



Quarterly Report
June 2008

Balance Sheet Management and Relevant Facts

During the first half of the year 2008 the Group Caixa Tarragona has been developing its activities in the environment of convulsive financial markets characterised by a high grade of uncertainty. Such uncertainty was one of the principal causes of liquidity tension in the system, that was followed by increase in the value of money. This factor together with growing general pressure on prices have affected economy in the way of a notable slowdown in the rhythm of investment growth. In spite of the afore mentioned the Group Caixa Tarragona has continued developing its activities in the first half of the year according to objectives of the Strategic Plan 2008-2010. However, it is quite predictable that a deterioration of economic situation with its impact on GDP, problem loans, unemployment and inflation will strengthen the pressure on business development and will lead to a slowdown in its growth rates.

So far the Group's Total Assets on balance situated at 9,815.60 million euros as at June 30th, 2008, representing a growth of 26.86% on interannual level. Loans and Receivables, the largest part of Total Assets present an interannual growth of 16.09%, with a specially notable increase in financing to families and SMEs that can be observed from rates of interannual growth of 12.44%, 15.49%, and 76.74% in Secured Loans, Other Term Loans, and Leasing respectively.

Regarding the Group's Liabilities, implementation of the Balance Equilibrium Policy has given results within a short period of time. So far Client Funds Managed situated at 7,873.26 million euros as at June 30th, 2008, and within this group Total Client Funds (on balance) have grown by 15.41% which was superior growth in comparison to Credit Loans & Advances. The mostly notable increase can be observed in Client Deposits that rose by 18.04% since June 2007. Such growth was basically due to changing clients' preferences towards savings products, as general pressure on prices has relatively increased their profitability.

In reference to assets quality the percentage of problem loans of total loans was 2.90% as at June 30th, 2008 that is a strong increase comparing to the previous year, reflecting current tendencies of economic development. As a consequence it is very possible that the tendency of increasing NPR will continue till the end of this year if not for assets sale. Regarding this issue the Group has done correspondent provisions that are lower in percentual terms when comparing to NPR level due to high number of prime residence mortgages with loan to value less than 80%. Therefore the coverage ratio for problem loans is now lower in comparison to the sector's average, but at the same time it allows optimistic feeling due to high expected recovery rate, in spite of decreasing housing prices.

As for solvency ratios, their performance has been as strong as in the last several years, precisely Core Capital ratio situated at 6.82% (calculated according to BIS I), and BIS I ratio stood at 10.63% as at June 30th, 2008.

Finally, with reference to liquidity, the Group maintains a stable and comfortable situation without any significant maturities up to 2011 (when there comes a maturity of 400 million euros). The policy of prudence that has been implemented lately and focused on progressive development of a parallel liquidity line now has resulted to be a solid tool for any contingency in this field.

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Caixa Tarragona Financial Highlights*				
Business Figures	30/06/2008	30/06/2007	Net Change	
			Eur	%
Total assets managed	9,998,664	7,953,998	2,044,666	25.71
Total assets in balance	9,815,598	7,737,485	2,078,113	26.86
ATA (average total assets)	8,791,148	7,120,437	1,670,711	23.46
Risk weighted assets (BIS criteria)	6,388,211	5,561,459	826,752	14.87
Client Loans and Advanced Managed	7,257,622	6,374,304	883,318	13.86
Client Loans and Advances on the balance sheet	7,074,556	6,157,791	916,765	14.89
Contingent Risks	151,479	149,760	1,719	1.15
Client Resources Managed	7,873,256	7,220,777	652,479	9.04
In balance	6,838,592	5,925,249	913,343	15.41
Off balance	1,034,664	1,295,528	(260,864)	(20.14)
Results				
Net Interest Income	92,297	84,850	7,447	8.78
Net Commission Income	113,490	105,529	7,961	7.54
Gross Income	135,426	102,475	32,951	32.16
Net Operating Income	76,094	46,799	29,295	62.60
Profit Before Tax	32,920	33,716	(796)	(2.36)
Net Income Attributed to the Group	27,596	27,440	156	0.57
Solvency				
Ratio BIS	10.63%	11.79%		
Tier I (100% Core Capital)	6.82%	6.98%		
Tier II	3.81%	4.81%		
Profitability and Efficiency**				
ROE	12.35%	13.93%		
ROA	0.59%	0.74%		
RORWA	0.86%	1.02%		
Efficiency	41.69%	49.83%		
Operating Costs/ ATA	1.24%	1.39%		
Asset Quality				
Accumulated funds for coverage	172,454	105,558	66,896	63.37
NPR ratio	2.90%	1.14%		
NPR Coverage Ratio	57.82%	109.02%		
Insolvency Ratio	0.166%	0.107%		
Additional info				
Number of branches	319	314	5	1.59
Number of employees	1,519	1,486	33	2.22

