

Restaurante La Memoria
Calle Comercio 1234 - Montevideo

1	PATATAS BRAVAS	2,41
1	BERBERECHOS	6,12
1	ENSALADA PIQUILLO-ANCHOA	5,50
2	VINOS	3,00
1	CERVEZA	1,50

Subtotal	18,77
IVA 7%	1,31
Total	20,08

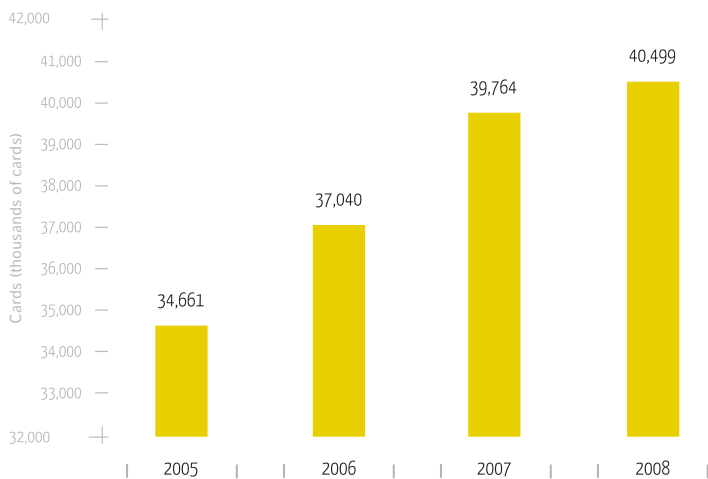
***** Gracias por su visita. *****



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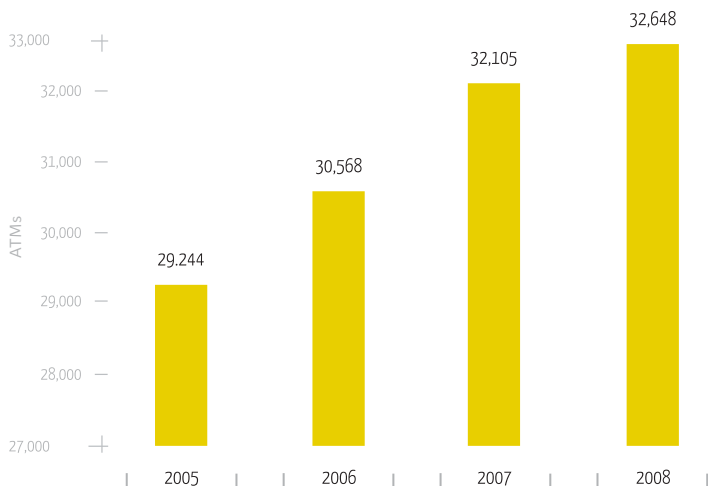
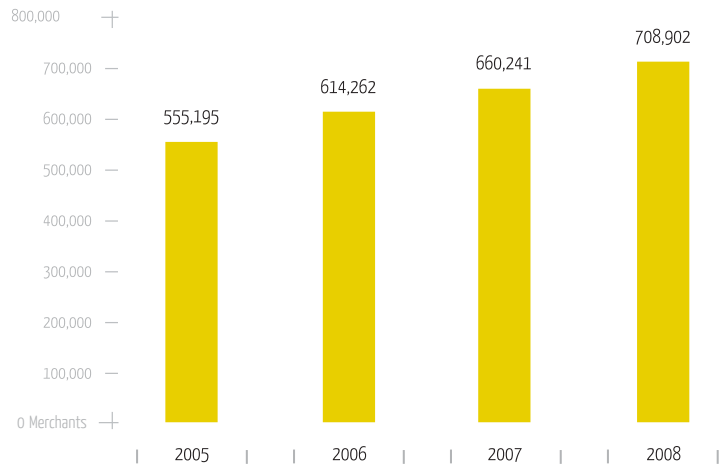
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ServiRed in 2008



ServiRed's member financial institutions had issued more than 40 million cards. ServiRed cards were used to pay for purchases at merchants worth a total of 66,000 million euros in 2008.

More than 700,000 merchants have ServiRed payments terminals to facilitate card purchases.



ServiRed cardholders can use 32,650 ServiRed ATMs all over Spain.

2008

Payments systems in general and ServiRed in particular are prepared to accelerate the implementation of effective means of payment that facilitate the speedy substitution of cash.

José Gabeiras, Chairman of ServiRed

ServiRed ensures its customers the competitive and high-quality services they need to improve their positions in the markets in which they operate.

Luis Furnells, CEO of ServiRed

Mission and objectives

2008



In 2008 ServiRed redefined its mission and objectives in order to leverage its strengths as Spain's leading payments system with an eye on efficiency and growth



Mr Sebastián Ruiz Gallardo
Bancaja



Mr Juan Luís Coghen Alberdingk-Thijm
Banco Cooperativo Español



Mr Miquel Montes i Güell
Banco Sabadell



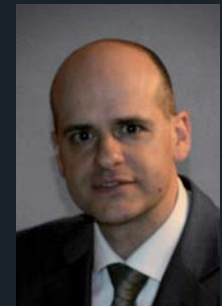
Mr José Manuel Gabeiras Vázquez
Chairman



Mr Juan de Lapuerta Montoya
BBVA



Mr Juan Antonio Merino Cantos
BBVA



Mr Ignasi Martín i Morales (2)
Caixa Catalunya



Mr Juan Manuel Sinde Oyarzabal
Caja Laboral Popular



Mr Ignacio Ruiz de Assín
Caja Madrid



Mr Javier Celaya Mingot
Participaciones y Cartera de Inversión S.L.
Caja Madrid Group



Mr Joan Morlá Tomás
"la Caixa"



Mr José Antonio Sacristán Fuster
"la Caixa"

ServiRed Board



Mr Lázaro de Lázaro Torres (1)
Bankinter



Ms Sandra di Moise
Barclays Bank S.A.



Mr Francisco Castells Delgado
BBVA



Mr Josep Maria Reverté i Velasco
Caixa Penedès



Mr Emili Pané de Pi
Caixa Sabadell



Mr Francisco José García Paramio
Caja España



Mr Luis Furnells Abaunz
CEO



Mr Juan Carlos Hurtado Vázquez
Cajamar



Mr Francisco Calzado Aranda
Deutsche Bank S.A.E.



Ms María Victoria Matía Agell
"la Caixa"



Mr Rafael Martín-Peña García
Board Secretary
(Non-member)

(1) Mr Lázaro de Lázaro Torres was replaced as Member by Mr Julio Gabriel Zapatero Gaviria on 20th March 2009.
(2) Mr Ignasi Martín i Morales was replaced as Member by Mr Xavier Boldú Selles on 21st January 2009.



Mission

To promote the proper transition from cash to other, more efficient and secure means of payment, for the benefit of member financial institutions and society at large (merchants and cardholders)

Letter from the Chairman

José Manuel Gabeiras Vázquez

I write these lines under the impact of two recent developments: the publication in its March bulletin of the Bank of Spain's forecasts for Spain's economic performance in 2009 and 2010, and MasterCard's shocking decision, with the unofficial backing of European Competition authorities, on cross-border interchange rates. I can't resist commenting on these matters, which will shape our industry for years to come.

In the year that has elapsed since the publication of the last ServiRed Annual Report, the Spanish economy has worsened at a pace and to a degree without precedent in living memory. The recent forecasts of the Bank of Spain (BoS) on GDP performance in 2009 and 2010 speak of declines by 3% and 1%, respectively, far worse than the predictions made by the government scarcely three months ago. In addition, the BoS warns that the margin for error in the forecasts is quite large under current economic conditions, and the plunge may turn out to be even more severe. Accordingly, the BoS may well publish even worse forecasts in its report on the second quarter of 2009. To give some idea of the uncertainty surrounding such predictions, it suffices to point out that in the same month of 2008 the BoS forecast Spanish economic growth of 2.4%, but actual growth came to just 1.2%. It would not be surprising if the end of 2009 brings a decline in output around 4%. The only positive note among all the bad news is that inflation is almost negative for the first time in contemporary history, although if this trend were to continue in both headline and core inflation, we could face a dangerous deflationary situation. In any case, inflation with stagnation, which was talked about exactly a year ago, now appears to be a bad dream, if one which could be replaced by a nightmare.

Some weeks ago in his blog in the business daily *Cinco Días*, José Antonio Vega quoted the novelist Antonio Gala saying that in warfare Spain tended to dine à la carte, with its own civil wars instead of taking part in world wars, and drawing a parallel with our economic situation, which, while possessing some elements derived from the global crisis, also features its own individual components of political inaction, carelessness, deceitfulness, and organisational rigidities that make it unique. We will soon see whether he is right.

The fact is that while ServiRed card purchases have always been an excellent Indicator of economic health, they are even more so today. Since the second quarter of 2008, card use figures have shown a relentless decline in private consumption in Spain that is totally in keeping with our macroeconomic indicators, and is manifest as zero –and sometimes even negative– growth of the number of transactions, and a fall of about 8% in the value of the average transaction. This shows that, for our industry at least, this crisis is far worse than that of 1993. On that occasion, while GDP declined for four consecutive quarters, our products increased by 14%. In that period consumers were replacing cash with cards. This is not the case today, so we assume that this replacement has reached its ceiling, and that the role of the underground economy in real life is thus greater than we had thought. This is a very serious matter since the proportion of private consumption that takes place via card purchases in Spain remains light-years away from the levels of the countries which we would like to emulate, and even of countries which in other respects are at the bottom of the European tables. If the modernity of a country is reflected by the use of bank cards instead of cash, then I am afraid Spain is the most under-developed country in Europe. This is further evidence in support of Antonio Gala's remarks.

As if that were not enough, we find ourselves once again facing the need to extend in a reasonable manner the agreement over fair interchange rates just when MasterCard has announced new rates for cross-border transactions within Europe, at levels which can scarcely offset the costs of issuing and acquiring. Though MasterCard stressed that these rates are provisional, pending the ruling of the European Court of Justice on the appeal lodged by MasterCard itself against the European Commission, the European Competition Commissioner hastened to welcome these rates via a press release, a highly unusual move considering that any formal taking of a position must be based on a collegiate decision of the entire Commission, but no such decision has been taken, nor is it likely to be. This public statement of approval would be a trivial matter were it not for the fact that the Competition DG has previously exhibited what might be regarded as a lack of economic orthodoxy in decisions on interchange rates. The decision to exempt Visa, based on a curious reasoning about which components of

José Manuel Gabeiras Vázquez


Chairman, ServiRed S.A.

issuing costs had to be considered, and which was sharply criticised by renowned economists who specialise in imperfect markets –they noted that the procedure had no economic basis at all and that only by accident could it lead to a fair interchange– has now been joined by a new means of determining the rate, reversing the doctrine set forth in the 2002 Visa resolution. Meanwhile, no written document has been issued to indicate the competition authorities' commitment or to supply the parties involved with substantive information with which they could defend the interests of the financial institutions. How can this be? How can the Commission alter its position on such an important matter in such a short period of time? Why has not a single paper been published expounding the economic theory on which the Commission's interpretation is based? How is it possible to ignore the substantial contributions of the Economists of the Toulouse School, based on the theory of bilateral markets? If such theories have been embraced by the European Commission, why has no formal announcement been made? On what econometric studies are the interpretations of these theories based? With whom and against what have they been checked? When were they publicly debated? The unanswered questions, like the devils in the Bible, are legion. I am now afraid that they will remain unanswered.

