

ESM approves early loan repayment by Spain

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Press releases

ESM

Brussels – The Board of Directors of the European Stability Mechanism (ESM) approved today the voluntary request by Spain to make an early repayment of €1.3 billion of its ESM loan for the recapitalisation of the Spanish banking sector. It is the first time that a euro area country that benefited from a financial assistance programme has requested to make a repayment ahead of schedule.

ESM Managing Director Klaus Regling said: “The Spanish initiative confirms that the restructuring of the country’s banking sector, backed by ESM financing, has been successful. Spanish banks have been put on a strong and sound footing, growth is returning and investors have regained confidence in Spain”.

The ESM received on 27 June the request from the Spanish authorities for an early repayment which, under the financial assistance programme, requires formal approval by the ESM Board of Directors.

The early repayment will be made in cash and comes after the successful sale of shares in a restructured bank. Spain’s last reimbursement of an ESM loan is scheduled for the end of 2027.

From December 2012 to 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 without any follow-up programme.

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