors and other accounts payable, respectively, in the balance sheet.

l) Loan portfolio and interest earned

- Loan portfolio recording

Lines of credit granted to customers are controlled in Memoranda accounts, at the time they are authorized by the Group's Credit Committee. Drawdowns made by borrowers on the authorized lines of credit are recorded as assets at the time the related funds are transferred.

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

Capital leases are recorded as direct financing, considering the total amount of rents agreed on under the related contracts as a loan portfolio. Financial income on these transactions is equal to the difference between the value of rents and the cost of leased assets and is recorded in results of operations as it accrues. The purchase option agreed on under capital leases is recognized as income on the date of collection.

Transactions not classified as capital leases are controlled in Memoranda accounts. Rents derived from the agreements are recognized in the portfolio and recorded as accounts receivable as they accrue. Assets under non-capital leases are recorded as fixed assets.

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

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

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

- Transfers to the past-due portfolio

When payments of commercial loans or accrued interest are not made at the time they are due, the aggregate amount of principal and interest is transferred to the past-due portfolio on the business day following the breach. The Group's internal policy also considers the accounting criteria established by the CNBV for the transfer of loans to the past-due portfolio, as follows:

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

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

o If the loan is repayable in one single payment of principal and interest and is 30 days or more overdue;
o If the loan is of principal repayable in one single payment and interest payable in installments and is 90 days or more overdue in the interest payments or 30 days or more overdue in payment of principal;
o If the loan has principal and interest due and payable in installments, including home mortgage loans, and is 90 days or more overdue; and
o If the loan consists of revolving loans and two monthly billing periods or, if applicable, is 60 days or more overdue.

Overdue loans are transferred back to the performing loan portfolio when the borrower pays any current-period or outstanding installment. However, if any of the applicable above-mentioned terms established by the CNBV have already expired, overdue loans are transferred back to the performing loan portfolio only when there is evidence of sustained payment of both principal and interest of at least three consecutive installments, though in the case of installments that cover periods in excess of 60 days, overdue loans are reverted back to the performing loan portfolio when the borrower has made at least one payment.

- Loan restructurings and renewals

Loan restructurings consist of extensions made to the guarantees covering drawdowns made by the borrower, as well as changes in the original conditions agreed on for the loans with respect to payments, interest rates, terms or currency. Restructured loans recorded in the performing loan portfolio are not transferred to the overdue portfolio, when they are within the time limits mentioned above relative to the transfer to the past-due portfolio. Any restructured loans classified as overdue are transferred to and remain in the performing loan portfolio until such time as there is evidence of sustained payment.

Loan renewals are transactions in which the amortization term is extended to the maturity date of such loan, or it is repaid at any time with financing derived from other loan obtained from the Group, in which the debtor or any other person is part due to their equity participations constitute common risks. If the borrower fails to repay on time any accrued interest and 25% of the original amount of the loan, based on the conditions agreed on the related contract, such loans are considered to be overdue until such time as there is evidence of sustained payment.

- Purchase of loans

With respect to the purchase of unimpaired loans, the Group records all of the collection rights acquired as loan portfolio against the related cash outflows. If, based on the contractual terms and market conditions, the resources paid in the transaction exceed the collection rights acquired, the difference is considered as a premium paid in the transaction and is recorded as a deferred charge in the results of operations subject to amortization using the straight-line method during the term of the loan. For tax reporting purposes, premiums are deducted at the time they are paid. Therefore, this item gives rise to a temporary difference for purposes of deferred taxes (Note 20).

For the years ended December 31, 2007 and 2006, the Group did not acquire impaired loans to be reported using the accounting criteria of accounting Bulletin B-11, *Collection Rights*, issued by the CNBV.

i) Credit management

The Group's credit management activities for the evaluation and analysis with respect to the granting of loans and the control and recovery of its loan portfolio are described below:

- **Analysis of credits**

The control and analysis of credits starts from the time information is received to the time the credit is repaid in full, passing through a number of filters in the different areas of the Group.

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

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

The Group monthly evaluates and follows up on credits by means of regulatory reports issued to meet the requirements of the related regulatory authorities and internal reports with their respective monthly updating.

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

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

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

- **Determination of concentration of risk**

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

- The Group requires borrowers, whose authorized credit lines are more than or equal to 30 million of UDIs, to deliver information in a specific instructions manual for the determination of common risks. Such information shall be included in a customer relation process for the determination and updating of loan portfolio risks.

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

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

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

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

- **Identification of troubled loan portfolio**

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

Group policy is to identify and classify the troubled loan portfolio based on the risk grade resulting from the loan portfolio grading. The troubled loan portfolio includes "D" and "E" risk-grade risks, regardless of whether they form part of the performing or past-due portfolio and, if applicable, other specific loans that might be considered by the loan analysis area.

The main comprehensive risk management policies and procedures implemented by the Group are specified in Note 28.

m) Preventive provision for credit risks

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

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

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

- Other loans (less than four million UDIs) are classified based on a stratification of outstanding installments and then by assigning a risk grade and specific percentage of provision based on the number of outstanding installments.

The grading rules for loans granted to federal and municipal entities and decentralized bodies establish the methodology based on risk grades assigned by a rating agency authorized by the CNBV and the evaluation of guarantees, for debts exceeding nine hundred thousand UDIs.

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

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

A summary of the result of the grading procedure at December 31, 2007 and 2006 is shown in Note 11.

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

Loans are written off against the preventive provision when collection is deemed to be practically impossible. The collection of loans that have previously been written off is recognized in results of operations.

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

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

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

In conformity with CNBV requirements, foreclosed and repossessed properties are classified as monetary items and, accordingly, are not restated like the Group's other long-lived assets.

o) Buildings, furniture and equipment

Buildings, furniture and equipment are recorded initially at cost and presented in Mexican pesos with purchasing power at the balance sheet date, net of the related accumulated depreciation, which is computed on restated values using the straight-line method at the related tax depreciation rates.

Maintenance and repairs are expensed as incurred.

p) Long-term equity investments

- Venture capital investments (promoted companies)

Equity investments in promoted companies are recorded at the time of purchase based on the value of the stockholders' equity of the investee. If acquisition cost exceeds book value, goodwill is recognized as an asset in the balance sheet. If acquisition cost is lower than book value, negative goodwill is recognized directly in results of operations.

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

Under Mex FRS B-8, *Consolidated and Combined Financial Statements and the Valuation of Long-Term Equity Investments*, long-term equity investments may be valued using financial statements from dates prior to year-end, provided that this information is no more than three months old. At December 31, 2007 and 2006, the financial statements of the promoted companies used in the valuation of the investments are from September 30, 2007 and 2006, respectively, or at the date of investment, when such investment was made on a subsequent date.

The gain or loss on the sale of the shares of promoted companies is recognized at the transaction date. Any previously recognized goodwill is eliminated together with the book value of the investment.

- Equity investment in associates and other

Equity investments in associates and other equity investments are recorded initially at acquisition cost and are then valued using the equity method.

When issuing companies pay cash dividends, the amount received is deducted from the book value of the investments.

q) Deferred charges

Deferred charges are recorded at acquisition cost and are restated based on the value of the UDI and amortized at the annual rate of 5% on restated values.

r) Impairment in the value of long-lived assets

The Group performs annual analyses to determine whether there are indications of impairment in the value of its long-lived assets, tangible or intangible, including goodwill, which might give rise to a decrease in the value of such assets. As of December 31, 2007 and 2006, there are no indications of impairment in the Group's long-lived assets.

s) Deposits and borrowings

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

Securities included in traditional deposits (demand and time deposits) and that are part of the direct bank deposits are classified and recorded as follows:

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

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

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

At December 31, 2007 and 2006, fixed-term deposits made through certificates of deposit (CD's), deposits withdrawable on pre-established days and notes with interest payable at maturity (PRLVs) are recorded at their nominal values. Promissory notes issued by the Group's money market desk are placed at a discount.

t) Labor obligations

Seniority premiums are paid to employees as required under Mexican labor law. Under Mexican labor law, workers are also entitled to certain benefits at the time of their separation from the Group under certain circumstances.

The Group recognizes periodically the liability for seniority premiums and termination payments based on independent actuarial computations using the projected unit-credit method and hypotheses net of inflation.

u) Deferred taxes

The Group recognizes deferred taxes using the asset and liability method. Under this method, deferred taxes are recognized on basically all temporary differences in balance sheet accounts for financial and tax reporting purposes, using either the enacted income tax rate or the flat-rate business tax (FRBT) rate, as the case may be, at the balance sheet date, or the rate that will be in effect at the time the temporary differences giving rise to deferred tax assets and liabilities are expected to be recovered or settled.

The Group evaluates periodically the possibility of recovering deferred tax assets and, if necessary, creates a valuation allowance for those assets that are unlikely to be recovered.

The effects derived from the change in tax rates are presented in the statement of income as an extraordinary item.

In determining deferred income tax at December 31, 2007, the Group adopted the Interpretation to Mex FRS 8, *Effects of the Flat-Rate Business Tax*. Under this interpretation, deferred taxes are valued, determined and recorded based on estimates and projections of tax on profits to be incurred in the next four years and on the following taxpayer classifications: i) entities that essentially pay only income tax; ii) entities that essentially pay only FRBT; and iii) entities that pay income tax in certain periods and FRBT in others. Based on a study performed by management, the Group and its subsidiaries are expected to pay only income tax.

v) Liabilities, provisions, contingent assets and liabilities and commitments

Liability provisions are recognized when: (i) the Group has current obligations (legal or assumed) derived from past events, (ii) the liability will most likely give rise to a future cash disbursement for its settlement and (iii) the liability can be reasonably estimated.

Contingent liabilities are recognized only when they will most likely give rise to a future cash disbursement for their settlement. Also, commitments are only recognized when they will generate a loss.

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

UDI denominated assets and liabilities are presented in the balance sheet at their Mexican peso value at the balance sheet date. The value of the UDI at December 31, 2007 and 2006 was Ps. 3.932983 and Ps. 3.788954, respectively. At the date of the audit report on these financial statements, the value of the UDI was Ps. 3.964968.

x) Memoranda accounts

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

y) Recognition of interest

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

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

z) Commission income and expense

As of 2007, under CNBV criteria, commissions collected on the initial granting of loans are recorded as Deferred credits, which are amortized in the statement of income as interest income using the straight-line method during the term of the related loans. However in 2007, commissions collected were credited to income of the year in which the commissions were determined. Commissions are independent of the interest charged or paid. This situation is not deemed to be material for the financial statements taken as a whole.

Commissions paid are charged to income of the year in which the commissions are determined.

Through July 2007, commissions derived from the management of retirement savings system resources were computed by applying a 0.5% cash flow commission and an annual commission on the daily balance of each affiliate's accumulated contributions. Cash flow commissions were recognized at the time worker contributions were received. As of that month, commissions are charged by applying a 1.18% on balances. These balance commissions are recognized on a daily basis and the accumulated balance is obtained at the end of each month.

Commissions paid are charged to income at the time they are generated depending on the transaction that gave rise to them.

Commissions are independent of the interest charged or paid.

aa) Intermediation income

Intermediation income is mainly derived from valuations at fair value of investments in securities, instruments to be received or to be delivered under repurchase agreements, derivatives and foreign currency, as well as gains and losses due to buying and selling securities, derivatives and foreign currency. This caption also includes the effect of translation of foreign currency positions and UDIs.

ab) Comprehensive income

Comprehensive income consists of the net income or loss for the year plus, if applicable, those items that are reflected directly in stockholders' equity and that do not constitute capital contributions, reductions or distributions.

ac) Segment information

The Group has identified the operating segments that comprise its different activities and each segment is considered an individual component of its internal structure, with particular risks and return opportunities.

ad) Reclassifications

Certain amounts shown in the 2006 financial statements as originally issued have been reclassified for uniformity of presentation with the 2007 financial statements.

ae) New accounting pronouncements

The most important new pronouncements that came into force in 2007 are as follows:

- **Mex FRS B-13, *Subsequent Events at the Date of the Financial Statements***

Mex FRS B-13 modifies the former rules relative to subsequent events, by establishing that certain events, such as the restructuring of assets and liabilities and the relinquishing by creditors of their collection rights in the case of debt default, shall be disclosed in the notes to the financial statements and recognized in the period in which they took place. Accordingly, the financial statements may no longer be adjusted to reflect such subsequent events, as was permitted under Mexican accounting Bulletin B-13.

- **Mex FRS C-13, *Related Parties***

This standard broadens the concept of related parties to include joint ventures, immediate family members of key management personnel or directors and funds derived from labor obligation plans, as well. Mex FRS C-13 also requires the following disclosures: i) the relationship between the controlling company and its subsidiaries, irrespective of whether transactions were carried out between them in the period; ii) the name of the direct controlling company and, when different from such, the name of the principal controlling company of the economic entity to which the entity belongs; iii) the compensation paid to the entity's key management personnel or directors. Finally, this standard allows entities to disclose that the considerations for transactions carried out with its related parties are similar to prices that would be established for similar transactions between third parties, provided that such parity may be demonstrated.

The adoption of the requirements of Mex FRS B-13 and FRS C-13 had no effect on the Group's financial position or on its results of operations.

3. Consolidation of Subsidiaries

The Group is required to consolidate the financial information of all its subsidiaries in the financial sector, except for its equity investments in insurance and bonding companies, which are to be valued using the equity method and, accordingly, are not subject to consolidation. The Group's subsidiaries are as follows:

	Porcentaje de participación
Arrendadora Financiera Inbursa, S.A. de C.V.	99.9999
Asesoría Especializada Inburnet, S.A. de C.V.	99.9993
Banco Inbursa, S.A.	99.9996
Fianzas Guardiana Inbursa, S.A.	99.9999
Inversora Bursátil, S.A. de C.V., Casa de Bolsa	99.9956
Pensiones Inbursa, S.A.	99.9985
Operadora Inbursa de Sociedades de Inversión, S.A. de C.V.	99.9980
Out Sourcing Inburnet, S.A. de C.V.	99.9999
Seguros Inbursa, S.A.	99.9999

Highlights of the financial information of consolidated subsidiaries, including intercompany transactions, at December 31, 2007 and 2006 are as follows:

	2007							
	Total assets		Total liabilities		Stockholders' equity		Net income	
Arrendadora Financiera Inbursa	Ps.	1,830	Ps.	1,730	Ps.	100	Ps.	20
Asesoría Especializada Inburnet		34		6		28		13
Banco Inbursa		118,281		91,442		26,839		2,032
Inversora Bursátil		2,880		316		2,564		478
Operadora Inbursa		835		141		694		191
Out Sourcing Inburnet		43		14		29		4
	Ps.	**123,903**	**Ps.**	**93,649**	**Ps.**	**30,254**	**Ps.**	**2,738**

	2006							
	Total assets		Total liabilities		Stockholders' equity		Net income	
Arrendadora Financiera Inbursa	Ps.	309	Ps.	229	Ps.	80	Ps.	16
Asesoría Especializada Inburnet		21		5		16		9
Banco Inbursa		85,167		55,595		25,572		122
Inversora Bursátil		2,431		346		2,085		526
Operadora Inbursa		696		112		584		157
Out Sourcing Inburnet		38		12		26		4
	Ps.	**88,662**	**Ps.**	**56,299**	**Ps.**	**28,363**	**Ps.**	**834**

Highlights of the unconsolidated financial information of CNSF-regulated subsidiaries, including intercompany transactions, at December 31, 2007 and 2006 are as follows:

	2007							
	Seguros Inbursa		Fianzas Guardiana		Pensiones Inbursa		Total	
Investments in securities	Ps.	17,867	Ps.	1,406	Ps.	18,640*	Ps.	37,913
Debtors		4,951		152		4		5,107
Reinsurers and rebonders		4,780		15		-		4,795
Other assets		3,242		263		157		3,662
Total assets	**Ps.**	**30,840**	**Ps.**	**1,836**	**Ps.**	**18,801**	**Ps.**	**51,477**
Technical reserves	Ps.	20,426	Ps.	250	Ps.	14,111	Ps.	34,787
Reinsurers and rebonders		2,364		14		-		2,378
Other liabilities		3,320		157		356		3,833
Total liabilities		**26,110**		**421**		**14,467**		**40,998**
Contributed capital		1,067		158		1,108		2,333
Accumulated earned capital		2,671		979		2,077		5,727
Net income of the year		992		278		1,149		2,419
Total stockholders' equity		4,730		1,415		4,334		10,479
Total liabilities and stockholders' equity	**Ps.**	**30,840**	**Ps.**	**1,836**	**Ps.**	**18,801**	**Ps.**	**51,477**

	2006							
	Seguros Inbursa		Fianzas Guardiana		Pensiones Inbursa		Total	
Investments in securities	Ps.	16,519	Ps.	1,158	Ps.	17,609*	Ps.	35,286
Debtors		2,613		128		3		2,744
Reinsurers and rebonders		1,208		13		-		1,221
Other assets		3,040		325		118		3,483
Total assets	**Ps.**	**23,380**	**Ps.**	**1,624**	**Ps.**	**17,730**	**Ps.**	**42,734**
Technical reserves	Ps.	16,411	Ps.	228	Ps.	14,408	Ps.	31,047
Reinsurers and rebonders		499		12		-		511
Other liabilities		2,714		252		134		3,100
Total liabilities		**19,624**		**492**		**14,542**		**34,658**
Contributed capital		1,067		158		1,109		2,334
Accumulated earned capital		1,699		667		1,583		3,949
Net income of the year		990		307		496		1,793
Total stockholders' equity		3,756		1,132		3,188		8,076
Total liabilities and stockholders' equity	**Ps.**	**23,380**	**Ps.**	**1,624**	**Ps.**	**17,730**	**Ps.**	**42,734**

* Promotora Inbursa, S.A. de C.V. (a subsidiary of Pensiones Inbursa, S.A.) holds investments in ordinary certificates of participation (CPO's) in Televisa that have been deposited in a neutral trust (F/0008) created in Banco Inbursa (trustee), in which Promotora Inbursa, S.A. de C.V. acts as beneficiary and trustor. The deposited certificates have withdrawal restrictions, since they can only be sold upon the prior written authorization of the Trust's beneficiaries and trustors, unless the sale of the CPO's is made to an affiliated company.

On May 29, 2007, the Trust authorized the release of 44,201,331 CPO's that had been restricted until July 2009. Such CPO's were classified as available for sale by Promotora. Promotora then sold 13,401,800 CPO's, giving rise to a gain on the sale of Ps. 338,031 (nominal value) and a gain on valuation of Ps. 781,667 (nominal value). On December 31, 2007 and 2006, investments restricted through July 2009 include, respectively, 22,100,665 CPO's and 66,301,099 CPO's.

Restricted CPO's are restated based on the INPC. If at any time the restated amount of the investment exceeds its market value, such restated amount should be adjusted to its market value. At December 31, 2007 and 2006, the market value of the investment is Ps. 1,151,224 and Ps. 4,026,048, respectively.

In the unconsolidated financial statements, the equity investment in these companies has been valued using the equity method, which consists of recognizing the Group's proportional share in the stockholders' equity and in the net income or loss of the investees. The equity investment in subsidiaries is reflected in the balance sheet in the caption Long-term equity investments (Note 14).

4. Related Parties

In conformity with accounting criterion C-3, Related Parties, issued by the CNBV, transactions with related parties subject to disclosure are those that represent more than 1% of net capital of the month prior to the date on which the financial information is prepared. At December 31, 2007 and 2006, the balance of related party transactions aggregates Ps. 406 and Ps. 365, respectively.

a) Agreements

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

- Stock exchange intermediation agreement with each of the entities listed in section c) below, relative to securities held for safekeeping. Such agreements are for indefinite terms. Under the agreements, the Group shall provide brokerage services in the buying and selling of financial instruments, as well as for the safekeeping and management of such instruments.

- Administrative service agreement entered into mainly with Seguros Inbursa, S.A., which agrees to provide general administrative, legal and accounting services, among others. This agreement is for an indefinite term.