Visa Europe continues on its path towards becoming a company that is totally independent of Visa Inc., although, as we know, it will remain linked via a franchiser contract covering European territory. A year has passed since Visa Inc. was listed, so the partners in Visa Europe can now exercise the put option specified in the contract between Visa Inc. and Visa Europe, to which I referred in last year's annual report. During this period, Visa Europe has redoubled its efforts to persuade the European Commission and the ECB that it is European, controlled by Europeans, and in compliance with all European rules and standards. But these efforts have not met with success. The more or less public statements of European officials and ECB reports such as the 6th Progress Report continue to give short shrift to the company. In addition, its struggle to reach a more or less friendly agreement with the EC's DG Competition based on some kind of extension of the 2002 interchange rate decision has failed to bear fruit, and the Commission recently sent



Visa Europe a charge sheet in the form of a Statement of Objections in which Europe's competition authorities express their opposition to the procedures for determining interchange rates and announce plans for an enquiry. Accordingly, in the next 24 months the Visa Europe board will have to deal with two thorny issues: the EC's position on interchange rates, and whether or not to exercise the put option. There is some likelihood that, as a result of these decisions, and especially of the autarkic trends now gripping Europe, the European payments industry may be drastically altered in the next two years.

A white, rectangular paper tag with a hole on the left side, through which a piece of light brown, braided string is threaded. The string is knotted at the top left corner of the tag. The tag is placed on a dark brown wooden surface with a prominent vertical grain. The lighting is soft, creating subtle shadows and highlights on the paper and wood.

Why has not a single paper been published expounding the economic theory on which the European Commission's interpretation of interchange rates is based?

José Manuel Gabeiras Vázquez, Chairman of ServiRed

The EC's position on interchange rates and the autarkic trends now manifest in Europe paint a drastically altered payments scenario in two years' time.

José Manuel Gabeiras Vázquez, Chairman of ServiRed

Letter from the CEO

Luis Furnells Abaunz

For yet another year, in 2008 ServiRed outdid itself, setting new records. The number of cards issued passed the 40 million mark for the first time, and our member financial institutions saw how more than 700,000 merchants turned to them for the acquisition of payment transactions with both domestic and international debit and credit cards. The year under review witnessed pivotal events both in Spain and the rest of the Single Euro Payment Area (SEPA), which will do much to effect the change of course that the payments industry is to undergo in the short-to-medium term.

One of the developments most important to Europe as a whole and Spain in particular was the launch of efforts by all European Union member states to transpose the Payments Services Directive (PSD). The transposition, to be completed by the end of 2009, is expected to wreak profound changes on the payments industry, most notably via the advent of new types of service providers, dubbed “payment institutions” and “e-money institutions”, and also through the possible application of a surcharge by merchants on customers who choose to pay by card.

Another momentous event took place in June, when MasterCard, in a response to the European Commission’s ruling in December, 2007, set zero values for their multilateral interchange rates applicable to cross-border transactions made with credit or debit cards in Europe. For Visa Europe, the cross-border interchange rates issue was also at the forefront, given the expiration in December, 2007, of its earlier agreement with the European Commission on interchange rates values, and the holding of intense negotiations on this issue aimed at forging a new agreement. However, at the close of 2008 such an agreement had still failed to materialise.

The ECB’s 6th Progress Report, published at the end of the year, also alluded to the multilateral interchange rates, and indicated its view that issuing institutions should not look to these rates as a major source of revenues. It also suggested that the providers of debit card schemes – and particularly the proposed pan-European debit scheme – should keep their costs at a minimum offering simple systems and more efficient platforms than those now in use to process non-face-to-face card transactions and credit transactions. In Spain, the Framework Agreement for setting domestic interchange rates passed a major milestone on 31st December, with

the end of the 2006-2008 transitional period. The Framework Agreement rests on two pillars: 1) the progressive reduction of interchange rate values, and 2) the progressive increase of the number (and amount in euros) of card transactions, to balance the reductions in the rates. A card payments observatory was established to encourage, monitor, and measure the effectiveness of card purchases.

However, while the interchange rates applied have declined steeply, the reduction has not yet been offset by an increase in the number or monetary volume of card purchase transactions.

In the past three years there was a sharp and ongoing reduction in multilateral intra-system rates. Specifically, in the ServiRed System, the average rate reduction came to 37.60% in 2006, 10% in 2007, and another 10% in 2008.

Meanwhile, the volume of purchases made with ServiRed cards at merchants grew by only 17% in the period that began with the implementation of the Framework Agreement on 1st January, 2006 until the transition period ended on 31st December, 2008. Furthermore, the traditional and endemic reluctance to use plastic cards in Spain –in comparison with neighbouring European countries– along with the current economic crisis which was already apparent in 2008, have sent the figures plummeting to unheard of levels.

Consequently, purchases with ServiRed cards as a proportion of total private consumer spending reversed its expansive trend in 2008, falling five basis points to 10.02%. ServiRed card purchases moved 65.92 billion euros last year. All the foregoing, against the backdrop of the weak economy, makes it likely that Spain has slipped further down the ranking of European countries by card purchases as a proportion of domestic private consumption, despite the efforts of Spanish financial institutions to promote card use by reducing interchange rates. Thus a repeat of the 2006-2007 situation is quite likely, in which, despite the market share increase of more than one percentage point, Spain fell to 14th position among comparable European countries (the EU 25 plus Norway and Switzerland).

If this is confirmed, then we will face a major challenge to reverse the trend. From the Payments Observatory all of us together –the central

Luis Furnells Abaunz

CEO, ServiRed S.A.

government, merchants, consumers, and payments systems– must strive to place our country where it deserves to be on the basis of size, population, GDP, and investment effort by financial institutions to endow the country with modern and secure payments systems.

In parallel with this decline in transaction volume, internationally there has been a sharp increase in fraud by organised crime. The incidence of fraud with ServiRed cards at merchants outside Spain climbed from 0.287% in 2007 to 0.352% in 2008. Domestically, however, fraud was contained, and indeed it lessened by one basis point in 2008.


Another indispensable prop to ensure the security of our systems against mass attacks by criminal hackers is compliance with the industry's security standards at a global level, via Payment Card Industry Data Security Standards (PCI-DSS), in which ServiRed is an active participant, implementing the latest security technologies.

All these developments that took place in the course of 2008 confirm a state of affairs which we in ServiRed anticipated, and which led us to change our business model at the beginning of the year, both to comply with the rules established for the SEPA and to upgrade our efficiency to offset narrower business margins and greater competition.

We stand before what is certain to be a new and exciting era in the world of payment systems in general and ServiRed in particular. Coinciding with a major economic recession, the new era presents us with major challenges, but also with great opportunities. We plan to seize these opportunities via the implementation of a strategic plan, which was launched in 2008, and is focused on achieving sufficient growth to ensure that we are large enough to compete with our products and services in the new environment that is now taking shape, due to the advent of the SEPA.


The confidence that ServiRed's member financial institutions place in each of us every day gives us the strength we need not only to maintain our domestic market leadership, but also to redouble our efforts to make ServiRed a touchstone in this thrilling and challenging new era that stands before us.





We must strive to place Spain where it deserves to be on the basis of size, population, GDP, and investment efforts by financial institutions to endow the country with modern and secure payments systems.

Luis Furnells, CEO of ServiRed

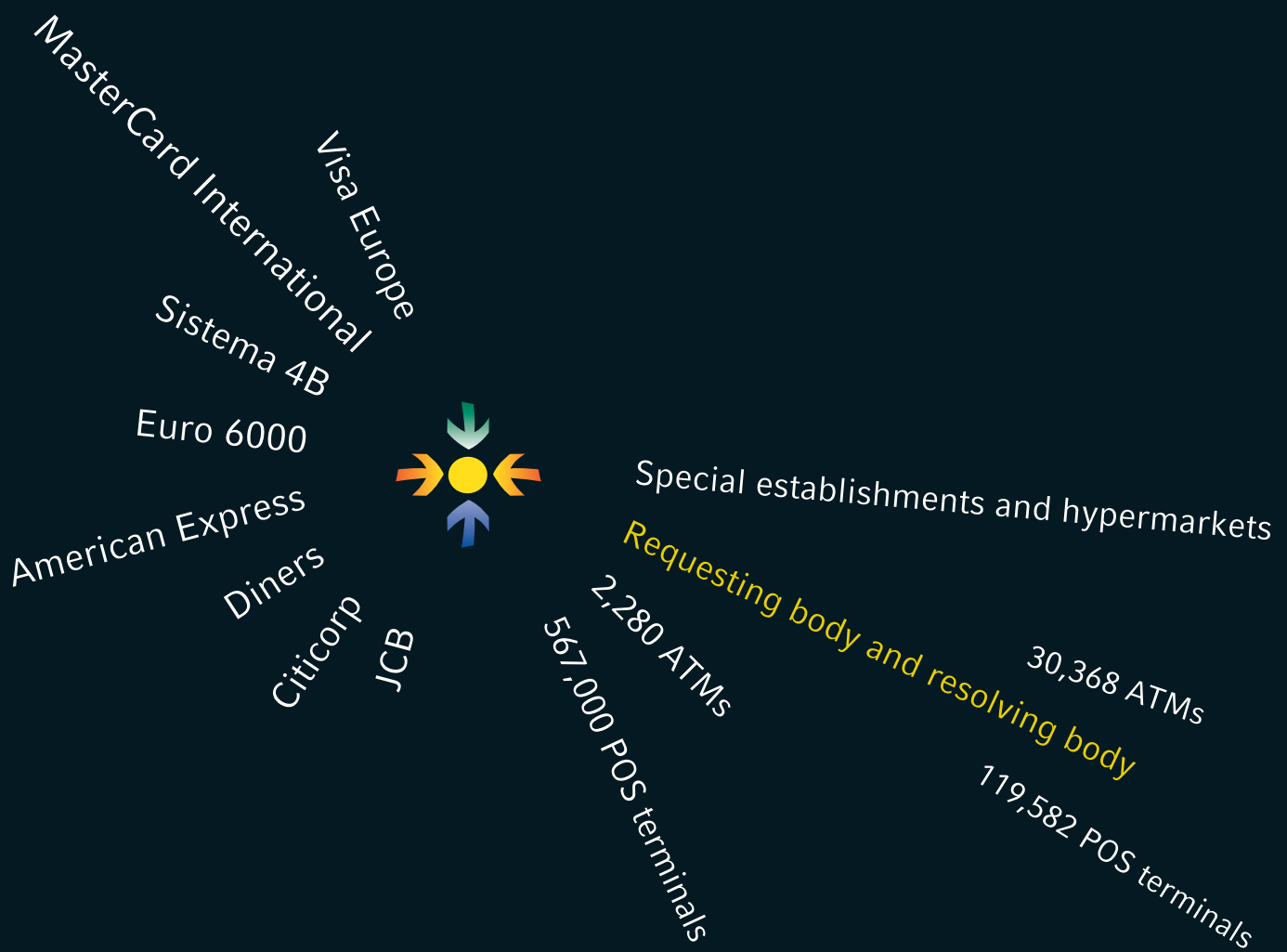


At ServiRed we have the strength needed to enable us to maintain our leadership and to work to increase the use of electronic means of payment in our country.

