



MARKET CONSISTENT EMBEDDED VALUE 2007

VidaCaixa

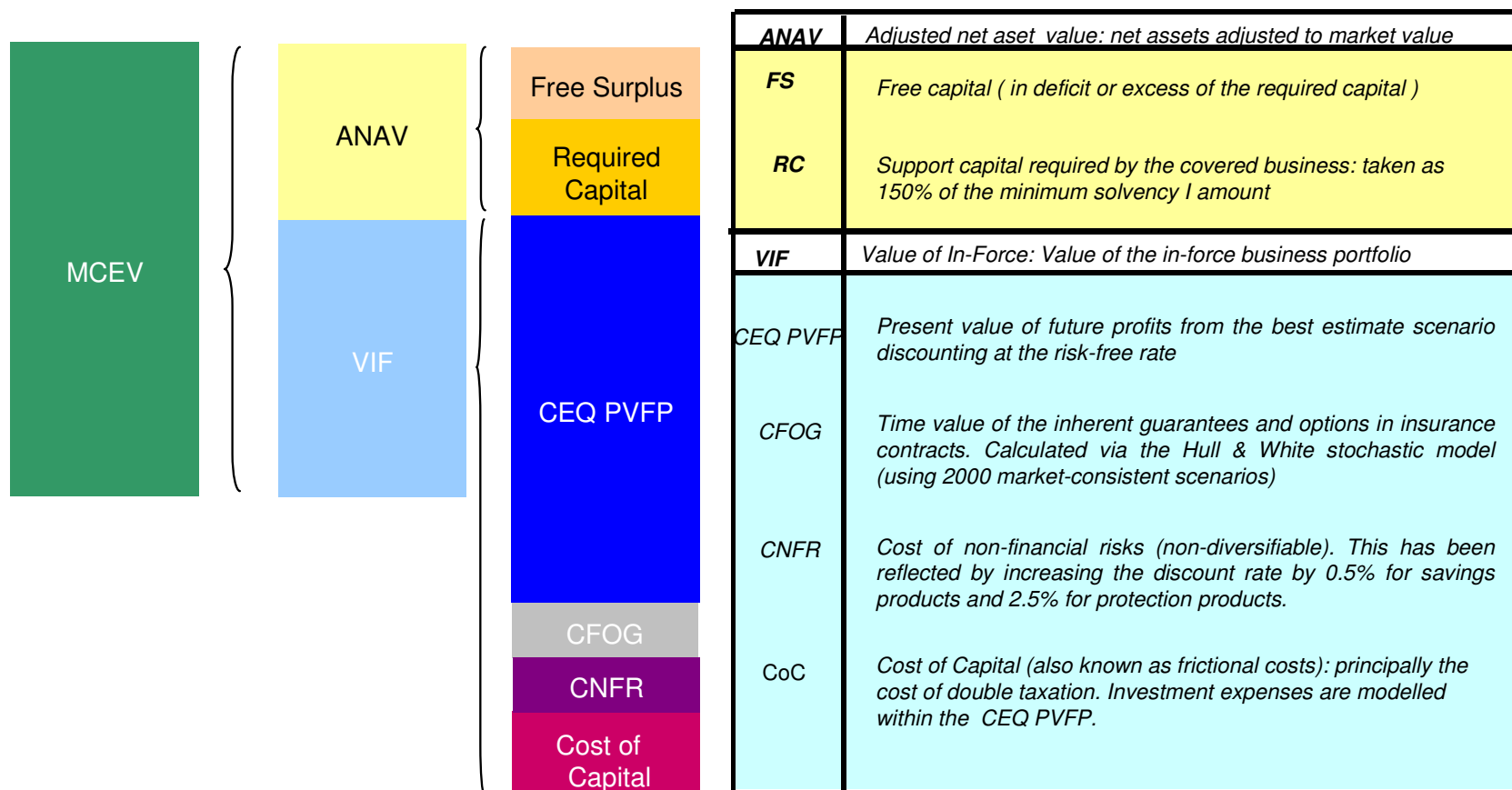
30 May 2008



Methodology and Assumptions MCEV 2007. VidaCaixa

Components of the Market Consistent Embedded Value

Market Consistent Embedded value = ANAV + VIF = FS + RC + CEQ PVFP - CFOG - CNFR - CoC





The business involved is 100% of the life, pension plans and protection business of the company.

