

MEASURES ADOPTED IN SPAIN

Fernando Conlledo

HEAD OF THE LEGAL DEPARTMENT

CECA

JOINT EFMLG/FLB/FMLC/FMLG MEETING

Milan, June 19, 2009

MEASURES ADOPTED /TO BE ADOPTED

DEPOSIT PROTECTION INCREASED UP TO 100.000 EURO

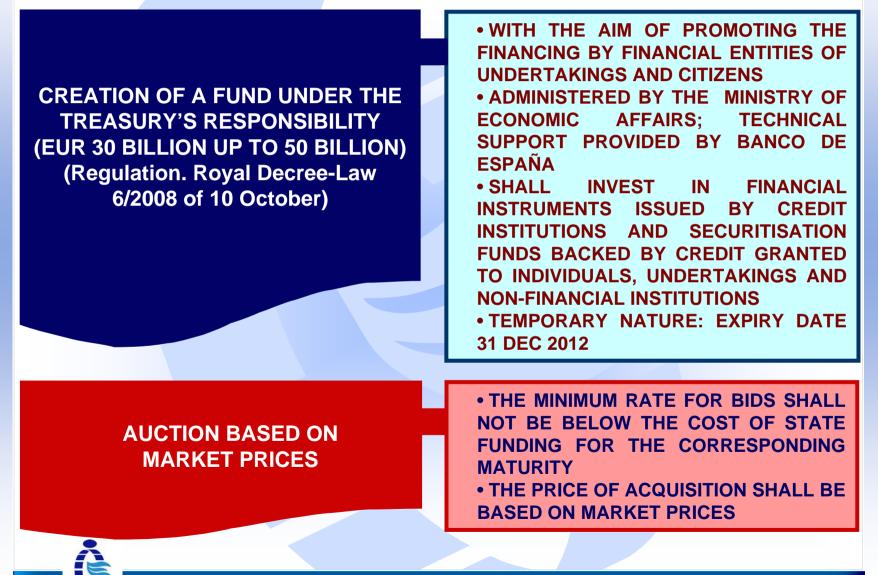
FUND FOR ACQUISITION OF FINANCIAL ASSETS

GUARANTEE SCHEME FOR THE ISSUANCE OF DEBT BY CREDIT INSTITUTIONS

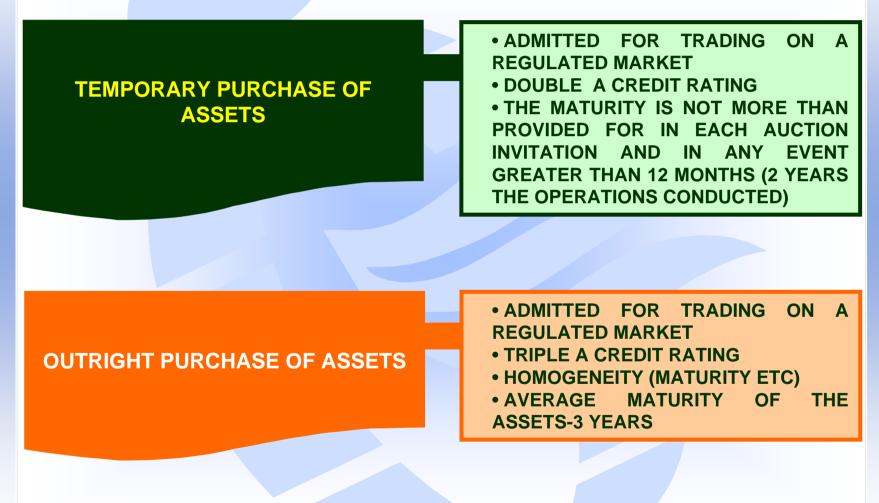
NEW FUND?



FUND FOR ACQUISITION OF FINANCIAL ASSETS



FUND FOR ACQUISITION OF FINANCIAL ASSETS II





GUARANTEE SCHEME FOR CREDIT INSTITUTIONS

AUTHORISATION OF STATE GUARANTEES FOR NEW FINANCIAL OPERATIONS PERFORMED BY CREDIT INSTITUTIONS (Royal Decree-Law 7 /2008 of 13 October)

SCOPE OF FINANCIAL OPERATIONS. Promissory notes and bonds admitted to trading on Spanish secondary official markets

GUARANTEES UP TO EUR 100 BILLION

THE MAXIMUM MATURITY OF THE OPERATIONS SHALL BE 5 YEARS (CURRENTYLY GUARANTEES ISSUED UP TO 3 YEARS)

TEMPORARY NATURE: EXPIRY DATE 31 DEC 2009

EXCEPTIONALLY THE MINISTRY OF ECONOMIC AFFAIRS MAY ACQUIRE INSTRUMENTS ISSUED BY CREDIT INSTITUTIONS TO REINFORCE ITS OWN FUNDS (e.g. Preference Shares)

THE GRANTED GUARANTEES SHALL ACCRUE COMMISSION REFLECTING THE RISK ASSUMED BY THE STATE IN EACH OPERATION

OPERATIONS CONDUCTED

	AMOUNT (Million euro)
AUCTIONS	
2 REPO	6.115
2 OUTRIGHT	13.226
TOTAL AUCTIONS	19.341
GUARANTEED ISSUANCES*	
PUBLIC	29.959
PRIVATE	3.987
TOTAL	33.946

* DATA AS PER JUNE 10 2009



CONCLUSIONS

MEASURES AIMED AT

 PROVIDING LIQUIDITY TO FINANCIAL INSTITUTIONS, AT
 LONGER MATURITIES AND
 RESTORING THE CONFIDENCE IN THE MARKETS

SO FAR THE MEASURES HAVE BEEN REFERRED TO DEBT INSTRUMENTS, NOT TO OWN FUNDS INSTRUMENTS

THE WAY AHEAD: NEW FUND?



THE FUND FOR THE ORDERLY BANKING RESTRUCTURING ("FROB")

AMOUNT UP TO 99 BN EURO (9 CAPITAL+90 DEBT) AND MANAGED BY BANCO DE ESPAÑA (CENTRAL BANK AND SUPERVISORY AUTHORITY)

> FUNDED BY THE STATE AND THE DEPOSIT PROTECTION SCHEME (BANKING COMMUNITY)

FUNCTIONS : MANAGING THE RESTRUCTURING OF CREDIT INSTITUTIONS AND REINFORCING THEIR OWN FUNDS

THE INTERVENTION OF THE FUND WILL LEAD TO MERGERS AND ACQUISITIONS IN THE BANKING SECTOR; PRIOR TO THAT THE MANAGEMENT OF THE AFFECTED INSTITUTIONS WILL/MIGHT BE REPLACED

