

**CAJACANARIAS INTERNATIONAL
FINANCE B.V.**

Amsterdam, The Netherlands

ANNUAL REPORT 2007

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Table of contents

Balance Sheet as at 31 December 2007	Page 3
Profit and Loss Account for the year ended 31 December 2007	Page 4
Notes to the Accounts	Pages 5-8
Supplementary information	Page 9
Auditors' report	Page 10

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Balance Sheet

(before appropriation of results and expressed in euros)

	<u>Notes</u>	<u>31-Dec-2007</u>	<u>31-Dec-2006</u>
FIXED ASSETS			
<i>Financial assets</i>			
Deposits	(3)	49,932,500	49,932,500
Issue expenses	(4)	20,115	37,548
Total fixed assets		<u>49,952,615</u>	<u>49,970,048</u>
CURRENT ASSETS			
Interest receivable on deposits		1,664,599	1,613,381
Debtors and prepayments		1,500	1,862
Taxation		4,824	38,031
Cash at banks		482,006	539,573
Total current assets		<u>2,152,929</u>	<u>2,192,847</u>
CURRENT LIABILITIES			
Interest on notes		1,581,370	1,581,370
Payables and accrued expenses		3,165	3,174
Total current liabilities		<u>1,584,535</u>	<u>1,584,544</u>
NET CURRENT ASSETS		<u>568,394</u>	<u>608,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		50,521,009	50,578,351
Less: LONG-TERM DEBT			
Notes	(5)	50,000,000	50,000,000
		<u>521,009</u>	<u>578,351</u>
CAPITAL AND RESERVES			
	(6)		
Share capital		18,000	18,000
Share premium		482,000	482,000
Accumulated results		0	54,548
Result for the financial year		21,009	23,803
		<u>521,009</u>	<u>578,351</u>

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Profit and loss account
(expressed in euros)

	<u>Notes</u>	<u>Year 2007</u>	<u>Year 2006</u>
Interest income deposits		1,946,122	2,298,693
Interest expense on Notes		(1,850,211)	(2,260,315)
Other interest expenses		-	(712)
Amortisation EMTN charges	(4)	(17,433)	(21,831)
		<u>78,478</u>	<u>15,835</u>
EXPENSES			
Operational expenses		<u>19,482</u>	<u>16,067</u>
OPERATING RESULT BEFORE TAXATION		58,996	(232)
TAXATION			
Corporation tax		3,952	
Corporation tax previous years		<u>34,035</u>	<u>(24,035)</u>
NET PROFIT/(LOSS) FOR THE YEAR		<u><u>21,009</u></u>	<u><u>23,803</u></u>

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2007

1. General

CajaCanarias International Finance B.V. ("the Company"), a corporation with limited liability, having its statutory seat in Amsterdam, The Netherlands, was incorporated under the laws of The Netherlands on 21 October 2003. The Company considers Caja General de Ahorros de Canarias, Santa Cruz de Tenerife, Spain, to be its ultimate parent company.

The principal activities of the Company consist of financing of group entities.

2. Summary of principal accounting policies

(a) General

The accompanying accounts have been prepared in accordance with the provisions of EU Directives as implemented in Part 9, Book 2 of the Dutch Civil Code.

(b) Basis of presentation

The accompanying annual accounts have been prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in The Netherlands. Unless indicated otherwise, assets and liabilities are stated at nominal value.

(c) Issue Expenses

The issue expenses are amortised over the terms of the notes (5 years).

(d) Determination of income

All income and expenses are calculated on the accrual basis.

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2007

3. Deposits

Financial assets include one time deposit account at Caja General de Ahorros de Canarias, Santa Cruz de Tenerife (Spain). At the request of the Company, Caja General de Ahorros de Canarias, Santa Cruz de Tenerife, Spain, will proceed to reimburse all or part of the deposit so that the Company can make the necessary payments, as set out in the Pricing Supplement of the Issue and as per the Terms and Conditions of the Issue established in the Program documentation.

