

# **Caixa d'Estalvis de Girona Group**

**Consolidated financial statements  
at 31 December 2007**

**CAIXA D'ESTALVIS DE GIRONA AND  
SUBSIDIARY COMPANIES  
Consolidated balance sheet  
at 31 December 2007 and 2006**

<b>ASSETS</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Cash and deposits at central banks (note 5)</b>	<b>101,822</b>	<b>82,659</b>
<b>Trading portfolio (note 6)</b>	<b>17,442</b>	<b>15,518</b>
Debt securities	207	-
Derivatives held for trading	17,235	15,518
<b>Other financial assets at fair value with changes at the income statement (note 7)</b>	<b>8,858</b>	<b>9,045</b>
Debt securities	8,858	9,045
<b>Available-for-sale financial assets (note 8)</b>	<b>789,240</b>	<b>816,271</b>
Debt securities	615,984	643,198
Other equity instruments	173,256	173,073
Pro memoria: by way of loan or guarantee	364,710	387,070
<b>Credits, loans and discounts (note 9)</b>	<b>6,513,008</b>	<b>5,391,668</b>
Deposits at credit institutions	508,304	403,039
Customer loans	5,976,474	4,956,449
Other financial assets	28,230	32,180
Pro memoria: by way of loan or guarantee	-	74,626
<b>Hedging derivatives (note 10)</b>	<b>7,483</b>	<b>6,755</b>
<b>Non-current assets held for sale</b>	<b>740</b>	<b>842</b>
Property, plant and equipment	740	842
<b>Shareholdings (note 11)</b>	<b>27,661</b>	<b>22,891</b>
Associates	22,013	16,224
Multigroup entities	5,648	6,667
<b>Pension-linked insurance policies</b>	<b>404</b>	<b>413</b>
<b>Property, plant and equipment (note 12)</b>	<b>100,260</b>	<b>87,645</b>
For own use	94,134	81,462
Investment properties	1,672	1,638
Associated with Community Projects	4,454	4,545
<b>Intangible assets (note 15)</b>	<b>4,391</b>	<b>2,895</b>
<b>Tax assets (note 20)</b>	<b>32,325</b>	<b>27,805</b>
Current	2,602	4,268
Deferred	29,723	23,537
<b>Accrual accounts</b>	<b>4,594</b>	<b>4,625</b>
<b>Other assets</b>	<b>11,076</b>	<b>22,261</b>
<b>TOTAL ASSETS</b>	<b>7,619,304</b>	<b>6,491,293</b>

**CAIXA D'ESTALVIS DE GIRONA AND  
SUBSIDIARY COMPANIES  
Consolidated balance sheet  
at 31 December 2007 and 2006**

<b>LIABILITIES</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Trading portfolio (note 6)</b>	<b>3,043</b>	<b>1,334</b>
Derivatives held for trading	3,043	1,334
<b>Financial liabilities at amortised cost (note 14)</b>	<b>6,988,687</b>	<b>5,907,771</b>
Credit institution deposits	425,105	435,344
Customers' deposits	5,445,492	5,108,248
Marketable debt securities	891,425	197,620
Subordinate debt financing	200,268	150,052
Other financial liabilities	26,397	16,507
<b>Hedging derivatives (note 10)</b>	<b>70,071</b>	<b>29,177</b>
<b>Provisions</b>	<b>15,650</b>	<b>15,263</b>
Provisions for pensions and similar liabilities (note 42)	12,900	11,859
Provisions for contingent risks and commitments (note 19)	1,548	2,202
Other provisions (notes 19 and 25.6)	1,202	1,202
<b>Tax liabilities (note 20)</b>	<b>44,212</b>	<b>47,440</b>
Current	9,871	10,125
Deferred	34,341	37,315
<b>Accrual accounts (note 16)</b>	<b>9,554</b>	<b>9,464</b>
<b>Other liabilities</b>	<b>17,390</b>	<b>34,399</b>
Community Projects Fund (note 26)	6,049	6,444
Others (note 17)	11,341	27,955
<b>TOTAL LIABILITIES</b>	<b>7,148,607</b>	<b>6,044,848</b>
<b>NET EQUITY</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Measurements adjustments (note 18)</b>	<b>66,747</b>	<b>73,224</b>
Available-for-sale financial assets	66,747	73,224
<b>Equity</b>	<b>403,950</b>	<b>373,221</b>
Allocation fund	6	6
Reserves (note 19)	362,788	332,223
Accumulated reserves (losses)	358,348	329,398
Reserves (losses) in entities consolidated by equity accounting	4,440	2,825
Associates	4,098	2,675
Multigroup entities	342	150
Surplus for the year	41,156	40,992
<b>TOTAL NET EQUITY</b>	<b>470,697</b>	<b>446,445</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>7,619,304</b>	<b>6,491,293</b>
<b>Pro memoria</b>		
Contingent risks (note 27)	181,755	192,687
Financial guarantees	181,679	192,119
Other contingent risks	76	568
Contingent commitments (note 27)	1,420,524	1,358,127
Drawable by third parties	1,358,891	1,280,416
Other commitments	61,633	77,711

**CAIXA D'ESTALVIS DE GIRONA AND  
SUBSIDIARY COMPANIES**  
State of changes in the consolidated net equity  
at 31 December 2007 and 2006

<b>VARIATIONS IN THE NET EQUITY</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Net income recognised directly in equity</b>	<b>(6,477)</b>	<b>306</b>
Available-for-sale financial assets	(6,477)	306
Measurement gains/losses	(2,800)	2,668
Amounts transferred to the Income statement	(4,517)	(2,197)
Corporate income tax	840	(165)
<b>Surplus for the year</b>	<b>41,156</b>	<b>40,992</b>
Published surplus	41,156	40,992
<b>Total income and expenses for the year</b>	<b>35,352</b>	<b>41,298</b>
Parent entity	35,352	41,298
<b>Pro memoria: Adjustments to the net equity attributable to previous periods</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
<b>Effect of changes to accounting criteria</b>	-	-
Equity	-	-
Measurement adjustments	-	-
<b>Effect of errors</b>	<b>(1,014)</b>	-
Equity (note 24)	(1,014)	-
Measurement adjustments	-	-

**CAIXA D'ESTALVIS DE GIRONA AND  
SUBSIDIARY COMPANIES  
Consolidated income statement  
at 31 December 2007 and 2006**

<b>INCOME STATEMENT</b>	<b>31.12.2007</b>	<b>31.12.2006</b>
Interest and similar revenue (note 28)	329,858	206,483
Interest and similar charges (note 29)	207,304	105,830
Return on equity instruments	4,016	4,393
<b>Net interest revenue</b>	<b>126,570</b>	<b>105,046</b>
Results in entities consolidated by equity accounting (note 30)	3,157	1,986
Fees collected (note 31)	38,402	31,440
Fees paid (note 32)	3,675	3,778
Gain/ loss on financial operations (net) (note 33)	8,711	14,618
Trading portfolio	1,076	225
Other financial instruments at fair value in the income statement	(169)	(168)
Available-for-sale financial assets	2,055	9,243
Other	5,749	5,318
Exchange differences (net)	(273)	11
<b>Net ordinary revenue</b>	<b>172,892</b>	<b>149,323</b>
Other operating revenue (note 34)	6,727	7,326
Staff costs (note 35)	54,524	49,342
Other general administration expenses (note 36)	24,285	21,118
Amortisation	6,872	5,812
Property, plant and equipment (note 12)	6,048	5,233
Intangible assets (note 13)	824	579
Other operating charges	1,528	1,338
<b>Net operating revenue</b>	<b>92,410</b>	<b>79,039</b>
Asset impairment losses (net) (note 9)	35,469	27,855
Credits, loans and discounts	35,469	27,855
Provisions (net) (notes 9 and 15)	1,805	1,412
Other earnings (note 37)	1,224	4,954
Income on the sale of property, plant and equipment	568	3,299
Other items	656	1,655
Other losses (note 37)	976	988
Losses from sale of property, plant and equipment	35	41
Other items	941	947
<b>Pre-tax results</b>	<b>55,384</b>	<b>53,738</b>
Tax on profits (note 20)	14,228	12,746
<b>Consolidated financial year results</b>	<b>41,156</b>	<b>40,992</b>

**State of consolidated cash flows at 31 December 2007 and 2006**

	<b>31/12/2007</b>	<b>31/12/2006</b>
<b>1. CASH FLOWS OF THE OPERATING ACTIVITIES</b>		
<b>Surplus for the year</b>	<b>41,156</b>	<b>40,992</b>
Adjustment to surplus:	11,434	42,581
- Amortisation of property, plant and equipment (+)	6,048	5,233
- Amortisation of intangible assets (+)	824	579
- Asset impairment losses (net) (+/-)	35,469	27,855
- Provisions (net) (+/-)	1,805	1,412
- Gains/ losses on sale of property, plant and equipment (+/-)	(534)	(3,258)
- Results of entities consolidated by equity accounting (net of dividends)	2,949	1,986
- Taxes (+/-)	(6,923)	12,746
- Other non-monetary entries (+/-)	(22,306)	-
<b>Adjusted surplus</b>	<b>52,590</b>	<b>83,573</b>
<b>Net increase/ decrease in operating assets</b>	<b>1,060,839</b>	<b>1,342,576</b>
- Trading portfolio	1,925	8,094
- Debt securities	207	-
- Derivatives held for trading	1,718	8,094
- Other financial assets at fair value with changes at the income statement	(187)	6,080
- Debt securities	(187)	6,080
- Available-for-sale financial assets	(12,560)	(72,124)
- Debt securities	(14,789)	(67,202)
- Other equity instruments	4,453	(4,922)
- Credits, loans and discounts	1,065,931	1,390,613
- Deposits at credit institutions	17,555	13,000
- Customer loans	1,052,183	1,366,791
- Debt securities	143	-
- Other financial assets	(3,950)	10,822
- Other operating charges	7,959	9,913
<b>Net increase/ decrease in operating liabilities</b>	<b>1,169,793</b>	<b>1,226,240</b>
- Trading portfolio	1,709	1,232
- Derivatives held for trading	1,709	1,232
- Financial liabilities at amortised cost	1,137,804	1,226,840
- Credit institution deposits	69,410	188,926
- Customers' deposits	370,377	844,843
- Marketable debt securities	688,127	197,620
- Other financial liabilities	9,890	(4,549)
- Other operating liabilities	30,280	(1,832)
<b>Total net cash flow from operating activities (1)</b>	<b>161,544</b>	<b>(32,763)</b>
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments (-)	(25,753)	(18,679)
- Group and multigroup companies and Associates	4,770	1,193
- Property, plant and equipment	18,663	15,457
- Intangible assets	2,320	2,029
Disinvestments (+)	534	1,507
- Property, plant and equipment	534	1,468
- Intangible assets	-	39
Total net cash flows from investing activities (2)	(25,219)	(17,172)
<b>3. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	<b>50,063</b>	<b>150,052</b>
<b>4. EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH OR CASH EQUIVALENTS (4)</b>		
	-	-
<b>5. NET INCREASE/DECREASE IN CASH OR CASH EQUIVALENTS (1+2+3+4)</b>	<b>186,388</b>	<b>100,117</b>
Cash or cash equivalents at beginning of the year	279,974	179,857
Cash or cash equivalents at end of financial year	466,362	279,974

# Caixa d'Estalvis de Girona and Subsidiary Companies

Annual report of the Consolidated Statements of Income  
for the year ended at 31 December 2007

## **1. Introduction, bases for presentation of the annual accounts and other information**

### **1.1. Introduction**

Caixa d'Estalvis de Girona (hereafter Caixa Girona or the institution) is a non profit financial institution of welfare providing and social nature, founded in 1940 as a Popular General Savings Bank, and is registered under code number 2030 in the Special Register of the Bank of Spain and under number 9 in the Register of Savings Banks of Catalonia. The institution has its own legal personality and is open-ended in duration. Its registered address is in Girona at Carrer de la Creu, 31 (17002). The Internet address is [www.caixagirona.com](http://www.caixagirona.com).

