

GRUPO FINANCIERO

monex

Your Future. Our Present.



Annual Report

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1.

Message from the Chairman of the Board

For Grupo Financiero Monex, 2008 was a very important year, during which we continued expanding our range of products and services, as well as our presence in the financial markets:

- In 2008, our foreign exchange revenue set a new record, at \$2.09 billion pesos. Our trading volume grew by 32.5% over the previous year.
- We strengthened Banco Monex's foreign exchange operation by implementing more robust operating controls. We continued to make major investments in technology and information systems, in order to ensure the highest service and quality standards for our customers.
- Customer holdings at Monex Casa de Bolsa also increased, reaching \$46.6 billion pesos.
- Monex Casa de Bolsa maintained its Common Representative leadership.
- We received the Great Place to Work award as one of Mexico's best employers for the sixth consecutive year.
- In addition, we were recognized as a Socially Responsible Business by the Mexican Philanthropy Center (CEMEFI) for the fifth consecutive year.
- S&P and Fitch ratified their ratings on Banco Monex and Monex Casa de Bolsa.
- We also renewed the ISO9001:2000 certification for our Anti-Money Laundering process, a certification that spans all of our products nationwide.

In 2008, we achieved highly satisfactory financial results:

- Total revenue was \$2.49 billion pesos, which represents growth of 36.8% compared to 2007.
- Pretax net income was \$793 million pesos.
- Consolidated net income was \$558 million pesos.
- Total stockholders' equity was \$1.7 billion pesos.

We reiterate our commitment to continue innovating and improving our service, as well as our firm conviction to forge long-term customer relationships based on honest dialog and a win/win focus.



Sincerely,

Héctor Lagos Dondé
Chairman and CEO

2.

Soundness and Profitability

Grupo Financiero Monex is a Mexican company made up of three financial entities: Banco Monex, Monex Casa de Bolsa, and Monex Operadora de Fondos, through which it offers its customers the following products: Foreign Exchange, Securities (fixed income securities, equity securities, and investment banking), Investment Funds, Derivatives, International Investments, Trusts and Trade Finance.

Monex has over 24 years of financial market experience. Throughout its history, the company has demonstrated solid, consistent growth in trading volume and number of customers, both in our foreign exchange operation as well as our other product lines.

In 2008,

- Monex achieved a 36.8% growth in total revenue over the previous year.
- We had a 14% share in the foreign exchange market by trading volume.¹

Foreign Exchange:

In 2008, Monex traded over US\$147.6 billion (including interbank transactions), a 5.3% increase over 2007. The volume of customer transactions grew by 32.5%.



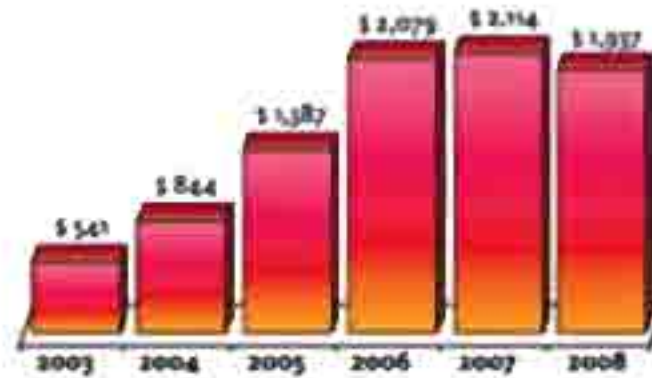
Monex processed, on average, over 327,000 payments every month in 2008 with a repeat customer base, a 27% increase over 2007.

¹ The Foreign Exchange market, defined as domestic, non-interbank players.

Derivatives:

In terms of derivatives transactions, Monex traded US\$1.93 billion in 2008, 8% less than it did in 2007, due to the fact that customers sensed they had no need for exchange rate hedging in light of the low volatility the Mexican peso experienced during the first three quarters of 2008.

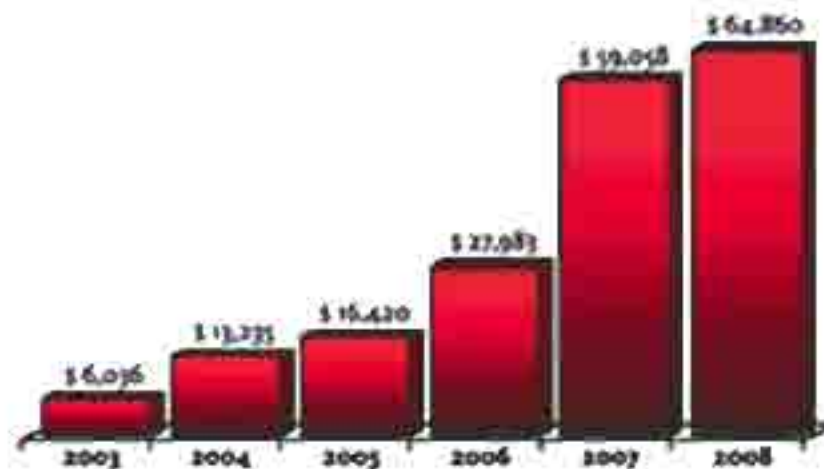
Derivatives Trading Volume
(Millions of US\$)



Equity Securities

Even though the stock market, as measured by the IPC,¹ decreased 24.2% in 2008, the volume traded by Monex in equity securities went up by 9.83%, reaching \$64.86 billion pesos.

Equity Securities Volume
(Millions of pesos)



At the end of 2008, Monex had over 14,000 active securities customers.

Monex's operation is backed by a strong stockholders' equity foundation and excellent counterparty risk ratings.

- In July, 2008, Standard & Poor's ratified its national scale counterparty credit ratings on Banco Monex (mxA/mxA-2), a reflection of Monex's solid business performance, adequate risk management capabilities, and good capitalization level.

¹ IPC as of the end of December, 2008, compared to the end of December, 2007.



• Monex Casa de Bolsa obtained from Standard & Poor's the same ratings as Banco Monex. Considered a key subsidiary, Monex Casa de Bolsa complements the bank's financial services offering in Mexico, with commonality in terms of strategy, risk management, and business relationships.

FitchRatings

• In May 2008, FitchRatings gave Banco Monex the A-(mex) rating, which reflects adequate capacity to generate recurring revenue, brand recognition in foreign exchange transactions, adequate capitalization and liquidity, as well as an experienced management team heading the foreign exchange operations. It also assigned Banco Monex an "F2(mex)" rating on short-term counterparty risk, with a stable rating outlook.

• In November 2008, FitchRatings confirmed Monex Casa de Bolsa's "A (mex)" rating on long-term counterparty risk and "F1(mex)" rating on short-term counterparty risk. These ratings reflect Monex Casa de Bolsa's adequate discretionary risk exposure policies, steady revenue diversification, and solid capitalization. The rating agency changed its rating outlook to "Stable".

