



Caixa Tarragona

Quarterly Report
March 2008

Balance Sheet Management and Relevant Facts

The first quarter of 2008 was characterized by confirmation of the international economy slowdown, including real estate sector, as well as by a notable rise in non-performing risks ratio. The named facts signified an additional effort for Caixa Tarragona at all its levels to constant adaptation to this hardly reliable, increasingly complicated, and full of competitive pressure environment. At the same time, thanks to this effort, the Group Caixa Tarragona has kept in line the accomplishment of the objectives that were set for the present quarter.

With the beginning of the year 2008 the Group Caixa Tarragona has initiated the new Strategy Plan (2008 – 2010) that will guide it in its profitable growth, in maintaining of high solvency levels, which historically characterized the Group, and in satisfaction of customers' needs, the Group's principal asset.

The Group's Loans and Receivables, which is focused on financing for families and for work-in-process needs of small and medium enterprises (SME), showed an interannual growth of 18.77% as at the end of the first quarter. This growth was in line with the one of the last quarter of 2007 therefore representing continuous risk moderation that can be appreciated from a smaller increase of risk weighted assets to an increase in total assets.

Regarding the Group's Liabilities, total Customer Funds Managed rose to 7,830.51 million euros at March 31st, 2008. Within this account Customer Funds in Balance increased by 13.62% versus last year. Besides, disposable assets composed of trading portfolio assets (+ 12.87%) and available-for-sale financial assets (+ 261.37%), as well as additional capacity to generate liquidity of the Group allow to step into the future with optimism, even in case of the unfavorable scenario.

In reference to Assets Quality, the percentage of non-performing risks to total risks at March 31st, 2008 was situated at 2.03%, concentrated mainly (77% of total) in loans for primary residence financing, which constitutes an additional guarantee due to the fact that this type of residence has got a much higher recuperation rate than any other loan.

Finally, it should be highlighted that the Group Caixa Tarragona maintains above the sector average solvency rate. Precisely, at March 31st, 2008 the BIS Ratio situated at 10.83%, representing a 283 basic points excess over the minimum required amount. Of the total BIS ratio, the Tier I composed at 100% of the Core Capital rose to 6.76%.

Quarterly Report > March 2008

Caixa Tarragona Financial Highlights*				
Business Figures	31/03/2008	31/03/2007	Net Change	
			Eur	%
Total assets managed	9,455,277	7,393,790	2,061,487	27.88
Total assets in balance	9,265,589	7,166,092	2,099,497	29.30
ATA (average total assets)	8,283,837	6,783,283	1,500,555	22.12
Risk weighted assets (BIS criteria)	6,273,681	5,236,526	1,037,155	19.81
Client Loans and Advanced Managed	7,064,195	6,022,715	1,041,480	17.29
Client Loans and Advances on the balance sheet	6,874,507	5,795,017	1,079,490	18.63
Contingent Risks	148,554	154,059	(5,505)	(3.57)
Client Resources Managed	7,830,512	7,130,588	699,924	9.82
In balance	6,705,668	5,793,144	912,524	15.75
Off balance	1,124,844	1,337,444	(212,600)	(15.90)
Results				
Net Interest Income	49,132	43,126	6,006	13.93
Net Commission Income	59,339	53,192	6,147	11.56
Gross Income	71,608	48,820	22,788	46.68
Net Operating Income	42,176	21,000	21,176	>
Profit Before Tax	15,477	16,883	(1,406)	(8.33)
Net Income Attributed to the Group	13,516	13,469	47	0.35
Solvency				
Ratio BIS	10.83%	12.26%		
Tier I (100% Core Capital)	6.76%	7.01%		
Tier II	4.07%	5.25%		
Profitability and Efficiency**				
ROE	12.64%	13.17%		
ROA	0.62%	0.72%		
RORWA	0.89%	0.98%		
Efficiency	42.61%	51.24%		
Operating Costs/ ATA	1.29%	1.43%		
Asset Quality				
Accumulated funds for coverage	162,906	99,169	63,737	64.27
NPR ratio	2.03%	1.03%		
NPR Coverage Ratio	80.35%	119.69%		
Insolvency Ratio	0.102%	0.101%		
Additional info				
Number of branches	319	318	1	0.31
Number of employees	1,514	1,467	47	3.20

