BANCAJA EUROCAPITAL FINANCE

Financial Statements
Year ended December 31, 2003
with Report of Independent Auditors

ERNST & YOUNG

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Report of Independent Auditors

The Board of Directors
Bancaja Eurocapital Finance

We have audited the accompanying balance sheet of Bancaja Eurocapital Finance, as of December 31, 2003, and the related statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bancaja Eurocapital Finance at December 31, 2003, and the results of its operations, its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

March 31, 2004

BANCAJA EUROCAPITAL FINANCE

Balance Sheets as of December 31, 2003 and 2002 (Notes 1 and 2)
(Currency - U.S. dollars)

ASSETS	2003	2002
CASH AND CASH EQUIVALENTS	15,436	3,432
ACCRUED INTEREST RECEIVABLE	2,016,801	2,289,603
DEFERRED CHARGES	13,893	80,750
LONG TERM DEPOSITS (Note 3)	757,800,000	629,220,000
Total	759,846,130	631,593,785

LIABILITIES AND SHAREHOLDER'S EQUITY	2003	2002
LIABILITIES-		
ACCOUNTS PAYABLE	9,269	2,432
ACCRUED DIVIDENDS PAYABLE	2,016,801	2,289,603
DEFERRED INCOME	13,893	80,750
SHAREHOLDER'S EQUITY (Note 4)-		
Common stock,	1,000	1,000
Preference stock:		
Series A Preference Shares	378,900,000	314,610,000
Series B Preference Shares	378,900,000	314,610,000
Retained earnings	5,167	-
	757,806,167	629,221,000
Total	759,846,130	631,593,785

The accompanying Notes 1 to 6 are an integral part of these balance sheets.

BANCAJA EUROCAPITAL FINANCE

Statements of income and retained earnings,
for the years ended as of December 31, 2003 and 2002 (Notes 1 and 2)
(Currency - U.S. Dollars)

	2003	2002
RETAINED EARNINGS, beginning of year	-	638
INTEREST AND OTHER INCOME:		
Other operating income	91,972	10,000
Interest income (Note 3)	27,540,710	27,056,936
	27,632,682	27,066,936
INTEREST AND OTHER EXPENSES:		
Other operating expenses	(86,805)	(10,513)
Interest expense	(66,857)	(45,276)
	(153,662)	(55,789)
FOREIGN EXCHANGE (LOSS) INCOME:		
Exchange gains	128,580,000	100,439,730
Exchange losses	(128,580,000)	(100,439,854)
	-	(124)
NET INCOME	27,479,020	27,011,023
INTERIM DIVIDENDS	(27,473,853)	(27,011,661)
RETAINED EARNINGS, end of year	5,167	-

The accompanying Notes 1 to 6 are an integral part of these statements of income and retained earnings.

BANCAJA EUROCAPITAL FINANCE

Statements of cash flows
for the years ended as of December 31, 2003 and 2002 (Notes 1 and 2)
(Currency - U.S. dollars)

	2003	2002
Cash flows from operating activities		
Net income for the year	27,479,020	27,011,023
Adjustments to reconcile net income to net cash provided by in operating activities		
Changes in operating assets and liabilities		
Decrease in accrued interest receivable	272,802	(294,093)
Decrease in deferred charges	66,857	45,276
Increase / (Decrease) in accounts payable	6,837	(1,668)
Decrease in deferred income	(66,857)	(45,276)
Net cash provided by operating activities	27,758,659	26,715,262
Cash flows from financing activities		
Dividends paid	(27,746,655)	(26,717,567)
Net cash provided by financing activities	(27,746,655)	(26,717,567)
Net increase in cash and cash equivalents	12,004	(2,305)
Cash and cash equivalents, beginning of the year	3,432	5,737
Cash and cash equivalents, end of year	15,436	3,432

The accompanying Notes 1 to 6 are an integral part of these statements of cash flows.

BANCAJA EUROCAPITAL FINANCE

Statements of changes in shareholder's equity
for the years ended December 31, 2003 and 2002 (Notes 1 and 2)
(Currency -U.S. Dollars)

	2003	2002
Number of authorized and issued common shares-		
Balance at the end of the year	1,000	1,000
Number of authorized and issued Preference Shares-		
Balance at the end of the year	1,000,000	1,000,000
Par value per share-		
Common Shares (U.S. $)	1	1
Series A Preference Shares (Euro 600)	757.80	629.22
Series B Preference Shares (Euro 600)	757.80	629.22
Common stock-		
Balance at the end of the year	1,000	1,000
Preference stock-		
Balance at the beginning of the year	629,220,000	528,780,271
Adjustments to closing exchange rate	128,580,000	100,439,729
Balance at the end of the year	757,800,000	629,220,000
Retained earnings-		
Balance at beginning of year	-	638
Net income for the period	27,479,020	27,011,023
Dividends	(27,473,853)	(27,011,661)
Balance at end of year	5,167	-

The accompanying Notes 1 to 6 are an integral part of these statements.

NOTE 1. COMPANY DESCRIPTION

Bancaja Eurocapital Finance (the "Company"), was incorporated on December 11, 1998 under the laws of the Cayman Islands, in order to perform investments, financing and trade operations.

The Company is a wholly-owned subsidiary of Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja (the "Parent") (see Note 4), and was created to issue preference shares and place the funds as deposits in the Parent. All the administrative services are performed by Maples Finance (formerly Queensgate SPV Services Ltd). The Company has no employee.

The Company invest substantially all of its assets in Long Term Deposits with its Parent. Accordingly, there is a concentration of credit risk with the Parent.

The Registered Office of the Company is located at P.O. Box 309 in the Cayman Islands.

These Financial Statements were authorized for issue by the Directors on March 30, 2004.