Assumptions

The **financial assumptions** are based on market information:

- The discount and reinvestment rates are based on the euroswap zero-coupon curve on the relevant valuation dates. The reinvestment rate was consistent with actual management practice.

| years | MCEV | |
|-------|-------|-------|
| | 2006 | 2007 |
| 1 | 4,08% | 4,70% |
| 5 | 4,13% | 4,56% |
| 10 | 4,21% | 4,75% |
| 15 | 4,30% | 4,92% |
| 30 | 4,29% | 4,91% |

- The assumed future annual inflation rate is 2.46% at end-2006 and 3.00% at end-2007
- The Market Consistent model used: interest rate scenarios were generated using the Hull & White unifactorial model. 2000 scenarios were used and two tests were undertaken to check the quality of the scenarios:
 - The arbitrage-free test, also known as the one to one test
 - The market test, which requires the scenarios to acceptably reproduce market prices (by means of a stochastic simulation)

The **operating assumptions** reflect the actual experience of the company over recent years (internal studies)



MCEV Results of VidaCaixa 2007

- VidaCaixa's book value has evolved favourably in 2007, as may be seen in the analyses below.

- Embedded Value Operating Profit (**EVOR**): **27,10%**

EVOR: the embedded value operating profit measures the increase in embedded value from operations (it includes the value of new business and changes in the assumptions related to the management of the covered business)

- Embedded Value Total Profits (**EVTR**): **54,46%**

EVTR: the total increase in embedded value over the year, excluding the impact of changes in capital, dividends paid and movements in currency rates.

Margin on new business: **3,66%** (VANB / PVEP)

VANB: Value Added by New Business

PVEP: Present Value of Earned Premiums, being the present value of future premiums projected to arise from the new business

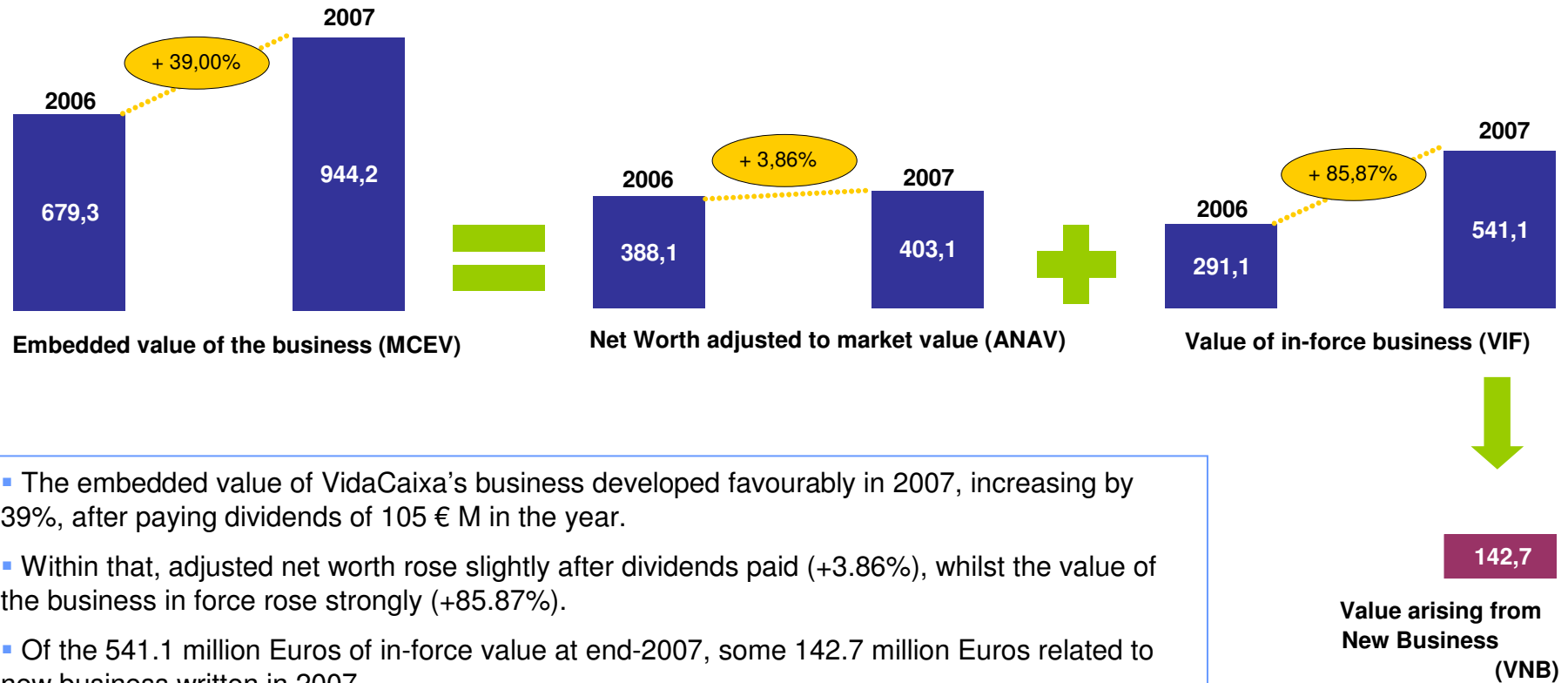
- These increases in value result principally from:

- The substantial contribution from value from new business.
- The positive effect of the increase in risk free interest rates over 2007.

Tillinghast, Towers Perrin's insurance consulting practice, has reviewed and provided an independent opinion on the MCEV methodology, assumptions and results, as described in page 14 of this document.



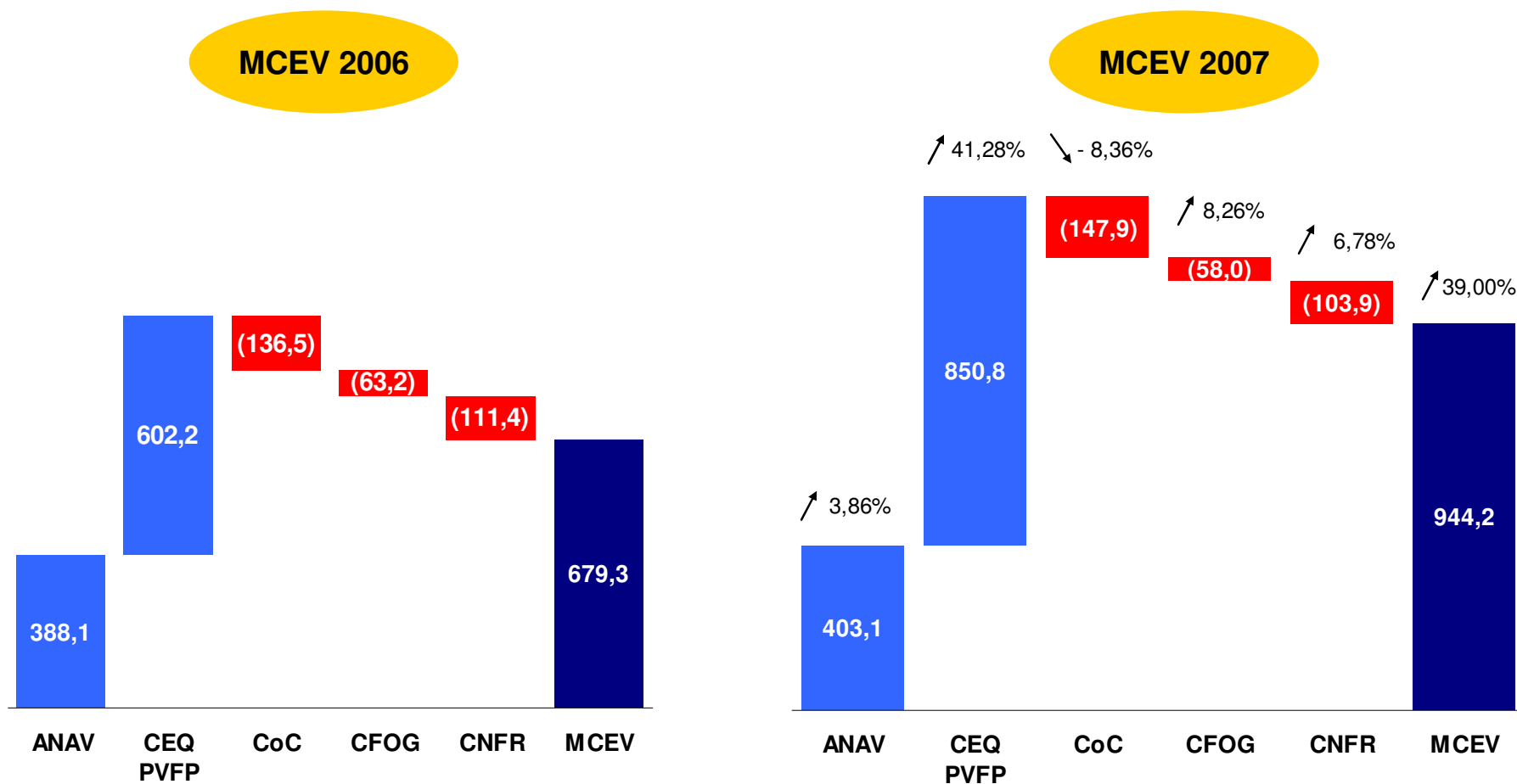
Summary



Datos en millones de euros

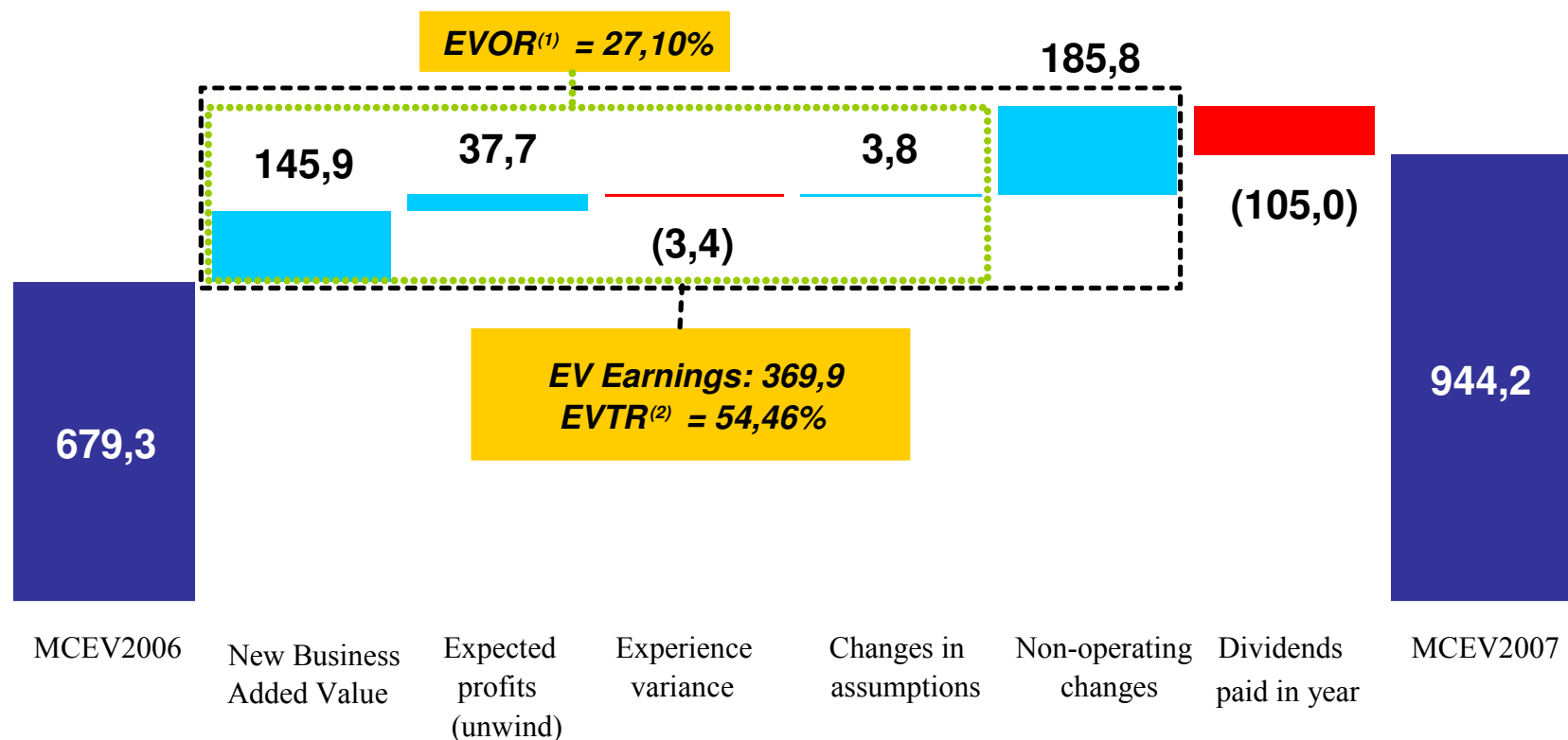


Components of MCEV in 2007 vs 2006



In millions of Euros

VidaCaixa: Analysis of change (added value in 2007)

