Caja Vital Finance B.V.
Amsterdam

Annual report and accounts
for the year 2008

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Report of the management

Management herewith presents to the shareholder the annual accounts of Caja Vital Finance B.V. (hereinafter: "the Company") for the year 2008.

General

The Company was incorporated on 27 October, 2003 as a private company with limited liability incorporated under the laws of The Netherlands having its statutory seat in Amsterdam and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.
It is an issuer of Notes under the EUR 350,000,000 Medium Term Note ("Programme") guaranteed by Caja de Ahorros de Vitoria y Alava- Araba eta Gasteizko Aurrezki ("CAVAAGA"). The issued Notes are listed on the Luxembourg Stock Exchange. The proceeds of the Notes were lent to its shareholder CAVAAGA.
We refer to the offering circular dated 16 February, 2003 for a complete description of the terms and conditions of the Notes.

The objects of the Company, stated in Article 2 of its Articles of Association 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 the above objects; (h) to do all such things as are incidental or may be conducive to the above objects or any of them.

As all operational activities are performed by external parties, the company does not have any personnel.

Declaration by Management

Management declares that, to the best of their knowledge and belief, the financial statements, prepared in accordance with the applicable set of accounting standard give a true and fair view of the assets, liabilities, financial position and profit or loss account of the Company as well as that the Management Report includes a fair review of the development and performance of the business and financial position of the Company, together with the description of the principal risks and uncertainties it faces.

Audit Committee

In August 2008 the Dutch Act on the Supervision of Accounting Firms (Wet Toezicht Accountantsorganisaties) ("ASAF") was amended. This resulted in a broader definition of a public interest entity (organisatie van openbaar belang) ("PIE"). All Dutch entities which have issued listed debt are now considered to be PIE's.
In addition on August 8, 2008, an implementing regulation (algemene maatregel van bestuur) ("IR") came into force in the Netherlands, enforcing Art. 41 of European Directive no. 2006/43/EG (the "ED"), regarding legislative supervision of annual reports and consolidated financial statements. This IR obliges all PIE's to establish an audit committee ("AC"). The AC is formed by members of the Company's supervisory board ("SB") or by non-executive management board members.
Because the Company falls within the definition of a PIE it is in principle obliged to establish an AC. Although the ED provides certain exemptions for establishing an AC for securitisation vehicles ("SV"), under the IR (the regulation whereby the ED was implemented in the Netherlands) the Company is not considered to be a SV and therefore cannot make use of an exemption to install an AC.

Further to extensive research and discussions with amongst others the Dutch Authority for the Financial Markets (Autoriteit Financiele Markten), several legal advisors and audit firms, there are certain observations to be made in respect of the obligation to establish an AC or not:

1. the activities of the Company and those of a SV are very much alike;
2. under the ED the Company qualifies as a SV and would thus be exempted from the obligation to establish an AC;
3. the Company does not have a SB nor non-executive board members. Establishment of a SB requires an amendment to the Company's Articles of Association;
4. it remains unclear why the IR contains a more stringent definition of a SV than the ED.

The general view in the Netherlands is that it could not have been the legislators' intention for repackaging vehicles, such as the Company, not to fall within the description of a SV and thus not to be exempted. In view of the above reasons, Management currently does not consider it to be in the Company's best interest nor has it taken steps to implement an AC.

Overview of activities

On 24 November, 2008 the shareholder contributed an amount of EUR 307,511 as share premium contribution on all issued and outstanding shares in the capital of the Company.
On 31 October, 2008 the Company granted an intercompany loan to the shareholder in return, which matures on 31 March, 2010 and bears a variable annual interest of 3M Euribor ("Intercompany loan").

Financial Market Turmoil

Since 2007, due to amongst others the credit crunch, the markets have experienced a general economic downturn. An effect of the market situation is the expectation that delinquency and default levels are expected to rise, both in actual incurred losses and in the expectancy of future losses. As a result some of the Company's investments may be negatively affected and the Noteholders may potentially face serious losses.

Information regarding financial instruments

The company is not exposed to significant interest, currency or liquidity risk since the conditions of the notes are matched to the conditions of the assets. The company does not use any derivative financial instruments.

Results

The net asset value of the Company as at 31 December, 2008 amounts to EUR 2,100,277 (2007: EUR 1,692,489).
The result for the year 2008 amounts to a profit of EUR 100,277 (2007: EUR 100,133 profit).

Future outlook

The Series 1 Note, which was issued under the programme in 2005 will mature on 30 July, 2009.
The full repayment of Series 1 Note, in the amount of EUR 50,000,000 is expected to take place on maturity.

