



**CAJACANARIAS INTERNATIONAL
FINANCE B.V.**

Amsterdam, The Netherlands

ANNUAL REPORT 2008

Ter identificatie
 **ERNST & YOUNG**
ACCOUNTANTS LLP


CAJACANARIAS INTERNATIONAL FINANCE B.V.

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CAJACANARIAS INTERNATIONAL FINANCE B.V.

Balance Sheet

(before appropriation of results and expressed in euros)

| | <u>Notes</u> | <u>31-Dec-2008</u> | <u>31-Dec-2007</u> |
|--|--------------|--------------------|--------------------|
| FIXED ASSETS | | | |
| <i>Financial assets</i> | | | |
| Deposits | (3) | - | 49,932,500 |
| Issue Premium | (4) | 2,586 | 20,115 |
| Total fixed assets | | <u>2,586</u> | <u>49,952,615</u> |
| CURRENT ASSETS | | | |
| Deposits | (3) | 49,932,500 | - |
| Interest receivable on deposits | | 1,669,934 | 1,664,599 |
| Debtors and prepayments | | 3,208 | 1,500 |
| Taxation | | 8,441 | 4,824 |
| Cash at banks | | 558,784 | 482,006 |
| Total current assets | | <u>52,172,867</u> | <u>2,152,929</u> |
| CURRENT LIABILITIES | | | |
| Notes | (5) | 50,000,000 | - |
| Interest on notes | | 1,586,438 | 1,581,370 |
| Taxation | | 9,901 | 0 |
| Payables and accrued expenses | | 18,500 | 3,165 |
| Total current liabilities | | <u>51,614,839</u> | <u>1,584,535</u> |
| NET CURRENT ASSETS | | <u>558,028</u> | <u>568,394</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 560,614 | 50,521,009 |
| Less: LONG-TERM DEBT | | | |
| Notes | (5) | - | 50,000,000 |
| | | <u>560,614</u> | <u>521,009</u> |
| CAPITAL AND RESERVES | | | |
| | (6) | | |
| Share capital | | 18,000 | 18,000 |
| Share premium | | 482,000 | 482,000 |
| Interim dividend | | 0 | (78,351) |
| Accumulated profits | | 21,009 | 78,351 |
| Result for the financial year | | 39,605 | 21,009 |
| | | <u>560,614</u> | <u>521,009</u> |

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Profit and loss account
(expressed in euros)

| | <u>Notes</u> | <u>Year 2008</u> | <u>Year 2007</u> |
|---|--------------|----------------------|----------------------|
| Interest income deposits | | 1,961,153 | 1,946,122 |
| Interest expense on Notes | | (1,855,133) | (1,850,211) |
| Other interest expenses | | 0 | 0 |
| Amortisation EMTN charges | (4) | (17,529) | (17,433) |
| | | <u>88,491</u> | <u>78,478</u> |
| EXPENSES | | | |
| Operational expenses | | <u>38,985</u> | <u>19,482</u> |
| OPERATING RESULT BEFORE TAXATION | | 49,506 | 58,996 |
| TAXATION | | | |
| Corporation tax | | 9,901 | 3,952 |
| Corporation tax previous years | | <u>0</u> | <u>34,035</u> |
| NET PROFIT/(LOSS) FOR THE YEAR | | <u><u>39,605</u></u> | <u><u>21,009</u></u> |

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2008

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 2008

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. At maturity the deposit was utilised to reimburse the notes as also disclosed in note 5.

The remaining principal amount, maturity date and interest rate as of 31 December 2008 of the time deposit account are as follows:

- EUR 49,932,500, maturity 23 February 2009, interest rate as at 31 December 2008: 3,90%.
(2007: 3.90%)

4. Issue expenses

| | 2008 | 2007 |
|---------------------------|--------------|---------------|
| Opening balance 1 January | 20,115 | 37,548 |
| Amortisation | (17,529) | (17,433) |
| Balance as at 31 December | <u>2,586</u> | <u>20,115</u> |

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2008

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. These Notes have been reimbursed on 23 February 2009.

The remaining principal as at 31 December 2008 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 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 |
| Appropriation of result | - | - | 21,009 | (21,009) | - |
| Result for the financial year | - | - | - | 39,605 | 39,605 |
| Balance as at 31 December 2008 | 18,000 | 482,000 | 21,009 | 39,605 | 560,614 |

CAJACANARIAS INTERNATIONAL FINANCE B.V.

Notes to the accounts as at 31 December 2008

6. Directors

The Company had four directors during the year under review, two of them received an amount of EUR 5,784 (2006: EUR 5.687) 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

The audit opinion is to be found on the next page.

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 2008 of CajaCanarias International Finance B.V., Amsterdam, which comprise the balance sheet as at 31 December 2008, 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 2008 and of its result for the year 2008 then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Amsterdam, 29 June 2009

Ernst & Young Accountants LLP

Sgd. J.W. Moison

Ter identificatie
EY ERNST & YOUNG
ACCOUNTANTS LLP


Responsibility Statement

The Board of Directors of CajaCanarias International Finance B.V. wishes to state:

1. That the annual financial statements of CajaCanarias International Finance B.V. give a true and fair view of the assets, liabilities, financial position and profit or loss of the financial year ended 31 December 2008;
2. That the annual report gives a true and fair view of the position as per the balance sheet date, the development during the financial year ended 31 December 2008 of CajaCanarias International Finance B.V. in the annual financial statements, together with a description of principal risks it faces.

CajaCanarias International Finance B.V.

By: Mr. D.J. Cova Alonso
As: Managing Director A
Place:
Date:

By: Equity Trust Co N.V.
As: Managing Director B
Place: Amsterdam
Date: