CORPORACION FINANCIERA NACIONAL-CFN

Financial Statements
For the year ended December 31, 2008
With Independent Auditors Report

BDO Stern Cía. Ltda.
Auditores

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Literal transcription of the independent auditors report. The complete financial statements and notes to the financial statements that are not Publisher are part of this report and are at the Corporation's disposition.

Independent Auditors Report

To the Members of the Board of the
Corporación Financiera Nacional-CFN
Quito, Ecuador

Opinion on the financial statements

1. We have audited the accompanying balance sheet of the Corporación Financiera Nacional-CFN to December 31, 2008, and the corresponding statements of income, equity evolution and cash flows for the year then ended, as well as the summary of significant accounting policies and explanatory notes.

Management responsibility for the financial statements

2. The Management is responsible for preparing and reasonably presenting these financial statements in accordance with the accounting standards established by the Superintendence of Banks and Insurance of Ecuador. This responsibility includes: designing, implementing and maintaining the internal control relevant to the preparation and reasonable presentation of the financial statements in order to be free of significant material misstatements due to fraud or error; selecting and applying appropriate accounting policies, and making reasonable accounting estimates according to the circumstances.

3. As explained in significant accounting policies, the financial statements mentioned in the first paragraph were prepared according to the accounting standards established by the Superintendence of Banks and Insurance of Ecuador, which constitute an accounting base that, in some aspects, differ from the Ecuadorian Accounting Standards and the International Accounting Standards.

Auditor Responsibility

4. Our responsibility is to express an opinion regarding these financial statements based on our audit. Except for what is mentioned in the fifth paragraph, our audit was conducted in accordance with International Audit Standards. Those standards require that we comply with ethics requirements, as well as plan and perform the audit to obtain reasonable assurance whether the financial statements are free of significant material misstatements.

9 de Octubre 100 y Malecón
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An audit implies carrying out procedures to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the evaluation of risks of material misstatements of the financial statements, due to fraud or error. When carrying out these risk assessments, the auditor considers the internal control relevant to the preparation and reasonable presentation of the financial statements of the Corporación Financiera Nacional-CFN in order to design audit procedures appropriate according to the circumstances, but not with the purpose of expressing an opinion on the internal control effectiveness of the Corporación Financiera Nacional-CFN. An audit also includes, evaluating the suitability of the accounting policies used and the reasonableness of accounting estimates made by Management, as well to assess the general presentation of the financial statements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

5. In the year 2005, the State Attorney General issued an authorization to the Corporación Financiera Nacional-CFN to deliver the réprogrammed deposit certificates as payment for its obligations with the Ministry of Economy and Finances for US$268,400,000. On December 4, 2008, the Ministry of Economy and Finance and the Corporación Financiera Nacional-CFN subscribed an agreement of payment in kind totally accepting the mentioned reprogrammed deposits for US$258,111,661 at their nominal value. On November 10, 2008, the Corporation requests to the Superintendence of Banks and Insurance the authorization for the accounting adjustments of the agreement of payment in kind. Until our review date (February 6, 2009) the Corporación Financiera Nacional-CFN has not received any pronouncement in this regard.

Opinion:

6. In our opinion, except for the effects of such adjustments, if any, that might have been determined as necessary if the limitation mentioned in the fifth paragraph would have not existed, the previously mentioned financial statements reasonably present, in all material aspects, the financial position of the Corporación Financiera Nacional-CFN, to December 31, 2008, the results of its operations, equity evolution and cash flows for the year then ended, in conformity with accounting standards established by the Superintendence of Banks and Insurance of Ecuador.

7. Because of what is mentioned in the third paragraph above, this report is issued for the exclusive information and use of the Directors and Management of the Corporación Financiera Nacional-CFN and for its presentation before the Superintendence of Banks and Insurance of Ecuador, complying with the dispositions issued by the control entity, and cannot be used for any other purpose. Despite this restriction, the prevailing legal norms state that this report is of public character.

Literal transcription of the independent auditors report. The complete financial statements and notes to the financial statements that are not Publisher are part of this report and are at the Corporation's disposition.

Report on other legal requirements and control entities

8. Our opinions on the asset laundry prevention derived from illicit activities, supplementary financial information, investment decentralization of public sector investments, commissary and tax obligations compliance of the Corporación Financiera Nacional-CFN, as withholding and perception agent for the year ended on December 31, 2008, are issued separately.

BDO Stern

February 6, 2009
RNAE No. 9118

Román Pineda - Partner
RNC - 14.332

Corporación Financiera Nacional-CFN

Balance Sheet

(Expressed in US Dollars)

December 31,		2008
Assets:		
Funds available	(Note A)	48,055,228
Investments	(Note B)	104,897,400
Loan portfolio	(Note C)	386,754,612
Accounts receivable	(Note D)	50,277,810
Realizable assets, received in lieu of payment, of leasing and not used by the institution	(Note E)	1,945,108
Properties and equipment	(Note F)	11,413,096
Other assets	(Note G)	55,158,124
		658,501,378
Liabilities and shareholders' equity:		
Liabilities:		
Obligations with the public	(Note I)	115,188,141
Immediate obligations		9,177
Accounts payable	(Note J)	22,450,937
Financial obligations	(Note K)	73,015,254
Securities in circulation		514,242
Other liabilities	(Note L)	7,292,860
Total liabilities		218,470,611
Shareholders' equity:		
Common stock	(Note N)	250,500,000
General reserves	(Note N)	66,938,376
Other equity contributions	(Note N)	75,687,328
Valuations surplus	(Note P)	4,566,068
Accumulated results	(Note Q)	42,338,995
Total shareholders' equity		440,030,767
		658,501,378
Memorandum accounts	(Note R)	4,696,716,105

See significant accounting policies and notes to the financial statements.

Corporación Financiera Nacional-CFN

Income Statement

(Expressed in US Dollars)

Year ended on December 31,		2008
Revenues:		
Interest and discounts earned	(Note S)	40,787,456
Commissions earned	(Note T)	64,179
Financial profits	(Note U)	1,959,660
Income for services		1,169,190
Other operational income	(Note V)	5,446,961
Other revenues	(Note W)	13,408,396
		62,835,842
Expenses:		
Interest caused	(Note X)	8,434,327
Commissions caused	(Note T)	328,936
Financial losses		1,661,756
Provisions	(Note H)	12,731,069
Operational expenses	(Note Y)	19,917,254
Other operational losses	(Note Z)	1,175,903
Other expenses and losses		231,300
		44,480,545
Result before taxes		18,355,297
2% INNFA tax		367,106
Period result		17,988,191

See significant accounting policies and notes to the financial statements.

