



CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Financial Statements

31 December 2003 and 2002

CAM CAPITAL

Table of contents

- Auditors' Report to the Shareholders
- Balance Sheets
- Statements of Profit and Loss
- Statements of Changes in Shareholders' Equity
- Statements of Cash Flows
- Notes to Financial Statements

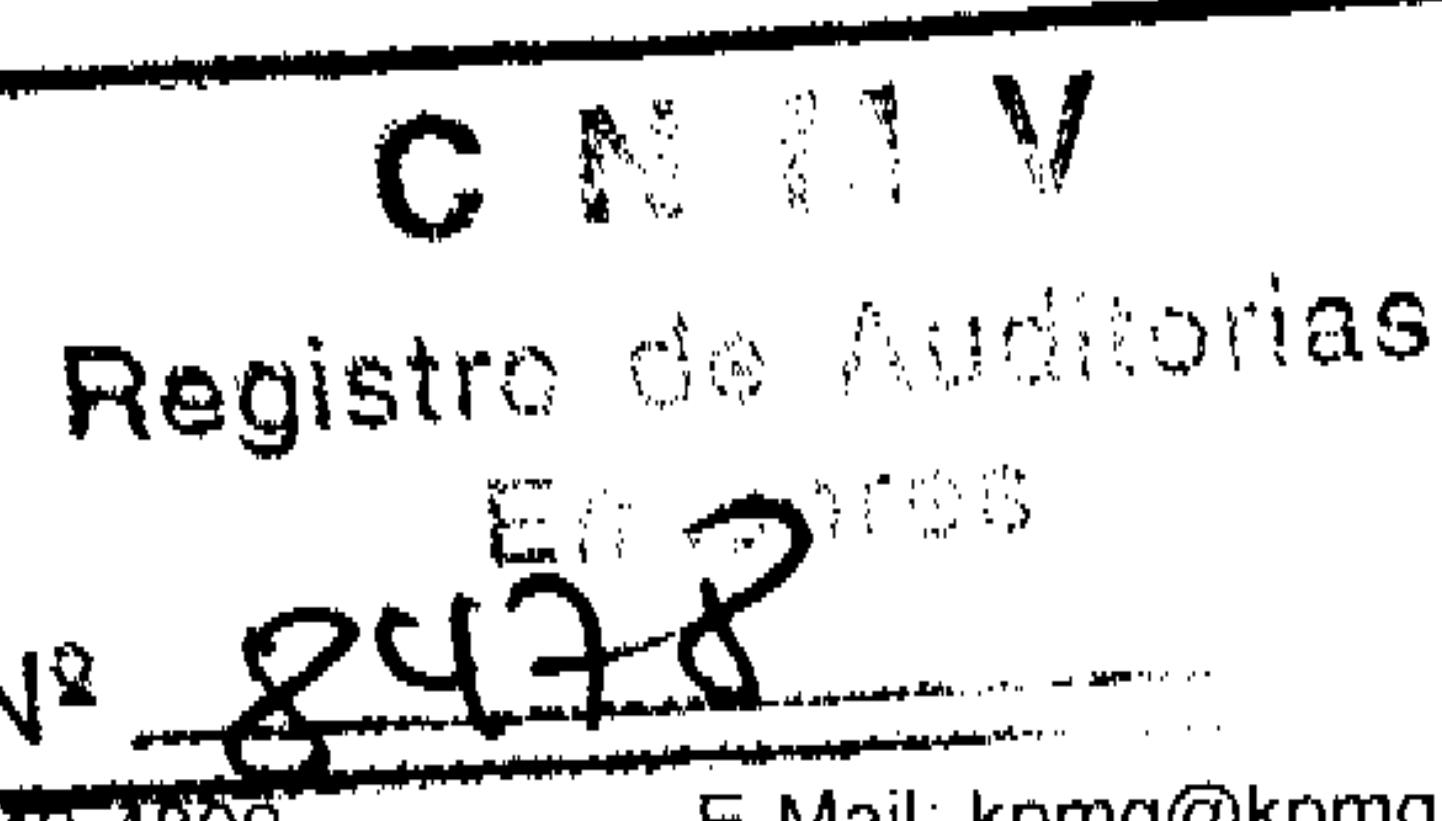


Chartered Accountants

P.O. Box 493 GT, Century Yard
Grand Cayman, Cayman Islands

Telephone: +1 345 949-4800
Telefax: +1 345 949-7164

E-mail: kpmg@kpmg.ky
Website: www.kpmg.ky



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying balance sheets of CAM Capital as of 31 December 2003 and 2002 and the related statements of profit and loss, changes in shareholders' equity and cash flows for the years 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 audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants
31 March 2004



KPMG, a partnership established under Cayman Islands law.
Is a member of KPMG International, a Swiss cooperative.

