

LOANS AND DISCOUNTS

	2007	2006	% Variation
TOTAL LOANS AND DISCOUNTS (GROSS)	7,963,446	6,648,440	19.8%
To be deducted			
VALUE CORRECTIONS DUE TO ASSET IMPAIRMENTS	(179,189)	(119,150)	50.4%
LOANS AND DISCOUNTS (NET)	7,784,257	6,529,290	19.2%
COMMERCIAL LOANS	1,018,805	1,008,165	1.1%
MORTGAGE LOANS	4,428,942	3,645,683	21.5%
OTHER SECURED LOANS	282,197	170,053	65.9%
OTHER TERM LOANS	1,779,416	1,499,227	18.7%
LEASING	234,464	208,259	12.6%
DOUBTFUL LOANS	94,481	35,137	168.9%
OTHER	125,141	81,916	52.8%

- Loans and Discounts stand at 7,784 million euros at year-end, meaning a 19.2% inter annual growth, or 17.0% in homogeneous terms, that is, incorporating securitized loans.
- A lower growth of Mortgage Loans as well as of Loans and Discounts in general should be highlighted.
- The Ratio of Delinquent Loans is situated at 1.2% as a result of the application of prudential criteria in the present real estate market. The Coverage Rate for doubtful loans is 188%. Following the traditionally conservative criteria applied by the Bank, 73,114 thousand euros have been allocated during 2007 for Credit Loss Provisions and Other Provisions. A sound balance sheet is the best guarantee of the future solvency of the entity.

CUSTOMER MANAGED FUNDS

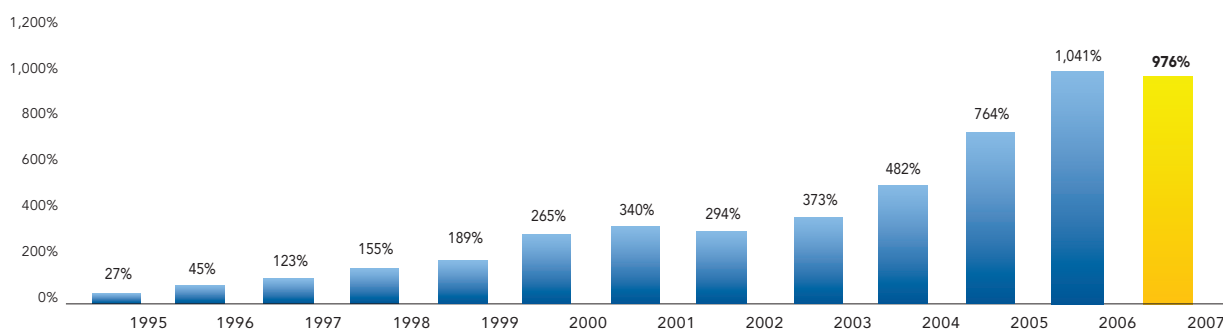
	2007	2006	% Variation
DEPOSITS	5,268,432	4,142,461	27.2%
MARKETABLE DEBT SECURITIES	3,190,302	2,136,419	49.3%
SUBORDINATED DEBT	310,270	384,440	(19.3%)
CUSTOMER DEPOSITS	8,769,004	6,663,320	31.6%
CUSTOMERS' MANAGED FUNDS	10,218,864	8,421,350	21.3%

- Customers' Managed Funds totalled 10,219 million euros, a 21.3% increase over last year. It should be pointed out that time deposits show a positive evolution increasing 32%.
- Customer Deposits, including Negotiable Notes and Subordinated Debt, stand at 8,769 million euros, an inter annual growth of 32.6%. The issuing of Promissory Notes of the Bank continues to be very well received by the markets and reached 2,267 million euros at year end.
- Funds managed in Investment and Pension Funds reached 1,538 million euros, slightly less than the previous year's figure and the number of participants stood at 102,423, an 8.7% increase.

EQUITY AND SHAREHOLDERS

- The Consolidated Equity of the Bank stands at 630,467 thousand euros, an increase of 30.2% over the previous year. The capital stock of the Bank amounts to 37,440,000 euros after increasing capital by 3,120,000 euros in the proportion of one new share per 11 existing shares carried out in June.
- The number of shareholders of Banco Guipuzcoano has grown during the year and is situated at 27,717, an increase of 26.8% over the previous year.
- Market capitalization of Banco Guipuzcoano at December 31, 2007 amounts to 1,666.7 million euros, slightly less than at 2006 year-end.

