

Bancaja Capital, S.A. (Sole-Shareholder Company)

Financial statements for the year ended
31 December 2008 and Directors' report,
together with Independent Auditors' Report

Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

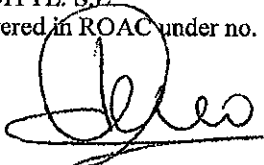
Translation of a report originally issued in Spanish based on our work performed in accordance with generally accepted auditing standards in Spain and of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Sole Shareholder of
Bancaja Capital, S.A.U.:

1. We have audited the financial statements of Bancaja Capital, S.A.U. comprising the balance sheet at 31 December 2008 and the related income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the evidence supporting the financial statements and evaluation of their presentation, of the accounting policies applied and of the estimates made.
2. The accompanying financial statements for 2008 are the first that the directors of Bancaja Capital, S.A.U. have prepared in accordance with the Spanish National Chart of Accounts approved by Royal Decree 1514/2007. In this regard, in accordance with Transitional Provision Four.1 of the aforementioned Chart of Accounts, these financial statements have been considered to be initial financial statements and, therefore, they do not include comparative figures. Note 2-d to the financial statements includes the balance sheet and income statement contained in the approved financial statements for 2007 prepared in accordance with the Spanish National Chart of Accounts in force in that year, together with an explanation of the main differences between the accounting policies applied in 2007 and those applied in 2008, as well as a quantification of the impact of this change in accounting policies on equity at 1 January 2008, the date of transition. Our opinion refers only to the 2008 financial statements. On 28 February 2008, we issued our auditors' report on the 2007 financial statements, prepared in accordance with generally accepted accounting principles and standards under the Spanish regulations in force in that year, in which we expressed an unqualified opinion.
3. In our opinion, the accompanying financial statements for 2008 present fairly, in all material respects, the equity and financial position of Bancaja Capital, S.A.U. at 31 December 2008 and the results of its operations, the changes in equity and its cash flows for the year then ended, and contain the required information, sufficient for their proper interpretation and comprehension, in conformity with the generally accepted accounting principles and standards under the Spanish regulations applicable to the Company.
4. The accompanying directors' report for 2008 contains the explanations which the directors consider appropriate about the Company's situation, the evolution of its business and other matters, but is not an integral part of the financial statements. We have checked that the accounting information in the directors' report is consistent with that contained in the financial statements for 2008. Our work as auditors was confined to checking the directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the Company's accounting records.

DELOITTE, S.L.
Registered in ROAC under no. S0692



Francisco García-Valdecasas

27 February 2009

BANCAJA CAPITAL, S.A.
(Sole-Shareholder Company)

BALANCE SHEET AT 31 DECEMBER 2008

ASSETS	Notes	Euros	EQUITY AND LIABILITIES	Notes	Euros
NON-CURRENT ASSETS:					
Non-current financial assets-			EQUITY:		
Loans and receivables	5	288.042.095	Owners' equity-	6	72.372
Deferred tax assets-		288.042.095	Registered share capital		60.500
Deferred tax assets		114	Reserves		8.235
		114	Profit for the year		3.637
Total non-current assets		288.042.209	Total equity		72.372
CURRENT ASSETS:			NON-CURRENT LIABILITIES:	7	288.048.798
Current financial assets-			Non-current payables-		288.048.798
Loans and receivables	5	10.124.096	Debt instruments and other marketable securities		288.048.798
Other financial assets		10.124.065	Total non-current liabilities		288.048.798
Cash and cash equivalents-					
Cash	9	31	CURRENT LIABILITIES:		
		74.693	Current payables-	7	10.118.219
		74.693	Debt instruments and other marketable securities		10.118.219
Total current assets		10.198.789	Trade and other payables-		1.609
TOTAL ASSETS		298.240.998	Sundry accounts payable		1.601
			Other accounts payable to public authorities	8	8
			Total current liabilities		10.119.828
			TOTAL EQUITY AND LIABILITIES		298.240.998

The accompanying Notes 1 to 12 are an integral part of this balance sheet.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

