
The FROB concludes the sale of Catalunya Banc

Press release – 21 July 2014

At its meeting today, the Governing Committee of the Fund for the Orderly Restructuring of the Banking Sector (FROB) has, after studying the binding bids received in the process to sell Catalunya Banc S.A., resolved to award this institution to Banco Bilbao Vizcaya Argentaria, S.A. The bid by BBVA was for €1,187 million, for 100% of the capital of Catalunya Banc S.A., which will be paid as the sale transaction is completed and once the suspensory terms to which it is subject have been met. The bid envisages the possibility of limiting the transfer to 98.4% of the shares, those corresponding to the FROB and to the Deposit Guarantee Fund, with the price being duly adjusted. The decision on the transfer of 98.4% or 100% of the shares will be taken once the terms of sale have been assessed with the European Commission.

The terms of the sale agreement essentially observed the package of basic assurances offered by the FROB in the process, which does not include the granting of an asset protection scheme.

As the bid by BBVA has exceeded the thresholds set by the FROB for this process, it has not been necessary to move to the second stage of the option. In addition to the winning bid, there were two other competitive bids.

The effective award to BBVA is conditional upon compliance with the legally envisaged prerequisites and upon the related approval by the competent national and European authorities.

With the award of Catalunya Banc S.A., the resolution mandate for the institution in the plan approved by the Spanish and European authorities has been fulfilled. Accordingly, the objectives and principles of the restructuring and resolution of credit institutions set by the national and European authorities, and aimed at minimising State aid, have been observed. In turn, the stability of the financial system as a whole is ensured.

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.