ACCUMULATED RETURN BG 1994 - 2007



Annual Yield 1994/2007: 22.6%

Annual Yield 2002/2007: 26.8%

- The accumulated revaluation of the Banco Guipuzcoano share (revaluing + dividend) in the period 1994/2007 has been 976%. In terms of annual yield, this means 22.6%. Considering the period 2002/2007, the annual yield has been 26.8%.

RESULTS

	2007	Var. %	% O/ATA	2006	% O/ATA
NET INTEREST REVENUE	163,496	19.7%	1.76%	136,626	1.70%
CONTRIBUTION MARGIN	229,885	17.1%	2.47%	196,283	2.44%
NET ORDINARY REVENUE	259,121	19.3%	2.78%	217,218	2.70%
NET OPERATING REVENUE	134,661	31.7%	1.45%	102,236	1.27%
PROFITS BEFORE TAXES	65,886	1.9%	0.71%	64,674	0.80%
PROFITS ATTRIBUTABLE TO THE GROUP	61,506	13.2%	0.66%	54,313	0.68%
AVERAGE TOTAL ASSETS (ATA)	9,315,946			8,037,019	

- Banco Guipuzcoano Group obtained a Net Profit of 61,506 thousand euros in 2007. This represents an increase of 13.2% over the previous year. In this way, the last year of the three year Strategic Plan, "007-Banking in Action" finishes successfully. Net Profit during the Plan has increased 54.8%.
- Net Interest Revenue stands at 163,496 thousand euros, increasing 19.7% over the previous year. This is derived from the greater business volume and the strong commercial activity of the branch network.
- Commissions increase 11.3%.
- Contribution Margin reaches 229,885 thousand euros, a 17.1% increase over the previous year.
- Net Ordinary Revenue situates at 259,121 thousand euros, a 19.3% increase over the previous year. In terms of Average Assets it stands at 2.78%, that is, 8 basis points over the previous year.
- Operating Expenses increase 7.8% over the previous year, including the expenses for opening new branches according to the Expansion Plan.
- Net Operating Revenue reaches 134,661 thousand euros, improving 31.7% over the previous year, caused by the greater business volume and strong commercial activity of the branch network. In terms of Average Assets, there is an improvement from 1.27% in 2006 to 1.45% in 2007.
- During 2007, the traditionally conservative criteria of the Bank were applied and 73 million euros were allocated for Credit Loss Provisions and Other Provisions. The Credit Loss Allowance stands at 179 million euros at year-end, maintaining the maximum 125% legal requirement.

PROFIT DISTRIBUTION. DIVIDENDS

- The Board of Directors submits the following proposal of profit distribution for approval at the General Meeting of Shareholders:

Dividends	28,103 thousand euros
Statutory Reserve	624 thousand euros
Voluntary Reserve	28,451 thousand euros

- If the General Meeting of Shareholders approves the Board's proposal, the total dividend for 2007 will reach 0.1875 euros per ordinary share, and 0.28125 euros per preferred share.
- Last October a dividend was paid for the amount of 0.06 euros and 0.09 euros, according to type of share; supplementary dividends of 0.1275 euros per ordinary share and 0.19125 euros per preferred share remain to be paid. If the proposal is approved it will be paid on Monday, April 7, 2008.