- Stock distribution agreement entered into with Operadora Inbursa de Sociedades de Inversión, whereby the Group distributes shares of Inbursa's investment funds. This agreement is for an indefinite term.

- Lease agreements with Seguros Inbursa S.A. and Inmobiliaria Inbursa, S.A. de C.V. for the rental of the properties where the offices of the Group's branches are located. These agreements are for an indefinite term.

b) Balances and transactions with companies not regulated by the CNBV and companies that provide supplementary services to the Group

The following balances represent related party transactions, which are included in the Group's assets, liabilities and results of operations. Such balances have not been eliminated in the consolidated financial statements, since the CNBV accounting criteria prohibits the Group from consolidating the financial statements of the subsidiaries with which the Group conducts these transactions.

	2007		2006	
Due from:				
Commissions receivable from Inbursa Siefore (Note 12)	Ps.	90	Ps.	35
Due to:				
Investments and deposits Seguros Inbursa	Ps.	243	Ps.	190
Creditors with Afore Inbursa		-		1
	Ps.	243	Ps.	191
Revenues				
Commissions collected from Siefores	Ps.	1,138	$	1,005
Expenses with Seguros Inbursa				
Administrative services	Ps.	648	Ps.	572
Rents		5		4
Commissions		15		95
Premiums		16		12
Subleasing		4		3
	Ps.	688	Ps.	686

The Group's subsidiaries in the insurance and bonding sector carried out several intercompany transactions in 2007 and 2006, on which they obtained income or incurred expenses. As specified by the CNBV, the financial information of subsidiaries in the insurance and bonding sector is not subject to consolidation. Also, CNBV requirements establish that intercompany transactions must not be eliminated when using the equity method and, consequently, the related balances and transactions have been included in the Group's consolidated financial information. The equity investment in subsidiaries in the insurance and bonding sector has been valued using the equity method and are included in the statement of income under the caption Equity interest in net income of subsidiaries and associates.

	Equity interest	2007		2006	
Equity investments (short- and long-term)					
Promotora Inbursa (Fianzas, Pensiones, Salud and Seguros)	92.83%		898		113
Salud Inbursa (Seguros)	99.99%		17		(11)
Patrimonial Inbursa (Seguros)	99.99%		303		296
Autofinanciamiento Inbursa (Promotora and Seguros)	99.99%		(3)		(39)
		Ps.	**1,215**	**Ps.**	**359**

c) **Safekeeping of securities**

At December 31, 2007 and 2006, securities held for safekeeping with related parties are as follows:

	2007	2006
External related parties		
Administradora de Marcas RD, S. de R.L. de C.V.	Ps. 67	Ps. -
Aerofrisco, S.A. de C.V.	163	99
Alquiladora de Casas, S. A. de C.V.	-	264
América Móvil, S.A.B. de C.V.	216,641	164,137
América Telecom, S.A. de C.V.	-	98,929
Anuncios En Directorios, S.A. de C.V.	-	792
Autopista Arco Norte, S.A. de C.V.	-	29
Blitz Software, S.A. de C.V.	57	34
Carso Eficentrum, S.A. de C.V.	44	-
Carso Global Telecom, S.A. de C.V.	179,028	32,331
Carso Infraestructura y Construcción, S.A.B. de C.V.	1,109	1,411
Centro Histórico de la Ciudad de México, S.A. de C.V.	139	134
CFC Concesiones, S.A. de C.V.	30	
Compañía de Teléfonos y Bienes Raíces, S.A. de C.V.	-	1,611
Consorcio Red Uno, S.A. de C.V.	-	234
Control Empresarial de Capitales, S.A. de C.V.	2,070	337
Controladora de Servicios de Telecomunicaciones	3,001	754
Corporativo Empresarial de Comunicaciones, S.A.	-	5,477
Desc, S.A. de C.V.	912	-
Empresas y Controles en Comunicaciones, S.A. de C.V.	21,198	473
Fundación Carso, A.C.	27,835	28,779
Fundación Centro Histórico de la Ciudad de México,	38	92
Fundación del Centro Histórico de la Ciudad de Méx.	73	-
Fundación Telmex, A.C.	17,083	14,985
Grupo Carso, S.A.B. de C.V.	34,219	59,393
Grupo Condumex, S.A. de C.V.	2,178	2,031
Grupo Sanborns, S.A. de C.V.	29	155
Grupo Técnico de Administración, S.A. de C.V.	26	104
Grupo Televisa, S.A.	5,109	5,956
Grupo Telvista, S.A. de C.V.	32	-
Hotel Roma, S.A. de C.V.	-	65
I+D Mexico, S.A. de C.V.	50	86
Ideal Saneamiento de Saltillo, S.A. de C.V.	36	-
Impulsora Mexicana de Energía, S.A. de C.V.	36	-
Inmobiliaria Carso, S.A. de C.V.	50,305	41,301
Inmuebles Cantabria, S.A. de C.V.	-	121
Inmuebles y Servicios Mexicanos, S.A. de C.V.	24	48
Instituto Carso de la Salud, A.C.	5,260	-
Minera Tayahua, S.A. de C.V.	372	-
Movie Risk, S.A. de C.V.	24	-
Paden, S.A. de C.V.	70	-
Porcelanite, S.A. de C.V.	33	206
Promotora del Desarrollo de América Latina, S.A.	876	-
Promotora Inmobiliaria Fresno, S.A. de C.V.	54	-
Radiocomunicaciones y Desarrollo de México, S.A.	-	49
Servicios Administrativos Tecmarketing, S.A. de C.V.	30	30
Sinergia Soluciones Integrales de Energía, S.A.	-	135
Technology and Internet, L.L.C.	-	25
Telecomunicaciones Controladora de Servicios, S.A.	-	2,777
Teléfonos de México, S.A. de C.V.	8,800	46,981
U.S. Commercial Corp., S.A. de C.V.	-	221
	577,051	**510,586**

		2007		2006
Internal related parties				
Patrimonial Inbursa, S.A.	Ps.	1,038	Ps.	-
Pensiones Inbursa, S.A.		16,144		17,306
Promotora Inbursa, S.A. de C.V.		1,609		31
Salud Inbursa, S.A.		24		-
Seguros Inbursa, S.A. (Reservas Técnicas Vida)		11,494		10,344
Siefores		91,965		89,395
Investment funds		16,848		16,288
		139,122		133,364
	Ps.	716,173	Ps.	643,950

d) Derivatives

At December 31, 2007 and 2006, the Group has entered into forwards and cash-flow swaps with its related parties. At December 31, 2007 and 2006, the Group has contracted, respectively, 1 and 25 forwards with related parties with a notional amount of Ps. 21,965 and Ps. 34,549, respectively, and at the same dates, the Group has 17 and 9 swaps with related parties with a notional amount of Ps. 8,178 and Ps. 6,539, respectively.

e) Property held for safekeeping or under management

- Trusts

At December 31, 2007, the Group manages trust funds from related parties, the assets of which aggregate Ps. 132,572. At December 31, 2006, the Group managed trust funds from related parties in the amount of Ps. 246,429.

f) Loan portfolio

- Commercial loans

At December 31, 2007 and 2006, loans granted to related parties aggregated Ps. 10,506 and Ps. 12,211.

The Mexican Credit Institutions Act establishes limits for the granting of loans to related parties. The total amount of the loans used, plus the irrevocable lines of credit granted to related parties, may not exceed 75% of basic net capital. At December 31, 2007 and 2006, the balance of loans granted to related parties have not exceeded such limit.

- Letters of credit

At December 31, 2007 and 2006, the Group has granted letters of credit to one of its related parties in the amount of Ps. 420 and Ps. 436, respectively.

g) Deposits

At December 31, 2007 and 2006, the Group maintains demand and time deposits from related parties in the aggregate amount of Ps. 1,891 and Ps. 215, respectively. Individual deposits do not exceed the disclosure limit established by the CNBV.

5. Foreign Currency Position

An analysis of the Group's U.S. dollar position at December 31, 2007 and 2006 is as follows:

	(U.S. dollars)			
	2007		2006	
Assets	USD	5,060,207,074	USD	3,876,783,738
Liabilities	USD	5,121,119,013	USD	3,759,769,897
Net (short) long position		(60,911,939)		117,013,841
Exchange rate (pesos per dollar)	Ps.	10.9157	Ps.	10.8116
	Ps.	(665)	Ps.	1,265
Restatement		-		48
Total in Mexican pesos	Ps.	665	Ps.	1,313

At December 31, 2007 and 2006, the exchange rate was $ 10.9157 Mexican pesos and
$ 10.8116 Mexican pesos, respectively, per U.S. dollar. These exchange rates are set by BANXICO for the settlement of foreign currency denominated liabilities. At February 29, 2008, the date of the audit report on these financial statements, the U.S. dollar exchange rate was $ 10.8444 Mexican pesos per dollar.

In conformity with regulatory requirements established by BANXICO, credit institutions must maintain a balanced daily foreign exchange position, both on a combined basis and in each foreign currency. The acceptable combined short or long positions may not exceed 15% of the Group's net stockholders' equity. Regarding its individual foreign currency position at December 31, 2007 and 2006, the Group complies with the aforementioned limit.

6. Cash and Cash Equivalents

An analysis of cash and cash equivalents at December 31, 2007 and 2006 is as follows:

	2007		2006	
Deposits in BANXICO (a)	Ps.	6,208	Ps.	6,075
Demand deposits (b)		218		651
24/48 hour futures (c)		8,349		439
Futures margin and valuation (d)		685		925
Cash		611		542
Deposits in domestic and foreign banks		356		346
Other liquid assets		17		17
Call money (e)		1,284		686
	Ps.	17,728	Ps.	9,681

a) At December 31, 2007 and 2006, the Group had made the following deposits in BANXICO:

	2007		2006	
Special accounts (1)				
Monetary regulation deposits	Ps.	5,826	Ps.	6,047
Accrued interest		23		22
Current accounts				
U.S. dollar deposits translated to Mexican pesos		8		6
Bids				
Mexican weighted interbank rate (TIIE) bids		350		-
Accrued interest		1		-
	Ps.	6,208	Ps.	6,075

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

(b) These deposits consist of investments of the liquidity coefficient and treasury surpluses, which are denominated in U.S. dollars. Their equivalent in Mexican pesos is as follows:

	2007		2006	
	Amount	Interest rate	Amount	Interest rate
Foreign credit institutions				
Barclay's Bank	Ps. 218	3.33	Ps. 651	5.27

(c) 24/48-hour currency futures refer to transactions involving the buying and selling of foreign currencies, which are to be settled within a maximum period of two business days and whose liquidity is restricted until the date of payment. An analysis is as follows:

	2007		
	Cash receipts (disbursements) in U.S. dollars	Average contracted exchange rate (Mexican pesos per dollar)	(Credit) debit clearing account balances in Mexican pesos
U.S. dollar purchases	USD 1,336,845,161	Ps. 10.9146	Ps. 14,591
U.S. dollar sales	(572,021,316)	10.9034	Ps. (6,237)
	USD 764,823,845		
Year-end exchange rate	10.9157		
Net position in Mexican pesos	Ps. 8,349		

	2006			
	Cash receipts (disbursements) in U.S. dollars	Average contracted exchange rate (Mexican pesos per dollar)	(Credit) debit clearing account balances in Mexican pesos	Restated clearing account
U.S. dollar purchases	USD 60,660,596	$ 10.8308	Ps. 656	Ps. 681
U.S. dollar sales	(21,511,502)	10.8346	Ps. (233)	Ps. (242)
	USD 39,149,094			
Year-end exchange rate	10.8116			
Net position in Mexican pesos	Ps. 423			
Restatement for inflation	16			
	Ps. 439			

(d) The futures margin required to enter into futures contracts in recognized markets is restricted in terms of its liquidity until the underlying transactions have reached their maturity date. An analysis of the 24/48 hour futures margin and guarantee deposits for swaps at December 31, 2007 and 2006 is as follows:

	2007	2006
CME	Ps. 551	Ps. 308
Mexder	36	74
Futures margin	587	382
Guarantee deposits for swaps	98	543
Total	Ps. 685	Ps. 925

e) At December 31, 2007, a two-day call-money transaction was carried out with Banorte in the amount of Ps. 1,284 at a 7.50% interest rate. At December 31, 2006, a four-day call-money transaction was carried out with Banamex in the amount of Ps. 686 at a 6.90% interest rate.

7. Investments in Securities

An analysis of investments in securities at December 31, 2007 and 2006 is as follows:

• Securities for trading

	2007							
		Investment		Accrued interest		Unrealized gain (loss) on valuation		Fair value
Sovereign debt	Ps.	1,343	Ps.	53	Ps.	28	Ps.	1,424
Corporate debt		2,222		39		(24)		2,237
Domestic senior notes (1)		786		1		32		819
Shares		1,259				1,421		2,680
CPO's		394		1				395
Bank notes		2,224		2		2		2,228
Development bonds		291						291
Bank savings bonds		671						671
Udibonds		971				(4)		967
Fixed-rate bond		1,994				(2)		1,992
Total	Ps.	12,155	Ps.	96	Ps.	1,453	Ps.	13,704

(1) At December 31, 2007, the Group holds investments in domestic senior notes, equal to 5% of the Group's net capital at that date, with the following characteristics:

Issuer	Series	Investment		Accrued interest		Unrealized gain on valuation		Fair value		Interest rate
GMAC (a)	04-2	Ps.	117	Ps.	1	Ps.	11	Ps.	129	8.48%
FORD (b)	04-3		45				4		49	8.43%
HSBC	04-2		509				4		513	8.44%
FORD (b)	05		115				13		128	8.44%
		Ps.	**786**	**Ps.**	**1**	**Ps.**	**32**	**Ps.**	**819**	

a) The average maturity term of these instruments is three years.

b) The average maturity terms of these instruments range from two to five years.

	2006							
		Investment		Accrued interest		Unrealized (loss) gain on valuation		Fair value
Sovereign debt	Ps.	754	Ps.	19	Ps.	(57)	Ps.	716
Corporate debt		564		7		28		599
Commercial paper (1)		2,355		1				2,356
Domestic senior notes (2)		1,091		4		32		1,127
Shares		1,248				707		1,955
CPO's		40		1		2		43
Mexican Treasury Certificates (CETES) (3)		585						585
Bank notes		1,836		1				1,837
Development bonds		387						387
Monetary Regulation Bonds (BREMS)		1						1
Bank savings bonds		1						1
Other		3						3
Total	Ps.	8,865	Ps.	33	Ps.	712	Ps.	9,610

(1) At December 31, 2006, the Group holds investments in commercial paper, equal to 5% of the Group's net capital at that date, with the following characteristics:

Issuer	Series	Investment		Accrued interest		Unrealized gain on valuation		Fair value
Bank of America Securities	9026X1N29	Ps.	2,355	Ps.	1	Ps.	-	Ps.	2,356

The maturity term of this investment is five days and the instrument bears 5.28% annual interest.

(2) At December 31, 2006, the Group holds investments in domestic senior notes, equal to 5% of the Group's net capital at that date, with the following characteristics:

Issuer	Series	Investment		Accrued interest		Unrealized gain on valuation		Fair value		Interest rate
GMAC (a)	04-2	Ps.	122	Ps.	-	Ps.	7	Ps.	129	7.88%
GMAC (a)	04		63		-		3		66	8.56%
FORD (b)	04		208		-		4		212	7.84%
FORD (b)	02		235		3		4		242	8.36%
FORD (b)	04-3		47		-		2		49	7.83%
FORD (b)	04-2		297		1		8		306	8.09%
FORD (b)	05		119		-		4		123	7.84%
		Ps.	**1,091**	**Ps.**	**4**	**Ps.**	**32**	**Ps.**	**1,127**	

(a) The average maturity term of these instruments is three years.

(b) The average maturity terms of these instruments range from two to five years.

(3) Restricted investment used to guarantee collateralized repurchase agreements (Note 8c).

- **Securities held to maturity**

Investments in securities classified as "held-to-maturity" at December 31, 2007 and 2006 correspond to credit linked notes issued by correspondent banks. An analysis is as follows:

	2007		2006	
Investment	Ps.	1,398	Ps.	1,770
Accrued interest		26		33
	Ps.	**1,424**	**Ps.**	**1,803**

These instruments are associated with loans granted by the Group. The underlying of the instruments is a cost-bearing loan with no secondary market between the counterparty with which the Group entered into the transaction and the reference debtor. As a result, the effect of valuation of such instruments (Delta value) is presented together with the liability position of interest rate swaps contracted by the Group to hedge these instruments. The related effects are presented as a liability in the Derivatives caption (Note 9a). At December 31, 2007, 92% of transactions related to Credit linked notes have maturities of four years, while at December 31, 2006, 83% have maturities of five years. Such instruments are issued by UBS AG (serial number 1088) and Credit Suisse First Boston (NAS116, NAS119, NAS120, NAS122 and NAS171), and bear interest at an average annual rate of 7.6%.

In February, March and June 2006, the Group acquired 100,000,000 PEMEX bonds, which were recorded as held-to-maturity, for a total amount of USD 126,474,000. These bonds were assigned to a hedging swap. Only the swap's liability portion offset the bond investment, as there was evidence of a material inverse relationship between changes in the fair values of derivatives in their liability portions and the investment to be hedged. On the same dates, the Group also held 125,000,000 UMS bonds for which it had a hedging swap similar to that described above.

In October 2006, the Group reclassified 225,000,000 UMS and PEMEX bonds from held-to-maturity to instruments for trading as follows:

Bonds	Issuer	Series (ISIN)	No. of securities	Rate	Book value	
UMS (a)	MEX	US593048BN00	50,000,000	8.125%	Ps.	673
UMS (a)	MEX	US91086QAJ76	50,000,000	8.000%		654
UMS (a)	MEX	US593048AX90	25,000,000	11.500%		447
Pemex (a)	PEMEX	US70645S1BD26	25,000,000	9.500%		372
Pemex (a)	PEMEX	US70645S1BD26	20,000,000	9.500%		272
Pemex (a)	PEMEX	US70645S1BD26	20,000,000	9.500%		275
Pemex (a)	PEMEX	US70645S1BD26	20,000,000	9.500%		274
Pemex (b)	PEMEX	US70645S1BD26	15,000,000	9.500%		218
			225,000,000		**Ps.**	**3,185**

(a) Such instruments were sold the same day on which they were transferred to the "for trading" category, giving rise to a gain of Ps. 55. The hedging swaps assigned to such instruments were settled in advance, giving rise to a gain of Ps. 629.

(b) At December 31, 2006, these instruments are classified as "for trading" category under Sovereign debt. An analysis is as follows:

Investment		Accrued interest		Unrealized gain on valuation		Fair value	
Ps.	375	Ps.	7	Ps.	6	Ps.	388

A hedging swap was assigned to such instruments, which at December 31, 2006, have a fair value of Ps. 30.

As mentioned in Note 2h, in the next three corporate years, the Group shall not be able to classify to "held-to-maturity" any debt instruments with characteristics similar to those of the UMS and PEMEX bonds.

See Note 28 for a description of the Group's risk management policies, as well as the risks to which it is exposed.

8. Repurchase Agreements (Repos)

a) Analysis

An analysis of repurchase agreements at December 31, 2007 and 2006 is as follows:

	2007				
	No. of securities	Securities to be received		Creditors	
Seller	6,640,177,329				
Agreed price		Ps.	55,675	Ps.	(55,711)
Effect of valuation of securities			15		-
Effect of valuation at present value			-		6
Total position			55,690		(55,695)
Net debit balance				Ps.	(5)

	2007				
	No. of securities	Securities to be delivered		Debtors	
Buyer	6,670,550,794				
Agreed price		Ps.	59,510	Ps.	(59,543)
Accrued interest on securities			(1)		-
Effect of valuation of securities			9		-
Effect of valuation at present value			-		13
Total position			54,518		(54,530)
Net consolidated position				Ps.	(12)

	2006				
	No. of securities	Securities to be delivered		Creditors	
Seller	981,679,582				
Agreed price		Ps.	65,552	Ps.	(65,618)
Effect of valuation of securities			(44)		-
Effect of valuation at present value			-		16
Total position			65,508		(65,602)
Net debit balance				Ps.	(94)

	2006				
	No. of securities	Securities to be delivered		Debtors	
Buyer	981,679,582				
Agreed price		Ps.	65,921	Ps.	(65,992)
Accrued interest on securities			(13)		(13)
Effect of valuation of securities			-		73
Effect of valuation at present value			10		-
Total position			65,918		(65,932)
Net consolidated position				Ps.	(14)

b) Reconciliation of debit and credit balances under security repurchase agreements shown in the balance sheet derived from the offsetting of the asset and liability positions

At December 31, 2007 and 2006, in conformity with CNBV requirements, the balance sheet shows the net effect of debit and credit balances derived from the individual offsetting of asset and liability positions for each transaction.

