



2007



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Letter from the President

Another year and Cajamar is approaching the publication of its company report, accounting to the company for the strategies, values and actions carried out from the triple perspective of their undertaking: economic-financial, social and environmental.



This report is designed as an essential instrument for confirming the ethical commitment taken on in the General Assembly through the definition of Cajamar's System of Ethics and our entity's adhesion to the United Nations International Covenant.

In 2007, we have continued to deepen and develop the mainstays and challenges that we proposed by deciding, as a mission, to undertake our activities within an ethical framework that is communicated explicitly to the company and, specifically, to all groups of interest with whom we interact.

As defined in our System of Ethics, and after intensive internal discussion, the mainstays of Cajamar as a socially responsible company are, in our judgement: good corporate governance, social action, ethical and responsible investment, as well as the definition of a management model that respects the mission, the principles and the values defined voluntarily by the entity in harmony with its historical evolution and future aspirations.

And for the second consecutive year, we have sent the promoters of the Global Compact our progress report, which reflects the improvements introduced throughout the year in the three areas

that contain the principles set forth in this international protocol: social area, environment and anti-corruption. A progress report that has been submitted to public scrutiny through the communication devices of the Global Compact organisation.

Similarly, with the entity's operating resources, through the financial activity described in our mission, as well as the resources in the Education and Development Fund, we have advanced in the segmentation of our social action around local development and the promotion of the social economy as values that cannot be renounced or postponed for modern-day societies that are characterised by the advanced globalisation process in which we are immersed.

At all times, we have acted with extreme prudence when communicating our social action initiatives to the company, managing to prevent corporate social responsibility from being trivialised, which has always concerned us.

The mainstays of Cajamar are good corporate governance, social action, ethical and responsible investment and a management model that respects the entity's mission, principles and values.

For 2008, new initiatives and projects have been scheduled that will let us maintain our objective of ongoing improvements, following the strategies defined in the four mainstays of our System of Ethics which are, for us, four true challenges in the area of corporate social responsibility.

Lastly, mention must be given to a particularly relevant event carried out in 2007: the merger of Cajamar and the Caja Rural del Duero. This merger will allow the experiences of the two entities to be integrated, especially with respect to local development and strengthening the social economy, having a common and

We have advanced in the segmentation of our social action around local development and the promotion of the social economy as values that cannot be renounced or postponed.

hope-inspiring social project in the area of local development, supporting the social economy and the provisioning of financial products and services primarily for families, farmers and micro, small and medium-sized enterprises. The result of the merger is an entity with a new size, that is more competitive and has better practices in the area of good

governance, as well as one that is more committed to the society where it carries out its activities, aspiring to reconcile its financial project with its social and founding projects.

Antonio Pérez Lao
President

Profile of the entity

CAJAMAR Rural Savings Bank, Credit Cooperative Society, is the result of the merger of two rural savings banks in Almería, Málaga (2000) and the Caja Rural del Duero (2007) in Valladolid, as well as the integration of the credit cooperatives Campo de Cartagena (1989) and Grumeco (2000). It is a credit entity with a cooperative nature, associating its values and activity with local development and strengthening the social economy through financial brokerage and the design of competitive products and services.

Cajamar in numbers

Total business managed (millions)	45,700
Total assets (millions)	23,897
Employees	4,029
Number of members	506,983

In accordance with its mission, the fundamental activity consists of the provision of banking products and services at a retail level, responding to the needs of its members and customers and, in general, the whole of the production economy.

The majority of its members and customers are micro, small and medium-sized enterprises, especially agri-food and family economy companies. The product catalogue that is marketed through the branch network, which is the entity's most important sales distribution instrument and the base of its retail banking business model, consists of: debit and credit transactions, banking and financial services, insurance and contractual savings products, development of new technology channels (e-banking, tele-banking, etc.), non-brokered financial products (investment funds, pension funds...), etcetera.

From a territorial point of view, Cajamar presently carries out its activities in Andalusia, Aragón, the Balearic Islands, Castilla-La Mancha, Castilla y León, Catalonia, Valencian Community, Madrid and Murcia, as well as the autonomous cities of Ceuta and Melilla. With the merger that was approved in 2007, its presence in the Spanish territory expanded to the four provinces in which the Caja Rural del Duero operated: Valladolid, Palencia, Ávila and León. However, the entity aspires to extend its presence throughout the entire national territory in the medium term.

At the closure date of the 2007 financial year, we stand before an entity with over 900 branch offices, over 4,000 employees, over 500,000 members, 1.4 million customers, assets totalling over Euros 24,000 million and a total managed business volume exceeding Euros 45,000 million.



2007 Ordinary General Assembly

The corporate governing bodies through which the performance of Cajamar is governed are the following:

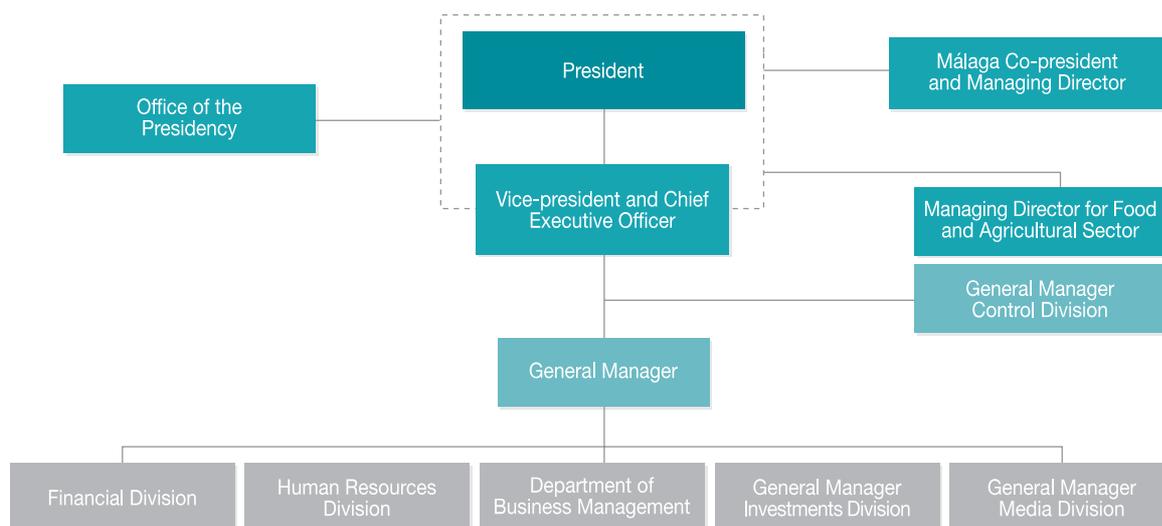
- > The General Assembly: The articles of association of Cajamar establish that, due to its high number of members from different geographic areas, and the resulting difficulty of bringing together the entire General Assembly at one time, its powers are exercised through delegates elected at Preparatory Board Meetings and the members of the . The General Assembly is the entity's sovereign body.

- > The Governing Board: Is the most important governing body of the entity. Its most important function is defining the entity's strategy.

- > The Executive Committee: Is a body delegated by the Governing Board, whose objective is to make decision-taking quicker and more efficient.

- > The Comptrollers: Are in charge of auditing functions at the entity.
- > The Resources Committee: Is a board of appeal for resolving intra-company conflicts. Its fundamental objective is to safeguard members' rights in the scope of the cooperative.
- > The Auditing Committee: Its objective is the financial monitoring and control of the entity and supervising auditing services.
- > The Appointment and Payment Committee: It exercises advisory and control functions over the selection, appointment and payment of senior management, as well as the salaries of the board members.
- > The Corporate Social Responsibility Committee: It establishes, promotes and translates the entity's business principles and ethics and coordinates policies, actions and initiatives in this area.
- > The Investment and Finance Committee: It exercises control functions regarding the admission of risks, debt recovery, cash management and capital markets and corporate investments.
- > The Business Committee: Undertakes the monitoring and control functions of the business, the sales network and target accomplishment.
- > The Risk Committee: Its area covers credit risks, market risks, interest and liquidity, operational risk and reputation risk.

At the highest executive level, where its objective is to comply with the strategy defined by the Governing Board, the entity is structured as shown in the following organisational chart:



Report characteristics, objectives and scope

The fundamental objective of corporate social responsibility has been established as promoting dialogue with groups of interest (members, customers, employees, providers, institutions, etc.). Thus, this report plans to publicise Cajamar's social dimension, which is inherent to its foundational nature and its mission, to society as a whole. In short, we want to report to society on its economic-financial performance (detailed in the annual report), its social performance and its environmental performance.

This report is published annually, with this edition covering all of 2007. The last one published was for the 2006 financial year. The report, which maintains the scope and coverage of its counterpart for the previous year, refers to domestic territory, which is the scope of action of Cajamar. However, this is without detriment to the special mention made with respect to international cooperation projects that have been implemented through the entity's social actions.

Similarly, the scope of the report is exclusively limited to Cajamar, as it is still in the process of defining a policy for the transmission of social responsibility to its subsidiaries. The heterogeneity of the Group's activities and the diversity of business models must be emphasised as some of the reasons for this fact. Nonetheless, the entity plans on the medium-term convergence of these management models and the application of common social responsibility policies in the most general strategies.



CSR Committee of the Cajamar Governing Board

The majority of the data included in this report comes from the entity's Information Centre and Documentation Centre, although ad-hoc generated data has also been included in order to make the contents much more comprehensive and thus increase the information presented by the entity to society and its groups of interest.

The structure of this report is based on the organisation of corporate social responsibility subjects and projects according to the mainstays of Cajamar's System of Ethics (good governance, social action, socially responsible management and management model). At the end, special emphasis is placed on the diffusion of social responsibility among the groups of interest.

Cajamar also believes that this report should be a diagnostic instrument, as well as an instrument of transformation in order to assume the challenges of upcoming years. And above all, it is the main instrument to reveal its economic-financial performance, its social performance and its environmental performance to society.

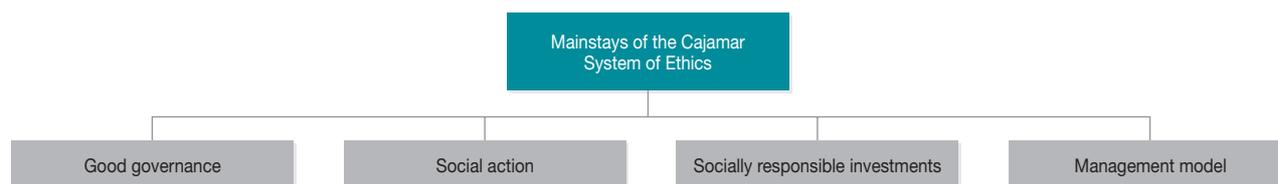
Cajamar's ethical principles, values and action framework

The policies, measures and instruments for corporate social responsibility are defined by the Governing Board at the request of the General Assembly.

Given the relevance that is acknowledged in this transverse area of our activity, which affects all of its requests, a committee delegated by the Governing Board was created to handle issues related to corporate social responsibility. At the request of this body, the Corporate Social Responsibility Department, which forms part of the Office of the Presidency, defines the projects that will be presented to the Governing Board for validation and approval and that will jointly be the specific materialisation of Cajamar's corporate social responsibility policy. Similarly, the Governing Board and the delegate committee carry out periodic monitoring of the execution of corporate social responsibility policies, measures and instruments.

In general terms, Cajamar's concept of corporate social responsibility is in harmony with the definition commonly accepted by society as a whole, despite being aware that the conceptual and pragmatic limits of corporate social responsibility are still immersed in a profound and dynamic social debate which remains as yet inconclusive. We can, however, state that for Cajamar, corporate social responsibility represents the voluntary commitment of the entity to contribute to improving all areas of society, with well-being and social justice as reference points, as well as socio-economic sustainability.

Cajamar does acknowledge certain peculiar features in its conception of social responsibility, which have already been detailed by the entity's president. Thus, it understands corporate social responsibility as being based on four essential mainstays that establish action lines in this area.



The development of these four mainstays, converted into future challenges that will determine our economic, social and environmental undertakings, as well as our dialogue with the groups of interest, are associated in parallel with an internal institutional development based on establishing a series of codes of ethics that the entity makes available to anyone who is interested. We are primarily referring to the following:

- > The Code of Good Corporate Governance
- > The Code of Conduct
- > Internal Conduct Rules in the area of Capital Markets
- > The Principles of Ethical Marketing
- > The protocols and measures whose objective is to prevent money laundering

This institutional development will make it possible to incorporate best practices in the carrying out of our financial activities. It will also allow both internal and external relations with society as a whole to be improved.

Good corporate governance

GOOD GOVERNANCE FOR CAJAMAR

Good corporate governance is the principle mainstay of a socially responsible company. Acknowledgement and dialogue with the different groups of interest is a challenge for Cajamar from a viewpoint of good practices of corporate governance.

This problem is not foreign to the nature and activity of credit cooperatives and, specifically, to Cajamar. Without doubt, the implementation of good practices in the area of corporate governance represents a challenge, as well as an opportunity, for an entity with a wide society base, with a cooperative nature and immersed in an ambitious yet organised process of functional and geographic diversification in benefit of local production systems and local development.

The foundational nature and social vocation of credit cooperatives and rural savings banks establish an unbeatable starting point to undertake corporate social responsibility policies, measures and instruments. This reality means that one of its basic mainstays -good corporate governance- has several peculiar features determined by this same issue in quoted financial institutions: banks. Its social vocation and new social demands are paving the way for a revision of the mission of these entities, but also of the concepts of business democracy, of legitimacy and representativeness of member bodies.

Specifically, the application of agency theory and agency cost as an essential element through which needs are generated for good practices of good corporate governance in companies and, in general, of corporate social responsibility, must be revised in the area of credit cooperatives based on their social and foundational nature. In this case, the concept of ownership is diluted by a much more social conception of the entity's mission.



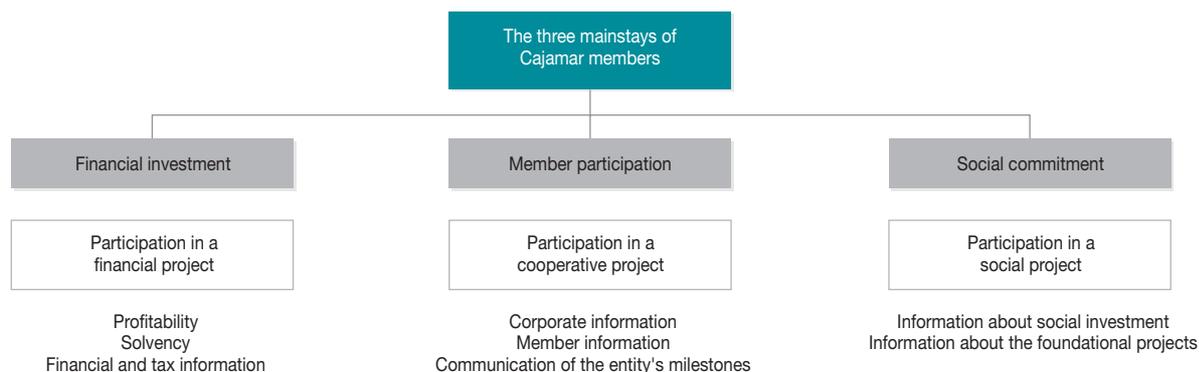
Voting at the Caja Rural del Duero Extraordinary Assembly due to the merger with Cajamar

The in-depth application of the policies, measures and instruments of good corporate governance will entail a greater socialisation process for the entity and, thus, the incorporation of new good corporate governance practices. In this process, the role of the members acquires particular importance. Their involvement in the cooperative's activities, through the General Assembly and, consequently, through the Governing Board, is the fundamental guarantee of the social vocation and the minimising of agency costs.

One of the cooperative principles with the greatest importance from a member's viewpoint for credit cooperatives is 'one member, one vote'. This principle is one of the main guarantees of democratic process and representation at Cajamar, but also of the survival of its social vocation and its foundational nature. And our entity wants to go much further. Given that part of its activity is aimed at non-member customers, one of

its aspirations is to make good cooperative governance practices compatible with good corporate governance practices, acknowledging and promoting dialogue with groups of interest.

With this focus, corporate social responsibility has a broad role to fulfil as a complement to our cooperative tradition. Members are the guarantee and the links between society's values and objectives and those of the entity.



GOOD GOVERNANCE INITIATIVES

A new conception of the role of members

One of the objectives of Cajamar's corporate social responsibility policy is the promotion of dialogue with the different groups of interest based on a broad conception of the impact and all the relations it maintains with society.

A particularly relevant group of interest is the one made up of members, and for this reason ongoing dialogue with them is inherent to the entity's nature and principles. Specifically and among other objectives, the Code of Good Governance approved by Cajamar aspires to guarantee transparency in its relationship with members, involving them in a financial project with a clear social vocation, the particulars of which include local sustainable development from cooperative experience.

To Cajamar, its members are the guarantee of both the financial solvency and social support its activity requires, framed by its social vocation and the promotion of economic development where the entity is present. This support translates into a large member base, which is the essence of our social and democratic legitimacy, as well as a stable relationship over time with each of the members.

Moreover, members are a point of reference in the area of connection with the different groups of interest. In general terms, to Cajamar, members are not investors in a strict sense, but rather social promoters who, through their contributions, have a say in the development of a financial activity in an ethical and socially responsible setting that is orientated towards social action. Members are the main guarantee of the entity's mission.

CAJAMAR'S MISSION

To contribute to the economic and social development of the environment where it performs its activities by providing financial solutions, highlighting its connection to local production systems, sustainable development, socio-economic balance and environmental protection as basic values to obtain its objectives.

With their contributions, members are guaranteeing that our activities will bind and take root and, likewise, are contributing to assuring that economic and social projects that are beneficial to society as a whole are undertaken. Through the Education and Development Fund, which is supplied with at least 10% of the entity's net profits,

Cajamar carries out its social action proposals by executing directly promoted projects or others in collaboration with non-governmental organisations, non-profit associations and public entities.

The member welcoming document

The member welcoming document aims to let members know about the nature of our activities, as well as its definite social vocation. It also aims to commemorate the occasion of their joining the entity, letting them know about the social implications of their contribution to the share capital in the most in-depth manner possible.



Member welcoming document

Cajamar's share capital, like any company, is one of the principal mainstays of its solvency and its growth capacity. In this regard, it is particularly important to continue expanding the member base according to the volume of credit activity, as well as to connect members to our financial activity and our social vocation in the long term.

Credit cooperatives are the only entities that involve their members in social financial projects, a fact that clearly differentiates them from all other banking entities. Cajamar wants to transmit the scope of its involvement in social projects to its new

members, and to develop its financial activity in an ethical environment that is committed to social and economic progress.

Management and corporate area

As a good governance practice, Cajamar has established the coordinated separation of the entity's management with respect to the corporate area, seeking a decision-making balance between the policies of social responsibility, corporate governance and operating activities.



Good governance and board member responsibility course

Good governance training

The Governing Board is the member body that assures the alignment of the entity's ethical principles and values, as well as its foundational nature and social vocation, with the business strategy.

The Governing Board, aware of the importance of incorporating good practices in corporate governance, has opened up social debate on this matter.

With this objective, in 2007 a training initiative was designed that was aimed at board members, with the

objective of updating and strengthening their knowledge about corporate governance, social responsibility and member functions and responsibilities.

The Board Member Portal

This is a Website that is exclusively accessible to the entity's board members and where relevant information and documentation is made available to them for preparing meetings of the Governing Board, the Executive Committee and the delegate committees.

It is a dynamic tool that makes data and information available to board members prior to the deliberations and decisions of the Governing Board.

Corporate governance report

To Cajamar, given its social nature and principles and given that it develops activities in all capital markets, having corporate governance instruments is not only an obligation, but also a need. This system permits it to transmit the efficiency and professionalism with which it confronts the daily challenges characteristic of its activity. The Corporate Governance Report for 2007 was sent to the Spanish National Securities Market Commission and is available to members, as well as to all groups of interest. The regulator was also notified about the relevant events in which the entity has played a major role from the viewpoint of members' and investors' information needs.

Cajamar adheres to the internal rules of conduct in the area of the stock exchange, applicable to the members of the Governing Board and those directors and employees whose tasks are directly and/or primarily related to stock exchange activities and services, or who regularly have access to important information about Cajamar or its Group companies. The regulation is also applicable to the entity as it establishes measures for organisation and operations in the area of activities related to the stock exchange.

Cajamar holds the quality certificate issued by the Institute of Internal Auditors (IIA) and the QAR Quality Seal bearing number 06.005-E, in acknowledgement of internal audits complying with international rules for the professional exercising of internal audits.



Meeting of the Cajamar Governing Board



Cajamar's Good Corporate Governance Code

The management model

The globalisation process that we are currently witnessing is expanding the structure of the markets, limiting the real possibilities of differentiating offers and commercial proposals, of resources and physical business assets. Especially in the present day, there undoubtedly exists an inverse relationship between market development and the loss of differentiation of assets and products.

In other words, the greater the level of market development and maturity, the greater the effort companies have to make to establish and communicate differentiating elements in their activities and in their commercial proposals.

In the long term, companies do not compete through their tangible assets which, owing essentially to market maturing, are increasingly homogenous and standardised; companies essentially compete through their intangible assets, which in particular include information, knowledge, share capital, relational framework, innovation capacity, organisation and reputation.



Teamwork as a fundamental element of the management model

The objective of all companies in this saturated setting that lacks market differentiation is to efficiently convert generic economic-financial factors, with easy and standardised access, into specific products/services with great added value, brought together in a commercial proposal that is genuinely differentiated from all other proposals on the market.

The management model is the conceptual instrument that lets this movement be defined, from not differentiated to differentiated, coherently and solidly within the heart of the organisation. In this sense, the management model is nothing more than the generic way of doing things at the company core, the conceptual and theoretical instrument that inspires the design of the procedures and the decision-making in a framework of systematic coherence.

Companies therefore compete less and less based on their products and services and increasingly more based on their management model. Adhering to the management model

entails the entity making a constant effort to explore its competitive advantages and differentiate elements that justify its existence on the market and the design of new commercial proposals.

The existence of a corporate management model is what enables the development of a truly effective and distinctive commercial proposal that stands out from the rest of the commercial offers, letting the drastic cutting of the product life cycle in current markets be projected in the long term. Therefore, it allows current scenarios and situations to be converted into future opportunities, transmitting effective stimuli to all members that make up the organisation, as well as all people who directly or indirectly interact therewith.

We perceive our management model as being dynamic. In this regard, we think that it should be adjusted in a fine balance between what is real and what is aspirational; between, on the one hand, the possibilities stemming from our learning curve and our current abilities and, on the other hand, obtaining business excellence and creating new future capacities. But we also see it as an instrument that is regulatory and practical.

Furthermore, we accept the management model as a conceptual instrument in evolution, based on the priority of ideas for designing actions and, above all, subject to the ongoing change based on new requirements of society and innovations in the area of business management. The management model is essentially a conceptual instrument for change management based on innovative management ideas that are voluntarily accepted by the entity after consideration.

Definition of the Cajamar management model

The conception of the Cajamar management model is the result of internal reflection based on past experience; its future aspirations, essentially included in the mission; its current abilities; its need to listen to and communicate with the groups of interest and interested parties (members, customers, employees, providers, etcetera); and the economic-financial and social setting in which it is immersed.

The management model is a theoretical instrument, with operational aims, allocated for the undertaking of its activity in an environment defined by business ethics and the development of corporate responsibility as essential and inherent elements in its *raison d'être*.

In summary, with the management model, Cajamar is equipped with a powerful conceptual instrument that lets it optimise its use of resources, both those it holds privately and those that society makes available to it. Therefore, they are the resources that connect the system of ethics with the management model.

The management model makes reference to the assumption of a series of principles that should inspire everybody that uses any of the organisation's resources, both tangible and intangible. It does not aim to be an instrument prior to making decisions, but rather has been created with the vocation of becoming an instrument of guidance in making decisions, letting a coherent framework be established at all levels of the organisation.

Therefore, under no circumstances should it be conceived as an instrument to elude responsibility or analysis when taking decisions. It is planned as a comparison document and therefore not a dogmatic document that must be mindlessly obeyed. Thus, the management model does not include contents, it only touches on transverse aspects that recurrently appear during decision taking in the heart of the organisation and that can contribute to a better and more sustainable use of resources, as well as ongoing improvement of the decision-taking mechanisms.

The Cajamar management model affects all members of the organisation without exception and equally, independently of their functions or level of responsibility, because we all systematically take decisions and everybody without exception uses exclusive resources of the entity. Based on management operating principles, the objective is for managers and employees to adopt decisions that maintain coherency between them and use resources efficiently.

DEFINITION OF THE CAJAMAR MANAGEMENT MODEL

The Cajamar management model combines all transverse theoretical principles of an operating nature, allowing easily-accessible, standardised generic economic-financial factors to be converted into specific products and services encompassed in a clearly differentiated commercial offering with respect to all others existing on the market.

The management model is the instrument that lets us exercise our activity in developed markets, maintaining our capacity for differentiation. It also results from the maturing of an entity that knows and is aware of its competitive advantage but that also knows that this will not endure over time, but will evolve and be adapted to new needs and resources.

Mainstays of the Cajamar management model

Based on these considerations, the Cajamar management model is supported by four basic mainstays:

- > The people, in all respects, the entity's ultimate goal
- > Strategy, the ability to anticipate scenarios and develop potentialities
- > Organisation, the entity's internal response to a setting in constant change
- > Resources, the instruments that people rely on for the development of the entity's strategic directives in all areas

Cajamar's management model and system of ethics

Cajamar is aware that people are the elements that store the knowledge and talent in all organisations. People are not passive subjects inside the entity. They are above all, agents of innovation, creators of value, creators of relations and creators of new and more complex and more interactive scenarios.



Corporate and ethical commitment in business

Our entity has placed people at the centre of our activity using the definition of our system of ethics. Similarly, people become the motivating core of all activity in its management model. People explain and justify our activity. People cannot share information efficiently if they do not share basic values and principles of action. Cajamar's system of ethics lets us carry out our activity in a coherent ethical environment, sharing essential values and principles and developing corporate citizenship.

The Cajamar management model is outlined as one of the mainstays of the system of ethics. In this regard, we are sure at our organisation that there is not only one way of doing things, but rather, it is possible to do things differently and in harmony with the values that are commonly accepted in the core of the organisation.

The management model at Cajamar is the transmission mechanism between the general objectives contained in its mission and the specific actions that people carry out that are in the organisation, always designed in a framework of economic-financial, social and environmental sustainability. In short, in a framework of stability, commitment and responsibility.

The final objective of the management model is the entity's sustainability (economic-financial, social and environmental). This is obtained by making the economic-financial efficiency objectives compatible with the characteristics of committed and ethically responsible conduct. Only with a solid and coherent management model, inscribed within the Cajamar System of Ethics, is it possible to reach the goals of commitment and social responsibility without the economic results being negatively affected.

The triple profit & loss account

In our management model, designed for the carrying out of our activity in an ethical and sustainable setting, we assess our results in all areas. Thus, we consider and evaluate, at least conceptually, the triple profit & loss account of any project that the entity takes on:

- > The economic-financial profit & loss account
- > The social profit & loss account
- > The environmental profit & loss account

At Cajamar, we coordinate activities, resources and people to be efficient in these three areas, always executing socially responsible investments and recognising the implicit contract that we have with society in terms of business ethics and corporate social responsibility. We believe that improved efficiency in the social and environmental areas entails improved economic-financial efficiency in the medium and long-term. This unmistakably translates into an improved reputation for the entity, as well as the elimination of negative external factors that are sometimes generated by the organisation.

HUMAN CAPITAL

Human capital at Cajamar

Cajamar has a staff of 4,029 employees, essentially characterised by their youth, energy, commitment and social objectives. All of these people are part of the entity's human capital and are undoubtedly its most important asset.

Furthermore, Cajamar maintains a fluid and constant relationship with its early retirees and pensioners, acknowledging their value and dedication to the entity. To do so, it supports the pensioners' and early retirees' association JUBIMAR and promotes their participation in the corporate voluntary work scheme PROVOCA.

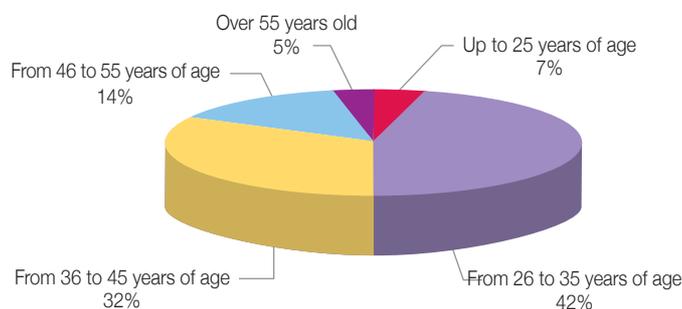
Cajamar understands that valuing human capital, involving them in the entity's objectives, necessarily means the implementation of policies, measures and instruments along different fronts. We are referring to policies, measures and instruments related to equal opportunity, diversity, continuing educational support, knowledge and talent management, etcetera. And this is all orientated by the premise of a good workplace atmosphere with permanent dialogue with the workers' representatives and with union organisations.

In the area of corporate social responsibility policy, in 2007 the entity decided to prepare a synthetic management chart that would allow a faithful image of its social performance to be shown. This management charge will let policies be established for improvements over time, promoting dialogue with the groups of interest using contents that respond to the following indicators:

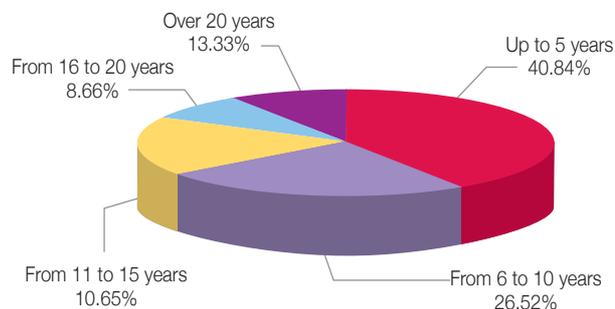
Principal indicators of social performance in the management chart

Equality indicators	
Percentage of women out of the total staff	40.05%
Percentage of women amongst new recruits	64.86%
Diversity indicators	
Number of different nationalities	16
Percentage of foreigners out of the total staff	1%
Conciliation indicators	
Paid leaves conceded during the year	60
Maternity leaves	34
Voluntary leaves	15
Special leaves	8
Leaves for elected posts	3
Early retirements (accumulated)	103
Employment stability indicators	
Permanent contracts out of the total staff	87%
Percentage permanent contracts held with men	92%
Percentage permanent contracts held with women	80%
Staff turnover	4.72%
Social benefit indicators	
Social loans (amount per employee in euros)	20,268
Number of loans per employee	0.52
Study aid per employee	252,73 €
Human capital promotion indicators	
Training hours per employee	31.69
Training expenses over profits after tax	1.80%
Employment health and safety indicators	
Workplace accidents per employee and year	0.01

Staff distribution by age group



Staff seniority groupings



Equality policies: The Óptima Programme

In 2006, Cajamar signed the protocol for adhesion to the Óptima Programme, a programme whose main objective is the establishment of policies, measures and instruments for the creation of the conditions required for effective equal opportunities between men and women in the heart of the organisation.

When designing the programme, the following measures and initiatives were established that have been progressively implemented and developed throughout 2006 and 2007 in the core of the entity:

- > Creation of the Permanent Equality Committee as a guarantee of the creation, start-up and monitoring of the Equality Plan.
- > Collection of information by consulting secondary sources, analysing the information and validating it, giving staff questionnaires, in-depth interviews and discussion groups.
- > Training actions in the area of equality for directors and middle-management together with the union representatives



Equal opportunity is an objective of the entity

Based on the aforementioned measures, a diagnostic was created about the entity's status with respect to equality, with the objective of establishing a series of measures that let the reality be corrected in the medium term. This gave rise to the Positive Action Plan that was approved in January 2007. Among the conclusions of the diagnosis, the following stand out:

- > The Cajamar headcount contains more men than women, with a ratio of 60-40%, while there have been more women among new recruits in recent years (eight of every ten new employees are women), enabling us to forecast that the situation will be balanced out in the short term.
- > There is still a greater presence of males in decision-taking posts and a greater presence of females in administrative staff.

Cajamar has key elements to integrate equal opportunities that will undoubtedly facilitate the implementation of the Positive Action Plan and will offer interesting opportunities for its good operation. The following should be highlighted:

- > Among management personnel and general staff, there is a pronounced sensitivity towards equal opportunity between men and women in the heart of organisations and thus the setting is conducive to integrating equality practices into the entity.
- > Since the signing of the protocol, training actions have been carried out in relation to equal opportunities, in which the management team and the union representatives participated.
- > A Plan for Conciliation between Work and Family Life is currently being drawn up.

The basic objectives of the Action Plan have been defined as follows:

- > Integrate equal opportunities into human resource management
- > Promote balance in the participation of men and women at the company
- > Defend the dignity of people and ensure no gender discrimination

Specific objectives:

- > Facilitate the presence of women at the company at the levels in which their participation is less.
- > Facilitate women's access to ongoing training for promotion.
- > Develop an internal and external communications programme that contributes to the correction of gender stereotypes in the sector in general and the entity in particular.
- > Facilitate conciliation of personal, family and work lives of all personnel.

On 21 September, Cajamar received a certificate as an equal opportunity company, the 'Óptima Badge' from the Women's Institute of the Andalusia Council. Due to this, it has carried out several of the positive actions in the plan and has committed to complying with the rest of the actions.



Cajamar being awarded with the 'Óptima Badge'

Actions finished or being done at this time:

- > Information, awareness raising and training axis:
 - > Equal opportunity training has been given to middle-management and directors.
 - > A permanent space has been enabled on the Employee Portal containing all the information about the Equality Plan and news related to the plan and to equal opportunity. Suggestions can also be made here.
 - > Collaboration is being negotiated with the IAM (Women's Institute) to give equality training to all entity personnel.

- > Axis of sexual harassment and gender violence:
 - > Drawing up of sexual harassment protocol
 - > Drawing up of moral harassment protocol

- > Axis of personal and work life conciliation:
 - > Proposal of a package of measures that is underway.

- > Axis of management policies and practices:
 - > Regulated functions of the role of 'equality defender', notifying personnel about his or her functions and the access method through the Óptima Employee-Mailbox Portal, where complaints and suggestions are collected.

Corporate citizenship

Equal opportunity is the main transverse element to activate a human capital management plan that is dynamic and enriching for the organisation. The mainstays of Cajamar corporate citizenship are conciliation management, diversity management and knowledge management.



Conciliation between professional life and personal life

The social causes about the need to implement corporate conciliation policies and programmes are very different and commonly accepted:

- > Mass incorporation of women in the workplace
- > Moderate recovery of birthrates due to the baby boom generation arriving at parenthood
- > Importance of the role of the family and new morphologies of the family unit and homes
- > Ongoing training needs and uninterrupted training cycles
- > Increased life expectancy: greater probability that situations of dependency will be generated in families
- > Participation needs in local, provincial, autonomous and national democratic institutions
- > Change from an on-site work focus and moving from coercive controls to a target-oriented focus based on informal controls.
- > Greater demands on companies from society that they contribute to the improvement of social well-being.
- > Companies, in the area of social responsibility, are assuming conciliation policies that are complementary to those developed by the public sector. Conciliation difficulties between professional and personal life are conceived as a social cost and an external negative factor.