Luis Furnells, CEO of ServiRed

ServiRed Network





ServiRed has broad international experience and guarantees direct connection with international card payments schemes.

ServiRed, Sociedad Española de Medios de Pago, S.A. is Spain's leading payments scheme, with 40.5 million cards issued (21.9 million credit and 18.6 million debit), 709,000 merchants and more than 32,600 ATMs. It is a limited liability company, 100% Spanish-owned, whose equity is shared by 101 financial institutions.

Today ServiRed operates in the Spanish market, but its plans take it further afield. The Single European Payments Area (SEPA) will open new opportunities for the several domestic schemes to begin to provide their services in other European markets.

The prestige enjoyed by ServiRed throughout the payment industry places the company in an excellent starting position for accompanying its member financial institutions in their European expansion, seizing the opportunity offered by this new payments space.

ServiRed also has a broad international experience, for in addition to meeting domestic needs by managing interoperability with the other domestic networks, it provides international interoperability via co-branding with Visa and with MasterCard. To this end ServiRed holds a licence as Group Member of Visa Europe and of Principal Member of MasterCard International, which empowers members of ServiRed system to issue Visa and MasterCard cards and to acquire the transactions made with them.

Also in the international sphere, ServiRed's commitment to migration to the SEPA has been and remains firm. Accordingly it has spared no efforts to comply with the regulations set by European authorities and to avail itself of the new opportunities it poses.

ServiRed rests on three main pillars in providing its services:

- Brand
- Operational regulations
- Interchange system

The most important activities carried out by ServiRed in its mission of replacing cash in payments are as follows:

1. Guaranteeing comprehensive interoperability of card transactions in the domestic sphere by working closely and constantly with the other two domestic schemes.
2. Guaranteeing international access to holders of ServiRed cards, via direct connection with the international schemes (Visa, MasterCard, American Express, Diners Club, JCB, Citicorp, etc.).
3. Guaranteeing the acceptance of foreign cards used to make purchases in the more than 700,000 ServiRed merchants.
4. Ensuring the correct use of the ServiRed brand, card designs, and the features of the products issued by ServiRed's member institutions.
5. Ensuring the proper labelling and operation of the POS (point of sale) terminals and ATMs.
6. To carry out the processes of authorisation, clearing, and settlement of interchange transactions amongst the systems member financial institutions and between them and other payments networks, cleanly, quickly, and without incidents.
7. To certify the solutions proposed by manufacturers of terminals used by ServiRed member financial institutions, in order to ensure their proper functioning when they are connected to the central interchange system.
8. To arbitrate and resolve any incidents that may arise from the use of the share payments network by member institutions.

All these activities take place against a backdrop of continuous commercial and technological innovation, which ensures that holders of ServiRed cards can make payments at millions of merchants in Spain and all over the world, quickly, easily, and safely.

In addition, the use of ServiRed cards facilitates the expenditure management and activity of merchants that accept them, and provides greater security by eliminating the negative aspects of using cash; such as theft and loss.

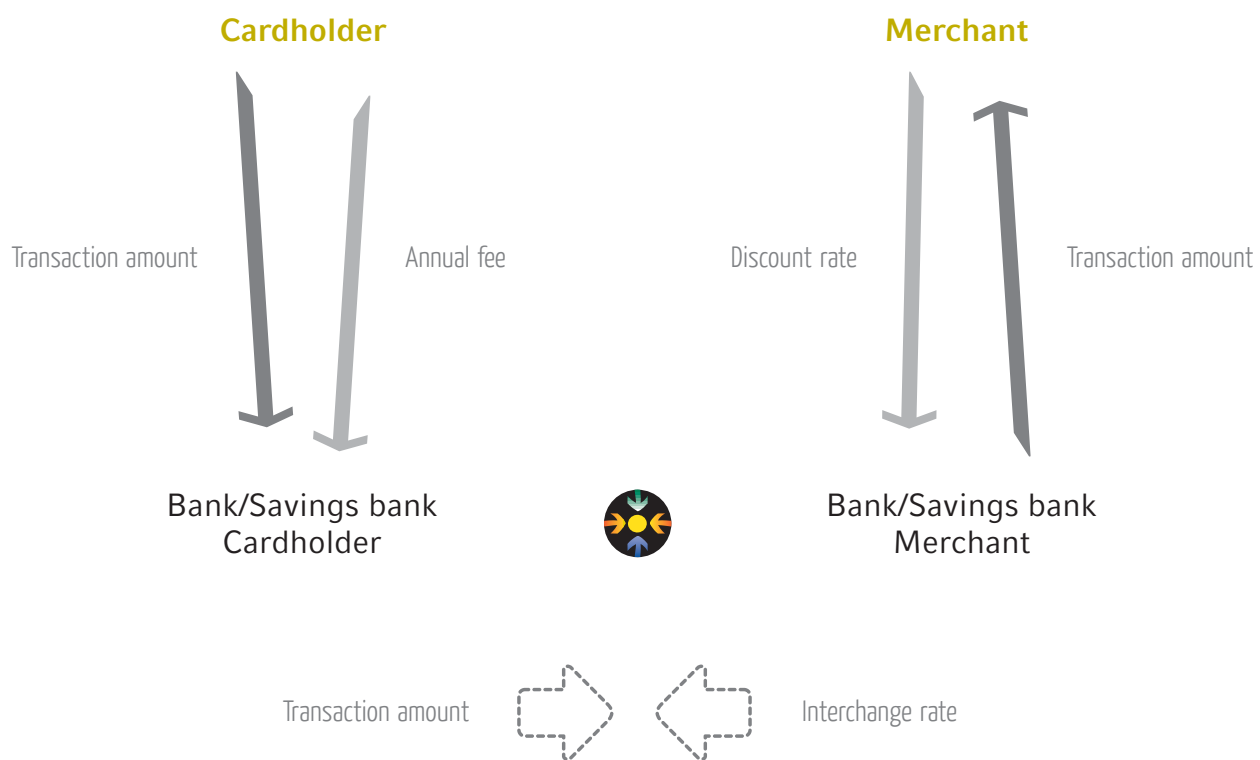
Card Purchases Circuit



POS terminal



Card







always in motion



Objectives

To promote the use of electronic means of payment, in keeping with the company's bylaws.

To represent member financial institutions before regulating bodies, associations, institutions, and domestic and international payments schemes.

To manage the brand, set and maintain the standards of the domestic payments scheme, guaranteeing interoperability, strengthening its position in the domestic and international market.



ServiRed develops technological and commercial initiatives that work to the benefit of financial institutions, merchants and cardholders.

Promotion of Electronic Payments

To attain the objectives pursued by ServiRed, a number of activities were carried out in 2008 to promote the use of cards for payments instead of cash.

As in the past, marketing actions in the 2008 were focused on encouraging the use of ServiRed cards (Visa and MasterCard) in purchases.

ServiRed took part in the planning and launch of the Visa campaign in September and October, which appeared on television, on cinemas, and on billboards.

The television commercials, with durations of 30 and 60 seconds, showed a naked man running to his wedding and using his Visa card to purchase all he needed as he ran.

To promote card use, the member financial institutions of the ServiRed system launched their own campaigns, enabling them to reach target audiences with advertising for particular cards.

MasterCard carried out two different campaigns, one of them for television, featuring great ingenuity, creativity and Spanish art, viewed through via the optimism and happiness of a child, and the second, in print media, for business products, especially small and medium firms, under the slogan "To watch your business grow –priceless". The message showed how entrepreneurs can use company cards to improve the management of a business and succeed with growth projects.

The campaigns showed the ease and advantages of paying by card.



Promotion of Electronic Payments

Advancing with the Chip

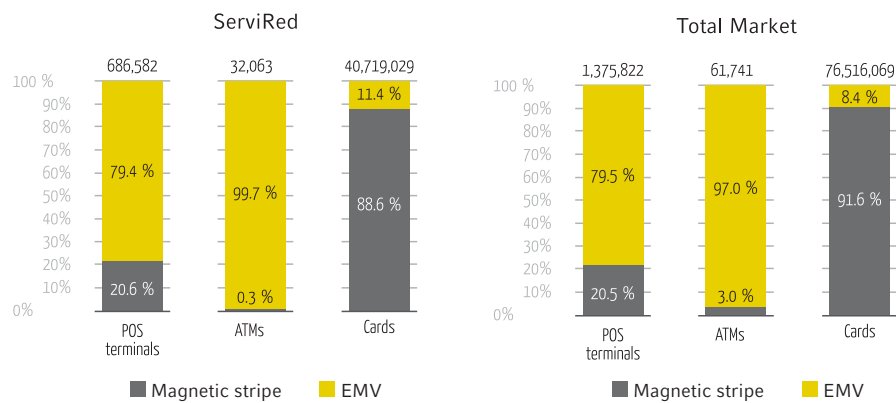
EMV is the technological standard agreed by the payments industry worldwide to guarantee the interoperability of chip card transactions. It is also the standard established by the SEPA Cards Framework to ensure interoperability of chip card transactions in the SEPA zone.

One of the main advantages of EMV technology is its effectiveness in combating fraud. However, the special characteristics of the Spanish market, where almost all card transactions are activated by magnetic stripe cards and authorised on-line, has meant that year after year, issuers of ServiRed cards have posted a lower incidence than the European average.

For this reason, and due to the liability shift from the international card brands in January, 2005, and Spain's status as a net acquirer of cross-border transactions, migration to EMV began with ATMs and chip-card enabled point-of-sale terminals. At the end of 2008 almost all these service points supported EMV.

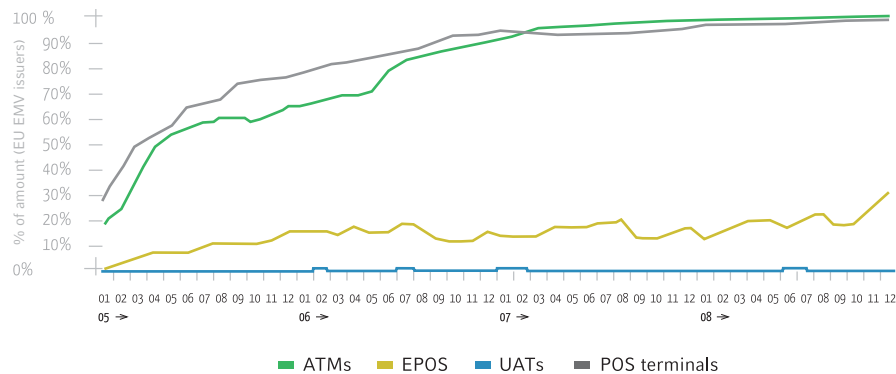
The migration of cards to EMV began somewhat later, but advanced considerably in 2008, when EMV was extended to more than 4.6 million cards.

State of Migration to EMV in Spain



The transfer of responsibility in the domestic environment that took effect on 1st January, 2008, was achieved progressively and satisfactorily via the migration of terminals. At the end of the year the coverage of EMV cards reached nearly 100%.

EMV Coverage by Environment





All ServiRed's ATMs and POS terminals that receive chip cards have already implemented the new EMV technology.



Promotion of Electronic Payments

Presence at merchants

Purchases with ServiRed cards accounted for slightly more than 10% of private consumption.