* Thousands of euros

**Year over Year

Quarterly Report > March 2008

Balance Sheet*	31/03/2008	31/12/2007	31/03/2007	Variance		Variance	
				YTD		interannual	
Assets				Absolute	%	Absolute	%
Cash and equivalents with central banks	89,954	112,517	107,730	(22,563)	(20.05)	(17,776)	(16.50)
Financial assets held for trading	426,055	512,366	377,481	(86,311)	(16.85)	48,574	12.87
Financial assets available for sale	1,260,704	960,148	348,867	300,556	31.30	911,837	>
Loans and Receivables	7,213,554	7,036,447	6,073,606	177,107	2.52	1,139,948	18.77
Hedging Derivatives	30,001	48,962	40,606	(18,961)	(38.73)	(10,605)	(26.12)
Non-current assets available for sale	18,660	8,714	3,724	9,946	>	14,936	>
Investments	7,036	16,425	17,558	(9,389)	(57.16)	(10,522)	(59.93)
Insurance contracts linked to pensions	14,161	12,581	12,759	1,580	12.56	1,402	10.99
Reinsurance assets	357	271	73	86	31.73	284	>
Tangible Assets	150,285	151,133	145,501	(848)	(0.56)	4,784	3.29
Intangible Assets	3,838	3,631	3,856	207	5.70	(18)	(0.47)
Tax Assets	42,293	40,251	30,136	2,042	5.07	12,157	40.34
Prepayments and other accrued Income	7,006	3,503	3,625	3,503	100.00	3,381	93.27
Other assets	1,685	1,132	570	553	48.85	1,115	>
Total Assets	9,265,589	8,908,081	7,166,092	357,508	4.01	2,099,497	29.30
Liabilities							
Financial Liabilities held for trading	292	326	37	(34)	(10.43)	255	>
Financial Liabilities at an amortised cost	8,610,286	8,219,572	6,524,859	390,714	4.75	2,085,427	31.96
Hedging Derivatives	19,938	41,621	13,029	(21,683)	(52.10)	6,909	53.03
Insurance liabilities	896	729	264	167	22.91	632	>
Provisions	42,641	40,589	37,509	2,052	5.06	5,132	13.68
Tax liabilities	38,282	41,707	53,962	(3,425)	(8.21)	(15,680)	(29.06)
Payables and accrued liabilities	29,148	33,763	26,936	(4,615)	(13.67)	2,212	8.21
Other liabilities	10,752	12,108	9,890	(1,356)	(11.20)	862	8.72
Total liabilities	8,752,235	8,390,415	6,666,486	361,820	4.31	2,085,749	31.29
Equity							
Valuation Adjustments	52,130	68,058	81,156	(15,928)	(23.40)	(29,026)	(35.77)
Net Equity attributable to the group	461,224	449,608	418,450	11,616	2.58	42,774	10.22
Total Equity	513,354	517,666	499,606	(4,312)	(0.83)	13,748	2.75
Total Equity and Liabilities	9,265,589	8,908,081	7,166,092	357,508	4.01	2,099,497	29.30
Pro-memoria:							
Contingent Risks	148,554	163,401	154,059	(14,847)	(9.09)	(5,505)	(3.57)
Contingent Commitments	1,358,152	1,425,301	1,420,055	(67,149)	(4.71)	(61,903)	(4.36)

*Thousands of euros

Quarterly Report > March 2008

Client Loans & Advances*	31/03/2008	31/12/2007	31/03/2007	Variance YTD		Variance Interannual	
				Absolute	%	Absolute	%
Loans and Advances to Public Administrations	84,382	81,839	72,073	2,543	3.11	12,309	17.08
Performing Loans	84,414	81,870	72,132	2,544	3.11	12,282	17.03
Valuation Adjustments (+/-)	(32)	(31)	(59)	(1)	3.23	27	(45.76)
Loans and Advances to Private Sector	6,790,125	6,546,073	5,722,944	244,052	3.73	1,067,181	18.65
Commercial Loans	221,484	232,760	188,817	(11,276)	(4.84)	32,667	17.30
Secured Loans	5,542,064	5,375,936	4,784,963	166,128	3.09	757,101	15.82
Other Term Loans	790,236	767,203	641,595	23,033	3.00	148,641	23.17
Leasing	34,443	31,768	11,678	2,675	8.42	22,765	>
On call loans	173,024	150,366	127,607	22,658	15.07	45,417	35.59
Non-Performing Loans	201,932	137,609	81,781	64,323	46.74	120,151	>
Valuation Adjustments (+/-)	(173,058)	(149,569)	(113,497)	(23,489)	15.70	(59,561)	52.48
Total Client Loans and Advances (a)	6,874,507	6,627,912	5,795,017	246,595	3.72	1,079,490	18.63
Loans and Advances Off-Balance Sheet (b)	189,688	199,743	227,698	(10,055)	(5.03)	(38,010)	(16.69)
Total (a+b)	7,064,195	6,827,655	6,022,715	236,540	3.46	1,041,480	17.29

