

This is a partial transcript of the relevant aspects of the order, dated in October 26th, 2009, that provides the guarantee of the Central Government to secure obligations to the FROB arising from several types of financial instruments. This translation has been prepared exclusively for information purposes, in case of discrepancy the Spanish version shall prevail

MINISTER OF ECONOMY AND FINANCE ORDER ISSUING GUARANTEE OF THE CENTRAL GOVERNMENT (ADMINISTRACIÓN GENERAL DEL ESTADO) TO SECURE OBLIGATIONS TO THE FUND FOR ORDERED BANKING RESTRUCTURING ARISING FROM ISSUES OF FINANCIAL INSTRUMENTS, THE ARRANGEMENT OF LOAN AND CREDIT TRANSACTIONS, AND THE EXECUTION OF ANY OTHER FINANCING TRANSACTIONS BY THAT FUND, IN ACCORDANCE WITH THE PROVISIONS OF ROYAL DECREE-LAW 9/2009, OF JUNE 26, ON BANK RESTRUCTURING AND REINFORCEMENT OF CREDIT INSTITUTIONS' OWN FUNDS.

The second additional provision of Royal Decree-Law 9/2009, of June 26, on bank restructuring and reinforcement of credit institutions' own funds, authorized the granting of guarantees of the Central Government to secure financial obligations to the Fund for Ordered Banking Restructuring arising from issues of financial instruments, the arrangement of loan and credit transactions, and the execution of any other financing transactions by that fund, in accordance with the provisions of Royal Decree-Law 9/2009, of June 26, on bank restructuring and reinforcement of credit institutions' own funds.

Specifically, for 2009, point a) of the aforementioned provision established that guarantees of up to a maximum amount of 27,000 million euros could be granted against the limit set in Article 54, One of Law 2/2008, of December 23, of the General State Budget for 2009.

The aforementioned second additional provision also establishes that the granting of guarantees, which shall accrue no fees, and must be approved by the Minister of Economy and Finance, can only be effected once the Fund has been formally constituted. According to the provisions of Article 2 of the same Royal Decree-Law, the Fund is understood to have been constituted once the members of its Governing Commission have been appointed.

By Minister of Economy and Finance Order of July 10, 2009 the members of the Governing Commission of the Fund for Ordered Bank Restructuring were duly appointed.

By virtue thereof, taking into account the foregoing and in accordance with the second additional provision of Royal Decree-Law 9/2009, of June 26, on bank restructuring and reinforcement of credit institutions' own funds and Article 116 of Law 47/2003, of November 26, on the General Budget, establishing that the granting of guarantees of the Central Government must be approved by the Minister of Economy and Finance,

I ORDER:

FIRST.- The Central Government guarantees, waiving the benefit of excussion established in Article 1830 of the Civil Code, and up to a maximum amount of **27,000 million euros**, the payment of financial obligations to the Fund for Ordered Bank Restructuring, arising from issues of financial instruments, the arrangement of

loan and credit transactions, and the execution of any other financing transactions by that Fund which fulfil the requirements set out in the following paragraphs.

The maximum amount of the guarantee granted is understood to refer to the principal of the transactions, the guarantee being extended to cover the corresponding ordinary interest. The guarantee does not cover any obligation, whether default interest, fees, financial expenses or otherwise, other than those indicated.

The guarantee is understood to be granted irrevocably and unconditionally, once the requirements set forth in this order have been satisfied, and shall be effective for each of the transactions guaranteed.

SECOND.- Financial obligations to the Fund for Ordered Bank Restructuring arising from issues of bonds and the arrangement of loan and credit transactions in Spain by the Fund for Ordered Bank Restructuring that satisfy the following requirements are guaranteed up to the maximum amount indicated in the previous paragraph:

Type of security: In the case of issues, they must be unsubordinated debt securities unsecured by any other type of guarantee.

Term to maturity: The term to maturity must be a maximum of 7 years after issuance.

Yield: The interest rate may be fixed or floating. In the case of a floating interest rate, the reference rate must be broadly available and used in the financial markets.

Structure of guaranteed transactions: Neither secured issues nor arranged loans and credits shall include options, nor any other derivative instrument, nor any other element that might hinder the evaluation of the risk assumed by the guarantor.

Admission to trading: In the case of issues, securities must be admitted to trading on an official secondary market.

The issues, loans and credits secured by this guarantee must have been arranged before December 15, 2010.

Payments arising from the issues, loans and credits to be made by the guaranteed issuing institution, must be made through the Bank of Spain as paying agent.

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SEVENTH.- The effectiveness of the guarantee granted shall be contingent on the completion of the following procedures:

a) At least 10 calendar days prior to the date scheduled for the transaction, the guaranteed issuing institution must notify the General Directorate of the Treasury and Financial Policy of the details of each specific transaction it intends to effect, using the documents and in the formats stipulated by the aforementioned General Directorate.

b) The General Directorate of the Treasury and Financial Policy shall examine the details of the transaction and, if the requirements necessary for the transaction to be covered by the government guarantee are satisfied, on the terms established in this granting order, and in Royal Decree-Law 9/2009, of June 26, on bank restructuring and reinforcement of credit institutions' own funds, it shall use the form provided in Appendix I of this order to notify the Fund for Ordered Bank Restructuring to make the corresponding issue.

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NINTH.- Without prejudice to the provisions set forth in previous paragraphs, the enforcement of the guarantee against the Central Government and the payment of the amounts arising from this action, including, if applicable, the compensation provided for in the second additional provision of Royal Decree-Law 9/2009, of June 26, on bank restructuring and reinforcement of credit institutions' own funds, shall be carried out in the following manner:

1. In order to expedite the payment process, enforcement shall be initiated once only for each maturity of both principal and interest. For this purpose, at least 15 calendar days prior to the payment date, the guaranteed issuing institution must give notice of the amounts corresponding to the payment in respect of which there will be a default, and of all defences that could be raised against payment.
2. If the Fund for Ordered Bank Restructuring has defaulted on payment of a due liquid and enforceable obligation on a guaranteed transaction, under the terms of this order the paying agent, representing all lawful holders of the securities issued, or the lenders, must present a written demand for payment to the General Directorate of the Treasury and Financial Policy, using the form set forth in Appendix II.
3. Once the creditor's lawful entitlement has been established, the General Directorate of the Treasury and Financial Policy shall immediately initiate the necessary proceedings to acknowledge the obligation, prior to ordering payment of the amount due from the enforcement of the guarantee. The corresponding amount shall be transferred to the account opened in the Bank of Spain solely for this purpose, registered in the third-party database of the General Directorate of the Treasury and Financial Policy.

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