

# DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

FONDO DE GARANTÍA DE DEPÓSITOS  
EN ESTABLECIMIENTOS BANCARIOS

SPAIN

ANNUAL REPORT 2007



# DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

FONDO DE GARANTÍA DE DEPÓSITOS  
EN ESTABLECIMIENTOS BANCARIOS

SPAIN

ANNUAL REPORT 2007

This document is a partial translation of the Spanish original and it has been prepared for the convenience of readers and in the event of ambiguity, the Spanish text will prevail. The Spanish version can be downloaded from the web site ([www.fgd.es](http://www.fgd.es)) or can be requested to:

Fondo de Garantía de Depósitos en Establecimientos Bancarios  
C/ José Ortega y Gasset, 22  
28006 Madrid-España

Depósito legal: M. 29372-2008  
Unidad de Publicaciones, Banco de España

## TABLE OF CONTENTS

	<i>Pages</i>
MANAGEMENT REPORT.....	7
ANNUAL ACCOUNTS.....	13
Balance sheet.....	14
Income statement.....	15
Statement of changes in the equity.....	16
Cash flows statement.....	17
INDEPENDENT AUDITOR'S REPORT.....	19



## DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

### MANAGEMENT REPORT FOR THE YEAR 2007

#### General information

1. Constitution: The Deposit Guarantee Fund for Banking Establishments (hereinafter FGDEB) was created by means of the Royal Decree 3048/1977, of November 11, modified by the Royal Decree 54/1978, of January 16; later on, the Royal Decree-law 4/1980, of March 28, endows it with public legal personality, with full capacity for the development of their purposes under private law rules.

Its tasks are set forth in Royal Decree 2606/1996, of December 20, being governed and administered by an Management Committee integrated by eight members appointed by the Minister of Economy and Finance, out of which four are representatives of Banco de España and four of credit institutions.

2. Purpose: To guarantee cash deposits, transferable securities and financial instruments held in banking establishments which amount and procedure will be decided by the Government , as well as to take action as many times as it may be necessary to reinforce the solvency and to improve the operation of the banks in defence of the interests of the depositors and itself. This regulation attributes the FGDEB the double role of, on the one hand, insuring deposits and on the other hand, restructuring credit institutions, settling down different and independent guarantees, one for cash deposits, and the other one for transferable securities and financial instruments.

The Management Committee authorised the publication of these annual accounts on March 6, 2008.

#### Activity during the year

3. Management and administration of the FGDEB during the year 2007 have been carried out by the Fund's Management Company (Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, AIE) in accordance with the terms of the contract signed with this latter on June 29, 2000, and have been in line with the guidelines issued by the FGDEB to the Management Company in previous years, as follows:

- Equity management through the investment in public debt. Total investments have amounted to €1,817,086.8 thousand and total of disinvestments to €1,571,249.8 thousand. The financial income shows a return of €79,357.6 thousand, representing an average yield of 2.76% on an average investment of €2,292,152 thousand. The

financial management as a whole with other financial income and expenses shows a net return of €86,411.8 thousand, due to two positive figures: the first, of €23,211.4 thousand, by the increase of the invested amounts and the higher return, and the second, of €14,466 thousand, derived from the reduction of the provision for financial investment.

- Management of third party debts acquired in previous years from failed banking establishments.
- Other significant activities are those related to the preparation of Management Committee meetings and to the execution of the decisions taken, and the analysis of the coverage level on the basis of the institutions' equity.

4. In connection with the lawsuit brought by Mr. Domingo López Alonso against Bank of Valladolid, SA, (nowadays Barclays Bank, SA), described in the previous annual reports, which is under the legal direction of the Management Company and with the financial cover of the FGDEB, it is important to remind that the annual report of 2006 made reference to the Court Order passed on December 18, 2006 by the 20th Section of the Provincial Court of Appeal of Madrid, by virtue of which it allowed the appeal filed by Barclays Bank, SA, against a Court Order passed by the 4th Court of First Instance of Madrid on March 24, 2003, that had quantified in 26,478,544.08 euros the compensation to be paid to Mr. Domingo López Alonso, ordering the retroaction of all court proceedings back on June 13, 2002.