	2007		2006	
Debit	Ps.	40	Ps.	109
Credit		33		109
	Ps.	7	Ps.	-

The difference between the debit and credit balances under security repurchase agreements shown in the balance sheet at December 31, 2006, does not exceed one million pesos.

c) Repurchase transactions with collateral

At December 31, 2007, the Group did not provide guarantees on its repurchase transactions. At December 31, 2006, the Group acting as a seller provided guarantees of Ps. 570. At December 31, 2007 and 2006, the Group acting as a buyer received guarantees of Ps. 3 and Ps. 148, respectively.

d) Unrealized gain (loss) on repurchase agreements

At December 31, 2007 and 2006, the net result of the valuation of asset and liability positions under repurchase agreements is recognized in the statement of income in the caption Intermediation income (loss) (Note 26).

e) Premiums earned and paid

The total amount of premiums earned and paid under security repurchase agreements is recognized in results of operations in Interest income and Interest expense captions, respectively. For the year ended December 31, 2007, premiums earned and paid were
Ps. 3,691 and Ps. 3,688, respectively (Ps. 3,494 and Ps. 3,479 for the year ended December 31, 2006) (Note 24).

f) Terms and securities under repurchase agreements

The average term of security repurchase agreements at December 31, 2007 and 2006, ranges between 2 and 31 days and the main securities held as a seller and a buyer are as follows:

- Mexican Treasury Certificates (CETES)
- Savings protection bonds (BPAT)
- Mexican government development bonds (BONDES)
- Monetary Regulation Bonds (BREMS)
- Domestic senior notes (CERBUR)
- Promissory notes with interest payable at maturity (PRLV)
- Fixed-rate bonds

9. Derivatives

At December 31, 2007 and 2006, the current position of this caption is as follows:

a) Analysis of the net position in futures, forward contracts and swaps

	2007		2006	
i) Futures				
Currency buying (selling) position (trading)				
Foreign currency to be delivered	Ps.	17,826	Ps.	13,383
Less:				
Foreign currency to be received (translated to pesos)		(17,826)		(13,383)
Net futures position	Ps.	-	Ps.	-
ii) Forwards				
Currency buying position (trading)				
U.S. dollars to be received (translated to pesos)		11,820		48,402
Unrealized loss on valuation		(208)		(951)
Less:				
Pesos to be delivered (Note 9b)		(11,820)		(48,402)
		(208)		(951)
Currency selling position (trading)				
U.S. dollars to be delivered (translated to pesos)		(36,951)		(55,677)
Unrealized gain on valuation		109		1,287
Less:				
Pesos to be received (Note 9b)		36,951		55,677
		109		1,287
Total net forwards position		(99)		336
iii) Swaps				
Trading position				
Interest-rate swaps				
Variable portion valuation		27,514		32,426
Interest		262		265
Fixed-portion valuation		(26,277)		(32,761)
Interest		(259)		(272)
		1,240		(342)
Currency swaps				
Long principal position		17,858		12,271
Valuation		54		79
Interest		63		42
Short principal position		(17,736)		(12,331)
Valuation		(16)		200
Interest		(49)		(36)
		174		225
Hedging position				
Interest-rate swaps				
Variable portion of cash flows		5		6
Fixed portion of cash flows		(5)		(8)
		-		(2)
Currency swaps				
Variable portion of currency swaps		3,170		16,020
Variable-portion valuation		466		588
Interest		10		93
Fixed portion of currency swaps		(3,273)		(15,986)
Fixed-portion valuation		(385)		(541)
Interest		(37)		(78)
		(49)		96
Posición neta en swaps		1,365		(23)
iv) Credit Linked Notes (Note 7)		(18)		(21)
Net derivative position	Ps.	1,248	Ps.	292

At December 31, 2007 and 2006, the Group had no position in credit derivatives.

The futures position margin at year end is shown in Cash and cash equivalents (Note 6).

The Group's derivatives involve liquidity, market, credit and legal risks. To reduce exposure to such risks, the Group has established risk management policies and procedures (Note 28).

An analysis of the asset and liability positions for derivatives at December 31, 2007 and 2006, is as follows (the offsetting of positions includes amounts of less than one million pesos that together might give rise to a credit of up to one million pesos):

	2007							
	Accounting records				Offsetting			
	Assets		Liabilities		Assets		Liabilities	
Swaps								
Trading								
Currency swaps	Ps.	17,975	Ps.	17,802	Ps.	326	Ps.	153
Interest rate swaps U.S. dollars		4,762		4,515		341		94
Interest rate swaps Mexican pesos		23,013		22,020		1,469		476
Total trading swaps		45,750		44,337		2,136		723
Hedging								
Currency swaps		3,647		3,695		100		148
Interest rate swaps U.S. dollars		3		3				
Interest rate swaps Mexican pesos		2		2				
Total hedging swaps		3,652		3,700				
Forwards (trading)		48,563		48,661		208		307
Futures (trading)		17,826		17,826				
Options -								
Delta Credit Linked Value				18				18
	Ps.	115,791	Ps.	114,542	Ps.	2,444	Ps.	1,196

	2006							
	Accounting records				Offsetting			
	Assets		Liabilities		Assets		Liabilities	
Swaps								
Trading								
Currency swaps	Ps.	12,392	Ps.	12,167	Ps.	375	Ps.	150
Interest rate swaps U.S. dollars		5,013		4,843		387		217
Interest rate swaps Mexican pesos		27,677		28,188		981		1,493
Total trading swaps		45,082		45,198		1,743		1,860
Hedging								
Currency swaps		16,702		16,606		610		514
Interest rate swaps Mexican pesos		6		8				2
Total hedging swaps		16,708		16,614		610		516
Forwards (trading)		103,128		102,793		1,308		972
Futures (trading)		17,826		13,383				
Options -								
Delta Credit Linked Value				21				21
	Ps.	182,744	Ps.	178,009	Ps.	3,661	Ps.	3,396

b) Maturities and valuation of transactions

- Futures

At December 31, 2007 and 2006, the position in terms of number of currency and interest rate futures entered into with the Chicago Mercantile Exchange (CME) and the Mexican Derivatives Market (MexDer) is as follows:

	2007		
	No. of agreements		
	CME	MexDer	Maturity
Selling	33,654		March 2008
Buying		10,000	March 2008

	2006		
	No. of agreements		
	CME	MexDer	Maturity
Selling	21,454		December 2007
Buying	133		March 2007
Buying		3,000	December 2007
Buying		18,000	March 2007

The restated notional amount of CME and Mexder futures at December 31, 2007 is
Ps. 16,729 and Ps. 1,097, respectively. The restated notional amount of CME and Mexder futures at December 31, 2006 is Ps. 2,396 and Ps. 10,988, respectively. Cash deposits (margin) of Ps. 551 and Ps. 36, respectively, were made on the purchase of futures at December 31, 2007. Such amounts represent the cash or securities that the Group must deliver to fulfill its obligations on derivative agreements entered into in recognized markets. At December 31, 2006, cash deposits (margin) on CME and MexDer aggregate Ps. 308 and Ps. 74, respectively.

At December 31, 2007 and 2006, the valuation effect of futures transactions was Ps. 35 (gain) and Ps. 161 (loss), respectively, is recognized in the statement of income as part of the caption Intermediation income (loss).

- Forwards

2007							
Maturity date	**Amount in U.S. dollars**	**Contracted price**		**Fair value**		**Unrealized gain (loss) on valuation**	
Buying							
January 2008	450,000,000	Ps.	4,885	Ps.	4,915	Ps.	30
March 2008	309,126,144		3,378		3,392		14
May 2008	20,000,000		307		227		(80)
December 2015	200,000,000		3,250		3,078		(172)
	979,126,144	Ps.	11,820	Ps.	11,612	Ps.	(208)

2007							
Fecha de vencimiento	**Importe dólares americanos**	**Precio pactado**		**Valor razonable**		**Utilidad (pérdida) en valuación**	
Venta							
January 2008	590,000,000	Ps.	6,427	Ps.	6,447	Ps.	(20)
March 2008	2,748,300,000		30,178		30,166		12
May 2008	20,000,000		346		229		117
	3,358,300,000	Ps.	36,951	Ps.	36,742	Ps.	109
					Net	Ps.	(99)

	2006						
Maturity date	Amount in U.S. dollars	Contracted price		Fair value		Unrealized gain (loss) on valuation	
Buying							
January 2007	180,312,500	Ps.	2,024	Ps.	2,025	Ps.	1
March 2007	2,311,200,000		26,655		26,040		(615)
May 2007	65,000,000		737		735		(2)
June 2007	100,000,000		1,170		1,132		(38)
August 2007	5,000,000		57		57		-
September 2007	130,000,000		1,481		1,479		(2)
October 2007	125,000,000		1,426		1,424		(2)
November 2007	10,000,000		114		114		-
December 2007	970,000,000		11,102		11,091		(11)
May 2008	20,000,000		262		245		(17)
December 2015	200,000,000		3,374		3,109		(265)
	4,116,512,500	Ps.	48,402	Ps.	47,451	Ps.	(951)

Maturity date	Amount in U.S. dollars	Contracted price		Fair value		Unrealized gain (loss) on valuation	
Selling							
January 2007	150,312,500	Ps.	1,697	Ps.	1,688	Ps.	9
March 2007	2,392,500,000		27,845		26,959		886
May 2007	65,000,000		741		735		6
June 2007	95,000,000		1,130		1,076		54
August 2007	5,000,000		57		57		-
September 2007	130,000,000		1,512		1,480		32
October 2007	125,000,000		1,436		1,424		12
November 2007	10,000,000		114		114		-
December 2007	1,801,000,000		20,847		20,610		237
May 2008	20,000,000		297		246		51
	4,793,812,500	Ps.	55,676	Ps.	54,389	Ps.	1,287
					Net	Ps.	336

The unrealized (loss) gain on forwards, which for the years ended December 31, 2007 and 2006 was Ps. 423 and Ps. 172, respectively, is recognized in the statement of income as part of the caption Intermediation income.

c) Swaps

At December 31, 2007 and 2006, the Group's swap position is as follows:

	2007													
	Underlying amount		**Present value of flows to be received**		**Present value of flows to be delivered**		**Net valuation**		**Interest collected**		**Interest paid**		**Total**	
Trading														
Currency swaps Peso-dollar	Ps.	16,058	Ps.	16,265	Ps.	(16,118)	Ps.	147	Ps.	1,340	Ps.	(833)	Ps.	654
Dollar-peso		15		1,709		(1,683)		26		98		(130)		(6)
Interest rate swaps Mexican pesos		46,239		23,013		(22,021)		992		3,772		(3,803)		961
U.S. dollars		20,616		4,762		(4,515)		247		930		(987)		190
	Ps.	82,928	Ps.	45,749	Ps.	(44,337)	Ps.	1,412	Ps.	6,140	Ps.	(5,753)	Ps.	1,799
Hedging														
Currency swaps Peso-dollar	Ps.	3,273	Ps.	3,646	Ps.	(3,695)	Ps.	(49)	Ps.	447	Ps.	(379)	Ps.	19
UDIS-dollar		-		-		-		-		1		(1)		-
Dollar-UDIs		-		-		-		-		17		(19)		(2)
Peso-UDIs		-		-		-		-		74		(64)		10
Interest rate swaps														
Mexican pesos		568		2		(2)		-		100		(123)		(23)
U.S. dollars		745		3		(3)		-		26		(26)		-
	Ps.	4,586	Ps.	3,651	Ps.	(3,700)	Ps.	(49)	Ps.	665	Ps.	(612)	Ps.	4

	2006						
	Underlying amount	Present value of flows to be received	Present value of flows to be delivered	Net valuation	Interest collected	Interest paid	Total
Trading							
Currency swaps Peso-dollar	Ps. 10,589	Ps. 61	Ps. (200)	Ps. (139)	Ps. 38	Ps. (31)	Ps. (132)
Dollar-peso	1,740	18	-	18	4	(5)	17
Interest rate swaps Mexican pesos	49,816	27,522	(28,033)	(511)	155	(156)	(512)
U.S. dollars	20,267	4,904	(4,729)	175	110	(115)	170
	Ps. 82,412	Ps. 32,505	Ps. (32,962)	Ps. (457)	Ps. 307	Ps. (307)	Ps. (457)
Hedging							
Currency swaps Peso-dollar	Ps. 14,247	Ps. 481	Ps. (394)	Ps. 87	Ps. 40	Ps. (70)	Ps. 57
UDIs-dollar	409	107	(76)	31	7	(8)	30
Dollar-UDIs	34	-	-	-	-	-	-
Peso-UDIs	1,396	-	-	-	46	(1)	45
Interest rate swaps							
Mexican pesos	1,678	-	-	-	6	(8)	(2)
	Ps. 17,764	Ps. 588	Ps. (470)	Ps. 118	Ps. 99	Ps. (87)	Ps. 130

The valuation effect of swaps, which for the years ended December 31, 2007 and 2006 was a gain of Ps. 1,367 and a loss of Ps. 636, respectively, is recognized in the statement of income as part of the caption Intermediation income.

The Group's derivatives involve liquidity, market, credit and legal risks. To reduce exposure to such risks, the Group has established risk management policies and procedures (Note 28).

10. Loan Portfolio

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

An analysis of the trade receivables portfolio at December 31, 2007 and 2006 is as follows:

	2007					
	Performing portfolio			Past-due portfolio		
Loan	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
Consumer	Ps. 4,153	Ps. 31	Ps. 4,184	Ps. 430	$ 2	Ps. 432
Discounts	3,306	1	3,307		-	
Unsecured	21,509	107	21,616	16	-	16
Chattel mortgage	164	3	167	-	-	-
Simple and current accounts	41,891	385	42,276	718	10	728
Secured by capital assets	1	-	1	-	-	-
Home mortgage	1,225	5	1,230	109	3	112
Leases	964	-	964	48	1	49
Restructured (Note 10f)	6,440	22	6,462	140	1	141
Rediscounts	2,017		2,017	35		35
Total portfolio	Ps. 81,670	Ps. 554	82,224	Ps. 1,496	Ps. 17	Ps. 1,513

	2006											
	Performing portfolio						Past-due portfolio					
Loan	Principal		Interest		Total		Principal		Interest		Total	
Consumer	Ps.	2,445	Ps.	63	Ps.	2,508	Ps.	182	Ps.	2	Ps.	184
Discounts		1,601		1		1,602		-		-		-
Unsecured		15,043		70		15,113		11		-		11
Chattel mortgage		60		1		61		-		-		-
Simple and current accounts		34,115		610		34,725		199		3		202
Secured by capital assets		4		-		4		-		-		-
Home mortgage		958		7		965		86		2		88
Leases		407		-		407		10		-		10
Restructured (Note 10f)		9,228		40		9,268		121		2		123
Rediscounts		1,556		1		1,557		3		-		3
Total portfolio	Ps.	65,417	Ps.	793	Ps.	66,210	Ps.	612	Ps.	9	Ps.	621

b) Analysis of the loan portfolio by currency

An analysis of the loan portfolio by currency at December 31, 2007 and 2006 is as follows:

	2007							
Loan	**Mexican pesos**		**Foreign currency**		**UDIs**		**Total**	
Performing loan portfolio:								
Consumer	Ps.	4,056	Ps.	41	Ps.	88	Ps.	4,185
Discounts		2,109		1,197		-		3,306
Unsecured		21,989		1,097		-		23,086
Chattel mortgage		167		-		-		167
Simple and current accounts		28,344		11,584		878		40,806
Secured by capital assets		-		-		-		-
Home mortgage		1,226		-		3		1,229
Leases		617		349		-		966
Restructured (Note 10f)		4,819		1,437		206		6,462
Rediscounts		2,017		-		-		2,017
		65,344		**15,705**		**1,175**		**82,224**
Past-due loan portfolio:								
Consumer	Ps.	387	Ps.	45	Ps.	-	Ps.	432
Discounts		-		1		-		1
Unsecured		15		2		-		17
Chattel mortgage		-		-		-		-
Simple and current accounts		635		93		-		728
Secured by capital assets		-		-		-		-
Home mortgage		111		-		-		111
Leases		49		-		-		49
Restructured (Note 10f)		103		38		-		141
Rediscounts		34		-		-		34
		1,334		**179**		**-**		**1,513**

	2006							
Loan	Mexican pesos		Foreign currency		UDIs		Total	
Performing loan portfolio:								
Consumer	Ps.	2,251	Ps.	32	Ps.	225	Ps.	2,508
Discounts		1,602		-		-		1,602
Unsecured		11,730		3,384		-		15,114
Chattel mortgage		61		-		-		61
Simple and current accounts		22,842		10,846		1,037		34,725
Secured by capital assets		2		2		-		4
Home mortgage		960		-		5		965
Leases		331		75		-		406
Restructured (Note 10f)		7,085		1,962		221		9,268
Rediscounts		1,557		-		-		1,557
	Ps.	48,421	Ps.	16,300	Ps.	1,488	Ps.	66,210
Past-due loan portfolio:								
Consumer	Ps.	139	Ps.	46	Ps.	-	Ps.	185
Discounts		-		-		-		-
Unsecured		11		-		-		11
Chattel mortgage		-		-		-		-
Simple and current accounts		151		50		-		201
Secured by capital assets		-		-		-		-
Home mortgage		88		-		-		88
Leases		11		-		-		11
Restructured (Note 10f)		122		-		-		122
Rediscounts		3				-		3
	Ps.	525	Ps.	96	Ps.	-	Ps.	621

c) Operating limits

The CNBV establishes the limits to be observed by credit institutions for the granting of loans. The most important of these limits are as follows:

- Loans constituting common risk

Loans granted to a single person or to a group of persons who are considered as a single person since they represent a common risk, are subject to maximum capital limits resulting from applying the following table:

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

Loans backed by unconditional and irrevocable guarantees that cover both the principal amount and the related interest and restatement, granted by foreign financial institutions with strong investment ratings, may exceed the maximum limit applicable to the related entity but in no case may represent more than 100% of the Group's basic capital, per each person or group of persons constituting common risk.

At December 31, 2007 and 2006, the Group has met the aforementioned limits.

- Other loan limits

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

At December 31, 2007 and 2006, the maximum amount of financing due from the Group's three largest borrowers aggregated Ps. 16,115 and Ps. 9,853, respectively, which represented 77.8% and 47% of the Group's net capital computed at December 2007 and 2006, respectively.

