

FONDO DE GARANTIA DE DEPOSITOS DE ENTIDADES DE CREDITO

Plan for the Restructuring of Banco CAM

Press release – December 7th, 2011

At its meeting today, and in connection with the orderly restructuring of Banco CAM, the Governing Committee of the Fund for the Orderly Bank Restructuring (FROB) has drawn up the restructuring plan for this bank, which envisages that it will be integrated with Banco Sabadell.

In accordance with Articles 12 and 13 of Royal Decree-Law 16/2011, the Management Committee of the Deposit Guarantee Fund of Credit Institutions has today committed the required financial support for the orderly restructuring of Banco CAM.

The Executive Commission of the Banco de España has also today approved the Banco CAM restructuring plan prepared by the FROB.

Consequently, under the approved restructuring plan:

- The Deposit Guarantee Fund will acquire 100% of the capital of Banco CAM through the subscription of one or more capital increases, for a total amount of €5,249 billion,¹ which it will subsequently transfer to Banco Sabadell for a price of one euro.
- Additionally, the Deposit Guarantee Fund will grant to Banco CAM an asset protection scheme whereby the Deposit Guarantee Fund will bear 80% of the losses derived from a predetermined asset portfolio for a period of ten years, after the provisions for these assets have been used.
- The FROB will take on certain contingent commitments in relation to Banco CAM so as to ensure the latter's access to certain sources of funding currently available to it.

The Banco CAM restructuring plan must be submitted to the EU competition authorities and, pursuant to the terms of Royal Decree-Law 9/2009 of 26 June 2009, on bank restructuring and credit institutions equity reinforcement, is subject to there being no objection by the Minister of Economy and Finance in the next five business days.

¹ This figure includes €2.8 billion previously committed by the FROB that have been assumed by the Deposit Guarantee Fund.

It should also be noted that, in view of the participation of the Deposit Guarantee Fund in the above-mentioned restructuring plan, the orderly restructuring of Banco CAM is not expected to have any impact on the State budget outturn.

Banco CAM has been administered by the FROB since 22 July, the date on which the Executive Commission of the Banco de España, in accordance with the provisions of Law 26/1988 of 29 July 1988 on discipline and intervention of credit institutions and of Article 7 of the above-mentioned Royal Decree-Law 9/2009, resolved to provisionally replace its directors. Since then Banco CAM has continued to operate normally and has made progress with the necessary reorganisation, of which this operation is an essential part.