BANCAJA CAPITAL, S.A.
(Sole-Shareholder Company)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Euros
CONTINUING OPERATIONS:		
Other operating expenses-		(3.375)
Outside services		(3.375)
Profit/(loss) from operations		(3.375)
Finance Income-		13.407.339
From marketable securities and other financial instruments of Group companies and associates	5 & 9	13.407.339
Finance costs-		(13.398.768)
On debts to third parties	7	(13.398.768)
Financial profit/(loss)		8.571
Profit/(loss) before tax		5.196
Income tax	8	(1.559)
Profit/(loss) for the year from continuing operations		3.637
PROFIT/LOSS FOR THE YEAR		3.637

The accompanying Notes 1 to 12 are an integral part of this income statement.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

BANCAJA CAPITAL, S.A.
(Sole-Shareholder Company)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008

A) STATEMENTS OF RECOGNISED INCOME AND EXPENSE

There is no difference between the "Profit/(loss) per income statement" and the "Total recognised income and expense"

B) STATEMENTS OF TOTAL CHANGES IN EQUITY

	Euros			
	Share Capital	Reserves	Profit/ (Loss) for the year	TOTAL
BALANCE AT 2007 YEAR END	60.500	5.124	3.376	69.000
Adjustments due to transition to the new Spanish National Chart of Accounts	-	(265)	-	(265)
ADJUSTED BALANCE AT BEGINNING OF 2008	60.500	4.859	3.376	68.735
Total recognised income and expenses-	-	-	3.637	3.637
Other changes in equity-	-	3.376	(3.376)	-
Distribution of the profit for 2007	-	-	-	-
- To reserves	-	3.376	(3.376)	-
2008 ENDING BALANCE	60.500	8.235	3.637	72.372

The accompanying Notes 1 to 12 are an integral part of this statement of total changes in equity.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

BANCAJA CAPITAL, S.A.
(Sole-Shareholder Company)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	Euros
CASH FLOWS FROM OPERATING ACTIVITIES (I)		3.164
Profit for the year before tax		5.196
Adjustments for-		(8.571)
Finance Income		(13.407.339)
Finance costs		13.398.768
Changes in working capital-		558
Trade and other receivables		558
Other cash flows from operating activities-		5.981
Interest paid	7	(13.050.000)
Interest received	5	13.057.540
Income tax recovered/ (paid)	8	(1.559)
CASH FLOWS FROM FINANCING ACTIVITIES (II)		8
Proceeds and payments relating to financial liability instruments-		8
Repayment of other borrowings		8
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I + II)		3.172
Cash and cash equivalents at beginning of year		71.521
Cash and cash equivalents at end of year		74.693

The accompanying Notes 1 to 12 are an integral part of this statement of cash flows.

Translation of financial statements originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain (see Notes 2 and 12). In the event of a discrepancy, the Spanish-language version prevails.

BANCAJA CAPITAL, S.A. (Sole-Shareholder Company)

Notes to the financial statements
for the year ended
31 December 2008

1. Company activities

The company was set up under the name Bancaja Capital, S.A. (Sole-Shareholder Company, and hereinafter, the Company) on 28 July 2004 and is owned by Caja de Ahorros de Valencia, Castellón y Alicante Bancaja (hereinafter Bancaja). Its registered office is at calle Caballeros, 2, Castellón de la Plana.

The Company's object is the issue of preference shares for their placement in Spanish and international markets, pursuant to Additional Provision Two of Law 13/1985, of 25 May, on investment ratios, equity and reporting requirements of financial intermediaries and to Additional Provision Three of Law 19/2003, of 4 July, on legal system of capital movements and economic transactions with the exterior and certain measures to prevent the laundering of money.

In 2008 the Company did not have employees.

In order to interpret the financial statements correctly, it should be taken into account that the Company carries out its business activities as a company of Bancaja Group, obtaining the required guarantees from the latter and conducting its business through employees of that Group, without any cost falling to the Company. Therefore, the financial statements should be interpreted within the context of the Group in which the Company operates and not as an independent company.

In view of the business activity carried out by the Company, it does not have any environmental liability, expenses, assets, provisions or contingencies that might be significant with respect to its equity, financial position or results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the financial statements.

The Company is included in Grupo Bancaja whose parent company is Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja, with registered business address at Calle Caballeros, 2, Castellón de la Plana, and this company is that which formulates the consolidated financial statements. The consolidated annual accounts of the Grupo Bancaja from 2007 were formulated by the Administrators of Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja, in the Board Meeting held on 27 February 2008 and deposited at the Mercantile Registry in Castellón.

