

Temporary postponement of the sale of Catalunya Banc and Banco de Valencia

Press release – 21 June 2012

On 9 June, the Eurogroup released a statement supporting the efforts by the Spanish authorities to tackle the restructuring of the Spanish financial system and welcoming their intention to request, to this end, financial aid from the euro area Member States. Today will see the publication of the results of the stress test, conducted by the consultancies Oliver Wyman and Roland Berger, of the Spanish banking sector in the face of an adverse economic scenario.

Pending the results of the valuation processes currently under way and the specification of the financial support referred to in the Eurogroup note, the Governing Committee of the Fund for the Orderly Bank Restructuring (FROB) has resolved today to postpone temporarily the competitive bidding processes under way in relation to the sale of Catalunya Banc and of Banco de Valencia. The FROB, in compliance with its remit under Royal Decree-Law 9/2009 to safeguard the stability of the financial system, will remain committed to the viability of the banks under its control. It will inject the capital or provide the financial support needed to guarantee the normal functioning of these banks and to ensure they are capable of meeting their obligations to depositors and creditors in general.

In particular, and as far as Banco de Valencia is concerned, the Governing Committee of the FROB has agreed to subscribe forthwith the capital increase at this bank for an amount of €1 billion. This provisional aid was notified to and duly authorised by the European Commission, pending finalisation of the restructuring plan.