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## 2018 FROB Annual Report

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- **FROB published its 2018 Annual Report, setting out key milestones reached over the course of last year**

**Madrid, 31/05/2019.**

The executive resolution authority, FROB, has published its *2018 Annual Report* today covering progress over the last year.

This is the third edition of the report, which reaffirms the entity's commitment to the accountability and transparency of its ordinary activities. FROB's work is presented in a practical and educational manner to be as open as possible about its activities and engage with society.

According to FROB's Chairman, Jaime Ponce: *"With regards to resolution, 2018 can be seen as a year of transition in Spain. On the one hand, all the plans that Spanish institutions signed up to on receiving bailouts have been completed. On the other, 2018 was crucial for the consolidation of the European framework and increased resolvability of financial institutions in the Banking Union."*

FROB's main activities can be split into two categories:

### **1. Work within the European resolution framework**

- FROB has continued its work participating as normal in all the internal preparative tasks and resolution planning tasks shoulder to shoulder with the Single Resolution Board (SRB) and the Spanish preventive resolution authorities (the Bank of Spain and the CNMV). It has also played an active role in the various working groups around the world (SRB, European Banking Authority, Financial Stability Board).
- During the year 2018, as normal, contributions were also collected for the resolution funds (funding instruments which the resolution authorities may use to implement resolution measures), totalling EUR 736 million (EUR 735.93 million for the European Single Resolution Fund and EUR 0.06 million for the National Resolution Fund).

- The European Bank Recovery and Resolution Directive was also amended in 2018, and the revised version is expected to be published in the first half of 2019. FROB has continued its normal work providing technical advice on these matters. Further information on the changes introduced in the new legislation is available in the Annual Report.

## 2. Actions deriving from the bank restructuring process

- The restructuring plans of most of the bailed-out entities were concluded in 2017<sup>1</sup> with only two being completed in April 2018<sup>2</sup>. In all cases, the institutions fulfilled the commitments undertaken on receiving the financial assistance and therefore, it can be concluded that the **restructuring Spanish credit institutions has been completed**.
- FROB has also been heavily involved in detecting and analysing transactions at credit institutions receiving a public bailout that could comprise criminal activities<sup>3</sup>. FROB is the aggrieved party in 24 cases still in progress.
- Lastly, following the efforts to reorganise FROB's investee credit institutions (Bankia and BMN), this process concluded with their merger in January 2018. Spain's Council of Ministers agreed on 21 December to extend the Bankia divestment period by a further two years to December 2021, given the large stake still held by FROB at the end of 2018 and the need to find the best conditions to recover the public bailouts.

FROB's activities reports are available on the website: [www.frob.es](http://www.frob.es)

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<sup>1</sup> Grupo BFA-Bankia, Banco Mare Nostrum (BMN), Liberbank and Caja3 (entity integrated with Ibercaja Banco).

<sup>2</sup> Catalunya Banc and Banco CEISS.

<sup>3</sup> A total of 57 forensic reports have been sent to the Special Prosecutor for Corruption and Organised Crime.