Regulation of sole-shareholder companies

As indicated in Note 6, at 31 December 2008, all the Company's share capital was owned by Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja ("Bancaja") and, consequently, it was a sole-shareholder company at that date. At 31 December 2008, the only contracts entered into by the Company and its Sole Shareholder are those relating to term deposits and demand deposits (see Notes 5). Also, the Sole Shareholder has provided guarantees to the Company relative to the issues outstanding (see Note 7).

2. Basis of presentation of the financial statements

a) Fair presentation

The attached financial statements from 2008, which were prepared from the Company's accounting records, are presented in accordance with Royal Decree 1514/2007 approving Spanish National Chart of Accounts and, accordingly, present fairly the Company's equity, financial position and the results of the Company's operations and cash flows which have occurred during 2008. These financial statements, which were prepared by the Company's Administrators, have not yet been approved by the sole shareholder, although it is considered that they will be approved without any changes. The financial statements from 2007 were approved by the Sole Shareholder on 30 June 2008.

b) *Non-obligatory accounting principles*

No non-obligatory accounting principles were applied. Also the Administrators of the Company have formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect thereon. There are no accounting principles which are obligatory and have not been applied.

c) *Critical aspects of the measurement and estimation of uncertainty*

In the writing of the financial statements attached estimations made by the Administrators of the Company have been used to evaluate some of the assets, liabilities, incomes, expenses and obligations registered in them. Basically these estimations refer to the evaluation of possible losses due to deterioration of assets (see Note 4-a).

Despite the fact that these estimations have been made on the basis of the best information possible at the close of 2008, it is possible that events may take place in the future which mean they must be adapted (upwards or downwards) in the following years. Any changes in accounting estimates would be applied prospectively.

d) *Matters arising from the transition to the new accounting regulations*

In accordance with the obligation established in Article 35.6 of the Spanish Commercial Code and for the purposes of applying the principle of consistency and meeting the requirement of comparability, the financial statements for the year ended 31 December 2008 are considered to be initial financial statements and, accordingly, it is not obligatory to include comparative figures.

Notwithstanding what is previously stated, as is established in the Royal Decree 1514/2007, below is the balance sheet and the profit and loss accounts corresponding to 2007, approved by the Sole Shareholder. These financial statements were written according to the regulations established in the Royal Decree 1643/1990 of 20 December – Former Spanish National Chart of Accounts (90).

BALANCE SHEET

ASSETS	Euros	SHAREHOLDERS' EQUITY AND LIABILITIES	Euros
NON-CURRENT ASSETS:		SHAREHOLDERS' EQUITY:	
Start-up costs	380	Share capital	60,500
Long-term investments	290,000,000	Reserves	5,124
Total non-current assets	290,000,380	Profit for the year profit or (loss)	3,376
		Total shareholders' equity	69,000
DEFERRED CHARGES:	2,264,217	DEFERRED INCOME:	2,271,930
		NON-CURRENT LIABILITIES	
		Preference shares	290,000,000
		Total non-current liabilities	290,000,000
CURRENT ASSETS:		CURRENT LIABILITIES::	
Receivables	588	Trade payables	1,601
Short term investments	10,088,291	Preference shares short term interest	10,082,466
Cash	71,521	Total current liabilities	10,084,067
Total current assets	10,160,400	TOTAL SHAREHOLDERS' EQUITY LIABILITIES	302,424,997
TOTAL ASSETS	302,424,997		

INCOME STATEMENT

DEBIT	Euros	CREDIT	Euros
EXPENSES:		INCOME:	
Depreciation and amortisation charge	380		
Other operating expenses	3,145		
Profit from operations	-	Loss from operations	3,525
Financial and similar expenses	13,361,839	Financial income from group companies	13,370,366
Financial profit	8,527	Financial loss	-
Profit from ordinary activities	5,002	Loss from ordinary activities	-
Extraordinary profit	-	Extraordinary loss	-
Profit before tax	5,002	Loss before tax	-
Income tax	1,626		
Profit for the year	3,376	Loss for the year	-

The Company has chosen 1 January 2008 as the date for the transition to the New Spanish Chart of Accounts.

