ESM Board of Directors approves €100 million disbursement to Cyprus

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ESM

Luxembourg – The Board of Directors of the European Stability Mechanism (ESM) approved today the disbursement of €100 million to Cyprus. This follows the positive assessment of the sixth quarterly review of Cyprus's macroeconomic adjustment programme and approval of the supplemental Memorandum of Understanding with Cyprus by the ESM Board of Governors.

ESM Managing Director Klaus Regling said: "I am pleased that Cyprus's adjustment programme is back on track. The legal framework for a new foreclosure procedure has entered into force, and there has also been a substantial reform of corporate and personal insolvency laws. These new regulations enable the country to effectively deal with the problem of non-performing loans. I trust that the government will continue its reform efforts so that Cyprus can sustain economic recovery."

Mr Regling added: "Progress in Cyprus confirms that with strong ownership by a government our approach to grant a loan in exchange for economic policy conditions works. This has also been demonstrated by the successful programme conclusions in Ireland, Portugal and Spain."

The current disbursement will bring the total amount of ESM financial assistance provided for Cyprus to €5.8 billion out of the approximately €9 billion available under the approved programme.

The ESM Board of Directors is composed of the senior officials of the euro area Member States and it is chaired by the ESM Managing Director.

There is an online information package on the financial assistance programme for Cyprus at: https://www.esm.europa.eu/assistance/cyprus

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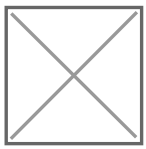

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