Greater ServiRed Presence at Merchants

ServiRed member institutions ended 2008 with more than 40 million cards issued, a gain in the year of some 750,000 cards. This advance was led by credit cards, which increased by 2.4%, while the issue of debit cards rose by 1.2%.

ServiRed cards were used in 2008 to make purchases worth 65,916 million euros and cash withdrawals worth 64,429 million euros.

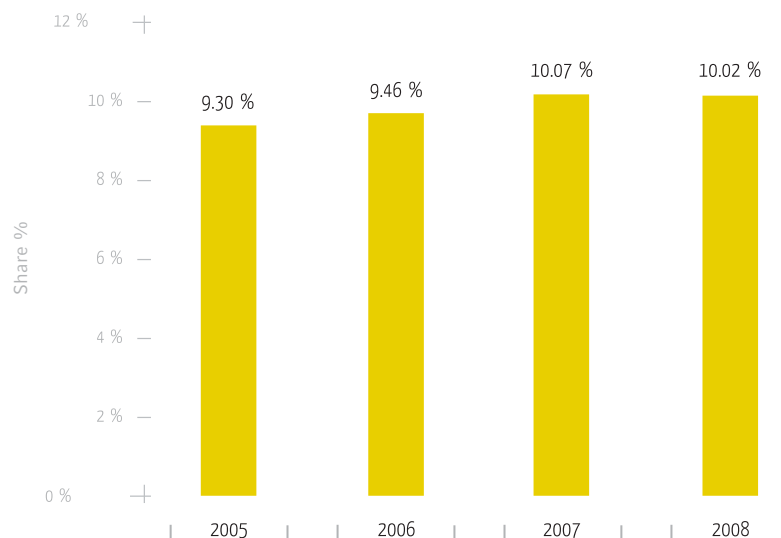
The number of merchants served by ServiRed member financial institutions grew by nearly 50,000 (7%) in the year. Card purchases at these merchants amounted to 62,124 million euros, a 7% rise for the year. ServiRed cards were used for 68% of this total.

Card purchases shares of final spending by households

The 65,916 million euros of purchases made with ServiRed cards in 2008 represented 10.02% of total private consumption in Spain.

Purchases with all cards issued by Spanish financial institutions accounted for 16.26% of total private spending. A percentage that continues to lag behind that of comparable countries, and indicating that there is still considerable room for growth.

Card purchases shares of final spending by households and NISH*



(*) NISH: Non-profit institutions serving households

Promotion of Electronic Payments

Fraud Prevention

ServiRed's mechanisms to prevent fraud keep levels below the average for the industry.

Fraud Prevention

Thanks to the development and fine-tuning of its fraud-prevention tools, ServiRed has considerably reduced losses to fraud incurred by its member financial institutions.

Issue fraud prevention tools monitor and detect fraud by assessing transaction risk and notifying the issuing institutions. The system "learns" and can predict fraud with more than 75% accuracy in some cases, allowing measures to be implemented to combat it.

In 2008 the acquiring fraud prevention system analysed 6,300 incidents showing irregular behaviour, which led to the rescinding of acquiring contracts with 314 merchants and the establishment of ongoing monitoring mechanisms for another 154 merchants, chiefly on-line merchants accepting international cards.

Most of the increase in card fraud incidence in 2008, mainly in international environments, took the form of compromised data.

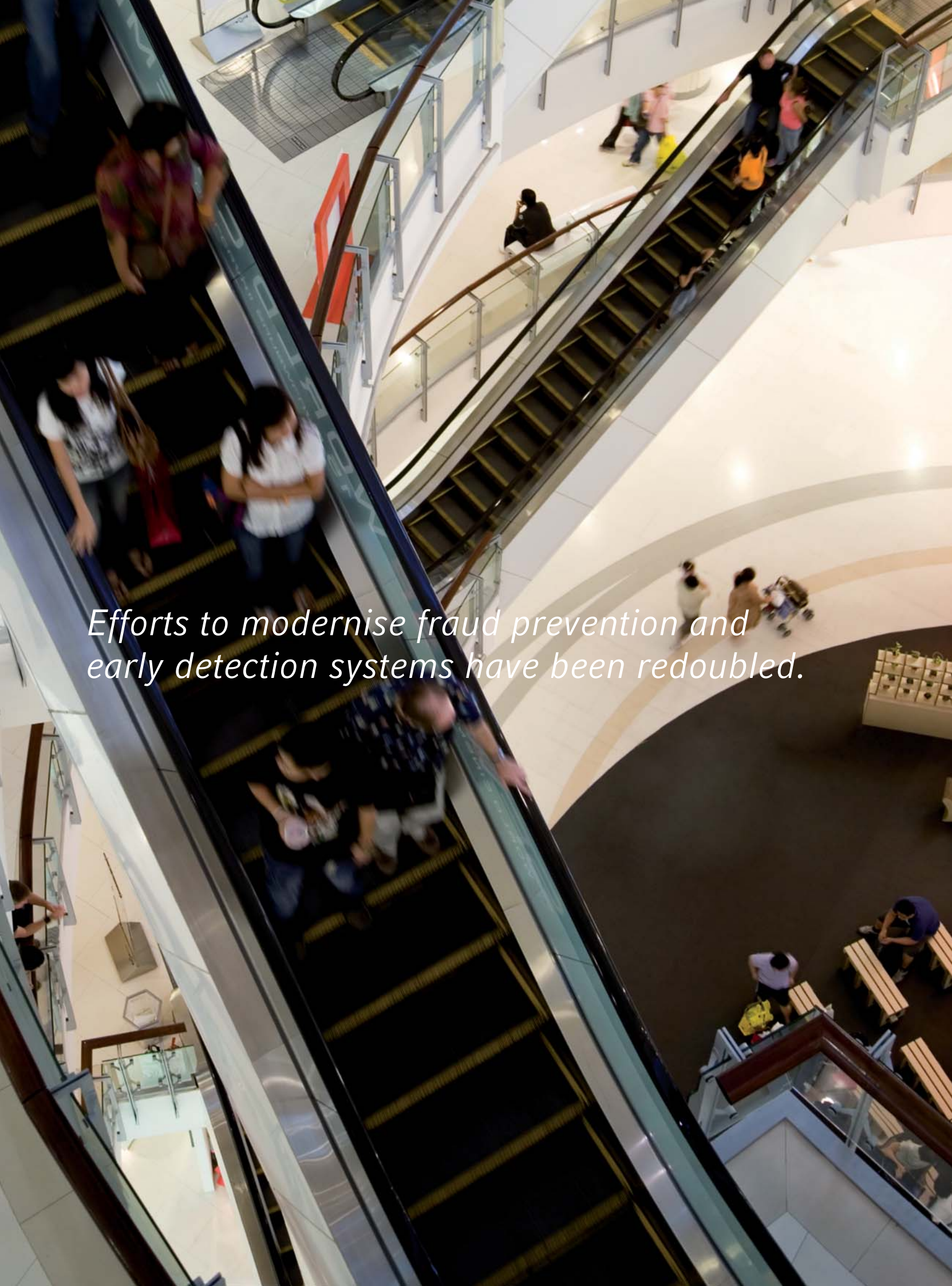
The priority was the rapid detection of such attacks, which are carried out by well-organised gangs with great technological and operational capability. When attacks are detected, ServiRed immediately notifies its member institutions and supplies protocols for action to mitigate the damages.

When a fraudulent action is perpetrated, identification, analysis and study are crucial to develop and implement preventive mechanisms, and to help law enforcement agencies apprehend the perpetrators.

Such cooperation led to the opening of proceedings in 930 cases, affecting more than 18,000 cards, and to 350 arrests, as well as the confiscation of equipment and materials. ServiRed also testified in 29 cases involving the copying of card data at merchants, and the use of counterfeit foreign cards in Spain.

In terms of issue fraud, ServiRed continues to post a lower incidence than the industry average:

	% Fraud/Total Sales		% Fraud/Purchases	
	2007	2008	2007	2008
ServiRed Cards / Total Acquisition	0.024%	0.025%	0.038%	0.043%
ServiRed Cards / Domestic Acquisition	0.012%	0.011%	0.018%	0.018%
ServiRed Cards / International Acquisition	0.283%	0.330%	0.287%	0.352%



Efforts to modernise fraud prevention and early detection systems have been redoubled.



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Promotion of Electronic Payments

Fraud Prevention

ServiRed is committed to compliance with the industry's PCI-DSS global payments industry security regulations.

In 2008 fraud within Spain confirmed by ServiRed member financial institutions was contained at levels that can be regarded as acceptable with respect to the world average, and which show a slight decline as a percentage of total sales in the year, while a rising trend was registered internationally.

The key data were the following:

- Total fraud as a proportion of sales grew by 2.5% in the year, to 0.0248% as compared to 0.0242% in 2007), although this incidence remained very small.
- Fraud in purchases accounted for 88% of the total, the remainder involving transactions at ATMs (12%) and at teller windows (0.3%).
- Of total fraud in purchases, 39% took place within Spain and 61% abroad.
- Domestic purchase fraud grew by 2.4%, while international purchase fraud increased by 29%.
- Domestic fraud at ATMs declined by 42% and accounted for 18% of total fraud in Spain.
- By volume, the most important type of fraud in Spain involved stolen cards (in purchases alone, this accounted for 41% of all domestic card fraud, and it increased by 1% from the previous year).
- Counterfeit cards were responsible for the largest increase in cross-border transaction fraud, accounting for 47% of international purchase fraud.

Fraud in the e-commerce environment remained unchanged in the year at 0.04% in domestic on-line purchases, while for foreign on-line merchants the proportion was 0.27%.

To prevent fraud compliance with the global industry rules specified as PCI-DSS (Payment Card Industry Data Security Standards) is crucial. These rules are being tightened and international card schemes are taking measures to ensure that all participants in the industry adhere to them forthwith.

Representing Member Financial Institutions

The Framework Agreement led to a cut of more than 60% in the discount rate applied to merchants.

One of ServiRed's chief missions is to represent its member financial institutions before regulatory bodies, sundry associations, government agencies, and other domestic and international payment schemes.

In the domestic sphere, a very important forum is the Card Payments Observatory, under the aegis of the Ministry of Industry, Tourism, and Trade. Aside from ministry officials, participants include several associations of merchants and consumers, as well as banks and financial companies. ServiRed represents those of its member banks and financial institutions which lack their own representatives in the Observatory, and it speaks for all its members on the follow-up committee.

The Observatory was created under the Framework Agreement for setting interchange rates on card payments, which was signed in December, 2005. Its chief tasks are to monitor compliance with the agreement and to encourage card payments, for which important measures –especially for the financial sector– have been taken, leading to a substantial reduction of the discounts charged to merchants by acquiring banks and institutions. Specifically, for the time that the Framework Agreement took effect was enacted in January, 2006 until December, 2008, the average discount was cut by more than 60%.

However, this effort by the financial sector appears not to have been seconded by merchants' efforts actions to encourage payments with bank cards, for despite the large reduction in the discounts, the volume of purchases made with ServiRed cards grew by only a lacklustre 17% in the same period. And indeed, as a proportion of total private consumption in 2008, ServiRed card purchases actually declined by five basis points from 2007 levels.