At December 31, 2007 and 2006, no loans have been granted to multiple-type banking institutions or state-owned entities and bodies.

d) Analysis of risk concentration

An analysis of risk concentration percentages per economic sector at December 31, 2007 and 2006 is as follows:

	2007			2006		
	Amount		Concentration percentage	Amount		Concentration percentage
Private (companies and individuals)	Ps.	61,654	73.63%	Ps.	54,971	82.25%
Financial		10,626	12.69%		5,676	8.49%
Consumer		7,524	8.99%		4,344	6.9%
Home mortgage		931	1.10%		1,055	1.57%
Loans to government entities		3,002	3.59%		785	1.20%
	Ps.	83,737	100.00%	Ps.	66,831	100.00%

- Per region

An analysis of risk concentration percentages per region at December 31, 2007 and 2006 is as follows:

	2007			2006		
Zone	**Loans**		%	**Loans**		%
Central	Ps.	46,212	69,14%	Ps.	54,732	65.36%
Northern		5,892	8.81%		13,277	15.85%
Southern		1,464	2.19%		2,877	3.44%
Foreign		5,614	8.40%		5,018	5.99%
Other		7,649	11.46%		7,833	9.36%
Total	**Ps.**	**66,831**	**100.0%**	Ps.	83,373	100.0%

e) Analysis of economic environment (troubled loan portfolio)

At December 31, 2007 and 2006, the Group's troubled loan portfolio includes mainly D and E risk graded loans. An analysis is as follows:

	2 0 0 7											
	Performing portfolio						Past-due portfolio					
	Principal		Interest		Total		Principal		Interest		Total	
Simple	Ps.	3,013	Ps.	20	Ps.	3,033	Ps.	368	Ps.	7	Ps.	375
Restructured		327		1		328		168		1		169
Home mortgage		-		-		-		101		3		104
Letters of credit		212		-		212		-		-		-
Leases		1		1		2		42		1		43
Consumer		-		-		-		497		2		499
Discounts		1		-		1		-		-		-
Unsecured		7		-		7		22		-		22
Total portfolio	Ps.	3,561	Ps.	22	Ps.	3,583	Ps.	1,198	Ps.	14	Ps.	1,212

2006						
	Cartera vigente			Cartera vencida		
	Capital	Interés	Total	Capital	Interés	Total
Simple	Ps. 3,225	Ps. 17	Ps. 3,242	Ps. 169	Ps. 2	Ps. 171
Restructured	1,243	3	1,246	-	-	-
Home mortgage	-	-	-	81	2	83
Letters of credit	126	-	126	-	-	-
Leases	17	-	17	-	-	-
Consumer	20	-	20	182	2	184
Secured by capital assets	2	-	2	-	-	-
Discounts	13	-	13	-	-	-
Unsecured	231	1	232	-	-	-
Total portfolio	Ps. 4,877	Ps. 21	Ps. 4,898	Ps. 432	Ps. 6	Ps. 438

f) Performing restructured loans

An analysis of performing restructured loans at December 31, 2007 and 2006 is as follows:

2007						
	Performing portfolio			Past-due portfolio		
Loan	Principal	Interest	Total	Principal	Interest	Total
Consumer	Ps. 2,907	Ps. 1	Ps. 2,908	Ps. -	Ps. -	Ps. -
Simple with other guarantees	165	-	165	-	-	-
Simple mortgage	2,387	14	2,401	102	1	103
Simple chattel mortgage	803	6	809	38	-	38
Guaranteed simple	177	1	178	-	-	-
Home mortgage	1	-	1	-	-	-
Total	Ps. 6,440	Ps. 22	Ps. 6,462	Ps. 140	Ps. 1	Ps. 141

2006						
	Performing portfolio			Past-due portfolio		
Loan	Principal	Interest	Total	Principal	Interest	Total
Consumer	Ps. 1,652	Ps. 1	Ps. 1,653	Ps. -	Ps. -	Ps. -
Simple with other guarantees	1,532	9	1,541	-	-	-
Simple mortgage	2,781	10	2,791	122	1	123
Simple chattel mortgage	841	6	847	-	-	-
Guaranteed simple	974	5	979	-	-	-
Unsecured simple	1,447	9	1,456	-	-	-
Home mortgage	1	-	1	-	-	-
Total	Ps. 9,228	Ps. 40	Ps. 9,268	Ps. 122	Ps. 1	Ps. 123

g) Additional guarantees obtained

At December 31, 2007 and 2006, additional guarantees obtained in restructured loans are as follows:

2007			
Type of loan	Amount		Nature of guarantee
Mexican peso denominated			
Simple mortgage	Ps.	5,017	Mortgage and guarantor
Simple with other guarantees		96	Public shares, mortgage
Simple chattel mortgage		1,361	Chattel mortgage
Consumer		145	Chattel mortgage
	Ps.	6,619	

2006			
Type of loan	Amount		Nature of guarantee
Mexican peso denominated			
Simple mortgage	Ps.	3,950	Mortgage and guarantor
Simple with other guarantees		1,555	Public shares, mortgage
Simple chattel mortgage		1,278	Chattel mortgage
Guaranteed simple		5	Mortgage
Individual home mortgage		1	Mortgage
Consumer		107	Chattel mortgage
		6,896	
U.S. dollar denominated			
Simple mortgage		6,155	Stocks and bonds, mortgage and personal property
UDI denominated			
Consumer		1	Mortgage
	Ps.	13,052	

h) Past-due loan portfolio

- Age

An aged analysis of the past-due loan portfolio at December 31, 2007 and 2006 is as follows:

	2007		2006	
1 to 180 days overdue	Ps.	784	Ps.	283
181 to 365 days overdue		423		187
More than one year overdue		306		151
	Ps.	1,513	Ps.	621

The aforementioned analysis includes the balances of the past-due consumer and mortgage loan portfolio, which at December 31, 2007 aggregate Ps. 499 (Ps. 184 in 2006) and Ps. 112 (Ps. 88 in 2006), respectively. The Group's management did not consider it necessary to prepare the aged analysis of such portfolios separately due to their relative immateriality.

- Changes

An analysis of activities in the past-due loan portfolio at December 31, 2007 and 2006 is as follows:

	2007		2006	
Initial balance	Ps.	621	Ps.	471
Less:				
Restatement for inflation		(23)		(18)
		598		453
Add (less):				
Net transfers from performing portfolio to past-due portfolio and vice versa (1)	1,205		310	
Awards		(22)		(38)
Write-offs		(268)		(104)
Restatement for inflation		-		-
Ending balance	Ps.	1,513	Ps.	621

(1) For the years ended December 31, 2007 and 2006, based on the policy described in Note 2 above, the Group transferred Ps. 28,637 and Ps. 24,070 (Ps. 23,189 nominal amount), respectively, from the performing portfolio to the past-due portfolio. For the years ended December 31, 2007 and 2006, transfers made from the past-due portfolio to the performing portfolio aggregated Ps. 29,842 and Ps. 23,760 (Ps. 22,890 nominal value), respectively.

For the years ended December 31, 2007 and 2006, the Group did not pardon, write off or make changes against any of its loans granted to related parties that gave rise to the cancellation of the corresponding portfolio account.

11. Preventive Provision for Credit Risks

An analysis of the preventive provision for credit risks created in conformity with the rules for loan portfolio grading established by the SHCP at December 31, 2007 and 2006 is as follows:

Risk	2007 Amount of liability at December 31	Amount of provision
A	Ps. 7,397	Ps. 36
A1	17,500	87
A2	10,789	105
B	302	26
B1	6,519	187
B2	23,780	2,216
B3	14,469	2,660
C	153	60
C1	2,481	533
C2	4	2
D	407	267
E	4,388	4,349
Graded portfolio	Ps. 88,189	10,528
	Additional estimate	17
	Required provision	10,545
	Amount provided for	10,545
	Over or understatement	Ps. -

Risk	2006 Amount of liability at December 31	Amount of provision
A	Ps. 4,472	Ps. 23
A1	17,093	85
A2	9,262	90
B	375	30
B1	9,010	421
B2	10,656	951
B3	11,844	2,138
C	108	31
C1	1,630	339
C2	1	-
D	607	367
E	4,729	4,696
Graded portfolio	Ps. 69,787	9,171
	Additional estimate	22
	Required provision	9,193
	Amount provided for	9,193
	Over or understatement	Ps. -

At December 31, 2007, the balance of the preventive provision for consumer and mortgage credit risks aggregates Ps. 530 (Ps. 247 in 2006) and Ps. 64 (Ps. 130 in 2006), respectively. Such amounts are included in the aforementioned analysis but the Group's management did not consider it necessary to include the analysis of the loan portfolio grading for these risks separately, due to the relative immateriality of balances.

The Group's loan portfolio grading at December 31, 2007 and 2006, included an evaluation of loans granted to financial and government entities.

Movements in the preventive provision for credit risks at December 31, 2007 and 2006 are as follows:

	2007	2006
Balance at beginning of year	Ps. 9,193	Ps. 8,055
Reversal of restatement of balance of prior year	(337)	(321)
Add (less):		
Increase in provision (1)	1,900	1,538
Charges to provision	(258)	(104)
Valuation of UDIS and foreign currency portfolio	45	25
Balance at end of year	Ps. 10,543	Ps. 9,193

(1) A reconciliation of increases in the preventive provision for credit risks at December 31, 2007 and 2006 is as follows:

	2007	2006
Increase in the provision	Ps. 1,900	Ps. 1,538
Restatement for inflation	43	40
	Ps. 1,943	Ps. 1,578

12. Other Accounts Receivable, net

An analysis of this caption at December 31, 2007 and 2006 is as follows:

	2007	2006
Prepayments (1)	Ps. 288	Ps. 126
Debtors for settlement of transactions	6,242	245
Other debtors (2)	566	464
Commission debtors	1	3
Commissions receivable (Siefore)	90	35
	7,187	873
Allowance for bad debts	(3)	(3)
	Ps. 7,184	Ps. 870

(1) An analysis of prepayments at December 31, 2007 and 2006 is as follows:

	2007		2006	
Income tax prepayments	Ps.	171	Ps.	19
Creditable taxes		109		99
Other		8		8
	Ps.	288	Ps.	126

(2) An analysis of other debtors at December 31, 2007 and 2006 is as follows:

	2007		2006	
Debtors for management trusts	Ps.	5	Ps.	3
Recoverable valued added tax in loan transactions		6		11
Sundry debtors		555		450
	Ps.	566	Ps.	464

13. Buildings, Furniture and Equipment, net

An analysis of buildings, furniture and equipment at December 31, 2007 and 2006 is as follows:

	Depreciation rate	2007		2006	
Buildings	5%	Ps.	344	Ps.	338
Office furniture and equipment	10%		148		117
Electronic computer equipment	30%		772		686
Machinery and equipment	30%		462		127
Automotive equipment	25%		1,017		160
Land			185		185
Other			44		43
			2,972		1,656
Accumulated depreciation			(933)		(758)
		Ps.	2,039	Ps.	898

Depreciation expense charged to results of operations of the years ended December 31, 2007 and 2006 was Ps. 196 and Ps. 181, respectively.

14. Long-term Equity Investments

An analysis of this caption at December 31, 2007 and 2006 is as follows:

2007										
Issuer	**Amount Dec. 2006**		**Additions**		**Equity in net income (loss)**		**Other movements**		**Amount Dec. 2007**	
Inversiones de capital de riesgo:										
Infraestructura y Transportes México	Ps.	881	Ps.	-	Ps.	132	Ps.	35	Ps.	1,048
Controladora Vuela Compañía de Aviación		268		-		(50)		(4)		214
Grupo Acir Comunicaciones		258		-		24		10		292
Quality Films		41		16		(12)				45
Media Planning		25		-		2		2		29
Concesionaria Vuela Compañía de Aviación		3		-		(10)		18		11
Argos Comunicación		-		41		5		1		47
Celsol		-		58		-		-		58
In Store de México		4		-		3		-		7
Morton Hall		2		1		(2)		(1)		-
Vale Inteligente de Combustible		-		2		(3)		1		-
Pure Leasing		58		149		30		(21)		216
Grupo IDESA		186		-		14		6		206
Laboratorio Médico Polanco		26		5		(3)		-		28
Casa Urvitec		-		254		17		(271)		-
		1,752		526		147		(224)		2,201
Other investments:										
Asociación de Bancos de México		7		-		-		-		7
Bolsa Mexicana de Valores		40		-		6		(1)		45
Fianzas Guardiana Inbursa		1,132		-		278				1,410
Inbursa Siefore		659		30		51		(1)		739
Inbursa Siefore Básica 1		186		-		13		-		199
Pensiones Inbursa		3,188				1,149		(2)		4,335
Procesar		8		-		(1)		1		8
Promotora Inbursa		77		(16)		67		(128)		-
S.D. Indeval		12		-		1		-		13
Seguros Inbursa		3,505		(72)		957		64		4,454
Mutual funds		392				82		(20)		454
Other				-		4		(7)		2
		9,207		(58)		2,607		(92)		11,664
Total	Ps.	10,959	Ps.	(468)	Ps.	2,754	Ps.	(316)	Ps.	13,865

(1) Argos Comunicación (ARGOS)

At an ordinary and extraordinary meeting held on March 28, 2007, the stockholders of ARGOS agreed to enter into a promotion agreement with the Group, through which 238,498 shares representing 0.2161% of ARGOS' capital stock were subscribed and delivered to the Group. The Group also acquired a total of 32,863,715 ARGOS shares from a number of stockholders.

(2) Celsol (CELSOL)

At an ordinary and extraordinary meeting held on December 20, 2007, the stockholders of CESOL agreed to enter into a promotion agreement with the Group, through which 3,819,080 shares representing 38.9% of CESOL's capital stock were subscribed and delivered to the Group.

				2006						
Issuer	Amount Dec. 2005		Additions		Equity in net income (loss)		Other movements		Amount Dec. 2006	
Venture capital investments:										
Infraestructura y Transportes México	Ps.	1,117	Ps.	-	Ps.	109	Ps.	(312)	Ps.	914
Controladora Vuela Compañía de Aviación (2)		266		85		(72)		(1)		278
Grupo Acir Comunicaciones (1)		226		-		33		9		268
Quality Films		47		-		4		(8)		43
Media Planning		24		-		8		(6)		26
Concesionaria Vuela Compañía de Aviación (3)		17		-		(11)		(3)		3
Excelencia y calidad (4)		15		(15)		-		-		-
Holding Corpartivo Domit (4)		4		(4)		-		-		-
In Store de México		2		-		3		-		5
Morton Hall		1		1		(1)		2		3
Pure Leasing		-		45		19		(4)		60
Grupo IDESA (5)		-		97		97		-		194
Laboratorio Médico Polanco		-		49		1		(23)		27
		1,719		258		190		(346)		1,821
Other investments:										
Asociación de Bancos de México		7		-		-		-		7
Bolsa Mexicana de Valores		33		-		7		-		40
Fianzas Guardiana Inbursa		851		-		307		(26)		1,132
Inbursa Siefore		501		156		51		(24)		684
Inbursa Siefore Básica 1		182		-		14		(3)		193
Pensiones Inbursa		2,703				496		(11)		3,188
Procesar		7		-		1		-		8
Promotora Inbursa		68		-		8		1		77
S.D. Indeval		10		-		2		-		11
Seguros Inbursa		2,980		(281)		970		(164)		3,505
Mutual funds		366		-		78		(52)		392
Other		1		-		(146)		146		1
		7,709		(125)		1,788		(133)		9,239
Total	Ps.	9,428	Ps.	133	Ps.	1,978	Ps.	(479)	Ps.	11,060

The column Other movements includes the results from holding non-monetary assets of the investees that represent changes in their stockholders' equity different from the results of their operations for the period.

(1) The shares acquired have been placed in an ownership and management transfer trust, in which Banca MIFEL, S.A., Institución de Banca Múltiple, Grupo Financiero MIFEL, División Fiduciaria, acts as trustee.

(2) These shares (149,999) have been placed in an ownership and management transfer trust, in which Deutsche Bank acts as trustee.

(3) These shares have been placed in an ownership and management transfer trust, in which Deutsche Bank acts as trustee.

(4) Companies sold in 2006.

(5) Negative goodwill of Ps. 97 recognized in results of operations.

- **2006 Acquisitions**

- **Pure Leasing (PURE LE)**

At an ordinary and extraordinary meeting held on January 30, 2006, the stockholders of PURE LE agreed to enter into a promotion agreement by and between PURE LE and the Group, for the latter to subscribe and deliver to the Group 12,285 Series "B" common registered shares, with no par value, which represent 35% of PURE LE capital stock. The Group paid Ps. 49 for the shares.

- **Grupo IDESA (GIDESA)**

On July 27, 2006, the Group entered into a securities promotion agreement with GIDESA, through which the Group subscribed and paid in 145,750 common registered Series "B" shares of variable capital stock for which it paid Ps. 15. On the same date, the Group entered into two stock purchase agreements to acquire 34,716 and 1,194,801 series "B" shares in GIDESA for Ps. 82.

- **Laboratorio Médico Polanco (LAB MED)**

At an ordinary meeting held on April 26, 2006, the Group's stockholders agreed to make an investment in LAB MED. Accordingly, the Group subscribed and paid in 1,991,524 Series "B", Class II shares of the promoted company, for which it paid Ps. 26. Also, through several purchase agreements, the Group acquired 1,679,833 Series "A" class II shares for which it paid Ps. 22.

- **Controladora Vuela Compañía de Aviación, S.A. de C.V. (CTVUELA)**

At a Board of Directors' meeting held on October 25, 2006, it was announced that the stockholders of CTVUELA would make an additional capital contribution of up to USD 30,000,000. Consequently, the Group contributed USD 7,500,000 to maintain its direct and indirect equity interest in CTVUELA's capital stock at 25%.

15. Other Assets, Deferred Charges and Intangibles, net

At December 31, 2007 and 2006, this caption consists of the following:

	2007		2006	
Software licenses	Ps.	240	Ps.	238
Pre-operating expenses		113		112
Goodwill (a)		473		490
Premium on loan operations (b)		247		294
Guarantee deposits		163		206
Other		30		26
		1,266		1,366
Amortization of software licenses		(214)		(189)
Amortization of pre-operating expenses		(112)		(106)
		(326)		(295)
	Ps.	940	Ps.	1,071

Amortization charged to results of operations for the years ended December 31, 2007 and 2006 was Ps. 31 and Ps. 39, respectively.

(a) This caption consists of goodwill corresponding to the following entities:

	2007		2006	
Infraestructura y Transportes de México	Ps.	313	Ps.	326
Sinca Promoted Companies		130		130
Laboratorios Médico Polanco		22		23
Quality Films		8		8
Promotora Inbursa		-		3
	Ps.	473	Ps.	490

(b) The Group purchased a U.S. dollar-denominated portfolio that, based on the conditions of the market in which the Group operates, gave rise to the payment of a premium. Under the related loan agreements, the customers may not make early payments. An analysis of the balance of the portfolio, the premium paid and the related amortization for the years ended December 31, 2007 and 2006 is as follows:

		2007						
Date of repurchase	Nominal amount of portfolio in U.S. dollars	Premium paid			Accumulated amortization	Balance of unamortized premium	
December 2003 (1)	41,387,091	Ps.	181	Ps.	(59)	Ps.	122
April 2004 (1)	15,000,000		59		(18)		41
March 2005 (1)	10,000,000		51		(13)		38
January 2006 (2)	76,701,170		70		(24)		46
	143,088,261	Ps.	361	Ps.	(114)	Ps.	247

		2006					
Date of repurchase	Nominal amount of portfolio in U.S. dollars	Premium paid			Accumulated amortization	Balance of unamortized premium	
December 2003 (1)	41,387,091	Ps.	189	Ps.	(47)	Ps.	142
April 2004 (1)	15,000,000		61		(13)		48
March 2005 (1)	10,000,000		53		(8)		45
January 2006 (2)	76,701,170		72		(13)		59
	143,088,261	Ps.	375	Ps.	(81)	Ps.	294

(1) Loans payable by the same debtor, bearing interest at a fixed rate of 11.93%.

(2) Loans payable by the same debtor, bearing interest at a fixed rate of 8.66%.

The Group evaluates annually whether or not there are any indications of impairment in the value of goodwill. At December 31, 2007 and 2006, the recovery value of goodwill exceeds its book value.