NOTE 2. BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

Basis of presentation

The accompanying financial statements have been prepared based on the Company's accounting records as of December 31, 2003 and 2002. The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Committee.

Accounting policies

The significant accounting policies are:

a) Disclosure about Fair Value of Financial Instruments

International Accounting Standard nº 32, "Financial Instruments: Disclosure and Presentation", requires the disclosure of fair value information about financial instruments, whether or not recognized in the financial statements, for which it is practicable to estimate the value. The carrying amount of cash approximates fair value due to demand maturity of the balance. The carrying amount of Long Term Deposits and Preference Shares approximates fair value of US$ 776 million as of December 31, 2003.

b) Deferred charges

Deferred charges are due to the cost of the issue of preference shares. Deferred charges are amortized over the period until the date the corresponding preference shares may be redeemed (five years from issue date). Amortization of approximately US$ 67 thousand is expensed in 2003. This amount is included under the "Interest expense" caption in the accompanying statements of income.

c) Cash and Cash Equivalents

Cash and Cash Equivalents includes balances in bank accounts.

d) Long Term Deposits

Deposits are recorded at the principal amount. The discount on issue of the deposits representing the difference between the principal amount and net proceeds has been recorded as deferred income in the liabilities.

Accretion of discounts corresponding to these deposits are calculated using the interest method on a yearly basis. The Company recorded accretion of US$ 67 thousand as of December 31, 2003. This balance is recorded in the "Interest income" caption of the statement of income.

Notes to financial statements
for the year ended December 31, 2003

Accounting policies (continued)
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d) Long Term Deposits

Interest rate and credit risk have been effectively offset due to the guarantee granted by the Parent and the linkage of the interest rates on assets and dividend rate on Preference Shares. Maturity/redemption dates are also matched to hedge interest rate and credit risk.

The Company invests substantially all of its assets in Long Term Deposits with its Parent. Accordingly, there is a concentration of credit risk with the Parent.

e) Recognition of income and expenses

Income and expenses are calculated using the accrual method of accounting.

The caption “Interest income” of the statement of income include the interests of the long term Deposits accrued during the years ended 2003 and 2002, respectively.

f) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Assets, liabilities and shareholders´ equity denominated in foreign currencies are translated into U.S. dollars at the year end exchange rates. Translation adjustments are recorded in the income statement.

Exchange differences as a result of translation of foreign currency assets and liabilities are charged or credited, as appropriate to income statement for the year.

NOTE 3. LONG TERM DEPOSITS

The detail of the balances of this caption in the accompanying balance sheet is as follows:

	Interest rate		Thousands of Principal amount & currency		Thousands of US$	
	12-31-03	12-31-02			12-31-03	12-31-02
Deposit at the Parent relating to Series A Preference Shares (Note 4)	4.430%	4.430%	EURO	300,000	378,900	314,610
Deposit at the Parent relating to Series B Preference Shares (Note 4)	2.477%	4.909%	EURO	300,000	378,900	314,610

The Company and Parent have agreed an interest rate for both subordinated deposits which shall be at least equal to the dividends to be paid on the corresponding Preference Shares on each dividend payment date. The related income is recorded under the "Interest income" caption in the statements of income as of December 31, 2003 and 2002.

The maturity of these Deposits is tied to the redemption date of the Series A and B Preference Shares, respectively, as the Deposits have no fixed maturity dates.

NOTE 4. SHAREHOLDER'S EQUITY

Common and preference stock

As of December 31, 2003 and 2002, the Company's authorized capital stock consisted of 10,000 shares, of US$ 1.00 par value each and 2,000,000 redeemable preference shares of Euro 600 par value each. All the shares were owned by Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja (see Note 1) at this date.

NOTE 4. SHAREHOLDER'S EQUITY (CONTINUED)

Euro Series A Preference Shares

The Series A Preference Shares Issue is divided into 500,000 shares, which have been fully paid, of a nominal or par value of Euro 600 each. These shares entitle holders to receive non-cumulative preferential cash dividends, at a rate of the twelve month Euribor plus 0.2%, payable quarterly on March 3, June 3, September 3 and December 3 beginning on June 3, 1999. The minimum dividend rate of the Series A Preference Shares is 4.43% per annum during the first five years from the date of the issue.

The Series A Preference Shares were issued on March 3, 1999 (US$ 321,256 thousand proceeds at issue), and they can be redeemed by the Company, subject to the prior approval of the Bank of Spain, in whole but not in part, at the nominal value per share on any dividend date falling on or after March 3, 2004.

The aggregate amount of the Series A Preference Shares dividends accrued during 2003 was US$ 15,312 thousands (US$ 12,887 thousands during 2002), and is recorded under the "Interim dividends" caption of the statement of income and retained earnings as of December 31, 2003. An amount of US$ 1,260 thousands (US$ 1,046 thousands during 2002) has been included under this caption, as unpaid dividends as of December 31, 2003.

Series A Preference Shares are listed on the A.I.A.F. Market in Madrid, Spain. As of December 31, 2003 their market value per share was 100%.

Series A Preference Shares do not allow voting rights (i.e.: attendance to Shareholders' meetings), except for:

- No payment of four consecutive scheduled dividends,
- Changes in bylaws of the Company that affect Series B Preference Shares' rights,
- Agreements for dissolution of the Company.

NOTE 4. SHAREHOLDER'S EQUITY (CONTINUED)

Euro Series B Preference Shares

The Series B Preference Shares Issue is divided into 500,000 shares, which have been fully paid, of a nominal or par value of Euro 600 each. These shares entitle holders to receive non-cumulative preferential cash dividends, at a rate of twelve month Euribor plus 0.2%, payable quarterly on March 1, June 1, September 1 and December 1 in each year. The holders begun to receive dividends on September 1, 2000. The minimum dividend rate of the Series B Preference Shares is 4.909% per annum during the first three years from the date of the issue. The dividend rate of the Series B Preference Shares is 2.477% at December 31, 2003.