Management expects no new investments or acquisitions of funding during 2009.

Amsterdam, 2 April, 2009
Fortis Intertrust (Netherlands) B.V. José Ignacio Iglesias Lezama

Balance sheet as at 31 December 2008
(Before the proposed appropriation of the result and expressed in Euros)

	Notes	2008	2007
Fixed assets			
Financial fixed assets	1	350,087,461	349,782,426
Intangible fixed assets	2	69,148	137,607
Total fixed assets		350,156,609	349,920,033
Current assets			
Amounts owed by group entities	3	7,128,431	7,101,903
Cash and cash equivalents	4	1,671,955	1,509,109
Total current assets		8,800,386	8,611,012
Current liabilities (due within one year)			
Amounts due to group entities	5	16,306	16,306
Taxation	6	(149)	(192)
Accruals and deferred income	7	6,840,561	6,822,442
Fixed rate secured Notes	8	50,000,000	0.00
Total current liabilities		56,856,718	6,838,556
Current assets less current liabilities		(48,056,332)	1,772,456
Total assets less current liabilities		302,100,277	351,692,489
Long term liabilities (due after one year)			
Fixed rate secured Notes	9	200,000,000	250,000,000
Floating rate secured Notes	9	100,000,000	100,000,000
		300,000,000	350,000,000
Net asset value		2,100,277	1,692,489
Capital and reserves	10		
Paid up and called up share capital		1,807,511	1,500,000
Other reserves		192,489	92,356
Unappropriated results		100,277	100,133
Total shareholder's equity		2,100,277	1,692,489

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

Profit and loss account for the year 2008

(Expressed in Euros)	Notes	2008	2007
Financing activities			
Interest on loans	11	13,671,739	13,175,834
Interest on Notes	12	(13,473,183)	(12,990,585)
Result Financing activities		198,556	185,249
Other financial income and expenses			
Other interest income & expenses	13	56,720	51,910
Total other financial income and expenses		56,720	51,910
Other income and expenses			
General and administrative expenses	14	(58,936)	(35,177)
Amortisation	15	(68,460)	(68,460)
Total other income and expenses		(127,396)	(103,637)
Result before taxation		127,880	133,522
Corporate Income Tax	16	(27,603)	(33,389)
Result after taxation		100,277	100,133

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

Cash flow statement for the year 2008

(Expressed in Euros)	2008	2007
Net result	100,277	100,133
Adjustment for non-cash items		
Amortisation fixed assets	258,316	257,670
Amortisation share issue and formation expenses	68,460	68,460
	326,776	326,130
Adjusted result	427,053	426,263
Changes in working capital		
Increase/decrease current receivables	(26,528)	(153,474)
Increase/decrease current liabilities	50,018,163	126,533
	50,418,688	399,321
Cash flow from investing activities		
Increase loan to shareholder	(255,842)	(246,834)
Issued Intercompany loan to shareholder	(307,511)	0
Activated costs	0	(3,167)
	(563,353)	(250,001)
Cash flow from financing activities		
Issued share premium contribution	307,511	0
Decrease Medium Term Note Programme	(50,000,000)	0
	(49,692,489)	0
Net change in cash during the year	162,846	149,320
Initial cash balance	1,509,109	1,359,789
Cash at year-end	1,671,955	1,509,109

Notes to the annual accounts for the year 2008

General

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The objects of the Company, stated in Article 2 of its Articles of Association 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 the above objects; (h) to do all such things as are incidental or may be conducive to the above objects or any of them.

Basis of presentation

The accompanying accounts have been prepared in accordance with accounting principles generally accepted in The Netherlands (Dutch GAAP) and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Dutch Civil Code. The financial statements are presented in Euros.

a. Foreign currencies

Assets and liabilities in foreign currencies, if any, are converted into Euros at their exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are converted 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

Purchased loans and bonds, which the company intends to hold to maturity, are measured at amortised cost using the effective interest method, less impairment losses. All assets and liabilities are shown at face value, unless stated otherwise.

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 exposed to interest rate risk since the interest receivable on the loans is equivalent to the interest rate payable on the Notes plus a margin.

Credit risk

Investment in financial assets concerns granted loans to its sole shareholder CAVAAGA.
Given their credit rating of A stable and their financial position, 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 exchange rate risk

The Company is not liable to currency exchange rate risk since the Notes and the loans are in the same currency.
The Company did not make use of any derivatives as per 31 December, 2008.

