

Caja Vital Finance B.V.
Amsterdam

Annual report and accounts
for the year 2006

0635669



KPMG Audit
Document to which our auditors' report of

18 JUL 2007

also refers.
Initials for identification purposes
KPMG Accountants N.V.

de

27-12-2007

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2007-07-18

Caja Vital Finance B.V., Amsterdam

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 2006.

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 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.

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 2006 amounts to EUR 1,592,356.- (2005: EUR 1,518,060.-). The result for the year 2006 amounts to a profit of EUR 74,296.- (2005: EUR 23,848.- profit).

Future outlook

The full EUR 350,000,000 of the Medium Term Note Programme has been issued in 2005. There will be no repayments 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, 18 July 2007
Fortis Interntrust (Netherlands) B.V.

José Ignacio Iglesias Lezama



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Caja Vital Finance B.V., Amsterdam

Balance sheet as at 31 December 2006

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

	Notes	2006	2005
Fixed assets			
Financial fixed assets	1	348,970,280	348,731,685
Intangible fixed assets	2	1,025,881	1,339,550
<i>Total fixed assets</i>		<u>349,996,161</u>	<u>350,071,235</u>
Current assets			
Amounts owed by group entities	3	6,948,429	6,739,957
Cash and cash equivalents	4	1,359,789	1,192,323
<i>Total current assets</i>		<u>8,308,218</u>	<u>7,932,280</u>
Current liabilities (due within one year)			
Amounts due to group entities	5	15,373	14,288
Taxation	6	13,532	5,519
Accruals and deferred income	7	6,683,118	6,465,648
<i>Total current liabilities</i>		<u>6,712,023</u>	<u>6,485,455</u>
Current assets less current liabilities		<u>1,596,195</u>	<u>1,446,825</u>
Total assets less current liabilities		<u>351,592,356</u>	<u>351,518,060</u>
Long term liabilities (due after one year)			
Fixed rate secured note	8	300,000,000	300,000,000
Floating rate secured note		50,000,000	50,000,000
		<u>350,000,000</u>	<u>350,000,000</u>
Net asset value		<u>1,592,356</u>	<u>1,518,060</u>
Capital and reserves			
Paid up and called up share capital	9	1,500,000	1,500,000
Other reserves		18,060	(5,788)
Unappropriated results		74,296	23,848
<i>Total shareholder's equity</i>		<u>1,592,356</u>	<u>1,518,060</u>

The accompanying notes form an integral part of these financial statements



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Caja Vital Finance B.V., Amsterdam

Profit and loss account for the year 2006

	Notes	2006	2005
<i>(Expressed in euros)</i>			
Financing activities			
Interest on Loans	10	12,196,300	10,605,859
Interest on notes	11	(12,019,620)	(10,460,621)
<i>Result Financing activities</i>		<u>176,680</u>	<u>145,237</u>
Other financial income and expenses			
Other interest income & expenses	12	<u>33,099</u>	<u>20,283</u>
<i>Total other financial income and expenses</i>		<u>33,099</u>	<u>20,283</u>
Other income and expenses			
General and administrative expenses	13	(32,567)	(66,198)
Amortisation	14	(66,735)	(56,929)
<i>Total other income and expenses</i>		<u>(99,302)</u>	<u>(123,127)</u>
Result before taxation		<u>110,477</u>	<u>42,393</u>
Corporate income tax	15	(36,181)	(18,545)
Result after taxation		<u><u>74,296</u></u>	<u><u>23,848</u></u>

The accompanying notes form an integral part of these financial statements



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Caja Vital Finance B.V., Amsterdam

Cash flow statement for the year 2006

	2006	2005
(Expressed in euros)		
Net result	74,296	23,848
Changes in working capital		
Increase/decrease current receivables	(208,472)	(4,638,928)
Increase/decrease current liabilities	226,568	4,392,990
	<u>92,392</u>	<u>(222,090)</u>
Cash flow from investing activities		
Increase loan to shareholder	0	(249,844,795)
Decrease loan to shareholder	75,074	0
	<u>75,074</u>	<u>(249,844,795)</u>
Cash flows from financing activities		
Issued notes	0	250,000,000
	<u>0</u>	<u>250,000,000</u>
Net change in cash during the year	<u>167,466</u>	<u>(66,885)</u>
Initial cash balance	1,192,323	1,259,208
Cash at year-end	<u>1,359,789</u>	<u>1,192,323</u>

The cash flow statement is drawn up by the indirect method, in which the movements in liquidity are determined on the basis of the operational results as shown in the income statement. Transactions, which have not yet led to cash, are not taken into account in drawing up the cash flow statement. This means that the cash flows as shown do not need to directly correspond to the movements stated in the consolidated balance sheet



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Caja Vital Finance B.V., Amsterdam

Notes to the annual accounts for the for the year 2006.