Representing Member Financial Institutions

ServiRed's commitment to migration to the SEPA remains firm.

ServiRed also represents its member financial institutions before the Bank of Spain, especially in the following areas:

- remitting the necessary card payment data to allow monitoring of compliance with the commitments undertaken by the financial institutions in the Framework Agreement;
- monitoring migration to the SEPA in the Follow-up Committee and the Observatory established with this purpose by the Bank of Spain.

ServiRed represents the interests of its member financial institutions before the international card brands while ensuring international interoperability.

And lastly, as a "Group Member" of Visa Europe and "Principal Member" of MasterCard, ServiRed is a sub-licensee of card issue and acquisition rights, which it may sub-license to its member financial institutions. One of its key missions as "Group Member" of Visa Europe and "Principal Member" of MasterCard is to represent these institutions before the two card brands, while guaranteeing international interoperability.





Brand Management and Guarantee of Interoperability

The ServiRed brand guarantees interoperability of card payments.

The public at large associates the ServiRed brand mainly with the more than 32,000 ATMs that make up its network, though the brand also appears on more than 40 million cards and at more than 700,000 merchants.

The labelling of the ATMs with pennants and signs is crucial to maintaining brand recognition, and to ensure that labelling standards are adhered to a number of studies were conducting, in keeping with the practice of previous years.

The results of the studies were conveyed to the financial institutions that own the ATMs to aid them in maintaining a network that is visible and easily recognised.

A total of 560 new card design proposals were approved in 2008, mostly for ServiRed/Visa cards.

The proper reproduction of the ServiRed brand logo is ensured by pre-standardisation of the new card designs. At the same time ServiRed offers advice to financial institutions on the launch of new designs. In 2008, a total of 560 designs were processed, most of them for ServiRed/Visa cards.

Acquiring banks must make sure that all merchants accepting ServiRed cards display the brand in a visible place, along with those of the other cards they accept. The most common display is a multibrand adhesive on the main entrance door of the establishment.

ServiRed must also verify that the international brands licensed to it are used correctly. All ServiRed cards are issued in combination with an international card brand (Visa, Visa Electron, MasterCard, or Maestro) and all merchants and ATMS accept all of them, along with the domestic brands of Sistema 4B and Euro6000. The correct use of the brands means that users must obey all the rules that apply in full, in order to achieve the ultimate objective of ensuring interoperability with all bank card brands, both in Spain and abroad.





summary of activity



For the second time, purchases with ServiRed cards were greater than cash withdrawals from ATMs.

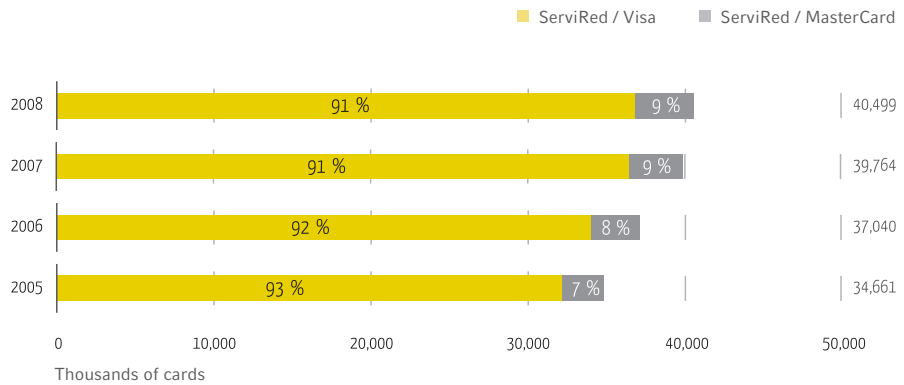
In the first three quarters of 2008, the Spanish economy gradually lost steam, and began to decline in the final quarter, following the worsening of the financial crisis.

The slowing of the pace of growth in 2008 was a consequence of the steep flattening of domestic demand, which has a strong impact on ServiRed. Even so, the 40.5 million ServiRed cards were used for purchases worth and aggregate amount of 65,916 million euros, representing a 4.1% increase from the preceding year. In addition, ServiRed cardholders ServiRed made 546 million cash withdrawal transactions, up 0.7% from 2007.

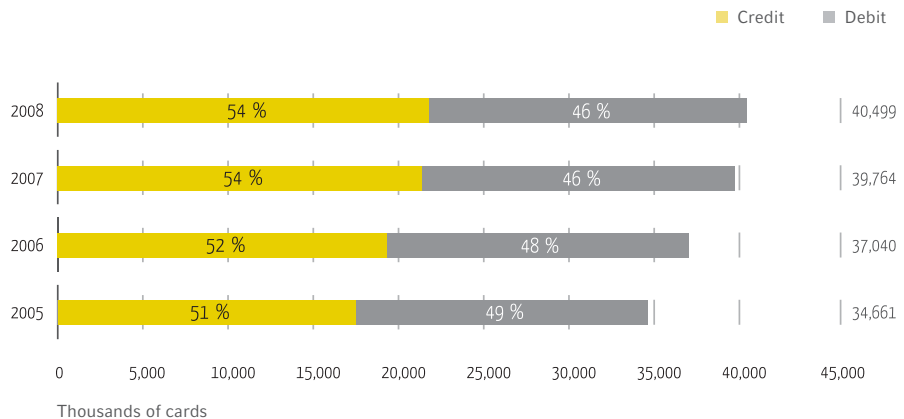
Purchases and cash withdrawals with ServiRed totalled nearly identical amounts, though for the second time in history, purchases outstripped withdrawals by 50.6% to 49.4%.

ServiRed cards accounted for 61.6% of the total monetary volume of purchases made with Spanish cards, and for 63.1% of total card purchase transactions. There were also used for 56.4% of all cash withdrawals from ATMs with cards issued in Spain, for 55.1% of total withdrawals.

Visa/MasterCard



Credit and debit cards



In 2008, 40.5 million ServiRed cards were used for 1,257 million purchases worth 65,916 million euros.

ServiRed/Visa cards

ServiRed/Visa cards, representing 90.9% of all ServiRed cards, were used to make purchases worth 62,679 million euros, or 95.1% of total ServiRed card purchases, and representing a 3.8% increase from the previous year.

At the end of the year 15.2 million ServiRed/Visa Classic – the card most used in purchases – were in use, a rise of 614,000 from 2007. They were used to purchase goods and services worth 26.237 million euros, up 7.9% in the year.

The card issued most by ServiRed member institutions was the ServiRed/Visa Electron (15.8 million at the end of 2008), used to make 531 million purchase transactions worth 23,208 million euros.

The migration de ServiRed/Visa Electron cards to other debit products (chiefly ServiRed/Visa Classic Debit) led to a large increase (19.6%) in the number of such cards issued (2.1 million units). They were used to made purchases worth 2,483 million euros, a 23.6% increase in the year.

735,000 new ServiRed cards were issued in 2008.

ServiRed/MasterCard Cards

The 3.7 million holders of ServiRed/MasterCard cards used them to make purchases worth 3,237 million euros in 2008, a 10% increase from the preceding year anterior. Cash withdrawals expanded more slowly (6.7%), to 3,060 million euros.

Some 51.4% of all transactions made with ServiRed/MasterCard cards were purchases, while cash withdrawals accounted for the remaining 48.6%.

The migration from ServiRed/Maestro cards to ServiRed/MasterCard Debit cards led to a 23.8% decline in the former, while the latter expanded by 69.3%.

Purchases and Cash Withdrawals

Amounts in thousands of euros

TRANSACTIONS	Purchases	Incr.	%/total	Withdrawals	Incr.	%/total	Sales vol.	Incr.	%/total
Credit cards	663,877,264	8.5%	52.8%	190,092,330	6.3%	34.8%	853,969,594	8.0%	47.3%
Debit cards	593,608,469	4.6%	47.2%	356,243,005	-2.0%	65.2%	949,851,475	2.0%	52.7%
Total cards	1,257,485,733	6.6%	100.0%	546,335,335	0.7%	100.0%	1,803,821,068	4.8%	100.0%
AMOUNTS	Purchases	Incr.	%/total	Withdrawals	Incr.	%/total	Sales vol.	Incr.	%/total
Credit cards	39,874,516	4.1%	60.5%	26,997,029	9.9%	41.9%	66,871,546	6.4%	51.3%
Debit cards	26,041,626	4.0%	39.5%	37,431,584	-0.7%	58.1%	63,473,210	1.2%	48.7%
Total cards	65,916,142	4.1%	100.0%	64,428,613	3.5%	100.0%	130,344,755	3.8%	100.0%

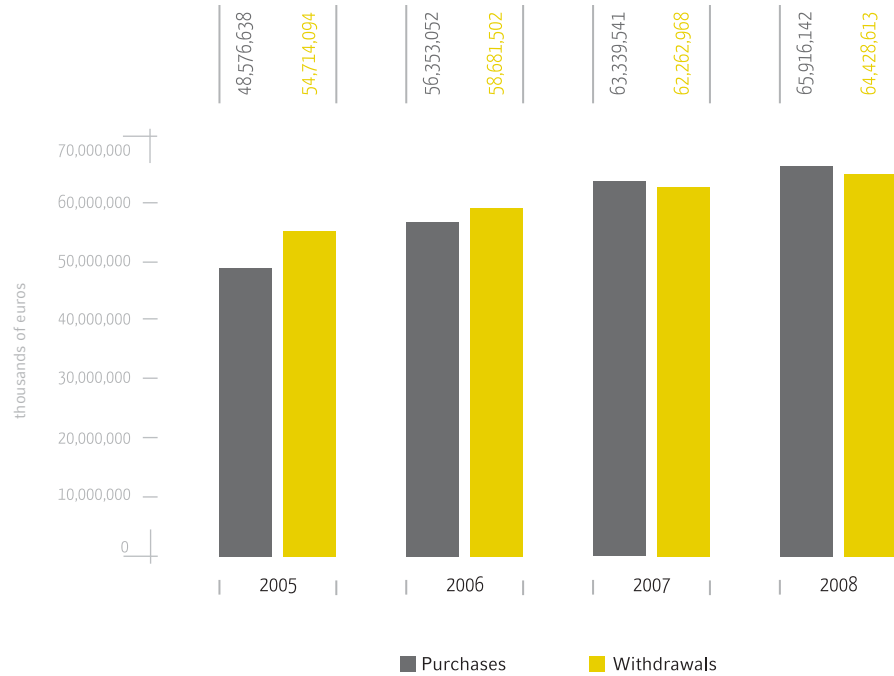


Menu items and prices on a chalkboard:

- Bouillabaisse 26.50
- 9.50
- 49
- dominée 45.50
- 16.50
- taches 17.50

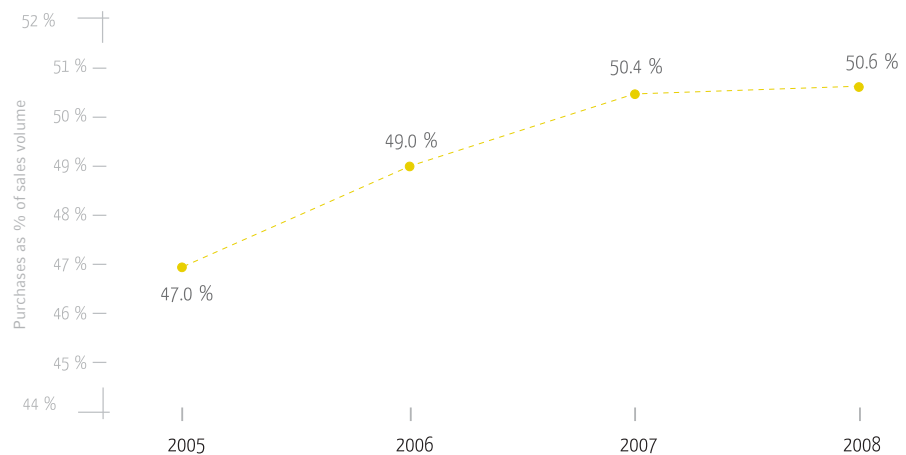


Purchases and Withdrawals

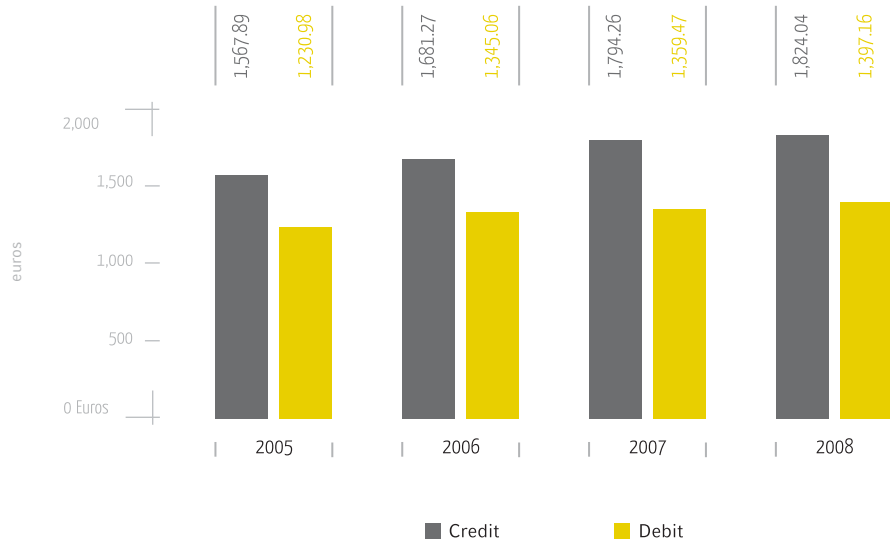


The volume of purchases made with ServiRed outstripped that of cash withdrawals.

Purchases (% total sales volume)

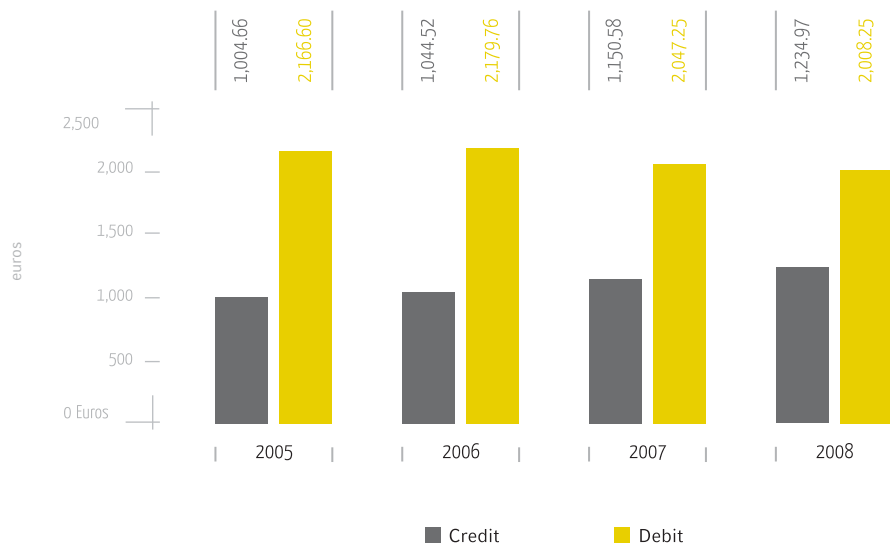


Spending per card in purchases



Annual spending per ServiRed card for purchases slightly exceeded 1,600 euros, far less than the average in comparable European countries.

Spending per Card in Withdrawals







International Activity

Only 8% of the total value of purchases by ServiRed cardholders originated outside Spain, chiefly in the UK, followed by France and the United States.

	Purchases	%/total	Withdrawals	%/total	Sales vol.	%/total
United Kingdom	1,103,386	22.2%	57,580	7.6%	1,160,967	20.2%
France	720,660	14.5%	69,415	9.1%	790,075	13.8%
Italy	286,328	5.8%	49,038	6.4%	335,366	5.8%
Germany	280,842	5.6%	41,777	5.5%	322,619	5.6%
Portugal	151,843	3.1%	53,640	7.0%	205,483	3.6%
Rest of European Union	740,802	14.9%	130,081	17.1%	870,883	15.2%
Total European Union	3,283,861	66.0%	401,531	52.7%	3,685,392	64.3%
United States	582,701	11.7%	31,388	4.1%	614,089	10.7%
Latin America	309,585	6.2%	170,531	22.4%	480,116	8.4%
Other countries	797,077	16.0%	157,749	20.7%	954,826	16.7%
Total International	4,973,224	100.0%	761,200	100.0%	5,734,424	100.0%

Amounts in thousands of euros

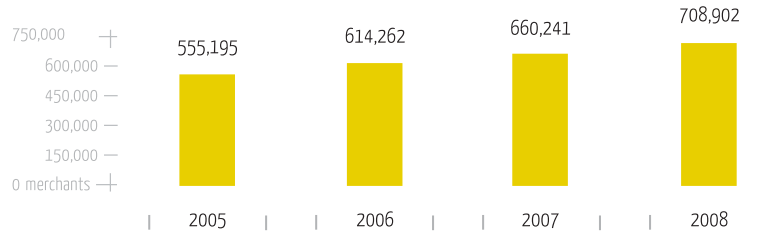
* Purchases and cash withdrawals made with ServiRed cards abroad.



Foreign cards accounted for 10.3% of purchases at ServiRed merchants.

Merchants

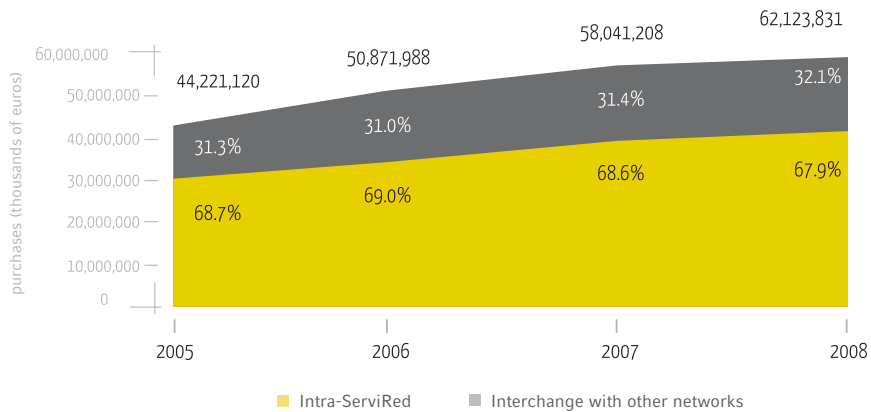
Growth in number of merchants*



(* Merchants whose card transactions are acquired by financial institutions belonging to the ServiRed system.

The 708,900 ServiRed merchants posted card purchases worth 62,124 million euros in 2008, 7.0% more than the previous year.

Purchases in ServiRed merchants*



(* Intra-ServiRed: purchases made at ServiRed merchants with ServiRed cards.

Interchange with other systems: purchases made at ServiRed merchants with non-ServiRed cards.



The province of Barcelona was leader in ServiRed card purchases.

Purchases at ServiRed Merchants by Province

	Amounts	Transactions	%/total	Avg. amount
Alava	375,224,181	6,530,496	0.6%	57
Albacete	250,734,830	4,458,313	0.4%	56
Alicante	1,715,114,674	25,097,789	2.8%	68
Almeria	479,092,275	7,836,258	0.8%	61
Asturias	937,637,128	14,210,723	1.5%	66
Avila	78,968,223	1,440,144	0.1%	55
Badajoz	360,394,744	6,375,319	0.6%	57
Balearic	2,103,221,267	31,862,774	3.5%	66
Barcelona	14,477,851,759	253,033,055	23.9%	57
Bizcay	1,474,184,140	22,605,246	2.4%	65
Burgos	248,345,729	4,424,312	0.4%	56
Caceres	171,596,150	3,072,914	0.3%	56
Cadiz	905,301,004	14,856,937	1.5%	61
Cantabria	420,920,684	6,402,170	0.7%	66
Castellon	817,398,791	14,722,894	1.3%	56
Ceuta	76,184,557	1,192,716	0.1%	64
Ciudad Real	334,398,928	5,871,799	0.6%	57
Cordova	293,089,000	5,148,794	0.5%	57
Corunna	494,006,341	7,996,688	0.8%	62
Cuenca	115,498,420	2,052,277	0.2%	56
Gerona	1,970,969,871	31,311,636	3.2%	63
Granada	626,627,653	9,624,633	1.0%	65
Guadalajara	174,735,838	3,463,782	0.3%	50
Guipuzcoa	868,500,165	13,026,498	1.4%	67
Huelva	313,758,723	5,412,845	0.5%	58
Huesca	216,914,319	3,552,410	0.4%	61
Jaen	204,695,510	3,501,072	0.3%	58
Leon	467,325,431	8,088,267	0.8%	58
Lerida	857,562,518	14,645,679	1.4%	59
Lugo	122,959,120	2,111,529	0.2%	58
Madrid	13,385,695,623	239,141,007	22.1%	56
Malaga	1,906,594,082	25,799,913	3.1%	74
Melilla	31,588,491	443,673	0.1%	71
Murcia	954,453,399	14,468,571	1.6%	66
Navarra	714,341,220	12,215,878	1.2%	58
Orense	77,636,174	1,309,492	0.1%	59
Palencia	124,239,660	2,183,565	0.2%	57
Palmas, Las	1,073,952,598	17,708,877	1.8%	61
Pontevedra	356,603,728	5,849,134	0.6%	61
Rioja, La	290,274,342	4,911,702	0.5%	59
Salamanca	264,681,316	4,550,935	0.4%	58
Saragossa	797,080,230	13,096,777	1.3%	61
Segovia	116,049,925	2,121,026	0.2%	55
Sevilla	1,380,743,343	23,977,630	2.3%	58
Soria	67,741,793	1,121,398	0.1%	60
Tarragona	1,705,900,763	30,123,943	2.8%	57
Tenerife	994,748,590	15,347,052	1.6%	65
Teruel	71,460,972	1,172,838	0.1%	61
Toledo	501,031,395	8,853,693	0.8%	57
Valencia	3,184,869,412	57,026,995	5.2%	56
Valladolid	576,793,433	9,448,488	1.0%	61
Zamora	151,006,019	2,564,802	0.2%	59
TOTAL	60,680,698,479	1,027,367,356	100.0%	59

Retail merchants were those paid most often with ServiRed cards.

