

ESM approves Spain's sixth early repayment

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26/10/2017

Press releases

ESM

Luxembourg – The Board of Directors of the European Stability Mechanism (ESM) today approved a request by Spain to make a voluntary early repayment of €2 billion of its ESM loan. This is the sixth time that Spain has requested to make an early repayment on a loan to recapitalise its banks in 2012 and 2013. Following this payment, Spain's outstanding debt to the ESM will be €31.7 billion.

“Spain's track record of early repayments to the ESM shows its good market access conditions and comfortable liquidity position. Spain is clearly a success story in overcoming the recent crisis and I'm happy that the ESM played a very useful role. Our indirect bank recapitalisation instrument financed the repair of the banking system and supported the implementation of a broad reform programme, which turned Spain into one of the fastest growing economies in the euro area,” said ESM Managing Director Klaus Regling.

On 5 October 2017, the ESM received a request from the Spanish authorities for an early repayment which, under the financial assistance agreement, required approval by the ESM Board of Directors.

Following this decision of another early repayment by Spain, the ESM Long-Term Funding Programme will be amended. The total funding target for 2017 will now be €11.5 billion (instead of €12.5 billion). The remaining funding amount for 2017 is now €1 billion.

According to the agreed schedule, Spain's last reimbursement of debt to the ESM is set for the end of 2027.

Between December 2012 and February 2013, the ESM disbursed €41.3 billion to the Spanish government for the recapitalisation of the country's banking sector. Spain successfully exited the programme at the end of 2013.

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