



PRESS RELEASE

Madrid, 21 November 2011

The Banco de España replaces the directors of Banco de Valencia at the request of its Board of Directors

At the request of the Board of Directors of Banco de Valencia, the Banco de España agreed today that the FROB (Fund for the Orderly Restructuring of the Banking Sector) should replace the directors of the bank, in accordance with the provisions of Article 7 of Royal Decree-Law 9/2009.

As from the publication of this decision in the Official State Gazette, the FROB shall manage Banco de Valencia with the aim of stabilising and recapitalising the institution, thus enabling its subsequent disposal to another bank through a competitive process.

To this end, the Governing Committee of the FROB has agreed today to subscribe to capital in the bank for up to €1 billion and to grant it a credit line of €2 billion to ensure its liquidity.

The decision by the Executive Commission of the Banco de España was made following an assessment of the financial situation of Banco de Valencia, having noted that the bank was unable to adopt the appropriate measures to ensure its viability. In this connection, the Banco de España had recently written to the directors of Banco de Valencia calling for an urgent and conclusive solution to the situation. The Board of Banco de Valencia has today formally confirmed to the Banco de España that it is unable to provide forthwith a solution for the future viability of the institution, and it has requested the replacement of its directors by others designated by the FROB, in accordance with the provisions of Article 7 of Royal Decree-Law 9/2009.

Depositors and creditors can rest fully assured that the resolutions adopted today will guarantee that Banco de Valencia can continue operating normally and will meet all its obligations with third parties.

Banco de Valencia accounts for 0.74% of the Spanish banking system's total assets.

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