

IMF Managing Director Christine Lagarde Welcomes the Completion of Spain's Banking Sector Valuation

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Ms. Christine Lagarde, Managing Director of the International Monetary Fund (IMF), made the following statement today:

"I welcome the completion of the Spanish banking sector valuation announced today by the Spanish authorities. This thorough and transparent independent valuation of assets and stringent stress tests will help provide significant and helpful differentiation among financial institutions. Public funding of the banks' actual capital needs, which are expected to be lower than the amounts identified in the stress tests, can be financed comfortably under the recapitalization program supported by Spain's European partners.

"I strongly support the authorities' commitment to ensure that capital needs are met in a timely manner and that the weakest banks are dealt with effectively. These key steps, as recommended in the IMF's Financial Sector Assessment Program (FSAP) for Spain conducted earlier this year, will contribute to build a sounder banking system, which in time will help to restart credit flows and boost growth and employment."

IMF EXTERNAL RELATIONS DEPARTMENT

Public Affairs

Media Relations

E-mail: publicaffairs@imf.org

E-mail: media@imf.org

Fax: 202-623-6220

Phone: 202-623-7100