Its trading activity is the promotion, safekeeping and administration of savings, appropriately channelling investment in order to contribute to the socio-economic development of the counties where it is established, and the use of the results obtained for the creation and maintenance of welfare projects of social interest and their self-funding.

The institution is subject to the rules and regulations of banking institutions that operate in Spain.

In addition to the operations that it carries out directly, Caixa Girona is the head of a group of dependent institutions that work in various activities and that, together with it, constitute the Caixa d'Estalvis de Girona Group (hereafter, the "Group" or the "Caixa Girona Group". The dominant institution has debt issues listed on the AIAF.

The main activities carried out by the Group are the following:

- Financial intermediation
- Management of Collective Investment Institutions and Pensions Funds
- Auxiliary insurance and pensions plans activities
- Share interests in companies

At 31 December 2007 the total assets, the net equity and the financial year's results of the dominant institution represent 99.71%, 92.54% and 91.60% respectively, of these same items of the Group (99.75%, 92.86% and 89.95% respectively, at 31 December 2006).

The following is a summary of the main facts and figures of the dominant institution for the financial years ended at 31 December 2007 and 2006, drawn up in accordance with the accounting principles and rules and valuation criteria set out in Circular 4/2004 of the Bank of Spain.

	2007	2006
Total assets	7,619,304	6,474,781
Total liabilities	7,162,192	6,060,196
Total net equity	435,030	414,585
Net financial year results	37,536	36,873

The consolidated annual accounts of Caixa Girona for the 2006 financial year were approved by the General Assembly of Caixa Girona held on 15 June 2007. The consolidated annual accounts of the Group and the annual accounts of the institutions comprising the Group, for the 2007 financial year, are pending approval by their respective General Shareholders' Assemblies and Meetings. This notwithstanding, the Caixa Girona Board of Directors understands that the above annual accounts will be approved without any significant changes.

### **1.2. Bases for presentation of the annual accounts**

The consolidated annual accounts of the Caixa d'Estalvis de Girona Group for the 2007 financial year have been drawn up by the administrators of Caixa Girona at the meeting of its Board of Directors held on 31 March 2008. The consolidated annual accounts have been drawn up on the basis of the accounts registers of the Group Institutions and in accordance with the provisions of the International Financial Reporting Standards (IFRS) adopted by the European Union, taking into consideration Circular 4/2004 of the Bank of Spain, such that they show the true image of the consolidated equity and the financial situation of the Group at 31 December 2007 and of the results of its operations, of the changes in the net equity and of the consolidated cash flows that have occurred in the Group in the financial year ended on this date.

The information contained in these consolidated annual accounts is the responsibility of the Administrators of the Parent Institution of the Group.

## Caixa d'Estalvis de Girona and Subsidiary Companies

Annual report of the Consolidated Statements of Income  
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Note 2 summarises the most significant accounting principles and policies and valuation criteria applied in drawing up the Group's consolidated annual accounts for the 2007 financial year.

The consolidated annual accounts have been drawn up on the basis of the accounts registers maintained by Caixa Girona and by the other institutions comprising the Group. This notwithstanding, and given that the accounting principles and valuation criteria applied in drawing up the Group's consolidated annual accounts for the 2007 financial year may differ from those used by some of the institutions comprising it, the necessary adjustments and reclassifications have been introduced in the consolidation process to standardise these principles and criteria between them and to adapt them to the International Financial Reporting Standards adopted by the European Union (hereafter, IFRS-EU) applied by Caixa Girona.

### **2. Distribution of the results of Caixa Girona**

The proposed distribution of the net profit of Caixa Girona for the 2007 financial year proposed by its Board of Directors to the General Assembly for its approval is as follows:

	<i>Amount</i>
To Community Projects	10,250
To reserves	27,286
<b>Caixa Girona 2007 financial year net profit</b>	<b>37,536</b>

### **3. Information by business segment**

#### a) Segmentation by business line

The Group carries out retail banking services activities and other complementary financial activities, such as investment fund or pensions fund management and insurance intermediation. Given the financial nature of these activities and the complementary nature of the banking business, they are considered to be a single segment.

#### b) Segmentation by geographical area

The Group carries out its activity basically in Catalonia. The main areas of influence are the counties of Girona, with the counties of Barcelona gaining increasingly more importance. The geographical distribution of our branches at 31 December 2007 and 2006 is:

	<i>2007</i>	<i>2006</i>
Girona	141	138
Barcelona	89	79
Lleida	2	2
Tarragona	2	-
Madrid	1	1
<b>Total</b>	<b>235</b>	<b>220</b>

## Caixa d'Estalvis de Girona and Subsidiary Companies

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### 4. Payments to the Board of Directors, Monitoring Committee and Senior Management

#### 4.1. Remuneration of the Board of Directors and the Monitoring Committee

The remunerations received by the Board of Directors are for attendance allowances for meetings and the salary allocated to the Chairman of the Board of Directors.

The following table shows the breakdown of the attendance and travel allowances of the 2007 and 2006 financial years of the members of the Board of Directors and Monitoring Committee of Caixa Girona, which has corresponded to them exclusively in their capacity as Directors:

	<b>Allowances</b>	
	<b>2007</b>	<b>2006</b>
<b>Board of Directors</b>		
Albert Berta Malloll	6	6
Arcadi Calzada Salavedra	88	185
Pere Cornellà Valls	12	6
Josep Danés Berga	6	6
Joan Manel del Pozo Álvarez (*)	-	2
Miquel Fañanàs Serrallonga	6	4
Juli Fernández Iruela	12	7
Antoni Juanals Roman	6	6
Marta Llach Jordà	7	5
Josep Lladó Grau	6	5
Max Marcó Riera	12	6
Joaquim Mercader Solà (**)	6	7
Enric Montiel Gui	12	7
Pere Moreno Julian	7	6
Lluís Sais Puigdemont	6	5
Pere Sarquella Mateu	7	6
Jaume Torramadé Ribas	6	5
Maria Glòria Villa Martín	6	6
Alfons Vázquez Romero (*)	5	-
<b>Monitoring Committee</b>		
Marta Barretina Ginesta	3	2
Salvador Carreras Comes	4	2
Pere Gimbernat Gimbernat	3	2
Josep Espígol Recasens	3	2
Jordi Iglesias Salip	3	2

(\*) Not a Director at 31 December 2006

(\*\*) Not a Director at 31 December 2007

In the 2007 financial year, the Chairman of the Board of Directors earned remuneration for exercising his duties of 110 thousand euros, without receiving any sum for this item in the 2006 financial year.

The remunerations obtained by the other members of the Board of Directors and Monitoring Committee in their capacity as employees of Caixa Girona were 133 thousand euros in 2007 (119 thousand euros in 2006).

Similarly, the remunerations obtained by the members of the Board of Directors of Caixa Girona as attendance and travel allowances for their being on the Board of other institutions in the consolidated group came to 108 thousand euros in the 2007 financial year (93 thousand euros in the 2006 financial year).

#### 4.2. Payments to Senior Management

The following table shows the remuneration earned by the Institution in favour of the Senior Management personnel, which, for the purposes of drawing up these annual accounts, has been considered to comprise 9 Directors (there were 10 at 31 December 2006):

	<b>Short-term remuneration</b>		<b>Post-employment provisions</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Senior Management Personnel	1,681	1,507	131	126

## Caixa d'Estalvis de Girona and Subsidiary Companies

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### 5. Cash and deposits with central banks

The breakdown of the balance of this chapter in the balance sheets at 31 December 2007 and 2006 is the following:

	2007	2006
Cash	46,600	34,640
Deposits in the Bank of Spain	55,222	48,019
At sight	55,222	48,019
	<b>101,822</b>	<b>82,659</b>

The following table shows the annual average yield of the 2006 and 2007 financial years corresponding to the deposits in the Bank of Spain:

	Percentages	
	2007	2006
Deposits in the Bank of Spain	4.11%	2.81%

### 6. Trading portfolios

#### 6.1. Composition of the maximum credit balance and risk – debtor balances

The following is a breakdown of the financial assets included in this category at 31 December 2007 and 2006, classed by geographical area where the risk is located, by class of counterparty and by type of instrument:

	2007	2006
<b>By geographical area</b>		
Spain	14,053	10,788
European Union countries	3,389	4,730
	<b>17,442</b>	<b>15,518</b>
<b>By counterparty class</b>		
Public Sector	207	-
Credit institutions	16,553	14,956
Other resident sectors	681	562
Other non-resident sectors	1	-
	<b>17,442</b>	<b>15,518</b>
<b>By instrument type</b>		
Fixed-Income Assets	207	-
Non-negotiated derivatives in organised markets	17,235	15,518
	<b>17,442</b>	<b>15,518</b>

The book value recorded in the above table represents the level of the maximum exposure to credit risk of the Group in relation to the financial instruments included in them.

#### 6.2. Composition of the balance – creditor balances

The following is a breakdown of the financial liabilities included in this category at 31 December 2007 and 2006, classed by geographical area where the risk is located, by class of counterparty and by type of instrument:

	2007	2006
<b>By geographical area</b>		
Spain	2,735	943
European Union countries	308	391
	<b>3,043</b>	<b>1,334</b>
<b>By counterparty class</b>		
Credit institutions	1,779	1,196
Other resident sectors	1,263	138
Other non-resident sectors	1	-
	<b>3,043</b>	<b>1,334</b>
<b>By instrument type</b>		
Non-negotiated derivatives in organised markets	3,043	1,334
	<b>3,043</b>	<b>1,334</b>

## Caixa d'Estalvis de Girona and Subsidiary Companies

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### 6.3. Financial derivatives held for trading

The following is a breakdown, by class of derivatives, of the fair value of the Group's derivatives held for trading and their notional value (amount on the basis of which future payments and collections of these derivatives are calculated) at 31 December 2007 and 2006:

	2007				2006			
	Debtor balances		Creditor balances		Debtor balances		Creditor balances	
	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional
<b>Options on securities:</b>								
Bought	13,345	147,416	-	-	13,701	133,419	-	-
<b>Options on interest rate:</b>								
Bought	1,303	128,811	-	-	976	19,121	-	-
Issued	-	-	1,056	112,760	-	-	106	8,516
<b>Options on foreign currencies:</b>								
Bought	391	9,620	-	-	94	4,100	-	-
<b>Financial swaps on interest rates (IRSs)</b>	1,596	101,801	1,381	96,911	309	39,305	911	58,305
<b>Purchase and sale of foreign currencies</b>	600	6,624	606	6,620	438	7,214	317	12,205
	<b>17,235</b>	<b>394,272</b>	<b>3,043</b>	<b>216,291</b>	<b>15,518</b>	<b>203,159</b>	<b>1,334</b>	<b>79,026</b>

The notional amount of the contracts entered into does not mean the real risk assumed, as the net position in these financial instruments results from their offsetting and/or combination.

A large part of these instruments have been entered in the accounts as a trading portfolio due to the requirements of regulations. This accounting classification notwithstanding, these operations, both in their origin and in the present situation, are held for hedging purposes and, therefore, they are not considered speculative positions to obtain short-term results from market fluctuations.

### 7. Other financial assets and liabilities at fair value with changes at the income statement

#### 7.1. Financial assets at fair value with changes at income statement

The following is a breakdown of the financial assets included in this category at 31 December 2007 and 2006, classed by geographical area where the risks are located, by class of counterparty and by instrument:

	2007	2006
<b>By geographical area</b>		
European Union countries	6,081	6,220
Rest of the world	2,777	2,825
	<b>8,858</b>	<b>9,045</b>
<b>By counterparty class</b>		
Credit institutions	8,858	9,045
	<b>8,858</b>	<b>9,045</b>
<b>By instrument type</b>		
Debt securities – listed bonds and stocks	8,858	9,045
	<b>8,858</b>	<b>9,045</b>

The book value recorded in the above table represents the maximum level of exposure to credit risk in relation to the financial instruments included in them.

The average effective interest rate of the debt instruments classed in this portfolio at 31 December 2007 was 4.88% (4.06% at 31 December 2006).