Conciliation as a basic instrument for the professional promotion of women

In addition to the social costs, not actively implementing conciliation policies has costs for the entity that, on many occasions, are difficult to specify or quantify, but have been empirically proven: lack of motivation, drop in productivity, loss of competitiveness, leaves for mental illness, less involvement in entity objectives, deterioration in the quality of service and customer service, loss of qualified people (talent retention difficulties), physical and on-site absenteeism, labour conflicts, turnover, training deficit, etcetera.

Currently, Cajamar has a series of conciliation instruments and measures, all encompassed in the following socially accepted areas:

- > Flexibility policies: work day and schedule, partial retirement and possibility of paid leave.
- > Exceptionality policies: workday payment, leaves, maternity, own issues day, permits and transfers.
- > Service policies: study aid, extrajudicial benefits, social contributions and benefits (pension plan and group saving insurance, preferential hiring conditions), training, flexi-pay.
- > Professional support policies: preventive medical care services, mental health care, legal aid or human resources services.
- > Business culture policies: Acremar, PROVOCA voluntary work scheme, paid leave days for care actions, workplace environment, equality (Óptima Programme), system of ethics and corporate social responsibility.

Pensioners' Association (JUBIMAR)

Knowing the true reality of employees when they move towards retirement or early retirement lets us establish preventive measures that help people undergo better emotional adaptation to the new reality that is approaching.

It is not easy to change from having a highly-active work life to 'not having anything to do'. Starting from the reality of early-retirees and retirees, it has been verified that it is very complex and requires special care: Change in social relationships, change in family relationships, change in one's own image, change in purchasing power, potential loss of self-esteem, etcetera.

In this regard, Cajamar organised the workshop 'Active change, change of activity' in 2007, addressed to employees who will be taking early retirement or retiring shortly, providing them with information and promoting positive attitudes that will allow them to better adapt to the realities they are going to face. The general objective of the workshop, mobilised by psychologists, gerontologists and human resources specialists, is the promotion of an active integration process to assume and properly live with their new 'retired' status, encouraging interest in different individual and group possibilities opened up by the situation, as well as providing useful strategies for confronting new family, social and personal situations.



Active Change workshop for Cajamar early-retirees and retirees

With this initiative, Cajamar wanted to accompany these employees, aiming to prevent that they separate from the entity definitively and facilitating their participation in the Jubimar early-retiree and retiree association.

Union action as corporate citizenship

The exercising of corporate citizenship is important in companies in our times. This is a demand that equally affects companies and union organisations, whose reference is both the creation of an ethical framework of action in the area of performance and employment relations and the assumption of the commitment to establish mechanisms to make our society more just, caring and sustainable by all members of the organisation.

In general terms, Cajamar understands corporate citizenship as the commitment to carry out its activity in an ethical environment, introducing performance objectives not only in the economic-financial area, but also in the social and environmental area. Specifically, in the area of workplace relations, the promotion and development of corporate citizenship entails the acceptance that workplace performance is an essential instrument for the employees to undertake as citizens and that the company should be a melting pot of the society in which it exercises its activities.

In order to achieve this objective that, in short, is nothing more than the aim to improve employees' well-being, both the entity and the union organisations must be aware of the importance of establish measures that guarantee equality, diversity and conciliation between personal life and professional life, among others. Along this line, a line of aids were announced aimed at the promotion of union actions in the heart of our organisation and in society as a whole. The union organisations that have representation at Cajamar were able to apply for this aid.

The general objective of the announced scheme centred on supporting union initiatives with respect to the promotion of corporate citizenship among Cajamar employees, by holding awareness-raising and sensitivity conferences, training days and legislative dissemination conferences on equality, personal-professional life conciliation, diversity management, knowledge management, fostering intangible activities in the company's core, health and safety in the workplace, accessibility, new social and employment legislation, etc.

Union information at the entity

Union organisations with representation have the possibility of issuing communiqués with union and employment-related content to all employees through the internal e-mail platform. They also have a space on the Intranet to promote and spread initiatives in the area of union action. These means are permanently used by unions with representation at Cajamar.

WORKPLACE ENVIRONMENT

Social environment studies identify group perceptions about different relevant aspects of the organisation and this must be a reason for analysis and thought for all departments and for management. It must also be a stimulus to begin initiatives that allow the workplace setting to be improved in all required aspects.

Improving the working environment is everyone's responsibility. The study should not be understood solely as a message of demands and grievances to top management, although this party must analyse the different results and, where applicable, outline the different actions that operate like levers, capable of paving the way for social dynamics adequate for obtaining improvements in the organisation's environment.

The working environment study performed in 2007 primarily centred on the analysis of four broad subject areas:

- > The different facets of workplace environments or perceptions that employees have about the entity.
- > Evaluation of the main skills and abilities in people management by all of top management (here we include all people who are responsible for managing people as part of their job, from project managers or supervisors to upper management).
- > Employee satisfaction with different aspects of their jobs and the organisation.
- > The attitude of commitment with the project and Cajamar objectives and their greater or lesser propensity to leave the organisation or department or job unit if it were possible.

In general terms, all study data indicates the Cajamar has environment levels that are clearly positive with respect to personalised management of the service by its employees.

Moreover, it verified that there is also an environment that is clearly oriented towards objectives that is demonstrated in the emphasis placed on clarifying them and what is done to obtain them.



A vision of more human relationships in the professional setting

Synthesis valuation

The data obtained show a reasonably coherent panorama and a moderately positive tone in the large majority of cases. Although everything can be improved, the question now is to continue moving forward with new support actions, stimulating creativity and implementing more flexible rules and procedures for job performance.

In general, employees gave positive evaluations about their efforts (for example, in providing quality service) or in their professional commitment. The low percentage of employees that would leave the entity under equal conditions is striking, where the wish to leave was somewhat greater depending on the department.

The evaluation of conducts related to people management at the different levels in the organisation stand out for the above average values, which show positive average levels as regards conducts that stimulate target accomplishment and innovation. However, in this latter case, the results reflected for innovation environment were not so defined.

Job satisfaction had quite positive levels, revealing that the strongest point in this issue is established by good relationships with workmates (the average is almost the 'quite satisfied' level). Other aspects related to teamwork and supervision were also clearly positive. It also appears that activities carried out and workplace conditions and the information available are satisfactory.

IN-HOUSE COMMUNICATIONS

In-house communications are essential for companies in our times, especially if they are companies whose activity and results depend to a good degree on information access and handling, as is the case of financial entities. Communication, in many cases, is the solution to a large part of companies' organisational problems.

In-house communications management lets information be prioritised and ranked from management and the entity's governing bodies towards all people in the organisation (descending communications). In-house communications management also lets information flow from all people in the organisation towards management and governing bodies (ascending communications).

Active and conscious management of in-house communications in a company has positive effects on motivation, on the working environment and real and apparent productivity. It allows greater employee training, develops a sense of belonging to the organisation and endows decisions that are adopted at the entity's core with greater credibility.

Similarly, in-house communications management contributes to transmitting the principles and values that govern an organisation, eliminating ambiguities, modulating the balance between formal and informal communications and making it possible for everyone to share the entity's objectives, both the corporate objectives (mission and vision) and the strictly business or sales objectives.

Cajamar is aware of the importance of in-house communications management in the area of human capital and the essential role it plays in the management model. Due to this, policies, measures and instruments have been implemented that allow more efficient management of in-house communications, assuming a conception of ongoing improvement.

The entity has numerous in-house communications instruments, among which the following merit mention: Intranet (including access to the employee portal, to union information and to the employee associations), circulars, e-mail, messaging and internal mail, employee telephone, in-house branding, notice board, welcoming plans, initial and ongoing training, CRM sales agenda, senior management meetings, employee events, union channels, agenda, manuals and codes, reports, audiovisual material and press summaries, etc.



Front cover of the in-house communications newsletter



Cajamar Intranet

THE VISION OF QUALITY AT CAJAMAR

By being aware of the universal banking model that we develop, we understand that it is only possible to execute this model through strict criteria based on a true 'culture of quality'. This is in turn understood as the only path to reach an optimal level of efficiency in our activity.

In this regard, Cajamar defines itself as an entity that is committed to quality, fostering commitment and the contribution of all people who make up our organisation.

Quality Management

Facing this commitment to quality, in recent years its structure has been progressively adjusted and the in-house layout adapted to this objective. The result of this was the creation of the Quality Department as a managing body for quality.



Customer opinions, a value for ongoing improvement

The Quality Department was definitively structured at the end of 2006, although the entity's first quality plan has been implemented in 2007, based essentially on the following milestones:

- > Start up of the Customer Relations & Collaboration Unit, the purpose of which is to serve as a quick and effective connection point between members and customers and the entity, to pave the way for better relations between them. This unit is planned as the suitable platform on which discrepancies, dissatisfactions and disagreements that could occur can be resolved.
- > Creation of a specific Certification Processes unit to manage any certification initiative.
- > Learn about and analyse the perception that both 'in-house customers' and 'end customers' have about Cajamar.
- > Creation and maintenance of an initial block of quality indicators.
- > Start-up of the first Ongoing Improvement Plans (under an in-house format called QIP - Quality Improvement and Promotion).
- > Publishing and sending of corrective action proposals to different in-house departments, the outcome of which is better service and management of members and customers, based both on quality criteria and good corporate governance criteria.
- > Monitoring of the quality levels.

The most noteworthy actions performed in 2007:

- > Quality Control Department's Customer Relations and Collaboration Unit : Even though it partially commenced execution during the last months of 2006, we could say that it was in 2007 when it really started to carry out its work. Its duty is to act or serve as a 'one-stop window' for interacting with customers to learn about and manage any type of eventuality that could arise in their regular relations with any branch office. Due to this, a tight collaboration has been created between the regular entry channels in their different manifestations (branches and telephonically). Simultaneously, contact has been facilitated and the entry of any written and spontaneous customer information/ statement has been encouraged, either by e-mail, internal mail or post. In this regard, a specific brochure was published that is available at all branch offices. In 2007, this unit has dealt with and processed some 4,500 actions, including queries, suggestions and specific tasks.
- > With respect to the knowledge and analysis of the perception of the end customer:
 - > Analysis of quality in tasks and actions by personnel in branch offices with end customers. This is an objective measurement study, based on systematic observation by specialised auditors who are unknown in the region (mystery shopping). Upon introducing themselves as potential customers at the branch offices, they can audit the level of quality in the service provided by the employees to customers.
 - > Analysis of the objective quality of Call Centre actions with Telephone Banking customers. As commented in the previous point, this study is done by specialised auditors, pretending to be customers, to perform objective measurements of the system actions upon executing the most important and specific transactions that can occur through this channel.

- > Customer satisfaction surveys: After selecting a very representative number of customers characteristic of different types, their collaboration was requested in order to find out about their real perception with respect to the service level they receive and the quality of the service received in their relations with the sales network. The survey also collected the criterion that customers have with respect to the entity as a whole and fundamentally with respect to their perception of service, treatment, quality of the service provided, visibility, etc.
- > General analysis of the most significant reasons that lead to complaints, claims and, in general, any declaration of disconformity officially notified or stated through the Quality Department's Customer Relations and Collaboration Unit .
- > With respect to the knowledge and analysis of the perception of in-house customers:
 - > In-house survey to ascertain the criteria of office personnel with respect to the quality of service they received from central services and territorial management. The response index was 66.11%.
 - > In-house survey to ascertain the criteria of personnel from the different internal offices of central services and territorial management. The objective of this study was to find out the level of quality in the service received with respect to the professional relations between them. The participation index obtained was 83.85%.
- > Participation of new employees in the 'Welcome Plan': The Quality Department participated and collaborated with the Human Resources Management in the training days with the new employees to transfer them and make them participants in the entity's quality commitment and encourage them to actively participate.
- > Ongoing Improvement Plans, PPC Projects:
 - > In 2007, the following Ongoing Improvement Plans were started: insurance, financial markets, internal relations/management satisfaction and service, cash points, internet frauds.

> Conciliation of work life through the 'Family Responsible Company' model. In line with the ongoing improvement process, the initiatives based on the EFR Model were started in 2007, conceived to be designed and applied to the entire organisation. The 'Foundation & Family' guidelines were taken as a reference, with the aim of adapting the work done until now with visits to definitively develop and implement said model, applying conciliatory policies, supporting equal opportunities, promoting respect of plurality, private life and the health of all employees and facilitating their conciliation between family and professional life.



Customer satisfaction as a reference for our quality policy

> Implementation of an environmental management model: The activities carried out by companies generate a series of impacts to the environment that must be identified, evaluated and controlled. Furthermore, to the degree possible, they must also be prevented and minimised, dealing with all areas of impact: emissions into the atmosphere, dumping of waste waters and waste generation. Due to this, in 2007 Cajamar started the creation and implementation of an Environmental Management System in the central services and pilot office buildings, according to regulation UNE-EN ISO 14001:2004. This system will let us systematise and assure fulfilment of activities done according to the environmental standards applicable to us, whether they are legally imposed or acquired by the entity with third parties, guaranteeing their fulfilment.

- > Certification of R&D&I projects: Cajamar. In accordance with its management model, the prevalence of intangible assets is established over material assets. One part of these intangibles is innovation and, in its broadest and most ambitious sense, the research and development activities carried out at the entity and at group companies. Proof of this is obtaining certification last year for the technological innovation project 'GRM' (Global Risk Management) from the certifying agency AENOR, and concession from the Ministry of Industry, Tourism and Trade of the substantiated report that thus recognises it. The GRM project consists of the design, by Cajamar, of an advanced software programme that can perform the overall management of the risks associated with credit operations for all customer types.

In 2007 a greater drive was carried out through projects that could be qualified as technological innovation and research and development projects, promoted both by the entity and group companies. Three new projects related to technological innovation have been presented to the certifying agency and the Ministry of Industry, Tourism and Trade, which are currently in the certification phase: the 'Evolution Project', which includes a series of subprojects that will continue over the next two financial years, as well as two research and development projects about 'Intensive Horticulture' and 'Fruit Growing Culture' started in the Experimental Station in 2006.



All of us who form part of Cajamar assume the commitment of ongoing improvement

- > Strengthening of the employee Suggestion Box.

When the organisation assumed the commitment to ongoing improvement in the quality of products and services offered to our customers, with the aim of keeping them satisfied, it became essential to keep a communication channel open with our employees that facilitates all of their participation and collaboration in this joint project.

In 2007 a total of 310 employee collaborations were received with respect to suggestions for the improvement of products/services, transactions, etc., as well as letting us know about their innovative ideas. This figure represents an increase of 69.39% with respect to the previous year.

The outlook for actions in the 2008 financial year is detailed hereafter:

- > In-house customers: The level of satisfaction of each and every one of the services provided from Central Services (Corporate Services, Regional Management) to the branch office network will continue to be checked and verified, as well as the quality in professional relations that the departments provide each other, so that the end service offered directly to the branch office network can continue to be improved. The corresponding comparisons will also be done between the different measurements and work will continue in the improvement areas detected.
- > External customers: Once again, the criteria of our members and customers will be tested, in order to ascertain their level of satisfaction, with respect to products and services, as well as service, treatment, information and others that are offered by the different Cajamar offices. We plan to perform a significant number of surveys so that the margin of error is minimised. Likewise, a series of 'focus group' meetings are planned for 2008 in all the zones where the entity is present so that conclusions can be reached that are taken into account in the appropriate improvement groups.

- > Ongoing Improvement Plans: In 2008 Cajamar will continue with the improvement groups started in 2006 and 2007 and new groups will be set up.

In specific cases and according to the requirements of external and in-house customers, the organisation's action systems, processes and protocols will also be reviewed in order to contribute to their updating and optimisation, where possible.

- > Improvement of In-house Management: Cajamar will implement specific actions at its Central Services and at the different Regional Offices that contribute to the maximum involvement of the human capital in the entity's objectives, in order to achieve the best management and obtain the highest level of satisfaction of our members, customers and employees. At the same time, projects will be started up to enable detection of inefficient processes that in any way damage adequate customer management and service.
- > Financial Entities Committee (AEC): In our resolute mission for quality, the entity has always been interested in participating and collaborating in the main forums where these principles are studied and fostered. Due to this, Cajamar is a member of the Spanish Quality Association and our Quality Director currently holds the vice-presidency of this association. He was entrusted with this function at the last committee meeting of financial entities. He will work, along with the rest of the committee members, in fostering and incorporating the addition of best practices at different financial entities.
- > Environmental Management System certification: In 2008, we decided to certify our Environmental Management System through a prestigious body, based on regulation UNE-EN ISO 14001:2004, thus culminating the implementation of this system in the Central Services and Pilot Office buildings.
- > R&D&i certifications: In 2008, Cajamar will conclude the process for obtaining technological innovation certification for the Evolution Project, which includes a series of associated subprojects and that will continue in 2009, as well as the Horticulture Project and the Fruit Growing Project at the Experimental Station.

Customer Care Service

The Customer Care Service is the in-house department, specialised and independent from the other sales and operating areas, that attends to complaints and claims that customers may make related to their legally-recognised interests and rights. These may be related to contracts, regulations about transparency and protection of clientele or good practices and financial uses, especially the principle of fairness. In 2007 the Governing Board approved a modification to its operating regulation.

Taking care of the complaints and claims presented, the number of files opened by the Customer Care Service in 2007 was 480, where a further 85 that were initiated were not admitted. The causes of non-admission were mainly due to defects in the way the complaints and claims received by e-mail were presented, without meeting electronic signature requirements and/or the omission of essential data for processing or due to being issues submitted or already resolved by legal rulings.



Our members and customers are the entity's *raison d'être*

Thirty-seven claims were presented to the Bank of Spain and the Spanish National Securities Market Commission (32 and 5, respectively). A claim was also presented to the Customer Defence Service of the UNACC, to which the entity was voluntarily adhered up to February 2007.