The Series B Preference Shares were issued in June 1st, 2000, and they can be redeemed by the Company, subject to the prior approval of the Bank of Spain, in whole but not in part, at the nominal value per share on any dividend date falling on or after June 1, 2005.

The aggregate amount of the Series B Preference Shares dividends accrued during 2003 was US$ 12,162 thousands (US$ 14,124 thousands during 2002), and is recorded under the "Interim dividends" caption of the statement of income and retained earnings as of December 31, 2003. An amount of US$ 757 thousands (US$ 1,243 thousands during 2002) has been included under this caption, as unpaid dividends as of December 31, 2003.

Series B Preference Shares are listed on the A.I.A.F. Market in Madrid, Spain. As of December 31, 2003 their market value per share was 100%.

Series B Preference Shares do not allow voting rights (i.e.: attendance to Shareholders' meetings), except for:

- No payment of four consecutive scheduled dividends,
- Changes in bylaws of the Company that affect Series B Preference Shares' rights,
- Agreements for dissolution of the Company.

NOTE 5. TAX MATTERS

At the present, no income, profit, capital or capital gain taxes are levied in the Cayman Islands and, accordingly, no provision for such taxes has been recorded in the accompanying financial statements. In the event that such taxes were levied, the Company has received an undertaking from the Cayman Islands Government exempting it from all of this kind of taxes until February 15, 2014.

NOTE 6. SUBSEQUENT EVENTS

No events have taken place to date since December 31, 2003 which significantly affect or change the contents of these financial statements.

BANCAJA EUROCAPITAL FINANCE

Financial Statements
Year ended December 31, 2003
with Report of Independent Auditors

ERNST & YOUNG

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Report of Independent Auditors

The Board of Directors
Bancaja Eurocapital Finance

We have audited the accompanying balance sheet of Bancaja Eurocapital Finance, as of December 31, 2003, and the related statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bancaja Eurocapital Finance at December 31, 2003, and the results of its operations, its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

March 31, 2004

BANCAJA EUROCAPITAL FINANCE

Balance Sheets as of December 31, 2003 and 2002 (Notes 1 and 2)
(Currency - U.S. dollars)

ASSETS	2003	2002
CASH AND CASH EQUIVALENTS	15,436	3,432
ACCRUED INTEREST RECEIVABLE	2,016,801	2,289,603
DEFERRED CHARGES	13,893	80,750
LONG TERM DEPOSITS (Note 3)	757,800,000	629,220,000
Total	759,846,130	631,593,785

LIABILITIES AND SHAREHOLDER'S EQUITY	2003	2002
LIABILITIES-		
ACCOUNTS PAYABLE	9,269	2,432
ACCRUED DIVIDENDS PAYABLE	2,016,801	2,289,603
DEFERRED INCOME	13,893	80,750
SHAREHOLDER'S EQUITY (Note 4)-		
Common stock,	1,000	1,000
Preference stock:		
Series A Preference Shares	378,900,000	314,610,000
Series B Preference Shares	378,900,000	314,610,000
Retained earnings	5,167	-
	757,806,167	629,221,000
Total	759,846,130	631,593,785

The accompanying Notes 1 to 6 are an integral part of these balance sheets.

BANCAJA EUROCAPITAL FINANCE

Statements of income and retained earnings,
for the years ended as of December 31, 2003 and 2002 (Notes 1 and 2)
(Currency - U.S. Dollars)

	2003	2002
RETAINED EARNINGS, beginning of year	-	638
INTEREST AND OTHER INCOME:		
Other operating income	91,972	10,000
Interest income (Note 3)	27,540,710	27,056,936
	27,632,682	27,066,936
INTEREST AND OTHER EXPENSES:		
Other operating expenses	(86,805)	(10,513)
Interest expense	(66,857)	(45,276)
	(153,662)	(55,789)
FOREIGN EXCHANGE (LOSS) INCOME:		
Exchange gains	128,580,000	100,439,730
Exchange losses	(128,580,000)	(100,439,854)
	-	(124)
NET INCOME	27,479,020	27,011,023
INTERIM DIVIDENDS	(27,473,853)	(27,011,661)
RETAINED EARNINGS, end of year	5,167	-

The accompanying Notes 1 to 6 are an integral part of these statements of income and retained earnings.

BANCAJA EUROCAPITAL FINANCE

Statements of cash flows
for the years ended as of December 31, 2003 and 2002 (Notes 1 and 2)
(Currency - U.S. dollars)

	2003	2002
Cash flows from operating activities		
Net income for the year	27,479,020	27,011,023
Adjustments to reconcile net income to net cash provided by in operating activities		
Changes in operating assets and liabilities		
Decrease in accrued interest receivable	272,802	(294,093)
Decrease in deferred charges	66,857	45,276
Increase / (Decrease) in accounts payable	6,837	(1,668)
Decrease in deferred income	(66,857)	(45,276)
Net cash provided by operating activities	27,758,659	26,715,262
Cash flows from financing activities		
Dividends paid	(27,746,655)	(26,717,567)
Net cash provided by financing activities	(27,746,655)	(26,717,567)
Net increase in cash and cash equivalents	12,004	(2,305)
Cash and cash equivalents, beginning of the year	3,432	5,737
Cash and cash equivalents, end of year	15,436	3,432

The accompanying Notes 1 to 6 are an integral part of these statements of cash flows.