Corporación Financiera Nacional-CFN

Equity Evolution Statement

(Expressed in US Dollars)

Year ended on December 31,		2008
Common stock		
Initial balance		135,366,393
Capital increase	(Note N)	115,133,607
Ending balance		250,500,000
General reserves		
Initial balance		24,437,333
Transference of accumulated results		42,501,043
Ending balance		66,938,376
Other equity contributions		
Initial balance		129,535,656
Cash contributions	(Note O)	50,000,000
Capital increase	(Note N)	(103,848,328)
Ending balance		75,687,328
Valuations surplus		
Initial and ending balance		4,566,068
Accumulated results		
Initial balance		78,137,126
Transference of general reserves		(42,501,043)
Capital increase	(Note N)	(11,285,279)
Net profit		17,988,191
Ending balance		42,338,995
Total shareholders' equity		440,030,767

See significant accounting policies and notes to the financial statements.

Corporación Financiera Nacional-CFN

Cash Flows Statement

(Expressed in US Dollars)

Year ended on December 31,	2008
Cash flows from operational activities:	
Interest and discounts earned	32,524,795
Commissions earned	64,179
Interest paid	(8,434,327)
Commissions paid	(328,936)
Financial profits, net	297,904
Cash paid to suppliers, employees and other	(7,402,236)
Increase in loan portfolio	(181,160,151)
Decrease of obligations with the public	115,188,141
Other revenues, net	10,857,584
Net cash used in operational activities	(38,393,047)
Cash flows from investment activities:	
Increase in investments	(32,585,007)
Cash received from the sale of assets adjudicated in lieu of payment	175,553
Payment for the purchase of properties and equipment	(3,013,182)
Increase in other assets	(5,265,438)
Net cash used in investment activities	(40,688,074)
Cash flows from financing activities:	
Cash paid for financial obligations	(40,169,939)
Cash contributions	50,000,000
Net cash provided from financing activities	9,830,061
Net decrease of funds available	(69,251,060)
Funds available at the beginning of the year	117,306,288
Funds available at the end of the year	48,055,228

See significant accounting policies and notes to the financial statements.

Reconciliation of Period result Profit with Net Cash Used in Operating Activities

(Expressed in US Dollars)

Year ended on December 31,	2008
Period result	17,988,191
Adjustments to reconcile period result with net cash used in operational activities:	
Depreciation	1,152,839
Amortization	197,975
Provisions	12,731,069
Provision 2% FODINNFA tax	367,106
Provisions reversion	(7,507,809)
Properties and equipment adjustments	(9,236)
Profit from the sale of adjudicated assets received in lieu of payment	(251,952)
Adjustments of adjudicated assets received in lieu of payment	(275,243)
Other assets adjustments	(16)
Provisions released and other	587,597
Changes in operational assets and liabilities:	
Increase in loan portfolio	(181,160,150)
Increase in accounts receivable	(5,401,855)
Increase in obligations with the public	115,188,141
Increase in accounts payable	2,514,260
Increase in other liabilities	5,486,036
Net cash used in operational activities	(38,393,047)

INVESTMENT AND FINANCING ACTIVITIES MADE WITHOUT CASH DISBURSEMENTS

During the year 2008 the Corporation sold on credit properties adjudicated in lieu of payment for 672,918.

See significant accounting policies and notes to the financial statements.

Business Description

The Corporación Financiera Nacional-CFN is a public financial institution, autonomous, with legal status, indefinite duration and main domicile in Quito.

The amount of the authorized capital will be determined by the Board and authorized by the Superintendence of Banks and Insurance of Ecuador. The minimum authorized capital amount of the Corporation is US$500,000,000.

The objectives of the Corporación Financiera Nacional-CFN are to stimulate investment and promote the sustainable economic increase and competitivity of the country's production and services sectors.

The Corporación Financiera Nacional-CFN has its main office in Quito; and branches in Guayaquil, Cuenca, Ambato, Ibarra, Esmeraldas, Manta and Machala; Riobamba and Loja as special offices.

The working and operation of the Corporación Financiera Nacional-CFN are regulated by dispositions of its Organic Law, Rules and Regulations that for this purpose exist or are issued, and by the General Law of Institutions of the Financial System and controlled by the Superintendence of Banks and Insurance of Ecuador (entity that supervises the activities of banks and financial groups), according to prevailing legal dispositions in Ecuador. The main function and operations of the Corporación Financiera Nacional-CFN are:

* As first level bank, finance directly with its own resources, those from the State and those from local and foreign entities.
* Through financial system institutions, with resources that come from abroad, finance the productive and services activities of individuals and companies, when so required by international agreements.
* Promote capital markets participation with securities of its own issue, representing debt or securitization of own assets or of third parties.
* Act as administrator of funds managed and collected, according to regulations issued by the Board for this purpose.
* Carry out repurchase agreement operations, contract overdrafts and other short-term operations that are necessary to manage the Corporación Financiera Nacional-CFN's liquidity.

* Carry out fixed income operations and operate with financial instruments that suit its interest and necessities of assuring its equity with an adequate profitability and liquidity.

According to prevailing dispositions, financial system institutions are obligated to contract risk rating services with companies authorized by the Superintendence of Banks and Insurance of Ecuador and issue the risk rating reports every quarter. According to the rating agency, the risk rating report delivered on September 30, 2008, presented an "A" rating. The mentioned rating means the Corporación Financiera Nacional-CFN has a solid financial record and is well received in its natural money markets. It is possible that there are some weak aspects, but it is expected that any deviation with respect to the entity's historical performance levels be limited and will quickly be overcome.

Presentation basis

The Corporación Financiera Nacional-CFN records its operations and prepares its financial statements according to accounting standards and principles established or authorized by the Superintendence of Banks and Insurance of Ecuador, Ecuadorian Accounting Standards and International Accounting Standards, in those aspects that do not oppose, or on which do not exist, specific dispositions from the Superintendence of Banks and Insurance of Ecuador.

According to the Superintendence of Banks and Insurance of Ecuador dispositions, the Corporación Financiera Nacional-CFN maintains its accounting records in Dollars of the United States of America, since April 2000.

The accounting policies that the Corporación Financiera Nacional-CFN follows require that require that management make certain estimates and use certain assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. The most significant estimates regarding the accompanying financial statements refer to the provision for the loan portfolio, investments, accounts receivable and other assets, properties and equipment depreciation and deferred expenses amortization. Although they could differ from their final effect, management considers that the estimates and assumptions used were the appropriate under the circumstances.

The main differences between the accounting policies established by the Superintendence of Banks and Insurance of Ecuador and the Ecuadorian Accounting Standards and the International Accounting Standards, are described in the following:

- Past due loan portfolio, accounts receivable and other assets after three years delinquent must necessarily be written-off against reserves. Loan write-offs before this term require the express authorization from the Superintendence of Banks and Insurance of Ecuador. Ecuadorian Accounting Standards establish that loans be written-off based on their recovery probability.

- Interest and commissions earned and not collected, after 30 days past due, are reversed from the corresponding income accounts. Are controlled through memorandum accounts and are carried to results when collected. The Ecuadorian Accounting Standards establish that interest and commissions considered of doubtful recovery are provisioned based on their recovery probability.