• As of the end of 2008, Monex's stockholders' equity was \$1.7 billion pesos.

For the past few years, Monex has consistently achieved double-digit growth rates in total operating revenue.



Monex has diversified its operating revenue by offering its customers financial products and services that complement our value offering.

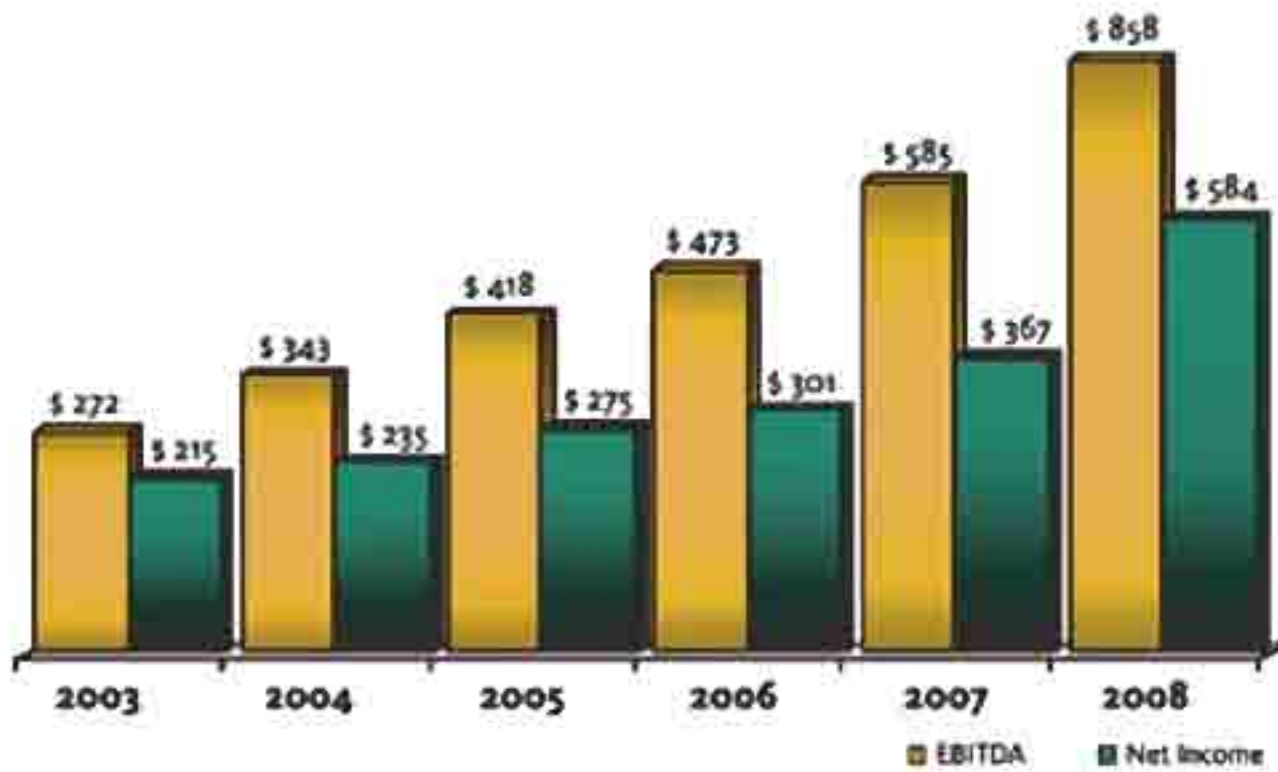
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Revenue Mix



Monex has demonstrated solid, consistent revenue growth by optimizing the use of its infrastructure and achieving clear synergies.

EBITDA and Net Income
(Millions of pesos)



2. Soundness and Profitability

Monex has made continued progress in its institutionalization process, while maintaining its personalized customer service.

- Monex's management model incorporates Corporate Governance Best Practices.
- Grupo Financiero Monex is also actively involved in various industry forums, including:
 - The Mexican Banks Association.
 - The Mexican Association of Securities Intermediaries (AMIB).
- Each Monex branch is well acquainted with its respective market and tailors its service offering to suit specific customer types.

Monex continues to bolster its self-regulation practices.

- Monex has earned an ISO 9001:2000 certification for its Anti-Money Laundering process. This certification spans Monex's operations nationwide and all of its products.
- Six years ago, Monex established a training program on Corporate Ethics for all employees.

Monex monitors its customer satisfaction performance and has implemented process improvement mechanisms.

- Monex uses customer satisfaction surveys to gain customer feedback in order to improve its processes on an ongoing basis.
- In November of 2006, Monex received a Corporate Social Responsibility Best Practices award (UN Global Compact category) from the Mexican Philanthropy Center recognizing its "Securities Performance Measurement – Return Adjusted Risk" practice.
- In 2007, Monex once again received a Corporate Social Responsibility Best Practices award, this time recognizing its "Protected Natural Areas Preservation Initiatives" practice.
- Once again, in 2008, Monex received a Corporate Social Responsibility Best Practices award, in recognition of its "Monex Children" practice, selected as one of the best in the "Quality of Life at the Company" category.
- In order to achieve ongoing improvement, every area within the financial group has clearly defined efficiency and process optimization goals.

Monex has a highly trained team.

- Monex has very low employee turnover in the Product and Support areas.
- Six years ago, Monex implemented a graduate degree scholarship program for its employees.
- Monex has an in-house Ethics instructor authorized by the AMIB, and has been an AMIB-certified Training Institute since 2004.



3.

Our Products and Services

Through our sales force, we serve 42 cities delivering financial products that meet our customers' foreign exchange, investment, hedging, and financial advice needs. Our goal is to provide specialized, fast, and efficient service, and constantly refine our product offering.

Foreign Exchange



International financial events affected Mexico with surges and wide intraday fluctuations in the peso/dollar exchange rate. Thanks to its solid Trading and Sales structure, Monex was able to offer customers the best possible conditions at any given moment, reasserting and strengthening our position as the best choice for efficiency and pricing.

The experience that has kept Monex in a leading position was also evident in the record-setting revenue results reported by our foreign exchange business.

In 2008, Monex's trading volume in the foreign exchange market grew by 32.5% over the previous year to US\$88.24 billion, with a 14% market share.

At Monex, our team of 495 foreign exchange advisors has access to highly competitive rates, enabling us to serve our customers efficiently and offer faster, customized service.

We have developed state-of-the-art technologies and procedures to handle large transaction volumes with thousands of customers. In 2008, we processed over 3.9 million payments, a 27% increase over 2007.