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 tax ruling dated 4 March, 2004 obtained from the Dutch Tax Authorities (extended in 2008 up to 31 March, 2010) and its related transfer pricing report dated 20 August, 2003.
According to this ruling, the total compensation for financing activities performed by the Company amounts to 5.52 bps for the issued Notes up to 150 million and 5.4 bps for the issued Notes up to 350 million.
This compensation is calculated as a spread on the interest percentage of the issued Notes.

	2008	2007

Balance sheet

1 Financial Fixed Assets

Loans to group entities

Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa ("CAVAAGA")

	2008	2007
Loan 1	49,976,631	49,954,144
Loan 2	50,000,000	50,000,000
Loan 3	50,000,000	50,000,000
Loan 4	199,496,326	199,262,971
Intercompany Loan	307,511	0
Discount Financial Fixed Assets	306,994	565,310
	350,087,461	349,782,426

In 2004, the Company granted two loans to CAVAAGA. The first loan will mature on 30 July, 2009 and bears a fixed annual interest rate of 3.9215 % + 6 bps. The second loan will mature on 30 July, 2019 and bears an annual interest of 90% of the 10 years CMS EURO + 6 bps. In 2005 the Company granted two further loans to CAVAAGA.
The third loan will mature on 7 March 2010 and bears a variable interest rate of 3M Euribor % + 29.5 bps.
The fourth loan will mature on 31 March 2010 and bears a fixed interest rate of 3.4085 % + 5.10 bps until 29 July, 2009 and from 29 July, 2009 up to 31 March, 2010 bears a fixed annual interest rate of 3.4085 % + 5.40 bps.
On 31 October, 2008 the Company granted an additional loan to CAVAAGA. This Intercompany loan will mature on 31 March, 2010 and bears a variable annual interest rate of 3M Euribor.

Balance as per 31 December, 2007	349,782,426
Increase/(decrease)	305,036
Balance as per 31 December, 2008	350,087,461

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

2 Intangible fixed assets

	2008	2007
Share issue and formation expenses	69,148	137,607
	69,148	137,607

Movements in the intangible fixed assets have been as follows:

	Issue expenses
Balance as per 31 December, 2007	137,607
Investments	-
Amortisation (5 years)	(68,459)
Balance as per 31 December, 2008	69,148

3 Amounts owed by group entities

	2008	2007
Interest receivable CAVAAGA	7,128,431	7,101,903
	7,128,431	7,101,903

4 Cash and cash equivalents

	2008	2007
Current account	211,696	20,503
Deposit account	1,458,000	1,488,000
Bank interest receivable	2,259	606
	1,671,955	1,509,109

5 Amounts due to group entities

	2008	2007
Intercompany CAVAAGA	16,306	16,306
	16,306	16,306

	Notes	2008	2007

6 Taxation

	2008	2007
Corporate Income Tax	149	(192)
	149	(192)

Corporate Income Tax summary	01.01.	Paid/Received	P/L account	31.12.
2006	(800)	0	800	0
2007	608	396	0	1,004
2008	0	(28,756)	27,603	(1,153)
Total	(192)	(28,360)	28,403	(149)

7 Accruals and deferred income

	2008	2007
Other payables	7,967	7,735
Interest payable Notes	6,832,594	6,814,707
	6,840,561	6,822,442

8 Medium Term Note Programme

	2008	2007
Fixed rate secured Notes	50,000,000	0
Series 1	50,000,000	0

Series 1 matures on 30 July, 2009 and bears interest with annual coupons fixed at 3.875 %.

9 Medium Term Note Programme

	2008	2007
Fixed rate secured Notes		
Series 1	0	50,000,000
Series 4	200,000,000	200,000,000
	200,000,000	250,000,000
Floating rate secured note		
Series 2	50,000,000	50,000,000
Series 3	50,000,000	50,000,000
	100,000,000	100,000,000

Series 1 matures on 30 July, 2009 and bears interest with annual coupons fixed at 3.875 %.
Series 2 matures on 30 July, 2019 and bears interest with annual coupons fixed at 90% of the 10 years CMS EURO.
Series 3 matures on 07 March, 2010 and bears interest with quarterly coupons fixed at 3M Euribor + 23.5 bps.
Series 4 matures on 31 March, 2010 and bears interest with annual coupons fixed at 3.28 %.

	2008	2007
Amount of Notes falling due within 1 year:	50,000,000	0
Amount of Notes falling due between 1 and 5 years:	250,000,000	300,000,000
Amount of Notes falling due after 5 years:	50,000,000	50,000,000
	350,000,000	350,000,000

The Notes have been secured by CAVAAGA.
The fair value of the Company's Notes approximate their nominal value.

10 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, of which 1,500 shares are issued and paid up.
On 24 November, 2008 the shareholder contributed an amount of EUR 307,511 as share premium on all issued and outstanding shares in the capital of the Company.

