

VOLUNTARY OFFER TO ACQUIRE THE ORDINARY SHARES OF NCG BANCO, S.A, NOT LISTED ON A REGULATED MARKET PREPARED BY THE DEPOSIT GUARANTEE FUND FOR CREDIT INSTITUTIONS

1. DESCRIPTION OF THE OFFER

Pursuant to the resolutions adopted by its Management Committee at the meetings on 4 and 7 June 2013, the Deposit Guarantee Fund for Credit Institutions (hereinafter, the “**Fund**”) has resolved to prepare, in accordance with section 4 of additional provision five of Royal Decree-Law 21/2012 of 13 July on liquidity measures for public administrations and the financial sector (as per the wording thereof in article 2 of Royal Decree-Law 6/2013 – “**Royal Decree-Law 6/2013**” - of 22 March on the protection of holders of certain financial and savings products and other financial measures, hereinafter “**Royal Decree-Law 21/2012**”), an offer to acquire the shares that is expected will be issued by NCG Banco, S.A. (hereinafter, the “**Offer**”). This action is one of a number of steps to manage subordinated debt and hybrid capital instruments and, in particular, buy back subordinated debt and preference securities taken by Fondo de Reestructuración Ordenada Bancaria (hereinafter, the “**FROB**”) by virtue of a resolution on 7 June 2013 (hereinafter, the “**FROB Resolution**”, and the aforementioned buyback of securities, the “**Buyback**”) that are held by the Offer Recipients (as defined hereon).

The Offer is voluntary and therefore may or may not be accepted by the Offer Recipients.

2. RECIPIENTS AND SECURITIES SUBJECT OF THE OFFER

The offer is to acquire the ordinary shares not listed on a regulated market (the “**Offer Shares**”) that it is expected will be issued by NCG Banco, S.A. as part of the Buyback of NCG Banco, S.A.’s subordinated debt and preference securities (the “**Buyback Securities**”) that are held by the following persons (the “**Offer Recipients**”):

- a) those holders of NCG Banco, S.A. shares who have acquired them in exchange for the Buyback Securities, provided that they were holders of the Buyback Securities on the date the aforementioned Royal Decree-Law 6/2013 was published in Spain’s Official State Gazette (BOE), i.e. on 23 March 2013, and that they are retail customers as per the definition in article 78 bis of Securities Market Act 24/1988 of 28 July; and
- b) those holders of NCG Banco, S.A. shares through succession *mortis causa* of the persons referred to in point a) above.

For the purposes of the foregoing, the term “retail customer” is defined in said article 78 bis, Title VII, Chapter I of Securities Market Act 24/1988 of 28 July on the rules of conduct for investment service providers and is defined negatively, as opposed to persons considered professional customers¹.

Any Offer Recipients choosing to accept the Offer must do so for all the Offer Shares they hold that are free of any charges, encumbrances or rights in favour of third parties that restrict the voting and profit-sharing rights attached to them or their unrestricted transfer. If the Offer Recipient holds Offer Shares both individually and jointly with other recipients, the aforesaid condition will be applied separately for each group of Offer Shares that are found to be jointly held, and the Offer must be accepted by all joint holders if the securities account in which the Offer Shares are deposited is jointly held, or otherwise by any of them.

It is hereby noted that the Offer Recipients include all the investors in the cohort referred to in article 2.1 of Royal Decree-Law 6/2013.

¹ According to article 78 bis, professional customers will be persons who are assumed to have the experience, knowledge and qualifications needed to make their own investment decisions and properly assess the risks to which they are exposed. In particular, professional customers will include: a) financial institutions and other corporate persons that must be authorised or regulated by states that are or are not member states of the European Union to be able to operate in financial markets. These will include: credit institutions, investment firms, insurance companies, collective investment undertakings and the management companies thereof, pension funds and the management companies thereof, securitisation funds and the management companies thereof, institutions that are regularly involved in commodity and commodity derivative trading, and operators trading in their own name and other institutional investors.

b) States and regional administrations, public institutions managing public debt, central banks, and international and supranational bodies such as the World Bank, International Monetary Fund, European Central Bank, European Investment Bank and other similar institutions.

c) Business owners who individually meet at least two of the following conditions:

- 1.º their total assets amount to EUR 20 million or more;
- 2.º their total turnover amounts to EUR 40 million or more;
- 3.º their equity amounts to EUR 2 million or more.

d) Institutional investors that are not included in point a) but regularly invest in securities or other financial instruments. Venture capital undertakings and their management companies in particular were included in this cohort.