One of Monex's distinguishing traits when it comes to foreign exchange trading is that our trading desk focuses on serving our customers, whereas other intermediaries strive mainly to profit by managing their own interbank market positions. A reflection of this is the number of customers we serve. More than 43,000 business customers carry out their foreign exchange transactions with Monex.

Fixed Income Securities

2008 was a year of high volatility for the fixed income securities market as well, particularly in the latter part of the year, when the credit risk of certain issuers and the increase in long-term interest rates resulted in significant market depreciation. The Bank of Mexico implemented a few actions aimed at supporting the market during this time. Monex's conservative fixed income desk risk-taking policy made it possible to cope favorably through this turbulent period without resorting to government-announced alternatives, neither in terms of liquidity nor accounting classification. Thus, Monex's balance sheet reflects the market valuation of our fixed income positions.

This has reasserted our belief that focusing the efforts of our trading desks on serving our customers bears fruit in the form of long-term stability and positive results.



Thanks to our customers' trust, our fixed income holdings in custody grew to \$46.33 billion pesos, in addition to \$7.94 billion pesos from repo transactions.

Monex has developed a trading system called Corros Monex, designed to provide a securities supply/demand mechanism for Monex customers, anonymously and at market conditions. It is used by our sales force as well as major clients (large businesses and fund management companies) to conduct buy/sell transactions quickly and securely through our fixed income desk. The volume traded by customers in long-term (M) government bonds via Corros Monex went up by 160%.

At the end of 2008, we launched a new Bonds Forward product. A unique offering in Mexico, it has been successfully used by individuals and businesses. It is available on select underlying fixed- and variable income securities.

Investment Funds

Monex's philosophy is to offer both its own funds as well as third party funds. In either case, our main concern is to ensure that they are managed in accordance with the highest quality standards. This allows us to give our customers access to the very best options in the market.

At the end of 2008, Monex managed nine investment funds: seven fixed income funds and two variable income funds.

Even though the investment climate became very complex during the second half of the year, Monex's investment funds have generally offered solid yields, achieving good market positioning:



- MONEXCP cemented a place as one of the top government funds, ranking 2nd among AAA/2 funds.
- MONEX28 continues to enjoy a very good position among the highest-credit quality (AAA), lowest-risk funds in the market (1), ranking 2nd in its class for corporate investors and 5th for individual investors.
- MONEXUS continues to be a great alternative for investing in US dollars while maintaining liquidity, ranking 1st among currency hedging funds for corporate investors and 2nd for individual investors.

Additionally, through agreements with various investment fund operators, Monex offers 28 complementary funds listed on the Mexican stock exchange but investing primarily in foreign securities, both in fixed income and equity securities.

As of the end of 2008, Monex's total investment fund holdings were \$5.25 billion pesos, slightly less than the previous year. The number of accounts by year's end was 10,590.

Corporate Savings

Monex has developed an area devoted exclusively to managing corporate savings plans, in order to offer companies the option of outsourcing the management of their employees' savings funds. Beyond investing the funds, our services include account individualization, online queries, and loan management, among others.

The number of savings funds under management on behalf of our corporate customers grew from 667 in 2007 to 825 by the end of 2008. Average assets managed in 2008 reached \$1.03 billion pesos, a 35% increase over the previous year. By the end of 2008, the total number of customer employees enjoying Monex's account management and individualization services was 139,700.

Equity Securities

Despite the adverse international climate, we were able to maintain significant growth rates in our trading volume. The number of transactions increased from almost 226,000 in 2007 to more than 239,000 in 2008, which represents 5.7% growth. In terms of equity trading, our operation grew from \$1.78 billion pesos in 2007 to \$2.39 billion pesos in 2008, a 34% increase. In the case of equity securities, the amount traded was \$64.86 billion pesos, which represents 9.8% growth vs. 11.46% achieved in the previous period.

In 2008, Monex Casa de Bolsa maintained its ranking – 17th -- among securities intermediaries for total equity securities volume traded on the Mexican Stock Exchange.

The amount traded through Global Market / SIC (International Quotes System), has grown dramatically. The number of transactions went up from 713 in 2007 to 4,289 in 2008, a 691% increase. In turn, the number of shares traded went from 562,000 in 2007 to almost 10.1 million in 2008, which represents 1,698% growth. With these results, Monex Casa de Bolsa was able to improve its trading volume ranking, from 19th in 2007 to 12th in 2008.

We strive to expand and preserve our customers' wealth by providing all-encompassing advisory services, and by conducting securities transactions under conditions that are advantageous for our customers.

In 2008 the average assets under management in equities was \$7.9 billion pesos, generating \$131.5 million pesos in revenue.



Another major accomplishment this year was that Monex Casa de Bolsa became one of the first Market Makers on the Mexican Stock Exchange, by launching operations under this newly introduced concept for iShare IHBTRAC Habita.

Finally, despite an overall lack of stock offerings on the market, Monex was actively involved in placements from issuers BOLSA and GENOMALAB.

International

Through Monex Securities, Inc., we provide high-quality, personalized financial advice, offering a wide range of international products and services whose common characteristics are security and transparency.

Monex Securities, Inc. is a subsidiary of Monex Casa de Bolsa and a US SEC-registered broker dealer. Monex Securities is incorporated in the state of Delaware and based in Houston, Texas. An American company, it is subject to and abides by US laws and regulations.

Despite the complicated situation that prevailed in the international markets, the number of transactions conducted by Monex Securities, Inc. went up from 23,600 in 2007 to nearly 36,500 in 2008, a 55% increase.



As a result of the serious crisis that affected international markets (particularly during the second half of the year), the assets we manage on behalf of our clients remained virtually unchanged. Total assets went down slightly, from \$2.97 billion pesos in 2007 to \$2.92 billion in 2008, a decrease of 1.62%. In 2007, Monex Securities, Inc. managed 930 accounts. By December of 2008, this figure had grown by 7 percent to 995. In 2008, our gross revenue was \$53 million pesos.



It is important to note that we have ambitious plans in place for 2009. First, we will soon be launching our Futures brokerage operation through Monex Securities Inc. in conjunction with MF Global Inc., one of the most prestigious Futures Commission Merchants (FCM's) in the world. In addition, we will be launching a new Monex Casa de Bolsa subsidiary called Monex Asset Management, Inc. This new subsidiary, federally authorized and based in Houston, will allow us to manage various investment portfolios for Monex customers.

Derivatives

Monex's mission on the derivatives scene is to meet the investment and hedging needs of its individual and corporate customers. Managing its own position plays a subordinate role.

For Monex, maintaining its commitment to become the market leader in exchange rate hedging for Mexican medium-sized and medium to large businesses is extremely important.

Our focus and the actions we have implemented have yielded positive results.

