
Sale of Banco de Valencia

Press release – 27 November 2012

At its meeting today and in connection with the orderly resolution of Banco de Valencia, the Governing Committee of the Fund for the Orderly Bank Restructuring (FROB) formulated the resolution plan for this bank, which envisages its integration into CaixaBank.

In accordance with Law 9/2012 of 14 November 2012 on the restructuring and resolution of credit institutions, the Executive Commission of the Banco de España approved this resolution plan at its meeting today.

The plan comprises the following measures:

- Subscription by the FROB of a capital increase in Banco de Valencia for an amount of €4.5 billion, with the FROB subsequently transferring its full holding in Banco de Valencia to CaixaBank for the price of one euro. Prior to the recapitalisation, as stipulated under Article 4 of Law 9/2012, the current shareholders will bear the losses the bank may have incurred.
- Transfer to the Asset Management Company for Assets Arising from Bank Restructuring of real estate-related investments and risks in accordance with the terms of Royal Decree 1559/2012 of 15 November 2012, which stipulates the legal regime for asset management companies.
- Taking of measures for the management of hybrid capital instruments and of subordinated debt, bearing in mind the principles established in Article 45 of Law 9/2012.
- Granting of an asset protection scheme to Banco de Valencia whereunder, over a term of ten years and for a predetermined asset portfolio, the FROB shall assume 72.5% of the losses arising on this portfolio once the provisions set aside as at 30 September for these assets have been used up.

The resolution plan for Banco de Valencia has been submitted to the competition authorities of the European Union along with the plans for the remaining banks in which the FROB has a

stake. These plans are expected to be approved tomorrow, Wednesday. Moreover, the plans are subject to the non-opposition of the Spanish Ministry of Financial Affairs and Public Administration.

Banco de Valencia has been under the administration of the FROB since 21 November 2011 and has been operating normally with its customers and creditors. This operation of integration into CaixaBank contributes to ensuring its financial soundness and guarantees its viability.