In fulfilment of the referred order of the Provincial Court of Appeal of Madrid, the 4th First Instance Court of Madrid has been requested to:

- To require Mr. Domingo López Alonso for reimbursing the amounts perceived in the course of the provisional enforcement of the court order passed on March 24, 2003. To date he has not reimbursed any amount, so the court has been requested to attach Mr. Domingo López's assets as well as to report on the destiny of the funds amounting 27.1 million euro as principal and interests, which were delivered at the time.
- To deem fulfilled the judgement of October 6, 1998 in the procedural form prescribed in such resolution. For this purpose, the deeds or credit instruments delivered in 2002 have been offered again to the court. However, the court, by virtue of an order issued on September 11, 2007, has rejected them and given leave to a new claim for damages and prejudicial consequences, based exclusively on the refusal by Mr. Domingo López Alonso to accept those deeds or credit instruments. A request for review has been filed in court against the latter resolution, stressing that the court does not comply with the abovementioned resolution passed by the provincial court of appeal of Madrid.

On January 14, 2008, the 4th First Instance Court of Madrid has notified several resolutions passed on December 26, 2007, by virtue of which:

- The court requires Mr. Domingo López Alonso again to reimburse the amounts perceived in the course of the provisional enforcement and to report on the destiny of the funds. The court has been requested to clarify and supplement such resolutions and, especially, to attach Domingo López's goods.

- The court dismisses the request for review of the court order issued on September 11, 2007, regarding the delivery of the deeds or credit instruments. The court has been informed of the intention to file an appeal against the relevant court order.
- The court gives leave for a new €158.6 million claim for damages and prejudicial consequences, once deducted the €26.4 million perceived as principal during the provisional enforcement, so the claim actually amounts to €185 million. Without prejudice of thinking about the possibility to bring other actions in court, it has been filed a request for review of the court order, as well as the corresponding pleading on the merits of the case, calling into question the appropriateness of any compensation. We are waiting for the court to set the date of the hearing before it passes the corresponding resolution.

5. The Resolution of the Ministry of Economy of August 1, 2002, issued in accordance with paragraph 3, article 74 of Law 24/2001, of December 27, on Tax, Administrative and Labour Matters, fixed the contributions payable by the Investment Guarantee Fund and the Deposit Guarantee Funds as a percentage of the total compensation to be paid by them due to the non-fulfilment by investment firms of their reimbursement and restitution obligations of the cash and securities deposited by investors, respectively, before the entry into force of the above mentioned Law 24/2001.

By virtue of the above mentioned Resolution of the Ministry of the Economy, the percentage distribution of compensation payable to affected investors between the Investment Guarantee Fund and the Deposit Guarantee Funds has been established as follows:

• Deposit Guarantee Fund for Banks Establishments .....	53.98%
• Deposit Guarantee Fund for Savings Banks .....	40.90%
• Deposit Guarantee Fund for Credit Cooperative Banks .....	4.95%
• Investment Guarantee Fund .....	0.17%

The Management of the Investment Guarantee Fund estimated the total amount of compensation in €79.7 million. Approximately €43 million of this figure shall be payable by the FGDEB. This financial year €0.2 million have been paid, totalling €34.9 million from the beginning.

### **Integrated entities and contributions**

6. At the beginning of the year there were 80 Spanish and non-EU banks adhered to the FGDEB. A list of the member entities was published in the Spanish State Official Gazette on April 9, 2007, as required by Royal Decree 2606/1996.

At the date of this report, the adhered entities include 78 Spanish and non-EU banks, with an increase of one non-EU bank and a decrease of three entities, two Spanish, due to the merger by their parent companies, and one non-EU.

7. The Order of the Ministry of Economy 318/2002, of February 14, published on February 20, 2002, established the contributions to be made to the FGDEB by the adhered entities.

These contributions were fixed at 0.6‰ of the calculation basis established in articles 3 and 4 of Royal Decree 2606/1996, as amended by Royal Decree 948/2001, on investor compensation schemes. The contributions of the entities have amounted to €161,549 thousand, up 15.1% on the previous year, which were disbursed on February 28, 2007.