- The financial system institutions can keep the properties acquired through adjudication or in lieu of payment for one year, starting from the adjudication date. After that term, the Corporación Financiera Nacional-CFN will create monthly provisions for a 36th of the book value. The International Financial Reporting Standards establish that the properties adjudicated in lieu of payment are recorded at lesser of the probable realization value or the amount of cancelled obligations.

- The investment losses are recognized in the period results based on the market value, unless the Superintendence of Banks and Insurance of Ecuador authorizes not recognizing the mentioned loss when the investment will be maintained until the due date.

- Investments in securities are classified as negotiable, available for sale, maintained until their maturity and of restricted availability. The investments negotiable and available for sale are recorded at market value, and investments maintained until their maturity and of restricted availability at the amortized acquisition cost. The Ecuadorian Accounting Standards establish the classification of short and long-term investments.

- For financial institutions the Ecuadorian Accounting Standards do not require certain disclosures in the notes to the financial statements; however, they are required by the International Accounting Standards (IAS), such as the disclosure of financial instruments valuation, profits or losses not realized in these, and in profit (loss) per share.

- The Superintendence of Banks and Insurance of Ecuador establishes that investments in shares be recorded at the proportional equity value determined on the basis of the financial statements on the previous month. The Ecuadorian Accounting Standards establish the presentation of their financial statements consolidated with their subsidiaries and the recording of investments in subsidiaries at the proportional equity value and the recording of investments at their original cost.

- The Ecuadorian Accounting Standards require the financial statements presentation for comparison purposes, while the Superintendence of Banks and Insurance of Ecuador does not establish the financial statements presentation for comparison purposes.

- The Superintendence of Banks and Insurance of Ecuador requires that the balance of the equity revaluation reserve account be maintained in an independent account and be exclusively used to compare debtor balances of other equity accounts. The Ecuadorian Accounting Standards establish that the balance of the equity revaluation reserve account be transferred to the capital reserve account and may be used for capitalization.

- There are certain accounting reclassifications required by the Ecuadorian Accounting Standards and the International Accounting Standards that have not been recorded in the accompanying financial statements because of the Superintendence of Banks and Insurance of Ecuador dispositions, which are related to internal interest elimination.

Investments

Investments are recorded based on the investment holding intent of the Corporación Financiera Nacional-CFN. Investments may be classified as negotiable, available for sale, maintained until maturity and of restricted availability, and are recorded according to the criteria mentioned above.

Loan portfolio

Loan portfolio includes the principal of the loans granted pending payment and is classified according to their destination and maturity, according to the Superintendence of Banks and Insurance of Ecuador instructions.

Risk assets provision

The provision for unrecoverable loans and other risk assets is determined by the Management of the Corporación Financiera Nacional-CFN following the criteria established by the Superintendence of Banks and Insurance of Ecuador. In accordance with those criteria, Management reviews and analyzes the portfolio every month, following the criteria established in the Resolutions Codification of the Superintendence of Banks and Insurance of Ecuador and the Bank Board.

According to Superintendence of Banks and Insurance of Ecuador dispositions, in order to calculate the commercial loan provision, specific percentages are considered which vary if the loans are supported or not by guarantees, considered at their realization value as determined by independent experts.

The Corporación Financiera Nacional-CFN determines the provision required to cover possible losses that may occur in the portfolio operations recovery, based on the evaluation and rating results of its portfolio for each borrower.

The provisions to cover possible losses are increased through charges to results and decreased through loan portfolio write-offs and of other assets considered as unrecoverable. The written-off portfolio operations recovered are credited to the period results.

Realizable assets adjudicated for leasing payment and not used by the institution

Constitute assets recovered by the Corporación Financiera Nacional-CFN by the rescission of loan portfolio and are recorded at the auction or cession value. These assets may be kept up to one year, after which term the Corporación Financiera Nacional-CFN must constitute provisions at the monthly rate of one 36th of the book value, starting in the following month of the original term maturity, according to instructions from the Superintendence of Banks and Insurance of Ecuador.

Properties and equipment

Equipment is recorded at the acquisition value; properties are obligatorily and totally adjusted to market prices every five years.

Disbursements for maintenance and repairs are charged to expenses when incurred, while important improvements are capitalized. Depreciation is calculated according to the straight-line method, considering as base the useful life of the related assets.

The annual depreciation rates of properties and equipment are the following:

Assets	Rates
Building	5%
Furniture and fixtures	10%
Office equipment	10%
Vehicles	20%
Computers	33%
Other assets	10%

According to the Superintendence of Banks and Insurance of Ecuador dispositions, based on appraisals carried out by independent experts the financial system institutions must every five years adjust to market prices the net value in books of properties maintained at the end of the corresponding economic period,.

The adjustment obtained is recorded as a debit in the group of properties and equipment and a credit in the surplus for valuations account in the reserves group in equity when the effect is larger to the recorded in books. When the value in books of an asset is decreased resulting from a valuation, the reduction must be recognized as an expense. To December 31, 2008, the Corporación Financiera Nacional-CFN has not recorded its properties at the market value based on an appraisal carried out by an independent expert.

Other assets

Mainly include investments in shares and participations, advances to third parties and trust rights.

Shares and participations were up-dated according to the proportional equity value basis obtained from the financial statements corresponding to the prior month and if no financial statements were available, were up-dated based on the last financial statement available. The mentioned adjustment effect is recorded against the period results.

Dividends received in cash were recorded in the period results in which they are received.

Income tax

Numeral 2 of article 9 of the Integral Tax Regime Law establishes that income obtained by State institutions is exonerated for income tax determination and liquidation purposes.

According to article 66 of the Internal Tax Regime Law Regulation, numeral 4, determines that according to what is established in article 225 of the Constitution of the Republic of Ecuador, public sector entities and organizations, are not obligated to present an annual income tax return.

Interest and commissions earned

According to dispositions of the Superintendence of Banks and Insurance of Ecuador, interest and commissions earned are recorded as follows:

- According to the accrual method.
- Interest and commissions not collected within the 30 days starting from the maturity date, must be obligatorily reversed with charge to results; the accrued portion in the current period is reversed with charge to earned interest and the accrued portion with the prior period is debited to the period results as other expenses and losses.
- When reversed interest and commissions are collected, the accrued portion in the current period is credited to earned interest and that accrued in previous periods is credited to other revenues.
- Default interest and from the loan portfolio that does not accrue interest are recorded in the period results of the period in which they are collected.

Interest and commissions paid	Are recorded in expenses according to the accrual method.

A. Funds available

A summary of this account was as follows:

December 31,	2008
Cash	38,161
Banks and other financial institutions	47,965,650
Drafts of immediate collection	51,417
	48,055,228

Starting January 18, 2001, a single cash reserve requirement of 4% is established for all deposits in US Dollars obtained by Banks and other institutions of the public and private financial system subject to the control of the Superintendence of Banks and Insurance of Ecuador.

