
The FROB resolves to send 23 operations by Catalunya Banc and Novacaixagalicia to the Public Prosecution Office for investigation

Press release – 17 October 2014

The Governing Committee of the Fund for the Orderly Restructuring of the Banking Sector (FROB) has resolved at its meeting today, following analysis of the forensic reports received, to send 23 irregular operations to the Public Prosecution Office. Of these operations, 16 relate to Catalunya Banc and 7 to the former Novacaixagalicia. According to the reports, the economic grievances caused by these operations, conducted in the 2005-2008 period, are estimated to amount to around €900 million at Catalunya Banc and a further €600 million at Novacaixagalicia.

The means of operation analysed in these cases is based essentially on financing and refinancing operations for the acquisition of real estate and/or holdings in companies, refinancing for the acquisition of companies, loan rescheduling with reductions in collateral, debt cancellation operations (whether involving assets sales, dation in payment or any other similar legal figure), sales of foreclosed property, investment operations (e.g. in precarious positions from the economic or financial standpoint) and, in general, operations that have given rise to substantial losses for the banks and that display signs of irregularity or that do not have an economic rationale.

The FROB has to date commenced or is represented in 19 criminal actions involving the analysis and investigation of alleged offences relating to financial or property transactions of institutions that have received public support. The aim hereby is ultimately to minimise costs for the taxpayer.

The FROB continues to analyse the various forensic reports being forwarded to it both on the banks in question and on others in which it has a capital holding.

The Fund for the Orderly Restructuring of the Banking Sector ("FROB" by its Spanish acronym) is an institution under public law with its own legal personality whose aim is to manage credit institution restructuring and resolution processes. The FROB is regulated by Law 9/2012 of 14 November 2012 on the restructuring and resolution of credit institutions.