Of the total amount recovered, 94.5% corresponds to guaranteed deposits and 5.5% to guaranteed transferable securities and financial instruments. In accordance with the Spanish legislation, Banco de España doesn't have to make contributions.

## Guaranteed deposits

8. The evolution of aggregate deposits in the last years has been as follows, Euros in million:

<i>Year</i>	<i>Deposits and securities insured</i>	<i>Calculation bases of contributions</i>	<i>Deposit and securities covered</i>	<i>% coverage</i>
31.12.1990	111,223.3	111,223.3	50,179.7	45.1
31.12.1991	119,442.5	119,442.5	52,280.6	43.8
31.12.1992	124,092.2	124,092.2	51,754.0	41.7
31.12.1993	139,615.1	139,615.1	56,461.2	40.4
31.12.1994	144,142.3	144,142.3	61,871.8	42.9
31.12.1995	154,031.9	154,031.9	64,573.8	41.9
31.12.1996	145,189.4	145,189.4	79,685.9	54.9
31.12.1997	140,651.3	140,651.3	74,201.1	52.8
31.12.1998	144,881.8	144,881.8	70,654.5	48.8
31.12.1999	157,442.8	157,442.8	78,660.3	50.0
31.12.2000	171,019.8	171,019.8	92,109.8	53.9
31.12.2001	403,769.5	196,586.2	114,526.5	28.4
31.12.2002	375,335.6	202,602.8	114,395.2	30.5
31.12.2003	411,019.3	208,663.9	119,943.0	29.2
31.12.2004	417,063.8	215,657.5	122,217.4	29.3
31.12.2005	466,644.6	233,965.7	126,083.1	27.0
31.12.2006	550,833.9	269,183.1	135,698.9	24.6
31.12.2007	566,788.5	293,523.5	144,122.5	25.4

From December 31, 2001, the financial cover of the FGDEB includes also the transferable securities and financial instruments. The calculation base includes the total amount of cash deposits and the 5% of the value of transferable securities and financial instruments. On December 31, 2007, deposits and securities covered had increased 2.9% over the previous year.

9. FGDEB's equity in 2007 has amounted to 0.80% of the calculation base for contributions in 2007, compared with 0.78% in 2006. In compliance with article 3.4 of Royal Decree 2606/1996, the contributions will cease when FGDEB's equity reaches 1% of the calculation base for contributions.

### **Actions in banks**

10. Banco Credipas, SA: FGDEB has recovered €3,398.5 thousand representing 126% of the cost of the loans portfolio acquired in 1998 from Banco Credipás, SA, which amounted to €2,704.5 thousand.

11. Finally, it is necessary to highlight that, at year-end, the guaranteed deposits by FGDEB derived from the crises of other banks, which have not been claimed by their holders, amount a total of €2,301.9 thousand, and are related with Bank of Credit and Commerce, SAE, Banco Credipás, SA, Banco de Navarra, SA, Banco de los Pirineos, SA, and Eurobank del Mediterráneo, SA.

### **Assets derived from financial restructuring**

12. Debtors: The assets derived from financial restructurings can be considered as residual and of difficult collection, and their realization will take place hardly. This year €810.1 thousand have been recovered from the sale of assets and other mortgage loans.

Funds have been allocated to fully cover unsecured third party debts and up to 94.3% in the case of mortgage debts of third parties, based on the estimated value of such guarantees. Funds have been allocated to cover up to 92% in the case of losses of value arising from our shareholdings on the basis of estimated settlement values.

13. Properties: Two houses have been sold, through a tender of offers, for a total of €677.7 thousand and one rustic land for €33.7 thousand. Steps have been taken in order to continue with the realisation of residual real estate assets stemming from the restructuring of failed entities.

14. Shareholdings: Final liquidation of six entities which remain under the control of the FGDEB is being delayed on account of legal procedures.