BANCAJA EUROCAPITAL FINANCE

Statements of changes in shareholder's equity
for the years ended December 31, 2003 and 2002 (Notes 1 and 2)
(Currency -U.S. Dollars)

	2003	2002
Number of authorized and issued common shares-		
Balance at the end of the year	1,000	1,000
Number of authorized and issued Preference Shares-		
Balance at the end of the year	1,000,000	1,000,000
Par value per share-		
Common Shares (U.S. $)	1	1
Series A Preference Shares (Euro 600)	757.80	629.22
Series B Preference Shares (Euro 600)	757.80	629.22
Common stock-		
Balance at the end of the year	1,000	1,000
Preference stock-		
Balance at the beginning of the year	629,220,000	528,780,271
Adjustments to closing exchange rate	128,580,000	100,439,729
Balance at the end of the year	757,800,000	629,220,000
Retained earnings-		
Balance at beginning of year	-	638
Net income for the period	27,479,020	27,011,023
Dividends	(27,473,853)	(27,011,661)
Balance at end of year	5,167	-

The accompanying Notes 1 to 6 are an integral part of these statements.

BANCAJA EUROCAPITAL FINANCE

Notes to financial statements
for the year ended December 31, 2003

NOTE 1. COMPANY DESCRIPTION

Bancaja Eurocapital Finance (the "Company"), was incorporated on December 11, 1998 under the laws of the Cayman Islands, in order to perform investments, financing and trade operations.

The Company is a wholly-owned subsidiary of Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja (the "Parent") (see Note 4), and was created to issue preference shares and place the funds as deposits in the Parent. All the administrative services are performed by Maples Finance (formerly Queensgate SPV Services Ltd). The Company has no employee.

The Company invest substantially all of its assets in Long Term Deposits with its Parent. Accordingly, there is a concentration of credit risk with the Parent.

The Registered Office of the Company is located at P.O. Box 309 in the Cayman Islands.

These Financial Statements were authorized for issue by the Directors on March 30, 2004.

NOTE 2. BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

Basis of presentation

The accompanying financial statements have been prepared based on the Company's accounting records as of December 31, 2003 and 2002. The financial statements have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Committee.

Notes to financial statements
for the year ended December 31, 2003

Accounting policies

The significant accounting policies are:

a) Disclosure about Fair Value of Financial Instruments

International Accounting Standard nº 32, "Financial Instruments: Disclosure and Presentation", requires the disclosure of fair value information about financial instruments, whether or not recognized in the financial statements, for which it is practicable to estimate the value. The carrying amount of cash approximates fair value due to demand maturity of the balance. The carrying amount of Long Term Deposits and Preference Shares approximates fair value of US$ 776 million as of December 31, 2003.

b) Deferred charges

Deferred charges are due to the cost of the issue of preference shares. Deferred charges are amortized over the period until the date the corresponding preference shares may be redeemed (five years from issue date). Amortization of approximately US$ 67 thousand is expensed in 2003. This amount is included under the "Interest expense" caption in the accompanying statements of income.

c) Cash and Cash Equivalents

Cash and Cash Equivalents includes balances in bank accounts.

d) Long Term Deposits

Deposits are recorded at the principal amount. The discount on issue of the deposits representing the difference between the principal amount and net proceeds has been recorded as deferred income in the liabilities.

Accretion of discounts corresponding to these deposits are calculated using the interest method on a yearly basis. The Company recorded accretion of US$ 67 thousand as of December 31, 2003. This balance is recorded in the "Interest income" caption of the statement of income.

Accounting policies (continued)
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d) Long Term Deposits

Interest rate and credit risk have been effectively offset due to the guarantee granted by the Parent and the linkage of the interest rates on assets and dividend rate on Preference Shares. Maturity/redemption dates are also matched to hedge interest rate and credit risk.

The Company invests substantially all of its assets in Long Term Deposits with its Parent. Accordingly, there is a concentration of credit risk with the Parent.

e) Recognition of income and expenses

Income and expenses are calculated using the accrual method of accounting.

The caption "Interest income" of the statement of income include the interests of the long term Deposits accrued during the years ended 2003 and 2002, respectively.

f) Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Assets, liabilities and shareholders' equity denominated in foreign currencies are translated into U.S. dollars at the year end exchange rates. Translation adjustments are recorded in the income statement.

Exchange differences as a result of translation of foreign currency assets and liabilities are charged or credited, as appropriate to income statement for the year.

BANCAJA EUROCAPITAL FINANCE

Notes to financial statements
for the year ended December 31, 2003

NOTE 3. LONG TERM DEPOSITS

The detail of the balances of this caption in the accompanying balance sheet is as follows:

	Interest rate		Thousands of Principal amount & currency		Thousands of US$	
	12-31-03	12-31-02			12-31-03	12-31-02
Deposit at the Parent relating to Series A Preference Shares (Note 4)	4.430%	4.430%	EURO	300,000	378,900	314,610
Deposit at the Parent relating to Series B Preference Shares (Note 4)	2.477%	4.909%	EURO	300,000	378,900	314,610

The Company and Parent have agreed an interest rate for both subordinated deposits which shall be at least equal to the dividends to be paid on the corresponding Preference Shares on each dividend payment date. The related income is recorded under the "Interest income" caption in the statements of income as of December 31, 2003 and 2002.

The maturity of these Deposits is tied to the redemption date of the Series A and B Preference Shares, respectively, as the Deposits have no fixed maturity dates.

NOTE 4. SHAREHOLDER'S EQUITY

Common and preference stock

As of December 31, 2003 and 2002, the Company's authorized capital stock consisted of 10,000 shares, of US$ 1.00 par value each and 2,000,000 redeemable preference shares of Euro 600 par value each. All the shares were owned by Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja (see Note 1) at this date.

NOTE 4. SHAREHOLDER'S EQUITY (CONTINUED)

Euro Series A Preference Shares

The Series A Preference Shares Issue is divided into 500,000 shares, which have been fully paid, of a nominal or par value of Euro 600 each. These shares entitle holders to receive non-cumulative preferential cash dividends, at a rate of the twelve month Euribor plus 0.2%, payable quarterly on March 3, June 3, September 3 and December 3 beginning on June 3, 1999. The minimum dividend rate of the Series A Preference Shares is 4.43% per annum during the first five years from the date of the issue.