The remaining principal amount, maturity date and interest rate as of 31 December 2007 of the time deposit account are as follows:

- EUR 49,932,500, maturity 23 February 2009, interest rate as at 31 December 2007: 3,90%.
(2006: 3.78%)

4. Issue expenses

	2007	2006
Opening balance 1 January	37,548	59,379
Amortisation	(17,433)	(21,832)
Balance as at 31 December	<u>20,115</u>	<u>37,548</u>

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2007

5. Notes

On 23 February 2004 the Company issued two series of Medium Term Notes.

Tranch A included EUR 100,000,000 Floating Rate Senior Guaranteed Notes due 23 February 2006. Tranch A is reimbursed in 2006.

Tranch B includes EUR 50,000,000 Fixed Rate Senior Guaranteed Notes, due 23 February 2009.

Interest is calculated based on an annual fixed interest of 3,70% payable on the 23 February of each year. The notes were listed on the Luxembourg Stock Exchange.

The remaining principal as at 31 December 2007 amounts to EUR 50,000,000.

Guarantee from the Shareholder

The payments of principal and interest. Together with all other sums payable by the Company in respect of the Senior Notes issued under Cajas Españolas de Ahorros Multi-Caja Euro Medium Term Note Programme have been unconditionally and irrevocably guaranteed by Caja General de Ahorros de Canarias, Santa Cruz de Tenerife (Spain).

6. Capital and reserves

The authorised share capital of the Company consists of 900 shares of EUR 100 each, of which 180 shares have been issued and fully paid-up.

	Issued share capital	Share premium reserve	Accumulated results	Result for the financial year	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at 31 December 2005	18,000	1,982,000	(41,885)	96,433	2,054,548
Movements during the year	-	(1,500,000)	-	-	(1,500,000)
Appropriation of result	-	-	96,433	(96,433)	-
Result for the financial year	-	-	-	23,803	23,803
Balance as at 31 December 2006	18,000	482,000	54,548	23,803	578,351
Dividend distribution	-	-	(78,351)	-	(78,351)
Appropriation of result	-	-	23,803	(23,803)	-
Result for the financial year	-	-	-	21,009	21,009
Balance as at 31 December 2007	18,000	482,000	-	21,009	521,009

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2007

6. Directors

The Company had four directors during the year under review, two of them received an amount of EUR 5,687 (2006: EUR 5.500) for their activities.

7. Employees

The Company has no employees and hence incurred no wages, salaries and related social security charges during the year under review or the previous year.

The Management

D.J. Cova Alonso.

A. Arvelo Hernandez

Equity Trust Co. N.V.

Manacor (Nederland) B.V.

Amsterdam, 29 June 2009

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Supplementary information to the Accounts as at 31 December 2006

Retained earnings

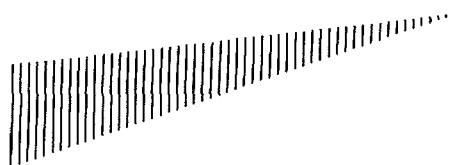
Article 19 of the Articles of Association provides that the profit established shall be at the disposal of the General Meeting of Shareholders. If and to the extent that a loss sustained in any fiscal year is not recovered from a reserve or made up in some other way, no distribution of profit shall be made in subsequent years as long as such loss has not been recovered. Article 19 of the Articles of Association provides that, insofar as there is a profit in the Company, The Board of Directors may declare an interim dividend.

Appropriation of result

The profit sustained in the past financial year will be credited to the accumulated results.

Audit

See page 10, the auditors' report of Ernst & Young.



To: The management of CajaCanarias International Finance B.V.

Auditor's report

We have audited the accompanying financial statements for the year ended 31 December 2007 of CajaCanarias International Finance B.V., Amsterdam, which comprise the balance sheet as at 31 December 2007, the profit and loss account for the year then ended and the notes.

Management's responsibility

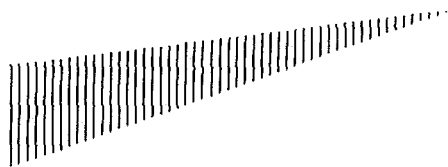
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of CajaCanarias International Finance B.V. as at 31 December 2007 and of its result for the year 2007 then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Amsterdam, 29 June 2009

Ernst & Young Accountants LLP

Signed by J.W. Moison