
FROB RESUMES BANKIA PRIVATISATION

- **A total of 818.3 million euros of Bankia shares – equivalent to 7% of the bank’s capital – have been sold at a price of 4.06 euros per share, leaving the FROB’s indirect stake at 60.63%.**
- **At the offer price, the book has been oversubscribed 2.3 times, with noteworthy participation by international investors.**
- **This transaction is another step in the bank’s privatisation required by law and increases the liquidity of the securities, paving the way for future sell-offs.**

Madrid, 12/12/2017. The FROB has resumed the process to divest its stake in Bankia held indirectly through BFA, with an accelerated bookbuild exclusively targeting institutional investors. BFA sold 201,553,250 million Bankia shares yesterday, equal to 7% of the bank’s capital, for 818.3 million euros.

The securities were placed at a price of 4.06 per share, representing a 2.71% discount on the closing price of Bankia shares at the end of trading yesterday. As is normal practice in this type of transaction, BFA is subject to a lock-up period of 60 days in relation to the shares it still holds.

Deutsche Bank AG, London branch, Morgan Stanley & Co. International plc and UBS Limited, were selected by BFA from a previously established panel of investment banks to act as bookrunners.

Following the sell-off, the FROB holds 60.63% of Bankia’s capital, which will stand at 60.93% after the planned merger with BMN.

The sell-off was performed under normal terms for this type of capital market transaction, and was comparable to the process followed in other European countries to divest state-owned financial entities. The placement was completed with the technical support and advice of independent experts experienced in this type of operation (Nomura as financial advisor to the FROB, Rothschild as BFA’s advisor).

This transaction resumes the process to reduce the taxpayer’s stake as required by law and fully return the bank’s operations to normal after the bailout in 2012, which successfully achieved its priority objective to stabilise the bank and protect depositors.

By reducing the public’s stake in the bank, the free float of the company has been increased, boosting liquidity and paving the way for future divestments. This widens the range of options

available to the principal shareholder and improves conditions to try to maximise the amount of aid repaid to the state.

FROB is the executive resolution authority in Spain and also operates within the framework of the Single Resolution Mechanism. It is a body governed by public law and with its own legal personality, whose remit is to implement resolution measures in credit institutions and investment firms. The FROB is regulated by Act 11/2015 of 18 June 2015 on the recovery and resolution of credit institutions and investment firms. It represents Spanish resolution authorities on the Single Resolution Board of the Single Resolution Mechanism.