* Thousands of euros

**Year over Year

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Balance Sheet*				Variance		Variance	
	30/06/2008	31/12/2007	30/06/2007	YTD		interannual	
Assets				Absolute	%	Absolute	%
Cash and equivalents with central banks	88,977	112,517	108,682	(23,540)	(20.92)	(19,705)	(18.13)
Financial assets held for trading	382,329	512,366	478,873	(130,037)	(25.38)	(96,544)	(20.16)
Financial assets available for sale	1,503,816	960,148	355,312	543,668	56.62	1,148,504	>
Loans and Receivables	7,556,222	7,036,447	6,508,773	519,775	7.39	1,047,449	16.09
Hedging Derivatives	32,815	48,962	56,645	(16,147)	(32.98)	(23,830)	(42.07)
Non-current assets available for sale	16,373	8,714	5,564	7,659	87.89	10,809	>
Investments	7,165	16,425	17,719	(9,260)	(56.38)	(10,554)	(59.56)
Insurance contracts linked to pensions	13,319	12,581	12,725	738	5.87	594	4.67
Reinsurance assets	518	271	132	247	91.14	386	>
Tangible Assets	151,492	151,133	146,115	359	0.24	5,377	3.68
Intangible Assets	4,043	3,631	3,683	412	11.35	360	9.77
Tax Assets	46,879	40,251	33,308	6,628	16.47	13,571	40.74
Prepayments and other accrued Income	10,903	3,503	8,989	7,400	>	1,914	21.29
Other assets	747	1,132	965	(385)	(34.01)	(218)	(22.59)
Total Assets	9,815,598	8,908,081	7,737,485	907,517	10.19	2,078,113	26.86
Liabilities							
Financial Liabilities held for trading	855	326	181	529	>	674	>
Financial Liabilities at an amortised cost	9,149,818	8,219,572	7,057,039	930,246	11.32	2,092,779	29.66
Hedging Derivatives	35,978	41,621	38,215	(5,643)	(13.56)	(2,237)	(5.85)
Insurance liabilities	1,076	729	503	347	47.60	573	>
Provisions	42,468	40,589	39,491	1,879	4.63	2,977	7.54
Tax liabilities	36,573	41,707	56,382	(5,134)	(12.31)	(19,809)	(35.13)
Payables and accrued liabilities	33,471	33,763	27,886	(292)	(0.86)	5,585	20.03
Other liabilities	16,988	12,108	15,522	4,880	40.30	1,466	9.44
Total liabilities	9,317,227	8,390,415	7,235,219	926,812	11.05	2,082,008	28.78
Equity							
Valuation Adjustments	30,766	68,058	76,866	(37,292)	(54.79)	(46,100)	(59.97)
Net Equity attributable to the group	467,605	449,608	425,400	17,997	4.00	42,205	9.92
Total Equity	498,371	517,666	502,266	(19,295)	(3.73)	(3,895)	(0.78)
Total Equity and Liabilities	9,815,598	8,908,081	7,737,485	907,517	10.19	2,078,113	26.86
Pro-memoria:							
Contingent Risks	151,479	163,401	149,760	(11,922)	(7.30)	1,719	1.15
Contingent Commitments	1,267,598	1,425,301	1,454,602	(157,703)	(11.06)	(187,004)	(12.86)

*Thousands of euros

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Client Loans & Advances*	30/06/2008	31/12/2007	30/06/2007	Variance YTD		Variance Interannual	
				Absolute	%	Absolute	%
Loans and Advances to Public Administrations	89,480	81,839	80,975	7,641	9.34	8,505	10.50
Performing Loans	89,471	81,870	81,019	7,601	9.28	8,452	10.43
Valuation Adjustments (+/-)	9	(31)	(44)	40	<	53	<
Loans and Advances to Private Sector	6,985,076	6,546,073	6,076,816	439,003	6.71	908,260	14.95
Commercial Loans	202,351	232,760	204,300	(30,409)	(13.06)	(1,949)	(0.95)
Secured Loans	5,633,409	5,375,936	5,010,307	257,473	4.79	623,102	12.44
Other Term Loans	785,537	767,203	680,202	18,334	2.39	105,335	15.49
Leasing	35,800	31,768	20,256	4,032	12.69	15,544	76.74
On call loans	218,651	150,366	185,817	68,285	45.41	32,834	17.67
Non-Performing Loans	297,376	137,609	95,857	159,767	>	201,519	>
Valuation Adjustments (+/-)	(188,048)	(149,569)	(119,923)	(38,479)	25.73	(68,125)	56.81
Total Client Loans and Advances (a)	7,074,556	6,627,912	6,157,791	446,644	6.74	916,765	14.89
Loans and Advances Off-Balance Sheet (b)	183,066	199,743	216,513	(16,677)	(8.35)	(33,447)	(15.45)
Total (a+b)	7,257,622	6,827,655	6,374,304	429,967	6.30	883,318	13.86

