
Fondo de Reestructuración Ordenada Bancaria (FROB)

Restructuring Plan for CajaSur

Press release – July 16th, 2010

The Governing Committee of the Fund for Orderly Bank Restructuring (FROB), in its meeting on July 15th, 2010, in the context of the orderly restructuring process of Caja de Ahorros y Monte de Piedad de Córdoba (CajaSur), has drawn up the Restructuring Plan for CajaSur providing for the transfer of the whole assets and liabilities of CajaSur to Bilbao Bizkaia Kutxa (BBK).

The FROB considers that BBK's proposal, which has been chosen through a competitive process, ensures the most efficient use of the public resources. The Restructuring Plan has been submitted for the approval of the Banco de España.

The economic proposal made by BBK includes a request for an assets protection scheme (EPA) regarding a specific assets portfolio. Under this scheme the FROB will assume losses derived from those assets within five years till a maximum of € 392 million. This amount will be paid in advance applying Euribor 1yr plus 50 basis points.

The Restructuring Plan for CajaSur will be submitted to the competition authorities of the European Union for their assessment and it is also subject to the absence of objections from the Spanish Minister of Economy and Finance.

CajaSur is under the interim administration of the FROB since May 21st, when the Executive Commission of the Banco de España, in compliance with the provisions laid down in the law 26/1988 on Discipline and Control of Credit Institutions and in article 7 of the Royal Decree-law 9/2009, of June 26th, on bank restructuring and credit institutions equity reinforcement (RDL 9/2009), decided to replace the management bodies of CajaSur. Since that date, CajaSur has been performing in ordinary conditions and has made progress in its necessary process of restructuring, in which this measure plays a key role.