B. Investments

A summary of this account was as follows:

		Type of investment portfolio				
Denomination		To negotiate	Available for sale	Held to maturity	Of restricted availability	Total
Government bonds for capitalization 98-17	(1)	-		-	13,590,355	13,590,355
Obligations	(2)	-	42,820,316	-	8,841,250	51,661,566
Global bonds 20-30	(3)	-	-	-	11,530,000	11,530,000
Participation quotas		-	-	5,152,002	-	5,152,002
Securitization instruments		818,566	16,754,2	-	5,599,177	23,171,970
Mortgage bonds		202,181	226,694	-	-	428,875
Government bonds 17 88		-	-	16,000	-	16,000
		1,020,	59,801,237	5,168,002	39,560,782	105,550,768
Less provision for investments (Note H)						653,368
						104,897,400

(1) These bonds were issued according to the Reordering in Economic Matters in the Financial Tax Area Law ("Ley de Reordenamiento en Materia Económica en el Area Tributario Financiera") for capitalization of the Corporación Financiera Nacional-CFN, which accrue an interest rate of 6.96% and 9.35%, have semestral amortization of capital and interest, with 2 years of grace, maturing in the years 2010 and 2014. These bonds were given as collateral to Universidad Agraria at its nominal value for 8,828,450.

(2) Includes obligations issued by HOV Hotelera Quito, Electrocables, TAGSA, Expalsa, Delcorp, Aerogal 3, Boyaca, Interoc S.A., Plásticos del Litoral, Envases del Litoral, Hotel Colón, Telconet, etc., accrue an interest that fluctuates between 7% and 10% maturing up to the year 2016.

(3) Global bonds 20-30 accrue an interest rate of 10%, maturing August 15, 2030. These bonds were given as collateral to Universidad Agraria at its nominal value for 11,530,000.

(4) Includes securities issued by: Banco Amazonas, Municipio de Guayaquil, Fadesa, Banco Territorial, Artefacta, etc., accruing interest rates that fluctuate between 7% and 9.75% maturing up to 2014.

C. Loan portfolio

A summary of this account was as follows:

December 31,	Due	Past due	Portfolio that does not accrue interest	Total 2008
Commercial:				
From 1 to 30 days	10,935,121	245	586,674	11,522,040
From 31 to 90 days	14,939,335	4,349,248	83,486	19,372,069
From 91 to 180 days	27,537,308	188,106	101,535	27,826,949
From 181 to 360 days	40,045,817	707	224,485	40,271,009
For more than 360 days	267,523,626	427,300	2,481,114	270,432,040
	360,981,207	4,965,606	3,477,294	369,424,107
Micro-enterprise				
From 1 a 30 days	173,801	153,465	99,516	426,782
From 31 a 90 days	299,067	40,187	188,342	527,596
From 91 a 180 days	2,193,253	919	329,267	2,523,439
From 181 a 360 days	1,212,589	-	769,753	1,982,342
For more than 360 days	6,857,332	-	4,345,052	11,202,384
	10,736,042	194,571	5,731,930	16,662,543
Restructured commercial				
From 1 to 30 days	135,983	-	11,769	147,752
From 31 to 90 days	323,864	14,323	91,280	429,467
From 91 to 180 days	445,393	1,205,626	185,365	1,836,384
From 181 to 360 days	873,873	3,517,246	287,831	4,678,950
For more than 360 days	7,303,964	2,384,528	4,784,931	14,473,423
	380,800,326	12,281,900	14,570,400	407,652,626
Less provision for unrecoverable loans (Note H)				20,898,014
				386,754,612

According to dispositions of the Superintendence of Banks and Insurance of Ecuador, loans are classified according to their purpose and maturity, as follows:

Commercial loans

The Corporación Financiera Nacional-CFN grants loans directly to final beneficiaries and to clients through the financial system institutions.

Ground floor bank loans granted for the purchase of fixed assets, working capital, and technical assistance, accrue interest rates that fluctuate between 8.75% and 9.25%, with terms that vary between 1 to 10 years.

Loans granted to clients through financial institutions are granted for the purchase of fixed assets and working capital, accrue interest rates that fluctuate between 5.98% and 8.93%, with terms that vary between 1 month and 15 years.

Restructured loans

Are commercial loans and micro-loans that were subject to a restructuring process, due to the application of the liabilities reprogramming norms of the Economic Transformation Law of Ecuador, or through an understanding, agreement or contract which modified the principal loan conditions, either establishing a different amount or a new payment plan for the unpaid loan balance.

The restructuring must be instrumented through a new contract or an addendum to the original contract, independent of if it is covered or not by a line of credit, accrue interest rates that fluctuate between 4.88% and 12.20%, with terms that vary from 5 to 10 years.

Loans due

Are classified as loans due those that are in force or have not been canceled up to 30 days after their maturity date.

Past due loans

Are classified as past due loans those that have not been canceled after 30 days after their maturity date.

Portfolio that does not accrue interest

In portfolio that does not accrue interest are classified loans that are maintaining past due amounts and quotas or dividends for more than 30 days, stop accruing interest and income.

Provision for unrecoverable loans

The estimate of the provision for possible losses of the loan portfolio and risk assets is determined by a Special Risk Assets Rating Commission of the Corporación Financiera Nacional, through individual review of the clients considering the real guarantees constituted for each loan and their payment capacity, according to instructions issued by the Superintendence of Banks and Insurance of Ecuador.

The loan portfolio and risk assets rating is as follows:

Summary of the loan portfolio rating and contingents and constitution of provision to December 31, 2008

Commercial loans	Total	% Risk	Provision required	Provision constituted	Provision excess/def.
A Normal risk	350,655,999	1,00%	3,506,560	3,506,560	-
B Potential risk	25,906,555	7,88%	2,042,182	2,042,182	-
C Deficient	1,010,062	17,67%	178,511	178,511	-
D Doubtful collection	205,109	94,43%	193,680	193,680	-
E Loss	21,911,118	100,00%	21,911,118	21,911,118	-
Total	399,688,843		27,832,051	27,832,051	-

Micro-enterprise loans	Total	% Risk	Required provision	Constituted provision	Provision excess/def.
A Normal risk	15,367,578	1,00%	153,676	153,676	-
B Potential risk	908,208 -	5,00%	45,410	45,410	-
C Deficient	194,237 -	20,00%	38,848	38,848	-
D Doubtful collection	93,284 -	100,00%	93,284	93,284	-
E Loss	44,670 -	100,00%	44,670	44,670	-
Total	16,607,977		375,888	375,888	-
Total general	416,296,820		28,207,939	28,207,939	-

Rating summary of investments, assets in lieu of payment and other assets and constitution of provisions to December 31, 2008

Investments	Nominal value	Market value	Generic provision
To negotiate private sector entities	1,020,766	1,020,746	-
To negotiate State or public sector entities	-	-	-
Available for sale of the private sector	60,676,498	59,801,238	-
Available for sale State or public sector	-	-	-
Total	61,697,264	60,821,984	-

