

---

## 2019 FROB Annual Report

---

- **FROB today publishes its 2019 annual report, setting out key milestones reached over the course of the year in which it celebrated its tenth anniversary.**

**Madrid, 08/06/2020.**

The executive resolution authority, FROB, has published its 2019 Annual Report today covering progress over the last year.

FROB's activities over 2019 were once again framed within its two natural lines of action. Firstly, all the work resulting from its membership of the European Resolution Mechanism and its contribution to the ongoing work to strengthen the resolvability of financial institutions in Spain. Secondly, completion of the outstanding tasks of the bank recapitalisation process, particularly relating to monitoring its stakes in BFA-Bankia and Sareb.

It should also be noted that FROB celebrated its 10th anniversary in 2019, which led to it performing various activities aimed both at publicising its work and at keeping the debate about bank resolution alive.

Although it does not specifically correspond to the time scope of this report, while it was being prepared, the new reality resulting from the COVID-19 pandemic took hold. Jaime Ponce, FROB's Chairman, highlighted in his institutional message that *"we are facing this situation in better conditions from various perspectives. From a prudential perspective, with more and better capitalised entities. From the area of resolution, with significant improvements in terms of planning and available tools. And from an institutional perspective, with European supervisory (ECB) and resolution (SRB) systems in full operation within the Banking Union"*. At the same time, his message stresses the need to *"complete the Banking Union in order to deploy harmonised responses to challenges such as those we face today"* and, at any event, to manage the current situation with *"flexibility and prudence"*.

The main activities within each of the aforementioned categories can be divided as follows:

### **1. Work within the European Resolution Framework.**

- FROB has continued its regular involvement in all resolution planning and internal preparatory tasks in close cooperation with the Single Resolution Board (SRB) and the Spanish

preventive resolution authorities (the Bank of Spain and the CNMV). Particular noteworthy among these tasks is the development of the new MREL policy, which aims to incorporate the changes of the banking package which will apply as from December 2020 (BRRD2/CRR2). It has also continued to play an active role in the various working groups around the world (SRB, European Banking Authority, Financial Stability Board).

- As normal, contributions were also collected in 2019 for the resolution funds (funding tools which the resolution authorities may use to implement resolution measures) totalling EUR 709 million (EUR 708 million for the European Single Resolution Fund and EUR 0.8 million for the National Resolution Fund).

## **2. Work arising from the bank restructuring process.**

- FROB's work in this area focused on monitoring its stakes in BFA/Bankia and Sareb and on managing the guarantees granted in previous divestment processes.
- Furthermore, FROB has been heavily involved in detecting and analysing transactions which might constitute criminal offences performed by credit institutions that have received public financial support<sup>1</sup>. FROB maintains its presence as an injured party in 21 processes, which are currently at various stages of the proceedings. The aid recovered recognised by means of a final judgement to date totals EUR 20.3 million plus statutory interest and costs.

FROB's annual reports are available on its [website](#)

---

<sup>1</sup> A total of 57 forensic reports have been submitted to the Office of the Special Prosecutor against Corruption and Organised Crime.