## Caixa d'Estalvis de Girona and Subsidiary Companies

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### 8. Available-for-sale financial assets

#### 8.1. Composition of the maximum credit balance and risk

The following is a breakdown of the financial assets included in this category at 31 December 2007 and 2006, classed by geographical area where the risks are located, by class of counterparty and by type of instrument:

	2007	2006
<b>By geographical area</b>		
Spain	775,619	794,952
European Union countries	21,399	21,919
Rest of the world	1,036	2,304
Impairment losses	(1,280)	(1,136)
Other measurement adjustment	(7,534)	(1,768)
	<b>789,240</b>	<b>816,271</b>
<b>By counterparty class</b>		
Credit institutions	78,161	86,813
Resident Public Administrations	380,781	401,999
Other resident sectors	310,094	307,848
Other non-resident sectors	29,018	22,515
Impairment losses	(1,280)	(1,136)
Other measurement adjustment	(7,534)	(1,768)
	<b>789,240</b>	<b>816,271</b>
<b>By instrument type</b>		
Debt securities (listed):	624,798	646,102
Spanish national debt	389,638	406,445
Treasury Bonds	1,470	977
Government Bonds and Obligations	388,168	405,468
Issued by financial groups	75,270	95,300
Other debt securities	159,890	144,357
Other equity instruments:	173,256	173,073
Shareholdings in listed Spanish companies	109,094	109,273
Shareholdings in unlisted Spanish companies	3,277	2,398
Shareholdings in listed foreign companies	12,185	9,387
Shareholdings in the Investment Fund equity	48,700	52,015
Impairment losses	(1,280)	(1,136)
Other measurement adjustment	(7,534)	(1,768)
	<b>789,240</b>	<b>816,271</b>

The book value recorded in the above table represents the level of exposure to credit risk in relation to the financial instruments included in them.

All of the values of this heading are expressed in euros.

The following table shows the annual average yield of the 2006 and 2007 financial years corresponding to the securities representative of debt:

	Percentages	
	2007	2006
Debt securities	4.16%	4.00%

In note 26, liquidity risk of the financial instruments, details are given of the interest rate terms of revision of the entries comprising this heading.

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### 9. Credits, loans and discounts

#### 9.1 Composition of the maximum credit balance and risk

The following is a breakdown of the financial assets included in this category at 31 December 2007 and 2006, classed by geographical area where the risks are located, by class of counterparty and by type of instrument:

	2007	2006
<b>By geographical area</b>		
Spain	6,582,237	5,448,781
Rest of European Union countries	40,322	20,824
Rest of Europe	16,479	13,626
Latin America	357	8
Rest of the world	1,337	1,810
Measurement adjustments	(127,724)	(93,381)
	<b>6,513,008</b>	<b>5,391,668</b>
<b>By counterparty class</b>		
Credit institutions	507,210	402,471
Resident Public Administrations	45,289	45,597
Other resident sectors	6,047,778	5,000,713
Other non-resident sectors	40,455	36,268
Measurement adjustments	(127,724)	(93,381)
	<b>6,513,008</b>	<b>5,391,668</b>
<b>By instrument type</b>		
Variable interest rate credits and loans	5,243,241	4,224,804
Fixed interest rate credits and loans	686,534	724,433
Temporary acquisitions of assets	-	74,234
At-term deposits in credit Groups	380,400	150,400
Others	330,557	311,178
Measurement adjustments	(127,724)	(93,381)
	<b>6,513,008</b>	<b>5,391,668</b>
<b>Details of the measurements adjustments</b>		
Corrections of the value for asset impairment	(119,765)	(84,884)
Accrued interests	12,019	8,323
Commissions	(19,978)	(16,820)
	<b>(127,724)</b>	<b>(93,381)</b>

The book value recorded in the above table represents the maximum level of exposure to credit risk in relation to the financial instruments included in them.

The following table shows the annual average yield of the 2006 and 2007 financial years corresponding to customer loans:

	Percentages	
	2007	2006
Customer loans	5.40%	4.01%

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### 9.2. Matured and impaired assets

The following are the details of the financial assets classed as credit investments and considered as impaired due to their credit risk at 31 December 2007 and 2006, and the ones that, without being considered to be impaired, have a matured amount on the above dates, classed according to the geographical areas where the risks are located, by counterparty and by type of instrument, and according to the term elapsed as of the maturity of the unpaid amount on the above oldest dates of each operation.

#### Impaired assets at 31 December 2007

	<i>Up to 6 months</i>	<i>Between 6 and 12 months</i>	<i>Between 12 and 18 months</i>	<i>Between 18 and 24 months</i>	<i>More than 24 months</i>	<i>Total</i>
<b>By geographical area</b>						
Spain	31,393	10,684	6,916	2,812	21,089	72,894
<b>By counterparty class</b>						
Other resident sectors	31,336	10,680	6,915	2,805	20,929	72,665
Other non-resident sectors	57	4	1	7	160	229
	<b>31,393</b>	<b>10,684</b>	<b>6,916</b>	<b>2,812</b>	<b>21,089</b>	<b>72,894</b>
<b>By instrument type</b>						
Variable interest rate credits and loans	23,585	5,799	4,532	484	13,584	47,984
Fixed interest rate credits and loans	7,808	4,885	2,384	2,328	7,505	24,910
	<b>31,393</b>	<b>10,684</b>	<b>6,916</b>	<b>2,812</b>	<b>21,089</b>	<b>72,894</b>

#### Impaired assets at 31 December 2006

	<i>Up to 6 months</i>	<i>Between 6 and 12 months</i>	<i>Between 12 and 18 months</i>	<i>Between 18 and 24 months</i>	<i>More than 24 months</i>	<i>Total</i>
<b>By geographical area</b>						
Spain	5,342	3,371	1,298	639	8,225	18,875
<b>By counterparty class</b>						
Other resident sectors	5,337	3,364	1,270	636	8,211	18,818
Other non-resident sectors	5	7	28	3	14	57
	<b>5,342</b>	<b>3,371</b>	<b>1,298</b>	<b>639</b>	<b>8,225</b>	<b>18,875</b>
<b>By instrument type</b>						
Variable interest rate credits and loans	3,027	629	385	249	3,520	7,810
Fixed interest rate credits and loans	2,315	2,742	913	390	4,705	11,065
	<b>5,342</b>	<b>3,371</b>	<b>1,298</b>	<b>639</b>	<b>8,225</b>	<b>18,875</b>

Assets with matured balances not considered as impaired at 31 December 2007 and 31 December 2006, all of which are less than 3 months old:

	<i>2007</i>	<i>2006</i>
<b>By geographical area</b>		
Spain	39,307	19,316
	<b>39,307</b>	<b>19,316</b>
<b>By counterparty class</b>		
Resident Public Administrations	119	93
Other resident sectors	39,120	19,149
Other non-resident sectors	68	74
	<b>39,307</b>	<b>19,316</b>

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### 9.3 Credit risk cover

The following shows the movement in the 2007 financial year of the losses due to impairment registered for credit risk cover and their accumulated amount at the start and end of the financial year in question, itemised by geographical areas where the risk is located, counterparty and type of financial instrument of those debt instruments classed as credit investments:

#### Losses due to impairment estimated individually

	<i>Balance at 1 January 2007</i>	<i>Allocation charged to financial year results</i>	<i>Recovery with payment at end of financial year</i>	<i>Recovery of amounts allocated in previous years</i>	<i>Balance at 31 December 2007</i>
<b>By geographical area</b>					
Spain	7,908	26,142	3,259	6,469	24,322
<b>By instrument type</b>					
Credits	7,340	26,142	3,259	5,977	24,246
Risks and contingent commitments	568	-	-	492	76
	<b>7,908</b>	<b>26,142</b>	<b>3,259</b>	<b>6,469</b>	<b>24,322</b>

#### Impairment losses estimated collectively

	<i>Balance at 1 January 2007</i>	<i>Allocation charged to financial year results</i>	<i>Balance at 31 December 2007</i>
<b>By geographical area</b>			
Spain	80,315	17,955	98,270
<b>By instrument type</b>			
Credits	77,544	17,975	95,519
Debt securities	1,137	143	1,280
Risks and contingent commitments	1,634	(163)	1,471
	<b>80,315</b>	<b>17,955</b>	<b>98,270</b>

Impairment losses estimated individually and collectively for the credits and for the debt securities are recorded in the accounts under the heading "Asset impairment losses (net)" of the income statement. Besides this, the estimated impairment losses for risks and contingent commitments are entered under the heading "Allocations to provisions (net)" of the profit and loss account.

The heading "Asset impairment losses (net)" of the profit and loss account includes the amount of 445 thousand euros for net recoveries of failed assets.

### 9.4. Other financial assets

The composition of other financial assets of the balance sheets at 31 December 2006 and 2007 is the following:

	<i>2007</i>	<i>2006</i>
Cheques drawn on credit institutions	2,162	3,965
Unsettled financial transactions	5,192	9,222
Guarantees provided in cash	68	70
Clearing houses	18,056	15,706
Commissions for financial guarantees	2,751	3,217
	<b>28,230</b>	<b>32,180</b>

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### 10. Hedging derivatives (debtors and creditors)

#### 10.1 Covers at fair value

The following is a breakdown, by product type, of the fair value and the notional value of the derivatives designated as cover instruments in at fair value cover operations at 31 December 2007 and 2006:

	2007				2006			
	Debtor balances		Creditor balances		Debtor balances		Creditor balances	
	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional
Financial swaps on interest rates (IRSs)	7,483	120,700	70,071	1,304,872	6,755	300,000	29,177	882,172
	<b>7,483</b>	<b>120,700</b>	<b>70,071</b>	<b>1,304,872</b>	<b>6,755</b>	<b>300,000</b>	<b>29,177</b>	<b>882,172</b>

The notional amount of the contracts entered into does not mean the real risk assumed by the Group in relation to the above instruments.

As the bank is exposed to changes in the fair value of the various assets and liabilities due to changes in market interest rates, its financial policy requires this exposure to be limited.

### 11. Shareholdings

Appendix I includes details of the shareholdings at 31 December 2006 and 2007, together with relevant information about them.

The net book value of losses due to deterioration of the shareholdings in Group institutions, multi-group and associates is as shown below:

Companies	Registered Address	% Share (direct/indirect)	Net book value
<b>ASSOCIATE</b>			
Girona, SA	Girona	34.22% D	284
Polingesa	Riudellots de la S.	37.49% D	932
Cementiri de Girona, SA	Girona	30.00% D	361
<b>MULTIGROUP</b>			
Estalvida Seguros y Reaseguros, SA	Tarragona	24.71% D	5,357
Construccions Reixach, SL	Montcada i Reixach	50.00% I (*)	8,277
Palau Migdia, SL	Girona	50.00% I (*)	1,856
Norton Center, SL	Barcelona	25.00% I (*)	300
Urban Girona, SL	Girona	50.00% I (*)	1,850
Metric Habitatges, SL	Girona	50.00% I (*)	750
Procagi, SL	Girona	50.00% I (*)	665
<b>GROUP</b>			
Caixa Girona Gestió, SGIIC, SA	Girona	100% D	343
Estugest, SA	Girona	100% D	661
Estuimmo, SA	Girona	100% D	17,386
Caixa Girona Mediació Oper. de Banca-Seguros Vinculado, SA	Girona	100% D	60
Caixa Girona Pensions, EGFP, SA	Girona	100% D	601

(\*) Company participated in through Estuimmo, SA

Making use of the provisions of Section 6.c) of Rule 46 of Bank of Spain Circular 4/2004, of 24 December 2004, the dominant institution has decided to apply as an alternative to the proportional integration method, the share method in the consolidation processes of the shareholdings in Multi-group companies as was communicated in writing to the Bank of Spain in 24 February 2005.

