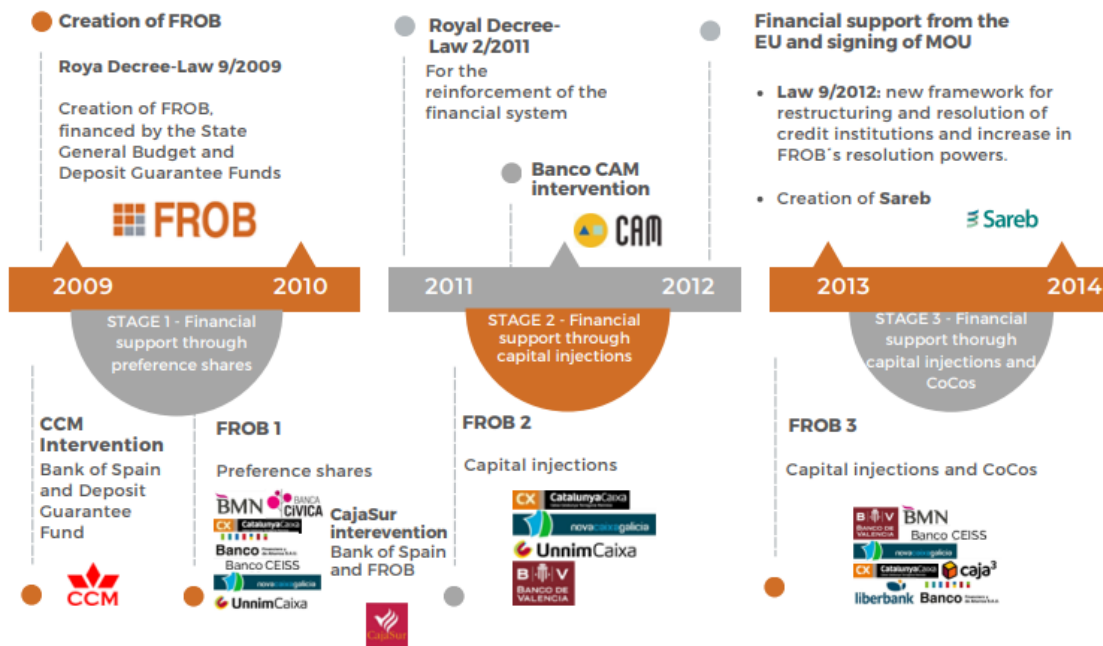


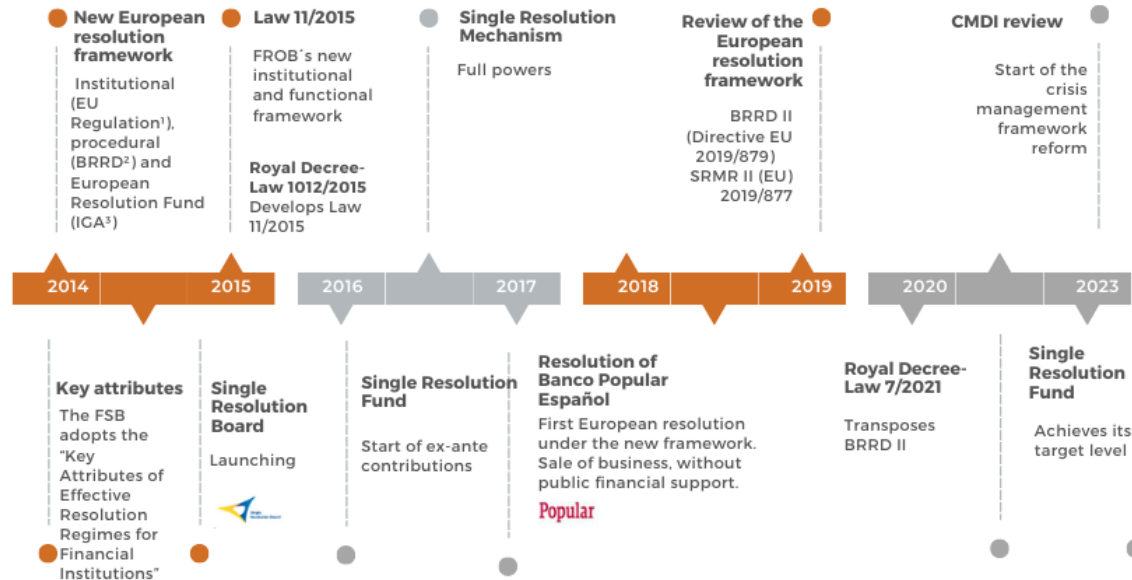
FROB CORPORATE PRESENTATION

2024

FROB has played a key role in the management of the financial crisis in Spain, coordinating bank restructuring

