

Beat: Business

A judge ordered a bail of 800 million euros to the former directors of Bank

Including Rodrigo Rato

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USPA NEWS - Former IMF chief Rodrigo Rato faces a new problem related to his presidency of Bankia, the financial entity that received the largest bailout of the Spanish Government. A judge just ordered a bail of 800 million euros to Rato and three of his officers, for lying on its IPO.

On July 30, 2010, pursuant to the law on financial institutions approved by the Spanish government, Bankia born from the merger of seven savings of Madrid, Valencia, Canarias, Castilla and Leon, Catalonia and La Rioja. On December 3 of that year born Banco Financiero y de Ahorros (BFA its acronym in Spanish), parent of the entity was created. And on July 20, 2011, as the end of a process of recasting of the entity, Bankia went public. Gone was the billionaire government bailout, the largest of the crisis, and a period of uncertainty that had questioned the continuity of the bank.

To direct the times were appointed Jose Ignacio Goirigolzarri on 9 May 2012. But the new president a gift poisoned as a judicial inquiry into question the reputation of its predecessors, including former managing director of the IMF Rodrigo Rato. The complaint against the former directors of Bankia reached the National Court Judge Fernando Andreu ordered the allocation of Rato, his right hand in Bankia, the former vice president of the company, former CEO, the bank itself and its parent. Asked EUR 800 million bond to address potential liabilities to shareholders of the entity.

The judge considered all of them responsible of the agreement of June 15, 2011 that approved the financial statements incorporated into the prospectus for IPO, "whose veracity is questionable with solid and founded", according to the order of the judge. The magistrate is based on expert reports questioning the accounts of Bankia and the commission of a crime of swindling investors as defined in article 282 bis of the Spanish Penal Code, punishable by up to six years in prison follows. This offense was incorporated into the Spanish penal law reform 2010 and punishes those who as administrators of an issuer of securities "falsify economic and financial information contained in the prospectuses" in order to "attract investors or depositors".

Technical, from the Bank of Spain, noted in his report that "quite categorically, the financial statements included in the prospectus of the IPO of Bankia not express the true image of the bank." A statement that, according to the judge, the entity does not contradict "at all". Fernando Andreu says that "false information to investors" had a "harmful result" for these and led to damage of the new shareholders "very difficult and laborious quantification". Bankia has announced that it will appeal the judge's order.

Article online:

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