16. Traditional Deposits

a) Demand deposits

Checking accounts	**Mexican pesos**				**Foreign currency translated to Mexican pesos**				**Total**			
	2007		2006		**2007**		2006		**2007**		2006	
Interest-bearing	Ps.	33,612	Ps.	27,815	Ps.	640	Ps.	309	Ps.	34,252	Ps.	28,124
Non-interest bearing		175		120		40		37		215		157
Other		13		13		-		-		13		13
Total	Ps.	33,800	Ps.	27,948	Ps.	680	Ps.	346	Ps.	34,480	Ps.	28,294

b) Time deposits

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

At December 31, 2007 and 2006, time deposits are as follows:

	2007		2006	
Fixed-term deposits				
U.S. dollars (1)	Ps.	1,289	Ps.	989
UDIs (2)		688		299
		1,977		1,288
PRLV's				
Placed through the market (2)		33,631		20,820
Placed over the counter (1)		2		46
Deposits withdrawable on pre-established days		511		263
		34,144		21,129
	Ps.	36,121	Ps.	22,417

(1) Placed with the general public
(2) Placed in the money market

At December 31, 2007 and 2006, deposits maturing in less than one year aggregated Ps. 35,456 and Ps. 22,236, respectively.

Whenever credit institutions establish deposits, receive loans from their customers or obtain resources from one person or a group of persons considered as a single economic entity, in one or more liability transactions, and that represent more than 100% of the Group's net capital, they must notify the CNBV of this situation on the following business day. At December 31, 2007 and 2006, the Group has not exceeded such limit.

17. Interbank and Other Borrowings

This caption consists primarily of borrowings from Mexican and foreign financial institutions and government entities that bear interest at current market interest rates. Interest is charged to income under the Interest expense caption (Note 24b) and is booked as a liability in the balance sheet until the date of payment.

Short- and long-term

At December 31, 2007 and 2006, an analysis is as follows:

	2007			2006		
	Principal	Interest	Total	Principal	Interest	Total
Short-term						
Translated foreign currency borrowings						
Cobank ACB	Ps. 3	Ps. -	Ps. 3	Ps. -	Ps. -	Ps. -
Other	-	2	2	-	-	-
Mexican-peso borrowings						
Call Money (1)	-	-	-	1,038	1	1,039
Bancomext (1)	462	5	467	-	-	-
NAFIN	924	7	931	-	-	-
Other	186	1	187	788	7	795
Total short- term borrowings	1,575	15	1,590	1,826	8	1,834
Long-term						
Translated foreign currency borrowings						
Cobank ACB	-	-	-	8	2	10
Mexican-peso borrowings						
Discounted portfolio (FIRA)	607	-	607	747	7	754
Total long-term borrowings	607	-	607	755	9	764
	Ps. 2,182	Ps. 15	Ps. 2,197	Ps. 2,581	$ 17	Ps. 2,598

(1) At December 31, 2006, this same loan was from Banco Nacional de México, S.A., Institución de Banca Múltiple, Grupo Financiero Banamex.

At December 31, 2007, short-term Mexican-peso borrowings bear interest at an average annual rate of 8.175% (7.05% in 2006). At December 31, 2007, long-term borrowings denominated in both Mexican pesos and foreign currency bear interest at an average annual rate of 7.935% (6.04% in 2006) and 5.75% (4.58% in 2006), respectively.

At December 31, 2007 and 2006, there are no guarantees for the borrowings received.

18. Income Tax, Asset Tax and Employee Profit Sharing

a) Income tax

The Group's book income and taxable income are not the same due to: (i) permanent differences derived from the treatment of such items as the equity interest in net income of subsidiaries and associates, the annual effect of inflation and non-deductible expenses, and (ii) temporary differences in the recognition of income and expenses for financial and tax reporting purposes, such as the valuation of derivatives and securities, accrued present value premiums on security repurchase agreements, and certain provisions. Deferred taxes are recognized on temporary differences for financial and tax reporting purposes of the Group and its subsidiaries (Note 20).

For the years ended December 31, 2007 and 2006, the Group, as an economic legal entity, reported taxable income of Ps. 11 and Ps. 1, respectively, on which it did not pay income tax, since it opted to carry forward tax losses from prior years in the same amounts.

An analysis of current year income tax and employee profit sharing as shown in the consolidated statement of income at December 31, 2007 and 2006 is as follows:

			2007			
Subsidiary	Income tax		Employee profit sharing		Total	
Arrendadora Financiera Inbursa	Ps.	-	Ps.	-	Ps.	-
Inversora Bursátil, Casa de Bolsa		115		-		115
Operadora Inbursa		49		-		49
Banco Inbursa		369		-		369
Other subsidiaries		9		-		9
	Ps.	542	Ps.	-	Ps.	542

			2006			
Subsidiary	Income tax		Employee profit sharing		Total	
Arrendadora Financiera Inbursa	Ps.	4	Ps.	-	Ps.	4
Inversora Bursátil, Casa de Bolsa		144		-		144
Operadora Inbursa		45		-		45
Banco Inbursa		427		-		427
Other subsidiaries		7		1		8
	Ps.	627	Ps.	1	Ps.	628

At the date of the audit report on these financial statements, the Group subsidiaries have yet to file their final income tax returns for the year 2007 with the tax authorities. Consequently, the income tax of subsidiaries may be subject to changes that are not deemed to be material.

CNBV requirements establish the rules for offsetting the asset and liability positions. At December 31, 2007 and 2006, management offset income tax prepayments against the balance of the income tax provision.

Income tax and asset tax of the subsidiaries of the Group regulated by the CNSF are recorded in results of operations of such subsidiaries. Therefore, the caption Equity interest in net income of subsidiaries and associates, as shown in the statement of income, is presented net of each subsidiary's taxes. The Group and each of its subsidiaries do not consolidate for tax purposes and, accordingly, file their tax returns on an individual basis.

b) Asset tax

For the years ended December 31, 2007 and 2006, asset tax is payable at 1.25% and 1.8%, respectively, of the average value of assets not subject to financial intermediation (e.g., fixed assets, land and deferred expenses and charges) net of debts incurred to acquire such assets. As a minimum income tax, asset tax is actually payable only to the extent that it exceeds current year income tax. At December 31, 2007 and 2006, asset tax payable by the Group at the entity level did not exceed one million Mexican pesos. With respect to the Group's subsidiaries, asset tax for the years ended December 31, 2007 and 2006 aggregated Ps. 39 and Ps. 39, respectively. In all instances, income tax payable exceeded asset tax.

c) Employee profit sharing

Employee profit sharing is determined basically at 10% of taxable income, excluding the taxable or deductible nature of the annual inflation adjustment. In 2007 and 2006, Out Sourcing Inburnet, S.A. de C.V. is the only subsidiary subject to consolidation that has personnel of its own. However, the subsidiary's employee profit sharing base for both years is not considered to be material.

19. Sundry Creditors and Other Accounts Payable

At December 31, 2007 and 2006, an analysis is as follows:

	2007		2006	
Creditors on settlement of transactions	Ps.	14,701	Ps.	677
Sundry creditors		654		570
Acceptances on behalf of customers		561		460
Guarantee deposits		263		97
Payable drafts		17		34
Cashier's checks		39		32
Other		13		-
Provisions for sundry liabilities		39		38
Certified checks		12		29
Contributions to contingency fund		35		33
Total	Ps.	16,334	Ps.	1,970

20. Deferred Taxes

In conformity with legal requirements with respect to income tax, certain items are recognized for tax purposes in periods other than those in which they are recorded for book purposes, thus giving rise to deferred taxes.

The statutory rate applicable to the temporary differences that gave rise to deferred taxes at December 31, 2007 and 2006 was 28%.

The most important temporary differences included in the computation of deferred taxes are as follows:

	2007		2006	
Deferred tax liabilities				
Unrealized gain on valuation of financial instruments	Ps.	118	Ps.	84
Derivatives		658		319
Premium on loan operations		72		82
Difference between book value and tax cost of the securities portfolio		483		763
Other		321		12
		1,652		999
Deferred tax asset				
Amortization of goodwill of SINCA Inbursa		(7)		(7)
Amortization of goodwill of Promotora Inbursa		-		(1)
Unrealized loss on valuation of financial instruments		-		(7)
Tax loss of subsidiaries		2		-
Amortización sobre precio Bonos (UMS)		-		-
Other		(55)		(18)
		(64)		(33)
Net deferred tax liability	**Ps.**	**1,588**	Ps.	996

The companies of the Group compute their deferred taxes on an individual basis and recognize the deferred tax assets and liabilities in the counter item in the statement of income. For those companies not subject to consolidation under CNBV requirements, the effects of deferred taxes are recognized in the application of the equity method. At December 31, 2007 and 2006, deferred taxes recognized by such companies aggregate Ps. 644 (net liability) and Ps. 540 (net liability), respectively.

As a result of the changes in the Income Tax Law related to the gradual reduction in the statutory income tax rate, the Group recognized the effect of the reduction in the rate applicable to the temporary difference that give rise to deferred taxes in the amounts of Ps. 14 at December 31, 2006.

• Reconciliation of the statutory corporate income tax rate to the effective rate

A reconciliation of the statutory corporate income tax rate to the effective rate recognized by the Group for the years ended December 31, 2007 and 2006 is as follows:

	2007		2006	
Income before income tax and employee profit sharing	Ps.	4,080	Ps.	996
Permanent differences:				
Restatement of results of operations		828		1,107
Annual inflation adjustment		(757)		(1,025)
Non-deductible expenses		41		27
Depreciation and amortization		(5)		(5)
Difference in the tax cost of shares		(102)		-
Other permanent items		(8)		54
Income before income tax and employee profit sharing, plus permanent items		4,077		1,154
Carryforward of tax losses from prior years		(27)		(1)
Income after tax loss carryforward		4,050		1,153
Statutory income tax rate		28%		29%
Total income tax		1,134		334
Effect of change in tax rates		-		15
Income tax from prior years and restatement		64		-
Other movements		15		(6)
	Ps.	1,213	Ps.	355
Effective income tax rate		29.73%		35.64%

21. Stockholders' Equity

a) Capital stock

The Group's authorized capital stock at December 31, 2007 and 2006 consists of 3,134,828,964 registered series "O" shares with a par value of Ps. 0.827421620821 Mexican pesos each. The nominal amount of paid-in capital at December 31, 2007 and 2006 is Ps. 2,594. Restated capital in Mexican pesos with purchasing power at December 31, 2007 and 2006 is Ps. 14,043.

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

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

b) Restrictions on stockholders' equity

i) Restrictions on ownership of capital stock

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

Any individual or corporate entity may own, through one or various simultaneous or successive transactions, more than 5% of a controlling company's series "O" shares, provided that such transactions have been authorized by the Ministry of Finance and Public Credit.

ii) Capital reserves

An analysis at December 31, 2007 and 2006 is as follows:

Reserve for repurchase of own shares	Ps.	1,806
Legal reserve		1,181
Total capital reserves	Ps.	2,987

Reserve for repurchase of own shares

The reserve for repurchase of own shares was created on the basis of resolutions adopted at stockholders' meetings, using a portion of the Group's retained earnings. The balance of this reserve at December 31, 2007 and 2006 was Ps. 1,806.

Legal reserve

In conformity with the Mexican Corporations Act, the Group is required to appropriate at least 5% of the net income of each year to increase the legal reserve until it reaches 20% of capital stock issued and outstanding. Such reserve may not be distributed to stockholders during the life of the Group, except in the form of a stock dividend. The balance of the legal reserve at December 31, 2007 and 2006 was Ps. 1,181.

iii) Capital reduction

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

c) Amendment to Company's bylaws

At an extraordinary stockholders' meeting held on December 14, 2006, it was agreed to amend the Group's bylaws so as to bring them in line with the provisions of the new Stock Market Act, which, among other things, specifies that the name of Grupo Financiero Inbursa must be followed by the corporate tag *Sociedad Anónima Bursátil de Capital Variable* (Publicly Traded Variable Capital Corporation), or its abbreviations "S.A.B. de C.V." It was also established that the Group's fixed capital will remain at Ps. 2,594, represented by 3,134,828,964 common registered series "O" shares issued and outstanding with a par value of Ps. 0.827421620821 each.

d) Restrictions on earnings

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

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

Capital reductions in excess of the CUCA account will be subject to taxation in terms of the Mexican Income Tax Law. The difference should be treated as a distributed profit, which will be subject to taxation, payable by the Group, at the enacted income tax rate at that time.

At December 31, 2007 and 2006, the Group has the following tax balances:

	2007		2006	
Restated contributed capital account (CUCA)	Ps.	15,303	Ps.	15,311
Net tax profit account (CUFIN)	Ps.	4,869	Ps.	5,079

At a regular meeting held on April 26, 2007, the stockholders agreed to pay a cash dividend at a rate of forty cents of Mexican pesos per each of the 3,000,152,564 common registered shares issued and outstanding. The total dividend was Ps. 1,229 (Ps. 1,200 nominal amount) and was paid from retained earnings maintained in the CUFIN account.

At a regular meeting held on April 20, 2006, the stockholders agreed to pay a cash dividend at a rate of thirty cents of Mexican pesos per each of the 3,000,152,564 common registered shares issued and outstanding. The total dividend was Ps. 959 (Ps. 900 nominal amount) and was paid from retained earnings maintained in the CUFIN account.

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

22. Earnings per Share and Comprehensive Income

a) Earnings per share

	2007		2006	
Net income per statement of income	Ps.	5,166	Ps.	2,627
Weighted average number of outstanding shares		3,000,152,564		3,000,152,564
Utilidad por acción (pesos)	Ps.	1.7219	Ps.	0.8756

In 2007 and 2006, there have been no changes in the number of the Group's shares.

b) Comprehensive income

An analysis of the Group's comprehensive income is as follows:

	2007		2006	
Net income of the year	Ps.	5,184	Ps.	2,635
Unrealized gain on valuation of long-term equity investments		91		88
Comprehensive income	Ps.	5,275	Ps.	2,723

23. Segment Information

Highlights of the results of operations of the principal operating segments of the most significant subsidiaries for the years ended December 31, 2007 and 2006 are shown below. A different classification is used to show the amounts presented from the one used in the preparation of the financial statements since operating and accounting records are combined.

	2007		2006	
a) Credit transactions				
Revenues:				
Interest on credits	Ps.	7,071	Ps.	5,781
Bank interest		1,036		839
Exchange gains and UDIs		52		126
Commissions collected		624		592
Other		314		316
		9,097		7,654
Expenses:				
Exchange gains and UDIs		32		130
Reserves		1,943		1,578
Interest on deposits		4,484		3,785
Commissions paid		29		24
		6,488		5,517
Income from credit transactions	Ps.	2,609	Ps.	2,137

Assets related to credit transactions at December 31, 2007 and 2006 aggregated Ps. 83,737 and Ps. 66,831, respectively.

	2007		2006	
b) Money market and capital market transactions				
Revenues:				
Investments	Ps.	643	Ps.	1,388
Exchange gains and derivatives		450		383
Interest and premiums on repurchase agreements		3,691		3,461
Commissions collected		824		488
Realized gain on securities		130		284
Unrealized gain on valuation of investments in securities		687		22
		6,425		6,026
Expenses:				
Interest and premiums on repurchase agreements		3,698		3,444
Commissions paid		67		45
Other		250		290
		4,015		3,779
Result of money market and capital market transactions	Ps.	2,410	Ps.	2,247

Assets related to money market and capital market transactions at December 31, 2007 and 2006 aggregated Ps. 6,100 and Ps. 10,049, respectively.

	2007	2006
c) Derivatives and foreign-currency transactions		
Realized loss on foreign currency transactions	Ps. (6)	Ps. (371)
Realized loss on derivatives	(441)	(84)
Unrealized gain (loss) on valuation of derivatives	985	(990)
Other valuation results	12	(5)
	550	(1,450)
Total treasury segment	Ps. 2,960	Ps. 797

Net assets related to derivatives and foreign-currency transactions at December 31, 2007 and 2006 aggregated Ps. 10,282 and Ps. 1,656, respectively.

	2007	2006
d) Reconciliation of figures		
Credit transactions	Ps. 2,609	Ps. 2,137
Treasury transactions	2,960	797
Net monetary position loss	(909)	(972)
Commissions derived from the management of retirement savings system resources	1,139	1,045
Other commissions earned and paid, net	44	357
Total operating revenues	Ps. 5,843	Ps. 3,364

The aforementioned segment information refers to credit, money market and capital market transactions carried out basically by the subsidiaries Banco Inbursa, Inversora Bursátil-Casa de Bolsa and Arrendadora Financiera Inbursa. The Group focuses other specialized activities of subsidiaries in lines of businesses not subject to financial intermediation corresponding to the subsidiaries: Operadora de Fondos and Afore, which consolidate their financial information with that of the Group. There are other controlling entities, whose financial information is not consolidated with that of the Group, as they refer to entities engaged in specialized activities in the insurance and bonding sector in the life, property and health and pension lines.

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

2007	Fianzas Guardiana Inbursa	Seguros Inbursa	Pensiones Inbursa	Total companies regulated by the CNSF
Premiums written	Ps. 681	Ps. 13,064	Ps. 17	Ps. 13,762
Premiums ceded	(112)	(4,969)	-	(5,081)
Retained premiums	569	8,095	17	8,681
Net increase in reserve for unearned premiums and bonds in force	(25)	(139)	268	104
Retained accrued premiums	544	7,956	285	8,785
Net acquisition cost	(33)	1,168	-	1,135
Net cost of losses, claims and other	373	5,739	799	6,911
Net increase in other technical reserves	-	-	-	-
	340	6,907	799	8,046
Gross profit (loss)	Ps. 204	Ps. 1,049	Ps. (514)	Ps. 739

2006	Fianzas Guardiana Inbursa	Seguros Inbursa	Pensiones Inbursa	Total companies regulated by the CNSF
Premiums written	Ps. 572	Ps. 9,627	Ps. 179	Ps. 10,378
Premiums ceded	(81)	(1,858)	-	(1,939)
Retained premiums	491	7,769	179	8,439
Net increase in reserve for unearned premiums and bonds in force	(6)	(208)	100	(114)
Retained accrued premiums	485	7,561	279	8,325
Net acquisition cost	(35)	1,116	10	1,091
Net cost of losses, claims and other	275	5,711	818	6,804
Net (decrease) increase in other technical reserves	(3)	214	23	234
	237	7,041	851	8,129
Gross profit (loss)	Ps. 248	Ps. 520	Ps. (572)	Ps. 196

24. Financial Margin

An analysis of the financial margin presented in the statement of income at December 31, 2007 and 2006 is as follows:

a) Interest income

	2007		2006	
Premiums on repurchase agreements (Note 8e)	Ps.	3,691	Ps.	3,494
Credit portfolio (1)		7,025		5,706
On investments in financial instruments		1,066		1,317
Other		317		597
On deposits with Banxico		431		444
On financing granted to domestic and foreign banks		601		381
Translation of U.S. dollars and UDIs		-		125
Rents collected under operating leases		101		79
	Ps.	13,232	Ps.	12,143

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

Type of credit	2007		2006	
Simple	Ps.	3,606	Ps.	3,129
Unsecured		1,421		941
Restructured		616		731
Additional benefit home mortgage subject to VAT		667		347
Other discounted loans		146		174
Home mortgage		153		129
Discounts		155		121
Federal government		101		65
Chattel mortgage		14		3
Financial leases		64		32
Consumer		82		33
Secured by capital assets		-		1
	Ps.	7,025	Ps.	5,706

b) Interest expense

	2007		2006	
Premiums on repurchase agreements (Note 8e)	Ps.	3,688	Ps.	3,479
Time deposits		1,808		1,553
Notes with interest payable at maturity (PRLVs)		2,053		1,824
Bank loans		567		407
Other		250		1
Checking account deposits		-		1
Discounts		-		130
Translation of U.S. dollars and UDIs		83		290
	Ps.	8,449	Ps.	7,685

c) Monetary position result, net (financial margin)

At December 31, 2007 and 2006, the Group's consolidated net monetary position loss is Ps. 910 and Ps. 972, respectively.

