Press Release

October 13th 2011

Fondo de Reestructuración Ordenada Bancaria (FROB)
4.4 % EUR 1.4 billion 2-year benchmark due 21st October 2013

Fondo de Reestructuración Ordenada Bancaria (FROB) explicitly guaranteed by the Kingdom of Spain, today priced a new €1.4bn 2-year Euro benchmark transaction due 21st October 2013 (expected rating Aa2/AA-[1]/AA- by Moody's, S&P and Fitch respectively). Bankia, Barclays Capital, Crédit Agricole CIB, Santander GBM and Société Générale CIB were mandated as Joint-Lead Managers. This transaction represents FROB's third Euro benchmark transaction of 2011 and is FROB's fourth Euro benchmark issue since it began issuing in November 2009.

The improving market conditions during the first part of the week provided FROB with suitable conditions to launch a new two year transaction which was announced on Thursday 13th October at 10:30am CET. Initial pricing thoughts were low to mid 90 basis points over the SPGB 2.5% issue due October 13. With indications of interest approaching €1 billion, the order book opened at 12:30am on Thursday 13th with price guidance of SPGB +93bp and reached over €1.5 billion within one hour. Books closed at 13:45pm, with orders in the region of €1.7 billion allowing the issuer to print a final size of €1.4 billion (above the initial size expectation). The transaction ultimately priced at 3pm at a spread of +92 basis points over SPGB, at the tight side of the initial range.

The order book was granular with more than 110 accounts involved in the transaction and allocations were distributed evenly across a range of jurisdictions and investors.

In similar fashion to previous transactions and despite the challenging environment the deal enjoyed strong and well diversified international demand accounting for 40% of total allocation. New to this transaction was the high participation of Nordic investors (11%) with France (9%), Germany (8%), UK (5%) and Switzerland (4%) continuing to participate in size. The transaction was driven predominantly by Banks (50%) and Fund Managers/Private Banks (29%), with the remainder split between Insurance Companies/Pension Funds (17%) and Central Banks/Official Institutions (4%).

The large number of accounts active in the transaction and their distribution reflect FROB's loyal investor base and demonstrate that FROB continues to enjoy good access to capital from across the domestic and international investment community.

FROB was created by Royal Decree-Law on 26th June 2009, providing for an orderly bank restructuring and equity reinforcement for credit entities in Spain, if needed. The bonds issued by FROB benefit from an explicit, unconditional and irrevocable guarantee of the Kingdom of Spain, and a regulatory risk-weighting of 0%.

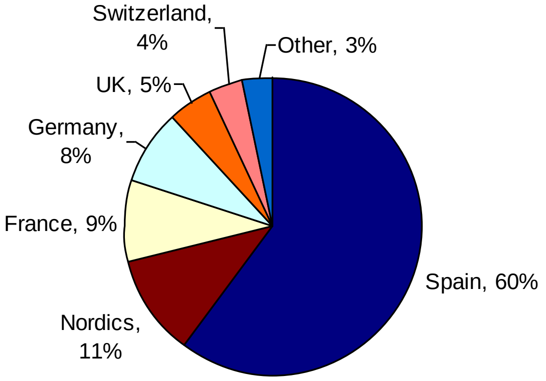
[1] Following this issue, S&P announced at midnight Thursday, a downgrade in the Spanish credit rating from AA to AA-.

Summary Terms:

Expected Rating: Aa2/AA/AA-
Issue amount: EUR 1.40 bn
Issue Date: 13 October 2011
Settlement Date: 21 October 2011
Coupon: 4.4% (Annual)
Maturity: 21 October 2013
Reoffer Price: 99.77%

Distribution Stats:

By Region



By Investor Type