
2021 FROB Annual Report

- **FROB today publishes its 2021 annual report, setting out key milestones reached over the course of the year.**

Madrid, 08/07/2021.

The executive resolution authority – FROB - has published its 2021 Annual Report today, with the key milestones in its activity over the year, which was marked in the financial sector by the measures introduced in 2020, which continued to offer flexibility and helped the sector address the economic consequences stemming from the shocks caused by the health and geopolitical crises.

In this financial year, FROB has continued to work on further developing its resolution preparation, with the aim of ensuring an appropriate response in the event of a crisis, and exercising its rights in its investees, in which there have been major developments, such as the registration of the draft merger between Bankia and CaixaBank and the reclassification of Sareb in the National Accounts.

Paula Conthe, FROB’s Chair, remarked in her institutional message that *“we continue to stress that these shocks are affecting the Spanish banking sector in a much better situation than in the past, which have sound foundations and a proven capacity for resistance that allows us to address these new challenges to financial stability with confidence, albeit with the prudence that is part of the DNA of resolution authorities and that reminds us that the global reforms that have been set in motion over the course of the last decade have proved fruitful, although we must remain vigilant”*.

The main activities within each of the aforementioned categories are 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). Within the framework of the SRB, the activity at its plenary session combined monitoring the situation in the context of the health crisis and of the flexibility measures introduced with the continuation of the work

that primarily seeks to help entities develop their capabilities associated with resolution. In this regard, the updated MREL policy should be highlighted, along with the adoption of the guide on liquidity and financing in resolution and the revision of the public interest policy. 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 2021 for the resolution funds (funding tools which the resolution authorities may use to implement resolution measures) totalling EUR 986 million (EUR 982 million for the European Single Resolution Fund and EUR 4 million for the National Resolution Fund).

2. Work arising from the bank restructuring process.

- As usual, FROB's work in this area focused on monitoring its stakes in BFA and Sareb and on managing the guarantees granted in previous divestment processes. A major milestone this year was the registration of the merger between Bankia and CaixaBank on 26 March, after all the corresponding authorisations were received. As regards, Sareb, in February 2021, Eurostat issued an opinion whereby Sareb must be reclassified under the National Accounts as a unit belonging to the General Government, which was agreed in March, leading to its integration in the public sector.

- In addition, FROB continues its work to prosecute and penalise irregular conduct that was detected in the various credit institutions that received public aid¹. FROB is a party to 20 processes, which are currently at various stages of proceedings, with significant developments in 2021. The aid recovered recognised by means of a final judgment to date totals more than EUR 270 million.

3. Other activities.

Finally, following approval in 2020 of FROB's Social Responsibility Policy, over the course of 2021, different lines of action have started to be developed under this policy, through the implementation of specific initiatives.

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

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