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The following shows the details of the number of shares of the subsidiary companies owned by Caixa Girona, the face value of each of them and the pending disbursements, issued by the Group companies and that at 31 December 2007 and 2006 were the property of Caixa Girona:

	2007			2006		
	Number of shares owned by Caixa Girona	Face value of each share (euros)	Pending disburs.	Number of shares owned by Caixa Girona	Face value of each share (euros)	Pending disburs.
Caixa Girona Pensions EGFP, SA	601,012	1.00	-	601,012	1.00	-
Caixa Girona Gestió SGIIC, SA	220,000	3.00	-	220,000	3.00	-
Estugest, SA	11,000	60.10	-	11,000	60.10	-
Estuimmo, SA	28,927	601.01	-	18,944	601.01	-
Caixa Girona Mediació Oper. de Banca-Seguros Vinculado, SA	60,102	1.00	-	60,102	1.00	-

During the 2007 financial year, the dependent company Corredoria d'Assegurances de Caixa Girona, S.A. changed its trading name to Caixa Girona Mediació Operador de Banca-Seguros Vinculado, S.A.. None of the shares of the Group companies was listed in any organised market at 31 December 2007 and 2006.

### 12. Property, plant and equipment

The balances and movements corresponding to this chapter of the balance sheet for the 2007 financial year were as follows:

	For own use	Property Investments	Community Projects	Total
<b>Cost</b>				
Balances at 31 December 2006	148,859	2,978	7,791	159,628
+Inclusions	18,660	121	3	18,784
-Exclusions	(129)	(7)	-	(136)
<b>Balances at 31 December 2007</b>	<b>167,390</b>	<b>3,092</b>	<b>7,794</b>	<b>178,276</b>
<b>Accumulated amortisation</b>				
Balances at 31 December 2006	(67,397)	(1,340)	(3,246)	(71,983)
+Inclusions	(5,968)	(80)	(94)	(6,142)
-Exclusions	109	-	-	109
<b>Balances at 31 December 2007</b>	<b>(73,256)</b>	<b>(1,420)</b>	<b>(3,340)</b>	<b>(78,016)</b>
<b>Net property, plant and equipment</b>				
<b>Balances at 31 December 2007</b>	<b>94,134</b>	<b>1,672</b>	<b>4,454</b>	<b>100,260</b>

In the inclusions section corresponding to accumulated amortisation, 6,048 thousand euros are for the amortisation allocation for 2007.

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### 12.1. Property, plant and equipment of own use

The breakdown according to their nature of the entries that comprise the balance of this heading of the balance sheet at 31 December 2007 and 2006 is the following:

	<i>Cost</i>	<i>Accumulated amortisation</i>	<i>Net Balance</i>
Computer equipment and their installations	34,145	(29,063)	5,082
Furniture, vehicles and other installations	40,652	(30,312)	10,340
Buildings	68,589	(7,490)	61,099
Works in progress	1,194	-	1,194
Other	4,279	(532)	3,747
<b>Balances at 31 December 2006</b>	<b>148,859</b>	<b>(67,397)</b>	<b>81,462</b>
Computer equipment and their installations	38,672	(31,410)	7,262
Furniture, vehicles and other installations	43,555	(32,974)	10,581
Buildings	74,071	(8,115)	65,956
Works in progress	4,110	-	4,110
Other	6,982	(757)	6,225
<b>Balances at 31 December 2007</b>	<b>167,390</b>	<b>(73,256)</b>	<b>94,134</b>

As part of the net balance at 31 December 2007 that appears in the above table, there are entries for the approximate amount of 48,054 thousand euros (45,417 thousand euros at 31 December 2006) that are fully amortised.

The note corresponding to the fair value shows the most significant entries of the fixed assets of own use valued at their fair value (Note 27). The adjustments for the valuation at their fair value are reflected in the net equity of the institution as accumulated reserves.

In accordance with the First Temporary Provision of Circular 4/2004, of 24 December 2004, of the Bank of Spain, dated 1 January 2004, the Group valued part of its property, plant and equipment at their fair value. The result of this valuation of the property, plant and equipment of own use was an increase of 20,129 thousand euros. All of these property, plant and equipment valued at their fair value are freely disposable and they were recognised in the financial statements. The Bank of Spain was informed of this decision, as set out in the above Provision.

The allocation to amortisation for the revaluation of this property came to 137 thousand euros in 2007.

### 12.2. Investment properties

In the 2007 and 2006 financial years, the income derived from rents from the property investments owned by the Group came to 399 and 405 thousand euros respectively and approximately, and the operating expenses for all items relating to them came to 22 thousand euros, approximately (approximately 11 thousand euros in the 2006 financial year).

At 31 December 2007, the main lease agreements set out in this heading were governed by the new Urban Lease Act 29/1994, of 24 November 1994.

### 12.3. Impairment losses

The Group has not entered in the accounts any impairment losses after valuing all the indications, both internal and external, such as significant falls in their market value, evidence of the obsolescence of the element and increases in the interest rates that may materially affect the recoverable amount of the asset.

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### 13. Intangible assets

The breakdown of the balance of this heading of the consolidated balance sheets at 31 December 2007 and 2006, corresponding primarily to computer software, is the following:

	<i>Estimated useful life</i>	<b>2007</b>	<b>2006</b>
With useful life defined	3 – 6 years	8,674	6,377
<b>Gross total</b>		<b>8,674</b>	<b>6,377</b>
Of which:			
Developed internally		3,416	443
Acquired from third parties		5,258	5,934
Less:			
Accumulated amortisation		(4,283)	(3,482)
<b>Net total</b>		<b>4,391</b>	<b>2,895</b>

#### 13.1. Amortisation of the intangible assets of defined life

The movement in this heading of the balance sheet during the 2007 financial year was as follows:

	<b>2007</b>
With useful life defined	
Net balance at 1 January 2007	2,895
Net inclusions	2,320
Amortisations	(824)
<b>Final balance at 31 December 2007</b>	<b>4,391</b>

At 31 December 2007 and 2006, intangible assets in use for a gross amount of 2,319 thousand euros were completely amortised (2,290 thousand euros at 31 December 2006).

#### 13.2 Impairment losses

The Institution has not entered in the accounts any impairment losses after valuing all the indications, both internal and external, such as significant falls in their market value, evidence of the obsolescence of the element and increases in the interest rates that may materially affect the recoverable amount of the asset.

### 14. Financial liabilities at amortised cost

#### 14.1. Credit institution deposits

The composition of the balances of this heading of the consolidated balance sheets at 31 December 2007 and 2006, in light of the nature of the operations, is shown below:

	<b>2007</b>	<b>2006</b>
At sight:		
Mutual accounts	61,773	141,973
Other accounts	4,622	431
At term or with notice		
Fixed-term accounts	355,332	290,113
Valuation adjustments:		
Accrued interests	3,377	2,827
	<b>425,105</b>	<b>435,344</b>

The following table shows the average effective interest rate (EIR) of the deposits in credit institutions.

	<i>Percentages</i>	
	2007	2006
Credit institution deposits	3.01%	2.16%

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### 14.2. Customers' deposits

The composition of the balance of this heading of the consolidated balance sheets at 31 December 2007 and 2006, in light of the geographical location where the financial liabilities have their origin, their nature and the counterparties of the operations, are shown below:

	<b>2007</b>	<b>2006</b>
<b>By geographical location</b>		
Spain	5,386,203	5,018,059
Rest of European Union countries	57,974	57,391
Other European countries	16,884	16,216
Latin America	4,856	4,235
Other	5,859	4,899
Measurement adjustments	(26,284)	7,448
<b>TOTAL</b>	<b>5,445,492</b>	<b>5,108,248</b>
<b>By nature</b>		
Current accounts	901,886	946,248
Savings accounts	716,858	756,885
Fixed-term deposits	3,480,173	2,907,567
Temporary assignments of assets	362,487	456,671
Other	10,372	33,429
Measurement adjustments	(26,284)	7,448
<b>TOTAL</b>	<b>5,445,492</b>	<b>5,108,248</b>
<b>By counterparty</b>		
Resident Public Administrations	75,368	85,901
Other resident sectors	5,284,081	4,939,350
Other non-resident sectors	86,043	82,997
<b>TOTAL</b>	<b>5,445,492</b>	<b>5,108,248</b>
<b>Details of adjustments for valuation</b>		
Accrued interests	45,840	31,215
Micro- hedging operations	(77,076)	-29,315
Premiums/discounts in the assumption	(8,145)	-7,781
Implicit derivatives	13,097	13,329
<b>TOTAL</b>	<b>(26,284)</b>	<b>7,448</b>

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“Fixed-term deposits” includes the mortgage bond issues made between the 2003 and 2007 financial years, for a total amount of 1,445 thousand euros. These issues offer the following details:

<i>Warrant</i>	<i>Thousands of euros</i>	<i>Issue date</i>	<i>Maturity</i>	<i>Interest rate</i>
AyT Cédulas Cajas, Fondo de Titulización de Activos IV	50,000	11/3/2003	11/3/2013	4.00%
AyT Cédulas Cajas, Fondo de Titulización de Activos V (Tramo A)	24,194	2/12/2003	2/12/2013	4.51%
AyT Cédulas Cajas, Fondo de Titulización de Activos V (Tramo B)	50,806	2/12/2003	2/12/2018	4.76%
Cédulas TDA 3, Fondo de Titulización de Activos	75,000	1/3/2004	1/3/2016	4.39%
AyT Cédulas Cajas, Fondo de Titulización de Activos VIII (Tramo A)	91,463	16/11/2004	16/11/2014	4.01%
AyT Cédulas Cajas, Fondo de Titulización de Activos VIII (Tramo B)	33,537	16/11/2004	16/11/2019	4.26%
AyT Cédulas Cajas, Fondo de Titulización de Activos IX (Tramo A)	70,833	29/3/2005	29/3/2015	3.75%
AyT Cédulas Cajas, Fondo de Titulización de Activos IX (Tramo B)	29,167	29/3/2005	29/3/2020	4.00%
IM Cédulas 5, Fondo de Titulización de Activos	50,000	10/6/2005	15/6/2020	3.51%
Cédulas TDA 7, Fondo de Titulización de Activos	100,000	15/6/2005	16/6/2017	3.50%
Cajas Global, Fondo Titulización Activos (Serie I)	46,296	12/12/2005	12/12/2012	Euribor 3m+0.05851%
Cajas Global, Fondo Titulización Activos (Serie II)	46,296	12/12/2005	12/3/2016	3.50%
Cajas Global, Fondo Titulización Activos (Serie III)	32,408	12/12/2005	12/12/2022	3.75%
Cajas Global, Fondo Titulización Activos (Serie IV)	75,000	20/2/2006	20/2/2018	Euribor 3m+0.11934%
Cajas Global, Fondo Titulización Activos (Serie V)	70,000	10/3/2006	12/3/2011	3.50%
Cédula Hipotecaria Única A4	100,000	25/5/2006	10/4/2021	4.13%
Cajas Global, Fondo Titulización Activos (Serie VII)	50,000	26/5/2006	24/5/2017	Euribor 3m+0.0871%
Cajas Global, Fondo Titulización Activos (Serie I Ampliada)	50,000	9/6/2006	12/12/2012	Euribor 3m+0.05901%
Cajas Global, Fondo Titulización Activos (Serie X)	100,000	23/10/2006	23/10/2023	4.25%
<b>Balance at 31 December 2006:</b>	<b>1,145,000</b>			
IM Cédulas 10, Fondo de Titulización de Activos	100,000	21/02/2007	21/02/2022	4.51%
Cédula Hipotecaria Única TDA A5	100,000	28/03/2007	26/03/2027	4.25%
IM Cédulas 12, Fondo de Titulización de Activos	100,000	21/11/2007	21/11/2009	4.51%
<b>Balance at 31 December 2007:</b>	<b>1,445,000</b>			

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As guarantee of these securities, the Group expressly affects the mortgages that are registered in its favour at any time. Similarly, for all the fixed-type issues, the Group has contracted cover swaps on these deposits, at a rate of interest of the Euribor at 6 or 12 months plus a differential that varies between 0.095 and 0.165 per cent, depending on the issue.

### 14.4. Debits represented by negotiable securities

The composition of this heading of the financial liabilities portfolio at amortised cost of the liabilities of the balance sheet is the following:

	2007	2006
Promissory notes and bills		
Caixa Girona 2006 promissory note issue	92,766	195,901
(*)		
Caixa Girona 2007 promissory note issue	341,480	-
(**)		
Other non-convertible liabilities	450,000	-
Adjustments for valuation	7,179	1,719
Accrued interests	7,398	1,719
Transaction costs	(219)	-
	<b>891,425</b>	<b>197,620</b>

(\*) Caixa Girona 2006 promissory note issue programme, registered with the Spanish Securities and Investments Board (CNMV) on 16 July 2006, with a face value of the issue of 200,000 thousand euros.