### **Financial position**

15. Available financial resources have been increased in €249,560.3 thousand during the year, €161.549 thousand come from contributions of the adhered entities and €88,011.3 thousand from asset management, primarily financial interests. These resources have been invested totally in public debt securities in accordance with article 3.7 of Royal Decree 2606/1996, which establishes that uncommitted net equity shall be invested in public debt or in other highly liquid, low-risk assets.

At year-end, the distribution of financial investments is 47.4% for Treasury bills and 52.6% for Government bonds.

16. Financial resources at year end were €2,367,888.3 thousand, and represented 99.9% of total assets and 100.3% of equity.

### Surplus for the year and equity

17. The surplus of the year shows the next figures, Euros in thousands:

<i>Items</i>	<i>Management</i>	<i>Financial</i>	<i>Restructuring</i>	<i>Total</i>
Income. ....	162,487.4	86,441.8	2,107.0	251,036.2
Expenses. ....	(2,174.4)	(30.0)	—	(2,204.4)
<b>Total</b> .....	<b>160,313.0</b>	<b>86,411.8</b>	<b>2,107.0</b>	<b>248,831.8</b>

The 2007 surplus stands at €248,831.8 thousand, an increase of €57,532.5 thousand from the previous year, which represents an increase of 30.1%. The surplus includes €161,549 thousand from contributions, which represents 64.9% of the surplus of the year.

18. Considering the amount of the surplus for the year, the FGDEB's equity amounts to €2,360,224.6 thousand on December 31, 2007, up 11.8% over the opening balance.

### Economic/financial control

#### *Court of Auditors*

19. The results of auditing the accounts and contracts in 2006 which were submitted to the Spanish Court of Auditors (Tribunal de Cuentas), will be made public in the annual report for that year.

#### *External audit*

20. The 2007 audit report prepared by KPMG Auditores, SL, is attached.

### Management Committee

21. Neither of the representatives of Banco de España in the Management Committee has been changed during the financial year. As regards the representatives of banking establishments, Mr. Juan Asúa Madariaga and Mr. José María Lucía Aguirre have been appointed; Mr. Vitalino Manuel Nafría Aznar and Mr. Francisco Fernández Dopico have resigned. During the same financial year Mr. Jaime Guardiola Romojaro was appointed and resigned.

## **ANNUAL ACCOUNTS**

### **MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING**

The accompanying annual accounts of the Deposit Guarantee Fund for Banking Establishments and the information related thereto in this Annual Report are the responsibility of its Management Committee. The annual accounts have been prepared by the Fund's Management Company (Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, AIE), in accordance with generally accepted accounting standards applied in Spain and in a consistent manner with the preceding year.

The financial information presented elsewhere in the Annual Report is consistent with that contained in the annual accounts.

Under the article 2.º - 4 b) of Royal Decree 2606/1996, of December 20, the Management Committee is competent to approve the accounts that the Deposit Guarantee Fund for Banking Establishments must submit each year to their members and to Banco de España.

In fulfilment of those rules, the submitted Annual Report together with the annual accounts, offer information about the activities performed in 2007, the equity and the financial situation of the Deposit Guarantee Fund for Banking Establishments, the results of its management and the source and allocation of funds for the year 2007, information that is enlarged with data regarding previous exercises.

These annual accounts have been audited by PricewaterhouseCoopers Auditores, SL, and the report is included herein.

## DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

### BALANCE SHEET, at 31 December

(Thousands of euros)

