

---

## The FROB concludes the auction for the sale of NCG Banco

---

**Press release – 18 December 2013**

After consideration of the binding bids received in the process for the sale of 88.33% of NCG Banco S.A., the Governing Committee of the Fund for the Orderly Restructuring of the Banking Sector (FROB) has today, 18 December 2013, resolved to sell this institution to Banco Etcheverría S.A./Banesco Group.

The bid of Banco Etcheverría S.A./Banesco group amounted to €1,003 million, which covers the two portfolios of bad loans included in the process. Of the amount offered, 40% will be paid upon execution of the sale and purchase agreement, and the remaining 60% in successive instalments during the period up to 2018.

The terms and conditions of the sale and purchase agreement do not include an asset protection scheme or any guarantee in addition to the initial undertakings given by the FROB with respect to certain risks that will be assumed by NCG Banco.

Since the bid made by Banco Etcheverría S.A./Banesco group exceeded the thresholds established by the FROB (at least €200 million and 50% higher than the second best bid received), there is no need for a second round of the auction. In addition to the winning bid, there were five others, submitted by Spanish and foreign groups.

The sale to Banco Etcheverría S.A./Banesco group is conditional upon compliance with the legally set requirements and approval by the competent national and international authorities.

The sale of NCG Banco, S.A. gives effect to the authority to resolve this institution contained in the plan approved by the Spanish and European authorities. The objectives and principles of the restructuring and resolution of credit institutions established by national and European authorities, to minimise state aid, while ensuring the stability of the financial system as a whole, have been observed. Following the completion of this process, NCG Banco will form part of the Banesco group.

*The Fund for the Orderly Restructuring of the Banking Sector ("FROB" by its Spanish acronym) is an institution under public law with its own legal personality whose aim is to manage credit institution restructuring and resolution processes. The FROB is regulated by Law 9/2012 of 14 November 2012 on the restructuring and resolution of credit institutions.*