

Caja Vital Finance B.V.
Amsterdam

Annual report and accounts
for the year 2007



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<u>Table of contents:</u>	<u>page</u>
Annual report	
Report of the management	3
Annual accounts	
Balance sheet as at 31 December 2007	4
Profit and loss account for the year 2007	5
Cash flow statement for the year 2007	6
Notes to the annual accounts for the year 2007	7
Other information	
Appropriation of results	11
Audit of annual accounts	11
Subsequent events	12
Auditor's report	13

Report of the management

The management herewith presents to the shareholder the annual accounts of Caja Vital Finance B.V. (hereinafter: "the Company") for the year 2007.

General

The Company is a private company with limited liability incorporated under the laws of The Netherlands on 27 October 2003 and acts as an Issuer of notes under the Medium Term Note Programme guaranteed by Caja de Ahorros de Vitoria y Alava- Araba eta Gasteizko Aurrezki ("CAVAAGA") amounting to EUR 350,000,000. The proceeds of the notes are granted as a loan to its sole shareholder.

We refer to the offering circular dated February 16, 2003 for a complete description of the terms and conditions of the EUR 350,000,000 Medium Term Note Programme.
The Notes are listed on the Luxembourg Stock Exchange.

Its objects are (a) to raise finance through, inter alia, the issuance of bonds, notes and other debt instruments, the entering into loan agreements, derivatives and other instruments evidencing indebtedness; (b) to incorporate and participate in Group Companies and Subsidiaries; (c) to finance Group Companies and Subsidiaries; (d) to acquire, purchase, manage and sell claims and part of claims; (e) to grant security, surety and/or guarantees for obligations and liabilities of the Company and/or Group Companies and/or Subsidiaries; (f) to enter into hedging agreements with third parties relating to the above objects; (h) to do all such things as are incidental or may be conducive to the above objects or any of them.

Overview of activities

During the year the Company did not start up new activities.


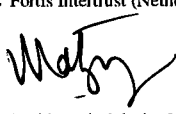
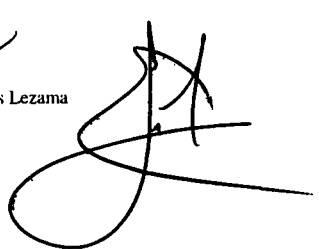
Results

The net asset value of the Company as at 31 December 2007 amounts to EUR 1,692,489 (2006: EUR 1,592,356).
The result for the year 2007 amounts to a profit of EUR 100,133 (2006: EUR 74,296 profit).

Future outlook

The full amount of EUR 350,000,000 of the Medium Term Note Programme was issued in 2005. No repayments are expected before the maturity date of series 1 being 30 July 2009. The management is of the opinion that the present level of activities will be maintained during the next financial year.

Amsterdam, 28 February 2008
Fortis Intertrust (Netherlands) B.V.



José Ignacio Iglesias Lezama


Caja Vital Finance B.V., Amsterdam

Balance sheet as at 31 December 2007

(Before the proposed appropriation of the result and expressed in Euros)

	Notes	2007	2006
Fixed assets			
Financial fixed assets	1	349,782,426	349,793,261
Intangible fixed assets	2	137,607	202,900
<i>Total fixed assets</i>		<u>349,920,033</u>	<u>349,996,161</u>
Current assets			
Amounts owed by group entities	3	7,101,903	6,948,429
Cash and cash equivalents	4	1,509,109	1,359,789
<i>Total current assets</i>		<u>8,611,012</u>	<u>8,308,218</u>
Current liabilities (due within one year)			
Amounts due to group entities	5	16,306	15,373
Taxation	6	(192)	13,532
Accruals and deferred income	7	6,822,442	6,683,118
<i>Total current liabilities</i>		<u>6,838,556</u>	<u>6,712,023</u>
Current assets less current liabilities		<u>1,772,456</u>	<u>1,596,195</u>
Total assets less current liabilities		351,692,489	351,592,356
Long term liabilities (due after one year)			
Fixed rate secured note	8	250,000,000	250,000,000
Floating rate secured note	8	100,000,000	100,000,000
		<u>350,000,000</u>	<u>350,000,000</u>
Net asset value		<u><u>1,692,489</u></u>	<u><u>1,592,356</u></u>
Capital and reserves	9		
Paid up and called up share capital		1,500,000	1,500,000
Other reserves		92,356	18,060
Unappropriated results		100,133	74,296
<i>Total shareholder's equity</i>		<u><u>1,692,489</u></u>	<u><u>1,592,356</u></u>

The comparative figures have been reclassified to ensure the consistent presentation.