Set forth below, and according to the current legislation, is the reconciliation of the equity at 1 January 2008 prepared in accordance with the former Spanish National Chart of Accounts, and the equity at that date prepared in accordance with the new accounting legislation in the Royal Decree 1514/2007:

	Euros
Equity at 1 January 2008 under former Spanish National Chart of Accounts (*)	69,000
Effects of transition to the new Spanish National Chart of Accounts Elimination of incorporation expenses	(265)
Equity at 1 January 2008 under the new Spanish National Chart of Accounts	68,735

(*) Obtained from the financial statements at 31 December 2007, prepared in accordance with the accounting principles and standards applicable at that date.

The new accounting legislation, with respect to that in force on 31 December 2007, entails changes in accounting policies, measurement bases, presentation and disclosures to be included in the financial statements. More specifically, the main difference between the accounting policies applied in the prior year and the current policies is non-consideration as assets of the incorporation expenses.

e) Grouping of items

Certain items in the balance sheet, profit and loss accounts, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

f) Correction of errors

In preparing the accompanying financial statements, no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2007.

3. Distribution of profit

The proposed distribution of the profit for 2008 formulated by the Administrators of the Company and which will be submitted for approval by the Sole Shareholder is as follows:

	Euros
To legal reserve	364
To voluntary reserve	3,273
Total	3,637

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2008, in accordance with the Spanish National Chart of Accounts, were as follows:

a) Financial Instruments

Financial Assets

Financial assets are recognised when they are acquired and are initially registered at the fair value, generally including any transaction costs.

Loans and other receivables, which are financial assets originating from the sale of property or from the rendering of services for the Company's business transactions, or those which have no commercial origin, and are not equity instruments or derivatives, and whose payments are a fixed or determinable amount and are not negotiated in an active market, are subsequently valued by their amortised cost.

At least at each reporting date the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When this occurs, the impairment loss is recognised in the income statement.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the Company's business and those which, not having commercial substance, cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

b) Foreign currency transactions

The currency used by the Company is the Euro. Consequently, the operations in other currencies than Euro are considered to be in a foreign currency, and are registered applying the exchange rate valid at the date of each operation.

At 31 December 2008, the Company did not have any balances in foreign currency. Besides, the Company has not made any transaction in foreign currencies during 2008.

c) Income tax

The Company files consolidated tax returns as part of the consolidated tax group, and the accrued income tax expense for the year is calculated on an individual basis as if the Company filed an independent tax return.

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments allowed under the aforementioned consolidated tax regime, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense. Receivable and payable amounts which are generated by this concept are liquidated by Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja, parent company of the Group.

Deferred tax liabilities are recognised for all significant taxable temporary differences. Deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be charged.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

c) Revenue and expense recognition

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Interest income from financial assets is recognised using the nominal interest rate. The Administrators of the Company estimate that the effect of applying this criteria does not significantly differ from the effect that would have occurred if they had applied the method of effective interest rate.

d) Related party transactions

The Company performs all its transactions with related parties at market value. Also, the transfer prices are adequately supported and, therefore, the Company's Administrators consider that there are no significant risks in this regard that might give rise to significant liabilities in the future.

5. Financial assets

a) Non-current financial assets

The balance of "Non-current financial assets" in the accompanying balance sheet includes the subordinated deposit maintained with Bancaja, in which the resources obtained by the issuance of preferred shareholdings have been materialised (see notes 7 and 9).

The aforementioned deposit, included in "Loans and receivables", has not varied in the current year.

The deposit is remunerated to an annual interest rate of 4.50 % until March 23, 2015, from when the interest rate will be the 3 month Euribor plus 0.80%. The initial interest rate, is annually payable on 23 March, till 2015; from this date, it will be payable on 23 of March, June, September and December of every year.

The deposit is for an unlimited period. However, the payment of the preferred shareholdings in accordance with the terms of the issuance would cause the termination of the contract and the refund of the deposit to the depositor.

The company has not registered any amount as impairment loss of their non-current financial assets.

The deposits and the interest accrued, are subject to compliance with the obligation to pay, not being allowed to have them at their disposal for any other purpose.

b) Current financial assets

The balance of "Current financial assets" in the accompanying balance sheet includes the accrued outstanding interest of the subordinated deposit that is maintained with Bancaja, in which the resources obtained by the issuance of preferred participations have been materialised (see notes 7 and 9). In terms of registration and valuation, these assets have been classified as loans and receivables.