<i>ASSETS</i>	<i>2007</i>	<i>2006</i>
<b>FIXED ASSETS</b>		
Long term investments . . . . .	<b>1,100,833.7</b>	<b>821,125.6</b>
Government bonds and Treasury bills . . . . .	1,100,420.5	820,690.1
Securities . . . . .	333.0	333.0
Long term deposits and guarantees issued . . . . .	80.2	102.5
<b>Total fixed assets</b> . . . . .	<b>1,100,833.7</b>	<b>821,125.6</b>
<b>ASSETS BEING SOLD OFF, as a result of assisted bank</b>		
Real state . . . . .	151.4	295.3
Loans to third parties . . . . .	76.1	94.5
Loans to related companies . . . . .	883.4	1,044.3
Securities portfolio . . . . .	53.8	53.8
<b>Total assets being sold off</b> . . . . .	<b>1,164.7</b>	<b>1,487.9</b>
<b>CURRENT ASSETS</b>		
Debtors . . . . .	5,480.7	6,135.3
Short term investments . . . . .	1,266,293.2	1,295,631.8
Government bonds and Treasury bills . . . . .	1,203,019.9	1,253,513.7
Interest receivable on investments . . . . .	63,273.3	42,118.1
Cash at banks . . . . .	1,174.6	2,006.1
<b>Total current assets</b> . . . . .	<b>1,272,948.5</b>	<b>1,303,773.2</b>
<b>TOTAL ASSETS</b> . . . . .	<b>2,374,946.9</b>	<b>2,126,386.7</b>
<i>LIABILITIES AND FUND BALANCE</i>		
<b>FUND BALANCE</b>		
Accumulated net income . . . . .	2,111,392.8	1,920,093.5
Current year's surplus . . . . .	248,831.8	191,299.3
<b>Total fund balance</b> . . . . .	<b>2,360,224.6</b>	<b>2,111,392.8</b>
<b>LIABILITIES</b>		
<b>Provisions</b>		
Indemnities for legal prescription . . . . .	8,112.1	8,283.9
Provision for liabilities and charges . . . . .	2,259.4	3,927.2
<b>Total provisions</b> . . . . .	<b>10,371.5</b>	<b>12,211.1</b>
<b>Creditors</b>		
Short term creditors . . . . .	4,350.8	2,782.8
<b>Total creditors</b> . . . . .	<b>4,350.8</b>	<b>2,782.8</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b> . . . . .	<b>2,374,946.9</b>	<b>2,126,386.7</b>
Memorandum accounts . . . . .	17,479.8	23,504.2

## DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

### INCOME STATEMENT, for the year ended 31 December

(Thousands of euros)

<i>EXPENSES</i>	<i>2007</i>	<i>2006</i>
<b>MANAGEMENT EXPENSES</b>		
Operating expenses .....	1,883.4	1,753.8
Costs of asset sold .....	142.6	—
Provisions for losses .....	81.2	132.2
Extraordinary expenses .....	—	8.3
Other operating expenses .....	67.2	1.0
<b>Total management expenses .....</b>	<b>2,174.4</b>	<b>1,895.3</b>
<b>MANAGEMENT REVENUE .....</b>	<b>160,313.0</b>	<b>142,702.7</b>
<b>FINANCIAL EXPENSES</b>		
Provision for decline in value of investment .....	—	7,565.6
Financial expenses .....	30.0	37.1
<b>Total financial expenses .....</b>	<b>30.0</b>	<b>7,602.7</b>
<b>FINANCIAL REVENUE .....</b>	<b>86,411.8</b>	<b>48,734.5</b>
<b>RESTRUCTURING EXPENSES</b>		
Provision for losses .....	—	137.9
<b>Total restructuring expenses .....</b>	<b>—</b>	<b>137.9</b>
<b>RESTRUCTURING PROFITS .....</b>	<b>2,107.0</b>	<b>—</b>
<b>SURPLUS FOR THE YEAR .....</b>	<b>248,831.8</b>	<b>191,299.3</b>
<i>INCOME</i>		
<b>MANAGEMENT INCOME</b>		
Annual contributions .....	161,549.0	140,379.4
Sale of assets .....	711.4	—
Freed up provisions .....	203.9	3,269.1
Extraordinary income .....	23.1	949.5
<b>Total management income .....</b>	<b>162,487.4</b>	<b>144,598.0</b>
<b>FINANCIAL INCOME</b>		
Interest on public debt investments .....	86,257.9	56,131.1
Other financial income .....	183.9	206.1
<b>Total financial income .....</b>	<b>86,441.8</b>	<b>56,337.2</b>
<b>RESTRUCTURING INCOME</b>		
Freed up provisions .....	2,107.0	—
<b>Total restructuring income .....</b>	<b>2,107.0</b>	<b>—</b>
<b>RESTRUCTURING LOSSES .....</b>	<b>—</b>	<b>137.9</b>

## DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

### STATEMENT OF CHANGES IN THE EQUITY, for the year ended 31 December (Thousands of euros)

<i>Items</i>	<i>2007</i>	<i>2006</i>
<b>Equity at the beginning of year</b> .....	<b>2,111,392.8</b>	<b>1,920,093.5</b>
<b>Income</b> .....	<b>251,036.2</b>	<b>200,935.2</b>
Annual contributions .....	161,549.0	140,379.4
Sale of properties .....	711.4	—
Financial income .....	86,441.8	56,337.2
Decrease to allowance .....	203.9	3,269.1
Other income .....	23.1	949.5
Free up restructuring provisions .....	2,107.0	—
<b>Expenses</b> .....	<b>(2,204.4)</b>	<b>(9,635.9)</b>
Management .....	(1,950.6)	(1,892.7)
Cost of assets sold .....	(142.6)	—
Financial expenses .....	(30.0)	(7,602.7)
Increase to provisions for losses .....	(81.2)	(132.2)
Extraordinary items .....	—	(8.3)
<b>Current years' surplus</b> .....	<b>248,831.8</b>	<b>191,299.3</b>
<b>Equity at the end of year</b> .....	<b>2,360,224.6</b>	<b>2,111,392.8</b>

## DEPOSIT GUARANTEE FUND FOR BANKING ESTABLISHMENTS

### CASH FLOWS STATEMENT, for the year ended 31 December

(Thousands of euros)

	<i>2007</i>	<i>2006</i>
<b>CASH FLOWS FROM</b>		
Annual contributions .....	161,549.0	140,379.4
Sale of assets		
Loans and claims recovered .....	1,091.9	1,677.0
Sale of properties .....	711.4	—
Financial interest received .....	81,729.8	68,077.1
Others income .....	1,735.4	4.7
Proceeds from litigious in actions .....	641.8	223.8
Decrease (increase) in liquid cash .....	831.5	(661.3)
<b>Total .....</b>	<b>248,290.8</b>	<b>209,700.7</b>
<b>CASH FLOWS USED IN</b>		
Increase in financial investments .....	245,837.0	206,978.4
Operating expenses .....	1,678.5	1,537.7
Financial expenses .....	22.8	31.3
Indemnities for legal prescription .....	205.5	609.9
Payment by legal procedures .....	—	76.0
Other items (net) .....	547.0	467.4
<b>Total .....</b>	<b>248,290.8</b>	<b>209,700.7</b>



# INDEPENDENT AUDITORS' REPORT



Paseo de la Castellana, 43  
28046 Madrid  
Tel. +34 902 021 111  
Fax +34 913 083 566

## INFORME DE AUDITORÍA DE CUENTAS ANUALES

A la Comisión Gestora de Fondo de Garantía de Depósitos en Establecimientos Bancarios por encargo de la Dirección de Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, A.I.E.,

Hemos auditado las cuentas anuales de Fondo de Garantía de Depósitos en Establecimientos Bancarios que comprenden el balance de situación al 31 de diciembre de 2007, la cuenta de resultados, el estado de cambios en el patrimonio neto, el estado de flujos de efectivo y la memoria correspondientes al ejercicio anual terminado en dicha fecha, cuya formulación es responsabilidad de la Dirección de Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, A.I.E. Nuestra responsabilidad es expresar una opinión sobre las citadas cuentas anuales en su conjunto, basada en el trabajo realizado de acuerdo con las normas de auditoría generalmente aceptadas, que requieren el examen, mediante la realización de pruebas selectivas, de la evidencia justificativa de las cuentas anuales y la evaluación de su presentación, de los principios contables aplicados y de las estimaciones realizadas.

De acuerdo con la legislación mercantil, la Dirección de Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, A.I.E. presenta, a efectos comparativos, con cada una de las partidas del balance, de la cuenta de resultados, del estado de cambios en el patrimonio neto y del estado de flujos de efectivo, además de las cifras del ejercicio 2007, las correspondientes al ejercicio anterior. Nuestra opinión se refiere exclusivamente a las cuentas anuales del ejercicio 2007. Con fecha 5 de febrero de 2007 otros auditores emitieron su informe de auditoría acerca de las cuentas anuales del ejercicio 2006 en el que expresaron una opinión favorable.

