

## Agreement by CNMV extending restrictions on short positions in Liberbank, S.A. shares until 30 November 2017

Madrid, 12 September 2017

CNMV has decided to extend until 30 November 2017 at the latest the prohibition on short sales and similar transactions with respect to shares of Liberbank, S.A. agreed on 12 June 2017 and extended on 12 July 2017.

The decision was adopted after considering all existing circumstances, in particular the recent announcement by Liberbank, S.A. calling an Extraordinary General Shareholders Meeting to approve a capital increase amounting to 500 million euros. Although the extension is until 30 November, CNMV's intention is to abolish the prohibition as soon as the capital increase process is completed.

ESMA has been mandatorily consulted and has today considered the extension to be appropriate.

Specifically, CNMV has agreed:

To extend until 30 November 2017, pursuant to Article 20 of Regulation (EU) No. 236/2012, the precautionary measure prohibiting any natural or legal person from carrying out short sales and transactions that create a financial instrument or are linked to a financial instrument and whose purpose, or one of its purposes, is to confer a financial advantage on that natural or legal person in the event of a decrease in the price or value of the shares of Liberbank, S.A., for which the Spanish National Market Securities Commission is considered to be a competent authority under Article 2 of Regulation (EU) No. 236/2012.

The prohibition will be effective from 11:59 p.m. on 12 September 2017 until 11:59 p.m. on 30 November 2017, both dates included.

The following transactions are excluded from the prohibition:

- Market-creating activities under the terms of Regulation (EU) No. 236/2012.
- The creation or increase in net short positions when the investor acquiring a convertible bond has a neutral position in terms of the delta between the position in the equity element of the convertible bond and the short position that is used to cover that element.
- The creation or increase in net short positions when the creation or increase in the short position in shares is covered by an equivalent purchase in terms of the proportion of subscription rights.
- The creation or increase in net short positions through financial derivative instruments on indexes or baskets of financial instruments.

It must be borne in mind that Article 286 of the consolidated text of the Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October, classifies as a very serious infringement the carrying out of transactions that have been prohibited or restricted by CNMV pursuant, among others, to Article 20 of Regulation (EU) No. 236/2012.