Investments	Total	Provision required	Provision constituted	Provision excess/def.
Maintained maturity private sector	5,152,002	257,600	257,600	-
Maintained maturity State or public sector entities	16,000	160	160	-
Of restricted availability	39,560,782	395,608	395,608	-
Fiduciary rights - investments	1,000,000	10,020	10,000	-
Total	45,728,784	663,368	663,368	-

Other assets	Total	% Risk	Provision required	Provision constituted	Provision excess/def.
A Normal risk	67,146,277	1.00%	653,855	653,855	-
B Potential risk	344,335	5.00%	17,393	17,393	-
C Deficient	57,713,177	47.00%	26,875,011	26,875,011	-
D Doubtful collection	45,012	50.00%	22,506	22,506	-
E Loss	13,679,946	100.00%	13,679,946	13,679,946	-
Evaluated	138,928,747	29.69%	41,248,711	41,248,711	-
Total	138,928,747	29.69%	41,248,711	41,248,711	-

Assets in lieu of payment	Total	% Risk	Provision required	Provision constituted	Provision excess/def.
A Normal risk	488,408	1%	4,884	4,884	-
B Potential risk	-	-%	-	-	-
C Deficient	222,024	35.65%	79,152	79,152	-
D Doubtful collection	4,405,081	72,36%	3,187,662	3,187,662	-
E Loss	5,150,045	100.00%	5,150,045	5,150,045	-
Total	10,265,558		8,421,743	8,421,743	-

D. Accounts receivable

A summary of this account was as follows:

December 31,		2008
Interest receivable from investments		4,302,296
Interest receivable from loan portfolio		3,960,365
Advance for shares acquisition		67,198
Past due investments	(1)	59,739,801
Payments on client accounts		1,167,325
Restructured interest receivable		7,476,896
Several accounts receivable	(2)	22,423,351
		99,137,232
Less provision for accounts receivable (Note H)		48,859,422
		50,277,810

(1) Executive Decree No. 1492, article No. 2 of November 10, 1999, established that the reprogrammed deposit certificates of the same or other financial institution, including off-shore entities, protected by the Deposits Guarantee Agency, should be received by all the financial system institutions, to pay the total or part of the obligations granted up to July 31, 1999, which were received at nominal value including accrued interest and not paid. To December 31, 2008, these certificates are provisioned by 48%. Until our review date, February 6, 2009, the Corporación Financiera Nacional-CFN does not have any pronouncement by the Superintendence of Banks and Insurance of Ecuador regarding their adjustment percentage.

In the year 2005, the Procuraduría General del Estado authorized the Corporación Financiera Nacional-CFN to deliver reprogrammed certificates of deposit as payment of its obligations with the Ministry of Economy and Finances for US$268,400,000. On December 4, 2008, the Ministry of Economy and Finances and the Corporación Financiera Nacional-CFN subscribed an agreement of payment in kind totally accepting the mentioned reprogrammed deposits for US$258,111,661 at their nominal value. On November 10, 2008, the Corporation requests to the Superintendence of Banks and Insurance the authorization for the accounting adjustments of the lieu of payment. Until our review date (February 6, 2009) the Corporación Financiera Nacional-CFN has not received any pronouncement on this regard.

(2) Mainly includes 20,946,326 of sale on credit of assets received in lieu of payment, accrue re-adjustable annual interest rates every 90 days, maturing up to the year 2020.

E. Realizable assets, adjudicated in lieu of payment, in leasing and not used by the institution

A summary of this account was as follows:

December 31,	2008
Assets in lieu of payment	10,265,557
Assets leased	14,982
Assets not used by the institution	86,312
	10,366,851
Less provision for assets adjudicated in lieu of payment (Note H)	8,421,743
	1,945,108

The movement of realizable assets adjudicated in lieu of payment was as follows:

Type of asset	Balance to 31-12-2007	Additions	Sales and exchanges	Balance to 31-12-2008
Land	3,569,899	-	-	3,569,899
Buildings and other premises	6,377,084	361,000	(251,328)	6,486,756
Furniture, machinery and equipment	208,902	-	-	208,902
	10,155,885	361,000	(251,328)	10,265,557

F. Properties and equipment

A summary of this account was as follows:

December 31,	2008
Land	4,587,697
Buildings	12,880,849
Constructions and refurbishing in process	623,642
Furniture, fixtures and office equipment	1,190,716
Computers	2,598,897
Transportation units	853,863
Other	728,751
	23,464,415
Less accumulated depreciation	12,051,319
	11,413,096

The movement of properties and equipment was as follows:

	Balance to 31-12-2007	Increases, acquisitions and improvements	Write-offs, sales cessions, withdrawals	Revaluations and Devaluations	Transfers and adjustments	Balance to 31-12-2008
Cost:						
Lands	4,587,697	-	-	-	-	4,587,697
Buildings	12,060,669	778,789	-	-	41,391	12,880,849
Constructions and refurbishing in process	29,933	635,100	-	-	(41,391)	623,642
Subtotal	16,678,299	1,413,889	-	-	-	18,092,188

	Balance to 31-12-2007	Increases, acquisitions and improvements	Write-offs, sales cessions, withdrawals	Revaluations and Devaluations	Transfers and adjustments	Balance to 31-12-2008
Subtotal	16,678,299	1,413,889	-	-	-	18,092,188
Furniture, fixtures and office equipment	836,808	354,069	(40)	-	(121)	1,190,7168
Computers	1,739,749	869,681	(10,300)	-	(233)	2,598,897
Transportation units	609,124	244,739	-	-	-	853,863
Other	601,400	130,804	-	-	(3,453)	728,751
	20,465,380	1,074,787	(10,340)	-	(3,807)	23,464,415
Accumulated depreciation:						
Buildings	(8,310,431)	(653,211)	-	-	-	(8,963,642)
Furniture, fixtures and office equipment	(591,802)	(58,921)	40	-	155	(650,528)
Computers	(1,530,312)	(273,559)	10,300	-	365	(1,793,206)
Transportation units	(413,430)	(56,542)	-	-	14	(469,958)
Other	(117,953)	(68,541)	-	-	12,509	(173,985)
	(10,963,928)	(1,110,774)	10,340	-	13,043	(12,051,319)

G. Other assets

A summary of this account was as follows:

December 31,		2008
Investments in shares and participations:	(1)	
In other financial institutions		49,904,825
In companies		2,115,337
In companies of auxiliary services to the financial system		54,435
Fiduciary rights		
Investments		1,000,000
Expenses and prepaid payments		
Advances to third parties		251,080
Other		69,087
Deferred expenses		
Software		1,237,489
Subtotal		54,632,253

December 31,	2008
Subtotal	54,632,253
Other	1,916,329
(Accumulated amortization deferred expenses)	(841,651)
Materials, merchandise and inputs	
Office	106,003
Other	
Deposits in guarantee and for imports	20
Several	388,680
	56,201,633
Less provision for other assets (Note H)	1,043,509
	55,158,124