In 2008, changes in "Current financial assets-Loans and receivables" under this heading in the balance sheet is as follows:

	Euros
Opening balance	10,088,291
Additions	13,407,339
Withdrawal	(13,371,565)
Closing balance	10,124,065

In 2008 the Company has not registered any amount as impairment loss of its non-current financial assets.

The interest accrued by the deposits rose to 13,407,339 euros and is found in the title "Finance Income - from marketable securities and other financial instruments of group companies and associates" in the profit and loss accounts attached (see Note 9).

c) Information about the nature and level of risk of the financial instruments

The management of the Company's financial risks is centralised with the Financial Directors of the Group, who have the necessary mechanisms established to control exposure to changes in interest rates, exchange rates, as well as the credit and liquidity risks. Set out below are the main financial risks which could have an effect on the Company.

The main financial risks that affect the company are the following.

- a. Credit risk: the Company maintains its cash and cash equivalents in Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja.
- b. Liquidity risk: in order to ensure liquidity and to be able to attend to all the payment commitments which are derived from its activity, the Company has balances in the treasury sufficient enough to cover said requirements, as is shown in the balance sheet attached.
- c. Market risk: both cash and financial debt of the Company are exposed to interest rate risks, however, due to the fact that there is a direct correlation between the yield of the assets and the liabilities (see Notes 5 and 7), the impacts on the fair value due to changes in the curve of interest rates would be compensated.
- d. Exchange rate risk: The Company does not assume any risk of this kind due to the fact that all the assets and liabilities are expressed in euros.

The preference share issues launched by the Company are guaranteed by the Sole Shareholder under certain conditions, and the resources obtained from them are deposited in said Entity. Therefore the Company does not take on any financial or other significant risks.

d) Disclosure about fair value of financial instruments

The fair value of the deposit and preferred participation is 310,323 thousand euros, due to the fact that both financial instruments refer to a fixed interest rate.

6. Equity and Shareholders' Equity

a) Share Capital

At 31 December 2008 the share capital, which is 60,500 euros, is represented by 605 fully subscribed and paid ordinary shares with a nominal value of 100 Euros each by their Sole Share holder, Bancaja (see Note 1).

All the shares composing the Company's share capital are registered shares represented by share certificates.

The Company's shares are not in the stock market.

b) Legal reserve

According to the Spanish Companies' Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

7. Financial debts

a) Long-term debts

The Company's board of directors agreed in their meeting on the 10 March 2005 the issue of 290,000 preference shares with an individual nominal value of EUR 1,000.

The difference between the amount actually received initially and the nominal value of the preference shares issued is recorded by netting off the issue value and taking the results financially over the lifetime of the issue.

In March 2005, the company issued 290,000 preference shares with a par value of EUR 1,000 each, with 98.95% of the amount actually being paid out. The issue of the shares relied on the joint and irrevocable guarantees of Bancaja. The shares will earn a fixed interest rate of 4.50% until 23rd March 2015 and after that a variable interest rate of three-month Euribor plus 0.80% and in both cases they are calculated using the nominal value of the shares. Initially the interest is paid annually on the 23rd March but after 2015 it is paid quarterly in arrears on the 23rd March, June, September and December of each year. The issuing entity has the option to buy all of the shares issued on 23rd March 2015.

The distribution of the remuneration is dependent upon; a) the attainment of sufficient Distributable Profit from Bancaja or the Consolidated Group, defined for the credit companies by Law 13/1985, of 25 May, on investment ratios, own resources and information obligations on financial intermediaries (the lower of the two values) and b) the limitations of standard Spanish banking on the own resources of credit entities. If for one of these reasons the company does not pay, in total or in part, the remuneration that corresponds to that period, the holders of the preference shares will lose the right to receive the related amount concerning.

The guarantee granted by Bancaja is a) subordinated with regard to the liabilities with the depositors, holders of obligations or credit rights with a real ordinary or other subordinated guarantee, and b) preference with regard to "non-voting equity units", if any, that the Caja might issue and, in the case of liquidation of the Caja, with the welfare fund, in relation to the retained amounts after paying all the liabilities of the Caja.