The claim types presented, by subject matter, were the following:

	2007	2006
Asset operations	113 (23.54%)	94 (25.61%)
Payment methods and other banking products	94 (19.58%)	53 (14.44%)
Liability operations	93 (19.38%)	34 (9.27%)
Collection and payment services	75 (15.62%)	79 (21.53%)
Securities, Insurance and Pension funds	39 (8.13%)	39 (10.62%)
Other	66 (13.75%)	68 (18.53%)

With respect to the overall result of the complaints and claims presented as of 31 December 2007 and 2006, they can be classified as follows:

	2007	2006
In favour of the claimant	25.42%	25.89%
In favour of the Entity	41.67%	42.78%
Waivers	0.62%	2.45%
Undecided / unresolved	6.25%	5.18%
Unaccepted	17.71%	15.53%
In process	8.33%	8.17%

In absolute terms, considering the number of complaints and claims processed -a total of 395- a ruling in favour of the customer was issued in 30.89% of the cases, and in favour of the entity in 50.63% of the cases.

All of the issues processed were resolved within the regulatory timelines, with a total of 40 files pending resolution at the closure of the financial year, of which resolution for 9 of them is the responsibility of the Claims Service of the Bank of Spain due to this entity having initiated the processing, and the rest fall under the responsibility of the Service.

The decision-making criteria used by the Customer Care Service for the resolution of complaints and claims have basically been extracted from the criteria issued by the Service and from the direction of the rulings of the claims services of financial services supervisory bodies. These are based on opinions about good practices and banking uses, on the regulations that govern the transparency of banking transactions and customer protection and on others applied to reach a reasoned and substantiated pronouncement.

Cajamar's Customer Care Service is ascribed within the Customer Care Service of Cajamar Gestión, S.G.I.I.C., S.A., whose functions are fully assumed. In 2007 no complaints or claims were put forward.

MiFID Directive

Since 1 November 2007, Directive 2004/39/EC of 21 April governing markets for financial instruments has been applicable (using the English acronym of MiFID). Subsequently, Directive 2006/73/EC of 10 August was applied, with respect to organisational requirements and operating conditions for investment companies and the terms defined for this purpose.

One of the main objectives of MiFID is to increase the level of protection of customers of investment services, as a consequence of the growing complexity of the investment products and services on the market. In this regard, MiFID obliges financial entities to incorporate an extensive catalogue of rules to which they must adapt as regards the provision of investment services, as well as improving the levels of information they must provide to investors.

In light of the above, our entity has developed pre-contractual information that can be accessed at www.cajamar.com. Cajamar has also established a Policy of Order Execution and Management for its strict fulfilment and another Policy of Managing Conflicts of Interest. At our Website a detailed description of the financial products and instruments in our catalogue that are affected by MiFID can be accessed, including a description of their inherent risks.

Lastly, commissions and expenses related to investment services, financial products and instruments offered by Cajamar represent another essential element requiring suitable information. The maximum fees payable by our entity can be accessed on our Website, registered and published both on the Bank of Spain and the National Stock Exchange Commission Webpages.

24 Hour Service

Cajamar has a 24-hour service in order to take care of all problems or incidents that happen to customers and users in all areas of its activity.

Computer security

In the area of computer security and access to information, the entity has defined the following lines of action:

- > Fraud prevention through the remote Internet networks
 - > Through this line, we work on the early detection of the phenomena of phishing and malware, basically in banking Trojans. In this way, we drastically reduce the impact that this type of fraud could have on our customers.
 - > In cases where a customer ends up being significantly affected, forensic analyses are performed on the infected computers.
 - > We work in coordination with other financial entities through the security group of the Interbanking Cooperation Centre.
 - > When transfers of fraudulent origin are received, we work with the entity of origin to block, report and/or return the transfer.

- > Automated provisioning of access permits
 - > With this project, we improve the efficiency of changes in personnel, reducing management costs.
 - > From the viewpoint of regulatory compliance, accesses to information are improved so that each member of the organisation solely and exclusively accesses the information that is relevant depending on their functions.



Our investment in technology is a safety guarantee for our customers

Socially responsible investment. Ethical financing

CAJAMAR MICROCREDIT PROGRAMME

Microcredit, as understood in the present day, arose in the seventies in connection to underdeveloped countries, with the objective of alleviating the effects of financial exclusion that a large part of the population faced. However, the success obtained with its development and implementation in underdeveloped countries immediately contributed to its development and implementation in developed countries, where there are significant pockets of poverty, many citizens who have never been part of the banking system, who lack credit histories and are financially excluded.

The proposal for creating this Cajamar microcredit line fits with its founding and cooperative origins and nature, as well as its policy of social corporate responsibility and with socially responsible financing practices.



The objective of microcredits is to prevent financial and social exclusion

Microcredit, in its broadest conception, has comprised part of the experience of credit cooperatives and rural savings banks, especially in their origins, when the economic and social situation of our country was particularly tough. At that time, practically all the activity carried out by these entities was related to microfinance. With this initiative, we aim to modernise an activity that is part of our roots, given that it was linked to the beginnings of our entity, but that we are developing now to cater to a new social reality.

The fundamental objective of microfinance and, specifically, of microcredit, is to prevent financial and social exclusion through the improvement of conditions for accessing financing and to banking services in general, avoiding situations of usury that are financially unfair. Microcredits become extremely effective instruments for the transition to accessing conventional banking channels.

Individuals or micro-enterprises can select this line of social financing that, due to lacking real guarantees or credit history, do not have access to conventional bank financing and have a business project (freelance) that is viable from economic-financial, technological and market points of view. Specifically, the following groups should be included here: young entrepreneurs, immigrants, women, single-parent homes, ethnic minorities, the disabled and the unemployed after long periods of unemployment.

Potential beneficiaries must go to one of the collaborating social entities with which Cajamar has signed agreements for the execution of this financing line. Among others, hereafter is a list of some of these entities:

- > Town Councils of Roquetas de Mar, Vera, Almería, Puerto de Santa María, Málaga, El Borge, Almachar and Villanueva del Trabuco
- > Council of Social, Women and Immigration Policy in the Region of Murcia
- > Women's Institute for the Region of Murcia
- > Almería Provincial Delegation
- > Volunteer Group Coordinator
- > Fundeso
- > Association of Businesspeople of Almería (ASEMPAL)
- > Organisation of Female Entrepreneurs and Active Management of Madrid (OMEGA)
- > Regional Confederation of Business Organisations of Murcia (CROMEM)
- > Confederation of Businesspeople of Cádiz
- > Almería Chamber of Commerce
- > Association of Young Businesspeople of Almería

The project must be approved by the collaborating social entity, including a viability certification through the issuance of a 'moral guarantee'. Any non-profit organisation or public body can be a collaborating social entity that has the organisational resources to identify possible beneficiaries, advise them in their company plans and supervise the projects.

Collaborating social entities perform a fundamental role in this joint microfinancing product, since they are the parties that identify potential beneficiaries, make contact with them and carry out the supervision.

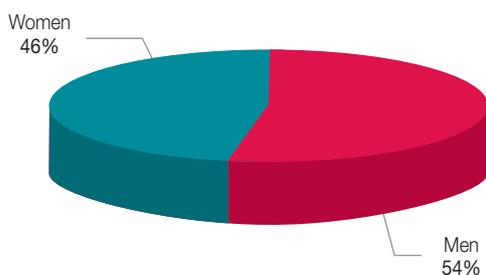
Characteristics of the Cajamar microcredit line

Limit	Up to 15,000 euros
Interest	6% fixed annual interest rate
Commissions	Free of commissions of any type
Repayment term	Up to 6 years with possibility of up to a 6-month grace period
Guarantees	With the project guarantee, the personal guarantee of the beneficiary and the moral guarantee of the collaborating social entity
Mortgageable assets	The costs of establishment and start-up of the company are what will basically be financed, as well as all production assets
Purpose of the financing	Self-employment projects for entrepreneurs who have difficulties accessing conventional bank financing due to belonging to groups at risk of financing exclusion

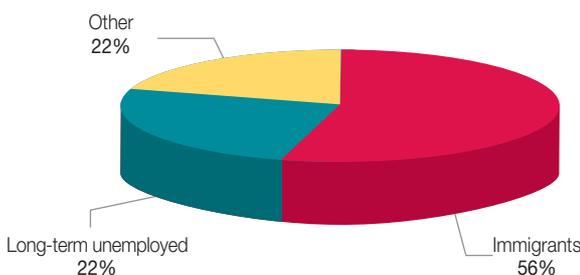
In 2007, 24 transactions were granted through the Cajamar microcredit line for a total amount of 302,000 euros. The entirety of all operations entailed an investment somewhat greater than 500,000 euros and 60 jobs were created.

The average amount of the operations was approximately 12,600 euros and the average age of the promoters was 35.

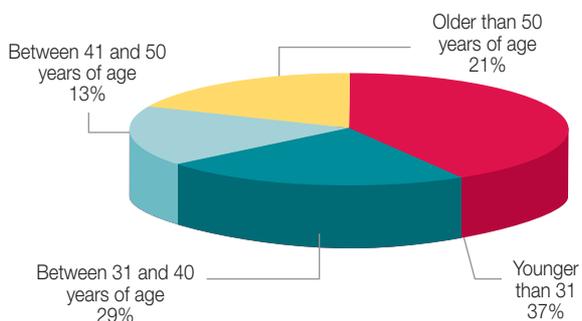
Distribution of beneficiaries by gender



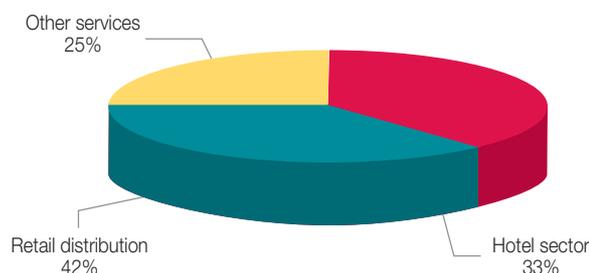
Distribution of beneficiaries by the group to which they belong



Distribution of beneficiaries by age group



Sectorial distribution of self-employment projects



FINANCIAL EXCLUSION AND SERVING THE RURAL ENVIRONMENT



Financial activity is key for the development of the rural setting

Cajamar has 158 offices in Andalusia, Murcia and Castilla y León that are located in villages with less than 5,000 inhabitants and that provide service to a combined population of over 300,000 inhabitants.

With this presence in the rural setting, our entity is bringing brokerage to spaces affected by depopulation and lack of business initiatives, equipping them with financial tools that let them secure capital in the territory and increase its possibilities of development.

Among the founding and social objectives of our entity, the creation of financial instruments to alleviate the effects of financial exclusion in rural settings is emphasised.

IMPLEMENTATION OF AN ENVIRONMENTAL RISK ANALYSIS SYSTEM IN CREDIT OPERATIONS

The profuse and complex environmental legislation in advanced societies, as well as the greater sensitivity of social and economic agents towards the environmental effects of economic activity, are contributing to the greater awareness of the joint responsibility between production companies and financial entities in the environmental area. Today more than ever, financial entities and investment funds are aware of their involvement in production activities and in their ethical and environmental implications.

Cajamar's mission to acknowledge its indirect responsibility in the scope of this type of undertaking has led it to outline the establishment of policies, measures and tools that allow the environmental impact of its credit activity to be reduced, whilst, in parallel, analysing financial exposure to environmental risk.

With this objective, the implementation of a computer tool was approved and prepared in 2007, as well as the corresponding methodological and algorithmic development, which shall allow the environmental risk to be ascertained for all asset operations that Cajamar has underway with companies.

In principle, environmental valuation does not have a binding nature, but it will allow a log of financial environmental risk to be compiled, as well as defining the starting point (environmental risk map of the credit portfolio associated with production activities) to establish medium-term socially responsible investment policies in the environmental area.

It must be recalled that one of the main pitfalls and problems that financial entities face when determining financial environmental risk, or financial exposure to environmental risk, is related firstly to the inexistence of logs that enable us to establish policies and reference horizons with respect to risk assumption, as well as to establish correlations between the different environmental variables derived from economic activity. The application, the implementation of which has been developed progressively throughout 2007, includes over 50 environmental risk variables in the system, which are cross-referenced with the activity codes of the companies and their site of implementation.

Furthermore, greater advances are planned in the technical knowledge of entity operators and analysts as regards the area of financial exposure to environmental risk, becoming established as a pioneer project in global risk management.

This idea involves transferring its initiatives about social responsibility to the core of the entity's business -or its ordinary activity- that is none other than the financing the activity of local production systems, of micro, small and medium-sized enterprises, as well as families.

Objectives and phases

The project objectives, which coincide with its phases, are the following:

- > Design of an environmental risk map for the credit portfolio in force
- > Generation of a log that, starting in 2008, will enable periodic information to be obtained on the environmental risk map for the credit portfolio.
- > Develop and establish policies and objectives in order to alleviate or minimise direct and indirect environmental risk



Benefits

The project's benefits are two-sided. On the one hand, we are speaking of an undeniable benefit to society and, on the other hand, a benefit for the entity as regards global risk management, which is its fundamental activity:

- > Risk diversification by introducing one more analysis variable in the global risk management of the entity
- > Deepening of the global risk analysis beyond the requirements of the Basel II Accord.
- > Generation of reliable information that permits time comparisons and the establishment of a frame of reference with respect to financial exposure to the environmental risk of production companies.
- > Technical training and raising of awareness of the entity's operators and analysts in this area, complementing the economic-financial risk analysis of credit operations.

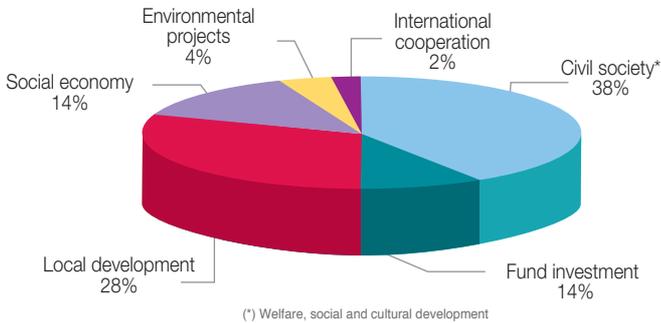
Cajamar's social action

THE EDUCATION AND DEVELOPMENT FUND: THE CAJAMAR SOCIAL FUND AS AN INSTRUMENT FOR SOCIAL ACTION

The Education and Development Fund (commonly known as the Social Fund) is a budget heading that is characteristic, unique and genuine to cooperative companies. It represents the primary instrument through which they carry out social projects. The Social Fund is also the unmistakable proof of the non-profit foundation and social welfare vocation characteristic of cooperatives, and particularly of credit cooperatives, which have deep roots both economically and socially in Spain.

The Social Fund is allocated at least 10% of the net annual profits of the entity. Although to a lesser degree, it may also receive donations and yields from the fund itself.

Distribution of the Social Fund by objectives



The objectives of the resources of the Social Fund can be highly diverse. In general terms, they focus on strengthening social economy and local development, services for the rural environment, cultural, professional and social welfare promotion, environmental conservation, community development, etcetera. Nonetheless, every entity can orient its resources from their Social Fund depending on criteria they establish. Additional factors include the legal framework in force and the needs and demands for economic and social support of the geographic areas in which they execute their activity and the new values of societies in the modern day.

The management of the Education and Development Fund is the responsibility of the Governing Board and those delegated by the Board for specific initiatives. The basic lines of application of the annual budget are submitted to the General Assembly for approval in its ordinary meeting. Subsequently, the Governing Board, or the Executive Committee, evaluate the requests presented for subsidising with the resources of the Education and Development Fund.

Allocations to the 2007 Cajamar Social Fund were Euros 10,241,194, highlighting its application to activities related to local development and the promotion of social economy.

1ST EDITION OF 'DEVELOPMENT & SOLIDARITY' CAJAMAR 2007



Cajamar regularly collaborates with non-profit agencies in different lines of action: projects related to social economy, local development, international cooperation, the environment and social and healthcare development. In this regard, in 2007 the entity announced the first line of aid to social projects that it entity considers strategic to obtain its social objectives.

Held in the second half of the year, this edition plans to specifically foster the carrying out of projects related to the four fundamental lines of assistance and the three different scales and geographic areas. Specifically, they are aimed at supporting those projects whose objective is to contribute to alleviating nutrition and the propagation of AIDS in third world countries in the medium and long term; to projects that contribute to the fostering and promotion of social and cultural diversity in Spain; to projects that contribute to improving local production systems in those provinces where Cajamar performs its financial activity and, finally, to projects that favour environmental awareness and education.

Lines of assistance

Line 1: Projects about nutrition and AIDS in third world countries

- > Projects with medium and long term solutions, both with regard to prevention and alleviation, in issues of nutrition and AIDS.
- > Area of action: third-world countries.

Line 2: Projects to foster social and cultural diversity in Spain

- > Projects whose objectives and fundamental values outline social and cultural diversity, promoting a more tolerant, caring world where there is room for everyone.
- > Geographic area: all of Spanish national territory.

Line 3: Projects for improving the competitiveness of local production systems

- > Projects created by non-profit organisations, business associations, technological centres, etcetera, whose objective is to foster and promote business cooperation in the area of local production systems, as well as to create knowledge networks and foster intangible assets as an instrument to improve business competitiveness.
- > Geographic area: those provinces where Cajamar executes its activities.

Line 4: Environmental awareness and education projects

- > Projects whose fundamental objective is environmental education and awareness in all areas: Sustainability, eco-efficiency, ecological economy, etcetera.
- > Geographic area: those provinces where Cajamar executes its activities.

The was very favourably received by NGOs and non-profit organisations, with a total of 178 projects with great social value and impact participating: forty in line 1, eighty in line 2, six in line 3 and fifty-two in line 4. Finally, a total of 225,000 euros was distributed among the eight selected projects.