(1) To December 31, 2008, the Corporación Financiera Nacional-CFN owns participations in shares of the following companies:

Company		Investment amount as of 31-12-2007	% in the Company's equity	Adjustments to the proportional equity value Results: Revenues	Adjustments to the proportional equity value Results: Expenses	Investment amount as of 31-12-2008
Club de Ejecutivos		12	- %	-	-	12
Hotel Portoviejo	(1)	20	3.87%	-	-	20
Piscifactoria Mojanda S.A.	(1)	398	10.71%	-	-	-
Financiera Manabi	(1)	400	5.00%	-	-	400
Ecuacardosa	(1)	3,637	25.00%	-	-	3,637
Depósito Centralizado de Valores	(2)	12,521	2.22%	6,981	1,857	17,644
Semillas Certificadas	(1)	15,454	9.97%	-	-	15,454
Compañía Agrícola Industrial Gobeco C.A.	(1)	44,401	50.00%	-	-	44,401
Procesadora de Caucho	(2)	58,418	8.35%	34,322	9,297	73,040
Parque Industrial Riobamba	(2)	66,982	22.27%	-	14,031	52,951
Cementos Chimborazo	(2)	123,592	0.82%	23,387	-	146,979
Cinfocredit	(1)	54,434	98.45%	-	-	54,434
Palmoriente	(1)	1,191,965	7.34%	-	-	-
Hotel Colón Internacional		1,625,355	11.05%	297,981	-	1,760,801
Corporación Andina de Fomento (CAF)	(2)	45,971,252	1.14%	5,084,290	1,150,718	49,904,824
		49,168,841		5,446,961	1,175,903	52,074,597

(1) Companies that are in liquidation process.

(2) These investments in shares and participations have been updated to their proportional equity value to February 15, September 30 and October 31, 2008.

H. Provisions

To December 31, 2008, the Corporación Financiera Nacional-CFN maintains provisions to cover the risk of losses in assets for a total of 79,876,056, according to the following movement:

Detail	Investments (Note B)	Loan portfolio (Note C)	Accounts receivable (Note D)	Realizable assets adjudicated in lieu of payment (Note E)	Other assets (Note G)	Total
Balance according to report as of 31-12-2007	(475,918)	(24,131,333)	(52,745,883)	(7,119,904)	(1,907,883)	(86,380,921)
Provisions constituted during the year	(188,183)	(5,882,270)	(4,779,439)	(1,553,167)	(328,010)	(12,731,069)
Provisions freed-up during the year	10,733	6,591,516	905,540	-	20	7,507,809
Application of provisions during the year	-	2,540,095	8,331,935	251,328	1,192,364	12,315,722
Other		(16,022)	(571,575)	-	-	(587,597)
Balance according to books as of 31-12-2008	(653,368)	(20,898,014)	(48,859,422)	(8,421,743)	(1,043,509)	(79,876,056)

I. Obligations with the public

A summary of this account was as follows:

December 31,		2008
Factoring operations		
Factoring operations ("reporto")		15,188,141
Time deposits		
From 31 to 90 days		25,000,000
From 181 to 360 days	(1)	75,000,000
		115,188,141

To December 31, 2008, factoring operations accrue an annual interest rate of 3.65%.

To December 31, 2008, time deposits accrue an annual interest rate that fluctuates between 3.50% and 5.08%.

J. Accounts payable

A summary of this account was as follows:

December 31,		2008
Interest payable		
Financial obligations		1,453
Obligations		356,103
Other securities		90,236
Other		51,609
Employer obligations		
Social benefits		43,025
Social Security (IESS) contributions		94,628
Withholdings		
Fiscal withholdings		244,243
Other withholdings		140,967
Contributions, taxes and fines		
Other contributions and taxes		722,638
Several accounts payable		
Checks drawn and not collected		17,668
Other accounts payable	(1)	20,688,367
		22,450,937

(1) Mainly includes:

* 2,545,172 for CFN loans and 5,912,401 for IFIS (Financial System Institutions) in recovery for amounts owed the Deposits Guarantee Agency, restructured credits that included the IFIS intermediation margin, amounts that are reconciled every month with the Deposits Guarantee Agency.

* 4,000,000 transferred to the Ministry of Economy and Finance for the environmental contamination reduction program, oil subsidy rationalization for public transport and their scrap disposition, according to Executive Decree No. 114. For this reason, the Ministry of Finances will disburse an annual budget allocation for 50,000,000 to finance the amount of scrap disposition incentive. The Corporación Financiera Nacional-CFN will manage the financial incentives created by this Decree.

K. Financial obligations

A summary of this account was as follows:

December 31,		2008
Fondo de Solidaridad:		
Investment and payment contract for 54,000,000, at the borrowing reference rate + 1.35 points of 6.64%, re-adjustable every 90 days, with quarterly interest payment, maturing September 27, 2013.	(1)	37,500,000
Instituto Nacional del Niño y la Familia (INNFA):		
Investment and payment contract at the reference borrowing rate in US$ less 0.70% re-adjustable every 90 days of 4.39%, with monthly interest capitalization for an indefinite term.		14,469,899
Universidad Agraria:		
Investment and payment contract at 6.50% annual fixed interest rate, maturing September 23, 2009, and interest payment every 90 days.	(2)	21,018,132
Ministerio de Medio Ambiente:		
Management mandate contract at 85% of the reference borrowing rate re-adjustable every 90 days of 4.92%; interest will be capitalized every 90 days, for an indefinite term.		2,643,159
Other		27,898
		73,015,254

(1) The Corporación Financiera Nacional-CFN provides as collateral specific guarantees in favor of the Fondo de Solidaridad for the total investment balance, in shares of the Corporación Andina de Fomento series "A" and "B" for equity per share value of 12,600.

(2) The Corporación Financiera Nacional-CFN provides as collateral in favor of Universidad Agraria, Bonds Law 9817 maturing in 2010 and 2014 for a nominal value of 13,590,355 and Global Bonds maturing on August 15, 2030 for a nominal value of 11,530,000.

L. Other liabilities A summary of this account was as follows:

December 31,		2008
Consignment for payment of obligations		454,765
Funds under management	(1)	6,367,978
Other		
Other		470,117
		7,292,860

(1) Mainly includes 5,875,814, corresponding to the trust contract for the Micro-finance National System Program Fund Administration (Administración de Fondos del Programa Sistema Nacional de Microfinanzas - PSNM)), which purpose is the proper resources management of their property in order to channel them in the execution of programs that the Program Directorate determines to finance small producers of the agricultural, artisans, artisan fishermen sectors; and also micro employers that the Program Directorate determines.