1. Total traded volume reached US\$1.28 billion in 2008.
2. Our traded volume in IPC Derivatives was 187,506 IPCs, equivalent to \$5 billion pesos.
3. In 2008, total revenue was \$31 million.
4. Monex has been authorized to offer the MexDer Global Account service. Launch of this product is scheduled for 2009.

Monex is currently offering forwards and options on several currencies, the IPC, and TIEE, as well as brokerage of all products traded at MEXDER.

Investment Banking and Trusts

In 2008, we reasserted our leadership as Common Representative in the debt issuance arena, with approximately 50% market share. We also maintained our leading position in collateral agent services for securities-guaranteed transactions (prenda bursátil).

In terms of our trust services, we achieved strong growth rates for second consecutive year, turning this business into a major revenue stream for the area.

Finally, in terms of our Investment Banking services, we were able to further our market presence through active involvement in stock and debt placement syndicates, and by strengthening our corporate advisory services, while pursuing various projects aimed at obtaining financing from non-traditional sources.

As a result, we achieved a 33% growth in revenue for this business area, breaking the \$56 million mark.



Banking Products

In 2008, Banco Monex continued to strengthen the Group's presence in the financial markets, with a strong focus on serving small and medium-sized businesses in the areas of loan granting and funds concentration/dispersion.



Our loan products are aimed mainly at meeting the working capital needs of our clients, particularly on the foreign trade front. Our products include:

- Short- and medium-term loans backed by the US Ex-Im Bank.
- Domestic sales and export loans.
- Domestic purchases and import loans.
- International and domestic Factoring.
- Working capital loans with inventory as collateral.
- Letters of Credit.
- Securities-guaranteed loans (Caución Bursátil).
- Loans granted through Nafinsa's "Productive Chains" program.

In 2008, Banco Monex increased its loan assets by 78%, ending the year with a \$1.72 billion pesos in its credit portfolio.

Portfolio Mix (millions of pesos)

	01/08	02/08	03/08	04/08	05/08	06/08	07/08	08/08	09/08	10/08	11/08	12/08
CURRENT PORTFOLIO	714	850	872	988	924	1,137	1,089	1,319	1,292	985	1,073	1,376
PARTICIPATED PORTFOLIO	215	195	173	161	129	115	109	107	112	207	213	215
LETTERS OF CREDIT	19	17	15	18	44	28	39	53	90	86	77	124
PAST DUE PORTFOLIO	18	18	18	17	17	17	27	15	21	3	7	8
TOTAL	966	1,080	1,077	1,185	1,115	1,297	1,213	1,493	1,514	1,279	1,370	1,723

We maintained our efforts to support our customers' funds concentration/dispersion needs through the Monex Digital Account, which has the following features:

- Immediate availability demand deposit.
- Multi-currency transaction capability, allowing the holder to maintain a balance in major convertible currencies.
- Excellent yields in the main convertible currencies.
- Foreign exchange capability.
- Ability to define payment recipients.
- Online self-service.
- No management fees or minimum balance requirements.

Thanks to our customers' acceptance of our Digital Account, our demand increased by 718% during the year, reaching \$605 million pesos as of December 31, 2008.



4.

Execution and Operation

Monex has a highly automated Treasury function combined with service standards that enable us to be very responsive while meeting stringent security parameters.

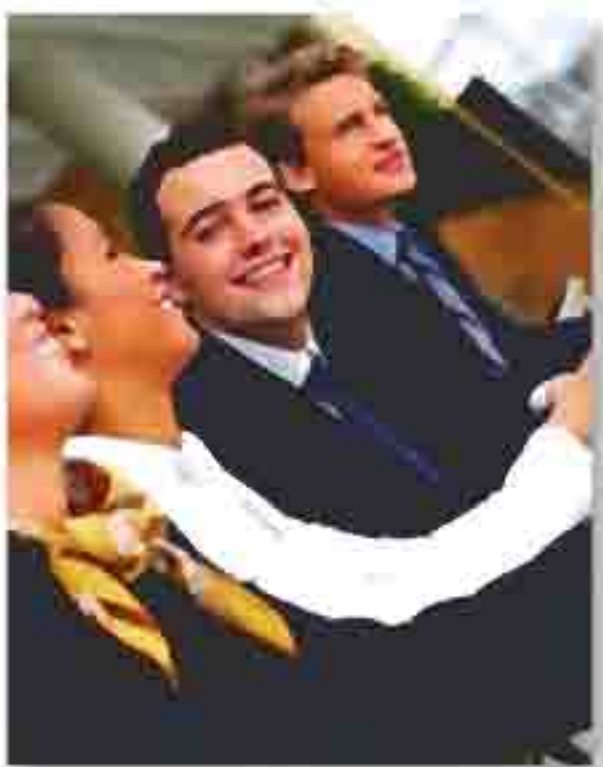
Monex's operation is concentrated in Mexico City. Checks are issued through our branches in a controlled fashion. This allows us to centralize the processing of third party payments, transfers, and checks.

In its foreign exchange trading operation, Monex handles electronically more than 51,000 domestic and 58,000 international payment transactions every month. Additionally, we receive over 9,000 collection transactions from foreign countries and 95,000 from domestic banks, representing growth of over 17% compared to 2007.

Additionally, for our securities operation, our Treasury handles an average of 101,000 payments and 126,000 collection transactions a month, a 25% increase over the previous year.

Monex maintains relations with major US banks and, through SWIFT, with all major banks around the world. Monex also has access to all banks in the Mexican banking industry's SPEI (Interbank Electronic Payments System), as well as Indeval.

Our Treasury received two awards from foreign banking institutions in recognition of its outstanding performance in international funds transfers during 2008:



- For third consecutive year, JPMorgan recognized us with its JPMorgan Chase Quality Recognition Award - US Dollar Clearing MT 103. According to JPMorgan, less than 1% of its funds transfer customers worldwide meet these exacting standards.
- Monex was one of only two institutions in Latin America recognized by Deutsche Bank with its *Straight Through Processing Excellence Award* for US dollars and EUR, in light of the high volume of transactions processed with almost 99% efficiency. According to information provided by Deutsche Bank, Monex's operating efficiency ranks it among the top 30 customers on a global basis.

5.

Technology and Information Systems

In order to remain on the leading edge and offer the highest quality service, we have made significant investments to strengthen our technology infrastructure, acquiring and updating the software our organization requires and implementing global best practices to optimize IT process management.

This has enabled us to create a true strategic/ planning focus, with greater control of our technology investments and efficient project management.

In 2008, we launched various efforts aimed at achieving this goal:

- We established an ongoing information security program:
 - Information Security Officer.
 - Policies and procedures.
 - Information Security Committee.
 - Strengthened network and application security.
- We reinforced the infrastructure and environments needed to run critical applications.
- We implemented improved user support procedures, incident/fault reporting and documentation, and audit recordkeeping.
- We continued to optimize our application and data architecture in order to achieve better alignment between the business and the technology.