(\*\*) Caixa Girona 2007 promissory note issue programme, registered with the Spanish Securities and Investments Board (CNMV) on 19 July 2006, with a maximum face value of the issue of 600,000 thousand euros, extendible to 800,000 thousand euros.

The whole of the balance of promissory notes and bills at 31 December 2007 are expressed in euros and the securities are negotiated on the secondary market of the Fixed-Income AIAF. The maturities of these issues will be between 3 days and 18 months.

### 14.4. Subordinate debt financing

The composition of this heading of the financial liabilities portfolio at amortised cost of the liabilities of the consolidated balance sheet is the following:

	2007	2006
Debits represented by negotiable securities subordinate, non-convertible		
Subordinate bonds	100,000	100,000
Preference shares	50,000	-
Subordinate deposits, other resident sectors	50,000	50,000
Adjustments for valuation		
Accrued interests	511	358
Transaction costs	(243)	(306)
	<b>200,268</b>	<b>150,052</b>

All the financial liabilities included in this heading of the consolidated balance sheet are expressed in euros.

#### Subordinate bonds

These bonds are from the 1st Caixa Girona Subordinate Bond Issue, registered with the Spanish Securities and Investments Board (CNMV) on 11 October 2006, and for a subscribed amount of 100,000 thousand euros. The securities are listed in the Fixed-Income AIAF. These bonds earn variable interest, referenced with the Euribor at 3 months plus a margin. The amortisation date of the securities will be 21 September 2016, at 100% of their face value.

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### Subordinated deposits

These deposits correspond to the issue of a unique subordinate bond for the sum of 50,000 thousand euros. This bond has been integrated in the FTA AyT Deuda Subordinada I, earning variable interest, referenced with the Euribor at 3 months plus a margin. The at par amortisation date will be 8 November 2016.

These liabilities are considered to be subordinate and computable as Tier2 own resources, in accordance with Rule Eight of Circular 5/1993 of the Bank of Spain and with the provisions of Article 7 of Law 13/1992, of 1 June 1992, on own resources and supervision based on financial institutions.

### **15. Provision for risks and contingent commitments and other provisions**

The following shows the movements in the 2007 financial year and the use of the provisions registered in these headings in the consolidated balance sheet at 31 December 2007 and 2006:

	<i>Provisions for financial guarantees provided</i>	<i>Other provisions</i>
Balances at 31 December 2006	2,202	1,202
Allocation charged to results:		
<i>Allocation to provisions</i>	1	-
Reversion of provisions adding to results:		
<i>Allocation to provisions</i>	(655)	-
Other movements	-	-
<b>Balances at 31 December 2007</b>	<b>1,548</b>	<b>1,202</b>

### **16. Creditor accrual accounts**

The composition of the balance of this chapter in the consolidated balance sheets at 31 December 2007 and 2006 is the following:

	<i>2007</i>	<i>2006</i>
Guarantee accrual accounts	2,915	3,455
Non-matured accrued expenses	6,433	5,318
Other accrual accounts	206	691
	<b>9,554</b>	<b>9,464</b>

### **17. Other liabilities – Rest**

The composition of the balances of this heading in the consolidated balance sheets at 31 December 2007 and 2006 is the following:

	<i>2007</i>	<i>2006</i>
Operations in progress	2,073	9,144
Temporary accounts	191	639
Prod. various operations advances	867	784
Application of bills	6,013	16,295
Other items	2,197	1,093
	<b>11,341</b>	<b>27,955</b>

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### 18. Measurement adjustments

#### 18.1. Available-for-sale financial assets

This heading of the balance sheets includes the net amount of the variations of the fair value of the assets classed as available for sale, which, in accordance with the provisions of Note 2, have to be classed as a constituent part of the Group's consolidated equity; these variations are recorded in the profit and loss accounts when the sale of the assets takes place where they have their place of origin or when the deterioration of these assets occurs.

The following shows details of this heading at 31 December 2007 and 2006.

MEASUREMENT ADJUSTMENT 2007		Caixa Girona	Caixa Girona Gestió SA	Estugest SA	Estuimmo SA	Caixa Girona Mediació Oper. de Banca-Seguros Vinculado SA	TOTAL
Available-for-sale assets	financial	66,717	(6)	11	14	11	66,747
Equity instruments		65,417	-	16	14	11	65,458
Debt securities		1,300	(6)	(5)	-	-	1,289

MEASUREMENT ADJUSTMENT 2007		Caixa Girona	Caixa Girona Gestió SA	Estugest SA	Estuimmo SA	Caixa Girona Mediació Oper. de Banca-Seguros Vinculado SA	TOTAL
Available-for-sale assets	financial	73,194	-	12	10	8	73,224
Equity instruments		69,688	-	12	10	8	69,718
Debt securities		3,506	-	-	-	-	3,506

### 19. Reserves

#### 19.1. Total Group reserves

The breakdown by institution of the balances of the net equity heading "Equity – Reserves" of the consolidated balance sheets at 31 December 2007 and 2006, itemised by the amounts corresponding to the different methods employed in the consolidation processes and the revaluation reserves, are shown as follows:

Caixa Girona Group Reserves	2007	2006
Caixa d'Estalvis de Girona	320,373	284,094
Consolidated institutions by global integration	24,717	22,035
Consolidated institutions by equity method	4,440	2,825
Revaluation Reserves	13,258	23,269
	<b>362,788</b>	<b>332,223</b>

At 31 December 2007, the amount of the revaluation reserves correspond entirely to those originated by the first application of the 4/2004 circular. The balance of this reserve is not disposable. The balance of the reserve may not be distributed, directly or indirectly, unless the capital gains have been realised through the total sale or amortisation of the elements updated.

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The following shows the movement of the reserves recorded in the "Equity – Reserves – Accumulated Reserves" heading of the net equity of the consolidated balance sheets at 31 December 2007 and 2006:

	<i>Dominant</i>	<i>Global Integration</i>	<i>Equity accounting</i>	<i>Total</i>
<b>Balance at 31/12/2006</b>	<b>307,363</b>	<b>22,035</b>	<b>2,825</b>	<b>332,223</b>
Distribution of dominant results	36,873	-	-	36,873
Community Projects Allocation	(9,600)	-	-	(9,600)
Distribution of Global Integration results	-	5,197	-	5,197
Distribution of Equity accounting	-	-	1,967	1,967
Dividends received 2007 Global Integration	2,850	(2,850)	-	-
Dividends received 2007 Equity accounting	208	-	(208)	-
Dividends received 2006 Global Int. and Equity accounting	(3,049)	-	-	(3,049)
Other movements	(1,014)	335	(144)	(823)
<b>Balance at 31/12/2007</b>	<b>333,631</b>	<b>24,717</b>	<b>4,440</b>	<b>362,788</b>

The amount of the "Other Movements" item of the Parent corresponds to an adjustment in the actuarial valuation of certain pensions commitments. The adjusting entry of this movement was "Net assets in pensions plans" of the "Other Assets" heading of the balance sheet (see note 17).

### 19.2. Reserves of institutions integrated globally

The breakdown by institution of the balances of the net equity heading "Equity – Reserves – Accumulated Reserves" of the consolidated balance sheets at 31 December 2007 and 2006, in the part of the above balance that has its origin in the consolidation process, itemised by globally or proportionally integrated institutions in the consolidated financial statements, with the exception of the dominant institution, are shown as follows:

<i>Accumulated reserves</i>	<i>2007</i>	<i>2006</i>
Caixa Girona Gestió SGIIC, SA	17,015	15,347
Estugest, SA	3,806	2,815
Estuimmo, SA	(26)	(32)
Caixa Girona Mediació Oper. de Banca-Seguros Vinculado, SA	3,958	3,905
Caixa Girona Pensions EGFP, SA	(36)	-
	<b>24,717</b>	<b>22,035</b>

### 19.3. Reserves of institutions valued by Equity accounting

The breakdown by institution of the balances of the net equity heading "Equity – Reserves – Reserves of institutions valued by equity accounting" of the consolidated balance sheets at 31 December 2007 and 2006, in the part of the above balance that has become apparent as part of the consolidation process, itemised by each institution valued by equity accounting in the consolidated financial statements, are shown as follows:

<i>Accumulated reserves</i>	<i>2007</i>	<i>2006</i>
Estalvida de Seguros i Reaseguros, SA	342	150
Girona, SA	835	744
Cementiri de Girona, SA	(68)	(71)
Polingesa, SA	1,213	942
Construccions Reixach, SL	902	548
Palau Migdia, SL	1,268	512
Norton Center, SL	(52)	-
Urban Girona, SL	-	-
Metric Habitatges, SL	-	-
Procagi, SL	-	-
	<b>4,440</b>	<b>2,825</b>

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## **20. Tax situation**

### **20.1. Consolidated Tax Group**

In accordance with current legislation, the Consolidated Tax Group includes Caixa Girona, as dominant company, and, as dominated, the Spanish subsidiary companies that fulfil the requirements demanded to this effect by the rules regulating taxation on the consolidated profit of Groups of Companies. This way, the consolidated Group is made up of Caixa Girona, Caixa Girona Gestió, SA SGIIC, Estugest, SA; Estuimmo, SA, Caixa Girona Mediació Oper. Banca-Seguros Vinculado, SA and Caixa Girona Pensions, SA EGFP.

The rest of the dependent institutions in the Group submit their tax returns individually, in accordance with the tax rules applicable to each one.

### **20.2. Financial years subject to tax inspection**

At 31 December 2007, the last four financial years were subject to review by the tax authorities, with regard to the principal taxes that apply to the Consolidated Tax Group. At 31 December 2007, the Consolidated Tax Group had Inspection Documents initiated referring to the financial years from 2007 to 1998 and corresponding primarily to temporal differences derived from divergences between accounting and tax rules.

Although part of these documents were signed in disagreement and an economic-administrative claim was lodged with the Regional Economic-Administrative Tribunal of Catalonia, at 31 December 2007, the Group maintains provisions for the cover of the maximum risks that could be derived from this (see note 25.6.).

Taking into consideration the provisions registered by the Group for this item, the Administrators of Caixa de Girona calculate that the liabilities that could, as the case may be, be derived as a result of the Documents filed will not have a significant effect on the consolidated annual accounts of the 2007 financial year.

Due to the possible different interpretations that may be given to the tax rules, the results of the inspections that may be conducted in the future by the tax authorities for the years subject to verification could give rise to tax liabilities, the amount of which cannot be quantified objectively at present. Despite this, according to the opinion of the Group's tax advisors and its administrators, the possibility of significant liabilities arising for this item in addition to the ones recorded is remote.

### **20.3 Conciliation of the accounting and tax results**

The following is a breakdown of the balance of the "Corporate income tax" chapter in the consolidated profit and loss account for the 2007 and 2006 financial years:

	<b>2007</b>	<b>2006</b>
Expenses Corporate income tax financial year	12,988	13,264
Adjustment in the expenses of corporation tax previous financial years	1,240	(518)
<b>Total expenses corporation tax</b>	<b>14,228</b>	<b>12,746</b>

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The following shows a conciliation between the expenses for Corporate income tax of the financial year entered into the income statement for the 2007 financial year and the surplus before taxes of the same year by tax rate in effect in it applicable in Spain:

	<b>2007</b>
<b>Pre-tax results</b>	<b>55,384</b>
Corporate income tax at the tax rate of 32.5%	18,000
Effect of the permanent differences:	
Allocation to Community Projects	(3,250)
Allowances and bonuses of the liability with origin in:	
Double taxation on dividends	(1,616)
Other allowances	(146)
<b>Expenses of the financial year for corporate income tax recorded with adjusting entry in the income statement</b>	<b>12,988</b>
Variation of deferred taxes (debtors or creditors)	4,720
Payments on account of Corporation Tax	(13,237)
<b>Tax on corporate income payable</b>	<b>4,471</b>

### 20.4. Taxes shifted in the net equity

Irrespective of the shifted tax on profits in the profit and loss account, in the 2007 and 2006 financial years, Caixa Girona has shifted in its net equity 840 thousand euros less and 165 thousand euros more respectively as corporation tax for the capital gains / capital losses not realised of financial assets available for sale.