Holders of the preference shares do not have the same rights as the preference shares including the political rights of assistance and a vote in the company's General Meeting.

b) Short-term debts

The balance of the section "Short-term debts" in the attached Balance Sheet, shows the interests accrued and pending payment for the issue of the preference shares.

The movement in 2008 in the section "Debt instruments and other marketable securities" which makes up this title in the balance sheet attached is as follows:

	Euros
Opening balance	10,082,466
Additions	13,398,768
Withdrawal	(13,363,015)
Closing balance	10,118,219

In 2008 the total interest accrued by the preference shares was EUR 13,398,768 which is reflected in "Finance Costs" in the attached Profit and Loss Account for the financial year 2008. The effective interest rate applied during the financial year 2008 was 4.5%.

8. Tax matters

a) Current balances with Public Authorities

The balance of the section "Trade and other payables- other accounts payable to public authorities" correspond entirely to the withholdings applied to the investment yields.

b) Reconciliation between accounting profit, taxable income and Income Tax expenses

Income tax is calculated based on the profit, applying generally accepted accounting principles. The result before taxes coincides with the taxable income for 2008.

The reconciliation of the accounting profit for 2008 and the income tax expense for the year is as follows:

	Euros
Accounting profit before tax	5,196
Tax liability for the year (30%)	1,559
Income tax expense	3,637
Payments on account	-
Total tax payable	3,637

The total income tax expense recorded relates to current tax accrued on continuing operations.

On 30 November 2004, the Company's sole shareholder resolved pursuant to Article 70 of Legislative Royal Decree 4/2004, of 5 March, approving the Consolidated Spanish Corporation Tax Law, and effective from 25 October 2004, to file consolidated tax returns as part of the consolidated tax group, of which the parent is Bancaja.

As a result of filing consolidated tax returns a credit of 1,559 Euros has been created in favour of Bancaja, coming from the settlement of the Income Tax, which had been settled at 31 December.

c) Years open for review and tax audits

As established in the current legislation, the taxes cannot be considered to be definitively settled until the tax declarations presented have been inspected by the tax authorities or until the 4 year period of prescription has been completed. At the end of 2008 the Company has the last five years' Income Tax declarations open to inspection and the last four years for the rest of the applicable taxes.

The Administrators of the Company consider that the settlement of the aforementioned taxes has been carried out adequately, therefore, even in the case that discrepancies might arise in the interpretation of the current legislation for the tax treatment applied to the transactions, the resulting possible liabilities, should they occur, would not significantly affect the financial statements attached.

9. Balances and operations with related parties

The balances held with Bancaja, Sole Shareholder, at 31 December 2008 and the transactions carried out with said entity during 2008 are as follows:

	Euros
Current account	74,692
Receivables from group companies	31
Deposits in credit entities (Note 5)	288,042,095
Interest on deposits (Note 5)	10,124,065
Total Assets	298,240,883
Profit and loss accounts:	
Interest and similar yields (Note 5)	13,407,339
Total revenue	13,407,339

The Company has not carried out any transactions in 2008, nor does it have any balances at the close of 2008 with any other related parties.

10. Remuneration and other payments to the Board of Directors

The Company does not pay any salaries or attendance fees to the members of the Board of Directors. Also, it does not have any pension, life insurance or other similar obligations to the Board members and it has not granted any loans to current or previous members of the Board of Directors. As indicated in Note 1, the Company does not have any of its own staff, the management being carried out by staff of the Sole Shareholder, without any cost for the Company.

All the members of the Board of Directors are as so because they carry out their professional activity in the Sole Shareholder of the Company, Bancaja. All the members of the Board of Directors are men.

Pursuant to Article 127 ter.4 in the Spanish Companies Law, introduced by Law 26/2003 of 17 July, which amends Securities Market Law 24/1988, of 28 July, and the Spanish Consolidated Companies Law, in order to reinforce the transparency of listed corporations, the stakes, duties and positions held in companies with the same, similar or complementary type of activity to that which constitutes the object of the Company in which the members of the Board of Directors own equity interests are stated below.