Monex's current strategy links business results through multiple frameworks implemented under an overarching governance scheme, high credibility, and a strong emphasis on employee skill and competence.

We maintain our objective of supporting business needs in a timely manner through efficient resources built upon robust information security mechanisms. The goal is to improve the business architecture through the implementation of operating controls, monitoring, and the reduction of associated risks.



We will continue to apply international standards and best practices to service delivery and support, as well as the development of business applications and solutions. We will continue to explore and evaluate tools that allow us to undertake and manage innovative projects that support the operation and growth of our financial group.

6.

Integrated Risk Management



At Monex, risk management is a crucial component of the group's overall management and decision-making process, ensuring that the operation of our business units conforms to the risk management guidelines approved by the Board of Directors.

Our Integrated Risk Management Unit informs the CEO, as well as the heads of the business units, about the current risk exposure on a daily basis. It also reports to the Risk Committee every month and keeps the Board of Directors abreast of the latest risk exposure information on a regular basis.

In order to track risks continuously, we have two Risk Committees:

- a) Our Global Risk Committee, which reviews and reports on the global exposure to market, credit, and liquidity risks, and tracks capitalization levels.
- b) A Counterparty Risk Committee, responsible for assessing requests from customers who wish to conduct foreign exchange transactions and reviewing special cases involving customers interested in trading in derivatives in non-securities markets.

In order to keep track of Monex's ongoing risk exposure, reports are issued throughout the day by the Integrated Risk Management Unit, reflecting current market conditions as well as the positions of Monex's business units.

I. Market Risk

Market risk relates to potential changes in the business units' market positions. Market risk assessment takes into account the effect of changes in interest rates, exchange rates, stock market indexes, and volatility on the market value of these positions.

Market risk estimates are prepared using a methodology known as VaR (Value at Risk), defined as the potential loss in the market value of the business units' positions resulting from adverse variations in risk factors for a given timeframe at a specific confidence level. To supplement the VaR measurement, Monex also evaluates the effect of extreme variations in risk factors on the value of the business unit's market positions.

We monitor global and business unit risks by comparing the risk exposure to the risk thresholds approved by the Board of Directors on a daily basis.





Casa de Bolsa Monex's average global VAR during 2008 was \$1.27 billion pesos.

The average VAR / average basic capital ratio was 0.188% in 2008.

II. Credit Risk

Credit risk represents the loss that Monex Casa de Bolsa could potentially incur in the event it failed to meet the obligations of the counterparties with which the transactions are conducted, due to a weakening of their credit ratings.

II.1 Fixed income Desk transactions

Transactions conducted via our fixed income desk involve both issuer and counterparty risk. The former is associated to the issuer of the securities being traded at the fixed income desk. Since most of the repo transactions involve government-issued securities, issuer risk is nonexistent. Our Risk Committee decided that the underlying securities for repo transactions conducted with corporate bonds must be titles of the highest credit quality.

Counterparty risk relates to the market value of the repo transactions and the counterparties involved. Repo transactions pose a credit risk for Monex only when they have a positive market value. Because the parties involved in Monex's money market desk transactions are primarily financial intermediaries or institutional customers, this risk is very small.

II.2 OTC Derivatives transactions

Based on policies approved by the Risk Committee, all customer OTC derivatives transactions are conducted in organized markets or via counter transactions with financial intermediaries, thus reducing our exposure to adverse fluctuations in risk factors, as the positions remain level.

With the purpose of reducing credit risk, Monex only trades with customers who have been subjected to a thorough credit check. Based on the analysis, an agreed guaranteed facility is established, limiting the total amount corresponding to open positions a customer can maintain at any given time.

* Includes fixed income desk, OTC derivatives, and equity securities.

In order to mitigate the credit risk originating from adverse market variations and counterparty non-compliance, Monex asks its customers for an initial margin and, in the event major losses occur, it makes margin calls according to the guidelines approved by the Risk Committee. The minimum margin asked from customers is 6%, but it can be as much as 10% depending on the customer's credit standing. Depending on prevailing market conditions, we may require an increase in the minimum initial margin percentage or change authorized facility amounts, significantly reducing credit risk from these transactions.

II.3 Private Securities Risk

Additionally, as part of its integrated risk management processes, Monex has an area that assesses the level of risk and the credit quality of private securities.

Using valuation techniques and appropriate securities valuation methods, recommendations or opinions are issued to the sales force regarding the current and future risk of these private securities, as well as the advisability of acquiring such instruments. As a matter of policy, all private paper purchases must first undergo a risk analysis, unless their rating exceeds the minimum level established by the Risk Committee.

II.4 Foreign Exchange Transactions

The risk area assesses the risk level for foreign exchange customers, based on a quantitative and qualitative analysis, the most important aspect of which is the information contained in the balance sheet and other financials. The customer's transaction is approved or declined by the appropriate committee which, based on the analysis results, makes a joint decision.

The risk area systematically verifies that transactions conducted by committee-authorized customers meet applicable policy at all times, while information systems ensure no transaction exceeds authorized parameters. The customer's authorization is valid for one year, meaning that each customer is re-evaluated on an annual basis, ensuring that adequate decisions are made in the event the customer's financial situation weakens. In addition, more frequent evaluations may be performed, depending on the customer's specific situation or the overall economic environment.

III. Liquidity Risk

Monex maintains its full inventory in securities offering the highest credit ratings and high liquidity, such as revisablerate securities, CETES, and fixed-rate bonds. The latter two offer high liquidity, because they are traded in the secondary market and there are intermediaries acting as market makers, giving the market considerable depth. Thanks to these characteristics, should an extreme liquidity situation arise, the instruments could be sold without incurring major price penalties. In spite of the above, it must be noted that, due to a strategic decision, the fixed income desk was transformed into a service desk for the sales area, which reduced our own risk positions considerably.



Additionally, there are liquidity lines that other financial institutions have granted to Monex, which facilitate the settlement of day-to-day transactions, particularly when the trading volume is very high.

On a daily basis, the risk management unit monitors liquidity risk for all fixed income desk and derivatives transactions (organized markets and OTC) by comparing the market value of assets and liabilities for various time horizons.

IV. Operating, Legal, and Technology Risk

a) Operating Risk

Monex's senior management has entrusted the Comptrollership function with the task of implementing and managing operating risk. By implementing internal controls, we can identify faults in information systems or address tasks that have not yet been automated, detect trading execution errors, and solve any resulting problems.