25. Commissions and Fees Collected

An analysis of this caption at December 31, 2007 and 2006 is as follows:

	2007		2006	
Commissions collected for management of account	Ps.	1,145	Ps.	1,005
Securities trading intermediation		379		409
Commission for penalties		178		141
Bank account handling commissions		137		126
Credit card purchases		55		105
Other commissions and bank services		607		378
	Ps.	2,501	Ps.	2,164

26. Intermediation Income

An analysis of intermediation income for the years ended December 31, 2007 and 2006 is as follows:

	2007		2006	
Other income from buying and selling of securities				
On foreign currency transactions	Ps.	138	Ps.	91
Result of marked-to-market valuation				
On investments in securities		366		233
On repurchase transactions (Note 8d)		6		(5)
On derivatives, net		1,002		(955)
		1,374		(727)
	Ps.	1,512	Ps.	(636)

27. Money market securities

The Company has memoranda accounts for the purpose of recording the Group's and subsidiaries' rights and obligations with third parties, as well as securities, property received for safekeeping and property under mandate derived from the Group's and subsidiaries' normal operations.

a) Transactions on behalf of others

i) Customers' securities received for safekeeping

	2007		2006	
Money market securities	Ps.	203,783	Ps.	191,227
Fixed-yield instruments		26,371		29,977
Variable-yield instruments		1,529,158		1,173,947
Shares of investment funds		22,637		17,668
Shares of variable-yield investment funds		28,293		24,188
	Ps.	1,810,242	Ps.	1,437,007

ii) Securities and notes received in guarantee

	2007		2006	
Customers' securities delivered in guarantee (shares)	Ps.	215	Ps.	2,614

b) Proprietary transactions

i) Contingent assets and liabilities

An analysis of the Group's contingent assets and liabilities at December 31, 2007 and 2006 is as follows:

	2007		2006	
Company securities delivered for safekeeping				
Shares of investment funds	Ps.	57	Ps.	-
Variable capital shares		38,863		33,899
PRLV's		971		464
Mexican Treasury Certificates (CETES)		-		534
Bank bonds		425		21
		40,316		34,918
Mexican government securities delivered in guarantee				
Mexican government development bonds (Bondes)		3		91
Mexican Treasury Certificates (CETES)		-		57
		3		148
Other contingent liabilities				
Rents not yet due derived from operating leases		1,382		278
Residual value		615		73
		1,997		351
	Ps.	42,316	Ps.	35,417

ii) Property held in trust or under mandate

At December 31, 2007 and 2006, the balances of transactions in which the Group's bank subsidiary acts as trustee or operates under mandate are as follows:

	2007		2006	
Trusts				
Administrative	Ps.	280,634	Ps.	245,638
Investment		3,646		3,788
Guarantee		41		87
Transfer of title		10		72
		284,331		249,585
Mandates		474		396
Total	Ps.	284,805	Ps.	249,981

In the years ended December 31, 2007 and 2006, the Group obtained income of Ps. 29 and Ps. 15, respectively, from activities performed in its capacity as trustee.

Transactions in which the Group acts as trustee are recorded and controlled in memoranda accounts. In conformity with the Mexican Income Tax Law, Banco Inbursa, as trustee, is responsible for seeing that all tax obligations of the managed trusts that engage in business activities are fulfilled.

iii) Property held for safekeeping or under management

An analysis of the balance of this account at December 31, 2007 and 2006 is as follows:

	2007		2006	
Securities held for safekeeping	Ps.	734,702	Ps.	1,068,674
Securities held in guarantee		64,508		63,435
Notes subject to collection		1,508,030		9,603
Other		26		23
	Ps.	2,307,266	Ps.	1,141,735

Securities held for safekeeping or under management are recorded at cost and marked-to-market.

28. Risk Management (unaudited information)

Due to the importance of the subsidiary Banco Inbursa, S.A. de C.V., this information regarding risk management applies only to such subsidiary:

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

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

On December 2, 2005, the CNBV issued provisions of general application for credit institutions (*Circular Unica*). Such provisions establish that the internal audit area must perform at least once a year or at year-end, a comprehensive risk management audit. The Group's internal audit area carried out this activity using the applicable accounting criteria and submitted the results to the Board of Directors at a meeting held in January 2008.

a) Environment

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

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

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

The Group's policies, in accordance with BANXICO requirements, state that no transactions should be conducted with any persons with direct or indirect holdings of 1% or more of the Group's or the Group's paid-in capital shares.

For the year ended December 31, 2007, quarterly variances in the Group's financial income are as follows:

Assets		1Q		2Q		3Q		4Q		Annual average
Investments in securities	Ps.	7,682	Ps.	5,696	Ps.	4,568	Ps.	10,057	Ps.	7,001
Quarterly interest		129		111		121		151		127
Loan portfolio		68,337		72,650		76,359		83,681		75,257
Quarterly interest		1,527		1,630		1,808		2,003		1,742

b) Market risk

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

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

At present, the market risk is computed for money market, international bond and variable-yield and derivative instrument portfolios. An analysis of market risk at December 31, 2007 is as follows:

Instrument (Money market)	**Term**	**Cost rate**		**Cost value**	**Market rate**		**Market value**		**Unrealized (loss) gain**	**Value at risk (1)**
Subtotal money market	48	7.36	Ps.	62,143	7.68	Ps.	50,308	Ps.	(43)	(2.02)
International bonds	3,113	13.76		4,083	10.01		4,067		(16)	(48.75)
Real estate shares							60		-	(1.63)
Variable-yield shares				159			324		165	(7.47)
Outsourcing/real estate company				504			523		19	(0.01)
Futures and forwards				17,390			16,239		(143)	(12.92)
Swaps at risk (Mexican pesos)				(15,000)			(14,053)		947	(74.45)
Fixed rate swaps (US dollars)				(2,238)			(1,877)		361	(20.58)
Securities held				1,674			1,712		37	(13.83)
Overall total Inbursa			Ps.	68,715		Ps.	57,303	Ps.	1,327	(181.66)
Basic capital at September 30, 2007			Ps.	19,611	% VaR = - 0.01					

(1) Daily value at risk with 95% reliability

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

Date		VaR (in millions)
12/29/2006	Ps.	(146.17)
01/30/2007		(352.76)
02/28/2007		(176.93)
03/30/2007		(162.89)
04/26/2007		(195.32)
05/30/2007		(181.55)
06/29/2007		(142.98)
07/31/2007		(123.56)
08/31/2007		(143.42)
09/28/2007		(135.18)
10/31/2007		(125.59)
11/30/2007		(83.78)
12/31/2007		(132.24)
Average		(162.99)

The Group measured market risks using the so-called Value at Risk (VaR) model for the total valuation in a target investment term of one day with a reliability level of 95%, using the risk factor values of the last 252 days.

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

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

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

c) Liquidity risk

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

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

Furthermore, the Group monitors its foreign currency liquidity risk in accordance with BANXICO's regimen of investment and admission of foreign currency denominated liabilities.

(In thousands of Mexican pesos)

	2007			2006		
	Amount		% coefficient	Amount		% coefficient
January	Ps.	138,701	0.40%	Ps.	1,949,151	4.90%
February		444,736	1.28%		450,818	1.26%
March		185,424	0.53%		354,553	1.32%
April		457,159	1.31%		435,416	1.84%
May		117,256	0.34%		404,721	1.19%
June		120,498	0.35%		73,441	0.22%
July		195,093	0.56%		17,989	0.05%
August		48,309	0.14%		26,995	0.07%
September		94,504	0.27%		37,648	0.10%
October		258,965	0.74%		169,706	0.44%
November		1,080,249	3.10%		221,578	0.58%
December		1,038,963	2.98%		100,119	0.24%
Average amount	Ps.	348,321	1.00%	Ps.	353,511	1.00%

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

d) Credit risk

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

In order to carry out stress tests, the Group determines a factor that represents the level of the operation's flow resistance to cover the interest generated by the liabilities with costs.

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

The value at risk and grading of the loan portfolio by currency at December 31, 2007 is as follows:

	Total	Mexican pesos	U.S. dollars	UDI's
Net exposure	Ps. 84,099	Ps. 63,064	Ps. 19,899	Ps. 1,136
Expected loss in Mexican pesos	3,796	1,188	2,449	159
Grading of loan portfolio	A	AA	BBB	BBB

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

Currency	Performing portfolio	Past-due portfolio	Allowance	Times of allowance/ past-due portfolio	% allowance/ past-due portfolio
Mexican pesos	Ps. 66,745	Ps. 1,317	Ps. 7,964	0.165	11.93%
U.S. dollars	15,780	178	1,860	0.095	11.79%
UDI's	1,175	-	302	0.00	25.70%
Total	83,700	1,494	10,126	0.148	12.10%

The average values of credit risk exposure are as follows:

Expected loss at this date	Total
12/29/2006	Ps. 2,392.5
01/31/2007	2,087.9
02/28/2007	1,778.5
03/30/2007	1,921.6
04/23/2007	1,933.0
05/31/2007	1,083.1
06/29/2007	1,295.4
07/23/2007	3,104.4
08/31/2007	1,990.7
09/28/2007	2,012.6
10/22/2007	3,223.3
11/30/2007	2,128.2
12/31/2007	3,796.1

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

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

e) Risk policies for derivatives

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

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

	Maturity of less than one year (*)	Maturity of more than one year (*)
Nominal rate	2.5	2.0
Actual rate	2.5	2.0
Synthetic derivatives	4	2.5
Capital markets (1)		

(*) Times net capital for the immediately preceding quarter, computed by BANXICO

(1) Limit defined in the third paragraph of clause III, of Article 75 of the Credit Institutions Act.

f) Technological risk

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

g) Legal risk

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

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

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

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

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

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

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

Computation of probability of unfavorable rulings.

$$L = f_l \times s_l$$

Whereby:

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

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

L = Expected loss from unfavorable rulings

The Group is currently introducing this quantitative model, as well as the database for flowing up on its legal risk exposure.

h) Operating risk

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

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

At December 31, 2007, the monthly average of the penalties and charges account for the last 36 months is Ps. 7.

29. Commitments and Contingencies

a) Liability agreement

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

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

b) Leases

The Group has entered into several operating leases for the buildings and business premises where some of its offices and branches are located, as well as for parking areas and computer equipment. Some of these transactions are carried out with affiliated companies and such intercompany business is not deemed to be material either with respect to the Group's financial statements taken as a whole or in conformity with the rules for disclosing intercompany transactions established by the CNBV. For the years ended at December 31, 2007 and 2006, rent charged to results of operations aggregates Ps. 7.

Management considers that minimum compulsory rental payments under operating leases at December 31, 2007 will be Ps. 35 over the next five years.

c) Irrevocable lines of credit and letters of credit

- Lines of credit

The Group has granted lines of credit to its customers, on which, in certain cases, no drawdowns have been made. At December 31, 2007 and 2006, lines of credit granted by the Group aggregate Ps. 170,283 and Ps. 352,747, respectively, on which the available drawdowns aggregate Ps. 122,054 and Ps. 301,786, respectively, at those dates.

- Letters of credit

As part of its credit transactions, the Group grants letters of credit to its customers that may give rise to collection and payment commitments at the time of the first drawdown. At December 31, 2007 and 2006, the balance of letters of credit granted by the Group aggregates Ps. 2,995 and Ps. 2,702, respectively.

d) Legal matters

- Appeals

The Tax Administration Service notified the Group of two tax liabilities, the first of which is for Ps. 72 and was determined by the Central Administration for International Tax Audits with respect to fiscal years 1997 and 1998. The second tax liability is for Ps. 194 and was determined by the Central Tax Administration Office for the Financial Sector and Large Taxpayers' Service with respect to fiscal year 2002. The Group filed in due time the means of defense to which it is entitled. However, due to the publication of the Mexican Federal Internal Revenue Act in 2007, management decided to abandon the Group's defense and, instead, filed the pardon request referred to in Article 7 transitory of such Law. At this date, the Group is awaiting a final ruling from the Local Tax Collection Office for Southern Mexico.

e) Review of the tax report

In 2007, the Federal Tax Audit Department of the Tax Administration Service initiated a review of the attachments to the Group's tax audit report for the years ended December 31, 2006, 2005 and 2004. At the date of the audit report on these financial statements, this review has not been concluded.

30. Restructuring of Financial Statements

As a result of the amendments made by the CNBV to the accounting criteria applicable for credit institutions mentioned in Note 1b, the financial statements at and for the year ended December 31, 2006 were restructured for purposes of comparison with those of 2007. Such changes refer to the valuation at fair value of hedging derivatives and the presentation of net derivative positions in the balance sheet without being offset against the Group's primary hedged positions. The restructured financial statements also include the financial information of Sinca Inbursa. All significant intercompany balances and transactions have been eliminated in the consolidation.

The restructured captions were as follows:

- **Balance Sheet**

		2006		Adjustments due to consolidation of Sinca Inbursa		Adjustments due to adoption of Bulletin C-10		2006 restructured
Assets								
Cash and cash equivalents	Ps.	9,680	Ps.	1	Ps.	-	Ps.	9,681
Securities for trading		8,742		868		-		9,610
Securities held to maturity		1,660		-		143		1,803
Debit balances under repurchase agreements		109		-		-		109
Derivatives		3,051		-		610		3,661
Loan portfolio (Net)		57,896		50		(308)		57,638
Other accounts receivable		854		16		-		870
Foreclosed and repossessed property		55		-		-		55
Buildings, furniture and equipment		898		-		-		898
Long-term equity investments		12,149		(1,089)		-		11,060
Deferred taxes		4		-		-		4
Other assets		714		357		-		1,071
	Ps.	95,812	Ps.	203	Ps.	445	Ps.	96,460

		2006		Adjustments due to consolidation of Sinca Inbursa		Adjustments due to adoption of Bulletin C-10		2006 restructured
Liabilities								
Demand deposits	Ps.	28,294	Ps.	-	Ps.	-	Ps.	28,294
Time deposits		22,513		(96)		-		22,417
Interbank and other borrowings		2,598		-		-		2,598
Credit balances under repurchase agreements		109		-		-		109
Derivatives		2,853		-		516		3,369
Income tax payable		277		1		-		278
Sundry creditors		1,969		1		-		1,970
Deferred taxes		690		297		(21)		966
Deferred credits		2		-		-		2
		59,305		203		495		60,003
Stockholders' equity								
Capital stock		14,686		-		-		14,686
Capital reserves		2,987		-		-		2,987
Retained earnings		28,079		-		(76)		28,003
Deficit from restatement of stockholders' equity		(10,850)		-		-		(10,850)
Result from holding non-monetary assets		(1,062)		-		-		(1,062)
Net income		2,601		-		26		2,627
Minority interest		66		-		-		66
		36,507		-		(50)		36,457
	Ps.	95,812	Ps.	203	Ps.	445	Ps.	96,460

- Statements of Income

		2006		Adjustments due to consolidation of Sinca Inbursa		Adjustments due to adoption of Bulletin C-10		2006 restructured
Interest income	Ps.	12,078	Ps.	65	Ps.	-	Ps.	12,143
Interest expense		(7,686)		1		-		(7,685)
Net monetary position loss		(972)		-		-		(972)
Preventive provision		(1,578)		-		-		(1,578)
Commissions and fees collected		2,164		-		-		2,164
Commissions and fees paid		(70)		(2)		-		(72)
Intermediation loss		(672)			-	36		(636)
Administrative and promotional expenses		(2,725)		(6)		-		(2,731)
Other income		532		19		-		551
Other expenses		(188)		-		-		(188)
Current year income tax		(628)		-		-		(628)
Deferred income tax		316		(33)		(10)		273
Equity interest in net income (loss) of subsidiaries and associated company		2,022		(44)		-		1,978
Discontinued operations		16		-		-		16
Minority interest		(8)		-		-		(8)
	Ps.	2,601	Ps.	-	Ps.	26	Ps.	2,627

31. Subsequent Events

Financial Reporting Standards

On January 1 2008, the requirements of the following Mex FRSs entered into force, which are applicable to the Group:

Mex FRS B-2, *Statement of Cash Flows*. Mex FRS B-2 was issued by the CINIF to replace Mexican accounting Bulletin B-12, *Statement of Changes in Financial Position*. This standard establishes that the statement of changes in financial position will be substituted by a statement of cash flows as part of the basic financial statements. The main differences between both statements lie in the fact that the statement of cash flows will show the entity's cash receipts and disbursements for the period, while the statement of changes in financial position showed the changes in the entity's financial structure rather than its cash flows.

Mex FRS B-10, *Effects of Inflation*. This standard differs from Mexican accounting Bulletin B-10, issued by the Mexican Institute of Public Accountants, primarily in the following ways: i) certain terms, such as inflation, price index, monetary items, non-monetary items, restatement, among others, are now included or have been changed; and ii) this standard defines the two economic environments in Mexico that will determine whether or not entities must recognize the effects of inflation on financial information: i) inflationary - when accumulated inflation for the preceding three years is equal to or higher than 26% (recognition of inflation effects using the comprehensive method) and ii) non-inflationary - when accumulated inflation for the preceding three fiscal years is less than 26% (recognition of inflation effects not required).Whenever the economy changes from a non-inflationary environment to an inflationary one, the effects of inflation on the financial information must be recognized retrospectively, meaning that all information for prior periods must be adjusted to recognize the effects of inflation of the periods in which the economic environment was considered non-inflationary.

The effect of adopting Mex FRS B-10 on the Group's financial statements for 2008 will be the Group's ceasing to recognize the effects of inflation in such statements.

Mex FRS D-3, *Employees Benefits*. On January 1, 2008, the new Mex FRS D-3, *Employee Benefits*, issued by the CINIF went into effect and replaced former Mexican accounting Bulletin D-3, Labor Obligations. The most significant changes of Mex FRS D-3 are as follows: i) elimination of the recognition of an additional liability and resulting recognition of an intangible asset and comprehensive income item; ii) accounting treatment of current-year and deferred employee profit sharing, requiring that deferred employee profit sharing be recognized using the asset and liability method established under Mexican FRS D-4; and iii) current-year and deferred employee profit sharing expense is to be presented as an ordinary expense in the income statement rather than as part of taxes on profits.

The Group considers that Mex FRS D-3 will have no significant effect on its financial statements.

Mex FRS D-4, *Taxes on Profits*

In July 2007, the CINIF issued Mex FRS D-4, Taxes on Profits, which replaces Mexican accounting Bulletin D-4, *Accounting for Income Tax, Asset Tax and Employee Profit Sharing*. The most important changes included in this new standard with respect to Mexican accounting Bulletin D-4 are as follows: i) The concept of permanent differences is eliminated, since the asset and liability method requires the recognition of deferred taxes on basically all temporary differences in balance sheet accounts for financial and tax reporting purposes; and ii) asset tax is required to be recognized as a tax liability and, consequently, as a deferred income tax asset only in those cases in which there is certainty as to its realization in the future.

The Group believes that the adoption of this new accounting pronouncement will have no effect on its financial statements, since such changes refer mainly to the reclassification of deferred employee profit sharing.

Interpretation to Mex FRS 5, *Accounting Recognition of the Additional Consideration*
Agreed at the Inception of a Derivative to Adjust the Instrument to its Fair Value

This Interpretation is intended to clarify whether or not the additional consideration agreed at the inception of a derivative to adjust the instrument to its fair value should be amortized over the life of the hedge. This Interpretation clarifies that the additional consideration is part of the fair value of the derivative and, accordingly, it must be included in the value in which the derivative is initially recorded, which will be adjusted to its fair value in subsequent periods. Therefore, the additional consideration should not be amortized.

Interpretation to Mex FRS 6, *Formally Designating a Hedge*

Mex FRS 6 is intended to clarify whether or not a derivative may be formally designated as a hedge on a date subsequent to its contract date. The Interpretation to Mex FRS 6 establishes that a derivative may be designated as a hedge at its inception date or contract date or at a subsequent date, provided that it meets the conditions established in Mexican accounting Bulletin C-10 for such designation.

