

# CHAIRMAN'S STATEMENT

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In 2004 our results confirmed the trend of continuing growth that has been the case in recent years. Group turnover was close to 35,000 million euros, with two areas showing exceptional performance: credit investment, which rose by 19% over the year, and lending to companies, with an increase of 21%. These numbers, taken together with the volume of customer resources under management, confirm our position as the leading financial institution in Galicia, and one of the leading players in the Spanish banking market.

It should be noted that our double-digit growth has not been achieved at the cost of sacrificing solvency: our non-performing loan rate is now at an all-time low, and we ended the year with a coverage of 840%, one of the highest ratios in the financial sector in Spain.

These figures are undoubtedly significant, reinforcing as they do our position as leader in the Galician market, but equally important is the expanding role played by Caixa Galicia Corporation as an agent of economic development, with a portfolio of company shareholdings under management that has a value of well over 1,000 million euros. The fact that this portfolio includes holdings in companies and business sectors that are fundamental to the development of Galicia reflects the increasing importance of Caixa Galicia Corporation in the economy of its home region.



We must not forget, however, that in the case of a savings bank positive bottom-line performance is a necessary prerequisite for it to continue to carry out its work in social and cultural areas in the community. Caixa Galicia Group, through the agency of its Community Project and its Foundation, is the leading private social and cultural agent in Galicia. Thanks to the more than two hundred million euro surplus it generated in 2004, in 2005 it will be able to plough back over 55 million euros into the social fabric of our community. Putting it another way, this means that over 31% of the surplus obtained by the Group goes to fund its work in the community, benefiting more than two million people.

All this would not have been possible without the excellent work performed by the people who make up Caixa Galicia Group: our 4,200-plus colleagues have consistently shown over the years that they are the true competitive advantage our company holds.

We can therefore be legitimately proud of the Group's overall track record and of its results in 2004, which are contained in this Annual Review. Nevertheless, and just as has been the case in previous years, the goals we have reached are only the starting point for our continuing search for ambitious new targets that will consolidate Caixa Galicia Group as a member of the group of leading financial institutions in Spain, and above all, as the financial institution of reference in Galicia.



Mauro Varela Pérez

Chairman of the Board of Directors of Caixa Galicia