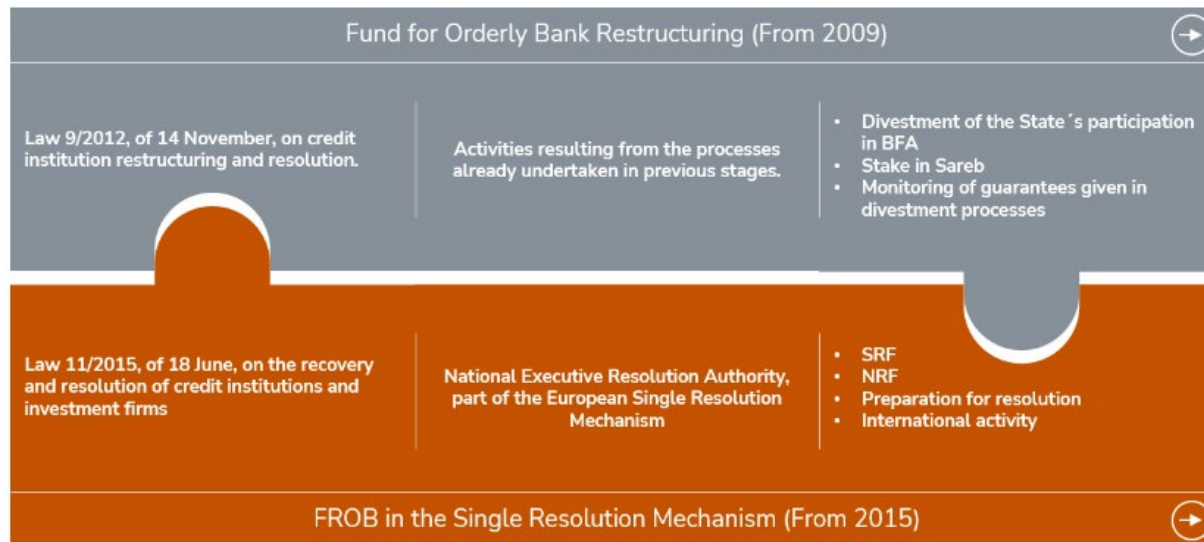


2014 European framework was implemented in Spain by Law 11/2015, establishing a new paradigm in the management of banking crises

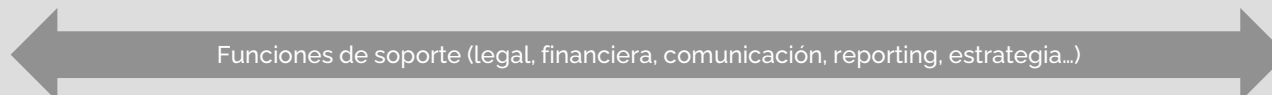


1.Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014
2.Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014
3.Intergovernmental Agreement on the Single Resolution Fund

Within the resolution framework defined by Law 11/2015 and by Regulation EU 806/2014, FROB is the Spanish executive resolution authority (also maintaining powers derived from the management of the past crisis)



1. The legal name of FROB has been changed. Until the entry into force of Law 11/2015, "FROB" was the acronym of Fondo de Reestructuración Ordenada Bancaria [Fund for Orderly Bank Restructuring]. Since 2015, "FROB" has become the name given to the current Spanish Executive Resolution Authority, but now without any reference to the previous concept.



