

PRESS RELEASE

Madrid, 14 January 2014

Sale of Caja Rural Comarcal de Mota del Cuervo within the framework of its resolution process

The Executive Commission of the Banco de España, at its meeting held this afternoon, has authorised the sale of Caja Rural Comarcal de Mota del Cuervo, S.C.L.C.A. to Caja Rural de Albacete, Ciudad Real y Cuenca (Globalcaja), in accordance with the proposal of the Fund for the Orderly Restructuring of the Banking Sector (FROB), within the framework of the process for resolution of the institution.

This process was approved by the Banco de España after it established that the above-mentioned institution was not viable and the appropriateness of FROB intervention to achieve the public interest objectives established in Article 3 of Law 9/2012 of 14 November 2012 on restructuring and resolution of credit institutions. This process has involved the replacement of the board of directors of the institution, the appointment of the FROB as its provisional administrator and the conduct, by the FROB, of an urgent competitive procedure to select the acquirer, in accordance with the provisions of Articles 26.7 and 68 of Law 9/2012.

The reasons for these actions were highlighted by the latest inspection of the institution, completed in December. The Banco de España's inspection department discovered a significant failure to comply with the capital and core capital ratios and a financial deterioration that involved an appreciable risk that the institution might be unable to meet its obligations in the near future.

In view of this situation, and the fact that it was not reasonably foreseeable that the institution would be capable of overcoming it by itself, the Banco de España and the FROB took the steps that have enabled the resolution process to be opened and completed within a short period of time. This was done taking into account the existence of the singular circumstances of the present case, which are in line with the requirements of Law 9/2012 for the application of credit institution resolution instruments. These instruments have also enabled losses to be avoided, not only by the members of the institution, but also by those depositors that did not enjoy the coverage of the Deposit Institution Deposit Guarantee Fund, by means of the resolution of this institution and its urgent sale to another viable institution to ensure the future of its business.

Globalcaja was the successful bidder in the competitive process conducted by the FROB, in which two banks participated. The consideration offered by Globalcaja for the total equity of Caja Rural Comarcal de Mota del Cuervo, whose nominal value is €383,000, amounts to €1,275,800. This is equivalent to €200 for each equity contribution.

The sale of Caja Rural Comarcal de Mota del Cuervo, S.C.L.C.A. on the terms offered by Globalcaja means that the current members of the institution will receive consideration in cash for their equity contributions. The position of the depositors and other creditors of the institution will be considerably strengthened because the integration of Caja Rural Comarcal de Mota del Cuervo, S.C.L.C.A. in a viable bank such as Globalcaja assures its future. All this has been achieved at no cost to taxpayers since, in accordance with the bid received from Globalcaja, the sale took place without public financial support.

The action taken today by the Banco de España and the FROB ensures that the business of Caja Rural Comarcal de Mota del Cuervo, S.C.L.C.A. will continue to function normally.

The integration process now initiated will give rise to the merger of the two banks, which will be carried out in the coming months.

Caja Rural Comarcal de Mota del Cuervo, S.C.L.C.A.

The institution has one office open to the public and eleven employees. Its total assets of €82.55 million represent 0.003% of the assets of the Spanish financial system. Its deposits amount to €74.32 million and its loans to €73.34 million.

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