*Thousands of euros

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Client Funds Managed*	30/06/2008	31/12/2007	30/06/2007	Variance YTD		Variance Interannual	
				Absolute	%	Absolute	%
Client Deposits	5,708,899	5,121,109	4,836,540	587,790	11.48	872,359	18.04
Public Administration Deposits	203,513	222,619	241,323	(19,106)	(8.58)	(37,810)	(15.67)
Private Sector Deposits	5,505,386	4,898,490	4,595,217	606,896	12.39	910,169	19.81
Demand Deposits	1,421,022	1,453,209	1,532,268	(32,187)	(2.21)	(111,246)	(7.26)
Term Deposits	4,003,241	3,294,944	2,897,862	708,297	21.50	1,105,379	38.14
Asset Reposeession	45,384	103,189	111,044	(57,805)	(56.02)	(65,660)	(59.13)
Valuation Adjustments (+/-)	35,739	47,148	54,043	(11,409)	(24.20)	(18,304)	(33.87)
Debt and other Marketable Securities	1,012,556	1,347,426	971,579	(334,870)	(24.85)	40,977	4.22
Promissory Notes	577,568	911,742	541,698	(334,174)	(36.65)	35,870	6.62
Hybrid Debt	25,000	25,000	25,000	-	-	-	-
Non-convertible Debt	399,436	399,436	399,436	-	-	-	-
Valuation Adjustments (+/-)	10,552	11,248	5,445	(696)	(6.19)	5,107	93.79
Subordinated Liabilities	117,137	117,148	117,130	(11)	(0.01)	7	0.01
Subordinated Debt	117,079	117,079	117,079	-	-	-	-
Valuation Adjustments (+/-)	58	69	51	(11)	(15.94)	7	13.73
Total Client Funds (a)	6,838,592	6,585,683	5,925,249	252,909	3.84	913,343	15.41
Investment Funds	208,422	253,007	248,597	(44,585)	(17.62)	(40,175)	(16.16)
Insurance and Pension Funds	319,521	351,495	396,771	(31,974)	(9.10)	(77,250)	(19.47)
Products Held but not managed	73,853	87,029	109,056	(13,176)	(15.14)	(35,203)	(32.28)
Client Securities	432,868	501,155	541,104	(68,287)	(13.63)	(108,236)	(20.00)
Total Off Balance Sheet Assets (b)	1,034,664	1,192,686	1,295,528	(158,022)	(13.25)	(260,864)	(20.14)
Total (a+b)	7,873,256	7,778,369	7,220,777	94,887	1.22	652,479	9.04

*Thousands of euros

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Risk Management*	30/06/2008	31/12/2007	30/06/2007	Variance YTD		Variance Interannual	
				Absolute	%	Absolute	%
Total Risks in Balance	8,750,339	7,779,550	6,772,584	970,789	12.48	1,977,755	29.20
Total Risks off Balance	1,518,688	1,697,432	1,722,719	(178,744)	(10.53)	(204,031)	(11.84)
Total Risks	10,269,027	9,476,982	8,495,303	792,045	8.36	1,773,724	20.88
Non-Performing Loans Ratio(B/S)	3.40%	1.77%	1.42%				
Non-Performing Loans Ratio (Off B/S)	0.06%	0.05%	0.06%				
Total Non-Performing Loans	2.90%	1.46%	1.14%				
Coverage Ratio(B/S)	56.81%	98.39%	107.60%				
Coverage Ratio(Off B/S)	399.77%	391.35%	249.07%				
Total Coverage Ratio	57.82%	100.08%	109.02%				

* Thousands of euros

Distribution of non-performing loans	30/06/2008
Secured loans to individuals	67,11%
Other loans to individuals (unsecured)	3,70%
Enterprises	17,53%
Real estate developers	11,66%
Total	100,00%

Solvency*	30/06/2008	30/06/2007	Variance	
			Absolute	%
Total Core Capital	435,400	388,257	47,143	12.14
Ratio Core Capital (%)	6.82%	6.98%		
Total Tier II Capital	243,534	267,234	(23,700)	(8.87)
Tier II Ratio (%)	3.81%	4.81%		
Computable Capital BIS	678,934	655,491	23,443	3.58
Surplus Capital	166,231	209,278	(43,047)	(20.57)
BIS Ratio (%)	10.63%	11.79%		
Pro-memoria				
Risk Weighted Assets (BIS Criteria)	6,388,211	5,561,459	826,752	14.87