FROB operates under the supervision of its Governing Committee and its organizational chart is aligned with the functions it performs

FROB's organizational design

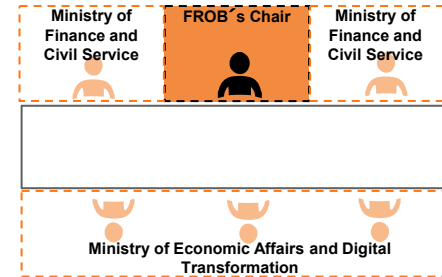
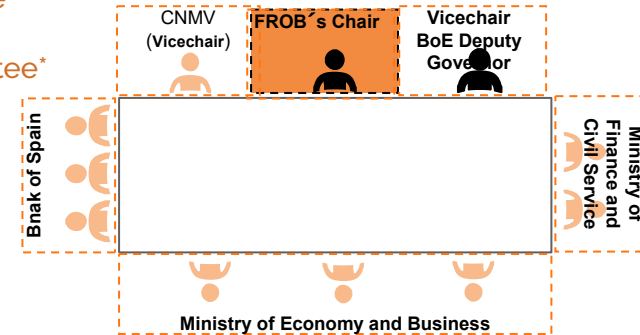
Governing Committee
Takes decisions related to FROB's powers and its legally assigned functions.

Governing Committee - Restricted format
Takes decisions that have an impact on the public budget and on the management of FROB's portfolio, shares, securities and other instruments.