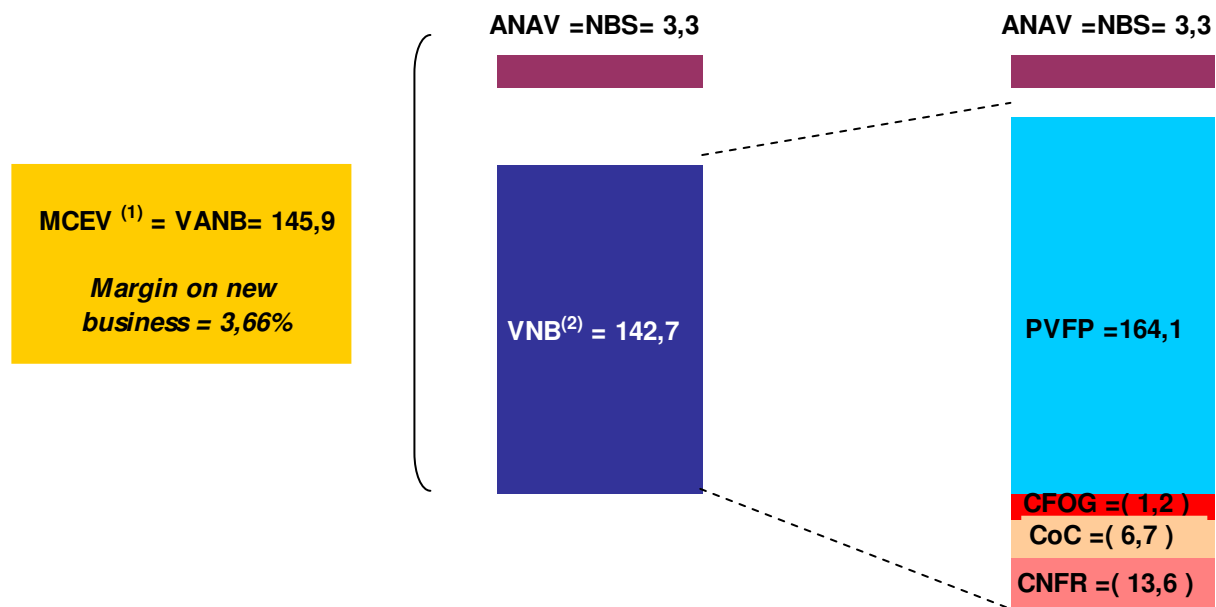


(1) EVOR: the embedded value operating profit measures the increase in the embedded value of the business from operations (it includes the value of new business and changes in the assumptions related to the management of the covered business)

(2) EVTR: the total increase in embedded value over the year, excluding the impact of changes in capital, dividends paid and movements in currency rates.

In millions of Euros

Value added by New Business in 2007



- Margin on new business: 3,66% (ratio VANB / PVEP = 145,9 / 3.989,3)
 VANB: Value Added by New Business, (includes NBS: New Business Strain + VNB: Value of New Business).
 PVEP: Present Value of Earned Premiums, being the present value of future premiums projected to arise from the new business.
- VidaCaixa's new business includes the premiums on new contracts and additional contributions on existing pension plans.