Interpretation to Mex FRS 7, *Aplicación de la utilidad o pérdida integral generada por una cobertura de flujo de efectivo sobre una transacción pronosticada de compra de un activo no financiero.*

In November 2007, the CINIF issued the Interpretation to Mex FRS 7, which is effective for years beginning on or after January 1, 2008. This Interpretation is intended to clarify whether or not the amount resulting from a cash flow hedge on a forecasted transaction, that is recognized in stockholders' equity as part of comprehensive income, may be included in the cost of the non-financial asset whose value is being set by the hedge.

Mexican accounting Bulletin C-10, Derivative Financial Instruments and Hedging Activities, establishes that if the result of a hedge of a forecasted transaction gives rise to the recognition of an asset or liability, the associated gains and losses that were previously recognized in stockholders' equity as part of Comprehensive income shall be reclassified to the earnings of the same period or periods in which the asset or liability is carried to income.

This standard clarifies that if a derivative is designated as a cash flow hedge on a forecasted transaction, to set the price of the non-financial asset to the functional currency, the effect recognized in comprehensive income is considered a complement to the cost of the asset and, therefore, must be included in such cost.

Accordingly, Mexican accounting Bulletin C-10 is modified by this Interpretation to Mex FRS 7 with respect to this conclusion.

The effect of the adoption of this Interpretation to Mex FRS 7 must be recognized by reclassifying at the Interpretation's effective date, all relevant balances presented in Comprehensive income to the cost of the asset acquired.

Management considers that the application of the aforementioned interpretations will have no material effect on the Group's financial position or on its results of operations.

Interpretation to Mex FRS 8, *Effects of the Flat-Rate Business Tax*

In December 2007, the CINIF issued the Interpretation to Mex FRS 8, which is effective for years beginning on or after October 1, 2007. Such standard was created as a result of the need to clarify whether or not the flat-rate business tax should be treated as a tax on profits and to establish the guidelines for its accounting treatment.

The Interpretation to Mex FRS 8 establishes that the FRBT is a tax on profit and that at and for the year ended December 31, 2007, its effects should be recognized in conformity with the provisions of Mexican accounting Bulletin D-4, *Accounting for Income Tax, Asset Tax and Employee Profit Sharing*, and as of January 1, 2008, in conformity with Mex FRS D-4, Taxes on Profits. Based on the conclusions of this Interpretation, an entity must first determine whether its tax base generates FRBT payable or income tax payable. To do so, taxpayers should carry out financial projections to determine if their tax-on-profits base will be for income tax or FRBT. Based on the results of these projections, taxpayers will be able to plan in advance for either FRBT or income tax as it arises each year.

Entities that have determined that they will essentially pay FRBT must recognize the effects of deferred FRBT in their financial statements at December 31, 2007. This deferred tax must correspond to the temporary differences and FRBT credits existing in 2007 for which payment or recovery of FRBT is expected as of or after 2008. Therefore, those entities that have determined that they will essentially pay FRBT in the future must recognize, at the date of the corresponding financial statements, the deferred FRBT asset or liability and at the same time eliminate the deferred income tax asset or liability recognized at such date. These adjustments give rise to an expense or income that must be recognized in the 2007 statement of operations as part of the caption Taxes on profit or in stockholders' equity when it relates to other comprehensive items.

In the determination of deferred FRBT asset or liability, taxpayers must consider that certain FRBT credits generate a deferred tax asset, provided that the law establishes the possibility of applying such credits against the FRBT of future periods. These credits must be reviewed at least once a year and written down for those portions for which there is uncertainty as to recoverability.

The deferred tax rate is the rate enacted and established in the tax provisions at the date of the report on the financial statements, which is expected to be in force at the time the deferred FRBT assets and liabilities will be realized (16.5% in 2008, 17% in 2009 and 17.5% in 2010 and subsequent years).

Deferred FRBT for the period must be recognized as a deferred tax expense or income in the income statement of the period as part of the tax on profits caption (in stockholders' equity for those amounts associated with comprehensive income items) and as a non-current asset or long-term liability in the balance sheet. In the notes to the financial statements, entities must disclose an analysis of the tax on profits presented in the income statement, listing the amounts of current-year and deferred FRBT. Also, entities must mention the amount of deferred FRBT related to other comprehensive income items.

Under the FRBT Law, an entity must determine the amount of asset tax generated through 2007 that it will be able to recover as of 2008. Such amount must be recognized in the 2007 financial statements as a recoverable tax account and any amount of asset tax considered unrecoverable must be cancelled from the 2007 balance sheet and recognized as an expense in the statement of operations of the same period as part of the Taxes on profit caption. As of 2008, the balance of recoverable taxes must be reviewed on each financial statement closing date and written down when there is evidence that some amounts may not be recoverable after all.

- Tax provisions

On October 1, 2007, the CNBV published in the *Official Gazette* several changes to the Mexican Income Tax Law and announced the enactment of two new laws: the Flat-Rate Business Tax Law and the Tax on Cash Deposits Act. The most significant aspects of this new tax legislation that will affect the Group's compliance with its tax obligations in 2008 are as follows:

- Income Tax Law

The changes to the Income Tax Law come into effect as of January 1, 2008, and the most significant of such changes are as follows:

- With the disappearance of asset tax as of 2008, Articles 20 and 131 that addressed the offsetting of income tax against asset tax are abolished.

- Taxable income shall include all amounts received in cash (in either pesos or foreign currency) for loans, contributions for future capital increases or capital increases of over
Ps. 0.6, when the taxpayer fails to inform authorities of the reception of the funds within fifteen days following the date they are obtained.

- The term for the deduction of losses on the sale of shares and other non-interest bearing securities is extended from five to ten years and such losses may be restated for inflation from the month in which the losses are incurred through the last month of the same year.

- Flat-Rate Business Tax (FRBT) Law

On October 1, 2007, the Flat-Rate Business Tax Law was approved to create the new flat-rate business tax and abolish the Asset Tax Law. The FRBT (which is a minimum income tax) shall be payable only to the extent it exceeds income tax for the same period. As such, this tax qualifies as a tax on profits and hence, it must be recognized in conformity with Mexican accounting Bulletin D-4. Income tax will still exist and whenever FRBT exceeds income tax, both taxes shall be paid. The amount of FRBT paid may not be offset against any other tax and thus may not be considered a tax credit, in conformity with Mexican accounting Bulletin D-4. Companies will need to determine on both a prospective an retrospective basis, the regime (income tax versus FRBT) under which they will pay their tax on profits, and recognize the corresponding tax provision, including the corresponding deferred effect.

- **Tax on Cash Deposits Act**

This law will come into force as of July 1, 2008, and the tax on cash deposits shall be computed by applying a 2% rate to the portion of the sum of all the cash deposits made into all of the taxpayer's bank accounts during each month in that exceeds Ps. 25,000.

- **Mexican Federal Internal Revenue Act**

On December 7, 2007, the Ministry of Finance and Public Credit published in the *Official Gazette* the new Mexican Federal Internal Revenue Act for 2008. This Act modifies the withholding rate on interest paid to the financial system, which will be 0.85% annual on the amount of principal giving rise to the payment of interest (0.5% in 2007). This change will come into force on January 1, 2008.

Lic. Marco Antonio Slim Domit	**C.P. Raúl Reynal Peña**	**C.P. Federico Loaiza Montaño**	**C.P. Alejandro Santillán Estrada**
General Director	Administrative and Finance Director	Audit Director	Internal Control Assistant Director

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BANCO INBURSA, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE
GRUPO FINANCIERO INBURSA AND SUBSIDIARIES

Consolidated Balance Sheets

At December 31, 2007 and 2006
(In millions of Mexican pesos with purchasing power at December 31, 2007)

		2007		Reformulated 2006
Assets				
Cash and cash equivalents	Ps.	17,728	Ps.	9,663
Investments in securities				
Securities for trading		10,644		7,041
Securities held to maturity		1,424		1,803
		12,068		8,844
Securities and derivatives				
Debit balances under repurchase agreements		15		42
Derivatives		2,444		3,661
		2,459		3,703
Performing loan portfolio				
Commercial loans		61,890		54,599
Loans to financial entities		10,626		5,897
Consumer loans		7,092		4,160
Mortgage loans		819		966
Loans to government entities		3,001		785
Total performing loan portfolio		83,428		66,407
Past-due loan portfolio				
Commercial loans		969		349
Consumer loans		432		184
Mortgage loans		112		88
Total past-due loan portfolio		1,513		621
Total loan portfolio		84,941		67,028
Preventive provision for credit risks		(10,544)		(9,193)
Loan portfolio (net)		74,397		57,835
Other accounts receivable (net)		7,056		821
Foreclosed and repossessed property		40		55
Buildings, furniture and equipment (net)		629		594
Long-term equity investments		3,155		2,792
Other assets, deferred charges and intangibles (net)		749		860
Total assets	**Ps.**	**118,281**	**Ps.**	**85,167**

	2007		Reformulated 2006	
Liabilities				
Traditional deposits				
Demand deposits	Ps.	34,487	Ps.	28,295
Time deposits				
General public		1,649		1,302
Money market		34,496		21,136
		36,145		22,438
		70,632		50,733
Interbank and other borrowings				
Demand deposits		-		1,039
Short-term		1,404		799
Long-term		606		758
		2,010		2,596
Securities and derivatives				
Credit balances under repurchase agreements		9		42
Derivatives		1,196		3,369
		1,205		3,411
Other accounts payable				
Income tax		70		211
Accrued liabilities ant other accounts payable		16,253		1,900
		16,323		2,111
Deferred taxes (net)		**1,271**		**743**
Deferred credits		1		1
Total liabilities		91,442		59,595
Stockholders' equity				
Contributed capital				
Capital stock		15,424		15,424
Earned capital				
Capital reserves		5,119		5,109
Retained earnings		13,863		14,621
Deficit from restatement of stockholder's equity		(10,466)		(10,466)
Result from holding non-monetary assets				
From valuation of long-term equity investments		269		237
Net income		2,032		122
Minority interest		598		525
Total stockholders' equity		26,839		25,572
Total liabilities and stockholder's equity	**Ps.**	**118,281**	**Ps.**	**85,167**

Memoranda Accounts		2007		Reformulated 2006
Credit engagements	Ps.	2,995	Ps.	2,702
Property held in trust or under mandate		284,805		249,981
Property held for safekeeping or under management		2,306,465		1,141,733
Other accounts		671,298		873,682
	Ps.	3,265,563	Ps.	2,226,098
Securities to be received under repurchase agreements	Ps.	22,784	Ps.	27,113
Accounts payable under repurchase agreements		22,780		27,153
	Ps.	4	Ps.	(40)
Accounts receivable under repurchase agreements	Ps.	26,615	Ps.	27,523
Securities to be delivered under repurchase agreements		26,612		27,482
	Ps.	3	Ps.	41

Note: At December 31, 2007 and 2006 the historical capital stock is Ps. 6,189.

These consolidated balance sheets and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated balance sheets were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Javier Foncerrada Izquierdo	**C.P. Raúl Reynal Peña**	**C.P. Alejandro Santillan Estrada**	**C.P. Federico Loaiza Montaño**
General Director	Administrative and Finance Director	Internal Control Assistant Director	Audit Director

BANCO INBURSA, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE
GRUPO FINANCIERO INBURSA AND SUBSIDIARIES

Consolidated Statements of Income

From January 1 through December 31, 2007 and 2006
(In millions of Mexican pesos with purchasing power at December 31, 2007)

		2007		Reformulated 2006
Interest income	Ps.	10,908	Ps.	10,854
Interest expense		6,110		6,776
Monetary position result (net) (financial margin)		(815)		(878)
Financial margin		3,983		3,200
Preventive provision for credit risks		1,943		1,578
Financial margin adjusted for credit risks		2,040		1,622
Commissions and fees collected		2,076		1,708
Commissions and fees paid		48		37
Intermediation result		1,066		(1,108)
		3,094		563
Total operating revenues		5,134		2,185
Administrative and promotional expenses		2,685		2,341
Operating income		2,449		(156)
Other income		416		445
Other expenses		97		177
		319		268
Income before income tax		2,768		112
Current year income tax		370		427
Deferred income tax		563		(350)
		933		77
Income before equity interest in net income of subsidiaries and associates		1,835		35
Equity interest in net income of subsidiaries and associates		279		117
Income from continuing operations		2,114		152
Discontinued operations, extraordinary items and changes in accounting policies		-		16
Consolidated net income		2,114		168
Minority interest		(82)		(46)
Net income	Ps.	2,032	Ps.	122

These consolidated balance sheets and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated balance sheets were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Javier Foncerrada Izquierdo	**C.P. Raúl Reynal Peña**	**C.P. Alejandro Santillan Estrada**	**C.P. Federico Loaiza Montaño**
General Director	Administrative and Finance Director	Internal Control Assistant Director	Audit Director

BANCO INBURSA, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE
GRUPO FINANCIERO INBURSA AND SUBSIDIARIES

Consolidated Statements of Changes in

From January 1 through December 31, 2007 and 2006
(In millions of Mexican pesos with purchasing power at December 31, 2007)

	Contributed capital	Earned capital	
	Capital stock	Capital reserves	Retained earnings
Balance at December 31, 2005	Ps. 15,424	Ps. 4,997	Ps. 14,596
Resolutions adopted by stockholders'			
Appropriation of net income of year ended December 31, 2005 to retained earnings and capital reserves	-	112	927
Dividend paid as per resolution adopted at ordinary stockholders' meeting held on April 18, 2006	-	-	(688)
Dividend paid as per resolutions adopted at ordinary stockholders' meeting held on July 24, 2006	-	-	(214)
Total	-	112	25
Movements related to the recognition of comprehensive income			
Comprehensive income			
Net income	-	-	-
Result from valuation of long-term equity investments	-	-	-
Minority interest	-	-	-
Total	-	-	-
Balance at December 31, 2006 (Reformulated)	15,424	5,109	14,621
Resolutions adopted by stockholders'			
Appropriation of net income of year ended December 31, 2006 to retained earnings and capital reserves	-	10	112
Dividend paid as per resolution adopted at ordinary stockholders' meeting held on April 24, 2007	-	-	(819)
Dividend paid as per resolution adopted at ordinary stockholders' meeting held on July 23, 2007	-	-	(51)
Total	-	10	(758)
Movements related to the recognition of comprehensive income			
Comprehensive income			
Net income	-	-	-
Result from valuation of long-term equity investments	-	-	-
Minority interest	-	-	-
Total	**-**	**-**	**-**
Balance at December 31, 2007	**Ps. 15,424**	**Ps. 5,119**	**Ps. 13,863**

These consolidated balance sheets and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated balance sheets were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Javier Foncerrada Izquierdo	C.P. Raúl Reynal Peña	C.P. Alejandro Santillan Estrada	C.P. Federico Loaiza Montaño
General Director	Administrative and Finance Director	Internal Control Assistant Director	Audit Director

Stockholders' Equity

Deficit from restatement of stockholders' equity	Result from holding non-monetary assets	Net income	Minority interest	Total stockholders' equity
Ps. (10,466)	Ps. 161	Ps. 1,039	Ps. 480	Ps. 26,231
-	-	(1,039)	-	-
-	-	-	-	(688)
-	-	-	-	(214)
-	-	(1,039)	-	(902)
-	-	122	-	122
-	76	-	-	76
-	-	-	45	45
-	76	122	45	243
(10,466)	237	122	525	25,572
-	-	(122)		-
-	-			(819)
-	-	-		(51)
-	-	(122)	-	(870)
-	-	2,032	-	2,032
-	32	-	-	32
-	-	-	73	73
-	**32**	**2,032**	**73**	**2,137**
Ps. (10,466)	**Ps. 269**	**Ps. 2,032**	**Ps. 598**	**Ps. 26,839**

BANCO INBURSA, S.A. INSTITUCIÓN DE BANCA MÚLTIPLE
GRUPO FINANCIERO INBURSA AND SUBSIDIARIES

Consolidated statements of Changes in Financial Position

From January 1 through December 31, 2007 and 2006
(In millions of Mexican pesos with purchasing power at December 31, 2007)

Operating activities		2007		Reformulated 2006
Net income	Ps.	2,032	Ps.	122
Items not (providing) requiring the use of resources:				
Depreciation and amortization		114		111
Mark-to-market unrealized results		(1,469)		880
Equity interest in net income of subsidiaries		(279)		(117)
Preventive provision for credit risks		1,942		1,578
Deferred taxes (net)		528		(395)
		2,868		2,179
Items pertaining to operating activities:				
(Increase) or decrease in:				
Treasury transactions		(2,718)		778
Loan portfolio		(18,502)		(7,680)
Other accounts receivable		(6,235)		1,099
Foreclosed and repossessed property		14		(27)
Other assets and deferred charges		112		(398)
(Decrease) or increase in:				
Traditional deposits		19,898		817
Interbank and other borrowings		(587)		283
Accrued liabilities and other accounts payable		14,213		(1,144)
Resources provided (used in) by operating activities		9,063		(4,093)
Financing activities				
Minority interest		73		63
Dividends paid		(870)		(902)
Resources used in financing activities		(797)		(839)
Investing activities				
Long-term equity investments		(52)		134
Fixed assets acquisitions (net)		(149)		(113)
Resources (used in) provided by investing activities		(201)		21
Net increase (decrease) in cash and cash equivalents		8,065		(4,911)
Cash and cash equivalents at beginning year		9,663		14,574
Cash and cash equivalents at end of year	Ps.	17,728	Ps.	9,663

These consolidated balance sheets and those of the companies that form part of the financial group subject to consolidation were prepared in conformity with the Accounting Criteria for Controlling Companies of Financial Groups established by the Mexican National Banking and Securities Commission based on the requirements of Article 30 of the Law Regulating Financial Groups, which is of general application and compulsory observance, applied on a consistent basis, reflecting the controlling Group's transactions and those of the financial entities and the other companies in the financial group subject to consolidation through the indicated dates. Such transactions were conducted and valued in conformity with sound practices and applicable legal and administrative requirements.

These consolidated balance sheets were approved by the Group's Board of Directors under the responsibility of the signing officers.