M. Assets and liabilities maturity

A summary of this account was as follows:

Accounts	Up to 30 days	Up to 90 days	Up to 180 days	Up to 360 days	More than 360 days	Total
ASSETS						
Available funds	48,055,228					48,055,228
Financial investments						
To negotiate:						
Of the private sector	-	-	-	-	1,020,747	1,020,747
Of the public sector	-	-	-	-	-	-
Available for sale:						
Of the private sector	2,805,816	187,500	895,344	3,203,196	52,709,381	59,801,237
Held to maturity:						
Of the private sector	-	-	-	-	5,152,002	5,152,002
Of the public sector	-	-	-	-	16,000	16,000
Of restricted availability	-	-	-	-	39,560,782	39,560,782
Loan portfolio						
Commercial portfolio	10,935,121	14,939,335	27,537,308	40,045,817	267,523,626	360,981,207
Micro-loans	173,801	299,067	2,193,253	1,212,589	6,857,332	10,736,042
Restructured portfolio	135,983	323,864	445,393	873,873	7,303,964	9,083,077
Accounts receivable						
Investments	4,302,296	-	-	-	-	4,302,296
Portfolio	3,960,365	-	-	-	-	3,960,365
	70,368,610	15,749,766	31,071,298	45,335,475	380,143,834	542,668,983

Accounts	Up to 30 days	Up to 90 days	Up to 180 days	Up to 360 days	More than 360 days	Total
LIABILITIES						
Time deposits	-	25,000,000	75,000,000	-	-	100,000,000
Interest payable	499,401	-	-	-	-	499,401
Obligations with financial entities	1,346	50	-	50	25,777	27,223
Other obligations	14,469,899	-	-	21,018,132	37,500,000	72,988,031
	14,970,646	25,000,050	75,000,000	21,018,182	37,525,777	173,514,655

N. Common Stock

Accounting equity:

The movement of accounting equity was as follows:

Detail	Commons stock	Special reserves	Other equity contributions	Valuations surplus	Accumulated results	Total
Balance to 31-12-2007	135,366,393	24,437,333	129,535,656	4,566,068	78,137,126	372,042,576
Capital increase	115,133,607	-	(103,848,328)	-	(11,285,279)	-
Cash contributions	-	-	50,000,000	-	-	50,000,000
Transference of accumulated result	-	42,501,043	-	-	(42,501,043)	
Period result			-	-	17,988,191	17,988,191
Balance to 31-12-2008	250,500,000	66,938,376	75,687,328	4,566,068	42,338,995	440,030,767

Common stock

The subscribed and paid-in common stock of the Corporación Financiera Nacional-CFN to December 31, 2008, is 250,500,000. The paid-in capital increases are authorized through Board resolutions and notified to the Superintendence of Banks and Insurance of Ecuador.

In the year 2008, the Corporation made a capital increase for 11,285,279 of accumulated profits and 103,848,328 through capitalization of other equity contributions, approved by the Superintendency of Banks and Insurance by Resolution SBS-INIF-2008-412 of July 3, 2008.

General reserves

According to what is established in the Organic Law of the Corporación Financiera Nacional-CFN, the liquid profits that the Corporación Financiera Nacional-CFN obtains will be exclusively destined to increase the paid-in capital in at minimum the period inflation level and to constitute reserves for the purposes determined by the Board at the end of each economic period. Profits may not have any other destiny than the mentioned above.

Technical equity

According to legal dispositions, the financial institutions must maintain a relation of no less than 9% between their constituted technical equity and the weighted sum of their risk assets and contingencies. The required constituted technical equity is 4% for total assets and contingencies.

For calculating the constituted technical equity it will be considered the secondary technical equity for an amount up to 100% of the primary equity.

To December 31, 2008, and 2007, the technical equity situation of Corporación Financiera Nacional-CFN is presented as follows:

		Balance to 31-12-2008	Balance to 31-12-2007
Primary technical equity		417,476,507	343,124,703
Secondary technical equity		21,377,213	29,268,442
Percentage	(1)	5.00%	9.00%
Constituted technical equity		438,853,720	372,394,145
Total assets and contingencies		658,501,378	507,127,583
Percentage	(2)	67.00%	73.00%
Constituted technical equity		438,853,720	372,394,145
Weighted assets per risk		607,882,392	359,707,518
Percentage	(3)	72.00%	103.00%

(1) The total secondary technical equity will be limited in its maximum amount to 100% of the total primary equity elements.

(2) The Corporación Financiera Nacional-CFN must maintain over time a minimum level of the total technical equity equivalent to 9% of the total sum of weighted assets and contingents per risk.

(3) The total constituted technical equity cannot be less than 4% of total assets, included contingents.

O. Other equity contribution

Correspond to the National Government allowance, through the Ministry of Economy and Finance investment in low risk and high liquidity financial products, with CEREPS resources, for the Productive and Social Reactivation Program, of Scientific, Technological Development and Fiscal Stabilization, to generate lines of credit with preferential interest, for individuals, micro and small industries, preferably in Provinces most affected by the migration process and in those zones of special vulnerability and poverty. During the year 2008 the National Government cash contributions were 50,000,000 in order for it to carry out credit processes such as: Credipyme, microcredit, working capital and FOPEX.

P. Valuations surplus

Is recorded as counter account to the adjustments for property valuations, according to what is established in resolution No. JB-2001-364 issued on August 30, 2001, by the Superintendence of Banks and Insurance of Ecuador and the Bank Board.

The balance of this account will be directly transferred to accumulated results, profits or losses, according to the case, when this is carried out with the asset withdrawal or disposition.

Q. Accumulated results

Records the balance of operating and non operating results not compensated of previous years and the period result. The Corporación Financiera Nacional-CFN Organic Law establishes that the liquid profits the Corporation obtains will be exclusively destined to increase the amount of paid-in-capital in at minimum the inflation level of the period and to constitute reserves for the purposes the Board of Directs determines at the end of each economic period. Profits may not have any other destiny than the above mentioned.

R. Memorandum accounts

A summary of this account was as follows:

December 31,	2008
Securities and assets held by third parties	11,530,000
Own assets held by third parties given in guarantee	66,166,974
Assets written-off	308,100,418
Lines of credit not used	1,432
Loan portfolio and other assets in legal suit	11,088,477
Suspended interest, commissions and income	207,051,374
Financial leasing contracts	1,252,406
Other debtor memorandum accounts	143,068,583
Securities and assets received from third parties	2,112,388,191
Common stock origin	250,500,000
Securities and assets received in mercantile trust (1)	1,322,068,197
Unpaid subscribed capital	249,500,000
Provisions constituted	14,000,053
	4,696,716,105

The Corporación Financiera Nacional-CFN only uses memorandum accounts for control purposes. Memorandum accounts do not alter nor modify its financial position. Additionally, these accounts do not reflect the difference that could exist between the market value and the nominal value of the items presented in the Corporación Financiera Nacional-CFN financial statements.