Audit Committee

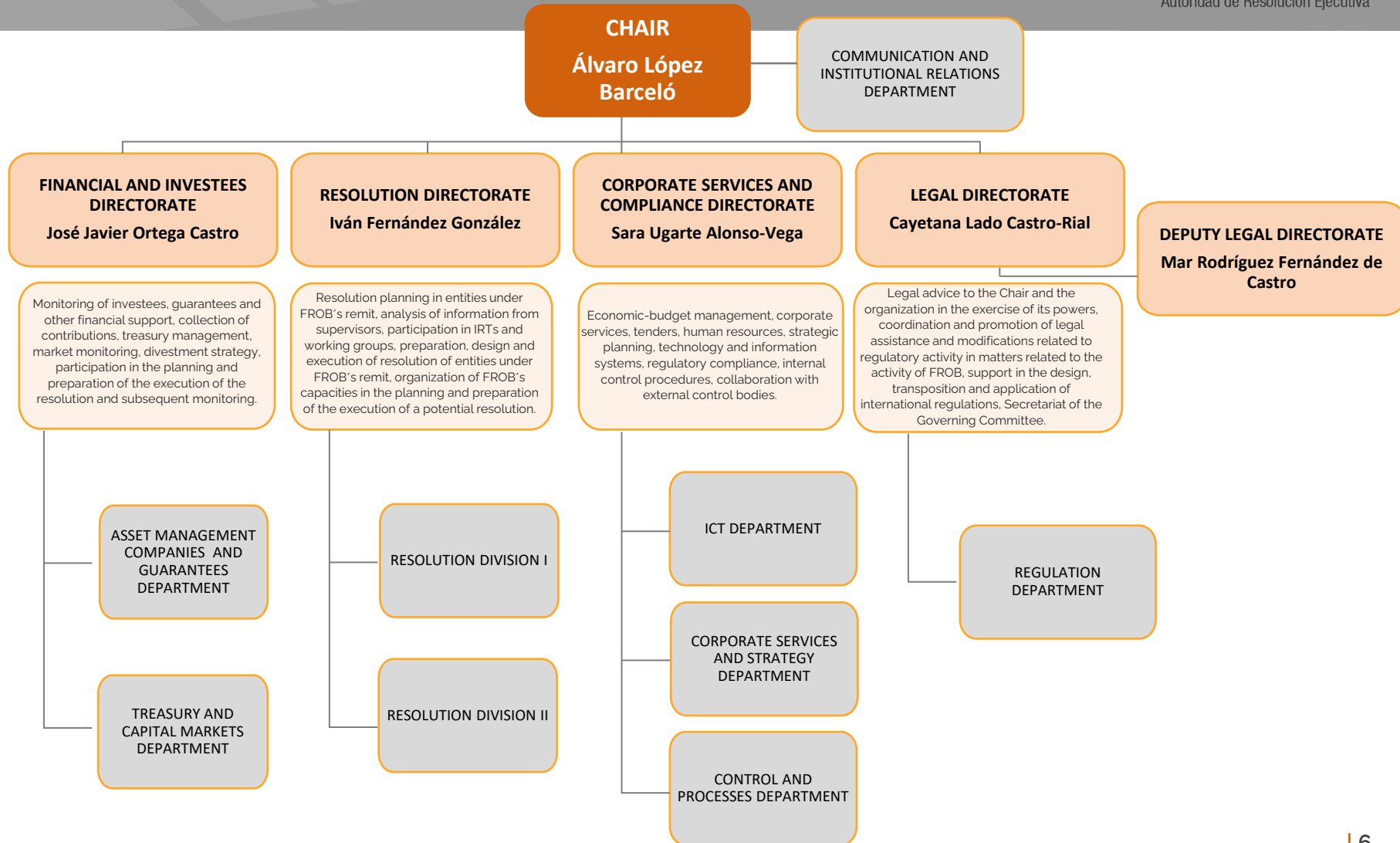
FROB's governance

Governing Committee*



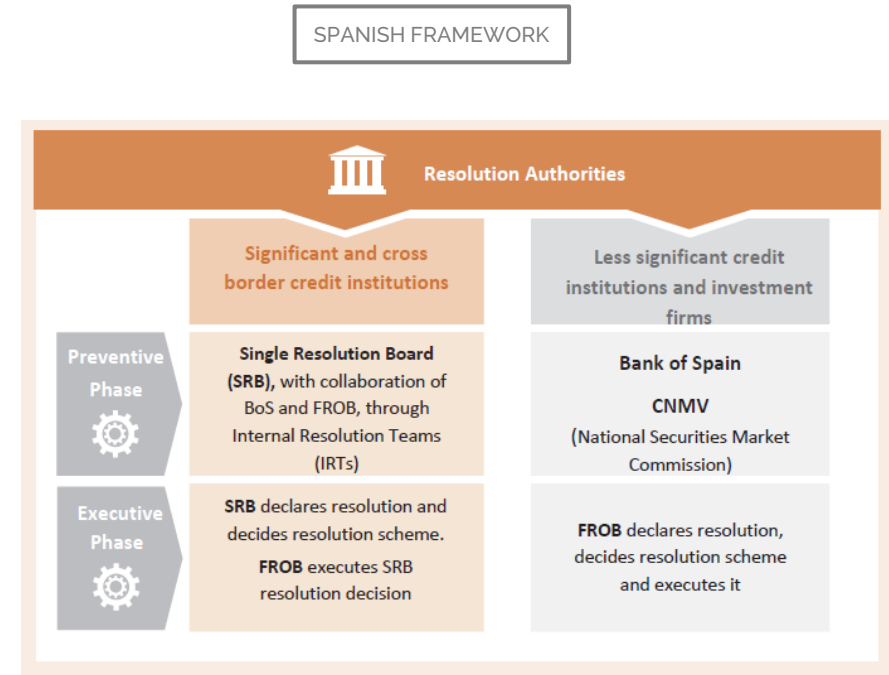
Governing Committee Restricted format*

* Nonvoting members: a representative designated by the Attorney General and another one by the Comptroller General of the State.



