
2020 FROB Annual Report

- **FROB today publishes its 2020 annual report, setting out key milestones reached over the course of the year.**

Madrid, 20/07/2020.

The executive resolution authority – FROB - has published its 2020 Annual Report today, with the key milestones in its activity over the year, which was marked by the extraordinary emergency situation resulting from the pandemic.

In 2020, FROB adapted its operations to the extraordinary situation generated by COVID-19, with the aim of ensuring the continuity of the functions of the resolution authority, which remained fully operational and continued to perform its activities in the framework of the powers conferred on it by the Single Resolution Mechanism. In particular, the monitoring of both significant and less significant institutions was strengthened, with close contact with the supervisor maintained in order to regularly monitor the possible impact of the pandemic, as well as the support measures implemented by the authorities, on their financial position.

Paula Conthe, FROB's Chair, highlighted in her institutional message that *"this crisis has served as a reminder of the need to continue working together to move forward in the deepening of the Banking Union and in the strengthening of the European resolution framework. In 2020, the European agenda has been marked by the response to the pandemic, but once the most urgent needs have been addressed, further progress is needed in this area."*

In this 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 announcement of the draft merger between Bankia and CaixaBank. 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, in a year marked by special monitoring and extraordinary measures in response to the health situation, it is worth highlighting the progress of the working group engaged in developing the new MREL policy, which incorporated the changes resulting from the new banking package (BRRD2/CRR2) and the publication of the document setting out the expectations for institutions in relation to each of the resolvability dimensions. 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 2020 for the resolution funds (funding tools which the resolution authorities may use to implement resolution measures) totalling EUR 848 million (EUR 847 million for the European Single Resolution Fund and EUR 1 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/Bankia and Sareb and on managing the guarantees granted in previous divestment processes. A major milestone this year was the formulation, in September, of the Draft Terms of Merger between Bankia and CaixaBank by their respective boards of directors. This was given a positive assessment by FROB's Governing Committee and approved by the extraordinary General Shareholders' Meetings of Bankia and CaixaBank on 1 and 3 December 2020, respectively.

- 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 maintains its presence as an injured party in 21 processes, which are currently at various stages of proceedings. The aid recovered recognised by means of a final judgment to date totals EUR 20.3 million plus statutory interest and costs.

Finally, it is also important to highlight that in 2020, FROB's Social Responsibility Policy was approved, thus launching this initiative in the entity, and the procedure for the renewal of FROB's Chairperson was carried out. This procedure culminated in the approval, by the Council of Ministers, of the appointment of Paula Conthe as Chair of the authority.

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.