



NOTICE

Madrid, 29 March 2009

Banco de España replaces directors of the Caja Castilla La Mancha

In compliance with Law 26/1988 on the discipline and intervention of credit institutions, the Banco de España (BE) Executive Commission decided to replace the directors of Caja Castilla La Mancha with others designated by the BE. Caja Castilla La Mancha has positive net worth and is therefore a solvent institution, but both its regulatory capital situation and its financial outlook make it advisable to seek solutions to assure its future.

Both this measure and the Decree-Law enacted today by the Council of Ministers ensure that Caja Castilla La Mancha will meet all its obligations to third parties. This means that depositors and creditors have absolutely no cause for concern.

The BE Executive Commission's decision was taken after the talks held in recent weeks to find a solution in the framework of the savings bank Deposit Guarantee Fund met with no success. The Banco de España took a positive view of this initiative because it would have avoided the use of public funds.

The deterioration to which the institution might have been exposed had the search for this type of solution continued made it advisable for the Banco de España to act to prevent a costly final outcome for taxpayers.

The Banco de España's decision is fully in line with the principles agreed in the motion approved by Parliament on 17 March on the strategy for restructuring the Spanish financial system.

Caja Castilla La Mancha represents less than 1% of the assets of the Spanish banking system. The Banco de España emphasises that the Spanish financial system remains sound, although it is not immune to the international financial crisis.

The Governor of the BE communicated to the Chairman of the Parliamentary Committee on Economic Affairs his readiness to appear in person, if considered appropriate, to explain this decision.

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