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Balance Sheets

31 December 2003 and 2002

(Expressed in Euros)

<u>Assets</u>	<u>2003</u>	<u>2002</u>
Cash and cash equivalents		
Deposits with group companies	165,454	86,701
Deposits with other banks	<u>1,239</u>	<u>7,431</u>
	166,693	94,132
Other deposits in group companies (note 4)	459,140,400	459,140,400
Other assets (note 4)	<u>1,438,724</u>	<u>2,098,206</u>
Total assets	<u>460,745,817</u>	<u>461,332,738</u>

Shareholders' equity and liabilities

Shareholders' equity		
Share capital (note 5)	458,830,268	458,830,268
Translation reserve	17,315	17,315
Retained earnings	1,651,833	2,177,562
	<u>460,499,416</u>	<u>461,025,145</u>
Liabilities		
Other liabilities	<u>246,401</u>	<u>307,593</u>
Total shareholders' equity and liabilities	<u>460,745,817</u>	<u>461,332,738</u>

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

Mr. Juan Martínez-Abarca Ruiz de Funes

Mrs. Carmen Aguilar Rico

Mrs. M^a Fernanda Estrada Cervera

Mrs. Susana Mercedes Gaete Vargas

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Statements of Profit and Loss for the years ended
31 December 2003 and 2002

(Expressed in Euros)

	<u>2003</u>	<u>2002</u>
Interest and similar income		
Deposits in group companies (note 4)	12,583,871	13,061,202
Foreign exchange profits	1,862	3,931
Foreign exchange losses	<u>(2,013)</u>	<u>(18,159)</u>
Financial margin	12,583,720	13,046,974
General administrative expenses	<u>(34,348)</u>	<u>(74,712)</u>
Profit for the year	<u><u>12,549,372</u></u>	<u><u>12,972,262</u></u>

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

CAM CAPITAL
 (Incorporated with Limited Liability
 in the Cayman Islands)

Statements of Changes in Shareholders' Equity for the years ended
 31 December 2003 and 2002

(Expressed in Euros)

	Eurod					
	Share Capital			Translation rescrve	Retained earnings	Total
	Ordinary shares	Preference shares	Total			
Balance at 31 December 2001	1,135	299,688,733	299,689,868	17,315	1,467,570	301,174,753
Issue of Series B Preferences shares	-	159,600,000	159,600,000	-	-	159,600,000
Series B issue expenses	-	(459,600)	(459,600)	-	-	(459,600)
Profit for the year	-	-	-	-	12,972,262	12,972,262
Preference shares dividends	-	-	-	-	(12,262,270)	(12,262,270)
Balance at 31 December 2002	<u>1,135</u>	<u>458,829,133</u>	<u>458,830,268</u>	<u>17,315</u>	<u>2,177,562</u>	<u>461,025,145</u>
Profit for the year	-	-	-	-	12,549,372	12,549,372
Preference shares dividends	-	-	-	-	(13,075,101)	(13,075,101)
Balance at 31 December 2003	<u>1,135</u>	<u>458,829,133</u>	<u>458,830,268</u>	<u>17,315</u>	<u>1,651,833</u>	<u>460,499,416</u>

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

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Statements of Cash Flows for the years ended
 31 December 2003 and 2002

(Expressed in Euros)

