

Home > News and media

> SRB decides no compensation due to Banco Popular shareholders and creditors, finding that insolvency would have been more costly

SRB decides no compensation due to Banco Popular shareholders and creditors, finding that insolvency would have been more costly

Press releases | Wednesday, 18 March 2020 | Also available in:

[Spanish](#)

The Single Resolution Board (SRB) has decided that no compensation is due to shareholders and creditors affected by the resolution of Banco Popular Español, S.A. (BPE). It concluded that they would not have been better off under normal insolvency proceedings. The decision is based on the post-resolution valuation by an independent valuer, as well as on the analysis of comments received in the context of the [‘right to be heard’ process](#). The [decision](#) has been published today on the SRB's [website](#), while a summary of the decision will also be published in the Official Journal of the European Union.

“This decision now closes the process of analysing whether insolvency would have meant a better outcome for affected shareholders and creditors of BPE,” said SRB Chair, Elke König. “It is clear that this is not the case. I understand this will be disappointing for those who have lost out, however it proves that the resolution framework is effective and shielded the taxpayer from losses and financial instability.”

BPE was [resolved on 7 June 2017](#), following the European Central Bank's (ECB) [assessment](#) that it was failing or likely to fail. The SRB decided that resolution was in the public interest in order to protect depositors and prevent instability in the financial system and the Spanish national resolution authority (FROB) implemented the decision at a national level. The bank was sold to Banco Santander, S.A.. The services provided by BPE to its customers continued as normal after resolution.

A main principle of the European resolution framework is that no creditor should receive worse treatment than if the resolved bank was wound up under normal insolvency proceedings on the resolution date. An independent valuer analysed hypothetical insolvency scenarios in the so-called [Valuation 3](#) report. It found that they would not have been better off if the bank had gone into insolvency proceedings on the same date.

On 6 August 2018, the SRB published a preliminary decision that no compensation was required and opened a ‘right to be heard’ process allowing affected shareholders and creditors to express

their views and provide reasoning as to why they may not agree with the preliminary decision and its underlying reasoning.

The SRB reviewed 2,856 submissions from parties who registered and were verified to take part in the process. The independent valuer was also asked to provide its independent views on the comments related to the Valuation 3 report. As outlined in the decision, the comments included in these submissions covered a number of aspects, including the independence of the valuer and the content of the Valuation 3 report.

Following this analysis, the SRB adopted its final decision, which was addressed to FROB, as the national resolution authority that implemented the resolution decision. This final decision is the last step in the formal process following the resolution of BPE.

Find out more about the Banco Popular resolution on our dedicated [webpage](#).

SRB Final Decision and Annexes in English – Authentic Version:

- [Final Decision](#)
- [Annex I – Valuation 3 Report](#)
- [Annex II – Clarification Document](#)

Note to editors:

Given the extraordinary circumstances related to the outbreak of the coronavirus COVID-19, no press conference will take place. However, the SRB remains fully available for any questions or follow-up information. The communications team can be contacted through the details below, and via [SRB-INFO \[a\] srb.europa.eu](mailto:SRB-INFO [a] srb.europa.eu)">SRB-INFO@srb.europa.eu.

Contact our communications team



Spokesperson & Communications Team Leader

Susan Carroll

Email :

Susan.Carroll@srb.europa.eu

Phone: + 32 2 490 3439

Mobile: +32 470 96 48 01



Speechwriter & Communications Expert

Seán De Búrca

Email :

Sean.de-Burca@srb.europa.eu

Phone: +32 2 490 3710

Mobile: +32 477 02 87 10



Communications Expert

Camille De Rede

Email :

Camille.de-Rede@srb.europa.eu

Phone: +32 2 490 3530

Mobile: +32 477 028 530

Recent press releases



ECB and SRB sign Memorandum of Understanding to share confidential data

Press releases | 04 August 2023

The European Central Bank and the Single Resolution Board have signed a Memorandum of Understanding (MoU) on the exchange of certain types of...



Single Resolution Board publishes MREL dashboard Q1.2023

Press releases | 03 August 2023



SRB joins Network for Greening the Financial System

Press releases | 12 July 2023

Move is part of the development of a responsible investment framework for the Single Resolution Fund

[See all](#)

Stay up to date

Subscribe to the RSS feed



Contact the SRB

Address

Treurenberg 22
1049 Brussels
Belgium

 [See on the map](#)

Phone number

+32 (0) 2 490 30 00

Working hours

Monday to Friday, 08:30 to 17.30 CET

[Email us](#)

Single Resolution Board (SRB)

The Single Resolution Board is the central resolution authority within the Banking Union. Its mission is to ensure an orderly resolution of failing banks with minimum impact on the real economy, the financial system, and the public finances of the participating member states and beyond.

Our work

[About](#)

[Resolution](#)

[Cases](#)

[Single Resolution Fund](#)

[News and media](#)

[Events](#)

Connect

[Contact](#)

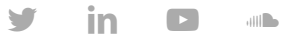
[Vacancies](#)

[Tenders](#)

[Glossary](#)

[Site map](#)

Follow the SRB



© SRB 2023

Corporate policies: [Data protection](#) | [Transparency](#) | [Cookies](#)

[European Union](#)

[European Parliament](#)

[European Commission](#)

[European Central Bank](#)

[European Council](#)

[Log in](#)