Lic. Javier Foncerrada Izquierdo	**C.P. Raúl Reynal Peña**	**C.P. Alejandro Santillan Estrada**	**C.P. Federico Loaiza Montaño**
General Director	Administrative and Finance Director	Internal Control Assistant Director	Audit Director

SEGUROS INBURSA, S.A.,
GRUPO FINANCIERO INBURSA

Balance Sheets

(In thousands of Mexican pesos with purchasing power at December 31, 2007)

December 31	2007	2006
Assets		
Investments		
Securities:		
Mexican government	Ps. 9,740,506	Ps. 8,169,478
Private enterprises:		
Fixed rate	2,990,011	4,075,651
Variable rate	1,406,202	1,414,471
Foreign	190,398	
Net unrealized gain on valuation	3,505,710	2,825,758
Interest debtors	34,143	27,838
	17,866,970	16,513,196
Loans:		
On policies	178,080	162,937
Secured	290,759	359,628
Unsecured		778
Overdue portfolio	61,204	56,763
Interest debtors	2,738	3,555
Allowance for write-offs	12,402	12,868
	520,379	570,793
Real estate investments:		
Real estate	223,104	162,792
Net unrealized gain on valuation	1,104,426	1,078,676
Depreciation	82,292	74,905
	1,245,238	1,166,563
Investments for labor obligations at retirement	1,053,096	909,565
Total investments	20,685,683	19,160,117
Cash and cash equivalents:		
Cash and banks	14,128	27,301
Debtors:		
Premium	4,737,453	2,456,253
Agents and adjusters	11,147	3,504
Note receivable	72,544	56,520
Employee loans	56,115	49,635
Other	98,228	80,195
Allowance for write-offs	24,218	35,003
	4,951,269	2,611,104
Reinsurers and rebonders:		
Insurance and bonding companies	334,162	84,363
Retained deposits	507	522
Reinsurers' share of unpaid claims	4,277,743	1,088,419
Reinsurers' share of unearned premiums	320	329
Other shares	167,069	34,291
	4,779,801	1,207,924
Total current assets	9,745,198	3,846,329
Other assets:		
Furniture and equipment, net	140,198	123,391
Foreclosed and repossessed assets	4,441	406
Sundry	217,402	202,013
Unamortized expenses	98,158	83,033
Amortization	51,184	44,022
Total other assets	409,015	364,821
Total assets	**Ps. 30,839,896**	Ps. 23,371,267

December 31		**2007**		2006
Liabilities and stockholders' equity				
Technical reserves				
Unearned premiums:				
Life	Ps.	5,840,301	Ps.	5,767,244
Accident and health		528,436		577,220
Property and casualty		2,440,023		2,284,736
Bonds in force		7,572		7,844
		8,816,332		8,637,044
Contractual obligations:				
Losses and maturities		6,593,513		3,031,827
Losses incurred but not reported		299,522		305,536
Policy dividends		276,107		250,722
Managed insurance funds		619,889		607,774
Deposit premiums		51,038		52,903
		7,840,069		4,248,762
Prevision:				
Prevision		7,211		7,482
Catastrophic		3,759,392		3,506,732
Contingency		2,291		2,377
Special		1,356		1,393
		3,770,250		3,517,984
Total technical reserves		20,426,651		16,403,790
Reserves for labor obligations at retirement		1,051,723		908,069
Creditors:				
Agents and adjusters		279,886		270,178
Funds in custody for losses		16,557		23,884
Sundry		50,279		67,512
		346,722		361,574
Reinsurers and rebonders:				
Insurance and bonding companies		2,362,950		498,471
Retained deposits		758		778
		2,363,708		499,249
Other liabilities:				
Provision for employee profit sharing				
		84,587		72,963
Provision for income tax		200,366		132,641
Other liabilities		712,978		421,852
Deferred credits		922,765		816,402
		1,920,696		1,443,858
Total liabilities		26,109,500		19,616,540
Stockholders' equity:				
Capital stock		1,226,874		1,226,874
Unsubscribed capital		160,000		160,000
Paid-in capital stock		1,066,874		1,066,874
Reserves:				
Legal reserve		381,451		282,416
Other reserves		2,565,441		2,308,446
		2,946,892		2,590,862
Unrealized gain on valuation of investments		21,590		19,597
Subsidiaries		629,321		345,680
Retained earnings		473,474		185,723
Net income of the year		991,655		990,359
Deficit from restatement of stockholders' equity		(1,399,410)		(1,444,368)
Total stockholders' equity		4,730,396		3,754,727
Total liabilities and stockholders' equity	**Ps.**	**30,839,896**	Ps.	23,371,267

MEMORANDA ACCOUNTS	(Nominal amounts) 2007		2006	
Funds in custody	Ps.	1,129,220	Ps.	139,460
Liabilities under bonds in force		517,272		372,701
Memoranda accounts		2,963,956		2,586,137
	Ps.	4,610,448	Ps.	3,098,298

SEGUROS INBURSA, S.A., GRUPO FINANCIERO INBURSA

Statements of Income

(In thousands of Mexican pesos with purchasing power at December 31, 2007)

Year ended December 31		2007		2006
Premiums:				
Written	Ps.	13,064,432	Ps.	9,622,232
Ceded		4,969,007		1,857,730
Retained		8,095,425		7,764,502
Net increase in reserve for unearned premiums and bonds in force		138,699		207,402
Retained earned premiums		7,956,726		7,557,100
Net acquisition cost:				
Agent commissions		752,046		705,719
Additional agent compensations		286,254		278,146
Commissions on reinsurance and rebonding accepted		6,650		4,709
Commissions on reinsurance ceded		(389,025)		(271,804)
Excess loss coverage		260,513		199,594
Other		251,511		199,134
		1,167,949		1,115,498
Net cost of losses, claims and other contractual obligations:				
Claims and other contractual obligations		5,886,241		5,586,857
Recovered claims from non-proportional reinsurance		147,583		(122,363)
		5,738,658		5,709,220
Technical profit		1,050,119		732,382
Net increase in other technical reserves:				
Reserve for catastrophic risks		252,389		213,714
Contingency reserve		(86)		(96)
Other reserves		(50)		(56)
		252,253		213,562
Gross profit		797,866		518,820
Net operating expenses:				
Administrative and operating expenses		(268,261)		(147,158)
Salaries and fringe benefits		1,085,804		1,037,275
Depreciation and amortization		70,362		59,488
		887,905		949,605
Operating loss		(90,039)		(430,785)
Comprehensive result of financing:				
On investments		478,149		507,550
On sale of investments		556,965		482,133
On valuation of investments		527,967		976,197
On premium interest		104,752		97,647
On similar and related operations		26,410		5,760
Other		5,816		(7,433)
Net exchange gain		6,909		35,972
Net monetary position loss		(520,961)		(519,769)
		1,186,007		1,578,057
Income before provisions for income tax, employee profit sharing and equity interest in net income of subsidiaries		1,095,968		1,147,272
Provisions:				
Income tax		318,284		298,451
Employee profit sharing		123,105		133,096
		441,389		431,547
Equity interest in net income of subsidiaries		337,076		274,634
Net income	Ps.	991,655	Ps.	990,359

PENSIONES INBURSA, S.A.,
GRUPO FINANCIERO INBURSA

Financial Statements

Years Ended December 31, 2007 and 2006
(In thousands of Mexican pesos with purchasing power at December 31, 2007)

At December 31		2007		2006
Assets				
Investments				
Securities:				
Mexican government	Ps.	10,492,398	Ps.	9,085,095
Private enterprises:		5,232,330		4,574,318
Fixed-yield		4,797,962		4,139,861
Variable rate		434,367		434,457
Foreign values		331,245		-
Unrealized gain on valuation of investments		2,303,023		3,633,720
Interest debtors		281,843		307,892
		18,640,838		17,601,025
Cash and cash equivalents:				
Cash and banks		(97)		3,753
Debtors:				
Premium debtors		-		-
Notes receivable		216		224
Other		8,468		10,982
Allowance for write-offs		5,150		8,343
		3,534		2,863
Other assets:				
Sundry		139,172		104,608
Amortizable expenses		37,653		27,153
Amortization		20,330		17,615
		156,495		114,146
Total assets	Ps.	18,800,770	Ps.	17,721,787

At December 31		2007		2006
Liabilities				
Technical reserve				
Unearned premiums:				
Life	Ps.	13,288,294	Ps.	13,647,792
Contractual obligations:				
Claims and maturities		71,955		63,559
Deposit premiums		32		142
		71,987		63,701
Contingency reserve		265,766		272,956
Special reserve		485,242		417,842
		751,008		690,798
		14,111,289		14,402,291
Creditors:				
Agents		57		59
Sundry creditors		5,726		11,184
		5,783		11,243
Tax provision de impuestos		334,205		110,970
Other obligations		1		1
Deferred credits		15,181		11,096
		349,387		122,067
Total liabilities		14,466,459		14,535,601
Stockholders' equity				
Capital stock		1,458,383		1,458,383
Unsubscribed capital		350,000		350,000
Paid-in capital		1,108,383		1,108,383
Reserves:				
Legal		558,956		509,408
Other		768,461		396,508
		1,327,417		905,916
Subsidiaries		734,108		628,884
Retained earnings		2,972,246		3,004,669
Net income for the year		1,149,303		495,480
Deficit from restatement of stockholders' equity		(2,957,146)		(2,957,146)
Total stockholders' equity		4,334,311		3,186,186
Total liabilities and stockholders' equity	Ps.	18,800,770	Ps.	17,721,787

(Nominal Mexican pesos)

Memoranda accounts		2007		2006
Restated contributed capital account	Ps.	1,055,744	Ps.	1,019,667
Annual inflation adjustment		91,894		63,311
Tax results		1,186,737		362,223
Net tax profit		1,653,838		771,139
Register accounts	Ps.	3,988,213	Ps.	2,216,340

PENSIONES INBURSA, S.A.,
GRUPO FINANCIERO INBURSA

Statements of Operations

(In thousands of Mexican pesos with purchasing power at December 31, 2007)

Year ended December 31		**2007**		2006
Premiums	Ps.	17,028	Ps.	178,966
Witten		-		-
Retained		17,028		178,966
Net decrease in reserve for unearned premiums		(268,034)		(99,183)
Retained earned premiums		285,062		278,149
Net acquisition cost:		176		9,904
Other		176		9,904
Net cost of loss, claims and other contractual obligations:		799,071		817,854
Claims and other contractual obligations		799,071		817,854
Technical loss		514,185		549,609
Net increase in other technical reserves:		60,210		22,673
Contingency reserve		(7,190)		(4,056)
Other		67,400		26,729
Gross loss		574,395		572,282
Net operating expenses:		2,976		20,860
Administrative and operating expenses		261		18,144
Depreciation and amortization		2,715		2,715
Operating loss		577,371		593,141
Comprehensive financing income:		1,232,942		1,099,353
Investments		1,075,867		1,073,973
Gain on sale of investments		482,886		10,998
Gain on valuation of investments		286,139		669,881
Other		153		97
Net monetary position loss		612,103		655,596
Pretax income		655,571		506,212
Current year income tax		344,990		117,133
Equity interest in net income of subsidiaries		838,722		106,401
Net income for the year	Ps.	1,149,303	Ps.	495,480

OPERADORA INBURSA DE SOCIEDADES DE INVERSIÓN, S.A. DE C.V., GRUPO FINANCIERO INBURSA

Balance Sheets

(In thousands of Mexican pesos with purchasing power at December 31, 2007)

December 31	2007		2006	
Assets				
Cash and cash equivalents	Ps.	4	Ps.	4
Investments in securities				
Securities for trading		115,325		67,646
Accounts receivable, net		33,463		30,637
Long-term equity investments		685,755		597,857
Total assets	**Ps.**	**834,547**	**Ps.**	**696,144**

December 31	2007		2006	
Liabilities and stockholders' Equity				
Other accounts payable				
Taxes payable	Ps.	7,139	Ps.	9,484
Sundry creditors and accounts payable		20,315		12,837
Deferred taxes, net		113,533		88,903
Total liabilities		**140,987**		**111,224**
Stockholders' equity:				
Contributed capital:				
Capital stock		23,938		23,938
Earned capital:				
Capital reserves		4,449		4,449
Retained earnings		528,564		453,562
Deficit from restatement of stockholders' equity		(54,069)		(54,069)
Net income of the year		190,678		157,040
		669,622		560,982
Total stockholders' equity		**693,560**		**584,920**
Total liabilities and stockholders' equity	**Ps.**	**834,547**	**Ps.**	**696,144**

Memoranda Accounts	**2007**		2006	
Authorized capital stock (historical amount)	Ps.	10,000	Ps.	10,000
Shares issued (No. of shares)		606,335,758		603,335,758
Property held on deposit, delivered for safekeeping or under management	Ps.	801,080	Ps.	665,503

OPERADORA INBURSA DE SOCIEDADES DE INVERSIÓN, S.A. DE C.V., GRUPO FINANCIERO INBURSA

Statements of Income

(In thousands of Mexican pesos with purchasing power at December 31, 2007)

Year ended December 31		**2007**		2006
Commissions and fees charged	Ps.	316,446	Ps.	279,672
Commissions and fees paid		139,804		123,382
Service revenues		176,642		156,290
Financial intermediation margin		(12,969)		(18,943)
Total revenue from operating activities		163,673		137,347
Administrative expenses		7,610		12,480
Operating income		156,063		124,867
Other income		163		169
Other expenses		(61)		(141)
Income before income tax		156,165		124,895
Current year income tax		49,064		44,185
Deferred income tax		28,515		18,910
		77,579		63,095
Income before equity interest in net income of subsidiaries and associated companies		78,586		61,800
Equity interest in net income of subsidiaries and associated companies		112,092		95,240
Net income	**Ps.**	**190,678**	**Ps.**	**157,040**

INVERSORA BURSÁTIL, S.A. DE C.V., CASA DE BOLSA, GRUPO FINANCIERO INBURSA

Balance Sheets

At December 31, 2007 and 2006 (In millions of Mexican pesos with purchasing power at December 31, 2007)

Memoranda Accounts

December 31		2007		2006
Transactions on behalf of others				
Customers' current accounts:				
Customers' banks	Ps.	-	Ps.	-
Settlement of customers' transactions		(589)		(137)
		(589)		(137)
Customers' securities:				
Customers' securities received for safekeeping		1,847,981		1,470,880
Securities and notes received in guarantee		215		211
		1,848,196		1,471,091
Transactions on behalf of customers				
Customers' security repurchase agreements		55,974		65,507
Trusts under administration		2,394		2,403
		58,368		67,910
Total transactions on behalf of others	**Ps.**	**1,905,975**	**Ps.**	**1,538,864**
ASSETS				
Cash and cash equivalents	Ps.	-	Ps.	18
Investments in securities:				
Instruments for trading		2,577		1,994
Securities and derivatives:				
Debit balances under repurchase agreements		33		107
Other accounts receivable (net)		20		18
Property, furniture and equipment		28		33
Long-term equity investments		59		53
Other assets:				
Other assets, deferred charges and intangibles		163		208
Total assets	**Ps.**	**2,880**	**Ps.**	**2,431**

December 31	2007		2006	
Company's own transactions				
Other memoranda accounts:				
	Ps.	2,577	Ps.	1,994
		3		148
Contingent assets and liabilities		2,580		2,142
Security repurchase agreements:				
Securities to be received under repurchase agreements		55,974		65,508
Creditors under repurchase agreements		(55,979)		(65,602)
		(5)		(94)
Instruments to be delivered under repurchase agreements		(55,974)		(65,508)
Debtors under repurchase agreements		55,979		65,602
		5		94
Total Company's own transactions	Ps.	2,580	Ps.	2,142
LIABILITIES AND STOCKHOLDERS' EQUITY				
Securities and derivatives:				
Credit balances under repurchase agreements	Ps.	33	Ps.	107
Other accounts payable:				
Income tax and employee profit sharing payable		45		62
Sundry creditors and other accounts payable		44		42
		89		104
Deferred taxes (net)		194		134
Total liabilities		316		345
Stockholders' equity:				
Contributed capital:				
Capital stock		1,013		822
Earned capital:				
Capital reserves		136		110
Retained earnings		1,163		854
Excess or deficit from restatement of stockholders' equity		(262)		(262)
Result from holding non-monetary assets derived from valuation of long-term equity investments		36		36
Net income		478		526
		1,551		1,264
Total stockholders' equity		2,564		2,086
Total liabilities and stockholders' equity	Ps.	2,880	Ps.	2,431

INVERSORA BURSÁTIL, S.A. DE C.V., CASA DE BOLSA, GRUPO FINANCIERO INBURSA

Statements of Income

At December 31, 20007 and 2006 (In millions of Mexican pesos with purchasing power at December 31, 2006)

Year ended December 31		**2007**		2006
Commissions and fees charged	Ps.	556	Ps.	577
Commissions and fees paid		52		42
Service revenues		504		535
Trading income		143		260
Interest income		3,715		3,409
Interest expense		3,704		3,394
Fair value valuation result		295		211
Net monetary position result, net (financial intermediation margin)		(88)		(69)
Financial intermediation margin		361		417
Total income from operating activities		865		952
Administrative expenses		224		237
Operating income		641		715
Other income		10		2
Income before income tax and employee profit sharing		651		717
Current year income tax and employee profit sharing		115		144
Deferred income tax and employee profit sharing		(66)		(56)
Income before equity interest in net income of subsidiaries and associated Companies		470		517
Equity interest in net income of subsidiaries and associated companies		8		9
Net income	Ps.	478	Ps.	526

FIANZAS GUARDIANA INBURSA, S.A.
GRUPO FINANCIERO INBURSA

Balance Sheets

(In thousands of Mexican pesos with purchasing power at December 31, 2007)

At December 31		2007		2006
Assets				
Investments				
Securities				
Mexican government	Ps.	1,020,314	Ps.	1,020,956
Private enterprises		46,453		16,356
Fixed-yield		62,936		56,570
Foreign values		162,614		-
Net valuation		112,012		65,270
Interest debtors		2,122		111
		1,406,451		1,159,263
Loans				
Guaranteed		49,655		48,606
Uncollateralized		500		934
Overdue loans		7,446		4,062
Interest debtors		361		489
		57,962		54,091
Real estate				
Real estate		7,234		7,506
Unrealized gain on valuation of real estate		79,812		74,550
Depreciation		6,225		4,855
		80,821		77,201
Total investments		1,545,234		1,290,555
Investments for labor obligations at retirement		2,292		1,989
		1,547,526		1,292,544
Cash and cash equivalents				
Cash and banks		317		1,241
Debtors				
Premium debtors		143,303		126,372
Other		9,604		1,011
		152,907		127,383
Reinsurance companies				
Surety bonding companies		12,395		9,596
Other shares		(760)		71
Reinsurers' share of reserve for bonds in Force		4,839		4,997
Allowance for write-offs		1,580		1,640
		14,894		13,024
Other assets				
Furniture and equipment		50		63
Foreclosed and repossessed property		1,567		1,625
Sundry		107,041		187,613
Amortizable expenses		11,815		374
		120,473		189,675
Total assets	**Ps.**	**1,836,117**	Ps.	1,623,867

At December 31	2007		2006	
Liabilities				
Technical reserves				
Reserve for bonds in force	Ps.	79,096	Ps.	56,246
Contingency reserve		170,741		170,935
		249,837		227,181
Reserve for labor obligations at retirement		1,120		830
Creditors				
Agents		265		528
Bond creditors		23		24
Sundry creditors		11,117		9,144
		11,405		9,696
Reinsurance companies				
Surety bonding companies		10,037		7,620
Retained deposits		4,109		4,539
		14,146		12,159
Other liabilities				
Tax provision		105,198		206,180
Other obligations		27,741		24,654
Deferred credits		11,868		11,602
		144,807		242,436
Total liabilities		421,315		492,302
Stockholders' equity				
Paid-in capital		158,220		158,220
Legal reserve		167,247		136,506
Unrealized gain on valuation of real estate		3,342		3,306
Subsidiaries		24,736		21,019
Retained earnings		839,406		566,498
Net income for the year		277,658		307,407
Deficit from restatement of stockholders' equity		(55,807)		(61,391)
Total stockholders' equity		**1,414,802**		**1,131,565**
Total liabilities and stockholders' equity	**Ps.**	**1,836,117**	Ps.	1,623,867

Memoranda accounts (Nominal Mexican pesos)	**2007**		2006	
Deposited securities	Ps.	38,666	Ps.	38,666
Accounts of record		9,006,767		8,329,884
Others		15,850,373		11,177,596
	Ps.	23,861,006	Ps.	19,546,146

FIANZAS GUARDIANA INBURSA, S.A.
GRUPO FINANCIERO INBURSA

Statement of Operations

(In Mexican pesos with purchasing power at December 31, 2007)

Year ended December 31		2007		2006
Premiums				
Written	Ps.	681,283	Ps.	571,955
Ceded		111,972		80,549
Retained		569,311		491,406
Net increase in reserve for bonds in force		25,439		6,297
Retained earned premiums		543,872		485,109
Net acquisition cost				
Agent commissions		1,849		1,594
Commissions on reinsurance accepted		2		59
Commissions on reinsurance ceded		(35,108)		(34,452)
Other		322		(2,280)
		(32,935)		(35,079)
Claims		373,219		274,936
Technical profit		203,588		245,252
Net increase in contingency reserve		(209)		3,375
Gross profit		203,797		248,627
Net operating expenses				
Administrative and operating expenses		(86,397)		(62,280)
Depreciation and amortization		1,625		1,214
		(84,772)		(61,066)
Operating profit		288,569		309,693
Comprehensive financing income				
Investments		14,358		13,725
Gain on sale of investments		71,619		119,245
Gain on valuation of investments		21,841		25,793
Other		193		519
Exchange gain		686		377
Net monetary position loss		(48,723)		(41,979)
		59,974		117,680
Pretax income		348,543		427,373
Current year income tax		100,518		123,725
Equity interest in net income of subsidiaries		29,633		3,759
Net income for the year	Ps.	277,658	Ps.	307,407

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