	2003	2002
Cash flows from operating activities		
Interest and commission income received	13,153,854	12,426,511
General administrative expenses paid	<u>(34,348)</u>	<u>(74,712)</u>
 Cash flows from operations before changes in operating assets and liabilities	 13,119,506	 12,351,799
 Increase in operating assets		
Net (increase) in other deposits in group companies	-	(159,440,400)
Net (increase)/decrease in other assets	<u>89,499</u>	<u>(88,410)</u>
 89,499	 (159,528,810)	
 Increase/(decrease) in other liabilities	 <u>(61,192)</u>	 307,593
 Net cash flows from operating activities	 13,147,813	 (146,869,418)
 Cash flows from financing activities		
Preference shares issued, net of issue expenses	-	159,140,400
Preference share dividends	<u>(13,075,101)</u>	<u>(12,262,270)</u>
 (13,075,101)	 146,878,130	
 Effects of exchange rate changes in cash and cash equivalents	 <u>(151)</u>	 (14,228)
 Net increase in cash and cash equivalents	 72,561	 (5,516)
 Cash and cash equivalents at the beginning of the year	 <u>94,132</u>	 99,648
 Cash and cash equivalents at the end of the year	 <u>166,693</u>	 94,132

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

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Notes to Financial Statements

31 December 2003 and 2002

(1) Nature and Principal Activities

CAM Capital (the "Company") is a limited liability company incorporated on 16 March 2001 for an indefinite period under the Companies Law of the Cayman Islands.

As at 31 December 2003 and 2002 the Company had no employees. The Company's registered office is at P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, B.W.I.

The principal activities of the Company are to be a preference share issuing vehicle guaranteed by Caja de Ahorros del Mediterráneo and to perform certain other fund-raising transactions.

(2) Basis of Presentation and Significant Accounting Principles

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards.

At 1 January 2002, the Company changed its reporting and measurement currency from US Dollars to Euros, which has become the functional currency in which the Company operates. Consequently, at 1 January 2002 the Company translated its accounting records from US Dollars to Euros using the Euro/US Dollar exchange rate at 31 December 2001.

Significant accounting principles applied in the preparation of the financial statements are as follows:

(a) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

(b) Recognition of income and expenses

Income and expenses are recognized on an accrual basis and not at the date of collection or payment.

(Continued)

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Notes to Financial Statements

(c) Foreign currency transactions

Transactions denominated in foreign currencies are translated to Euros at the rates of exchange in force at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated to Euros at the rates of exchange prevailing at the balance sheet dates. Any gains or losses arising as a result of currency translation are taken to income or expensed in the statements of profit and loss.

(d) Financial instruments

(i) *Classification*

Originated loans and receivables are loans and receivables created by the Company providing money to a debtor other than those created with the intention of short-term profit taking. Originated loans and receivables comprise other deposits in group companies.

(ii) *Recognition*

Originated loans and receivables are recognized on the day they are lent by the Company.

(iii) *Measurement*

All non-trading financial liabilities, originated loans and receivables are measured at amortised cost less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts are included in the carrying amount of the related instruments and amortised based on the effective interest rate of the instrument.

CAM CAPITAL
 (Incorporated with Limited Liability
 in the Cayman Islands)

Notes to Financial Statements

(iv) *Specific instruments*

Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include short-term deposits with group companies and other banks.

Other deposits in group companies

Other deposits in group companies held by the Company are classified as originated loans and receivables.

Preference Shares

Preference shares are classified as equity as they do not provide for mandatory redemption by the Company or give the holder the right to require the Company to redeem the shares.

(e) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise the asset. This occurs when the rights are realized, expire or are surrendered. A financial liability is derecognised when it is extinguished.

Originated loans and receivables are derecognised on the day they are paid back by the borrower.

(g) Impairment

Financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised based on the asset's estimated recoverable amount.

(3) Capitalisation of Profit

The Board of Directors will propose to the ordinary shareholder at the Annual General Meeting that the profit for the year ended 31 December 2003 after paying the preference share dividends, be taken to retained earnings. The profit for the year ended 31 December 2002 not distributed and not pending to be distributed in February 2003 as preference share dividends, was appropriated to retained earnings in 2003.

CAM CAPITAL
 (Incorporated with Limited Liability
 in the Cayman Islands)

Notes to Financial Statements

(4) Other Deposits in Group Companies

Amounts shown in this caption represent the funds, net of the expenses incurred, obtained from the issues of preference shares and deposited at Caja de Ahorros del Mediterráneo. Details of deposits are as follow:

Issue	Deposit	Currency	Interest rate		Euros	
			31.12.03	31.12.02	31.12.03	31.12.02
Series A	299,700,000	€	2.441%	3.413%	299,700,000	299,700,000
Series B	159,440,400	€	2.391%	3.363%	159,440,400	159,440,400
						<u>459,140,400</u> <u>459,140,400</u>

These deposits earn interest at a variable rate tied to the dividend rate for preference shares and will be repaid on redemption of such shares (see note 5).

