

Mr Jean-Claude Juncker
President of the Eurogroup

Madrid, 24 June 2012

Dear Sir, *Dear Jean-Claude ;*

On behalf of the Spanish Government, I am writing to formally apply for external financial assistance in the context of the recapitalisation of certain Spanish financial institutions. The assistance is sought under the terms of the Financial Assistance for the recapitalisation of financial institutions. The instrument to be used will take into consideration the different alternatives available at present and in the future.

I welcome the statement by the Eurogroup Ministers of 9 June 2012 which supports the efforts of the Spanish authorities to resolutely address the restructuring of its financial sector and their intention to seek external financial assistance for the recapitalisation of financial institutions to cover estimated capital requirements with an additional safety margin, estimated as summing up to EUR 100 billion in total.

The Fund for Orderly Bank Restructuring (FROB) – acting as agent of the Spanish government -- will receive and channel funds to the financial institutions concerned, whilst Spanish authorities will cooperate fully in assessing the eligibility criteria, in preparing the financial sector-specific policy conditionality, in reporting on progress in implementing agreed measures and drawing up the financial assistance contracts. It is our intention to finalize the MoU by 9th July so it could be discussed during the next Eurogroup meeting. In this respect, the topdown exercises carried out by the two independent experts and the IMF's FSAP should be regarded as a good starting point.

Yours faithfully,



Luis de Guindos
Minister for Economic Affairs and Competitiveness

Cc Mr Olli Rehn, Vice President for economic and monetary affairs and the Euro, European Commission
Mr Klaus Regling, Chief Executive Officer, European Financial Stability Facility