*Thousands of euros

Quarterly Report > March 2008

Client Funds Managed*	31/03/2008	31/12/2007	31/03/2007	Variance YTD		Variance Interannual	
				Absolute	%	Absolute	%
Client Deposits	5,425,696	5,121,109	4,783,690	304,587	5.95	642,006	13.42
Public Administration Deposits	204,241	222,619	238,103	(18,378)	(8.26)	(33,862)	(14.22)
Private Sector Deposits	5,221,455	4,898,490	4,545,587	322,965	6.59	675,868	14.87
Demand Deposits	1,434,748	1,453,209	1,486,760	(18,461)	(1.27)	(52,012)	(3.50)
Term Deposits	3,663,953	3,294,944	2,894,915	369,009	11.20	769,038	26.57
Asset Reposection	71,025	103,189	104,894	(32,164)	(31.17)	(33,869)	(32.29)
Valuation Adjustments (+/-)	51,729	47,148	59,018	4,581	9.72	(7,289)	(12.35)
Debt and other Marketable Securities	1,162,822	1,347,426	892,318	(184,604)	(13.70)	270,504	30.31
Promissory Notes	725,552	911,742	460,248	(186,190)	(20.42)	265,304	57.64
Hybrid Debt	25,000	25,000	25,000	-	-	-	-
Non-convertible Debt	399,436	399,436	399,436	-	-	-	-
Valuation Adjustments (+/-)	12,834	11,248	7,634	1,586	14.10	5,200	68.12
Subordinated Liabilities	117,150	117,148	117,136	2	0.00	14	0.01
Subordinated Debt	117,079	117,079	117,079	-	-	-	-
Valuation Adjustments (+/-)	71	69	57	2	2.90	14	24.56
Total Client Funds (a)	6,705,668	6,585,683	5,793,144	119,985	1.82	912,524	15.75
Investment Funds	223,746	253,007	250,881	(29,261)	(11.57)	(27,135)	(10.82)
Insurance and Pension Funds	332,784	351,495	434,334	(18,711)	(5.32)	(101,550)	(23.38)
Products Held but not managed	90,910	87,029	111,762	3,881	4.46	(20,852)	(18.66)
Client Securities	477,404	501,155	540,467	(23,751)	(4.74)	(63,063)	(11.67)
Total Off Balance Sheet Assets (b)	1,124,844	1,192,686	1,337,444	(67,842)	(5.69)	(212,600)	(15.90)
Total (a+b)	7,830,512	7,778,369	7,130,588	52,143	0.67	699,924	9.82

*Thousands of euros

Quarterly Report > March 2008

Risk Management*	31/03/2008	31/12/2007	31/03/2007	Variance YTD		Variance Interannual	
				Absolute	%	Absolute	%
Total Risks in Balance	8,385,518	7,779,550	6,315,410	605,968	7.79	2,070,108	32.78
Total Risks off Balance	1,610,605	1,697,432	1,698,328	(86,827)	(5.12)	(87,723)	(5.17)
Total Risks	9,996,123	9,476,982	8,013,738	519,141	5.48	1,982,385	24.74
Non-Performing Risks Ratio(B/S)	2.41%	1.77%	1.29%				
Non-Performing Risks Ratio (Off B/S)	0.05%	0.05%	0.06%				
Total Non-Performing Loans	2.03%	1.46%	1.03%				
Coverage Ratio(B/S)	78.96%	98.39%	118.24%				
Coverage Ratio(Off B/S)	431.26%	391.35%	230.45%				
Total Coverage Ratio	80.35%	100.08%	119.69%				

* Thousands of euros

Solvency*	31/03/2008	31/03/2007	Variance	
			Absolute	%
Total Core Capital	424,228	367,270	56,959	15.51
Ratio Core Capital (%)	6.76%	7.01%		
Total Tier II Capital	255,447	274,670	(19,223)	(7.00)
Tier II Ratio (%)	4.07%	5.25%		
Computable Capital BIS	679,675	641,939	37,736	5.88
Surplus Capital	176,118	221,826	(45,708)	(20.61)
BIS Ratio (%)	10.83%	12.26%		
Pro-memoria				
Risk Weighted Assets (BIS Criteria)	6,273,681	5,236,526	1,037,155	19.81

* Thousands of euros

Rating					
	Latest Revision	Individual	Short-Term	Long-Term	Outlook
Fitch Ratings	November 2006	B/C	F2	A-	Stable
	Latest Revision	Individual	Short-Term	Long-Term	Outlook
Moody's	November 2007	C	P1	A2	Stable

Results and Profitability

The first quarter of 2008 was notable for uncertainty at international financial markets, as well as for global economic slowdown. Now and in the nearest future these factors should affect companies' incomes meaning decreasing growth rates. Nevertheless, the Group Caixa Tarragona managed to obtain quarterly sales that do not demonstrate any deceleration in its margins, going in line with objectives set up for the present financial year, and at the same time representing an organic growth, which responds to prudence criteria, one of the Group's priorities.