Holder	Company	Ownership interest	Duties and positions
Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja	Arcalia Patrimonios A.V., S.A.	66.63%	Director
	Lastras Gestión Sicav, S.A.	100.00%	-
	Inversiones Valix-6 Sicav, S.A.	49.96%	-
	Inversiones Loida Sicav, S.A.	20.53%	-
	Mercavalor S.V., S.A.	19.99%	-
	Sociedad Holding Mercados y Sistemas Financieros, S.A.	0.08%	-
	Ahorro Corporación, S.A.	0.02%	-
	Bancaja Fondos, SGIIC, S.A.	100.00%	-
	SGR Comunidad Valenciana	1.73%	-
	Avalis de Catalunya SGR	2.69%	-
	ISBA, SGR Baleares	0.35%	-
	Planahur SICAV, S.A.	12.52%	-
	Bancaja Emisiones, S.A.U.	100.00%	Chairman
	Bancaja US Debt, S.A.U.	100.00%	Chairman
	Banco de Valencia, S.A.	38.41%	Chairman
Miguel Ángel Soria Navarro, representative of Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja	Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja	-	CFO
	Bancaja Eurocapital Finance, S.A.U.	-	Chairman
	Bancaja Emisiones, S.A.U.	-	(*)
	Bancaja U.S. Debt, S.A.	-	(*)
	Bancaja Inversiones, S.A.	-	Director
	BBVA	< 0.001%	-
	Fortis Bank	< 0.001%	-
Bageva Inversiones, S.A.	Bancaja Emisiones, S.A.U.	-	Director
	Bancaja U.S. Debt, S.A.U.	-	Director
Benito Castillo Navarro, representative of Bageva Inversiones, S.A.	Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja	-	Treasury and Capital Market
	Bancaja Eurocapital Finance, S.A.U.	-	Director
	Bancaja Capital, S.A.U.	-	(**)
	Bancaja U.S. Debt, S.A.U.	-	(**)
	Bancaja Inversiones, S.A.	-	Director
	Mercavalor Sociedad de Valores y Bolsa, S.A.	-	(*)
	Banco de Valencia, S.A.	< 0.001%	-
	Banco Popular, S.A.	< 0.001%	-
	Banco Santander	< 0.001%	-
	BBVA	< 0.001%	-
Grupo Bancaja Centro de Estudios, S.A.	Bancaja Emisiones, S.A.U.	-	Secretary
	Bancaja U.S. Debt, S.A.U.	-	Secretary
	Banco de Valencia, S.A.	-	Director
	Arcalia Patrimonios, A.V., S.A.	-	Director
	Bancaja U.S. Debt, S.A.	-	Secretary
	Hotel Alameda Valencia, S.A.	-	Chairman
	Islalink, S.A.	-	Director
	Marina Salud, S.A.	-	Director
	Especializada y Primaria L'Horta Manises, S.A.	-	Vice-secretary
Santiago de Santos Radigales, Representative of Grupo Bancaja Centro de Estudios, S.A.	Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja	-	Capital Market

Holder	Company	Ownership interest	Duties and positions
	Bancaja Capital, S.A.U.	-	(***)
	Bancaja U.S. Debt, S.A.U.	-	(***)
	Bancaja Eurocapital Finance, S.A.U.	-	Secretary

(*) Representing Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja.

(**) Representing Bageva Inversiones, S.A.

(***) Representing Grupo Bancaja Centro de Estudios, S.A.

The aforementioned activities are performed, as in the case of the Company, as a result of developing their professional activities at the Sole Shareholder, Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja

Financial structure

As stated in Note 1, the Company belongs to a wider group of companies of which Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja is the parent company. The group includes companies which carry out other activities of different natures, as well as the financial activity carried out by the parent company.

11. Other information

a) Auditing fees

The professional fees for the auditing of the financial statements for 2008 are 3,308 Euros. In 2008 no amount has been invoiced to the Company for other professional services provided by the auditor of the accounts or other companies related to it.

b) Impacts compared with IFRSs

The amendment of Article 200 of the Consolidated Spanish Companies Law, introduced by Law 62/2003, of 30 December, of Tax, Administrative and Social Order Measures establishes that the companies which have issued securities listed in a regulated market of any State member of the European Union, and that, according to the current legislation, only publish individual financial statements, will be obligated to include in the notes to financial statements the main variations that would have affected the equity and the profit and loss accounts if the International Financial Reporting Standards adopted by the European Union (hereinafter EU-IFRSs) had been applied.

