



DECISION BY CNMV TO BAN SHORT SALES AND SIMILAR TRANSACTIONS (SHORT POSITIONS) OVER LIBERBANK, S.A. SHARES, WITH IMMEDIATE EFFECTS AND DURING ONE MONTH, ACCORDING TO ARTICLE 20 OF REGULATION (EU) No. 236/2012

12 June 2017

After considering all existing circumstances and in particular the evolution of the price of Liberbank, S.A. shares (which has been affected by sharp falls and high volatility in a context where no negative informations have been disclosed by the bank and, according to Liberbank, no information is pending disclosure) and after considering the very probable relation of such evolution with the resolution adopted by the Single Resolution Board on 7 June 2017 on Banco Popular Español, S.A., the CNMV has considered appropriate to ban short sales and similar transactions with respect to Liberbank, with the scope that is defined further below.

The decision has been adopted under article 20 of Regulation (EU) No 236/2012 of the European Parliament and the Council on short selling and certain aspects of credit default swaps (hereinafter “Short Selling Regulation”).

In particular, CNMV has decided:

- To adopt with immediate effects under article 20 of the Short Selling Regulation a ban on short sales and on transactions which create, or relate to, a financial instrument and the effect or one of the effects of that transaction is to confer a financial advantage on the natural or legal person in the event of a decrease in the price or value of Liberbank shares, for which CNMV is considered the relevant competent authority under article 2 of the Short Selling Regulation.

The ban will hold for a period of one month from its publication until 23:59h (CET) of July 12 2017 and could be extended according to article 24 of the Short Selling Regulation or be lifted before that day if deemed appropriate by CNMV.

- The following transactions are excluded from the ban:
 - Market making activities as defined in the Short Selling Regulation.
 - The creation or increase of short positions when an investor acquires a convertible bond with a delta-neutral position between the component

of the bond related to the share and the short position taken to cover that component.

- The creation or increase of short positions when they are hedged by an equivalent position on subscription rights.
- The creation or increase of short positions through derivatives linked to baskets or indices.

The European Securities and Markets Authority (ESMA) has issued today an opinion according to article 27 of the Short Selling Regulation stating that the measure is appropriate, proportionate and established for a justifiable period.

The CNMV reminds hereby that article 286 of the consolidated text of the Securities Markets Law as adopted by Royal Legislative Decree 4/2015 of 23 October, qualifies as a very severe violation to enter into transactions that have been banned or limited by the CNMV according to article 20 of the Short Selling Regulation.