That is to say, each of the Income Statement margins shows a notable increase on interannual level at March 31st, 2008 as a consequence of correct application of the Group's policy regarding operations management, as well as its efficiency in costs control.

Net Interest Income, a reflection of the Group's traditional business, was 49.13 million euros at March 31st, 2008 equal to 13.93% increase opposed to the last year.

Net commission Income reached 59.34 million euros, which is 11.56% higher in comparison to the previous year. Such growth was motivated by favorable evolution of cross-selling that, in its turn, made grow fee and commission income at interannual rate of 3.04%.

Once again there was an increase in Gross Income that grew to 59.34 million euros, an increase of 11.56% on a yearly basis.

Net Operating Income amounted to 42.18 million euros at March 31st, 2008, an increase of 0.35% compared to the last financial year. Due to the policy of prudence by the Group the Impairment losses account reached 27.7 million euros, including 9.7 million euros that correspond to binding provisions (related to growth in investments as well as to increase in non-performing loans), and the rest 18 million euros that correspond to non-binding provisions. In case not-binding provisions are not taken into consideration, Impairment losses would have amounted at 26.11 million euros, equal to 93.84% increase at interannual rate.

Regarding profitability ratios, the policy of prudence above mentioned had a slight impact on ROE, ROA, and RORWA, that were 12.64%, 0.62%, and 0.89% respectively.

To conclude, the Group's efficiency ratios continued its improvement. The operating efficiency ratio, influenced by favorable evolution of total income, as well as by costs control policy, reached 42.61% as March 31st, 2008 equal to 863 basic points improvement on interannual level. As for the ratio of operating costs to average total assets was 1.29%, a 14 basic points improvement compared to the previous financial year.

Quarterly Report > March 2008

Income Statement*	31/03/2008	% ATA**	31/03/2007	% ATA**	Variance	
					Absolute	%
Interest and similar income	110,739		80,433		30,306	37.68
Interest and similar income	(74,513)		(44,930)		(29,583)	65.84
Return on equity instruments	12,906		7,623		5,283	69.30
Net Interest Income	49,132	2.37	43,126	2.54	6,006	13.93
Share of results of entities accounted for using the equity method	316		467		(151)	(32.33)
Fee and commission income	10,595		10,471		124	1.18
Fee and commission expense	(976)		(899)		(77)	8.57
Insurance Income	272		27		245	>
Net Commission Income	59,339	2.87	53,192	3.14	6,147	11.56
Gains/(Losses) on financial assets and liabilities (net)	12,202		(4,441)		16,643	>
Exchange differences (net)	67		69		(2)	(2.90)
Gross Income	71,608	3.46	48,820	2.88	22,788	46.68
Other operating income	935		1,200		(265)	(22.08)
Personnel expenses	(19,359)		(18,804)		(555)	2.95
Other general administrative expenses	(8,338)		(7,850)		(488)	6.22
Depreciation and amortization charge	(2,114)		(1,954)		(160)	8.19
Other operating expenses	(556)		(412)		(144)	34.95
Net Operating Income	42,176	2.04	21,000	1.24	21,176	>
Impairment losses (net)	(27,721)		(5,308)		(22,413)	>
Provisions (net)	10		(11)		21	>
Other gains	1,219		1,277		(58)	(4.54)
Other losses	(207)		(75)		(132)	>
Profit before tax	15,477	0.75	16,883	1.00	(1,406)	(8.33)
Income Tax	(1,961)		(3,414)		1,453	(42.56)
Net Income Attributed to the Group	13,516	0.65	13,469	0.79	47	0.35

*Thousands of euros

**Annualized

Profitability & Efficiency*	31/03/2008	31/03/2007
ROE	12.64%	13.17%
ROA	0.61%	0.71%
RORWA	0.87%	0.97%
Operating Efficiency	42.61%	51.24%
Operating Costs / ATA	1.29%	1.41%

* Year / Year

DISCLAIMER

The consolidated financial statements of the group for the period ending March 31st, 2008 that appear in this report have not been audited or approved by the General Assembly of the entity but have been made following the same criteria during the process in 2007, conforming with current legislation. The interpretations that are contained about the causes or factors indicated in the financial statements are purely subjective and verified in good faith. In any manner, the information cannot be considered wholly or partially, neither an offer nor invitation to initiate any type of legal or business action. Neither can it serve as a base with which to make any type of economic decision and that it can and should be used as a tool along with other information as other factors, circumstances and/or analysis that has not been included in this report.