
The FROB resolves to send 2 operations by Novacaixagalicia to the Public Prosecution Office

Press release – 31 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 2 irregular operations to the Public Prosecution Office relating to the former Novacaixagalicia. According to the reports, the economic grievances caused by these operation are estimated to amount to around €210 million.

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 continues to analyse the various forensic reports being forwarded to it both on the bank 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.