

**Communiqué of the Fund for the Orderly Bank Restructuring (FROB) on
the results of the BFA/Bankia Group for the first half of 2012**

Press release – 31 August 2012

Today the BFA/Bankia Group has published the financial statements, for the six-month period ending 30 June 2012, of “Banco Financiero y de Ahorros S.A. (BFA) y Bankia S.A.”, as well as of the consolidated Group. As foreseen, the accounts show significant losses, both at BFA and at Bankia. These figures confirm the relevance of the Financial Assistance Programme for the recapitalization of financial institutions agreed with the Eurogroup last 20 July.

The Spanish authorities, together with the Management of the Group, are firmly committed to finalize the restructuring plan of the Group by October, which will allow the European authorities to approve it in November and then to make effective the injection of the capital considered to be adequate. The final objective of this restructuring process is to assure the long term viability of the bank at the minimum cost to the state whilst limiting distortions of competition to the maximum extent possible. In this process, the full protection of the deposits will be assured.

With the objective of strengthening the regulatory capital of the Group forthwith and ensuring its normal functioning, while the above-mentioned restructuring process is completed, the FROB intends to inject capital shortly into the BFA/Bankia Group, in full respect of State aid rules. This operation will constitute an advance of the capital injection to be made by the FROB within the framework of the above-mentioned Financial Assistance Programme.

The recapitalization, the segregation of assets, and the restructuring will guarantee the solvency and the long term viability of BFA/Bankia Group, which will ensure the continuous access to all sources of external financing.

As a result of these actions, the ordinary functioning of the Group and, in particular, its customer relationships will continue to be conducted with complete normality.