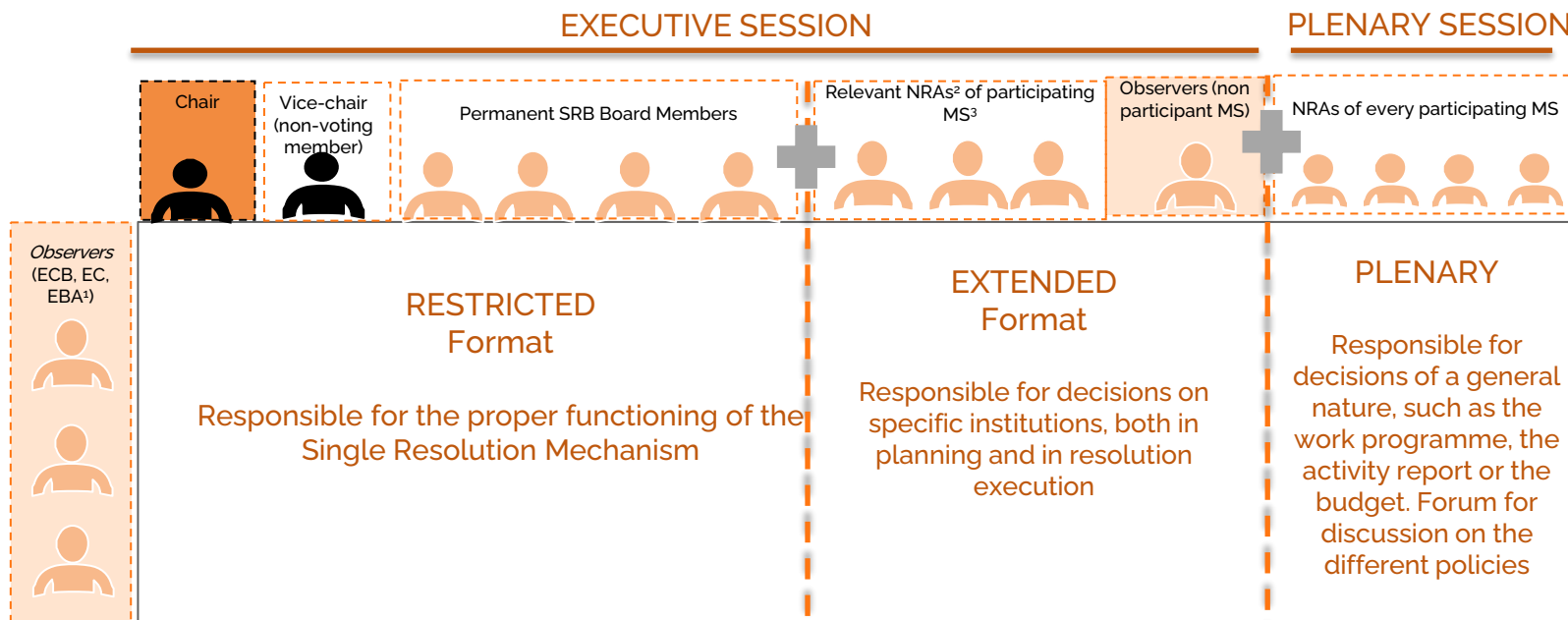
Resolution powers are distributed among the different authorities depending on the type of entity

- Institutional framework**
- European level: Single Resolution Mechanism. European Resolution Authority: Single Resolution Board (SRB).
 - Spanish level: three authorities:
 - FROB as resolution authority in the execution phase.
 - Bank of Spain and CNMV as preventive resolution authorities.
- Functional framework**
- Phases: planning phase and execution phase, with different powers between authorities.
 - Operational level: four resolution tools (sale of business, bridge bank, asset separation, bail-in).
 - Single Resolution Fund



1. As defined in Law 11/2015, of 18 June, for the recovery and resolution of credit institutions and investment firms and Royal Decree 1012/2015, of 6 November which develops Law 11/2015; and Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014.

SRB Board convenes in different compositions depending on the task. FROB is the Spanish representative, and the Bank of Spain participates as an observer.



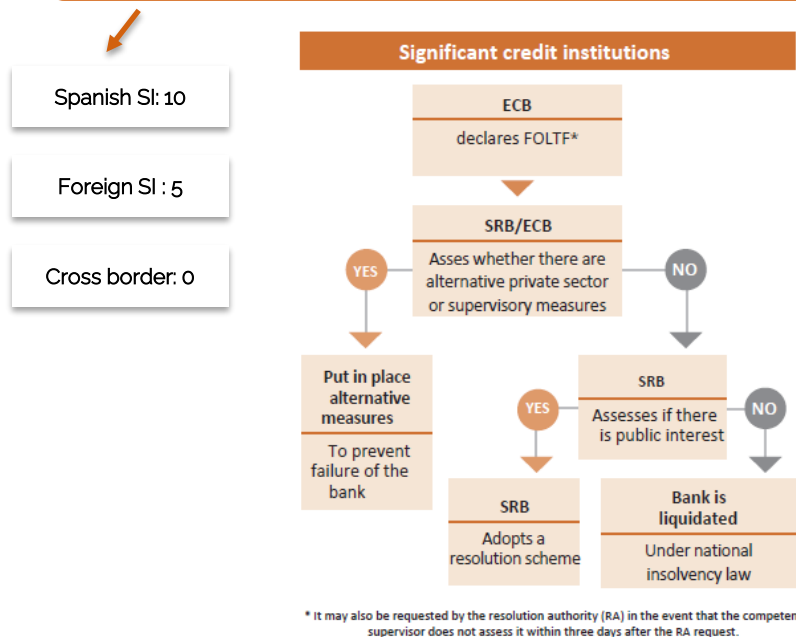
¹ Where relevant having regard to the EBA tasks

