

The FROB resolves to grant to the board of directors of BFA the power to enter into an agreement to apportion between BFA and Bankia the contingencies arising from the civil proceedings relating to the initial public offering of Bankia shares

Press release - 27 February 2015

The Governing Committee of the Fund for the Orderly Restructuring of the Banking Sector ("FROB") resolved at a meeting yesterday, in its capacity as the sole shareholder of BFA Tenedora de Acciones S.A.U. ("BFA") and indirectly of Bankia S.A. (62%), to grant to the board of directors of BFA the power to enter, where appropriate, into an agreement to apportion between BFA and Bankia the contingencies arising from the civil proceedings relating to the initial public offering of Bankia shares. The Governing Committee, having confirmed that there is a legal basis for such an agreement, considers that there are sufficient grounds for granting this power, the exercise of which will be for the management team of BFA to decide upon.

With the ultimate aim of ensuring the most efficient use of public resources and of maximising the return on the public financial support for the restructuring of the BFA/Bankia Group, the Governing Committee has resolved to impose certain conditions on the power granted. These include the requirement for any agreement to be limited to dividing up the maximum contingency currently estimated by Bankia, which amounts to €780 million under the most adverse scenario.

Neither the adoption of this resolution nor the terms of any agreement which may ultimately be entered into by BFA and Bankia constitute the acceptance of any liability by these entities, nor do they alter in any way the procedural strategy followed so far by the FROB, which will be maintained in the future in relation to the various legal proceedings in progress as a result of the initial public offering of Bankia shares.

BFA currently has sufficient net worth to defray the cost of its hypothetical participation in the aforementioned agreement, so in no event will that participation entail the need for additional public funds.

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.