SUPPORTING THE BUSINESS NETWORK

Our entity's activity in favour of business development has been acknowledged by the Association of Social Economy Companies of the Region of Murcia, Amusal, which awarded Cajamar an Honourable Mention for its support of initiatives generated by social economy entrepreneurs; by the Murcia Reciprocal Guarantee Society, Undemur, which dedicated a prize to our entity for its participation in driving projects from small and medium enterprises; and by the Regional Federation of Metal Businesses of Murcia, FREMM, which awarded us for Cajamar's trajectory in defence of small and medium enterprises.



Presentation of the prize to Cajamar from the Murcia Society for Reciprocal Guarantees

Andalusia Technological Corporation Foundation

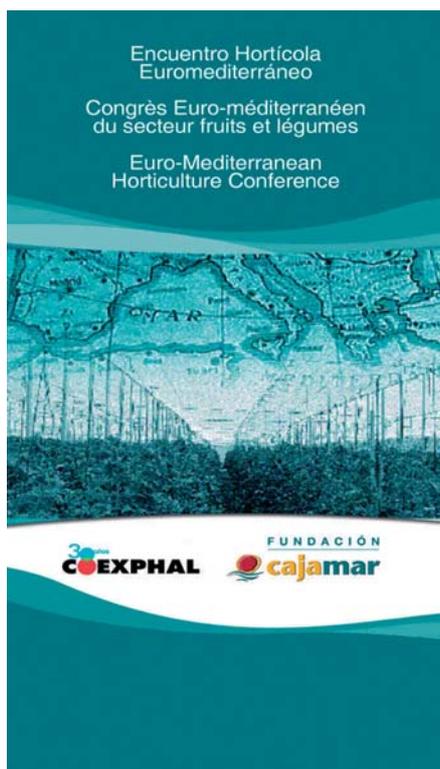
Cajamar is a member of this foundation, whose objective is to contribute to empowering collaboration between the scientific and production worlds as a way of responding to innovation and development needs of Andalusian companies.

Central European Foundation of Companies and Innovation of Murcia

Cajamar has joined this foundation, made up of some twenty institutions and companies. Its main objective is to manage a consultancy and orientation centre, with specialised services for entrepreneurs, where business training, information and advice will be offered about innovation and technology, as well as the possibility of participating in cooperative projects. It also provides a space for business development, equipped with the latest computer and communications technology, providing low cost office rental to entrepreneurs for a maximum period of three years.

Andalusia and Murcia Autonomous Housing Plan

Our entity collaborates with the new housing plans in Andalusia and Murcia, promoted by the Council of Andalusia and the Autonomous Community of Murcia and subscribed to by economic and social agents. These plans provide solutions to the new problems in the housing market. They not only contribute to strengthening urban and residential supplies in the current market cycle but, foremost, are being created to provide a solution to the social difficulties of accessing housing in Andalusia and Murcia. These plans have been designed with a clear social mission: to help people with limited resources, the young, the elderly, new families, single-parent families and those with social problems, so that they are not excluded and can access decent housing.



Euro-Mediterranean Horticultural Production Meeting

SUPPORTING PROMOTION, TRAINING, RESEARCH, DEVELOPMENT & INNOVATION IN PRIMARY INDUSTRY

Horticultural Production Meeting Euro-Mediterranean

The principal representative organisations of different countries with market gardening production came together at the Euro-Mediterranean Horticultural Production Meeting 'For a Sustainable Agricultural Model', organised jointly by the Cajamar Foundation and Coexphal in light of the initiatives scheduled for the 30th anniversary of the association.

As a result of this international meeting, where horticultural producers from Egypt, Spain, France, Holland, Israel, Italy, Morocco, Mexico, Portugal and Turkey were represented, a Euro-Mediterranean Horticultural Network was created as a permanent channel for dialogue, open to debate, an interchange of information and the start-up of common projects. In the short term, an observatory was created for the large-scale trends that are occurring in the sector.

Coexphal and Cajamar are sure that this meeting will become an international forum for reflection, in which technical cooperation, technology transfers and improved production and productivity will be carried out.

Expo Agro Almería and Fruit Logistica

Cajamar and the Cajamar Foundation collaborated in the organisation and holding of the Expo Agro Almería, both in the purely fair regard and in the technical conferences that were held in parallel. They also accompanied the companies from Almería and Murcia to the Fruit Logistica fair in Berlin, where the agriculture and food sector from Southeast Spain displayed its capacity and strength. Also in 2007, over 150 trustees, directors, managers and members of cooperatives in Castilla y León visited the Expo Agro and the Cajamar Foundation Experimental Station, where they had the chance to discover the latest innovations applied to horticulture.

National Congress of Food & Agricultural Quality and Olive and Olive Oil Conference

Our entity also maintained its support of agriculturists and farmers by sponsoring different activities by FAECA and the Federation of Agrarian Cooperatives of the Region of Murcia, as well as events like the National Congress of Food & Agricultural Quality and Olive and Olive Oil Conference, which made the skill and competitiveness of olive growers more than clear.

Malaga livestock and agricultural machinery fair

Like every year, Cajamar collaborated in Malaga with the Spanish Thoroughbred and Andalusian Horse Fair and the Farming Machinery Fair of Antequera, events that bring together a large number of agriculturists and farmers from throughout Andalusia. These exhibitions are orientated towards farmers and producers, livestock and farming machinery.

Los Filabres Food and Agriculture Research Centre

Collaboration with the Los Filabres cooperative society advanced in 2007 with the planning, design and execution of research projects aimed at improving production quality, increasing productivity and fostering the modernisation and diversification of the agricultural industry. The priority sector of action is goat breeding and raising.

In the framework of the collaboration agreement signed between Los Filabres SCA and Cajamar, continuity was provided to three research projects. These projects included using animal by-products generated in the slaughterhouses of small ruminants; the development of precooked products from kid and lamb meat; and the design and development of probiotic products from goat's milk.



Los Filabres Agri-Food Research Centre

Senior management course for agri-food companies

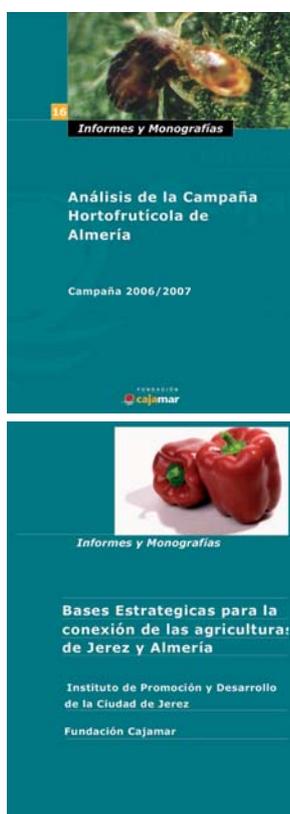
This course was organised by FAECA and the EOI Business School, with the collaboration of the Cajamar Foundation. Its primary objective is to provide senior executives with knowledge and adaptation skills who run agri-food cooperatives within a global context and a setting of constant change. Therefore, it is addressed to directors, managers and technicians of cooperatives and other agri-food companies.

The course programme covers the different functional areas of companies: strategic planning, operations, management skills and human resources, marketing, financial management and a specific module about the role of cooperatives in the agri-food sector.

Specialist Course in Local Development

The Study Service of the Cajamar Foundation collaborated in the development of the 2nd Specialist Course in Local Development organised annually by the University of Almería.

The objective of the course is to provide responses to the challenge that new local development instruments pose to companies. The need to improve training of all those who work in issues related to local development or those who expect to do so in the future is quite clear. In this way, they will be better trained to discover the endogenous potentials of the places where they perform their jobs and more effective in their tasks to raise the well-being of the population in their regions, fostering the creation of companies and job positions.



Monographic studies for the agricultural sector

2006/07 Almeria Horticultural Season Report

Like every year, the Cajamar Foundation published the results of the 2006/2007 horticultural season in Almeria. The objective of this publication consists of providing first-hand information about the evolution of this sector, which is so important and strategic for the economy of Almeria and the unmistakable source of one of the most important local production systems in Spain.

Strategic foundations for connecting agricultural production in Jerez and Almería

The Cajamar Foundation, in collaboration with the Agrobusiness Innovation Plan that is being implemented by the Promotion and Development Institute of the City of Jerez, performed a study in 2007, the main objective of which was to establish the strategic rules for the connection of the two local agricultural production systems: Jerez and Almería. This study also analysed the possibilities of collaboration between the agricultural sector in Jerez, with respect to its adjoining region, and the agrobusiness sector in the province of Almería. The aim of this is to establish mechanisms for business cooperation and to generate positive synergies between both territories. This will favour improved competitive capacity in the current context of globalisation in trade relations between countries.

Evaluation of fruit growing development potential in Vega del Guadalete

The Cajamar Foundation, in collaboration with the Promotion and Development Institute of the City of Jerez and within the framework of the Agrobusiness Innovation Plan, performed a study in which the development potential for fruit farming in Vega del Guadalete was analysed.

This initiative aims to promote modernisation and diversification in the agricultural sector in the municipality of Jerez de la Frontera through a series of crops with high added value and employment potential in the context of the single European market and the growing globalisation in trade exchanges between countries.

SUPPORTING TECHNICAL ADVANCES IN HORTICULTURAL OPERATIONS

In 2007, the Cajamar Foundation Experimental Station continued with its research projects in intensive agriculture, contributing to the transfer of technology to agricultural operations and their improved competitiveness.

Research about tomato fruits cracking

The cracking of the skin of tomatoes is considered one of the main indicators of quality, especially for cherry tomatoes, which are grown in greenhouses. The factors responsible for the cracking of the fruit are a subject of great debate,

although existing studies agree about the impact of genetic and environmental factors that point directly to the fruit's cuticle. The group of project researchers have advanced in their knowledge of the resistant structure of the tomatoes' skin and cuticle, although further work is required for in vivo evaluations of the forces to which the cuticles are subjected. The conditions under which cracking does or does not occur must be deduced from the conjunction between the internal pressure supported by the skin and the cuticle and its biomechanical properties.

The objective of this project is to advance knowledge about the pressures borne by the skin and cuticle of the tomato as it ripens, which is when cracking occurs, and how these pressures vary when ambient conditions of temperature and humidity are changed.

Improvement in the design of natural ventilation in multi-span 'parral' greenhouses by means of computational fluid dynamics

The most important part of the work has been completed, which was the simulation of improvements in the design of natural ventilation systems in multi-span 'parral'-type greenhouses via computer simulations performed using a computational fluid dynamics software. The project will now move into the validation and verification phase for these improvements through field and laboratory tests with fluid visualisation techniques using scale models in water canals. Moreover, IRTA performed the first simulations of the ventilation processes including the canopy, taking one step further to obtain a complete simulation model of the climate of a greenhouse with natural ventilation.

Evaluation of the two greenhouse production systems: multi-tunnel (polyethylene roof) versus Venlo (glass roof)

During the 2006/07 season, the comparison test between a multi-tunnel greenhouse with a gothic structure and triple layer polyethylene roof and another Venlo greenhouse with a glass roof was repeated. In conclusion, it was shown that, similar to previous seasons, the Venlo greenhouse displayed the greatest precocity as a consequence of higher average temperatures. However, no statistical significant production differences were obtained upon completion of the experiment.



Research and development of eco-sustainable operations

Production and climate under two different covering materials (cooling and standard plastic films) for tomato and watermelon crops

In some areas, the reduction of non-luminous solar thermal energy transmission is advisable. It is common to prevent excessive heating by using shade netting inside the greenhouse or by the whitening of the film by applying a whitening product to the outside face of the covering. Both solutions have the negative effect of reducing the PAR radiation that the plants need to carry out photosynthesis. Among the different alternatives that have been studied, there is only one that is currently applicable to flexible polyolefin coverings.

This work was framed within the collaboration agreement between the Repsol - YPF R+& department and the Cajamar Foundation. The objectives of the test were to evaluate the production response of a crop of tomatoes (autumn-winter cycle) and mini watermelons (spring cycle), as well as the climate under two greenhouse covering materials: a cooling vs a standard three layers film.

Determination of the pollination under two plastic covering materials (anti-pest and normal) for tomato and watermelon crops

The two insects that causing the greatest problems in greenhouse crops are *Bemisia tabaci* (white fly) and *Frankliniella occidentalis* (western flower trips), primarily due to their ability to transmit virus diseases to the crops.

The mobility of these insects is dependent on the presence of ultraviolet radiation from the sun. Thus, by reducing this radiation using plastic covering that absorb this radiation range (anti-pest plastics), the presence of the insects is limited. However, the absence of ultraviolet radiation also limits the mobility of the pollinating insects such as bees and bumblebees. Due to this, the test objectives were:

- > To evaluate the productive response of a Pitenza tomato crop (autumn cycle) and a mini Master and Crisby mini watermelon crop (pollinator) in spring cycle under two covering materials: anti-pest (maximum absorption of ultraviolet radiation) and standard polyethylene film.
- > To study the behaviour of natural pollinators (bumblebees in autumn and bees in spring) with the different covering materials.
- > To evaluate the impact of the different plastic materials on greenhouse plagues (white fly and western flower trips) and viruses.

Response of different covering materials to deterioration from ultraviolet radiation and pesticides

In the framework of the agreement between the Cajamar Foundation and Repsol-YPF, a test was performed to study the behaviour of six greenhouse covering materials with regard to deterioration due to ultraviolet radiation and pesticide treatments. The information required to define the most suitable additives to increase the useful life of the plastic will be obtained from the deterioration analysis of the plastic samples.

Reduction of nitrate lixiviation in pepper crops in a sandy soil by adjusting the provided volumes of nitrogen and irrigation water

The intensive farming production system in Almería is associated with measurable contamination from nitrates from higher aquifers. A large majority of the area working under his type of production has been declared as a vulnerable region, thus requiring the development of handling strategies aimed at reducing nitrate losses through lixiviation. These nitrate losses are primarily due to excessive irrigation and fertilisation. High-frequency drip irrigation application and fertilisation through irrigation programmers allow feeding depending on crop demands. The objective of this work was the evaluation of a operation strategy for pepper crops.



Increased productivity through the transfer of technology

Comparison of two industrial photo-bioreactors for micro-algae production

In recent years, the Cajamar Foundation Experimental Station has also been working on the design and optimisation of photo-bioreactors for the production of micro-algae at an industrial level. Initially, a tubular photo-bioreactor was evaluated with a horizontal layout, installed in the greenhouse, allowing its design to be improved and the operating conditions to be optimised (dilution speed, temperature, pH, etc.). Using the knowledge obtained in previous studies, a new tubular photo-bioreactor was constructed, with a vertical layout in this case, with the aim to increase productivity per surface unit and make maintenance operations easier.

Potential of the subtropical fruit sector

The growing of subtropical fruit species is presented as a highly-interesting economic activity with an excellent scope guaranteed by growing consumption of these fruits and with a great growth potential. This is due to trends in demands towards high-quality products that taste good and are obtained guaranteeing food safety and respect to the environment. A further reason is the geographic exclusivity for production and the privileged position of our products on the market with respect to other producing countries.

There is a wide range of subtropical species suitable for farming in the Mediterranean Arch; meriting mention are table grapes, avocados, cherimoyas, loquats and mangos. For many years now, the Cajamar Foundation Experimental Station has been developing work programmes in three of the five mentioned fruit types, specifically the table grape, the cherimoya and the loquat. The potential of these species in our growing regions is reason enough to research and develop innovative techniques and technologies to make this sector more competitive. Spain holds a privileged position in the production and commercialisation of these species. They either have shown sustained growth in worldwide consumption (table grape) or have great growth potential (cherimoya and loquat). Furthermore, there are no problems with surpluses in production, given that the current structure of the production sector cannot supply the potential market.

Greenhouse crops of the 'Flame Seedless' table grape variety

To increase the profitability of the table grape, innovative techniques and technologies must be employed that take advantage of and maximally optimise the production potential in the production regions. This is the case of greenhouses, a technology that has been widely disseminated for the growing of vegetables in the east and south of the Peninsula. With respect to table grapes, it entails quite innovative technology.

The result of the research carried out at the Experimental Station provided precocity in grape collection that was over a month earlier than that obtained with open-air crops.



New crop varieties under plastic

SUPPORTING AGRICULTURAL OPERATIONS

This area has continued with advisory tasks and work and with the drawing up of reports related to the capacity that our clients and partners have to generate resources when undertaking new investments in the agrarian sector. In 2007, 379 reports were executed about earnings and costs and 169 visits were made related to greenhouse insurance and agricultural operations.

Analysis of farming operation income and cost structures

During the visits made by our Agricultural Technical Assessment Service technicians, data were derived about the production capacity of the different agrarian structures in the southeast Mediterranean, where special emphasis was placed on greenhouse production systems. Consumption earnings and costs were analysed, as well as the most significant characteristics of the agricultural operations that were visited.

In this way, real data can be obtained about the most significant trends, both as regards the type of structures and the evolution of incorporating technology.

Analysis and insurability of greenhouse structures

From an economic perspective, the investment represented by constructing or improving greenhouses is very high. For this reason, insuring the greenhouse structures becomes a veritable need to guarantee farmers their means of life.

Throughout the technical visits done by technical personnel from the department to assess our partners and clients, at the suggestion of the Cajamar office network, field data were analysed related to the greenhouses, such as geometry, structural materials, age, surface area, height, orientation, economic assessment, greenhouse condition valuation, etc.

SUPPORTING SUSTAINABLE DEVELOPMENT AND NEW ENVIRONMENTAL TECHNOLOGIES

Cajamar and the Cajamar Foundation promote and participate in initiatives and actions aimed at developing renewable energies and environmental technologies, with actions to improve water usage, efficiency and reuse, employing solar photovoltaic energy and the establishment of environmental sustainability criteria in public and private initiatives.