² National Resolution Authorities

³ Member States

CREDIT INSTITUTIONS UNDER SRB REMIT

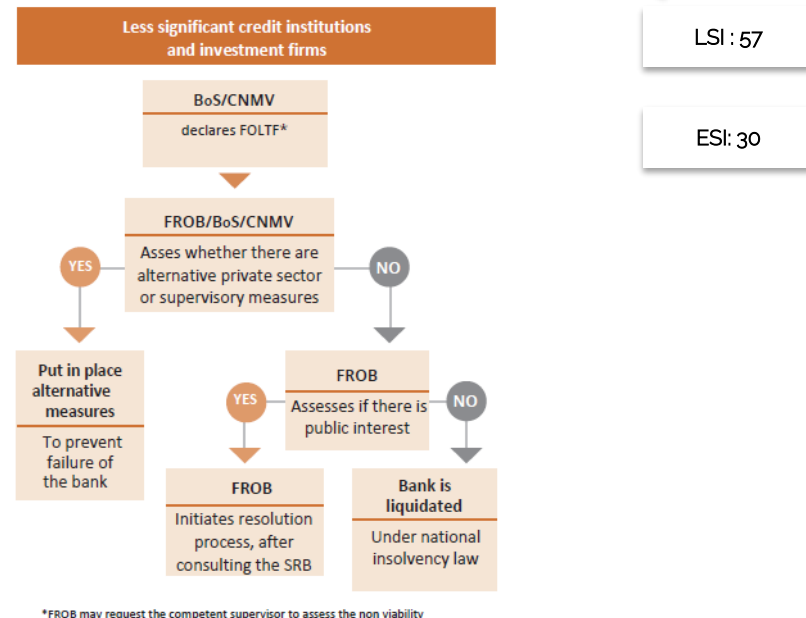
- Significant Credit Institutions (SI's)¹ supervised by the ECB
- Other cross-border groups with a less significant credit institution (LSI) parent and a subsidiary in another MS.
- LSI in resolution beneficiaries of the resources of the SRF



- Spanish SI: 10
- Foreign SI : 5
- Cross border: 0






INSTITUTIONS UNDER THE REMIT OF THE NATIONAL RESOLUTION AUTHORITIES (NRA) – Bank of Spain/CNMV (preventive) and FROB (executive)

- Less significant credit institutions (LSI)
- Investment firms (ESI)



- LSI : 57
- ESI: 30

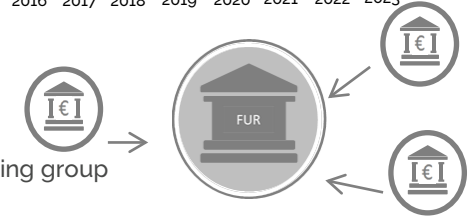
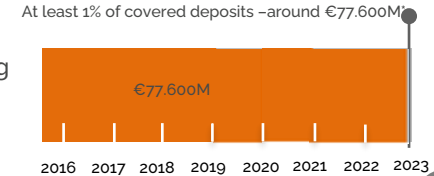
¹ Significance criteria: i) size: the total value of its assets exceeds €30 billion; ii) economic importance for the specific country or the EU economy as a whole; iii) cross-border activities the total value of its assets exceeds €5 billion and the ratio of its cross-border assets/liabilities in more than one other participating Member State to its total assets/liabilities is above 20%; iv) direct public financial assistance: it has requested or received funding from the European Stability Mechanism or the European Financial Stability Facility. A supervised bank can also be considered significant if it is one of the three most significant banks established in a particular country (Source: ECB)