Monex's Integrated Risk Management Handbook (MAIR) and Operating Risk Management Handbook (MARO) contain policies and procedures to track and mitigate operating risk. The Comptrollership area has implemented mechanisms to keep track of operating risk and inform the Risk Committee and the Board of Directors via the head of the Integrated Risk Management Unit (UAIR).

Monex has implemented the use of risk and control matrices, which provide qualitative scores of impact and frequency for each of the identified risks.

The risk classification system forms the basis to create risk catalogs that can then be used to ascertain potential losses arising from the occurrence of identified operating risks, as well as those that emerge in the future. Frequency and impact scores are used in risk maps for every process at Monex. Risk maps provide insight as to the corresponding risk tolerance levels:

Scale	Risk level
1	Low
2	Medium
3	High

- The maximum tolerance level for Monex on this scale is 3.
- Therefore, each of the identified operating risks must fall either on level 1 or 2 (Low - Medium) on the scale.

These levels show potential economic losses for Monex in the event a risk should occur. As time goes by, Monex builds a historical database containing information about loss events resulting from operating risks; this will enable Monex to come up with quantitative indicators for monitoring operating risk at the transaction and business unit level.

Monex is currently developing a model based on a statistical/actuarial approach for estimating losses resulting from operating risk exposure.

Additionally, together with other Monex areas, a Contingency Plan has been drafted. The plan is applicable to various business units as well as critical support areas.

b) Legal Risk

In terms of legal risk, Monex has policies and procedures geared at achieving the correct implementation of all agreements and contracts. In addition, legal risk management procedures are in place and the Group's regulations contain detailed policies concerning the opening and cancellation of contracts, as well as dispute resolution.

On a regular basis, recordings of telephone instructions are validated, and a customer service center validates and confirms customer instructions such as checking account setup, address changes, and contract cancellations.

For the specific case of derivatives transactions in non-securities markets, the integrated risk management unit is involved in the analysis of framework agreements for derivatives and any other document that can be binding for the parties involved. In addition, our Derivatives Handbook outlines the procedure followed by the legal department to review framework agreements, supplements, and attachments applicable to this type of transactions.

To address legal risk, Monex has policies and procedures contained in the Operating Risk Management Handbook; and the same process is used to handle operating risk.



c) Technology Risk

Concerning technology risk, Monex has policies and procedures applicable to all system operation and development activities.

These policies and procedures are also contained in the Operating Risk Management Handbook, and a similar process to the one described for operating and legal risk is used for technology risk.



7.

Transparency and Trustworthiness

At Monex, we are committed to safeguarding our customers' information by enforcing the highest confidentiality and security standards.

Corporate Governance

At Monex, we have implemented proper Corporate Governance practices that allow our customers, the public at large, and our shareholders to access transparent, timely information.

Our senior management and shareholders have adopted applicable recommendations from the Code of Corporate Best Practices, from market issuers or public companies, with the purpose of supplementing existing provisions aimed at promoting management transparency and third party information disclosure.

- The Board of Directors of Monex Grupo Financiero, S. A. de C.V. and all of its financial entities have members who are not involved in the daily operation and provide an external, independent view.
- Monex also has intermediate management entities called Committees, whose primary responsibility is to address any issue that may arise in order to ensure the company's operational and business agility, and see to the security and oversight of the group's activities.

The following Committees are currently in place:

- a) Auditing Committee
- b) Communication and Control Committee
- c) Credit Committee
- d) Evaluation and Compensation Committee
- e) Counterparty Risk Committee
- f) Planning, Systems and Finance Committee

Self Regulation

We are part of self-regulating entities recognized by Mexico's financial authorities, and we are actively involved in various committees of the Mexican Banks Association and the Mexican Securities Industry Association (AMIB).



External Auditors

The Board of Directors appoints auditing firms based on their experience, professionalism, and reputation.

Specifically, the financials of the Group and its various financial entities have been audited by internationally renowned firms; financial reports which have been duly and timely published.

Code of Ethics

At Monex, we have a simple, actionable tool to guide the decisions of everyone within the Group.

Our Code of Ethics is reviewed on a regular basis by the Board of Directors and explicitly states the values of our institution and contains Monex's commitments to its multiple stakeholders – our customers, employees, shareholders, suppliers, counterparties, the environment, the community, and our competitors.

28



Information Stewardship

Our customers' information is confidential and protected by legal secrecy provisions (Article 192 of Mexico's Securities Market Law and Article 117 of Mexico's Credit Institutions Law).

Monex has a special, restricted-access physical document safekeeping facility for archiving customer-provided documentation, as well as an electronic customer file used to make online queries.

Monex's information systems feature several modules that allow the Group's Corporate Comptrollership to monitor transactions in real time.

Internal Regulation

Monex has a solid internal audit area, separate from senior management, that reports directly to the Chairman of the Board and the Audit Committee. The internal audit unit meets all international standards and regulations. For optimum performance, it is made up of specialists trained in finance, management, regulations, legal, risks, and information systems. The area is responsible for planning and conducting administrative, financial, regulatory, and control reviews of the corporate areas (Financial, Business, and Support units) and branches, based on plans and schedules approved by the Audit Committee. It also provides advisory support to areas and/or functions as needed.

Anti- Money Laundering

At Monex Grupo Financiero, our Anti-Money Laundering process is ISO 9001:2000-certified. This certification was granted by Det Norske Veritas México, S.A de C.V. (DNV), an RvA-accredited firm.

We pride ourselves in having a robust quality management system capable of providing our customers with safe and reliable products and services. The cornerstone of this system is a SAS Anti-Money Laundering monitoring solution -- used all over the world and considered one



of the best in its class-, and we have developed a robust infrastructure to protect our customers' information with world-class security standards.

Monex has a Compliance Officer who is an active and certified member of ACAMS (a US organization authorized to certify compliance officers as Anti-Money Laundering Specialists). The Head of our Anti-Money Laundering Unit has also earned this certification.

Monex has instituted a Communication and Control Committee. This committee is made up of senior executives from all business areas and has decision-making power.

Every year, Monex welcomes supervisors from Mexico's National Banking and Securities Commission sent specifically to do AML oversight.

Since 2000, Monex has retained the services of independent auditors from highly recognized firms to look into the group's actions with regard to prevention, detection, and reporting of transactions involving illegally-sourced funds.

Finally, to comply with US regulations, Monex has a Foreign Agent who acts as our representative before US federal authorities.



8.

Coverage

Monex is present in most major cities in Mexico:



9.

Social Responsibility



Corporate Social Responsibility is a conscious and consistent commitment to fulfill the company's mission, both internally and externally, taking into consideration the expectations of all stakeholders, from an economic, social/human, and environmental standpoint, demonstrating respect for ethical values, the communities and the environment in search of the common good.

At Monex, Social Responsibility is a strategy aimed at achieving business excellence by creating a positive impact on all our stakeholders.