The Series A Preference Shares were issued on March 3, 1999 (US$ 321,256 thousand proceeds at issue), and they can be redeemed by the Company, subject to the prior approval of the Bank of Spain, in whole but not in part, at the nominal value per share on any dividend date falling on or after March 3, 2004.

The aggregate amount of the Series A Preference Shares dividends accrued during 2003 was US$ 15,312 thousands (US$ 12,887 thousands during 2002), and is recorded under the "Interim dividends" caption of the statement of income and retained earnings as of December 31, 2003. An amount of US$ 1,260 thousands (US$ 1,046 thousands during 2002) has been included under this caption, as unpaid dividends as of December 31, 2003.

Series A Preference Shares are listed on the A.I.A.F. Market in Madrid, Spain. As of December 31, 2003 their market value per share was 100%.

Series A Preference Shares do not allow voting rights (i.e.: attendance to Shareholders' meetings), except for:

- No payment of four consecutive scheduled dividends,
- Changes in bylaws of the Company that affect Series B Preference Shares' rights,
- Agreements for dissolution of the Company.

NOTE 4. SHAREHOLDER'S EQUITY (CONTINUED)

Euro Series B Preference Shares

The Series B Preference Shares Issue is divided into 500,000 shares, which have been fully paid, of a nominal or par value of Euro 600 each. These shares entitle holders to receive non-cumulative preferential cash dividends, at a rate of twelve month Euribor plus 0.2%, payable quarterly on March 1, June 1, September 1 and December 1 in each year. The holders begun to receive dividends on September 1, 2000. The minimum dividend rate of the Series B Preference Shares is 4.909% per annum during the first three years from the date of the issue. The dividend rate of the Series B Preference Shares is 2.477% at December 31, 2003.

The Series B Preference Shares were issued in June 1st, 2000, and they can be redeemed by the Company, subject to the prior approval of the Bank of Spain, in whole but not in part, at the nominal value per share on any dividend date falling on or after June 1, 2005.

The aggregate amount of the Series B Preference Shares dividends accrued during 2003 was US$ 12,162 thousands (US$ 14,124 thousands during 2002), and is recorded under the "Interim dividends" caption of the statement of income and retained earnings as of December 31, 2003. An amount of US$ 757 thousands (US$ 1,243 thousands during 2002) has been included under this caption, as unpaid dividends as of December 31, 2003.

Series B Preference Shares are listed on the A.I.A.F. Market in Madrid, Spain. As of December 31, 2003 their market value per share was 100%.

Series B Preference Shares do not allow voting rights (i.e.: attendance to Shareholders' meetings), except for:

- No payment of four consecutive scheduled dividends,
- Changes in bylaws of the Company that affect Series B Preference Shares' rights,
- Agreements for dissolution of the Company.

NOTE 5. TAX MATTERS

At the present, no income, profit, capital or capital gain taxes are levied in the Cayman Islands and, accordingly, no provision for such taxes has been recorded in the accompanying financial statements. In the event that such taxes were levied, the Company has received an undertaking from the Cayman Islands Government exempting it from all of this kind of taxes until February 15, 2014.

NOTE 6. SUBSEQUENT EVENTS

No events have taken place to date since December 31, 2003 which significantly affect or change the contents of these financial statements.

BANCAJA

Caja de Ahorros de Valencia, Castellón y Alicante

Valencia, 11 de agosto 2004

Atn Sr. Carlos Lázaro

Muy Sr nuestro,

Tal y como solicitaron, les adjuntamos las Cuentas Anuales, el Informe de Gestión y el Informe de Auditoría correspondientes al ejercicio 2003 de la entidad Bancaja Eurocapital Finance traducida a castellano. Para cualquier consulta pueden ponerse en contacto con el departamento de Financiación Estructural, en el teléfono 96/3982021.

Atentamente,

Eva Rodrigo

BANCAJA EUROCAPITAL FINANCE

Estados Financieros
31 de diciembre de 2003
junto con Informe de Auditores Independientes.

Ernst & Young
P.O. Box 510GT
One Capital Place, 4th Floor
Shedden Road
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Antillas Británicas

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C N M V
Registro de Auditorias
Emisores
Nº 8462

INFORME DE AUDITORES INDEPENDIENTES

Al Consejo de Administración
Bancaja Eurocapital Finance

Hemos auditado el Balance de Situación adjunto de Bancaja Eurocapital Finance a 31 de diciembre de 2003, y la Cuenta de Resultados y Beneficios retenidos así como los Flujos de Fondos para el año que finaliza en tal fecha. Estos Estados Financieros son responsabilidad de la Dirección de la Sociedad. Nuestra responsabilidad es expresar una opinión sobre estos estados financieros basada en nuestra auditoria.

Hemos realizado nuestra auditoria con arreglo a Normas Internacionales de Auditoria. Tales normas exigen que se planifique y se lleve a cabo la auditoria de modo que estemos razonablemente seguros de que los estados financieros carecen de informaciones falsas importantes. Una auditoria incluye el examen, con arreglo a pruebas, de las evidencias que respaldan las cantidades y notas aclaratorias de los estados financieros. Una auditoria incluye también la comprobación de los principios contables aplicados y de las estimaciones significativas realizadas por la Dirección, así como la evaluación de la presentación global de los estados financieros. Creemos que nuestra auditoria proporciona una base suficientemente razonable para nuestra opinión.

En nuestra opinión, los estados financieros antes aludidos presentan una imagen fiel, en todos los aspectos significativos, de la situación financiera de Bancaja Eurocapital Finance a 31 de diciembre de 2003, y de los resultados de sus operaciones y sus flujos de fondos para el año finalizado en tal fecha con arreglo a Normas Internacionales Auditoria.