| Scope | Body | Mision | FROB's role |
|--|--|---|--|
| Worldwide  |  | It establishes the main principles and develops guidelines and reports with the aim of promoting global financial stability. In the scope of resolution: <ul style="list-style-type: none"> • Focused on improving the planning and resolvability of Global Systemically Important Banks (G-SIBs) • Monitors the implementation of TLAC • Sets principles for the resolution of CCPs and insurers. | <ul style="list-style-type: none"> • Member of the Resolution Steering Group (ReSG) • Member of permanente subcommittees: BankCBCM and fmi-CBCM • Participation in groups and subgroups of the subcommittees |
| European Union |  europa.eu | Develops level 1 standards (Regulations or Directives), level 2 standards (delegated acts or implementing acts). Current discussions focus on the reform of the crisis management framework: <ul style="list-style-type: none"> • Crisis management of medium-sized entities, without access to the capital markets. • Completing EDIS and making financing sources more flexible in resolution. | <ul style="list-style-type: none"> • Advises and accompanies in the main steps of the negotiation of level 1 regulations and in the development of national regulations related to resolution |
| |  | Develops technical standards, guides, recommendations, decisions and opinions. <ul style="list-style-type: none"> • Its focus is to develop level 2 standards (RTS and ITS) of the new banking package | <ul style="list-style-type: none"> • Member of the Resolution Committee (ResCo) • Permanent subcommittees member: Resolution Planning (SGRPP) and Resolution Execution Committee (SGRE) • Participation in groups and subgroups of the subcommittees |
| Banking Union |  | Guarantee the orderly resolution of significant entities and groups under their remit with the least possible impact on financial stability and public finances: <ul style="list-style-type: none"> • Resolution planning: development of plans, removal of obstacles to resolution and setting of MREL. • Policy: Define rules and procedures for resolution. • Declare resolution and approve resolution scheme. | <ul style="list-style-type: none"> • Member of the SRB Plenary • Member of the Extended Executive (if applicable) • Permanent subcommittee member: Resolution Committee (CORES), Administration and Budget Committee (ABC), SRF Committee, Legal Network • Participation in groups and subgroups that are created under the subcommittees, including those in charge of LSIs, MREL, crisis management, liquidity, financial stability, operational continuity and FMIs, resolution tools |

One of the pillars of the new resolution framework is the creation of resolution funds. The resolution funds may be used to ensure the efficient application of resolution tools and the exercise of the resolution powers conferred to the resolution authorities.

Single Resolution Fund (SRF)

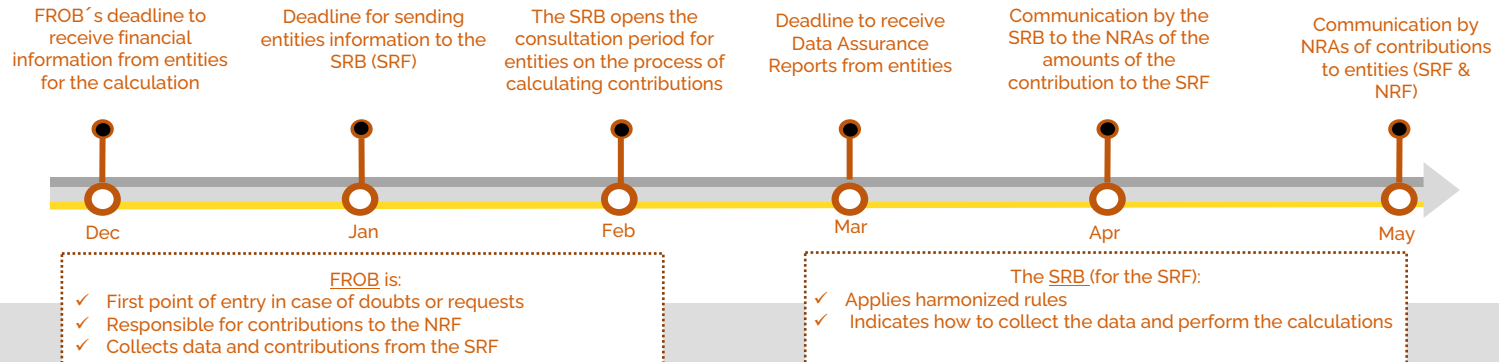
- The SRF is under the responsibility of the SRB .
- The SRF is composed of contributions from credit institutions and investment firms (belonging to banking groups established within the Banking Union).
- The objective was to collect a minimum amount equivalent to 1% of the credit institutions' covered deposits by the end of the Fund's initial eight-year period (2016- 2023).
- In 2023, the SRF reaches an amount of €77,600M.
- 91 Spanish institutions contribute to the SRF with an accumulated contribution of €7,500M*.