Watergy greenhouse prototype

Comparison of crops in the Watergy closed greenhouse prototype and a standard greenhouse

The objective of this research was to compare production in a closed Watergy greenhouse with another standard open one with identical and simultaneous crops (low plant green bean under 'Strike'). Growing finished on 30 April. The production results were 36% greater in the Watergy greenhouse, where the plants showed more regeneration ability after harvesting. In fact, the production cycle could have continued, while the plants in the open greenhouse were completely used up after the last harvest. The result of water usage efficiency was even more interesting. It was ten times greater in the Watergy greenhouse, where no phytosanitary treatment was required either.



Support of renewable energies

Solar photovoltaic plant

In 2007, electric production at a photovoltaic installation continued to be evaluated that is located on the flat roof of the office building of the Cajamar Foundation Experimental Station. They consisted of two fields of 25 panels of 100W each, occupying a horizontal surface area of approximately 60 m². The real operation of the system was analysed in order to have a reliable reference for yields and to estimate the amortisation of these types of installations.

Prickly pear and tree tobacco crop studies for bioethanol production

The aim of this work was to study the viability of prickly pear and tree tobacco crops for the production of bioethanol. The study is framed within the R+DEA (Research and Development of Ethanol for Automobiles). At the Cajamar Foundation Experimental Station, the biomass productivity of both species was studied with respect to the hydric system, especially under conditions of hydric stress. Furthermore, a characterisation was done of the process for obtaining ethanol using the sugars in the fruits of the prickly pear and the stalks of tree tobacco on the one hand, and using starch enclosed in the cladodes (stems) of the prickly pear cactus on the other hand. Finally, the objective was to determine the bioethanol production capacity in the province of Almería, taking the productivity figures into account, as well as the geoclimatic data for each region.

Development of the local Agenda 21 in municipalities

The objective of this action was to help city councils implement the Local Agenda 21 for sustainable development, adapting our support to the development level and needs of each municipality. This initiative has been used to open up discussions about Agenda 21 as a way of establishing a sustainable development model and following a procedure that has been adopted extensively by the international community. The decisiveness of this debate was the decision of three new municipalities (Dalías, Níjar and El Ejido) to sign up for the Ciudad 21 programme, added thus to other towns like Vícar and Viator, which are already implementing their own Local Agenda 21.

Sustainable city planning model for the Almería Innovation and Technology Park

This project aims to contribute to improving quality in the urbanisation of the Almería Innovation and Technology Park (PITA) with respect to urban sustainability (water, energy, transport, waste, materials, landscape, etc.) and to generate a guide that facilitates the adopting of a standard in the buildings there in matters like energy savings, water management and the balanced treatment of the territory.



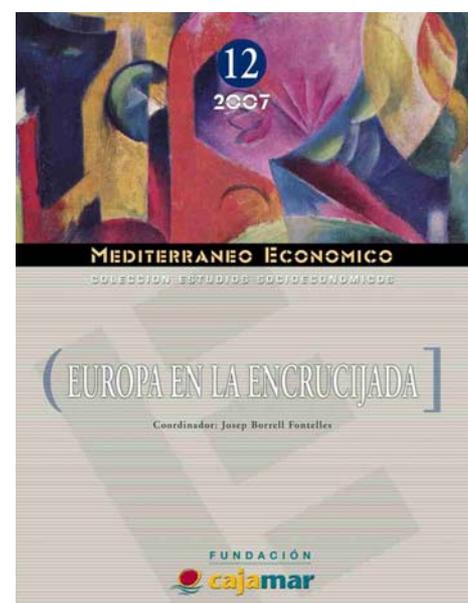
Model of sustainable city planning development at PITA

SUPPORTING THE DISSEMINATION OF SOCIAL AND ECONOMIC INFORMATION

In 2007, the Cajamar Foundation Study Institute presented two new volumes of the 'Economic Mediterranean' collection, issue 11 about new marketing focuses and proposals for the creation of value in modern-day companies, and issue 12 that tackled the future problems and challenges of the European community in different areas like socially, economically and politically. Other publications included four issues of the 'Economic Financial Bulletin', with supplements devoted to the stock market as a savings tool, housing aid and subsidies, employment insertion for university graduates and economic hotels; four quarterly reports of the 'Construction Bulletin'; the '2006-2007 Almería Horticultural Season Report'; two reports about the wine and olive oil sector called 'The Oil Production Sector in the Province of Almería' and 'The Wine Production Sector in the Province of Almería'. Finally, it published three books entitled Economy in the Province of Malaga, Handmade Almería and Competition in Intensive Farming between Morocco and Spain.

Economic Mediterranean monograph collections

In 2007 the Cajamar Foundation published two new volumes from the socio-economic collection studies that contribute critical debate elements in issues that are particularly relevant for modern-day societies. Issue 11, New Marketing Focuses and Value Creation, coordinated by María Jesús Yagüe Guillén, department head at the Universidad Autónoma de Madrid; and issue 12, Europe at the Crossroads, devoted to the European integration process, coordinated by Josep Borrell, member and former president of the European Parliament. The best authorities of their respective issues have written for both publications, where the collaboration of Jacques Delors, former president of the European Commission, is particularly noteworthy.



Last issue of Economic Mediterranean in 2007

SUPPORTING EDUCATION, CULTURE AND SPORT

Cajamar participates in several projects with different Spanish universities, supporting the university community in their two areas of action: teaching and research. It also contributed to better and broader insertion of university graduates and professional training degree holders into the workplace through its scholarship and internship programme.

Moreover and similar to past years, the principal cultural activities were the Julián Arcas Classical Guitar Contest, the Cajamar Concert Cycle and our collaboration in the School Theatre Season and the Classical Music Provincial Tour. Likewise, our conference and exhibition hall in Malaga and our event hall in Almería have welcomed over one hundred and fifty cultural activities including painting exhibitions, concerts, book presentations, conferences, congresses and seminars. Over 30,000 people attended these events as a whole.

With respect to sport, Cajamar is one of the sponsors of the Andalusian Olympic Foundation and of the Almería Provincial Sports Games. It also collaborates at cycling schools in Almería and Palencia, at football and golf schools in Malaga and at different track & field, rugby, basketball and women's handball also in Malaga. And all of this is done with the clear aim of contributing to basic sporting activities to the greatest number of towns and cities possible.



University of Almería Library

Agreement with the University of Almería

In 2007, Cajamar renewed its collaboration agreement with the University of Almería, a close collaborative relationship it has had since 1994. Through this agreement, it supports research via the development of programmes and projects, the planning and holding of cultural, social and informational activities and the allocation of services and infrastructures for the university community.

Activities with the Nevares Institute

The Nevares Institute of Agrarian Businesses is a university of agricultural technical engineering that was established in Valladolid, which has educated a significant contingent of technicians specialising in the agricultural sector. The collaboration over the last ten years with the Caja Rural del Duero, and today with Cajamar, contributes to expanding its purely academic activities through the financing of scholarships, postgraduate programmes for graduates, end of study prizes, publications, etcetera.

Spanish courses for foreigners with the University of Málaga

The Spanish courses for foreigners that are given at Antequera are focused on strengthening learning and usage of the Spanish language for non-residents, visitors and foreign residents in this region and its surroundings, thus facilitating integration in society and the workplace.

Professional training practices

Cajamar also contributes to the creation of student internships at average and higher levels of professional training for recent graduates who are looking for their first job opportunities. When this time arrives in students' lives, this helps build a bridge to connect official and regulated teaching with the new business reality of the different production sectors in Almería. For the last seven years, computer, electricity, electronics and administrative students

have done professional internships at Cajamar Group companies that have made their later insertion into the employment market easier. The success of the experience is made clear by the fact that seven out of ten students who have done internships at Cajamar have then found steady jobs. This experience was started in Almería and was extended to other provinces of Andalusia in 2007 (such as Malaga and Cádiz), as well as to the Region of Murcia. It will soon also be extended to the Valencian Community.

'Julián Arcas' International Classical Guitar Contest

For the eighth year running, Cajamar has organised and sponsored the 'Julián Arcas' International Classical Guitar Contest. This initiative comprises part of the sociocultural activities promoted by the entity as further demonstration of its social commitment that logically must go beyond the strictly financial area of its activities.

The Julián Arcas Contest has already become a point of reference for classical guitar and music, not only within Spain but also internationally, with performers attending from around the world. It represents a great chance to enjoy the musical expertise of the participants and the parallel concert programme, while also promoting the province of Almería as the ideal location for culture. At this year's event, there were a total of 17 concerts, as well as numerous conferences, educational classes, etcetera.



2007 Cajamar Concerts

In 2007, the Cajamar Concert Cycle which started last year has continued. The second year's event was organised jointly with the town councils of the different cities where they were held, obtaining great success with respect to both artists and public attendance. The concerts were held in the towns of Almería, Roquetas de Mar, Torre Pacheco, Nerja, Huerca-Overa and Murcia.



Supporting classical music

Educational Concerts

The aim of the Educational Concerts is to help students realise the descriptive possibilities of music. 'The Adventures of Peer Gynt' by the composer Edgard Grieg tries to bring the reality of music to primary schools (fifth and sixth grades) with musical shows by young performers from the Roquetas de Mar Municipal School who, accompanied by their teachers, offer the concert programme. This activity is organised by the 'Music & School' work group. Over 1,700 students participated this year as spectators.

School Theatre (2007 - 2008)

The Cajamar Foundation participated in the organisation of the 3rd School Theatre Provincial Season, which was held during the 2007/2008 school year. This is a complete programme of stage activities in a school setting aimed at deepening and expanding the programme of initiatives and proposals offered to schools and educators.

Classical Music Provincial Tour

During the months of March, April and May, the 24th Classical Music Provincial Tour was held in eleven towns in Almería with at least ten thousand inhabitants, with the collaboration and sponsorship of the Cajamar Foundation. A total of six concerts were staged with the Almería Youth Orchestra (OJAL) and four concerts with the Almería Indalo Chorus. Moreover, the Malaga Arsian Ensemble also participated and performed, a group comprised of the first generation of musicians from the Youth Orchestra of Andalusia.

Andalusia Olympic Foundation

Cajamar is one of the entities that sponsors the activities of the Andalusia Olympic Foundation to contribute to developing and promoting the Olympic movement and to encourage sport in Andalusia. It not only supports athletes, but also contributes to encouraging Olympic sport for the disabled.



Until the present, the Foundation has provided 6.9 million euros through 2,900 scholarships and has promoted 136 Andalusians, who have won 14 medals and 47 diplomas at Olympic and Paralympic events.

Provincial Sports Games

This programme enables children and youths from all towns in the province to participate in regulated sport that is adapted to their physical-technical levels and facilitates access to physical activity through a wide range of sports disciplines. In the 16th edition held in 2007, over 5,400 athletes participated in a total of 17 different sports disciplines.

Almería and Palencia Cycling Schools

Cajamar supports sports amongst young people, in this case cycling, as a means of contributing to their personal development, integration and social training. This project includes cycling schools in Almería and Palencia where boys and girls of 7 years of age and older receive basic training to embark on a sporting discipline that is singularly demanding, through theoretical and practical classes. Furthermore, there



Two initiatives supporting sport at competition and learning levels

are two junior teams in the junior and cadet categories that have obtained good results in the competitions held in 2007.

SUPPORTING CIVIL SOCIETY INITIATIVES

In 2007, as it has done year after year since activities commenced, Cajamar has reconfirmed its commitment to the promotion of civil society. To do so, it has collaborated in numerous projects of several different types (healthcare, environmental, cultural...) promoted by foundations and non-profit organisations.

By way of example, we would like to highlight some of our collaborations whose aim is to contribute to creating a much more caring society that is more just, more pluralistic and that identifies with the ethical values of our times.

Welfare and educational projects

- > 'Social Dining Room' project: This is a welfare initiative whose objective is to help the most needy members of our society, covering a part of their most vital needs and alleviating their situation of precariousness and social exclusion.

- > 'Disability Awareness Workshops' project: These have been given at secondary schools in Andalusia to reveal the capacities and possibilities of handicapped people. The workshops proclaim the equal rights and opportunities of this group.
- > 'Perceptual Improvements for People who are Mentally Handicapped (Down's Syndrome)' project: Through drawing, its objective is for people suffering from this handicap to be able to critically discern and interpret images and shapes surrounding them, as well as creating simple visual messages, adapting the graphic-plastic techniques applied to the intention and function of the message to transmit.
- > 'Social and Psychological Service for the Physically Handicapped' project: Aimed at improving the facilities of a daycare unit for people with severe physical handicaps. The project outlines the creation of a psychological care and social work service, favouring improved quality of life for this group through full treatment that contributes to lessening their dependence.
- > 'Advanced Drawing' project: Designed to help people with mental handicaps to appreciate, analyse, express and criticise the visual information they receive. Drawing expedites and influences the relational process people are subjected to with everything that surrounds them, taking different evolutionary times into account with the aim of fostering their development.
- > 'Tobacco and Women: the great modern-day challenge' project: This is an initiative orientated towards preventing oncological pathologies associated with tobacco consumption, promoting a complete range of initiatives that include the active participation of men and women, especially parents, as the main promoters of children's education. It also plans to strengthen the adoption of healthy lifestyles.
- > 'Programme for Cognitive Stimulation for Slight and Moderate Alzheimer's Patients ' project: The objective is to improve the quality of life of people suffering from Alzheimer's and their family and/or caretakers through 'family reprieve' strategies.
- > 'Action Protocol for Improved Coexistence: coexistence and participation contest' project: Faced with increased violent behaviour in students towards the teaching staff, this initiative outlines stimulating students to behave well at school, improving the learning and teaching climate.
- > 'Educational File for the Visitors' Centre at the Almería Solar Platform in Tabernas' project: Aimed at facilitating understanding of contents during the visit to the Solar Platform for all primary school students. Information is offered about solar energy as a clean and endless energy and its impact on climate change, as well as explaining the process of solar energy transformation to obtain electricity.
- > 'Road Education and Accident Prevention Competition' project: This is presented at a large number of schools in Murcia and is focused on students in their second year of secondary school to motivate learning and respect for traffic rules and signals.
- > 'International Baccalaureate Diploma Implementation' project: Its main object is to promote education by providing quality teaching, placing special emphasis on a wide offering of subjects for the student body and adding bilingual teaching.



Advanced drawing project for the mentally handicapped

Projects linked to the promotion and development of social economy

- > 'Second Degree Cooperative' project; This is an initiative for vertical integration in the area of cooperatives whose main objective is the creation of a second degree cooperative that permits the integration of other pre-existing agricultural cooperatives, thus contributing to their competitiveness and improved commercialisation conditions. In short, this is a project related to supporting local production systems and strengthening the social economy.



Promotion of cooperative activities

- > 'Applications of Food Technologies' project: Its principal lines correspond to the definition of industrial processes for the production of food products that contribute to improving their nutritional characteristics; the development of new formulations that improve the added value provided in agrarian products; and the development of procedures for eliminating environmental contamination generated by agriculture activities and the food industry.

Local development projects



Development of rural values

- > 'International Day for Rural Women' project: The objective is to advance and increase awareness in society about the importance of encouraging equal opportunities between men and women, especially in rural settings.
- > 'Improvement in Agricultural Products from Sacoje' project: Seeks to promote the improvement of organic farming products. At the cooperative's facilities at the Regional Council of La Hoya (Lorca), field tests are performed and the results obtained are applied to the operations of members in Lorca, Totana, Mazarrón, Alhama de Murcia and Caravaca.



Contribution to environmental conservation by Cajamar volunteers

- > 'Recovery of Past Techniques and Industries in the County of Vélez' project: The aim is to publicise the cultural heritage of the zone; to make citizens aware of how to preserve it; to study, experiment, reproduce and recover industrial techniques and activities from the past; to train specialists and promote rural tourism.

Environmental projects

- > 'Course on Animal and Environmental Well-being' project: The course plans to improve farmers' understanding about the problems of mistreating animals, increasing their knowledge in order to comply with European regulations that must be implemented in operations with respect to measures that affect animal well-being and conservation of the environment.
- > 'Malaga Sea Classroom' project: Among its activities, this year the publication of a book merits special mention about the diversity of the species on the Mediterranean coast, as well as publishing cards for guided school tours, which facilitate knowledge about the sea species that are protected and disappearing.
- > 'Water Usage Training Course' project: The fundamental objective is to increase activities related to best use of water in the Cartagena Irrigators Community, both through society and its members.

- > 'Concepción de Málaga Botanical Garden' project: Consists of the planting of grapevines for the recovery and conservation of this species in the botanical garden. It also aims to create field notebooks as guides for the forestry services and for cultural-tourist learning for visitors.

International cooperation and support to underdeveloped countries projects

- > 'Extracurricular Practices for Social Action in Paraguay' project: Its objective is to collaborate in educational programmes at a Spanish non-governmental organization that works in Paraguay, raising literacy levels through school education programmes, teacher training and community development.
- > 'Primary School in Peru' project: Its aim is to secure schooling through secondary school for children in a rural community in Peru, also helping them to obtain larger and better levels in the areas of nutrition and healthcare.
- > 'Training in Africa' project: Its aim is to equip rural areas with educational facilities that are suitable and worthy, so that the education that youth receive in these populations is similar to the education received by youth in Europe. This will help prevent the fleeing of talent through migratory processes and the draining of capital from the society.
- > 'Allocation of Facilities in Santa Cruz de la Sierra (Bolivia)' project: It contributes to expediting the supplying of a wide-range of healthcare materials at a hospital in this department of Bolivia, which will lead to better and safer healthcare services for people with very few economic resources.
- > 'School of Life' project: To construct and outfit a group of housing units in different rural communities of Mexico. It also offers extracurricular education in different areas.
- > 'Solidarity with Byelorussian Children' project: Provides support for the creation and maintenance of the infrastructures required so that medical check-ups continue to be performed due to the large-scale radiation suffered by Byelorussian children.