The accompanying notes form an integral part of these financial statements.

Caja Vital Finance B.V., Amsterdam

Profit and loss account for the year 2007

	Notes	2007	2006
(Expressed in Euros)			
Financing activities			
Interest on loans	10	13,175,834	12,196,300
Interest on notes	11	(12,990,585)	(12,019,620)
<i>Result Financing activities</i>		<u>185,249</u>	<u>176,680</u>
Other financial income and expenses			
Other interest income & expenses	12	<u>51,910</u>	<u>33,099</u>
<i>Total other financial income and expenses</i>		<u>51,910</u>	<u>33,099</u>
Other income and expenses			
General and administrative expenses	13	(35,177)	(32,567)
Amortisation	14	(68,460)	(66,735)
<i>Total other income and expenses</i>		<u>(103,637)</u>	<u>(99,302)</u>
Result before taxation		<u>133,522</u>	<u>110,477</u>
Corporate income tax	15	(33,389)	(36,181)
Result after taxation		<u><u>100,133</u></u>	<u><u>74,296</u></u>

The accompanying notes form an integral part of these financial statements.

Caja Vital Finance B.V., Amsterdam

Cash flow statement for the year 2007

	2007	2006
(Expressed in Euros)		
Net result	100,133	74,296
Adjustment for non-cash items		
Amortisation fixed assets	257,670	257,670
Amortisation share issue and formation expenses	68,460	66,735
	<u>326,130</u>	<u>324,405</u>
Adjusted result	426,263	398,701
Changes in working capital		
Increase/decrease current receivables	(153,474)	(208,472)
Increase/decrease current liabilities	126,533	226,568
	<u>399,321</u>	<u>416,797</u>
Cash flow from investing activities		
Decrease loan to shareholder	(246,834)	(238,595)
Activated costs	(3,167)	(10,735)
	<u>(250,001)</u>	<u>(249,330)</u>
Net change in cash during the year	<u>149,320</u>	<u>167,466</u>
Initial cash balance	1,359,789	1,192,323
Cash at year-end	<u><u>1,509,109</u></u>	<u><u>1,359,789</u></u>

General

The Company was incorporated as a private company with limited liability under the laws of The Netherlands on 27 October 2003, has its statutory seat in Amsterdam and its objects are to raise finance through, inter alia, the issuance of bonds, notes and other debt instruments, the entering into loan agreements.

Basis of presentation

The accompanying financial statements have been prepared under the historical cost convention in accordance with the provisions of Part 9, Book 2 of the Netherlands Civil Code and accounting principles generally accepted in the Netherlands. The financial statements are presented in Euros.

a. Foreign currencies

Assets and liabilities in foreign currencies, if any, are translated into Euros at their exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are translated into Euros at the exchange rates in effect at the time of the transactions. The resulting currency exchange rate differences are taken to the profit and loss account.

b. Assets and liabilities

The loans and notes are stated at historic cost, minus any deduction for uncollectible assets where applicable. All other assets and liabilities are shown at face value, unless stated otherwise in the notes. The discount on financial fixed assets are activated and will be amortised in 5 years. The incremental costs are activated and are amortised with a maximum of 5 years.

c. Recognition of income

Income and expenses, including taxation, are recognised and reported on accrual basis.

d. Financial risk management

Interest rate risk

The Company is not liable to interest rate risk since the interest receivable on the loans is the interest rate payable on the notes plus a margin.

Credit risk

Investment in financial assets concerns granted loans to its sole shareholder Caja de Ahorros de Vitoria y Alava-Araba eta Gasteizko Aurrezki. Given their credit rating, management does not expect this entity to fail to meet its obligations. Except for these loans, there are at balance sheet date no significant concentrations of credit risk.

Currency rate risk

The Company is not liable to currency rate risk since the notes and the loan are in the same currency. The Company did not make use of any derivatives as per 31 December 2007.