Social Responsibility means adopting a win/win approach with all stakeholders: customers, employees, regulators, shareholders, counterparties, suppliers, and society. For us, enforcing high ethical standards is an essential requirement to provide the service our customers demand, and we believe these principles must be applied consistently in every activity our company undertakes.

As part of our social responsibility strategy, at Monex we have a comprehensive set of long-term policies, practices, and programs for all operations and decision-making processes.

For fifth consecutive year, we have been recognized as a Socially Responsible Business (Empresa Socialmente Responsable, or ESR) by the Mexican Philanthropy Center (CEMEFI) and by the Alliance for Social Responsibility in Mexico (AliaRSE).

Every year, CEMEFI and AliaRSE also recognize the "Best Practices of Corporate Social Responsibility". Practices submitted for consideration must bring about benefits for both the company and society, and must include original, replicable elements.

We have received this award for the past three years.

In November of 2006, the award recognized our "Securities Performance Measurement – Yield Adjustment by Customer Risk" practice.

In September 2007, we received it for our Protected Natural Areas Protection initiatives. This practice creates benefits for both the company and the community, and includes original, replicable elements.

Through an alliance with ECOBANCA and Mexico's National Commission on Natural Protected Areas (CONANP), Grupo Financiero Monex donates to various environmental protection projects an amount proportional to the funds invested in our Green Fund.

Projects we have supported include:

- Vaquita (*Phocoena sinus*) preservation in the upper Gulf of California.
- Protection of sea turtles in Totonacapan, Veracruz.
- Strengthening of ecosystems along the Oaxaca coast.
- Punta Xen sea turtle conservation camps in the state of Campeche.
- Collection of geographic information necessary for delimiting natural protected areas.



In September 2008, the award recognized our Monex Children practice in the Quality of Life category. This practice seeks to engage our coworkers' children with both our company and Values issues.

In terms of Community Outreach, we have identified as prime targets communities around Mexico whose economically active population has been decimated by migration to the US in search of job opportunities. Since 2004, we have collaborated with the Bajío Community Foundation (Acción Comunitaria del Bajío, A.C),



The Bajío Community Foundation's projects are based on the principle of self-help, with a focus on sustainable development.



In June of 2005, we joined the UN Global Compact, because the values it seeks to uphold are fully consistent with ours.

At Monex, our team is a critical success factor. The Great Place to Work Institute has recognized Grupo Financiero Monex as one of the "Best Places to Work For" in Mexico for six years in a row.

For us at Monex, customer service and financial success are important, but equally important are the satisfaction of our employees and behaving in a socially responsible manner, key indicators that bring balance to the company.

In order for a company to be considered a great place to work, human resources practices and policies are assessed, but so is the perception of the employees in terms of five dimensions that include credibility, respect, fairness, pride, and camaraderie.

We have also been recognized by the Great Place to Work Institute as one of the Best Companies For Women to Work For. Today, 44.3% of our coworkers are women.

10.

Board of Directors

MONEX GRUPO FINANCIERO, S.A. DE C.V. BOARD OF DIRECTORS

APPROVED AT THE ANNUAL ORDINARY SHAREHOLDERS MEETING
HELD IN APRIL OF 2009

Proprietary Members

Héctor Pío Lagos Dondé, *Chairman of the Board*
Héctor Lagos Cué, *Founder and Honorary Chairman*
Pedro Dondé Escalante
Jesús Remberto Loaiza Rodríguez

Proprietary Independent Members

Hernando Carlos Luis Sabau García
Jorge Jesús Galicia Romero

Examiner

José Carlos Rivera Nava

Secretary

Jacobo Martínez Flores

Alternates

Patricia García Gutiérrez
Moisés Tiktin Nickin
Mauricio Naranjo González
Carlos E. González Juanes

Independent Alternates

Carlos Ayón Cárdenas
Manuel Galicia Alcalá

Alternate Examiner

Alejandro de Alba Mora

Prosecretary

Erik A. García Tapia

Monex also has intermediate management entities called Committees, whose primary responsibility is to address any issue that may arise in order to ensure the company's ongoing business and nimble operation, and see to the security and oversight of the activities pertaining to each of the entities that make up the group (Monex Casa de Bolsa, Banco Monex, and Operadora).

- Auditing Committee
- Communication and Control Committee
- Counterparty Risk Lines Committee
- Credit Committee
- Evaluation and Compensation Committee
- Planning, Systems, and Finance Committee





11.

Executive Team

MONEX GRUPO FINANCIERO

Héctor Lagos Dondé
CHIEF EXECUTIVE OFFICER

Moisés Tiktin Nickin
EXECUTIVE MANAGING DIRECTOR OF
BUSINESS DEVELOPMENT

Mauricio Naranjo González
EXECUTIVE MANAGING DIRECTOR, OPERATION
AND FINANCE

Enrique Robles Seńkowski
REGIONAL MANAGING DIRECTOR, CENTRAL REGION

Grocio Soldevilla Canales
MANAGING DIRECTOR, RISK MANAGEMENT

Ernesto López Quezada
REGIONAL MANAGING DIRECTOR, METRO REGION

Jacobo G. Martínez Flores
MANAGING DIRECTOR, GENERAL COUNSEL

José Luis Rosiñol Morando
REGIONAL MANAGING DIRECTOR, NORTHERN REGION

José Antonio García León
MANAGING DIRECTOR, PLANNING

Mauricio Robles Seńkowski
REGIONAL MANAGING DIRECTOR, WESTERN REGION

Juan Pablo Carriedo Lutzenkirchen
MANAGING DIRECTOR, ADMINISTRATION AND FINANCE

Rodolfo Beguerisse Demongin
REGIONAL MANAGING DIRECTOR, SOUTHERN REGION

David Mejía Rodríguez
MANAGING DIRECTOR, IT

Alejandro Hernández Treviño
EXECUTIVE VICE PRESIDENT SECURITIES SALES

Luis Eduardo Mendoza
MANAGING DIRECTOR, COMPTROLLERSHIP
AND PROCESSES

Gustavo A. Barocio Huerta
EXECUTIVE VICE PRESIDENT, ASSET MANAGEMENT

Miriam Álvarez del Castillo Mercado
MANAGING DIRECTOR, COMPTROLLERSHIP

Patricia García Gutiérrez
EXECUTIVE MANAGING DIRECTOR, HR
AND CORPORATE AFFAIRS

Rodrigo Gómez Lavanderos
MANAGING DIRECTOR, OPERATIONS

Carlos E. González Juanes
EXECUTIVE MANAGING DIRECTOR,
BANKING PRODUCTS

Enrique Monroy Pacheco
EXECUTIVE VICE PRESIDENT FOREIGN EXCHANGE
AND FIXED INCOME SECURITIES