SUPPORTING SOLIDARITY

Through the initiative 'Solidarity Transfers', Cajamar aims to provide its electronic banking clients and users with the chance to make donations to institutions and non-profit organisations that work with issues of interest to them: welfare, environmental, healthcare, children, etc. development. This intends to increase the flow of resources to these organisations that work in improving the quality of life of specific communities or groups that are disadvantaged or at risk of exclusion. Employees have the chance to suggest NGOs and non-profit organisations at which they actively participate, especially those where an employee works as a volunteer.

Solidarity transfers are made directly by clients during their electronic banking session and are not charged any type of commission. They may choose to contribute whenever they like. Currently, clients can transfer money to five organisations that have been accredited and proposed by Cajamar employees. This initiative aims at continuing to expand the entity's social projection, revalidating its commitment continually and promoting dialogue with the different groups of interest and, in particular, with the members, clients and employees who suggest each charitable organisation.



Supporting solidarity

SUPPORTING CITIZEN PARTICIPATION

In 2007, the Cajamar Foundation participated in four initiatives that were created by civil society. The first was the 2025 Almerí'eda Forum, with the objective of establishing and defining the strategic lines that must be assumed to obtain sustainable development by the year 2025. Secondly, the City Forum, located in the city of Almerí'eda, has the objective of defining a city planning framework for the municipality that permits its development while attending to citizen well-being and sustainable development. The third are the conferences organised to perform an exact and assuring analysis of the growth model of the Region of Murcia, a community that continues to beat GDP growth records year after year. Fourth, the Economic Observatory of Andalusia, which is comprised of economists and professionals from different areas, has the objective of analysing and reflecting about the Andalusian socio-economic reality and its trends.



Collaboration agreement with the publishing house SM

SUPPORTING SOCIAL AND CULTURAL DIVERSITY

Aware of the issue of interculturalism and immigration in complex modern-day societies, Cajamar has implemented two initiatives in 2007 through which it plans to contribute to making a more tolerant and open world possible and one where there is room for everyone. These initiatives involved two publications created jointly with the publishing house SM. First was a guide to welcome immigrants that contains information and data to pave the way towards social integration. It provides a pleasant and user-friendly way for them to find out about our customs and the services that our society makes available to them. Secondly was a school textbook that will help children to find out about the cultures of origin of the immigrant students with whom they share the classroom. The two books, whose

common core is living with diversity, is distributed at immigrant associations and schools in Almerí'eda where the phenomenon of immigration has the greatest impact.



Meeting of the social agreement for the environment in the Region of Murcia

SUPPORTING THE ENVIRONMENT: A COMMITMENT TO SUSTAINABILITY

Social agreement for the environment in the Region of Murcia

Cajamar participates and, as a signing entity, has joint responsibility for the initiatives and actions that are established for example at the sustainable development school, at technical seminars to drive sustainability, at the forum of environmental responsibility and sustainable development, at the fair of technological initiatives and advances and for the first prizes for sustainable development in the Region of Murcia.

The Nature Classroom

Similar to previous years, the Cajamar Foundation continued collaborating in the development of the environmental education project organised by environmental education centres in Paredes in Sierra Nevada and Fuente Grande in Sierra María-Los Vélez. At the centres, educational activities are carried out that are addressed to schools in the province of Almería and the Region of Murcia, aimed at environmental awareness and training of the youngest children. In this way, we want to contribute to improving the knowledge that students have about the natural, rural and urban environments so that they can develop a culture that is more respectful towards their surroundings.

Water economisers for domestic use

The average daily consumption of water per person varies between 250 and 300 litres. A large part of this use originates in poor consumption practices. A domestic water economiser is a small device that is placed at the ends of the taps in the kitchen and bathroom. Its usage is extremely beneficial, as it entails water savings of up to 50% of the total regular water consumption of a family.

This Cajamar initiative of distributing domestic water economisers among its employees arose with the goal of contributing to the awareness of employees and their families about the importance and need of using such a scarce resource as water more responsibly.

Due to this, a bathroom economiser was given to each employee. If the use of economisers was expanded to include all the family members of each employee, an effective saving of over one million litres per day of water could be obtained.

Water saving campaign in the homes of Murcia

Our entity has also joined the initiative of the Federation of Residents', Consumers' and Users' Associations of the Region of Murcia in order to participate in a campaign devoted to raising awareness about the rational use of water in homes. With the name of Cajamar, thousands of diffusers have been given to citizens.



Sistema para ahorro de agua

Ahorra hasta **50%** de agua

Desde Cajamar queremos proponerte un pequeño gesto con el que puedes contribuir a ahorrar agua en tu hogar y a sensibilizar a las personas que te rodean. Es un dispositivo para el grifo de lavabo (y para algunos grifos de fregadero) que permite economizar hasta un 50% del agua que utilizas habitualmente. Puedes comprobar el ahorro efectivo en la bolsa que se adjunta.

Utilizándolo estarás contribuyendo a la sostenibilidad de nuestro planeta y a evitar muchas de las injusticias sociales originadas por la escasez y por la desigual distribución del agua.

Eco-cocina **Eco-lavabo** **Eco-ducha**

Para más información:
 Área de Responsabilidad Social Corporativa
 Teléfonos: 1308 y 8405

Water saving campaign among employees

Diffusion of corporate social responsibility

THE MAINSTAYS OF SOLIDARITY AT CAJAMAR

Cajamar defines itself as an entity with a foundational and social nature. For this reason, it does not want to forego involving all employees in its global project, and thus contributes to creating tools that help them channel their solidarity and social commitment. In short, Cajamar promotes instruments for the development of citizenship among its employees from the entity itself. It is founded on three types of initiatives, both from financial and organisational viewpoints:



Cajamar Corporate Voluntary Work Scheme (PROVOCA)

The Cajamar Corporate Voluntary Work Scheme, designed as a compete initiative for the mobilisation of employees' talent, time and energy in favour of the development of local communities and society as a whole.

Since 2006, it has been used as a meeting point for all employees interested in promoting a more caring and just world from the entity. They devote part of their time to social, care-related and environmental initiatives. Then Cajamar contributes with the financial and organisational means that allow and facilitate the carrying out of volunteer activities.

Among others, the basic programme objectives are:



Cajamar volunteers in nature

- > To endow and identify the presence of the volunteer group at the entity
- > To identify ethical and social values with Cajamar's activities
- > To convert the volunteers into transmitters of RSC policy and its ethical principles
- > To foster corporate pride among employees, improving their sense of identification with the entity's mission and objectives
- > To allow employees to use the entity to unfold their concerns related to cooperation
- > To raise awareness and promote social initiatives among employees
- > To share an ethical and responsible focus about finances, as we are a leading financial entity in cooperative banking and socially responsible investment

Besides encouraging corporate citizenship, PROVOCA is contributing to involving employees to an even greater degree in the entity's social and foundational objectives. It is an important tool in the diffusion of Cajamar's ethical values and principles, as well as for the dissemination of its corporate social responsibility policies, measures and instruments. The internal benefits of the corporate voluntary work scheme are unmistakable: improved work setting, greater involvement of employees in the entity's objectives, increased productivity, etcetera.

In 2007, in collaboration with the Chandra Foundation, the Cajamar Voluntary Work Portal was created (www.voluntariado.org/cajamar). All employees who are members of the scheme can access the website, both from the intranet and from the corporate web. This portal represents a meeting point for all volunteers, providing information about active voluntary work (virtual and on site), volunteer training and ethical financing. Different means are also made available to volunteers so that employees can perform their care-related activities with greater effectiveness: voluntary work guides, Cajamar social initiatives, etcetera.

Three types of volunteers at the entity have been identified through PROVOCA:

- > volunteers who are already accustomed to doing individual voluntary work
- > volunteers who were interested in voluntary work and solidarity activities, but had never been presented with the chance to do them
- > and volunteers who had never thought about participating in voluntary work activities

These profiles have made it necessary for PROVOCA to make a more complete offering that is adapted to and suitable for the different expectations and experiences of volunteer employees: From the start, it has outlined the inclusion of all areas of voluntary work (environmental, cultural, care-related...), in accordance with the preferences and availability of each workmate at the entity.

The corporate voluntary work scheme includes three essential areas that entail the design of voluntary work activities that are the most effective and with the greatest value for local communities. Aware of the role played by awareness-raising, training and active voluntary work, PROVOCA includes activities organised by the scheme, as well as activities organised in collaboration with non-profit organisations and NGOs. By way of example, the following merit mention:

Training:

- > Ethical financing
- > Cooperation and development and international projects, local development, microfinancing, fair trade, social action, voluntary work, etc.
- > Training in voluntary work activities in its different areas Debates and conferences
- > Voluntary work guide
- > Basic voluntary work course
- > Ethical financing courses

Active voluntary work

- > Social work holidays: environmental volunteer work holidays, social work holidays (refugee camps, social tourism...)
- > Opportunities and announcements for active voluntary work
- > Opportunities and announcements for virtual and distance voluntary work
- > Work visits at rural banks and savings banks in developing countries
- > Microfinancing training (microcredits, microinsurance policies...)
- > Development of the 'Time Bank' project at Cajamar, the first corporate time bank in Spain



Workcamp in Morocco



Bird ringing in natural parks

Raising awareness

- > News service related to cooperation and voluntary work
- > Creation of a library fund in order to share information resources among all volunteers
- > Network work

As of December 2007, PROVOCA had 248 members, some 7% of the entity's staff. The ratio between the numbers of men and women has remained constant over time. Overall, 9% of women have joined PROVOCA, compared to 5% of men.

By gender (31/12/2007)

Women	56%	138
Men	44%	110
Total volunteers	100%	248

Experience

Have been volunteers before	33%	83
Collaborate with an NGO	21%	51

Areas of action

Environment	61%	152
International cooperation	66%	163
Cultural	63%	155
Community development	43%	106
Social / care-related	54%	133
Solidarity holidays	62%	154

Since October 2006, which is when the scheme was started, and through July 2007, PROVOCA members have received information about more than 4000 initiatives from non-profit organisations to do active voluntary work in the different provinces where Cajamar has a presence, as well as information about over 400 courses and activities related to training related to voluntary work, international cooperation, ethical financing and fair trade, among others. Volunteers have likewise signed up for nearly 400 active voluntary work initiatives and some 100 training courses.

The voluntary work and training activities that have incited the most interest among members in the Cajamar corporate voluntary work scheme are:

Voluntary work activities

Supporting the microcredit programme
Care for the homeless
Home socio-educational care for boys and girls with long-term illnesses
Assistant for horse therapies
Field work in the Sierra Nevada National Park
Different opportunities for hosting foreign children for education
Holiday coach for mentally handicapped people
Holiday coach for mentally handicapped children
International Voluntary Work Scheme 'Solidarity Free Time' in Morocco
Ski outings in the Catalan Pyrenees with physical-sensorial disabled people
Solidarity holidays in Morocco
Environmental voluntary work in Fuerteventura, Canary Islands (bird ringing)
Environmental voluntary work in natural parks (Arribes del Duero, Fuentes de Nava, Cabañeros, Picos de Europa, Lago de Sanabria, Villarino de los Aires, Tablas de Daimiel and Monfragüe) carrying out activities for signposting, mammal tracking, forest maintenance, etc.
Voluntary work with children in situations of risk and at youth centres
Voluntary work in new technology training for handicapped people
Voluntary work in reforestation
Voluntary work for school and free time support
Voluntary work to give computer and Spanish classes to immigrants
International agreement with Cajamarca

Virtual voluntary work

Sign for the release of Egyptian bloggers!
Make your voice heard! Fair trade
Encourage Mexican congress members to protect their forests
I live here. I vote here. For full citizenship.
Cyberaction - more ecological packaging
Against the capture of the Franska bear
Darfur: enough excuses
From Live Earth to a world-wide movement. Stop climate change
Freedom for Zmitser Dashkevich
Ask the government to support the Renewable Revolution
We only have 10 days to stop Sina Paymard from being executed in Iran

In support of PROVOCA members, and in the framework of the conciliation between work and personal life, the Human Resources Department offers up to two days of paid leave per year for employees who have volunteered for a PROVOCA activity during their holidays, whether in training courses, workcamps or at solidarity holidays.

This is a pioneer initiative in the area of conciliation management and the development of corporate citizenship.

PROVOCA also offers economic assistance to defray travel costs for all members who want to do an activity that is part of the scheme outside of where they live. Depending on the case, it also covers up to 100% of fees for course registration and training opportunities offered in internal bulletins, to encourage volunteer participation. In both cases, the plan is for the volunteer to collaborate economically with part of the costs, since this has proven to enhance and increase participation more than when no costs are involved.

In addition to the Cajamar Voluntary Work Portal and the information sent to employees via the intranet and email, PROVOCA has other means of internal communication available: The internal newsletter Comunica(t), which is published quarterly on the Employee Portal, includes a section entitled Solidariza(t), whose aim is to act as a forum so that PROVOCA members who have done voluntary work can share their experiences with other Cajamar employees. It is an important and top-rate internal communications tool that allows voluntary work actions to be more widely known, as well as making the corporate social responsibility policies, measures and instruments known to all employees.

Training activities

9 Visual Images for Conflict Resolution course
Conflict Analysis in Organisations course
Fair Trade course
Marine Ecology course
Social Mediation course
Ethical Financing course
Financing and Sustainable Development course
Management Skills course
Social Skills for Volunteers course
Leadership and Volunteer Work course
Social Marketing course
Mediator in Exclusion and Social Integration course
Poverty, Development and Cooperation course
'Social Responsible Investments' conference



Cajamar volunteers giving Spanish classes to immigrant children

Among the activities and voluntary work organised exclusively by Cajamar, the following are worth highlighting due to their scope and involvement:

Solidarity holidays and workcamp in Morocco

The realisation of workcamps represents an alternative that is different than traditional tourism, letting us learn about the socio-economic, cultural and environmental reality of the site visited, to thus understand through first-hand experience, the causes and consequences of the principal problems that southern countries face with developed countries, especially those that share borders.



Local and community development project in Chefchaouen

To offer PROVOCA members the chance to experience a social stay in a developing country, Cajamar suggested the carrying out of solidarity holidays in Chefchaouen, Morocco, in the Rif Mountains. The visits of the volunteer employees, who were accompanied by invited family members and friends, included two types of activities. Firstly, the execution of social works benefiting the local population, which consisted of assessing the tourist resources of the city of Chefchaouen through the conditioning and improvement of a pedestrian route. As a result of this initiative, Cajamar published a tourist guide written by our volunteers to help promote this town. Secondly, the carrying out of activities that contribute to getting closer to the culture and the environment, such as workshops, outings and trips.

Cajamar bore almost all costs of this initiative, which was done by following the solidarity holiday scheme, meaning that all participants set aside their holidays for this activity. One hundred percent of the volunteers have concurred that the experience was extremely valuable, offering them new knowledge and completely fulfilling their expectations. The things they most liked are detailed below:

- > 'Learning about other cultures'
- > 'The friendliness and character of the people'
- > 'The closeness of the entire group and the relationship we had with the people from there, who opened the doors to their lives and their homes to us'
- > 'How people get along in a rural village'
- > 'That the people treat you like you are part of the town and really welcome you, teaching you about their culture without asking for anything in return and how the whole group got along'



Socio-educational care to third-world children

International cooperation agreement between Cajamar and Cajamarca (Peru)

One strategic line of PROVOCA is voluntary work in the area of microfinancing, especially in the less industrialised countries of the world. In this regard, initiative was taken to tackle a most uncommon international cooperation project between a rural savings bank in Peru and Cajamar.

The fundamental objective of the project is the interchange between the two entities of the microfinancing experiences they are both undertaking, in two radically different realities, the phenomenon of microfinances and, specifically, of microcredits. In order to obtain this objective, the agreement signed details the mutual exchange of employees via work stays that let all volunteers see how microfinancing is done in two very different countries, both from an economic-financial perspective and a social perspective.

The agreement ends in the first half of 2008 and will have entailed the exchange of some 14 employees from the two entities, including volunteers and managers. It has been an unprecedented experience with regard to voluntary work and transfer of knowledge in the microfinancing arena. In fact, other countries have already expressed interest in repeating this cooperation model.

We believe that the best way to illustrate the voluntary work experience done at Cajamarca (Peru) is the words of the volunteers who participated and who have wanted to share them with other PROVOCA members.

'I was lucky enough to participate in voluntary work that has let me experience the reality of one of the poorest countries in South America for several days, in a region (Cajamarca) whose poverty levels are extreme, with all the problems derived from lack of means and deficiencies in health care, education and infrastructures.

For 10 days, I had the chance to get to know the reality of a village that doesn't have basic means, where 60% of the homes don't have electricity or running water, where the population is scattered, in some places almost impossible to reach. This makes it nearly impossible for them to access good health care or receive quality education and doesn't let them market the products they grow or acquire what they need and don't have within their reach. During this time, I also discovered that one can work with a lot less, but with hope and, above all, with initiative and the conviction that much more must be done to obtain sustainable development.



Cajamar colleagues during their stay in Cajamarca

The hospitality, the open smiles, friendliness and eyes full of curiosity, hope and inspired to learn, is what one can find most easily when approaching those who -like us- are employees of an entity that wants to fight to grow and collaborate in the development of its region and of its country.

I encourage everyone with the same curiosity, the same hope and with a desire to learn to not stop trying to collaborate in the project that let us find out about and understand realities that are so different from our normal lives, thus helping us to value what we have every day at our fingertips.'

Iselda Godoy Franco
Branch 187 Roquetas-Auditorio

'The experience I had thanks to this exchange was marvellous. It was a continual interchange of information, both professionally and personally. I learned how essential credit entities are for the development of a country, as well as for the correct running of the political and economic systems.

Peruvians have made me remember something that I had almost forgotten and that is hope. Hope in life. They are simple people but very proud of their country. They are naturally happy and enjoy everything that life has to offer. The personal way they treat their customers and their ongoing fight to move forward by adapting to different changes and conditions is incredible.'