The institutions listed in the previous points were classified as professional customers irrespective of the fact they are entitled to request they be treated as non-professional, and of the fact that investment firms may agree to afford them a greater degree of protection.

e) Other clients that so request beforehand and expressly waive their right to be treated as retail customers. Acceptance of any such a request and waiver will be conditional upon the firm providing the investment service carrying out an adequate assessment of the customer's experience and knowledge of the transactions and services being requested and ensuring said customers can make their own investment decisions and understand the risks to which they are exposed. When performing such an assessment, the firm in question must confirm at least two of the following requirements are met:

- 1.º that the customer has performed a significant volume of securities market transactions with an average frequency of more than 10 per quarter over the previous four quarters;
- 2.º that the value of the cash and securities deposited exceeds EUR 500,000;
- 3.º that the customer occupies or has occupied for at least a year a professional position in the financial sector requiring knowledge of the transactions or services in question.

The Government and, as duly authorised, the Ministry of Economy and Finance or the National Securities Market Commission (CNMV) may determine how the magnitudes stipulated in this section are calculated and establish the requirements for the procedures that institutions must put in place to classify customers.

3. GROUNDS FOR THE OFFER

In the context of the Buyback and to the extent that the Offer Shares are not listed on an official market and NCG Banco, S.A. does not intend to apply for these shares to be listed as part of the restructuring plans approved by the European Commission, the possibility of these shares facing a shortage of liquidity could pose a difficulty for the Offer Recipients. In order to mitigate the effects of said circumstance and boost the liquidity of these shares that the retail customers holding the Buyback Securities will receive in exchange for the latter, the Fund offers a liquidity alternative for Offer Recipients in accordance with Royal Decree-Law 6/2013, which expressly authorises the Fund to perform a rapid and essential intervention to facilitate proper implementation of the bank restructuring process.

4. COMPENSATION OFFERED

The Offer is structured as a share purchase transaction in exchange for a cash payment of EUR 1.32914106985813 per share receivable by the vendor, which results from applying a illiquidity discount determined based on an independent expert report in accordance with section 4 of additional provision five of Royal Decree-Law 21/2012.

5. CONDITIONS OF THE OFFER

The Offer will not take effect unless the following conditions are met before the settlement date of the Offer:

- (i) The Buyback is executed and completed as per the terms and conditions and deadlines stipulated in the FROB Resolution.
- (ii) The Offer Shares are validly issued and paid up prior to the settlement date of the Offer and, on that date, they are entered in the accounting records of the institutions responsible for registering the shares of NCG Banco, S.A. in favour of each of the holders thereof, as applicable.
- (iii) The pertinent and mandatory authorisations have been obtained, where applicable.

Each Offer Recipient choosing to accept the Offer must also met the following requirements:

(i) The shares held by the Recipients that they intend to sell on accepting the Offer must be free of any charges, encumbrances or rights in favour of third parties that restrict the voting and profit-sharing rights attached to them or their unrestricted transfer; and

(ii) The Recipients must accept the Offer for all the Offer Shares they hold that are free of any charges, encumbrances or rights in favour of third parties that restrict the voting and profit-sharing rights attached to them or their unrestricted transfer. If the Offer Recipient holds Offer

Shares individually and jointly with other recipients, this condition will be applied separately for each group of Offer Shares that are found to be jointly held.

6. ILLIQUIDITY DISCOUNT

This is a sum of EUR 0.212785925336917 per share included when calculating the price per share and applied because of the illiquidity of the Offer Shares not listed on any regulated market and because NCG Banco, S.A. does not intend to apply for these shares to be listed in the context of the Resolution Plan approved by the Bank of Spain and the European Commission on 27 and 28 November 2012, respectively.

7. OFFER ACCEPTANCE WINDOW

The window for accepting the Offer runs from 08:15 hours (mainland Spain time) on 17 June 2013 to 14:00 (mainland Spain time) on 12 July 2013 (unless an extension is approved by the Fund). The Fund may extend the acceptance window, in which case it will publish the agreement in the same media used to publish the Offer, at least three calendar days before the end of the initial window and giving the reasons for doing so.

8. UNCONDITIONAL AND IRREVOCABLE ACCEPTANCE

Confirmations of acceptance from Offer Recipients will be accepted from the first day of the acceptance window and will be unconditional and irrevocable. Confirmations not fulfilling the criteria set forth in this Offer will be invalid and not accepted.