(1) To December 31, 2008, the Corporation manages and maintains in force 65 trust business. Each one of these business managed by the Corporation are classified according to the following types of business: administration, real estate, guarantee, securitization and investment. Following is a detail of each business with the corresponding equity as of December 31, 2008:

No.	Trust Business	Type	Equity as of 12-31-2008
1.	Baba-CFN	Administration	903,036
2.	Banco Popular 001-BCE	Administration	14,595,546
3.	Culture Alliance	Administration	120,724
4.	Desarrollo del Centro Histórico de Quito	Administration	180,404
5.	Fondo Mixto de Promoción de la Competitividad Subnacional	Administration	544
6.	Garantía de Depósitos AGD	Administration	119,264,861
7.	Ecuatoriana LAB	Administration	(1,988)
8.	Elec Galápagos	Administration	6,154,977
9.	Empresa Eléctrica Quito	Administration	19,528,999
10.	Fonlocal	Administration	3,553,871
11.	Fondepyme	Administration	388,756
12.	Microempresas Rurales	Administration	281,357
13.	Financiero para el desarrollo del Puerto de Transferencia Internacional de carga de Manta	Administration	11,382,071
14.	Hidromira Carchi	Administration	1,510,643
15.	IESS-SICO venta de bienes	Administration	2,327,419
16l.	Miduvi	Administration	1,473,550
17.	Miss universo 2004	Administration	(146)
18.	Mtop Panavial	Administration	133,036
19.	MOP Subsecretaria de Concesiones	Administration	633,773
20.	Ocaña	Administration	33,875,447
21.	Paramos de Tungurahua	Administration	407,359
22.	Paute Mazar	Administration	(472,631)
23.	Procuraduría	Administration	16,408,237
24.	Programa de Protección Social	Administration	6,975,889
25.	PSNM	Administration	218,103
26.	Promujeres	Administration	1,637,785
27.	Proquito	Administration	312,941
28.	Rehabilitación del espacio público del DMQ	Administration	571,954
29.	San Francisco No. 1	Administration	337,910,612
30.	San Francisco No. 2	Administration	7,297,841
31.	San Francisco No. 3	Administration	1,274,131
32.	Sistema de Monitoreo y Reparación Ambiental	Administration	89,320
33.	Solca Núcleo de Quito - Lago Agrio	Administration	521,993
34.	Tarifas OCP	Administration	719,830
35.	Toachi Pilatón	Administration	32,616,594
36.	Termoesmeraldas	Administration	19,755,864
37.	Transición energética	Administration	3,308
38.	Vía Interoceánica Oswaldo Guayasamín	Administration	2,641,957
	Subtotal		907,542,239

No.	Trust Business	Type	Equity as of 12-31-2008
	Subtotal		907,542,239
39.	Correos del Ecuador	Administration	3,490,105
40.	Fonapa	Administration	457,544
41.	Fopar	Administration	8,385
42.	Practicas Ambientales	Administration	8,644
43.	Bananero	Administration	(696)
44.	Banco Amazonas Securitization	Securitization	1,052,196
45.	Banco Bolivariano 002 BCE	Guarantee	12,684,008
46.	Acquador	Guarantee	269,077
47.	IURD	Guarantee	5,423,157
48.	Banco de Guayaquil 001 BCE	Guarantee	6,076,155
49.	Banco Pichincha 001 BCE	Guarantee	21,446,758
50.	Banco Internacional 002 BCE	Guarantee	9,519,542
51.	Bancomex 001 BCE	Guarantee	1,326,575
52.	Cedege	Guarantee	429,271,552
53.	Ecuaauto	Guarantee	997
54.	Filanbanco S.A. 001 BCE	Guarantee	1,391,783
55.	MM Jaramillo Arteaga	Guarantee	1,018,670
56.	Produbanco 001 BCE	Guarantee	14,337,685
57.	Tonaroli	Guarantee	741,035
58.	Bellavista	Real Estate	1,018,254
59.	Castilla de Guápulo	Real Estate	650,000
60.	Edificio Azul	Real Estate	(82,854)
61.	El Portón	Real Estate	3,311
62.	Riggardi	Real Estate	9,877
63.	Luluncoto	Real Estate	(1,243)
64.	Andinatel Suppliers internal and external plant	Investment	12,635,323
65.	Liquidity fund	Investment	154,114,390
			1,322,068,197

S. Interest and earned discount

A summary of this account was as follows:

Year ended on December 31,	2008
Deposits	3,103,326
Interest and discounts of investments in securities	7,106,767
Loan portfolio interest	28,749,795
Other interest and discounts	1,827,568
	40,787,456

T. Commissions earned

A summary of this account was as follows:

	Income to		Expenses to	
Concept	31-12-2008	31-12-2007	31-12-2008	31-12-2007
Other	64,179	34,289	-	-
Several	-	-	328,936	66,416
	64,179	34,289	328,936	66,416

U. Financial profits

A summary of this account was as follows:

Year ended on December 31,		2008
In investments valuation	(1)	1,591.216
Productive assets for sale		196,461
Financial leasing		171,983
		1,959,660

(1) Correspond to income generated in the valuation at market value of investments in securities.

V. Other operational income

To December 31, 2008, mainly includes income for 5,446,961, for adjustment to proportional equity value, of the participations that the Corporation owns in different companies (Note G).

W. Other revenues A summary of this account was as follows:

Year ended on December 31,	2008
Profit in sale of assets	251,952
Leasing	356,119
Recovery of financial assets	12,413,138
Other	387,187
	13,408,396

X. Interest caused A summary of this account was as follows:

Year ended on December 31,	2008
Obligations with the public	122,397
Financial obligations	2,610
Securities in circulation and obligations convertible into shares	1,444,817
Other interest	6,864,503
	8,434,327

Y. Operational expenses A summary of this account was as follows:

Year ended on December 31,	2008
Personnel expenses	12,600,370
Fees	749,020
Several services	2,853,367
Taxes, contributions and fines	779,716
Depreciation	1,152,839
Amortizations	197,975
Other expenses	1,583,967
	19,917,254

Z. Other operational expenses To December 31, 2008, mainly includes expenses for 1,175,903, for adjustment to proportional equity value of the participations that the Corporación Financiera Nacional-CFN owns in different companies (Note G).

AA. Assets given in guarantee

A summary of this account was as follows:

Assets in guarantee	Amount	Guaranteed liabilities	Amount
Corporación Andina de Fomento (CAF) Shares	49,904,824	Investment and payment contract with the Fondo de Solidaridad	37,500,000
Bonds 98-17	13,590,355	Investment and payment contract with the Universidad Agraria	21,018,132
Bonos globales	11,530,000	Investment and payment contract with the Universidad Agraria	-
	75,025,179		58,518,132

AB. Contingencies

To December 31, 2008, the Corporación Financiera Nacional-CFN maintains several law suits, penal, civil and labor which are pending of resolution, and according to their legal advisors opinion, contain economic risk to the Corporación Financiera Nacional-CFN. However, it is not possible to establish the results of these suits (verdicts) since they depend on the judges' criteria and on other type of legal circumstances that are not foreseeable.

AC. Subsequent events

Between December 31, 2008, and our report date (February 6, 2009) there have not been any subsequent events, which the Corporación Financiera Nacional-CFN Management considers could have an important effect on the financial statements.