Alicia Maria Martinez Castro
0987 MADRID - FRANCOS RODRIGUEZ



Cajamar volunteers' lives in Peruvian communities

'My participation in the opportunity to do voluntary work, as part of the interchange project with the Cajamarca Rural Savings Bank was one of the most gratifying and interesting experiences I have ever had. I had never left Europe and I was a bit scared of the unknown and I wondered: What will life be like there? How will the people live? and... What will the food be like? ... We had barely gotten off the plane when I noticed that they breathed another air there, they breathed in LIFE. In Peru, I didn't feel like an outsider, but I did feel different.



Understanding of the socio-economic reality in Cajamarca (Peru)

I was totally taken in by the friendliness of the Cajamarca employees and their natural surroundings. However, there is the flipside of the coin, something that is really disturbing, especially for everyone that comes from "rich" Europe. I am referring to the poverty throughout South America. Everything you sense is a superlative, both the good and the bad.

It is a country with great social imbalances, where most of the population is poor, but that doesn't make them undignified. They gave us so much... and I was overwhelmed to see how naturally they offered anything they had. To us as Europeans, we just feel the shame of being more fortunate, but more selfish. Is this modernity?

There is always more to be done, but I am hopeful that we will continue moving forward without losing our past or, if this isn't possible, at least become more caring.

If I can, I will do it again because it has been a unique opportunity that I will always remember.'

Pilar Díaz Moreno
Accounting Corporate Services



Supporting local communities

'Peru is undoubtedly one of the poorest countries in South America and Cajamarca in turn is one of the regions with the highest indexes of poverty and the worst social indicators (illiteracy, infant malnutrition, mortality). With this scenario, you easily understand the importance of solidarity and/or cooperation work, like what our entity has deemed timely to do and that I had the chance to participate in.

This experience has given me an in-depth knowledge of the socio-economic situation in Peru and especially of one of its regions (Cajamarca), as well as its financial system and the importance of microcredits as a formula for helping the neediest people so that they can start-up small businesses that generate income to improve their level of life and that of their families.

During my stay in Peru, I discovered the reality of its people, their hospitality, their friendliness and, most importantly, a special feeling of happiness, very different than what we are used to understanding in our society about well-being.'

Javier Dueñas Selma
Eastern Regional Director

Cajamar Solidarity team



This initiative, which arose from the interest of Cajamar employees, is based on the international philosophy movement of teaming, whose fundamental objective is to foster solidarity without intermediaries, with total transparency and a sense of participation. With a small contribution of €1, retained directly from their monthly paycheque, Cajamar employees become social micro-donors. In this way, they contribute to improving the lives of the most underprivileged, seeing first-hand the results of their joint efforts and the improvements obtained. And with the resources obtained, through a totally democratic and transparent process, the members of the Cajamar Solidarity Team decide which project or projects they are going to support each semester. These can range from neighbourhood projects or becoming involved in international cooperation projects.

A total of 495 employees have already signed up for this initiative, which was started in the last quarter of 2007 (somewhat more than 13% of the total staff). There are basically three objectives planned through the initiative: publicise and communicate social responsibility policies, measures and instruments; create a powerful solidarity tool and reinforce the foundational and social nature of the entity among its employees.

The entity backs this employee initiative by contributing an amount to the fund each semester matching all employee contributions. The Acremar employee association has also joined forces with an annual economic contribution for 2008.

Time bank



This is the third mainstay of Cajamar solidarity and, although implementation is planned for 2008, we wanted to include it in this report so that the solidarity project could be considered as a whole. The Time Bank is an initiative created by Cajamar that arose from the experiences of another Time Bank, based on a corporate space for the exchange of personal services between employees. Through the platform, employees will be able to offer their time and receive time from other colleagues. One further step in corporate citizenship is taken through the Time Bank, with regard to the conciliation between personal and work life and greater mutual understanding among the entity's employees.

We all have skills that could be useful to others, as well as certain needs that can be met thanks to the skills of others. To participate in the Time Bank, no extraordinary abilities or techniques are required, since it is about helping others in daily activities, as much as possible and depending on each person's availability. In short, the Time Bank is for helping and being helped.

ETHICAL FINANCING COLLECTION

The Ethical Financing Collection is a quarterly internal publication that includes monographic subjects related to corporate social responsibility and ethical and solitary financing. It is an instrument of internal dissemination among employees about corporate social responsibility policies, measures and instruments that are being applied to the financial arena, which is the entity's fundamental activity with which all employees identify. It basically aims to transmit the social role and the contribution to development of a financial activity based on ethical and caring principles and values. The issues to work with include the following: ethical banking, socially responsible investment, social currencies, etcetera.

To illustrate the content of the collection, we include a brief review of the first issue of the monograph, published in the last quarter of 2007, and dedicated to microfinances and microfinancing activities.

The immediate origin of microfinances, as currently conceived, can be found in the decade of the seventies. Its geographic origin dates back to Asia (Bangladesh), although microfinancing initiatives were soon started in Latin America, where they acquired great importance in the fight against poverty, usurious financing and underdevelopment, and where particularly significant evolution occurred both from quantitative and qualitative perspectives.

To create employment and wealth, reduce dependence and poverty, increase productivity, value resources and skills and support disadvantaged groups, especially women, are the most recurrent objectives of microfinancing in countries with structural problems of poverty. Essentially, it aims to support underfinanced sectors that are potentially profitable and that have short and medium-term possibilities of productive development if there is a greater involvement of financing entities with respect to the allocation of financial products and services.

Indeed, at times microfinance institutions (MFIs) have obtained better results than conventional commercial banking, results that can be measured both in terms of social impact and in terms of efficiency and credit default rates. The reasons that explain these cases are essentially the flexibility of the MFIs, their greater capacity to adapt to informal economies, their independence from international financial circuits and, in general terms, their lower operating costs.



Dissemination of Cajamar's CSR and business ethics

Subsequently, and especially due to the migratory processes from South to North, microfinances have started to take root in opulent countries or, in other words, countries that are conventionally called developed. Microfinances in these countries are contributing to alleviating the effects of large urban poverty pockets and depressed populations in rural areas.

The microfinance industry has acquired a certain degree of maturity in modern times, although its macroeconomic impact continues to be extremely limited. While in its early days, it was linked to subsidised public programmes, in the nineties sustainability and efficiency criteria started to acquire greater weight than subsidising.

Specifically, subsidies can generate substantial inefficiencies, such as excess microcredit demand that can end up entailing high default rates, excessive and unjustified leveraging of borrowers and, consequently, a greater lack of financial sustainability of the MFIs. However, excessive financing also dissuades the pursuit of credit investments, both in its strictly financial aspect and as regards the evolution of self-employment projects and financed micro-businesses.

Thus, we can say that the growth and maturity of microfinance activity are a fact. And future projections are particularly promising, both in poor and more prosperous countries, essentially because the activity that continues to harbour greater value and acknowledgement as an instrument to fight against poverty

and against financial and social exclusion. And remember that more than 70% of the world's population faces problems of financial exclusion.

The progress obtained in the scope of institutionalising microfinance activities is having very positive repercussions as regards solvency and sustainability of the MFIs. This fact in turn is leading to the expansion of the catalogue of financial instruments offered by these institutions to low-income families. The institutionalisation of microfinancing therefore permits a greater adaptation of the offer of the institutions to the real needs of social groups at risk of financial exclusion.

In its modern conception, the first significant action in the area of microfinancing is associated with Nobel Prize Winner Mohamed Yunus and the creation of the Grameen Bank in 1976. Since then, this MFI and its foundation, in collaboration

with other institutions, have helped over 11 million people around the world. Concretely, between 1976 and 2006 the Grameen Bank conceded 5400 million dollars with a return rate of 98.3%. Similarly during this same period, it has supported close to six million borrowers (5.89 million), of which some 96% were women.

Almost 60,000 townships have benefited from the credit activity of this MFI. The Grameen Foundation helps in countries like Bangladesh, India, China, the Philippines, Indonesia, East Timor, Indonesia, Saudi Arabia, Uganda, Rwanda, Egypt, Tunisia, Nigeria, Morocco, Bolivia, El Salvador, Honduras, The Dominican Republic, Haiti, Mexico and the United States. It can thus be said that the entity has a broad network of offices executing microfinance activities. There are over 2000 branches distributed throughout the world. And its current objective is to extend its banking model to the poor in Africa and the most impoverished zones of large metropolises.

The success of this formula led the United Nations to consider microcredits as a capital instrument to eradicate poverty in light of the Millennium Objectives (2015), due to centring its activities on the informal sector, mobilising microsaving, combating usury practices, permitting greater gender equality in access to economic activity, facilitating the flow of remittances, etcetera.

In any event, it must be said the microcredits are not the panacea. They should be construed as an additional instrument for managing development, but there are multiple structural problems that must tackled at a very different scale than microfinancing in itself.

In the seventies, the majority of developmental public bodies and NGOs felt that granting credits to people without real or personal guarantees, without credit histories and living in extreme poverty, had an extraordinarily high risk of default, practically unsustainable in light of outlining financial activities that were not subsidised and were self-sufficient. However, in general terms, experience has demonstrated that arrears in microcredit activities are surprisingly low. Until 1995, the Grameen Bank depended on external aid, but low delinquency rates, most of them related to delays and lack of synchronisation between the generation of income and the amortisation programme, more than actual losses in the strict sense, demonstrated that the project could be sustainable and could have unforeseen social effects.



Cajamarca office in Peru

The concept of microfinances is complex in itself. The use of this term refers to realities, instruments and activities that are very disparate: microcredits, microsaving, micro-insurance, social currencies, remittances... It must be said that while poverty is a common problem in the third world, it is not a homogeneous problem. In its origin, there is a clear identification of microfinances with microcredits, but with the passing of time, the microfinance activity has been enriched, becoming increasingly complex and adding a larger number of products and services that are essential when designing an offer that is adjustable to the needs of the population segments with the greatest problems of poverty and exclusion. And this has been, and still is, possible due to the necessary complementary nature of the financial and parafinancial instruments that MFIs have to offer a complete microfinance service.

The main objective of developing microfinances is to contribute to reducing poverty, alleviating the effects of financial exclusion, as well as those characteristic of informal financial activities related to informal lenders (usurers, family members, neighbours, friends, etcetera): high rates and high commissions, scarce resources, etcetera. It involves risk management methodology that is radically different from conventional banking and commercial banking methodologies. Consultancy and guidance are essential in the process of using microfinance instruments.

In many cases, the microfinance activities characteristic of MFIs entail not only strictly financial brokerage, but also integrate considerable social intermediation. This permits group mechanisms to be articulated for reciprocal or provident guarantees, as well as credit unions that, over time, can end up obtaining a high level of institutionalisation, formalisation and presence both in the sphere of local communities and at regional and even state levels. The mobilisation of local communities to achieve higher group credits and greater mutual trust have ended up becoming a fundamental mechanism for the growth, development and maturing of microfinance activity and, specifically, microcredit activity.

The future of microfinance activity stops being a marginal reality and consequently becomes the central core of financial activities and cooperation and development policies and projects. Keeping in mind the need for self-sufficiency and financial sustainability of MFIs, financing must stop being exogenous and dependent, to become endogenous and not subsidised, allowing local resources to be better used and obtaining greater development of local communities.

WORKSHOPS AND CONFERENCES ABOUT CSR

From the area of Corporate Social Responsibility, Cajamar has participated in numerous conferences and seminars promoting the ethical perspective in the sphere of business activity.

DISSEMINATION OF GOOD GOVERNANCE IN AGRICULTURAL COOPERATIVES

In 2007 Cajamar continued its programme of courses for governing boards and directors of the agricultural cooperatives operating in their area of influence, with numerous cooperatives of different sizes and over three hundred agricultural cooperative boards and directors benefiting from this training initiative.



Good governance and competitiveness in social economy

Among others, the subjects taught in these courses have been:

- > Functions and responsibilities of the governing board and board members of credit cooperatives
- > Good cooperative and corporate governance, as well as analysis of the best business and organisational practices in this area
- > Analysis of cooperatives' financial statements
- > Economic analysis of the different production sectors to which the cooperatives belong, also tackling the analysis of evolution trends in the agri-food complex and the changes taking place in wholesale distribution.
- > Historical evolution and situation of cooperative companies, highlighting cooperative values and their inclusion.

ECOLOGICAL ECONOMICS SEMINARS

Ecological economics

The words economics and ecology share the same etymological root (oikas, house), meaning the evolutionary processes of both disciplines must be understood. In the second half of the 20th century in the area of economic theory, a new discipline started to be developed that was outlined from its beginnings to seek meeting and compatibility spaces between the rules of conventional economics, neoclassic economics and the rules of natural ecosystems.

This new science is basically characterised by its interdisciplinarity and, above all, the critical revision done of the main paradigms and beliefs in classic and neoclassic economic theory. In fact, economic science arose at the end of the 18th century in the scope of the industrial revolution, during the full expansion of mechanist thought of Descartes and Newton in the midst of the conviction that nature is an enemy to beat and dominate.

In modern times, circular processes in economics, characteristic of mechanist thought with which economic discipline was created, have been broken. Nature has made it clear that the large part of current economic and financial processes is irreversible. However, and most importantly, nature has stopped being an enemy to beat and has become mankind's ally to be able to survive.

Ecological economics is posing taboo subjects like zero growth for those societies that have reached higher-than-acceptable levels for well-being. New values are planned, such as human capital, biodiversity, the reduction of the ecological footprint, revision of the idea of well-being, which do not necessarily have to be related to economic growth, etcetera.



Ecological economics seminar in Valencia

Cajamar initiatives in the area of promotion and dissemination of the principles of ecological economics

In 2007 two seminars were given that generically addressed this new economic paradigm, one in Almería and the other in Valencia. Among the objectives of these seminars, meriting mention is the creation of a knowledge network centred on all angles of ecological economics, allowing the different economic and social agents to be made aware of them, as well as revealing the limitations of the conventional economics paradigm to society as a whole, in an environment of resource limitation and growth.

Cajamar has created a website to notify people about future seminars that are organised: www.economiaecologica.com. It also plans to create different tools in order to continue contributing to the dissemination of the new principles, values and metrics of all aspects of ecological economics.

The subjects covered in the two seminars organised in 2007 included:

- > Energy and territory
- > The environment and natural resource management
- > Microeconomics and ecological economics
- > Ecological economics and sustainable development
- > Spain and its challenge of sustainability
- > Ecological economics and environmental policy

The speakers at the two seminars were renowned researchers and professionals from different sectors related to sustainability and ecological economics, such as Vicent Alcántara, Óscar Carpintero, Francisco Garrido, Domingo Jiménez, Francesc La Roca and Enric Tello. Some three hundred people with highly diverse academic and professional profiles attended the seminars.



CAJAMAR IN THE PRINCIPAL FORUMS ABOUT CORPORATE SOCIAL RESPONSIBILITY

In the framework of our commitment to actively participate in the main social debates about business ethics, in 2007 Cajamar was present at the different forums about corporate social responsibility, promoting and disseminating the values of sustainability, dialogue with the different groups of interest, social action, good corporate governance and corporate citizenship.

Presence at these forums permitted the interchange of experiences and knowledge among socially-responsible companies and organisations, whose aspiration is to improve their economic-financial, social and environmental endeavours. Cajamar reported on these issues in the different interest groups with which it interacted and that benefit society as a whole.

Among the principal forums, the following merit mention due to their strength and leadership in the area of business ethics, social action and corporate social responsibility in Spain.



> Forética: Organisation whose objective is to foster the culture of ethical management and social responsibility of organisations



> Company and Society Foundation, whose objectives are to improve strategies and suitably manage companies' social action

The Global Compact



The Global Compact is a United Nations international initiative, whose fundamental objective is obtaining a firm commitment of improvement from its member entities in the area of social responsibility through the implementation of ten principles related to respecting human rights, employment rights, environmental conservation and contribution to sustainability and fighting all areas of corruption. These principles aspire to obtain greater sustainable development both locally and globally. The entities that adhere to the Global Compact must be aware of these principles at all times and gradually implement them in their entirety in the heart of the organisation.

Our entity, by the resolution of the Governing Board, adhered to the United Nations Global Compact in 2006, acquiring the highest level of commitment to respecting the principles that comprise it and contributing to the creation of a more just, caring and sustainable society. Adhering to the United Nations Global Compact implies, above all, Cajamar's firm commitment to corporate social responsibility. This commitment is put into practice by the gradual implementation of the ten following principles in the heart of the entity:

HUMAN RIGHTS

- > Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their scope of influence.
- > Principle 2: Businesses should make sure they are not complicit in human rights abuses.

LABOUR STANDARDS

- > Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- > Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.
- > Principle 5: Businesses should uphold the effective abolition of child labour.
- > Principle 6: Businesses should uphold the elimination of discrimination in employment and occupation.

ENVIRONMENT

- > Principle 7: Businesses should support a precautionary approach to environmental challenges.
- > Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- > Principle 9: Businesses should encourage the development and diffusion of environmentally-friendly technologies.

ANTI-CORRUPTION

- > Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

As a result of the commitment acquired upon adhesion, in 2006 Cajamar drew up its first communication on progress with respect to the principles of the Global Compact, specifying the policies, measures and instruments of improvement implemented throughout the year in relation to corporate social responsibility. In 2007, it drew up its second communication on progress, in which it included the improvement implemented throughout the financial year with respect to the principles of the Global Compact. These reports were submitted to public scrutiny by the United Nations.

WE ARE INTERESTED IN YOUR OPINION

At Cajamar, we want to encourage dialogue with the different groups of interest with whom we have relationships. Due to this, we need to know your opinion about how our entity should handle the challenges posed about sustainability and social responsibility. We know that we cannot improve without having the opinion of our partners, customers, employees and society in general. This is our commitment and we want you to be a participant.

If you like, you can contact us at:

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