



## Agreement by CNMV extending the restrictions on short positions in Liberbank S.A. shares for two months

Madrid, 12 July 2017

CNMV has decided to extend for a further two months the measure prohibiting short sales and similar transactions with respect to the shares of Liberbank, S.A, agreed on 12 June, 2017.

The decision was adopted after considering all existing circumstances, including the recent evolution of the share price, the volatility shown by the share (higher than the market) and the available data on securities lending, and once ESMA has been mandatorily consulted, which as of today has deemed the measure appropriate.

Taking into account all of the above, CNMV has agreed:

To extend, during a two-month period, the agreement to impose under the terms of Article 20 of Regulation (EU) No. 236/2012 and in the light of the exceptional circumstances, a precautionary prohibition of short selling by any natural or legal person of instruments and transactions that create a financial instrument or that are linked to a financial instrument and whose purpose, or one of its purposes, is to confer a financial advantage on the said natural or legal person in the event of a decrease in the price or value of Liberbank, S.A. shares for which the CNMV is considered to be the competent authority pursuant to Article 2 of Regulation (EU) No. 236/2012.

The prohibition will take effect from 12/07/17, at 11:59 p.m. until 12/09/17 at 11:59 p.m., both dates included, and may be extended for renewable periods not exceeding three months if the circumstances giving rise to it are maintained in accordance with Article 24 of Regulation (EU) No. 236/2012 or may be lifted at any time without delay, if deemed necessary.

The following transactions are excluded from the prohibition:

- Market-creating activities under the terms of Regulation (EU) No. 236/2012.
- The creation or increase of 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 taken to cover that element.
- The creation or increase of net short positions when the creation or increase of the short position in shares is covered with an equivalent purchase in terms of the proportion of subscription rights.

-The creation or increase of net short positions through financial derivative instruments on indexes or baskets of financial instruments.

It is recalled that Article 286 of the consolidated text of the Securities Market Law approved by Royal Legislative Decree 4/2015, of 23 October, classifies as a very serious infringement the execution of transactions that have been prohibited or limited by CNMV by virtue, among others, of Article 20 of Regulation (EU) No. 236/2012.