En nuestra opinión, las cuentas anuales del ejercicio 2007 adjuntas expresan, en todos los aspectos significativos la imagen fiel del patrimonio y de la situación financiera de Fondo de Garantía de Depósitos en Establecimientos Bancarios al 31 de diciembre de 2007 y de los resultados de sus operaciones y de los recursos obtenidos y aplicados durante el ejercicio anual terminado en dicha fecha y contienen la información necesaria y suficiente para su interpretación y comprensión adecuada, de conformidad con principios y normas contables generalmente aceptados que guardan uniformidad con los aplicados en el ejercicio anterior.

El informe de gestión adjunto del ejercicio 2007, contiene las explicaciones que la Dirección de Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, A.I.E. considera oportunas sobre la situación de Fondo de Garantía de Depósitos en Establecimientos Bancarios, la evolución de sus actividades y sobre otros asuntos y no forma parte integrante de las cuentas anuales. Hemos verificado que la información contable que contiene el citado informe de gestión concuerda con la de las cuentas anuales del ejercicio 2007. Nuestro trabajo como auditores se limita a la verificación del informe de gestión con el alcance mencionado en este mismo párrafo y no incluye la revisión de información distinta de la obtenida a partir de los registros contables de Fondo de Garantía de Depósitos en Establecimientos Bancarios.

PricewaterhouseCoopers Auditores, S.L.

José Ángel Díez Ruiz de Azúa  
Socio - Auditor de Cuentas

25 de febrero de 2008

PricewaterhouseCoopers Auditores, S. L. - R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª  
Inscrita en el R.O.A.C. con el número 50242 - CIF: B-79031290



## Independent auditors' Report

(Translation from the original in Spanish)

To the Deposit Guarantee Fund for Banking Establishments Management Committee (Comisión Gestora del Fondo de Garantía de Depósitos en Establecimientos Bancarios), for command of Fund's Management Company (Dirección de la Sociedad Gestora de los Fondos de Garantía de Depósitos en Entidades de Crédito, AIE).

We have audited the accompanying annual accounts of Deposit Guarantee Fund for Banking Establishments which comprise the balance sheet as of December 31, 2007, the income statement, statement of changes in the net equity, the cash flow statement and the annual report ("Memoria"), the drafting of which is the responsibility of the managing directors of the Fund's Management Company.

Our responsibility extends to stating an opinion on the annual accounts taken as a whole, based on our examinations which were conducted in accordance with generally accepted auditing standards, which require examining, on a test basis, evidence supporting the amounts in the annual accounts and assessing the appropriateness of their presentation, of the accounting standards applied and of the estimates used.

In accordance with Spanish commercial law, the managing directors of the Fund's Management Company show for comparative effects, for each individual caption in the balance sheet, the income statement, statement of changes in the net equity, the cash flow statement, and, besides the figures of 2007, figures of the previous year. We express our opinion solely on the annual accounts for 2007. On February 5, 2007, other auditors issued a favourable audit report over the annual accounts for 2006.

In our opinion, the enclosed annual accounts for 2007 present fairly, in all material respects, the net equity and financial position of the Deposit Guarantee Fund for Banking Establishments as at December 31, 2007, as well as the results of its operations and the source and allocation of funds for the year 2007, and contain the necessary information for their adequate interpretation and understanding, in accordance with generally accepted accounting standards applied in a consistent manner with the preceding year.

The accompanying managing directors' report for 2007 contains such explanations as the Fund's Management Company deems relevant to the situation of the Deposit Guarantee Fund for Banking Establishments, the evolution of its activities and other matters, but is not an integral part of the annual accounts. We have verified that the accounting information contained therein matches with that disclosed in the annual accounts for 2007. Our work as auditors is limited to the verification of the managing directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Deposit Guarantee Fund for Banking Establishments.

PricewaterhouseCoopers Auditores, S.L.  
(Signed by)  
José Ángel Díez Ruiz de Azúa  
February 25, 2008