Firmado. 31 de marzo de 2004.

BANCAJA EUROCAPITAL FINANCE

BALANCE DE SITUACIÓN - 31 DE DICIEMBRE, 2003 y 2002 (notas 1 y 2)

ACTIVO	2003	2002
TESORERIA Y CIRCULANTE	15.436	3.432
INTERES DEVENGADOS A COBRAR	2.016.801	2.289.603
GASTOS DIFERIDOS	13.893	80.750
DEPOSITOS A LARGO PLAZO (Nota 3)	757.800.000	629.220.000
Total Activo	759.846.130	631.593.785

PASIVO Y FONDOS PROPIOS	2002	2002
EXIGIBLE - CUENTAS A PAGAR	9.269	2.432
DIVIDENDOS DEVENGADOS A PAGAR	2.016.801	2.289.603
INGRESOS DIFERIDOS	13.893	80.750
FONDOS PROPIOS (Nota 4):		
Acciones ordinarias, US$1 valor nominal, 1.000 acciones autorizadas, emitidas y en circulación	1.000	1.000
Participaciones Preferentes:		
Participaciones Preferentes Serie A,	378.900.000	314.610.000
Participaciones Preferentes Serie B,	378.900.000	314.610.000
Beneficios Retenidos	5.167	--
	757.806.167	629.221.000
Total Pasivo	759.846.130	631.593.785

Las notas 1 a 6 adjuntas son parte integrante de este Balance de Situación.

BANCAJA EUROCAPITAL FINANCE

CUENTA DE RESULTADOS Y BENEFICIOS RETENIDOS

PARA LOS AÑOS FINALIZADOS A 31 DE DICIEMBRE DE 2003 Y 2002 (notas 1 y 2)

(divisa US$)

	2003	2002
Beneficios retenidos, principio de año	--	638
INTERESES Y OTROS INGRESOS		
Otros ingresos de las operaciones	91.972	10.000
Ingresos financieros (Nota 3)	27.540.710	27.056.936
	27.632.682	27.066.936
INTERESES Y OTROS GASTOS		
Otros gastos de las operaciones	(86.805)	(10.513)
Gastos financieros	(66.857)	(45.276)
	(153.662)	(55.789)
(PÉRDIDA) BENEFICIO POR CONVERSIÓN DE DIVISAS		
Diferencias positivas de cambio	128.580.000	100.439.730
Diferencias negativas de cambio	(128.580.000)	(100.439.854)
	--	(124)
BENEFICIOS NETOS	27.479.020	27.011.023
DIVIDENDOS A CUENTA	(27.473.853)	(27.011.661)
BENEFICIOS RETENIDOS, final de año	5.617	--

Las notas 1 a 6 adjuntas son parte integrante de esta Cuenta de Resultados y Reservas

BANCAJA EUROCAPITAL FINANCE

ESTADOS DE FLUJO DE FONDOS

PARA LOS AÑOS TERMINADOS A 31 DE DICIEMBRE DE 2003 y 2002 (Notas 1 y 2)

(divisa US$)

	2003	2002
FLUJOS DE FONDOS DE LAS ACTIVIDADES DE EXPLOTACIÓN:		
Beneficios netos del año	27.479.020	27.011.023
Ajustes para reconciliar los ingresos netos con el flujo neto producido por operaciones:		
Cambios en activo y pasivo		
Reducción en intereses devengados a cobrar	272.802	(294.093)
Reducción en gastos diferidos	66.857	45.276
Aumento/Reducción en cuentas a pagar	(6.837)	(1.668)
Reducción en ingresos diferidos	(66.857)	(45.276)
Flujo neto producido por operaciones	27.758.659	26.715.262
FLUJOS DE FONDOS DE ACTIVIDADES DE FINANCIACIÓN:		
Dividendos abonados	(27.746.655)	(26.717.567)
Flujo neto producido por actividades de financiación	(27.746.655)	(26.717.567)
Aumento neto en tesorería y circulante	12.004	(2.305)
Tesorería y Circulante, a principio de año	3.432	5.737
Tesorería y Circulante, a final de año	15.436	3.432

Las notas 1 a 6 adjuntas son parte integrante de este Estado de Flujos de Fondos

BANCAJA EUROCAPITAL FINANCE

ESTADO DE CAMBIOS EN LOS RECURSOS PROPIOS

PARA LOS AÑOS TERMINADOS A 31 DE DICIEMBRE DE 2002 y 2001 (Notas 1 y 2) (Dólares US.)

	2003	2002
Número de acciones ordinarias autorizadas y emitidas		
Saldo al final del año	1.000	1.000
Número de Participaciones Preferentes autorizadas y emitidas		
Saldo al final del año	1.000.000	1.000.000
Valor nominal por acción / participación		
Acciones ordinarias (US$)	1	1
Participaciones Preferentes Serie A (Euro 600)	757,80	629,22
Participaciones Preferentes Serie B (Euro 600)	757,80	629,22
Acciones Ordinarias		
Saldo al final del año	1.000	1.000
Participaciones Preferentes		
Saldo a principio de año	629.220.000	528.780.271
Ajustes al tipo de cambio de cierre	128.580.000	100.439.729
	-----------	-----------
Saldo al final del año	757.800.000	629.220.000
	==========	==========
Beneficios Retenidos		
Saldo a principio de año	--	638
Beneficio neto del periodo	27.479.020	27.011.023
Dividendos	(27.473.853)	(27.011.661)
Saldo a final de año	5.167	--
	============	==========

Las notas 1 a 6 adjuntas son parte integrante de este Estado de cambios en Recursos Propios

BANACAJA EUROCAPITAL FINANCE
NOTAS ACLARATORIAS A LOS ESTADOS FINANCIEROS
AÑO FINALIZADO A DICIEMBRE 31, 2003

NOTA 1 DESCRIPCIÓN DE LA SOCIEDAD:

Bancaja Eurocapital Finance (la "Sociedad") fue constituida el 11 de diciembre de 1998 en virtud de la legislación de las Islas Caimán, para llevar a cabo operaciones de inversión, financiación y comercio.