Included in other assets as of 31 December 2003 and 2002 is accrued interest receivable on the deposits of Euro 1,421,226 and Euro 1,991,209, respectively.

Total interest earned on these deposits during 2003 and 2002 amounts to Euro 12,583,871 and Euro 13,061,202, respectively.

(5) Shareholders' Equity

At 31 December 2003 and 2002 the share capital of the Company is:

- (i) US\$50,000 divided into 50,000 Ordinary Shares of US\$1 par value each of which only 1,000 ordinary shares have been subscribed and fully paid by Caja de Ahorros del Mediterráneo. The holders of the ordinary shares have the right to receive notice, attend at and vote at general meetings of the Company. Except as described in the Company's Articles regarding the preference shareholders' rights to dividends, the ordinary shares confer on the holders the right to participate in the profits of the Company;

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Notes to Financial Statements

(ii) €1,200,000,000 divided into 2,000,000 non-voting preference shares of €600 par value each. Except for exceptional reasons as described in the Company's Articles, preference shares carry no right to receive notice, attend or vote at any general meeting of the Company. The holders are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of the nominal amount paid up on the preference shares in priority to any distribution of assets to the holders of ordinary shares.

On 16 August 2001, 500,000 Series A Preference Shares were issued, subscribed and fully paid.

On 16 August 2002, 266,000 Series B Preference Shares were issued, subscribed and fully paid.

Preference non-cumulative Series A dividends are being calculated at a three month Euribor plus a spread of 0.25%. Dividends on the shares are declared and payable in arrears on 15 February, 15 May, 15 August and 15 November of each year.

Preference non-cumulative Series B dividends are being calculated at a three month Euribor plus a spread of 0.2%. Dividends on the shares are declared and payable in arrears on 15 February, 15 May, 15 August and 15 November of each year.

The Company has no contractual obligation to declare dividends, but the holders of preference shares are entitled to any dividends declared.

These preference shares shall be redeemable at the option of the Company in whole or in part, with the prior consent of Caja de Ahorros del Mediterráneo (the guarantor) and the Bank of Spain, at the nominal value plus the accrued dividends, no sooner than five years from the issue date.

Caja de Ahorros del Mediterráneo guarantees the payment of dividends and redemption price of the preference shares. These shares are listed on the AIAF Market in Madrid, Spain.

Dividends paid in 2003 and 2002 amount to Euro 13,075,101 and Euro 12,262,270, respectively.

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Notes to Financial Statements

(6) Taxation

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Council of the Cayman Islands exempting it from all local income, profits and capital taxes until 2020. Accordingly, no provision for income taxes is included in these financial statements.

(7) Fair value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, other assets and other liabilities, the carrying value approximates fair value due to the immediate or short-term maturity of these financial instruments.

(i) Other deposits in group companies

The fair value of other deposits is not practicable to determine as there is no fixed maturity date.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(8) Risk Management Disclosures

(i) Market and credit risk

In the normal course of its business, the Company holds various financial instruments which may result in market and credit risks, the amounts of which are not apparent from the financial statements.

Market risk is the risk that changes in interest rates and foreign exchange rates will affect the positions held by the Company. Credit risk is the risk of counterparty default. Financial assets which potentially expose the Company to credit risk mainly consist of cash and cash equivalents, other assets and other deposits in group companies.

CAM CAPITAL
(Incorporated with Limited Liability
in the Cayman Islands)

Notes to Financial Statements

The amount of credit exposure is represented by the carrying amount of the assets on the balance sheet.

(ii) Liquidity risk

Liquidity risk arises in the general funding of the Company's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame.

The deposits in group companies and the preference shares will mature at the same time.

(iii) Interest rate risk

The Company's operations are not subject to the risk of interest rate fluctuations to the extent that interest-earning assets and dividends-bearing equity mature or reprice at the same time. In the case of floating rate instruments the Company is not exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, because the interest-earning assets and dividend-paying shares are referenced to the same floating rate indices.

At any time, the interest earned on the deposits in group companies equals the dividends paid on preference shares plus a margin.

(iv) Currency risk

The Company is not exposed to significant currency risk through transactions in foreign currencies.

(9) Subsequent Events

On 15 February 2004, the Company paid preference share dividends amounting to Euro 2,761,779.