

# ESM to disburse €1.5 billion to Cyprus

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Press releases

ESM

Vilnius – The Board of Governors of the European Stability Mechanism (ESM) has today approved the updated Memorandum of Understanding for Cyprus. This clears the way for the disbursement of €1.5 billion, the second tranche of the country’s financial assistance programme. This disbursement is expected to be formally decided by the ESM Board of Directors. Upon approval, the amount will be used for the recapitalisation of the cooperative banking sector.

Klaus Regling, the ESM Managing Director, said: “This tranche will help Cyprus to rebuild a healthy, viable and properly working banking sector, which is crucial to stabilising the economy”.

The ESM Board of Governors decided on 24 April 2013 that Cyprus will receive financial assistance from the ESM of up to €9 billion in the next three years. The first tranche of the programme, in the amount of €3 billion was disbursed in two steps in May and June. After the disbursement of the second tranche, €4.5 billion of ESM financial assistance will remain available for Cyprus.

There is an online information package on the Cyprus programme at:

<https://www.esm.europa.eu/assistance/cyprus>.

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