Fernando J. Vizcaya Ramos
EXECUTIVE VICE PRESIDENT, INVESTMENT BANKING
AND FIDUCIARY TRUST

Rubén Fernández de la Torre
EXECUTIVE VICE PRESIDENT FOREIGN
EXCHANGE TRADING

Juan Pablo Diaque Dondé
EXECUTIVE VICE PRESIDENT,
BANKING PRODUCT SALES

Tomás Noriega Noriega
EXECUTIVE VICE PRESIDENT FIXED INCOME DESK
AND CORROS

Carlos Capetillo Cervera
EXECUTIVE VICE PRESIDENT, CREDIT PRODUCTS

Jorge Ramos Landero
EXECUTIVE VICE PRESIDENT INTERNATIONAL AND EQUITY

Arturo Acevedo Aceves
MANAGING DIRECTOR, PRODUCTS

Ricardo Guido Williamson
EXECUTIVE VICE PRESIDENT DERIVATIVES TRADING

Antonio Mujica Dávalos
EXECUTIVE VICE PRESIDENT, AUDITING

Adolfo M. Negrete García
EXECUTIVE VICE PRESIDENT CORPORATE SAVINGS

Management Team at Our Branches

AGUASCALIENTES
AJIJIC
CANCÚN
CIUDAD JUÁREZ
COZUMEL
CULIACÁN
CUERNAVACA
CHIHUAHUA
ENSENADA
GUADALAJARA
HERMOSILLO
HOUSTON
IRAPUATO
LEÓN
LOS CABOS
MANZANILLO
MATAMOROS
MÉRIDA
METEPEC
MEXICALI
MORELIA
MONTERREY
MONCLOVA
NUEVO LAREDO
PACHUCA
PIEDRAS NEGRAS
PLAYA DEL CARMEN
PUEBLA
PUERTO PEÑASCO
PUERTO VALLARTA
QUERÉTARO
REYNOSA
SALTILLO
SAN LUIS POTOSÍ
SAN MIGUEL ALLENDE
TAMPICO
TAPACHULA
TIJUANA
TORREÓN
VERACRUZ
VILLAHERMOSA
ZACATECAS

Javier Martínez Huerta
Pablo Fuentes Isaac
Pablo Watson Rincón
Ramiro Coss Castillo
Silvia B. Cuevas Chuc
César J. Hernández León
Mónica Escobar González
David A. Huereca Beltrán
Juan Carlos Escobar
Mauricio Robles Señkowski
Alain Betancourt Gil
Jesús Heiras Garibay
Luis Ernesto Martínez García
Armando H. Castro Rosas
José Luis Flores Macías
Armando Ávila González
María Teresa Hernández Danache
Luis García Rosado
Carlos Martínez Herrejón
Isela Landeros Valle
Alejandra Pérez Cortés
José Luis Rosiñol Morando
Mauricio Cantú Garza
Héctor Lazcano Perea
Mario Enrique García Alonso
Jorge A. Gutiérrez Trueba
Pablo Watson Rincón
Rodolfo A. Beguerisse Demongin
Jorge Adolfo López Celaya
Esteban Peña Pelayo
Javier Benítez Cortina
Armando Arturo Benavides Valadez
Hilda Sofía Pamanes Recio
Francisco Granados Espinosa
Gustavo Arriola Chapiro
Sandra O. Peralta Martínez
Rodolfo A. Beguerisse Demongin
Gilberto Salazar Salazar
María del Carmen Barrientos Zamora
José Alfredo Mendoza Díez
José Luis Orozco Hernández
Miguel de Jesús Robles González



12.

Relevant Financial Information

'08 Annual Report

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

Relevant figures taken from the AUDITED BALANCE SHEET
As of December 31st, 2007 and 2008

ASSETS

	2008	2007
Cash and cash equivalents	\$ 2,896	\$ 4,042
Marketable Securities	371	692
Securities and derivatives transactions	631	10
Credit portfolio, net	1,341	663
Other receivables, net	5,076	2,963
Property, plant, and equipment, net	135	148
Permanent stock investments	24	84
Deferred taxes, net	78	45
Other assets	300	111
Total Assets	\$ 10,852	\$ 8,758



NOTE: MONEX GRUPO FINANCIERO, S.A. DE C.V. AND SUBSIDIARIES AS OF DECEMBER 31, 2008 AND 2007. ALL FIGURES IN MILLIONS OF MEXICAN PESOS.
WWW.MONEXA.COM.MX

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

Relevant figures taken from the AUDITED BALANCE SHEET
As of December 31st, 2008 and 2007
(Millions of pesos)

LIABILITIES

	2008	2007
Deposits	\$ 798	\$ 1,364
Bank borrowings	75	167
Securities and derivatives transactions	446	7
Other accounts payable		
Income Tax and PTU tax, payable	281	159
Various creditors and other accounts payable	7,550	6,221
	7,831	6,380
Total Liabilities	\$ 9,150	\$ 7,918

STOCKHOLDERS' EQUITY

	2008	2007
STOCKHOLDERS' EQUITY		
Contributed capital	394	394
Earned capital		
Accumulated	1276	408
From non-monetary assets	0	-1
Subtotal	1276	407
Minority interest	32	39
Total Stockholders' Equity	1,702	840
Total Liabilities and Stockholders' Equity	\$ 10,852	\$ 8,758

NOTE: ALL OTHER FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008 ARE AVAILABLE THROUGH AT
WWW.MONEX.COM.MX

MONEX GRUPO FINANCIERO, S.A. DE C.V.

RELEVANT FIGURES

January 1st – December 31st, 2008

	2008	% Int
Amounts traded and holdings		
Foreign exchange traded with customers (thousands of US dollars)	88,246,361	
Derivatives (thousands of US dollars)	1,936,521	
Equity (thousands of pesos)	69,592,627	
Holdings (thousands of pesos)		
Funds	6,261,334	
International	2,924,451	
Fixed income securities	15,899,496	
Equity securities	7,498,421	
OPERATING REVENUE (thousands of pesos)	2,583,229	100.00%
Trading and valuation results		
Foreign exchange	2,096,002	81.14%
Securities	327,742	12.69%
Fixed income	89,204	3.45%
Investment Funds	53,800	2.08%
International	53,283	2.06%
Equity	131,456	5.09%
Derivatives	30,868	1.19%
Corporate funding	56,260	2.18%
Credit placement	37,943	1.47%
Commissions on Siefore balances	30,582	1.18%
Other operating revenue (Net)	3,832	0.15%
Operating Income	1,044,153	40.42%
Income before taxes	816,821	31.62%
Net Income	584,223	22.62%

NOTE: AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008 ARE AVAILABLE FOR REVIEW AT
www.monex.com.mx

'08 Annual Report