* Thousands of euros

Rating	Latest Revision	Individual	Short-Term	Long-Term	Outlook
Fitch Ratings	April 2008	B/C	F2	A-	Negative
	Latest Revision	Individual	Short-Term	Long-Term	Outlook
Moody's	May 2008	C	P1	A2	Rur(*)

(*) Rating (S) under review

Results and Profitability

As at June 30th, 2008 all Income Statement margins present growth on interannual level in accordance with the projected ones in terms of current economic situation. Such positive performance is a result of correct application of the Group's policy of operational profitability optimization, as well as of firm cost management, which is of crucial importance at present time. An increase in problem loans together with an increase in total loans were over the sector average, that led consequently to an increase in provisions so that to reach similar to the last year net income level.

Net Interest Income as a reflection of the Group's traditional business situated at 92.30 million euros as at June 30th, 2008, meaning an interannual increase of 8.78% and at the same time showing a certain slowdown in comparison to the previous quarters as a consequence of a lower rhythm of growth and of increase in financing costs. Such tendency to slowdown will continue in the coming months depending on transformation of investment process.

Net Commission Income situated at 113.49 million euros showing an interannual increase of 7.54% that was due to favorable evolution of cross selling that made the commissions grew by 18.94% on interannual basis. Commissions continued to be invariable in reference to policy of customer loyalty.

Gross Income situated at 135.43 million euros, representing an interannual increase of 32.16% that was caused by good performance of financial operations in spite of current negative market situation.

Net Operating Income reached 76.09 million euros as at June 30th, 2008 representing interannual increase of 62.60% that was motivated by strong performance of preceding margins and by correct application of cost containment policy which will be maintained firmly in the future.

As at June 30th, 2008 Net Income Attributed to the Group was 27.60 million euros, equal to 0.57% increase on interannual basis. It is worth notice that voluntary provisions cushion is not taken into account.

Regarding profitability indicators, ROE, ROA and RORWA were 12.35%, 0.59% and 0.86% respectively, showing a certain deceleration as response to current economic situation.

Lastly, it should be stressed that efficiency indicators continued improving for the forth consecutive quarter. Operating Efficiency ratio, favored by positive evolution of all margins as well as by excellent application of cost containment policy, situated at 41.69% as at June 30th, 2008 meaning an interannual improvement in 814 basic points. In its turn the ratio that measures existing relation between Operating Costs and Average Total Assets was 1.24% showing an interannual increase of 15 basic points

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Income Statement*	30/06/2008	% ATA**	30/06/2007	% ATA**	Variance	
					Absolute	%
Interest and similar income	232,496		165,557		66,939	40.43
Interest and similar income	(159,186)		(94,186)		(65,000)	69.01
Return on equity instruments	18,987		13,479		5,508	40.86
Net Interest Income	92,297	2.10	84,850	2.38	7,447	8.78
Share of results of entities accounted for using the equity method	1,065		1,009		56	5.55
Fee and commission income	21,533		21,510		23	0.11
Fee and commission expense	(2,073)		(1,966)		(107)	5.44
Insurance Income	668		126		542	>
Net Commission Income	113,490	2.58	105,529	2.96	7,961	7.54
Gains/(Losses) on financial assets and liabilities (net)	21,790		(3,218)		25,008	<
Exchange differences (net)	146		164		(18)	(10.98)
Gross Income	135,426	3.08	102,475	2.88	32,951	32.16
Other operating income	1,701		2,424		(723)	(29.83)
Personnel expenses	(39,399)		(37,555)		(1,844)	4.91
Other general administrative expenses	(16,367)		(15,808)		(559)	3.54
Depreciation and amortization charge	(4,197)		(3,921)		(276)	7.04
Other operating expenses	(1,070)		(816)		(254)	31.13
Net Operating Income	76,094	1.73	46,799	1.31	29,295	62.60
Impairment losses (net)	(41,894)		(14,697)		(27,197)	>
Provisions (net)	(578)		(225)		(353)	>
Other gains	2,767		2,171		596	27.45
Other losses	(3,469)		(332)		(3,137)	>
Profit before tax	32,920	0.75	33,716	0.95	(796)	(2.36)
Income Tax	(5,324)		(6,276)		952	(15.17)
Net Income Attributed to the Group	27,596	0.63	27,440	0.77	156	0.57

*Thousands of euros

**Annualized

Profitability & Efficiency*	30/06/2008	30/06/2007
ROE	12.35%	13.93%
ROA	0.59%	0.74%
RORWA	0.86%	1.02%
Operating Efficiency	41.69%	49.83%
Operating Costs / ATA	1.24%	1.39%

* Year / Year

DISCLAIMER

The consolidated financial statements of the group for the period ending June 30th, 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.