

Brussels, 28 September 2012

Statement by the President of the Eurogroup Jean-Claude Juncker on Spain

On 20 July 2012 the Eurogroup decided to grant financial assistance to Spain in the form of a banking recapitalisation programme. It was agreed that it would cover financing needs of up to EUR 100 billion, while the specific amount would be determined based inter alia on a thorough bottom-up assessment of capital shortfalls for individual banks.

The results of the bank-by-bank stress test conducted by an external consultant with regard to 14 banking groups comprising more than 90% of the Spanish banking system were published today.

I am comforted by the fact that the total capital shortfall of the Spanish banking sector comes out at slightly less than EUR 60 billion. The final State aid provided to Spanish banks will be lower than the reported capital shortfall, given measures to be taken by the banks in accordance to their recapitalisation and restructuring plans.

The assessment shows that the total financial assistance agreed in July should be more than adequate to cover the final capital needs, including a comfortable safety margin. It should ensure that the recapitalisation process of banks can proceed efficiently and in accordance with previously agreed timelines.

I very much welcome that progress on implementing the commitments as defined in the Memorandum of Understanding is well on track. I am confident that the reforms attached to this financial agreement will contribute to ensuring a return of all parts of the Spanish banking sector to soundness and stability.

Released by the President of the Eurogroup

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