### 20.5. Deferred taxes

Under the provisions of the present tax rules, certain temporal differences have emerged in the 2007 and 2006 financial years that have to be taken into account when quantifying the corresponding expense of corporation tax. The origins of the deferred taxes recorded in the balance sheets at 31 December 2007 and 2006 are the following:

	<b>2007</b>	<b>2006</b>
<b>Deferred debtor taxes with origin in:</b>		
For impairment losses entered in accounts on financial assets	21,520	15,210
Allocations for pensions funds	5,932	6,418
Other provisions	1,352	661
Adjustments for valuation of commissions	919	1,248
	<b>29,723</b>	<b>23,537</b>
<b>Deferred creditor taxes with origin in:</b>		
Asset revaluation	5,727	5,931
Fair value financial assets	28,593	31,369
Other	21	15
	<b>34,341</b>	<b>37,315</b>

### 20.6. Provisions for taxes

The "Provisions – Provisions for taxes" heading of the consolidated balance sheet for the 2007 and 2006 financial years has not undergone any movements and has a recorded amount of 1,202 thousand euros (see note 25.2.).

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### 20.7. Allowance for reinvestment

For the purposes of compliance with the information requirement set out in Section 10 of Article 42 of Royal Legislative Decree 4/2004, approving the Revised Text of the Corporation Tax Law, it is noted that in the 2006 financial year the Group included earnings in the allowance for reinvestment for the sum of 2,889 thousand euros, from transfers of elements of the tangible fixed assets for the value of 3,630 thousand euros. The reinvestment occurred in full in tangible fixed assets acquired during the aforementioned financial year.

### 21. Liquidity risk of the financial instruments

Caixa Girona manages and places special emphasis on the identification, measurement, control and monitoring of the following risks:

- Liquidity risk
- Credit risk
- Structural interest risk
- Market risk
- Operative risks

The internal audit and control systems also embrace other risks of the Group's activity, such as the legal and tax risks, fraud risks and technological risks.

At an executive level, there is a segregation of functions between the business units where the risk originates and their monitoring and control risks.

The Group continues to make progress in an internal project aimed at the analysis of the innovations of all kinds that will be involved by the future regulation of the BIS (Bank of International Settlements), in its different aspects (market, credit, operative, etc. risks) and in the optimisation of the management of its own resources and the liquidity of the Group.

The Assets and Liabilities Committee (COAP) is the body directly responsible for the management of interest rate, liquidity and market risks. The COAP adopts the most suitable investment or cover strategies to mitigate the impact of the variation of interest rates and the financing policies.

The Group management (specifically, the Treasury unit, reporting to the Financial Management division) manages the liquidity risk inherent in the activity and its financial instruments to ensure that it will have enough liquidity at all times to fulfil its payment commitments associated with the cancellation of its liabilities, on their respective due dates, without compromising the Group's ability to respond quickly to strategic market opportunities.

In liquidity risk management, the Group uses a centralised focus, applying integrated computer tools with which the liquidity risk is analysed, based on the cash flows estimated by the Group for its assets and liabilities, and additional guarantees or instruments that the Group has to guarantee additional liquidity funds that may be required (for example, liquidity lines not used by the Group). The position in terms of the Group's liquidity risk is established on the basis of various analyses of scenarios and sensitivity. The sensitivity and scenario analyses take into account not only normal market situations but also extreme conditions that may arise and that may affect the Group's flow of collections and payments, due to market factors or to internal factors of the Group.

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The following is the breakdown by maturity term of the balances of certain headings of the consolidated balance sheet at 31 December 2007 and 31 December 2006, in a "normal market conditions" scenario:

	<i>At sight</i>	<i>Up to 1 month</i>	<i>Between 1 and 3 months</i>	<i>Between 3 and 12 months</i>	<i>Between 1 and 5 years</i>	<i>More than 5 years</i>	<i>Total</i>
<b>ASSETS</b>							
Cash and deposits with central banks	101,822	-	-	-	-	-	101,822
Trading portfolio	-	523	1,047	4,709	11,163	-	17,442
Other financial assets at fair value with changes at income statement	-	-	-	-	2,319	6,539	8,858
Financial assets available for sale	-	37,749	19,794	159,415	354,615	217,667	789,240
Credits, loans and discounts	72,836	558,128	375,533	940,731	1,328,743	3,237,037	6,513,008
Investment portfolio at maturity	-	-	-	-	-	-	-
Hedging derivatives	-	225	449	2,020	4,789	-	7,483
Non-current assets on sale	-	6	12	80	286	356	740
Shareholdings	-	-	-	-	-	27,661	27,661
Pension-linked insurance policies	40	17	33	152	162	-	404
Property, plant and equipment	-	835	1,670	7,514	40,144	50,097	100,260
Intangible assets	-	35	69	563	1,655	2,069	4,391
Tax assets	3,230	1,345	2,691	12,143	12,916	-	32,325
Accrual accounts	459	191	383	1,724	1,837	-	4,594
Other assets	1,168	(113)	972	4,379	4,670	-	11,076
<b>Total at 31 December 2007</b>	<b>179,555</b>	<b>598,941</b>	<b>402,653</b>	<b>1,133,430</b>	<b>1,763,299</b>	<b>3,541,426</b>	<b>7,619,304</b>
<b>Total at 31 December 2006</b>	<b>345,008</b>	<b>298,406</b>	<b>394,185</b>	<b>983,220</b>	<b>1,620,916</b>	<b>2,849,558</b>	<b>6,491,293</b>
<b>LIABILITIES</b>							
Trading portfolio	-	91	183	822	1,947	-	3,043
Other financial assets at fair value with changes at income statement	-	-	-	-	-	-	-
Financial liabilities at fair value with changes in net equity	-	-	-	-	-	-	-
Financial liabilities at amortisable cost	65,185	682,516	659,723	1,818,057	2,058,976	1,704,230	6,988,687
Capital with financial liability nature	-	-	-	-	-	-	-
Hedging derivatives	-	2,102	4,204	18,919	44,846	-	70,071
Provisions	-	205	409	1,841	8,035	5,160	15,650
Tax liabilities	4,156	1,732	3,464	18,235	16,625	-	44,212
Accrual accounts	942	393	786	3,663	3,770	-	9,554
Other liabilities	1,739	725	1,449	6,521	6,956	-	17,390
<b>Total at 31 December 2007</b>	<b>72,023</b>	<b>687,763</b>	<b>670,218</b>	<b>1,868,058</b>	<b>2,141,155</b>	<b>1,709,390</b>	<b>7,148,607</b>
<b>Total at 31 December 2006</b>	<b>162,792</b>	<b>816,984</b>	<b>477,622</b>	<b>1,418,484</b>	<b>1,650,207</b>	<b>1,518,759</b>	<b>6,044,848</b>
<b>Difference asset-liability at 31 December 2007</b>	<b>107,532</b>	<b>(88,822)</b>	<b>(267,566)</b>	<b>(734,627)</b>	<b>(377,855)</b>	<b>1,832,036</b>	<b>470,697</b>
<b>Difference asset-liability at 31 December 2006</b>	<b>182,217</b>	<b>(518,578)</b>	<b>(83,436)</b>	<b>(435,265)</b>	<b>(29,292)</b>	<b>1,330,799</b>	<b>446,445</b>

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### 22. Fair value

#### 22.1. Fair value of the financial assets and liabilities not recorded at their fair value

The following outlines the fair value of the Group's financial assets and liabilities at 31 December 2007 and 2006 that are not recorded in the consolidated balance sheets on the above dates at their fair value, in light of the portfolios in which they are classed, together with their corresponding book values on the above dates:

	2007		2006	
	Book value	Fair value	Book value	Fair value
<b>Financial assets</b>				
Cash and deposits with central banks	101,822	101,822	82,659	82,659
Credits, loans and discounts				
Loans and credits	5,979,361	6,014,184	4,956,449	4,973,067
Credit institution deposits	508,304	510,002	403,039	404,140
<b>Financial liabilities</b>				
Financial liabilities at amortised cost				
Customers' deposits	5,445,492	5,198,453	5,108,248	4,877,524
Marketable debt securities	891,425	892,210	197,470	197,620
Subordinate debt financing	200,268	200,946	150,054	150,052
Credit institution deposits	425,105	424,633	435,344	433,948

The fair value of the financial assets and liabilities that are not recorded in the individual balance sheets on the above dates for their fair value have been estimated by means of the application of generally accepted valuation techniques that use observable data in the market. The technique generally used consists of the updating to the current value of all the expected flows of the financial assets on the basis of the interest rate curves observed in the market.

#### 22.2 Fair value of the tangible fixed assets

The most significant entry of the tangible fixed assets is for the offices and premises of own use (their book value is approximately 45,083 and 40,091 thousand euros for 2007 and 2006 respectively).

The fair value of these property, plant and equipment at 31 December 2007 and 2006 comes to approximately 71,863 and 54,583 thousand euros.

The fair value of the tangible fixed assets shown in the above paragraph has been estimated as follows:

- For those assets for which there is no up to date valuation made by an authorised appraiser of the Bank of Spain, the reasonable value included in the above paragraph has been obtained on the basis of estimates made by the institution, taking into consideration the mortgage market data relating to the evolution of the price of the institution's tangible assets of similar characteristics.
- For the assets for which there is an up to date valuation made by an authorised appraiser of the Bank of Spain, their value obtained from the above valuation made in line with the provisions of OM/805/2003 has been taken as reasonable value.

### 23. Exposure to credit risk

The credit risk represents the losses that the Group would suffer in the event of a customer or a counterparty failing to fulfil their contractual payment obligations. This risk is inherent in the traditional banking products of the institutions (loans, credits, financial guarantees provided, etc.) and in another type of financial asset (debt securities portfolio of the Group, derivatives, etc.).

The credit risk affects both the financial assets that are entered in the financial statements at their amortised cost and the assets that are recorded in the above statements at their reasonable value. Irrespective of the accounting criteria by which the Group's financial assets have been recorded in these financial statements, the Group applies the same credit risk control policies and procedures.

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The Group's policy, methods and procedures relating to credit risk management and control are approved by the Caixa Girona Board of Directors. The duties of the Caixa Girona Monitoring Committee, the Control Division and of the Caixa Girona Internal Audit Department, include ensuring the adequate fulfilment of the Group's risk control policies, methods and procedures, making sure that these are adequate, they are implemented effectively and reviewed regularly.

The strategy in terms of risk pursued by the Group is laid down by the Board of Directors. Which also sets the limits of powers of the risk committees and sanctions the risk operations that exceed the powers delegated to more junior bodies.

As well as approving the risk policies for the various business of the Group, the Board of Administrators sets the limits of the powers delegated at all levels and sanctions the operations that do not come into the above chapter due to their amount. The Caixa Girona Credit Risk Division is independent of the business units and is structured in response to the various customer areas and segments, carrying out activities ranging from the study to the approval of operations and, as the case may be, the recovery of arrears positions.

Caixa Girona has policies and procedures that limit the credit risk concentration for individually considered counterparty and groups of companies. Caixa Girona establishes the risk concentration limits taking into consideration such factors as the activities in which the counterparties work, their geographical location and other economic characteristics that are common to them.

Also, the availability of specific models for each of the relevant segments of the credit portfolio ensures that it is possible to have optimum systems in the valuation of the risk for each one. Since 1999, we have had generic "scoring" calculation models for private customers implemented in the institution's operating processes. These models have been implemented in the operations admission process and are bound to the decision to approve operations by the network of branches. In the 2007 financial year, the generic reactive consumer and mortgage "scoring" models were updated and work started on developing proactive risk models for private customers. Expert specific consumer and mortgage reactive "scoring" for the immigrant segment has also been implemented.

In the 2008 financial year, sectorial rating models for companies, experts for developers and an expert reactive scoring for self-employed and micro-businesses will be implemented.