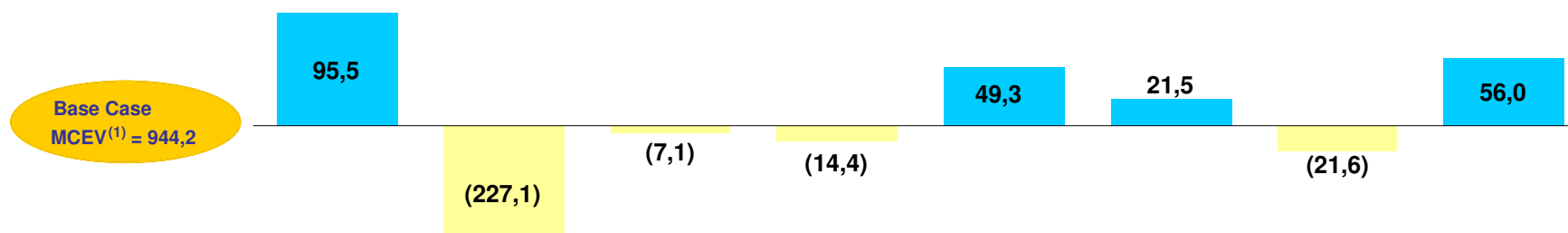
(1) MCEV=ANAV+VNB

(2) VNB = PVFP - CFOG - CoC - CNFR

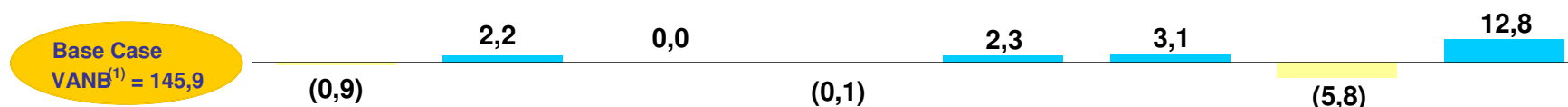
In millions of Euros

Analysis of the sensitivity of the MCEV 2007

Portfolio



New business



Increase of 100 bp in the curve of risk free rates Decrease of 100 bp in the curve of risk free rates 10% decrease in the value of shares and property 25% increase in the implied volatility of swaptions Required capital of 100% of the Solvency I minimum margin 10% decrease in maintenance expenses 5% deterioration in mortality experience (2) 10% decrease in the rate of surrenders

(1) $MCEV = ANAV + VIF$ $VANB = NBS + VNB$

(2) Increase in term products and decrease in saving products.

In millions of Euros

ANAV: reconciliation with local accounts and IFRS

| | |
|--|---------------|
| Consolidated net assets of VidaCaixa at 31/12/07 (IFRS) | 414,8 |
| Net adjustments between accounting values | 31,3 |
| Consolidated net assets of VidaCaixa at 31/12/07 (Local) | 446,1 |
| Assets side adjustments : | (69,4) |
| <i>Shareholders uncalled capital</i> | <i>(90,0)</i> |
| <i>Establishment expenses</i> | <i>(0,4)</i> |
| <i>Unrealised gains/losses related to net asset value</i> | <i>21,0</i> |
| <i>Properties</i> | <i>13,4</i> |
| <i>Subordinated Debt</i> | <i>3,5</i> |
| <i>Fixed Interest</i> | <i>4,1</i> |
| Liabilities side adjustments : | 22,5 |
| <i>Future income distributions</i> | <i>22,5</i> |
| Total EEV Net of tax-adjustments : | (46,8) |
| Value of subordinated Liabilities | 3,8 |
| Consolidated net assets of VidaCaixa at 31/12/07 ⁽¹⁾ | 403,1 |

(1) Amount used in the calculation of the MCEV

In millions of Euros



External opinion letter. VidaCaixa

REVIEW STATEMENT

Introduction

CaiFor engaged the Tillinghast insurance consulting business of Towers Perrin (“Towers Perrin”) to assist in the development of the “market consistent Embedded Value” methodology used for the VidaCaixa life, health and pensions business. Towers Perrin has also reviewed the assumptions used in the calculation of the embedded value at December 31, 2007, and the 2007 new business value. The review also covered the analysis of movement in Embedded value and the sensitivities shown in pages 9 and 11 of VidaCaixa “Market Consistent Embedded Value 2007” report dated 30 May 2008 (“The report”).

Opinion

Towers Perrin has concluded that the methodology and assumptions employed comply with the CFO Forum EEV Principles. In particular:

- The methodology used, described on page 3 of the report, makes allowance for the aggregate risks in the covered business through the use of best estimate projections of after-tax statutory profits, the deduction of the cost of required capital and cost of non financial risks relating to the business and the stochastic allowance for the cost of the main financial options and guarantees;
- The operating assumptions have been set with appropriate regard to past, current and expected future experience;
- The economic assumptions used are internally consistent and consistent with observable, reliable market data; and
- For participating business, the assumed bonus rates, and the allocation of profit between policyholders and shareholders, are consistent with the projection assumptions, established company practice and Spanish market practice.

Towers Perrin has also reviewed the embedded value and new business value results shown in pages 7 to 10 of the report and has concluded that in all material respects the results have been prepared in a manner consistent with the methodology and assumptions described in this document, without, however, undertaking detailed checks of all the models, processes and calculations involved.

In arriving at these conclusions, Towers Perrin has relied on data and information provided by VidaCaixa, including the market values of debt and other IFRS adjustments.

This opinion is made solely to CaiFor SA in accordance with the terms of Towers Perrin's engagement letter. To the fullest extent permitted by applicable law, Towers Perrin does not accept or assume any responsibility, duty of care or liability to anyone other than CaiFor SA. for or in connection with its review work, the opinions it has formed, or for any statement set forth in this opinion.



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