Purchases in ServiRed Merchants by Type

Retail categories	Amounts	Transactions	%/total	Avg. amount
Car rentals	508,369,548.82	2,707,737	0.8%	188
Casinos	184,846,376.83	439,065	0.3%	421
Charities	6,189,962.79	183,641	0.0%	34
Chemists	626,894,500.21	21,896,144	1.0%	29
Hotels	2,699,506,924.83	14,485,681	4.4%	186
Household and cleaning products	419,839,811.56	8,622,983	0.7%	49
Jewellers	603,538,464.69	5,733,979	1.0%	105
Large food outlets	13,280,577,505.24	282,163,584	21.9%	47
Mail order/Telephone sales	1,483,400,801.42	20,035,228	2.4%	74
Massage parlours, saunas, discothèques	247,524,245.73	3,523,618	0.4%	70
Other	3,724,875,777.96	40,563,619	6.1%	92
Passenger transport	1,034,819,526.11	11,685,540	1.7%	89
Petrol stations	4,459,202,957.26	108,596,811	7.3%	41
Recreation and shows	569,743,925.04	9,531,640	0.9%	60
Restaurants	4,177,752,011.73	79,879,012	6.9%	52
Retail merchants	15,193,930,042.17	247,457,005	25.0%	61
Large retailers	7,443,741,038.44	98,300,700	12.3%	76
Small amount categories	355,925,411.82	20,835,604	0.6%	17
Supermarkets	1,577,727,863.81	38,328,635	2.6%	41
Travel agencies	2,050,933,673.90	5,919,276	3.4%	346
Toll motorways	31,358,108.60	6,477,854	0.1%	5
Other	3,724,875,777.96	40,563,619	6.1%	92
TOTAL	60,680,698,478.96	1,027,367,356	100.0%	59

The breakdowns of purchases by province and by category reflect transactions authorised on line at ServiRed merchants in 2008. They include on-line purchases made with both domestic and foreign cards that were processed by the ServiRed node.





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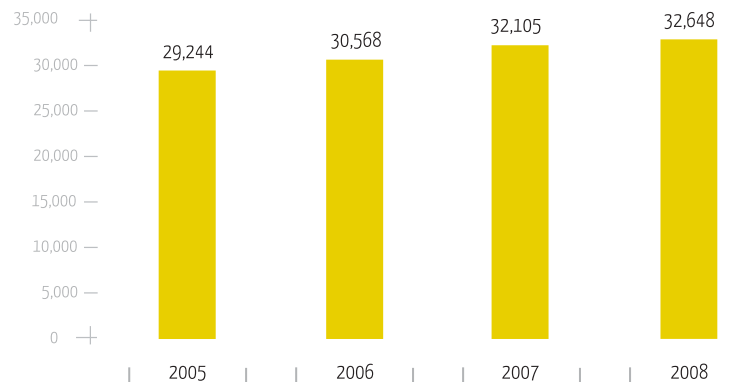
PQRS

ServiRed's ATMs network was used to withdraw more than 64,000 million euros.

ATMs

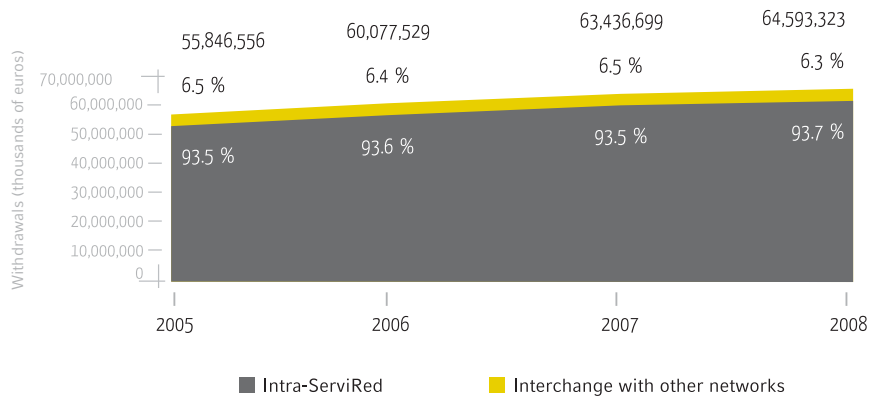
In 2008 more than 540 new ATMs were installed, bringing the total to 32,648. They were used for 552 million cash withdrawals, worth a total amount of 64,593 million euros.

Growth in number of ATMs



ServiRed's ATM network is one of the densest in Europe in terms of ATMs per capita.

Cash Withdrawals from ServiRed ATMs



Cash Withdrawals by Province

	Transactions	ATMs	Transactions per ATM	Population per ATM
Alava	3,158,674	189	16,677	1,635
Albacete	3,117,154	189	16,458	2,099
Alicante	14,881,858	1,048	14,203	1,805
Almeria	8,533,468	347	24,576	1,923
Asturias	9,712,789	629	15,434	1,716
Avila	921,453	67	13,711	2,557
Badajoz	4,334,476	395	10,971	1,734
Balearic	11,078,339	678	16,336	1,582
Barcelona	120,758,645	6,762	17,857	801
Biscay	12,038,646	751	16,020	1,526
Burgos	2,037,446	157	12,993	2,383
Caceres	1,582,323	130	12,140	3,165
Cadiz	8,904,607	482	18,488	2,534
Cantabria	3,797,373	214	17,758	2,722
Castellon	9,553,897	584	16,346	1,018
Ceuta	1,166,233	43	27,269	1,810
Ciudad Real	4,077,697	295	13,809	1,769
Cordova	3,559,463	318	11,204	2,514
Corunna	5,862,869	320	18,336	3,563
Cuenca	1,371,548	166	8,263	1,297
Gerona	13,858,887	927	14,956	790
Granada	7,869,431	491	16,034	1,836
Guadalajara	1,303,773	78	16,628	3,033
Guipuzcoa	7,920,477	381	20,798	1,841
Huelva	4,063,677	257	15,836	1,979
Huesca	1,652,536	149	11,116	1,515
Jaen	3,279,788	311	10,560	2,149
Leon	6,836,098	409	16,700	1,222
Lerida	6,534,419	502	13,016	850
Lugo	1,396,121	106	13,183	3,357
Madrid	119,651,371	5,992	19,970	1,047
Malaga	12,496,107	810	15,436	1,931
Melilla	779,370	24	31,891	2,924
Murcia	10,659,833	663	16,081	2,151
Navarra	6,360,875	415	15,311	1,493
Orense	1,157,474	83	13,862	4,025
Palencia	1,861,200	128	14,506	1,352
Palmas, Las	10,040,554	476	21,114	2,250
Pontevedra	4,679,718	266	17,608	3,587
Rioja, La	2,128,800	164	12,985	1,937
Salamanca	2,357,159	164	14,378	2,156
Saragossa	6,445,425	556	11,593	1,718
Segovia	969,369	64	15,111	2,555
Sevilla	12,746,918	825	15,454	2,274
Soria	841,506	57	14,757	1,660
Tarragona	14,234,453	943	15,096	837
Tenerife	8,249,763	439	18,797	2,292
Teruel	671,884	60	11,183	2,436
Toledo	4,221,117	327	12,914	2,050
Valencia	38,047,844	2,267	16,786	1,122
Valladolid	6,687,997	412	16,217	1,283
Zamora	1,997,259	137	14,529	1,435
TOTAL	552,450,159	32,648	16,921	1,414

The breakdown of cash withdrawals reflects all withdrawals made at ServiRed ATMs, i.e. transactions made with domestic and foreign cards, including those in which the card and the ATM belong to the same financial institution.

The province of Barcelona was leader in cash withdrawals.



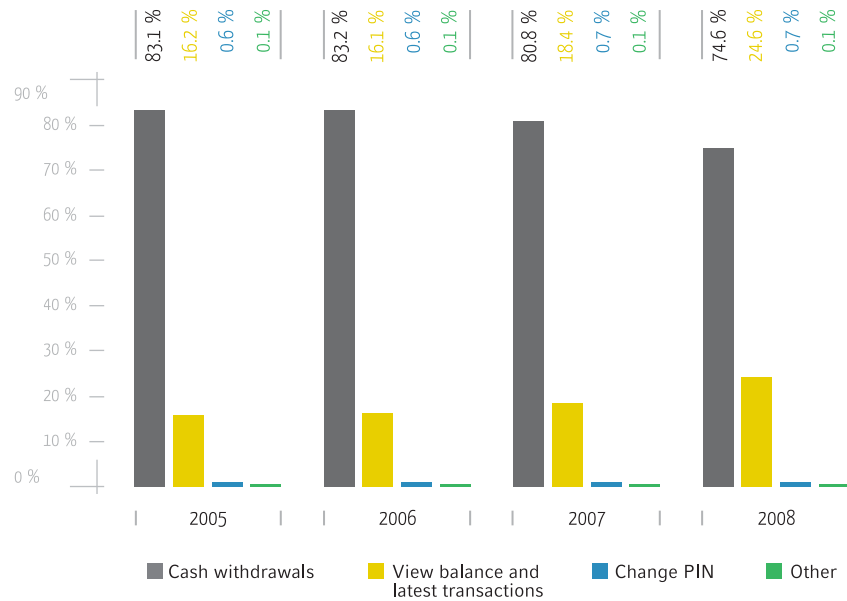


One of every five ATMs is located in a town with fewer than 20,000 people.

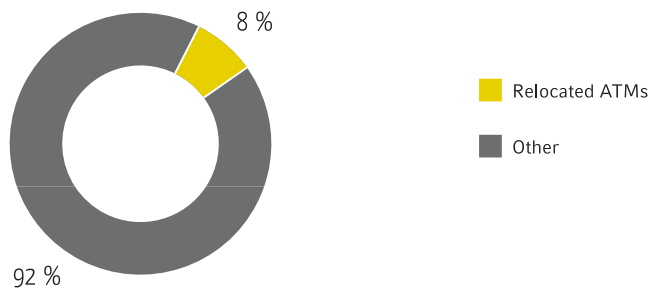
Geographical Distribution of ATMs

Towns	ATMs	ATMs as %/total	Pop. as %/total
>500,000	8,826	27.0%	18.1%
>100,001<500,000	8,239	25.2%	25.5%
>50,001<100,000	4,012	12.3%	14.3%
>20,001<50,000	4,359	13.4%	15.9%
<=20,000	7,213	22.1%	26.2%
Total	32,648	100.0%	100.0%

Types of Transactions in ATMs



Percentage of relocated ATMs as pct. of total ATMs not in bank branches





*ServiRed is there to serve its 101 members:
banks, savings banks, and credit cooperatives.*

Members of the ServiRed System



Members of the ServiRed System

NRBE

(Bank of Spain Registry Number)