FINANCIAL STATEMENTS OF THE BANCO GUIPUZCOANO GROUP

Consolidated Balance Sheets at December 31, 2007 / 2006

FIGURES IN THOUSANDS OF EUROS €

ASSETS	12.31.2007	12.31.2006	% Variation
CASH AND DEPOSITS AT CENTRAL BANKS	247,474	171,410	44.4%
TRADING PORTFOLIO	26,906	153,450	(82.5%)
AVAILABLE FOR SALE FINANCIAL ASSETS	102,430	533,895	(80.8%)
CREDITS, LOANS AND DISCOUNTS	9,238,161	7,851,886	17.7%
HELD-TO-MATURITY INVESTMENT PORTFOLIO	66,654	75,730	(12.0%)
HEDGING DERIVATIVES	6,479	3,659	77.1%
NON-CURRENT ASSETS FOR SALE	7,520	1,618	364.8%
SHAREHOLDINGS IN ASSOCIATE COMPANIES	44,886	34,174	31.3%
PROPERTY, PLANT AND EQUIPMENT	123,426	121,606	1.5%
TAX ASSETS	34,288	32,639	5.1%
ACCRUAL ACCOUNTS	4,826	3,938	22.5%
OTHER ASSETS	12,653	30,620	(58.7%)
TOTAL ASSETS	9,915,703	9,014,625	10.0%
LIABILITIES AND EQUITY			
TRADING PORTFOLIO	38,988	22,459	73.6%
FINANCIAL LIABILITIES AT AMORTISED COST	9,056,604	8,229,026	10.1%
HEDGING DERIVATIVES	3,712	77,528	(95.2%)
PROVISIONS	106,045	100,251	5.8%
TAX LIABILITIES	35,647	54,375	(34.4%)
ACCRUAL ACCOUNTS	44,199	44,688	(1.1%)
OTHER LIABILITIES	41	2,070	(98.0%)
TOTAL LIABILITIES	9,285,236	8,530,397	8.9%
MINORITY INTEREST	1,004	807	24.4%
MEASUREMENT ADJUSTMENTS	18,887	34,436	(45.2%)
EQUITY	610,576	448,985	36.0%
CAPITAL OR APPROPRIATION FUND	37,440	34,320	9.1%
SHARE PREMIUM RESERVE	219,896	98,216	123.9%
RESERVES	304,975	274,901	10.9%
LESS: TREASURY STOCK	(4,254)	(4,541)	(6.3%)
PROFIT FOR THE YEAR	61,506	54,313	13.2%
LESS: DIVIDENDS AND REMUNERATION	(8,987)	(8,224)	9.3%
TOTAL EQUITY	630,467	484,228	30.2%
TOTAL EQUITY AND LIABILITIES	9,915,703	9,014,625	10.0%
P.M. LOANS AND DISCOUNTS (1)	7,784,257	6,529,290	19.2% (1)
CUSTOMER DEPOSITS (2)	8,769,004	6,613,258	32.6% (2)
CUSTOMER MANAGED FUNDS	10,218,864	8,421,350	21.3%

FINANCIAL STATEMENTS OF THE BANCO GUIPUZCOANO GROUP

Consolidated Income Statements at December 31, 2007 / 2006

FIGURES IN THOUSANDS OF EUROS €

	12.31.2007	12.31.2006	% Variation
INTEREST AND OTHER REVENUES	452,680	309,439	46.3%
INTEREST AND SIMILAR EXPENSES	(289,184)	(172,813)	67.3%
NET INTEREST REVENUE	163,496	136,626	19.7%
FEES RECEIVED AND PAID	66,389	59,657	11.3%
CONTRIBUTION MARGIN	229,885	196,283	17.1%
GAIN/LOSS FROM FINANCIAL OPERATIONS AND EXCHANGE DIFFERENCES	23,708	16,047	47.7%
RESULTS IN ENTITIES CARRIED UNDER THE EQUITY METHOD	5,528	4,888	13.1%
NET ORDINARY REVENUE	259,121	217,218	19.3%
PROVISION OF NON-FINANCIAL SERVICES	2,566	3,182	(19.4%)
OPERATING EXPENSES	(119,323)	(110,707)	7.8%
STAFF COSTS	(81,416)	(73,659)	10.5%
OTHER GENERAL ADMINISTRATIVE EXPENSES	(37,907)	(37,048)	2.3%
AMORTISATION	(12,861)	(12,257)	4.9%
OTHER ITEMS	5,158	4,800	7.5%
NET OPERATING REVENUE	134,661	102,236	31.7%
ASSET IMPAIRMENT LOSS	(65,147)	(28,587)	127.9%
PROVISIONS	(7,967)	(19,164)	(58.4%)
FINANCIAL REVENUE/EXPENSE FROM NON-FINANCIAL TRANSACTIONS	---	(28)	(100.0%)
OTHER INCOME/LOSSES	4,339	10,217	(57.5%)
PROFIT BEFORE TAXES	65,886	64,674	1.9%
PROFIT/LOSS ON DISCONTINUED OPERATIONS	---	---	---
CONSOLIDATED PROFIT FOR THE YEAR	65,886	64,674	1.9%
CORPORATE INCOME TAX	(3,578)	(9,840)	(63.6%)
PROFIT/LOSS ATTRIBUTABLE TO MINORITY INTEREST	(802)	(521)	53.9%
NET PROFIT ATTRIBUTABLE TO THE GROUP	61,506	54,313	13.2%