The following shows the movement in the 2007 financial year of the deteriorated financial assets of Caixa Girona that are not recorded in the balance sheet due to their recovery being considered remote, even though Caixa Girona has not ceased in its actions to ensure the recovery of the amounts owing:

	<b>2007</b>
<b>Balances of financial assets for which recovery is considered remote at 1 January</b>	<b>9,683</b>
<b>Additions</b>	
Balances considered to be of remote recovery in the financial year	843
Other causes	1,098
<b>Recoveries</b>	
Due to cash collection without additional refinancing	399
<b>Definitive exclusions of operations</b>	
Due to debt acquittance	-
Due to other items	672
<b>Balance of financial assets for which recovery is considered remote at 31 December</b>	<b>10,553</b>

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### 24. Exposure to interest risk

Interest rate risk is the consequence of the composition of the assets and liabilities being different with regard to review terms and indexes and in the maturities of the operations. These mismatches lead to the Group's being exposed, to a greater or lesser extent, in light of a variation in interest rates or variations in the income statement or in the net equity value.

The interest rate risk management and control tasks are carried out by the Assets and Liabilities Committee (COAP), by the Financial Management division and by the Management Control Department. This department is responsible for putting into practice the procedures that ensure that the Group fulfils at all times the interest rate risk control and management policies. The aim sought by the Group with the implementation of these policies is to limit to the utmost the interest rate risks to which the Group is subjected, achieving a balance with the Group's yield.

In the analysis, measurement and control of the interest rate risk assumed by the Group, sensitivity measurement and scenario analysis techniques are used, establishing the adequate limits to avoid exposure to levels of risk that may seriously affect it. These analysis procedures and techniques are revised with the necessary frequency to ensure that they work properly. Also, all the individually significant operations for the Group are analysed both individually and as a whole with the rest of the Group's operations to ensure the control of the interest rate risks, together with other market risks, to which the Group is exposed due to their issue or acquisition.

The Group uses cover operations for the individual management of the interest rate risk of all the financial instruments of a significant nature that may expose the Group to equally significant interest rate risks, so reducing practically all of this type of risk. The Group has not constituted interest rate macro-cover.

The following table shows the Group's degree of exposure to interest rate risk in euros at 31 December 2007 and 2006, indicating the book value of the financial assets and liabilities affected by this risk, which are classed according to the estimated term until the date of revision of the interest rate (for operations that contain this characteristic in line with their contractual conditions) or maturity (for operations with a fixed interest rate) and the book value of these instruments covered by interest rate risk cover operations.

At 31 December 2007

	<i>Terms until the revision of the effective interest rate or the maturity</i>							
	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
<b>Financial assets</b>								
Variable interest rate:	1,131,524	795,438	3,183,086	24,340	59	200	112	604
Covered by derivatives	-	-	-	-	-	-	-	-
Fixed interest rate	571,914	191,494	388,951	207,364	183,945	58,255	122,729	234,754
Covered by derivatives	-	-	-	-	-	-	-	100,000
<b>Financial liabilities</b>								
Variable interest rate	8,798	393,959	89,305	-	-	-	-	-
Covered by derivatives	-	-	-	-	-	-	-	-
With fixed interest rate	893,654	831,174	1,974,334	617,219	403,956	160,048	86,240	1,485,812
Covered by derivatives	9,493	23,611	45,528	117,512	5,531	-	-	1,255,583

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### At 31 December 2006

	<i>Terms until the revision of the effective interest rate or the maturity</i>							
	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years
<b>Financial assets</b>								
Variable interest rate	821,065	538,949	2,722,303	57,016	450	104	300	709
Covered by derivatives	-	-	-	-	-	-	-	-
Fixed interest rate	480,711	193,502	412,725	187,549	137,871	144,916	97,066	184,371
Covered by derivatives	-	-	-	-	-	-	-	-
<b>Financial liabilities</b>								
Variable interest rate	-	401,296	50,000	-	-	-	-	-
Covered by derivatives	-	-	-	-	-	-	-	-
Fixed interest rate	1,127,021	281,123	1,348,581	534,168	492,940	142,132	177,626	1,340,725
Covered by derivatives	-	8,134	27,761	37,549	65,456	2,170	-	923,704

In relation to the Group's level of exposure to interest rate risk, we should point out that at 31 December 2007, it is estimated that an immediate variation of the EURIBOR of 100 base points would have an effect of the same nature on the Group's equity of approximately 86 base points (78 at 31 December 2006) (measured on the Group's own resources at 31 December 2007) and a variation of the same nature in the income statement of 464 base points (377 base points at 31 December 2006) (measured on the Group's intermediation margin in the 2007 financial year).

### 25. Exposure to other market risks

The Group does not maintain foreign currency positions of a speculative nature. Similarly, the Group does not maintain open positions (without cover) of a non-speculative nature of significant amounts in foreign currency.

The sensitivity of the income statement and of the net equity at 31 December 2007 and 2006 due to the variations caused on the Group's financial instruments by percentage variations of 1% of the different foreign currencies in which the Group maintains balances is not significant in nature.

To measure the market risk of the debt securities and variable income portfolio, Value at Risk (VaR) methodology is used, which quantifies the maximum potential loss that a certain portfolio may generate, with a level of confidence of 99% and a time horizon of 10 days. The model that is pursued to calculate the VaR is the "parametric" one, which is based on statistical hypotheses of normality of the distribution of probability of changes in market prices.

In addition to the VaR calculation, a stress test is conducted. Stress estimates quantify the maximum potential loss in the value of the portfolio in extreme scenarios of changes in the risk factors to which the portfolio is exposed.

In turn, the VaR model is completed with a daily consistency analysis (back testing) defined according to the recommendations of the Basel Supervision Committee, which consists of comparing the calculated VaR value with the total management result of the following day.

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### 26. Community Projects

The following is a breakdown of the consolidated balance sheet entries that include the assets and liabilities relating to the Community Projects, together with their respective balances at 31 December 2007 and 2006:

	2007	2006
<b>Assets</b>		
Property, plant and equipment – concerning Community Projects		
Property	4,440	4,528
Furniture and installations	14	17
	<b>4,454</b>	<b>4,545</b>
<b>Liabilities</b>		
Allocations Community Projects funds	16,044	16,220
Maintenance expenses	(9,995)	(9,776)
	<b>6,049</b>	<b>6,444</b>

The following shows the movement that occurred in the “Other liabilities – Community Projects Funds” entry of the above table during the 2007 financial year:

	2007
Balance at 1 January	<b>6,444</b>
Application of the previous year's results	9,600
Maintenance expenses of the previous year	(9,995)
Allocation of Community Projects fixed assets	(94)
Budgeted current expenses of the financial year	(9,901)
Balance at 31 December	<b>6,049</b>

### 27. Other significant information

#### **27.1. Financial guarantees**

Financial guarantees are taken to be the amounts that the consolidated institutions will have to pay on behalf of third parties in the event of those originally obliged to pay not doing so in response to the commitments assumed by them in the course of their habitual activity.

The following shows the details at 31 December 2007 and 2006 in light of the maximum risk assumed by the Group in relation to them:

	2007	2006
Financial guarantees	26,596	36,291
Technical guarantees	153,632	151,300
Irrevocable letters of credit	1,451	4,528
	<b>181,679</b>	<b>192,119</b>

A significant part of these amounts will reach maturity without any payment obligation by the consolidated companies materialising, for which reason the joint balance of these commitments may not be considered as a real future need of financing or liquidity to award to third parties by the Group.

The income obtained from the guarantee instruments is recorded in the “Commissions Received” and “Interest and similar yields” chapters (for the amount corresponding to the update of the value of the commissions) of the consolidated profit and loss accounts of the 2007 and 2006 financial years and it is calculated by applying the rate established in the contract causing it on the face amount of the guarantee.

The provisions recorded for the cover of these guarantees provided, which have been calculated by applying similar criteria to those applied for the calculation of the deterioration of financial assets valued at their amortised cost, have been recorded in the “Provisions – Provisions for risks and contingent commitments” heading of the consolidated balance sheet (see note 15).

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### 27.2. Assets granted as guarantee

At 31 December 2007 there are no assets belonging to the Group that guarantee operations carried out by them or by third parties or any contingent liability assumed by the Group.

### 27.3. Other contingent liabilities

At 31 December 2007 and 2006, the Group's contingent liabilities could be classed in light of their nature as follows:

	2007	2006
Doubtful guarantees	76	568
	<b>76</b>	<b>568</b>

### 27.4. Drawable by third parties

At 31 December 2007 and 2006, the amounts pending availability corresponding to the financing contracts for which the Group had assumed a credit commitment of more than the amount recorded in the assets of the consolidated balance sheet were the following:

	2007	2006
	Amount pending availability	Amount pending availability
<b>With immediate availability</b>	<b>992,422</b>	<b>939,498</b>
Credit institutions	522	566
Public Administrations Sector	15,235	23,393
Other resident sectors	974,679	914,080
Non-resident	1,986	1,459
<b>With conditioned availability</b>	<b>366,469</b>	<b>340,918</b>
Other resident sectors	366,469	340,918
	<b>1,358,891</b>	<b>1,280,416</b>

### 27.5. Third party resources managed and commercialised by the Caixa Girona group and securities depository

The details of the resources off the balance sheet managed by the Group at 31 December 2007 and 2006 are shown below:

	2007	2006
Investments Companies and Funds	227,558	282,809
Investments Funds	108,905	91,265
Insurance Products	222,626	192,585
	<b>559,089</b>	<b>566,659</b>

The following shows the details of the customer resources off the balance sheet that have been commercialised but not managed by the Group in the 2007 and 2006 financial years:

	2007	2006
Investments Companies and Funds	23,594	25,763
Investments Funds	38,029	43,573
Insurance Products	29,621	33,528
	<b>91,244</b>	<b>102,865</b>

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### 27.6. Asset securitisation

During the 2007 and 2006 financial years, the institution has not carried out asset securitisation activities. The last asset securitisation activities, whereby loans and credits were assigned to various asset securitisation funds, having transferred to these funds the advantages and risks of the portfolio (basically, credit and interest rate risk and the yield associated with it), were carried out in 2002. The following shows the details of the value of the securitised assets in the 2002 financial year, which were excluded and that remain alive at 31 December 2007 and 2006:

	2007	2006
<b>Assets transferred 2002 financial year</b>		
Home mortgage loans	2,727	4,177
Consumer loans	892	1,510
	<b>3,619</b>	<b>5,687</b>

### 27.7. Financial leases

	2007	2006
<b>Other resident sectors</b>		
Liabilities payable	130,929	114,181
Unguaranteed residual values	7,509	6,623

### 28. Interest and similar yields

The following itemises the origin of the most significant interest and similar yields earned by the Group in the 2007 and 2006 financial years:

	2007	2006
Deposits at credit institutions	19,467	9,644
Customer loans	283,445	169,378
Debt securities	27,555	28,091
Doubtful assets	356	145
Rectification of income with origin in accounting covers	(1,045)	(818)
Other yields	80	43
	<b>329,858</b>	<b>206,483</b>

### 29. Interest and similar charges

The breakdown of the balance of this chapter in the consolidated profit and loss accounts for the 2007 and 2006 financial years is the following:

	2007	2006
Credit institution deposits	15,146	7,166
Customers' deposits	153,867	101,181
Debits representing negotiable securities	27,045	2,139
Subordinate debt financing	7,782	1,335
Rectification of costs with origin in accounting covers	2,636	(6,721)
Cost attributable to the pensions funds constituted	492	451
Other charges	336	279
	<b>207,304</b>	<b>105,830</b>

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### 31. Results of institutions valued by equity accounting

The breakdown by company of the balance of this chapter in the consolidated profit and loss accounts for the 2007 and 2006 financial years is the following:

	2007	2006
<b>Associates</b>		
Girona, SA	164	153
Cementiri de Girona	4	2
Polingesa	239	520
<b>Multigroup Entities</b>		
Estalvida de Seguros y Reaseguros, SA	147	217
Construccions Reixach, SL	2,603	377
Palau Migdia, SL	59	756
Norton Center, SL	(43)	(39)
Procagi, SL	64	-
Metric Habitatges, SL	14	-
Urban Girona, SL	(94)	-
	<b>3,157</b>	<b>1,986</b>