In this regard, the equity of the Company on 31 December 2008, as well as the profit and loss accounts corresponding to the year ended on said date, would not have changed if the EU-IFRSs had been applied, together with the related balances at those dates in accordance with the Spanish National Chart of Accounts.

12. Explanation added for translation to English

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

Valencia, 26 February 2009

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

Bancaja Capital, S.A. (Sole-Shareholder Company)

Directors' report
for the year ended
31 December 2008

Evolution of the business and situation of the Company

In 2008 the Company did not make any new issues.

The Company continues its activity without modifications to its company object. The results are directly related to the income from its financial non-current assets and the financial expenses from the issues of preference shares.

Important events after year end

There have been no important events worth mentioning since the close of the financial year 2008 other than those described in the financial statements.

Investigation and development

Due to its activity, the Company has not carried out any activities of investigation or development.

Acquisitions of own shares

In 2008 there have been no acquisitions of own shares.

At 31 December, the Company has no treasury stocks.

Main risks of the business

The Administrators of the Company do not consider there to be any additional risks or uncertainties other than those reflected in the financial statements.

Utilising financial instruments

In 2008 the Company has not used derivative financial instruments to hedge interest rate risk.

Equity Structure

On 31 December 2008 the equity of the Company is composed of 605 registered shares of 100 Euros nominal value for each one, all of them with identical political rights, Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja being the Sole Shareholder.

Restrictions on the transfer of the securities

There are no restrictions regarding the free transmission of the securities.

Restrictions on the right to vote

There are none.

Corporate Governance Report

Bancaja Capital, S.A. (Sole Shareholder Company), is a company which is 100% controlled by Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja, which has acted as an instrumental vehicle for the issue of securities which are listed in official secondary Spanish markets. For this reason, the Company refers to the Annual Report of Corporate Governance of its parent company, Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja, which can be consulted on the Company web page www.bancaja.es.

Regulations applicable to the naming and substitution of members of the Board of Directors and modification of the bylaws

Legal. The Sole Shareholder names the members of the Board.

Power of Attorney of the members of the Board of Directors

The members of the Board of Directors don't have Power of Attorney for the Company. The power to issue shares is held by the Sole Shareholder.

Significant agreements which will be adapted or terminated in the case of a change of control

There are none.

Valencia, 26 February 2009



CAPITAL S.A.U.

Declaración de Responsabilidad del Informe Financiero Anual

Diligencia que levanta el Secretario del Consejo de Administración de Bancaja Capital S.A., D. Santiago de Santos Radigales en representación de Grupo Bancaja Centro de Estudios, S.A., para hacer constar que todos y cada uno de los miembros del Consejo de Administración declaran que, hasta donde alcanza su conocimiento, las cuentas anuales del ejercicio 2008, formuladas en el Consejo de 26 de febrero de 2009, y elaboradas con arreglo a los principios de contabilidad aplicables, ofrecen la imagen fiel del patrimonio, de la situación financiera, de los resultados y de los flujos de efectivo que se han producido durante el ejercicio 2008 de Bancaja Capital S.A., y que el informe de gestión aprobado junto con aquellas incluyen un análisis fiel de la evolución y los resultados empresariales y de la posición de Bancaja Capital S.A., así como la descripción de los principales riesgos e incertidumbres a los que se enfrentan, firmando todos y cada uno de los señores Consejeros de Bancaja Capital S.A. en señal de conformidad, cuyos nombres y cargos constan a continuación, de lo que doy fe.

Valencia, 26 de febrero de 2009.

Fdo. Santiago de Santos Radigales

Presidente

Miguel Angel Soria Navarro
DNI: 29.109.563-G,
en representación de Caja de
Ahorros de Valencia,
Castellón y Alicante, Bancaja
CIF: G-46.002.804

Vocal Consejero

Benito Castillo Navarro
DNI: 5.146.652-B,
en representación de Bageva
Inversiones, S.A.
CIF: A-96.821.145

Secretario Consejero

Santiago de Santos Radigales
DNI: 5.257.943-M,
en representación de Grupo
Bancaja Centro de Estudios, S.A.
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