	Share capital	Other reserves	Unappr. results
Balance as per 31.12.2006	1,500,000	18,060	74,296
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	1,500,000	92,356	100,133
Paid-in / (repaid)	1,500,000	0	0
Share Premium	307,511		
Transfer	0	100,133	(100,133)
Result for the period	0	0	100,277
Balance as per 31.12.2008	1,807,511	192,489	100,277

	2008	2007
Profit and loss account		
11 Interest on loans		
CAVAAGA		
Loan 1: 3.9215 % + 6 bps	1,990,332	1,988,422
Loan 2: 90% of the 10 years CMS EURO + 6 bps	2,240,775	2,028,562
Loan 3: 3M Euribor + 29.5 bps	2,537,041	2,267,268
Loan 4: 3.4085 % + 5.10 bps	6,901,320	6,891,582
Intercompany loan: 3M Euribor	2,270	0
	13,671,739	13,175,834
12 Interest on Notes		
Series 1 matures on 30 July, 2009 and bears interest with annual coupons fixed at 3.875 %	1,937,500	1,937,500
Series 2 matures on 30 July, 2019 and bears interest with annual coupons fixed at 90% of the 10 years CMS EURO.	2,210,775	1,998,563
Series 3 matures on 07 March, 2010 and bears interest with quarterly coupons fixed at 3M Euribor +23.5 bp.	2,506,541	2,236,852
Series 4 matures on 31 March, 2010 and bears interest with annual coupons fixed at 3.28 %	6,560,050	6,560,000
Amortisation discount on Notes	258,317	257,670
	13,473,183	12,990,585
13 Other interest income & expenses		
Bank interest on deposit accounts	57,520	51,357
Bank (overdraft) interest	0	553
Interest C.I.T. 2006	(800)	0
	56,720	51,910
14 General and administrative expenses		
Management	21,444	21,444
Administration	2,600	2,600
Auditors	8,199	9,445
Tax advice	26,578	(636)
Bank charges	299	790
Commissions	(300)	1,300
General expenses	116	234
	58,936	35,177
15 Amortisation		
Capitalised issue costs	68,460	68,460
	68,460	68,460

		2008	2007
16 Corporate Income Tax			
Provision for C.I.T.		27,603	33,389
		27,603	33,389

Reconciliation fiscal result
Fisc.nr. 8125.93.972

	Commercial result 2008	€	127,880
Ad	higher spread for tax purposes		8,265
		€	136,145
Ad	Return adjustment receivable group entities as per 1 January 2008		1,871
	Fiscal result 2008	€	138,016
	Amount of corporate income tax 2008 due		27,603

The Dutch coporate income tax rates 2008 are:

Taxable amount up to and including EUR 275,000	20%
Taxable amount in excess of EUR 275,000	25.50%

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.

Audit fees
With reference to Section 2:382a of the Netherlands Civil Code, the following fees for the financial year have been charged by KPMG Accountants NV to the Company:

	2008	2007
Statutory audit of annual accounts	8,199	8,199
Other assurance services	0	0
Tax advisory services	0	0
Other non-audit services	0	0
Total	8,199	8,199

Directors
The Company has two (previous year: two) managing directors, Fortis Intertrust (Netherlands) B.V. and Mr J.I.Iglesias Lezama
Fortis Intertrust (Netherlands) B.V. receives EUR 21,443 per year as remuneration.
The Company has no (previous year: none) supervisory directors.

Amsterdam, 2 April, 2009
Fortis Intertrust (Netherlands) B.V.

José Ignacio Iglesias Lezama

Other information

Provisions in the Articles of Association governing the appropriation of profit
According to article 24 of the company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate the profit wholly or partly to the general or specific reserve funds.The company can only make payments to the shareholders and other parties entitled to the distributable profit for the amount the shareholders' equity is greater than the paid-up and called-up part of the capital plus the legally required reserves.

Appropriation of results
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 13.

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 annual accounts

We have audited the accompanying annual accounts 2008 of Caja Vital 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 annual accounts 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 annual accounts 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 annual accounts 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 annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, 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 annual accounts 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 annual accounts.

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 annual accounts give a true and fair view of the financial position of Caja Vital Finance B.V. as at 31 December 2008 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 f of the Netherlands Civil Code, we report, to the extent of our competence, that the report of the management is consistent with the annual accounts as required by 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, 2 April 2009

KPMG ACCOUNTANTS N.V.

L.M. Jansen RA

KPMG Audit
Document to which our report dated
- 2 APR 2009
also refers.
Initials for identification purposes
KPMG Accountants N.V.