National Resolution Fund (NRF)

- The NRF is under the responsibility of FROB, as National Resolution Authority.
- The NRF is composed of contributions from 28 Spanish investment firms not belonging to a banking group + 6 branches of entities established outside the EU
- Total contributed to date exceeds €16.3M*.

CYCLE



BFA
TENEDORA DE ACCIONES S.A.U.

 **CaixaBank**

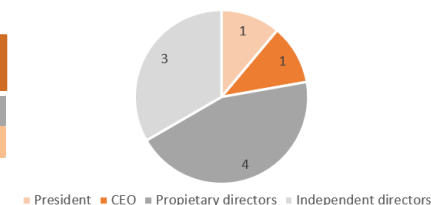
- FROB, through *BFA Tenedora de Acciones S.A.U.* (100% of its share capital is owned by the FROB), indirectly owns 17.88% of CaixaBank, as a result of its merger with Bankia.
- FROB is Director Legal entity at BFA. The Board has two other members and a Secretary (non-board member and without vote).
- Proprietary Director of BFA is Ms. Teresa Santero Quintillá.
- BFA Net equity of (individual balance) € 5,294M (12/31/2023). Value of indirect stake in CaixaBank: €3,387M.
- Appreciation of FROB's stake (via BFA) by 146% at the end of 2023 (4,841M€) compared to the closing value of the day prior to the announcement of merger talks.
- Divestment deadline: December 2025 (Agreement by the Council of Ministers, December 2022)
- Divestment framework: Includes the elements to be considered in a divestment decision (share valuation and its potential revaluation, market conditions and investor appetite, volatility...), as well as the different instruments that could be chosen (sale of shares in capital markets, dribble out programs or sale of blocks).

 **Sareb**

- Sareb was created in 2012 contribute to the clean-up of the financial system, by facilitating the management of especially damaged real estate assets (200.000 problematic assets, valued at €50,78M, including property development loans (78%) and real state (22%)).
- Commitment foreseen in Law 9/2012 and developed in RD 1559/2012. RD Law 1/2022 allows for more than 50% public stake.
- Timeframe: maximum of 15 years (November 2027).
- By the end of the first quarter of 2024, outstanding senior debt will be €29,413M
- The main principles governing FROB's management of its stake in Sareb are:
 - Ensuring the company meets its core objective of managing and liquidating its assets with a view to optimizing their value within the time limit of 2027
 - Overseeing that Sareb follows the best practices in responsible management, with a special focus on efficiency and transparency.
 - Continuous monitoring of Sareb's activity, in particular its economic, financial and social dimension through close and constructive contact with its top level management.
 - in the public context FROB has also been awarded new public control and supervision powers over procurement activity and remuneration system

| Shareholders | |
|------------------------|--------|
| FROB | 50.14% |
| Financial institutions | 49.86% |

Board of Directors



* Percentage of the total value

BASIC

FIGURES

FROB'S BUDGET

- FROB is currently financed outside the State budget and there are no outstanding issuances from the previous stage.
- Law 11/2015 introduced a fee with the purpose to cover the entity's operating costs (2.5% of industry contributions to the resolution funds).
- FROB continues to have the capacity to raise funds by issuing fixed-income securities, receiving loans, opening of credit lines and other debt transactions.

ESM – TREASURY – FROB LOAN

- The Spanish State granted FROB a loan of €41,333M channeling ESM funds, to execute the European financial assistance programme for the restructuring of Spain's financial system (FROB 3)
- After several conversions and repayments, the outstanding balance of the loan, as of 2022, amounts to €1,865M

* The external resources obtained by FROB, whatever the modality of its implementation, must not exceed the limit established for that purpose in the corresponding annual laws of the General State Budget (Article 53.5).