La Sociedad es una filial al cien por cien de Caja de Ahorros de Valencia, Alicante y Castellón, Bancaja (la "Matriz") (véase Nota 4) creada para emitir participaciones preferentes y colocar los fondos como depósitos en la Matriz. Todos los servicios administrativos son llevados a cabo por Maples Finance (anteriormente denominada Queensgate SPV Services Ltd.). La Sociedad no tiene empleados.

La Sociedad invierte sustancialmente todos sus activos en Depósitos a Largo Plazo con su Matriz. En consecuencia, hay una concentración de riesgo crediticio con la Matriz.

El Domicilio Social de la Sociedad está ubicado en P.O. Box 309 en las Islas Caimán.

La emisión de estos Estados Financieros fue autorizada por los Consejerosn el 30 de marzo de 2004.

NOTA 2 BASE DE PRESENTACIÓN Y PRINCIPIOS CONTABLES

Base de Presentación

Los estados financieros adjuntos han sido preparados sobre la base de los registros contables de la Sociedad a fecha de 31 de diciembre de 2003 y 2002. Los estados financieros han sido preparados de acuerdo con normas internacionales de declaraciones financieras emitidas por el Comité Internacional de Normas Contables.

Políticas Contables

Las políticas contables más significativas son:

a) Declaración del Valor Justo de los Instrumentos Financieros

La Norma Internacional Contable n° 32 "Instrumentos Financieros: Declaración y Presentación", exige la declaración de la información del valor justo sobre los instrumentos financieros, ya esté o no reconocido en los estados financieros, para lo cual es viable estimar el valor. El valor neto en libros de efectivo se aproxima al valor neto en libros como consecuencia del vencimiento exigible del saldo. El valor justo de los Depósitos a Largo Plazo y Participaciones Preferentes se aproxima a US$ 776 millones a 31 de diciembre de 2003.

b) Gastos Diferidos

Los gastos diferidos se deben al coste de la emisión de las participaciones preferentes. Los gastos diferidos se amortizan durante el periodo y hasta la fecha en que las participaciones preferentes correspondientes pueden rescatarse (cinco años a partir de la fecha de emisión). En 2003 se han amortizado aproximadamente US$67 mil. Este importe se incluye en el epígrafe "gastos financieros" de la cuenta de resultados adjunta.

c) Tesorería y Circulante

El Efectivo y equivalentes incluyen los saldos en cuentas bancarias.

d) Depósitos a Largo Plazo.

Los depósitos se contabilizan por el importe del principal. El descuento en la emisión de los depósitos, que representa la diferencia entre el importe de principal y los fondos netos, ha sido contabilizado como ingreso diferido en el pasivo.

La plusvalía de descuentos que corresponden a estos depósitos se calculan utilizando el método de intereses con carácter anual. La Sociedad contabilizó una plusvalía de US$67 mil a fecha de 31 de diciembre de 2003. Este saldo se contabiliza en el epígrafe "ingresos financieros" de la cuenta de resultados.

d) Depósitos a largo plazo

El tipo de interés y el riesgo crediticio han sido perfectamente cubiertos debido a la garantía concedida por la Matriz y a la vinculación entre los tipos de interés sobre los activos y los tipos de dividendo sobre las Participaciones Preferentes. Las fechas de vencimiento/rescate están también en concordancia para cubrir el tipo de interés y riesgo de crédito.

La Sociedad invierte sustancialmente todos sus activos en Depósitos a Largo Plazo con su Matriz. En consecuencia, hay una concentración de riesgo crediticio con la Matriz.

e) Reconocimiento de ingresos y gastos

Los ingresos y gastos son calculados utilizando el principio de de devengo contable

El epígrafe "ingresos financieros" de la cuenta de resultados incluye los intereses de los Depósitos a Largo Plazo devengados durante los años 2003 y 2002 respectivamente.

f) Transacciones en divisas

Las transacciones en moneda extranjera se contabilizan al tipo en vigor en la fecha de la transacción.

Los activos, pasivos y recursos propios denominados en moneda extranjera se convierten en dólares US a los tipos de cambio de final de año. Los ajustes de conversión de moneda se contabilizan en la cuenta de resultados.

Las diferencias de cambio a consecuencia de la conversión de divisas de activos y pasivos son abonadas o cargadas, según proceda, a la cuenta de resultados del año.

NOTA 3 DEPÓSITOS A LARGO PLAZO

El detalle de los saldos de este epígrafe en el balance de situación adjunto es el siguiente:

	Tipo de Interés 31-12-03	Tipo de Interés 31-12-02	Miles de Principal importe y divisa	Miles de US$ 31-12-03	Miles de US$ 31-12-02
Depósito en la Matriz relativo a Participaciones Preferentes Serie A (Nota 4)	4,430%	4.430%	EURO 300.000	378.900	314.610
Depósito en la Matriz relativo a Participaciones Preferentes Serie B (Nota 4)	2,477%	4,909%	EURO 300.000	378.900	314.610

La Sociedad y la Matriz han acordado un tipo de interés para ambos depósitos subordinados que será al menos igual a los dividendos a pagar sobre las Participaciones Preferentes correspondientes en cada fecha de pago de dividendos. El ingreso relacionado se contabiliza en el epígrafe "Ingresos financieros" de la cuenta de resultados a 31 de diciembre de 2003 y 2002.