### 31. Fees collected

The following shows the amount of the income for fees collected in the 2007 and 2006 financial years classed in line with the main items by which they have been originated, and the headings of the profit and loss accounts of the above financial years in which they have been entered in the accounts:

	2007	2006
<b>Fees collected</b>		
Fees for contingent risks	2,359	1,364
Fees for contingent commitments	563	418
Fees for collection and payment services	19,847	15,773
Fees for foreign currency and note exchange	96	93
Marketing and sale commissions	8,749	8,177
Other	6,788	5,615
	<b>38,402</b>	<b>31,440</b>

### 32. Fees paid

The following shows the amount of the expense for fees paid in the 2007 and 2006 financial years classed in line with the main items by which they have been originated, and the headings of the consolidated profit and loss accounts of the above financial years in which they have been entered in the accounts:

	2007	2006
Fees granted to intermediaries	2,591	3,034
Other fees	1,084	744
	<b>3,675</b>	<b>3,778</b>

### 33. Net result of financial operations

The breakdown of the balance of this chapter of the consolidated profit and loss accounts for the 2007 and 2006 financial years according to the financial instrument portfolios that originate them is the following:

	2007	2006
Financial assets at fair value with changes at the income statement		
Trading portfolio	1,076	225
Other financial instruments at fair value in the income statement	(169)	(168)
Available-for-sale financial assets	2,055	9,243
Hedging derivatives	(42,012)	(39,696)
Other	47,761	45,014
	<b>8,711</b>	<b>14,618</b>

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### 34. Other operating revenue

The breakdown of the balance of this chapter in the consolidated profit and loss accounts for the 2007 and 2006 financial years is the following:

	2007	2006
Income from property investments	399	337
Financial commissions offsetting direct costs	3,157	3,579
Works carried out by own fixed assets	690	443
Other	2,481	2,967
	<b>6,727</b>	<b>7,326</b>

### 35. Staff costs

The composition of the "Staff costs" chapter in the consolidated profit and loss accounts of the 2007 and 2006 financial years is the following:

	2007	2006
Wages and salaries	42,376	37,665
Social Security	9,490	8,719
Allocations to external pensions funds	1,307	1,513
Other staff costs	1,351	1,445
	<b>54,524</b>	<b>49,342</b>

The financial cost of the yields from interest generated in favour of the internal pensions fund is recorded in heading 2 "Interest and similar charges" of the profit and loss account with an amount in 2007 of 375 thousand euros.

Similarly, the financial cost of the provision for partial retirements is recorded in the same heading and for an amount, in the same financial year, of 117 thousand euros.

The average number of Group employees, distributed by professional category, at 31 December 2007 and 2006 is the following:

	Number of employees	
	2007	2006
Senior Management	9	10
Directors and Managers	310	303
Administrative Clerks	389	361
Administrative Auxiliaries	408	352
Auxiliary Staff	9	10
	<b>1,125</b>	<b>1,036</b>

The following is the breakdown by item of the amounts recorded in the "Provisions – Provisions for pensions and similar obligations" and "Pension-linked insurance contracts" headings of the consolidated balance sheets at 31 December 2007 and 2006:

#### 35.1. Post-employment commitments

	2007	2006
Provisions – Provisions for pensions and similar obligations		
RD 1588/1999 outsourced	404	413
RD 1588/1999 rest	8,741	9,019
	<b>9,145</b>	<b>9,432</b>
Pension-linked insurance policies		
Post-employment commitments	404	413
	<b>404</b>	<b>413</b>

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### Defined contribution plans

Caixa Girona has undertaken with its employees, according to the agreements signed with the union representatives, the commitment of making a consistent contribution basically of 4% of the pensionable salary of its employees (calculated according to the professional category and age of the employee) to the external "Caixa Girona Fondo de Empleo, FP" pensions fund, which includes an Employment System Pensions Plan.

Similarly, employees enjoy additional cover in terms of widowhood, orphanhood and disability that are covered by insurance policies taken out with Caser, Compañía de Seguros y Reaseguros, SA.

The balance of these headings in 2007 was 404 thousand euros.

	2007	2006
<b>Present values of commitments</b>		
Risks accrued for non-caused pensions:		
Consolidated rights defined contribution	29,289	26,613
<b>Pension plan equity</b>	<b>30,136</b>	<b>27,210</b>

### Defined provision plans

At 31 December 2007 and 2006, the present value of the commitments undertaken in terms of post-employment remunerations by the Institution in line with the way in which these commitments are covered, and the reasonable value of the assets, affected and not affected, earmarked for their cover, and the present value of the commitments not recorded in the balance sheets on the above dates, in accordance with the provisions of Circular 4/2004, of the Bank of Spain, in line with the headings of the consolidated balance sheets on the above dates in which, as the case may be, they were entered, are shown below:

	2007	2006
<b>Present values of commitments</b>		
Commitments with retired passive personnel before 31/12/2000	8,741	9,019
<b>Provisions constituted</b>	<b>8,741</b>	<b>9,019</b>
Commitments with active personnel	6,568	5,449
Insurance policy balance	7,677	7,336
<b>Net assets in pensions plans (note 17)</b>	<b>1,109</b>	<b>1,887</b>

The commitments undertaken with the retired passive personnel before 31 December 2000 corresponds to the commitment undertaken by the Institution of completing the retirement provision of the employees up to an amount equal to 100% of the employee's pensionable salary on retirement.

The technical bases used for the calculations corresponding to the valuation of the pensions that are being paid from the institution's internal fund are the following:

- Technical interest rate: 4.00% a year
- Annual revaluation of the pension complements: 2% annual growth of pensions
- Survival tables: GRM-95 (Men) / GRF-95 (Women)

### **35.2. Commitments for partial retirements**

	2007	2006
Present values of commitments with partially retired personnel	3,755	2,427
<b>Provisions constituted</b>	<b>3,755</b>	<b>2,427</b>

The estimated retirement age of each employee is as agreed.

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The movement recorded in the "Provisions – Commitments for pensions and similar obligations" heading associated with the amounts that cover the Caixa de Girona's partial retirement commitments in the 2007 financial year is shown below:

	<b>2007</b>
<b>Balances at start of financial year:</b>	<b>2,427</b>
Movements reflected in the income statement	
Financial cost associated with the commitments	117
Allocations to the fund for new partial retirements	2,473
Movements not reflected in the income statement	
Payments to pre-retirements	(1,262)
<b>Balances at end of financial year:</b>	<b>3,755</b>

The technical bases used for the calculations corresponding to the valuation of the pensions that are being paid from the institution's internal fund are the following:

- Technical interest rate: 4.00% a year
- Annual revaluation of the pension complements: 2% annual growth of pensions
- Survival tables: PERM/F 2000 P
- Definitive retirement age: 65 years of age

### 35.3. Remuneration in kind

The remunerations in kind to personnel recognised in the consolidated profit and loss account correspond to the differential between the interest of the credit operations of the personnel calculated at the preferential interest rate determined in the Company Agreements in effect at the time and the market interest rate established for operations of a similar nature for the rest of the institution's customers. These remunerations came to 1,034 thousand euros in 2007 (778 thousand euros in 2006) and were subject to withholding on account of the Personal Income Tax corresponding to each of the employees holding these operations.

### 36. Other general administration expenses

The breakdown of the balance of this chapter in the consolidated profit and loss account for the 2007 and 2006 financial years is the following:

	<b>2007</b>	<b>2006</b>
Technology and systems	3,732	2,974
Communications	1,597	1,680
Advertising	1,676	1,333
Property and installations	5,621	4,579
Taxes	940	692
Rentals	3,010	2,582
Other administration expenses	7,709	7,278
	<b>24,285</b>	<b>21,118</b>

Included in the "Other administration expenses" balance are the fees paid for the audit of the institution and companies in the Group for the financial year ended at 31 December 2007, irrespective of when they were invoiced, which come to the sum of 136 thousand euros.

### 37. Other operating charges

The breakdown of the balance of this chapter in the consolidated profit and loss account for the 2007 and 2006 financial years is the following:

	<b>2007</b>	<b>2006</b>
Contribution to the Deposit Guarantee Fund	1,288	1,107
Other items	240	231
	<b>1,528</b>	<b>1,338</b>

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### 38. Related parties

The following shows the balances recorded in the consolidated balance sheets at 31 December 2007 and 2006, and the consolidated profit and loss accounts for the 2007 and 2006 financial years that have their origin in operations with related parties:

	2007			2006		
	Group Companies, Associates and Joint Businesses	Administrators and Key Management Personnel	Other related parties	Group Companies, Associates and Joint Businesses	Administrators and Key Management Personnel	Other related parties
<b>ASSETS:</b>						
Loans and Credits	86,897	2,380	14,623	62,287	2,712	8,265
<b>LIABILITIES:</b>						
Deposits	105,122	3,281	4,042	160,214	1,876	2,897
<b>PROFITS AND LOSSES:</b>						
Interest and similar charges	3,230	26	46	4,492	26	21
Interest and similar yields	402	9	305	1,116	61	136

Direct, credit and signature risks assumed by the members of the Board of Directors and of the Senior Management at 31 December 2007 and 2006 were made in the usual trading activity of Caixa Girona with its customers and entered into on market conditions.

However, in appropriate cases, the conditions normally arranged with Caixa Girona employees were applied, according to the employment agreements and covenants in effect at all times, with the amounts of risk in these conditions coming to 1,759 thousand euros at 31 December 2007 and 1,586 thousand euros at 31 December 2006.

### 39. Prevention of Money Laundering

Our Group has the necessary structure, policies and procedures to comply with Law 19/1993 and other legal regulations in effect in the matter, which materialises as most important aspects in:

- Internal regulations on the prevention of money laundering approved by the Management Committee applicable to the whole of the Caixa Girona Group.
- Computer applications that permit:
  - The selection of operations according to Article 7.2 of the Regulations of Law 19/1993 and Order EHA/1439/2006 for the monthly declaration of operations to the SEPBLAC.
  - The detection of possible suspicious operations and their communication to the SEPBLAC.
- A Money Laundering Prevention Commission, internal control and communication body of the Caixa Girona Group, a representative with the SEPBLAC and a department of Control and Rule Fulfilment, in charge of carrying out this money laundering prevention function.
- Constant and specific training in the matter to the Group's staff.

Our Group will continue to pay heed to future legal changes in the matter, especially in the transposition into Spanish regulations of Directive 2005/60/CE, with the aim of guaranteeing the stricter compliance with the law and of continuing to manage as suitably as possible the risks derived from money laundering, such as reputational, operative and legal risk.

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### **40. Customer care service**

At its meeting held on 28 June 2004, the Caixa Girona Board of Directors approved the creation of the Customer Care Service. At the same session, the Board of Caixa Girona approved the Regulations for adapting the operation of the above service.

With this agreement, Caixa Girona finalised its adaptation to the provisions of the Financial Systems Reform Measures Act 44/2002, of 22 November 2002, Royal Decree 303/2004, of February 2004, approving the Regulations of the Financial Services Customer Defence Commissioners and Order ECO/734/2004, of 11 March 2004, on the Customer Care Departments and Services and Customer Ombudsman of Financial Institutions.

During the 2007 financial year, the principal facts and figures relating to customer complaints were:

	2007	2006
Claims received	115	130
Complaints received	101	58
Other	1	-
	<b>217</b>	<b>188</b>

<b>Outcome of the rulings:</b>	
Favourable to the customer	148
Not favourable to the customer	65
Pending ruling	2
Not admitted	2

Type of complaints and claims received

<b>Complaints and claims</b>	
Assets operations	27
Liabilities operations	89
Other banking products	32
Collection and payment services	16
Investment services	8
Insurance and Pensions Funds	9
Services and Installations	36

In 2007, 3 claims were lodged with the Financial Institutions Customer Defence Commissioner (Claims Service of the Bank of Spain). In 1 claim, the Bank of Spain found in favour of the institution, with 2 replies pending at the end of the year.

Girona, 31 March 2008