Liquidity risk

The Company is not exposed to liquidity risk since the timing of proceeds on the assets matches the timing of proceeds on the liabilities.

e. Corporate Income Tax

The calculation of Corporate Income Tax is based on the ruling dated 4 March 2004, and its related transfer pricing report dated August 20, 2003. According to this ruling, The total compensation for financing activities performed by Caja Vital Finance BV amounts to 5.52 bp for the issued notes up to EUR 150,000,000 and 5.4 base points for the issued notes up to 350 millions. This compensation is calculated as a spread on the interest percentage of the issued notes.

	2007	2006
Balance sheet		
1 Financial Fixed Assets		
<i>Loan to group entities</i>		
Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa ("CAVAAGA")		
Loan 1	49,954,144	49,932,506
Loan 2	50,000,000	50,000,000
Loan 3	50,000,000	50,000,000
Loan 4	199,262,971	199,037,774
Discount Financial Fixed Assets	565,310	822,981
	<u>349,782,426</u>	<u>349,793,261</u>

In 2004, the Company granted two loans to CAVAAGA. The first loan will mature on 30 July 2009 and bears a fixed interest of 3.9215 % + 6 bp. The second loan will mature on 30 July 2019 and bears 90% of the 10 years CMS EURO + 6 bp. In 2005, the Company granted two loans to CAVAAGA. The first loan will mature on 7 March 2010 and bears a variable interest of 3M Euribor % + 29.5 bp. The second loan will mature on 31 March 2010 and bears fixed interest of 3.4085 % + 5.10 bp until 29 July 2009 and from 10 July 2009 until 31 March 2010 3.4085 % + 5.4 bp.

Balance as per 31 December 2006	349,793,261
Increase/(decrease)	(10,835)
Balance as per 31 December 2007	<u>349,782,426</u>

The fair value of the Company's loans approximate their nominal value.

2 Intangible fixed assets

Share issue and formation expenses	137,607	202,900
	<u>137,607</u>	<u>202,900</u>

Movements in the intangible fixed assets have been as follows:

	Issue expenses
Balance as per 31 December 2006	202,900
Investments	3,167
Amortisation (5 years)	(68,460)
Balance as per 31 December 2007	<u>137,607</u>

3 Amounts owed by group entities

Interest receivable CAVAAGA	7,101,903	6,948,429
	<u>7,101,903</u>	<u>6,948,429</u>

4 Cash and cash equivalents

Current account (MP)	20,503	14,477
Current account (CV)	0	1,098
Deposit account	1,488,000	1,342,987
Bank interest receivable	606	1,227
	<u>1,509,109</u>	<u>1,359,789</u>

5 Amounts due to group entities

Intercompany CAVAAGA	16,306	15,373
	<u>16,306</u>	<u>15,373</u>

	Notes	2007	2006
6 Taxation			
Corporate income tax		(192)	13,532
		<u>(192)</u>	<u>13,532</u>

<u>Corporate income tax summary</u>	<u>01.01.</u>	<u>Paid/Received</u>	<u>P/L account</u>	<u>31.12.</u>
2006	13,532	(14,332)	0	(800)
2007	0	(32,781)	33,389	608
Total	<u>13,532</u>	<u>(47,113)</u>	<u>33,389</u>	<u>(192)</u>

7 Accruals and deferred income

Other payables	7,735	15,654
Interest payable notes	6,814,707	6,667,464
	<u>6,822,442</u>	<u>6,683,118</u>

8 Medium Term Note Programme**Fixed rate secured note**

Notes Series 1	50,000,000	50,000,000
Notes Series 4	200,000,000	200,000,000
	<u>250,000,000</u>	<u>250,000,000</u>

Floating rate secured note

Notes Series 2	50,000,000	50,000,000
Notes Series 3	50,000,000	50,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

Series 1 matures on 30.07.2009 and bears interest with annual coupons fixed at 3.875 %

Series 2 matures on 30.07.2019 and bears interest with annual coupons fixed at 90% of the 10 years CMS EURO.

Series 3 matures on 07.03.2010 and bears interest with quarterly coupons fixed at 3M Euribor + 0.235 %

Series 4 matures on 31.3.2010 and bears interest with annual coupons fixed at 3.28 %

Amount of notes falling due between 1 and 5 years:	300,000,000	300,000,000
Amount of notes falling due after 5 years:	50,000,000	50,000,000
	<u>350,000,000</u>	<u>350,000,000</u>

The Notes have been secured by CAVAAGA.