EL vencimiento de estos Depósitos está asociado a la fecha de rescate de las Participaciones Preferentes Series A y B, respectivamente, dado que los Depósitos no tienen fechas de vencimiento fijas.

NOTA 4 RECURSOS PROPIOS

Acciones Ordinarias y Participaciones Preferentes

A 31 de diciembre de 2003 y 2002, el capital social de la sociedad comprendía 10.000 acciones de 1US$ de valor nominal cada una y 2.000.000 de participaciones preferentes rescatables de Euro 600 de valor nominal cada una. Todas las acciones eran propiedad de Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja (véase Nota 1) en esta fecha.

NOTA 4 RECURSOS PROPIOS (CONT.)

Participaciones Preferentes Euro de la Serie A

La emisión de participaciones preferentes Euro de la Serie A se divide en 500.000 participaciones, que han sido totalmente desembolsadas, por un valor nominal de Euro 600 cada una. Estas participaciones legitiman a los titulares a recibir dividendos en efectivo preferentes y no-acumulables, al tipo del Euribor a doce meses más el 0,2% pagaderos trimestralmente el 3 de marzo, 3 de junio, 3 de septiembre y 3 de diciembre comenzando el 3 de junio de 1999. El tipo de dividendo mínimo de las Participaciones Preferentes Euro de la Serie A es 4,43% anual durante los primeros cinco años siguientes a la fecha de emisión.

Las Participaciones Preferentes de la Serie A se emitieron el 3 de marzo de 1999 (US$ 321.256 miles en fondos en la emisión) y pueden ser rescatadas por la Sociedad, con sujeción a la aprobación previa del Banco de España, en su totalidad pero no en parte, al valor nominal por participación en cualquier fecha de dividendo coincidente o posterior al 3 de marzo de 2004.

El importe total de los dividendos devengados durante el 2003 correspondientes a las Participaciones Preferentes de la Serie A fue de US$ 15.312 miles (US$ 12.887 miles durante 2002), y se contabiliza en el epígrafe "Dividendos a cuenta" de la cuenta de resultados y beneficios retenidos a fecha de 31 de diciembre de 2003. Un importe de US$ 1.260 miles (US$ 1.046 miles durante 2002) ha sido incluido en este epígrafe, como dividendos no pagados a 31 de diciembre de 2003.

Las Participaciones Preferentes de la Serie A cotizan en el Mercado A.I.A.F. en Madrid, España. A 31 de diciembre de 2003, su valor de mercado por participación era del 100%.

La Participaciones Preferentes de la Serie A no conceden derechos políticos (esto es, asistencia a las juntas de accionistas), salvo para:

- impago de cuatro dividendos consecutivos
- cambios en los estatutos de la Sociedad que afecten a los derechos de las Participaciones Preferentes de la Serie B,
- acuerdos para la disolución de la Sociedad.

NOTA 4 RECURSOS PROPIOS (CONT.)

Participaciones Preferentes Euro de la Serie B

La emisión de Participaciones Preferentes de la Serie B se divide en 500.000 participaciones, que han sido totalmente desembolsadas, por un valor nominal de Euro 600 cada una. Estas participaciones dan derecho a los titulares a recibir dividendos en efectivo preferentes y no-acumulables, al tipo del Euribor a doce meses más el 0,2%, pagaderos trimestralmente el 1 de marzo, 1 de junio, 1 de septiembre y 1 de diciembre de cada año. Los titulares comenzaron a percibir dividendos el 1 de septiembre de 2000. El tipo de dividendo mínimo de las Participaciones Preferentes Serie B es de 4,909% anual durante los tres primeros años siguientes a la fecha de emisión. El tipo de dividendo de las Participaciones Preferentes es de 2,477% a fecha de 31 de diciembre de 2003.

Las Participaciones Preferentes de la Serie B fueron emitidas el 1 de junio de 2000 y pueden ser rescatadas por la Sociedad, con sujeción a la aprobación previa del Banco de España, en su totalidad pero no en parte, al valor nominal por participación en cualquier fecha de dividendo coincidente o posterior al 1 de junio de 2005.

El importe total de los dividendos devengados durante el 2003 correspondientes a las de Participaciones Preferentes de la Serie B fue de US$ 12.162 miles (US$ 14.124 miles durante 2002), y se contabiliza en el epígrafe "Dividendos a cuenta" de la cuenta de resultados y beneficios retenidos a fecha de 31 de diciembre de 2003. Un importe de US$ 757 miles (US$ 1.243 miles durante 2002) ha sido incluido en este epígrafe, como dividendos no pagados a 31 de diciembre de 2003.

Las Participaciones Preferentes de la Serie B cotizan en el Mercado A.I.A.F. en Madrid, España. A 31 de diciembre de 2003, su valor de mercado por participación era del 100%.

La Participaciones Preferentes de la Serie B no conceden derechos políticos (esto es, asistencia a las juntas de accionistas), salvo para:

- impago de cuatro dividendos consecutivos
- cambios en los estatutos de la Sociedad que afecten a los derechos de las Participaciones Preferentes de la Serie B,
- acuerdos para la disolución de la Sociedad.

NOTA 5 ASUNTOS FISCALES

En la actualidad, no se recauda en las Islas Caimán ningún impuesto sobre la renta, beneficios, capital o patrimonio y, en consecuencia, no se ha contabilizado ninguna provisión para dichos impuestos en los estados financieros adjuntos. En el caso de que lleguen a recaudarse dichos impuestos, la Sociedad tiene el compromiso por parte del Gobierno de las Islas Caimán que le exime de todos estos tipos impositivos hasta el 15 de febrero de 2014.

NOTA 6 ACONTECIMIENTOS POSTERIORES

No se ha producido ningún acontecimiento hasta la fecha desde el 31 de diciembre de 2003, que afecte o cambie de manera significativa el contenido de estos estados financieros.