0009	Finanzia, Banco de Crédito
0019	Deutsche Bank, S.A.E.
0031	Banco Etcheverría
0057	Banco Depositario BBVA
0063	Banco de Servicios Financieros Caja Madrid-Mapfre
0065	Barclays Bank
0078	Banca Pueyo
0081	Banco de Sabadell
0099	Altae Banco
0106	Lloyds TSB Bank PLC, Branch in Spain
0121	Banco Occidental
0122	Citibank España
0125	Bancofar
0128	Bankinter
0129	BBVA Banco de Financiación
0130	Banco Caixa Geral
0131	Banco Espirito Santo, Branch in Spain
0133	Microbank de la Caixa
0138	Bankoa
0142	Banco de la Pequeña y Mediana Empresa
0152	Barclays Bank PLC
0182	Banco Bilbao Vizcaya Argentaria
0186	Banco de Finanzas e Inversiones
0188	Banco Alcalá
0198	Banco Cooperativo Español
0217	Banco Halifax Hispania
0220	Banco Finantia Sofinloc
0227	Uno-e Bank
0234	Banco Caminos
1469	Banco Sygma Hispania, Branch in Spain
1484	MBNA Europe Bank Limited, Branch in Spain
2013	Caixa d'Estalvis de Catalunya
2030	Caixa d'Estalvis de Girona
2038	Caja de Ahorros y Monte de Piedad de Madrid.
2040	Caixa d'Estalvis Comarcal de Manlleu
2041	Caixa d'Estalvis de Manresa
2059	Caixa d'Estalvis de Sabadell
2073	Caixa d'Estalvis de Tarragona
2074	Caixa d'Estalvis de Terrassa
2077	Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja
2081	Caixa d'Estalvis del Penedès
2096	Caja España de Inversiones, Caja de Ahorros y Monte de Piedad
2100	Caixa d'Estalvis i Pensions de Barcelona
3001	Caja Rural de Almendralejo
3005	Caja Rural Central
3007	Caja Rural de Gijón
3008	Caja Rural de Navarra
3009	Caja Rural de Extremadura
3016	Caja Rural de Salamanca
3017	Caja Rural de Soria
3020	Caja Rural de Utrera
3021	Caja Rural de Aragón
3022	Caja Rural de Fuentepelayo
3023	Caja Rural de Granada

NRBE

(Bank of Spain Registry Number)

3025	Caixa de Credit dels Enginyers - Caja de Crédito de los Ingenieros
3029	Caja de Credito de Petrel, Caja Rural
3035	Caja Laboral Euskadiko Kutxa
3045	Caixa Rural Altea
3056	Caja Rural de Albacete
3058	Cajamar Caja Rural
3059	Caja Rural de Asturias
3060	Caja Rural de Burgos
3062	Caja Rural de Ciudad Real
3063	Caja Rural de Córdoba
3064	Caja Rural de Cuenca
3067	Caja Rural de Jaén
3070	Caixa Rural Galega
3076	Caja Rural de Tenerife
3078	Caja Rural de Segovia
3080	Caja Rural de Teruel
3081	Caja Rural de Toledo
3082	Caja Rural del Mediterráneo, Ruralcaja
3084	Ipar Kutxa Rural
3085	Caja Rural de Zamora
3094	Caja Campo, Caja Rural
3096	Caixa Rural de l'Alcudia
3098	Caja Rural Nuestra Señora del Rosario
3102	Caixa Rural Sant Vicent Ferrer de la Vall d'Uixo
3105	Caixa Rural de Callosa d'En Sarria
3111	Caixa Rural la Vall "San Isidro"
3114	Caja Rural Castellón - S. Isidro
3117	Caja Rural d'Algemesí
3118	Caja Rural de Torrent
3121	Caja Rural de Cheste
3127	Caja Rural de Casas Ibáñez
3128	Caja Rural de la Roda
3130	Caja Rural San José de Almassora
3140	Caja Rural de Guissona
3146	Caja de Crédito Cooperativo
3147	Caixa Rural de Balears
3159	Caixa Popular
3171	Caixa dels Advocats, Caja de los Abogados
3177	Caja Rural de Canarias
3179	Caja Rural de Alginet
3183	Caja de Arquitectos, Sociedad Cooperativa de Crédito
3187	Caja Rural del Sur
3188	Credit Valencia, Caja Rural Cooperativa de Crédito Valenciana
3189	Caja Rural Aragonesa y de Los Pirineos
8321	Iberdrola Servicios Financieros
8776	Finconsum
8816	Sociedad Conjunta para la emisión y Gestión de Medios de Pago

Change of name:

- 3172 Caja Caminos, Sociedad Cooperativa de Crédito, was transformed into a limited liability company named Banco Caminos S.A. as NRBE 0234.
- 0133 Banco de Europa S. A., renamed Microbank de la Caixa, S. A.

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Financial Information

Balance Sheet

Audited by PricewaterhouseCoopers Auditores, S.L.

ASSETS	2008	2007
NON-CURRENT ASSETS	88,120,191.53 €	46,332,553.10 €
Long-term group and associated company investments	46,066,354.14 €	46,066,354.14 €
Capital instruments	46,066,354.14 €	46,066,354.14 €
Long-term financial investments	41,325,417.19 €	116,798.96 €
Capital instruments	41,165,482.32 €	47,708.31 €
Loans to employees	55,975.97 €	69,090.65 €
Other financial assets	103,958.90 €	0.00 €
Deferred tax assets	728,420.20 €	149,400.00 €
Deferred tax assets	728,420.20 €	149,400.00 €
CURRENT ASSETS	71,137,013.13 €	7,943,172.59 €
Inventories	111,530.35 €	120,371.66 €
Trade inventories	106,830.35 €	115,571.66 €
Advances to suppliers	4,700.00 €	4,800.00 €
Trade debts and other receivables	10,083,845.13 €	1,709,544.36 €
Customer sales and services receivables	132,859.09 €	1,196,263.16 €
Customers, group and associated companies receivables	238,295.29 €	237,474.77 €
Sundry debtors	104,404.41 €	78,376.50 €
Personnel	13,874.41 €	16,943.00 €
Current tax assets	8,877,548.01 €	0.00 €
Other receivables from public authorities	716,863.92 €	180,486.93 €
Short-term group and associated company investments	138.54 €	0.00 €
Other financial assets	138.54 €	0.00 €
Short-term investments	50,445,383.70 €	1,355,943.40 €
Capital instruments	1,362,579.41 €	1,340,519.00 €
Other credits	10,174.16 €	15,424.40 €
Other financial assets	49,072,630.13 €	0.00 €
Accruals and prepayments	594.15 €	1,617.10 €
Short-term accruals and prepayments	594.15 €	1,617.10 €
Cash and banks	10,495,521.26 €	4,755,696.07 €
Cash and banks	10,495,521.26 €	4,755,696.07 €
TOTAL ASSETS	159,257,204.66 €	54,275,725.69 €

NET ASSETS AND LIABILITIES	2008	2007
NET ASSETS	151,590,755.88 €	49,722,218.31 €
Capital and reserves	152,434,968.21 €	49,625,955.31 €
Capital	20,780,236.10 €	20,780,236.10 €
Subscribed capital	20,780,236.10 €	20,780,236.10 €
Share premium	25,945,118.93 €	25,945,118.93 €
Issue premium	25,945,118.93 €	25,945,118.93 €
Reserves	2,900,600.28 €	2,668,432.58 €
Legal and bylaw reserves	655,193.98 €	631,977.21 €
Other reserves	2,245,406.30 €	2,036,455.37 €
Profit/Loss	102,809,012.90 €	232,167.70 €
Profit for the year	102,809,012.90 €	232,167.70 €
Market value adjustment	(844,212.33)€	96,263.00 €
Financial assets held for sale	(844,212.33)€	96,263.00 €
Financial assets held for sales	(844,212.33)€	96,263.00 €
NON-CURRENT LIABILITIES	1,616,754.00 €	1,083,499.84 €
Long-term provisions	1,372,715.70 €	680,031.84 €
Provisions for pensions and similar obligations	572,715.70 €	680,031.84 €
Other provisions	800,000.00 €	0.00 €
Long-term debt	196,164.18 €	362,212.00 €
Other financial liabilities	196,164.18 €	362,212.00 €
Deferred tax liabilities	47,874.12 €	41,256.00 €
Deferred tax liabilities	47,874.12 €	41,256.00 €
CURRENT LIABILITIES	6,049,694.78 €	3,470,007.54 €
Short-term debt	149,226.80 €	16,763.55 €
Other financial liabilities	149,226.80 €	16,763.55 €
Short-term debt with group and associated companies	0.00 €	10,200.31 €
Short-term debt with group and associated companies	0.00 €	10,200.31 €
Trade creditors and other payables	5,900,467.98 €	3,443,043.68 €
Trade creditors	3,906,488.49 €	2,734,727.04 €
Suppliers, group and associated companies	8,124.28 €	8,513.38 €
Sundry creditors	1,398,048.63 €	10,656.83 €
Personnel (payments pending)	339,648.16 €	565,385.87 €
Liabilities for current tax	0.00 €	8,602.80 €
Other debts to official bodies	248,158.42 €	115,157.76 €
TOTAL NET ASSETS AND LIABILITIES	159,257,204.66 €	54,275,725.69 €

Profit and Loss Account

Audited by PricewaterhouseCoopers Auditores. S,L,

	2008	2007
ONGOING OPERATIONS		
Net turnover	1,664,962.41 €	5,662,901.75 €
Sales	56,347.74 €	74,695.39 €
Provision of services	1,608,614.67 €	5,588,206.36 €
SUPPLIES	43,549.86 €	50,353.29 €
Consumption of raw materials and supplies	34,795.56 €	80,462.40 €
Change in consumption of raw materials and supplies	8,754.30 €	(30,109,11)€
OTHER OPERATING INCOME	648,715.92 €	939,940.76 €
Ancillary and current management income	648,715.92 €	939,940.76 €
PERSONNEL COSTS	1,540,424.59 €	1,881,256.59 €
Wages and salaries	1,499,788.02 €	1,842,057.99 €
Personnel benefits	40,636.57 €	39,198.60 €
OTHER OPERATING EXPENSES	8,734,624.89 €	5,021,011.26 €
External services	8,321,113.93 €	4,989,874.08 €
Taxes	413,510.96 €	31,137.18 €
OPERATING RESULTS	(8,004,921.01)€	(349,778.63)€
FINANCIAL INCOME	127,542,848.88 €	295,915.20 €
Participation in capital instruments	126,654,956.43 €	126,192.65 €
From negotiable securities and other financial instruments	887,892.45 €	169,722.55 €
FINANCIAL EXPENSES	11,738.99 €	54,367.13 €
Debt with group companies	796.05 €	11,186.66 €
Debt with third parties	10,942.94 €	43,180.47 €
EXCHANGE RATE DIFFERENCES	(567.89)€	(588.35)€
IMPAIRMENT AND INCOME FROM DISPOSAL OF FINANCIAL INSTRUMENTS	0.00 €	268,305.36 €
Earnings from disposals and other	0.00 €	268,305.36 €
FINANCIAL RESULT	127,530,542.00 €	509,265.08 €
PROFIT BEFORE TAXES	119,525,620.99 €	159,486.45 €
CORPORATE INCOME TAX	16,716,608.09 €	(72,681.25)€
YEAR'S EARNINGS FROM ONGOING OPERATIONS	102,809,012.90 €	232,167.70 €
DISCONTINUED OPERATIONS		
PROFIT FOR THE YEAR	102,809,012.90 €	232,167.70 €



A blurred night scene of a city street. In the foreground, the lower half of a person wearing light-colored pants and a light-colored top is visible, walking across the frame. In the background, a dark-colored car is driving on the road, its headlights and taillights blurred. The scene is illuminated by streetlights, creating a bokeh effect of out-of-focus light spots. The overall atmosphere is dynamic and urban.

Always advancing, with you, at your side

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