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.

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 the 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 2006.

e. Corporate Income Tax

The calculation of Corporate Income Tax is based on the cost plus ruling of the 4th of February 1998, and its related transfer pricing report dated August 20, 2003. According to this ruling, the minimum profit of the Company is agreed on to be 5% of the management fee of the Company plus 1/8% spread over the average outstanding amount of those Series which are allied to Deutsche Bank or an affiliated company. This means the fiscal profit differs from the commercial profit.



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2006

2005

Balance sheet**1 Financial Fixed Assets***Loan to group entities*

Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa

Loan 1	49,932,506	49,911,685
Loan 2	50,000,000	50,000,000
Loan 3	50,000,000	50,000,000
Loan 4	199,037,774	198,820,000
	<u>348,970,280</u>	<u>348,731,685</u>

In 2004, the Company granted two loans to Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa. 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 Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa. 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 Dec 2005	348,731,685
Increase/(decrease)	238,595
Balance as per 31 Dec 2006	<u>348,970,280</u>

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

2 Intangible fixed assets

Share issue and formation expenses

Discount Financial Fixed assets

202,900	258,900
822,981	1,080,650
<u>1,025,881</u>	<u>1,339,550</u>

Movements in the intangible fixed assets have been as follows

	Issue expenses	Discount FFA
Balance as per 31 December 2005	258,900	1,080,650
Investments	10,735	0
Amortisation (5 years)	(66,735)	(257,670)
Balance as per 31 December 2006	<u>202,900</u>	<u>822,980</u>

3 Amounts owed by group entities

Interest receivable Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa

6,948,429	6,739,957
<u>6,948,429</u>	<u>6,739,957</u>

4 Cash and cash equivalents

Current account (MP)

Current account (CV)

Deposit account

Bank interest receivable

14,477	21,380
1,098	943
1,342,987	1,170,000
1,227	0
<u>1,359,789</u>	<u>1,192,323</u>

5 Amounts due to group entities

Intercompany Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa

15,373	14,288
<u>15,373</u>	<u>14,288</u>



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Caja Vital Finance B.V., Amsterdam

	Notes	2006	2005
6 Taxation			
Corporate income tax		13,532	5,519
		<u>13,532</u>	<u>5,519</u>

<u>Corporate income tax summary</u>	<u>01.01.</u>	<u>Paid/Received</u>	<u>P/L account</u>	<u>31.12.</u>
2005	5,519	(5,519)	0	0
2006	0	(22,649)	36,181	13,532
Total	<u>5,519</u>	<u>(28,168)</u>	<u>36,181</u>	<u>13,532</u>

7 Accruals and deferred income

Other payables	15,654	636
Interest payable notes	6,667,464	6,465,012
	<u>6,683,118</u>	<u>6,465,648</u>

8 Fixed rate secured note

Notes Series 1	50,000,000	50,000,000
Notes Series 2	50,000,000	50,000,000
Notes Series 3	50,000,000	50,000,000
Notes Series 4	200,000,000	200,000,000
	<u>350,000,000</u>	<u>350,000,000</u>

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

Series 1 matures on 30.7.2009 and bears interest with annually coupons fixed at 3,875 %
 Series 2 matures on 30.7.2019 and bears interest with annually coupons fixed at 90% of the 10 years CMS EURO.
 Series 3 matures on 7.3.2010 and bears interest with quarterly coupons fixed at 3M euribor + 0,235 %
 Series 4 matures on 31.3.2010 and bears interest with annually coupons fixed at 3,28 %

The Notes have been secured by Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa
 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

	<u>Share capital</u>	<u>Other reserves</u>	<u>Unappr. results</u>
Balance as per 31.12.2004	1,500,000	0	(5,788)
Transfer	0	(5,788)	5,788
Result for the period	0	0	23,848
Balance as per 31.12.2005	<u>1,500,000</u>	<u>(5,788)</u>	<u>23,848</u>
Paid-in / (repaid)	1,500,000	0	0
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>