The fair value of the Company's notes approximate their nominal value.

9 Capital and reserves

The authorised share capital of the Company amounts to EUR 2,000,000 divided into 2,000 shares of EUR 1,000 each. Issued and paid up are 1,500 shares of EUR 1,000 each.

	<u>Share capital</u>	<u>Other reserves</u>	<u>Unappr. results</u>
Balance as per 31.12.2005	1,500,000	(5,788)	23,848
Transfer	0	23,848	(23,848)
Result for the period	0	0	74,296
Balance as per 31.12.2006	<u>1,500,000</u>	<u>18,060</u>	<u>74,296</u>
Paid-in / (repaid)	1,500,000	0	0
Transfer	0	74,296	(74,296)
Result for the period	0	0	100,133
Balance as per 31.12.2007	<u>1,500,000</u>	<u>92,356</u>	<u>100,133</u>

	2007	2006
Profit and loss account		
10 Interest on loans		
CAVAAGA		
Loan 1: 3.9215 %+ 6 bp	1,988,422	1,987,579
Loan 2: 90% of the 10 years CMS EURO + 6 bp	2,028,562	1,694,400
Loan 3: 3M Euribor %+ 29.5 bp	2,267,268	1,630,467
Loan 4: 3.4085 %+ 5.10 bp	6,891,582	6,883,854
	<u>13,175,834</u>	<u>12,196,300</u>
11 Interest on notes		
Series 1 matures on 30.07.2009 and bears interest with annual coupons fixed at 3.875 %	1,937,500	1,937,500
Series 2 matures on 30.07.2019 and bears interest with annual coupons fixed at 90% of the 10 years CMS EURO.	1,998,563	1,664,400
Series 3 matures on 07.03.2010 and bears interest with quarterly coupons fixed at 3M Euribor +23.5 bp.	2,236,852	1,600,050
Series 4 matures on 31.03.2010 and bears interest with annual coupons fixed at 3.28 %	6,560,000	6,560,000
Amortisation discount on notes	257,670	257,670
	<u>12,990,585</u>	<u>12,019,620</u>
12 Other interest income & expenses		
Bank interest on deposit accounts	51,357	31,856
Bank (overdraft) interest	553	1,243
	<u>51,910</u>	<u>33,099</u>
13 General and administrative expenses		
Management	21,444	20,230
Administration	2,600	2,600
Auditors	9,445	9,000
Tax advice	(636)	0
Bank charges	790	211
Commissions	1,300	0
General expenses	234	526
	<u>35,177</u>	<u>32,567</u>
14 Amortisation		
Capitalised issue costs	68,460	66,735
	<u>68,460</u>	<u>66,735</u>

15 Corporate income tax

Provision for C.I.T. 2007 (2006)

33,389	36,181
<u>33,389</u>	<u>36,181</u>

Commercial Profit before taxes 133,522

Fiscal Profit according to tax ruling:

Tax appreciation income receivables on shareholders 5,551

Total fiscal profit 139,073

20 % first EUR 25,000 5,000

23.5 % over EUR 35,000 8,225

25.5 % over EUR 79,073 20,164

effective 24,01 % 33,389

Corporate income tax on fiscal profit 33,389

Staff numbers and employment costs

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

Directors

The Company has two (previous year: two) managing directors, Fortis Intertrust (Netherlands) B.V. and Mr José Ignacio Iglesias Lezama. Fortis Intertrust (Netherlands) BV receives EUR 21,443 per year as remuneration.

The Company has no (previous year: none) supervisory directors.

Amsterdam, 28 February 2008

Fortis Intertrust (Netherlands) B.V.

José Ignacio Iglesias Lezama

Other information

Appropriation of results

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been recovered, other reserves and unappropriated results are at the disposal of the shareholder in accordance with the Company's articles of association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal reserves.

The management proposes to the shareholder to add the result for the year to the other reserves.

Audit of annual accounts

The Auditor's report is included on page 12.

Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.



To: General meeting of shareholders of Caja Vital Finance B.V.

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements 2007 of Caja Vital 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 and for the preparation of the report of the management, both 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.

CAVAJ/08W00009611FSP

Opinion

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

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the management is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, 28 February 2008
KPMG ACCOUNTANTS N.V.



H.P. van der Horst RA