On submitting their confirmations of acceptance, Offer Recipients authorise the custodian with which their Offer Shares will be deposited to block the shares subject of the confirmation of acceptance when, as applicable in each instance, (i) they submit their confirmation of acceptance or (ii) they receive the Offer Shares they are entitled to in exchange for the Buyback Securities. The shares will be blocked until the settlement date of the Offer.

9. OFFER ACCEPTANCE PROCEDURE

Offer Recipients choosing to accept the Offer must visit any branch of NCG Banco, S.A. or if their Buyback Securities are deposited with another institution, the institution where they are held, during office hours. They must also confirm in writing that they accept the Offer using the form provided to them by the institution in question.

The Offer Shares subject of the accepted Offer (which must, in any event, be all the shares they hold individually that are free of charges, encumbrances and other third-party rights) must comprise all the inherent voting and profit-sharing rights, whatever their nature. To this end, the aforesaid shares must be transferred to the Fund free of any charges, encumbrances or rights in favour of third parties by persons authorised to do so as per the corresponding book entries, such that the Fund acquires irrevocable ownership of them in accordance with article 9 of the Securities Market Act.

In the event there are several holders of the Offer Shares (joint ownership), the confirmation of acceptance must be signed by all joint holders if the securities account in which the Offer Shares are deposited is jointly held, or otherwise by any of them.

It will be understood that the confirmation of acceptance of the Offer grants automatic consent for the Offer Shares held to be transferred to the Fund so that the Fund in collaboration with NCG Banco, S.A. and the institutions responsible for registering the NCG Banco, S.A. shares can process the change in ownership of the shares included in the accepted Offer once the consideration for them has been settled.

Each Offer Recipient accepting the Offer may request that NCG Banco, S.A. or, if applicable, the custodian through which acceptance was confirmed, provide an acknowledgement that their confirmation has been submitted to the Fund.

The Fund will reject any confirmations of acceptance submitted by Offer Recipients that do not include all the Offer Shares they hold that are free of any charges, encumbrances or rights in favour of third parties that restrict the voting and profit-sharing rights attached to them or their unrestricted transfer.

Equally, the Fund will reject any confirmations of acceptance submitted by Offer Recipients if the latter have received, prior to settlement of the Offer, an award or judgement upholding their claims in any judicial or arbitration proceedings initiated in relation to the trading of the Buyback Securities exchanged for the Offer Shares.

Furthermore, the Fund will reject any confirmations of acceptance submitted outside the aforementioned window for accepting the Offer or that, while submitted on time, are incorrectly or not fully completed or are submitted by persons who are not Offer Recipients.

10. SETTLEMENT AND PAYMENT OF THE CASH CONSIDERATION

The Offer will be settled within a calendar week of the end of the acceptance window.

NCG Banco, S.A. will complete and settle the acquisition of the Offer Shares included in the confirmations of acceptance of the Offer.

11. OFFER ACCEPTANCE COSTS

All costs deriving from intervening in, completing and settling the Fund's acquisition of the Offer Shares from those holders accepting the Offer will be assumed by NCG Banco, S.A., such that the consenting parties will not incur any expense.

NCG Banco, S.A. will also not charge its clients any fees or commission for processing the confirmations of acceptance of the Offer. If other custodians process confirmations of acceptance on behalf of the parties accepting the Offer, the consenting party will assume any fees and commissions the custodians charge their clients for clearing the orders deriving from acceptance of the Offer.

12. JURISDICTIONAL LIMITS

The Offer is not intended for holders of NCG Banco, S.A. shares in those jurisdictions where accepting or completing the Offer could breach the laws in said jurisdictions.

Joint holders of NCG Banco, S.A. shares must notify each other and comply with any applicable legal requirements. The person choosing to accept the Offer is responsible for fully complying with the laws in the corresponding jurisdiction, including obtaining any authorisations from the various regulators, complying with laws and regulations on foreign investments, and obtaining any other necessary authorisation or consent, and completing any other applicable formalities.

13. PUBLICATION OF THE OFFER

This Offer will be published in electronic format on the websites of NCG Banco, S.A. (www.ncgbanco.es), the Deposit Guarantee Fund for Credit Institutions (www.fgd.es) and the National Securities Market Commission (www.cnmv.es) (in the latter case through the material disclosures published for these purposes by NCG Banco, S.A. and other issuers of the Buyback Securities). It will also be published in at least one national newspaper and another from the autonomous community where the registered address of NCG Banco, S.A. is located. This notice will be available to Offer Recipients from the first working day after publication of the aforementioned notices at any NCG Banco, S.A. branch.

Madrid, 10 June 2013

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