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	2006	2005
Profit and loss account		
10 Interest on loans to group entities		
Caja De Ahorros De Vitoria y Alava- Araba Eta Gasteizko Aurrezki Kutxa		
Loan 1: 3,9215 %+ 6 bp	1,987,579	1,986,768
Loan 2: 90% of the 10 years CMS EURO + 6 bp	1,694,400	2,420,271
Loan 3: 3M Euribor %+ 29,5 bp	1,630,467	1,016,631
Loan 4: 3,4085 %+ 5,10 bp	6,883,854	5,182,189
	<u>12,196,300</u>	<u>10,605,859</u>
11 Interest on notes		
Series 1 matures on 30.7.2009 and bears interest with annually coupons fixed at 3,875 %	1,937,500	1,937,500
Series 2 matures on 30.7.2019 and bears interest with annually coupons fixed at 90% of the 10 years CMS EURO.	1,664,400	2,390,271
Series 3 matures on 7.3.2010 and bears interest with quarterly coupons fixed at 3M Euribor +23,5 bp.	1,600,050	991,714
Series 4 matures on 31.3.2010 and bears interest with annually coupons fixed at 3,28 %	6,560,000	4,942,466
Amortisation discount on notes	257,670	198,670
	<u>12,019,620</u>	<u>10,460,621</u>
12 Other interest income & expenses		
Bank interest on deposit accounts	31,856	19,853
Bank (overdraft) interest	1,243	430
	<u>33,099</u>	<u>20,283</u>
13 General and administrative expenses		
Management	20,230	26,775
Administration	2,600	3,350
Auditors	9,000	
Legal advice	0	32,519
Tax advise	0	636
Bank charges	211	444
Commissions	0	2,300
General expenses	526	174
	<u>32,567</u>	<u>66,198</u>
14 Amortisation		
Capitalised issue costs	66,735	56,929
	<u>66,735</u>	<u>56,929</u>
15 Corporate income tax		
Provision for C.I.T. 2006	36,181	18,545
	<u>36,181</u>	<u>18,545</u>
Commercial Profit before taxes	110,477	
<i>Fiscal Profit according to tax ruling:</i>		
Tax appreciation income receivables on shareholders	14,898	
Total fiscal profit	<u>125,375</u>	
25,5 % first EUR 22,689	5,786	
29,6% over EUR 102,686	<u>30,395</u>	
effective 28,86 %	36,181	
Corporate income tax on fiscal profit	<u>36,181</u>	

Commercial Profit before taxes	110,477
<i>Fiscal Profit according to tax ruling:</i>	
Tax appreciation income receivables on shareholders	14,898
Total fiscal profit	<u>125,375</u>
25,5 % first EUR 22,689	5,786
29,6% over EUR 102,686	<u>30,395</u>
effective 28,86 %	36,181
Corporate income tax on fiscal profit	<u>36,181</u>

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, one of whom receives a remuneration
The Company has no (previous year: none) supervisory directors

Amsterdam, 18 July 2007
Fortis Intertrust (Netherlands) B.V.

José Ignacio Iglesias Lezama



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Caja Vital Finance B.V., Amsterdam

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 Auditors' reports 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.



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27-13-2007



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 2006 of Caja Vital Finance B.V., Amsterdam which comprise the balance sheet as at 31 December 2006, the profit and loss account for the year then ended and the notes. The financial statements for the year 2005 are unaudited. The amounts included for comparative purposes in the profit and loss account have therefore not been audited.

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.

27-12-2007



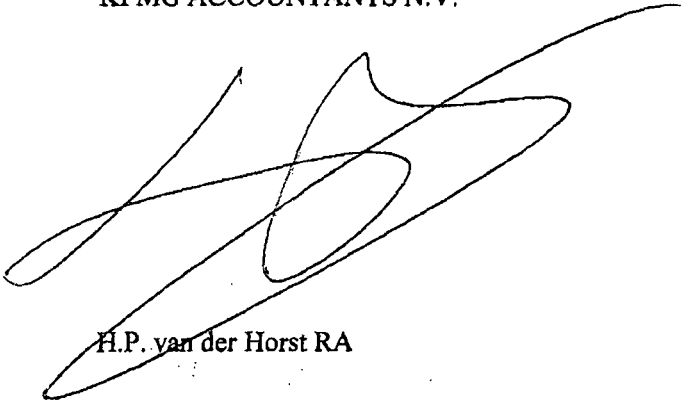
Opinion

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 2006 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, 18 July 2007
KPMG ACCOUNTANTS N.V.



H.P. van der Horst RA