

ESM disburses the first tranche of financial assistance to Cyprus

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Press releases

ESM

Luxembourg – The Board of Directors of the European Stability Mechanism (ESM) approved the Financial Assistance Facility Agreement and the disbursement of the first tranche of financial assistance to the Republic of Cyprus. The first tranche is transferred in two separate disbursements: the first – of €2 billion has been transferred today, and the second – of up to €1 billion to be transferred before 30 June 2013. Both disbursements will be made in cash, and will be used for the general financing needs of the public sector (roll-over of maturing debt) and fiscal needs.

“The loans granted by the ESM help to maintain financial stability in the euro area and buy time for Cyprus”, Klaus Regling, Managing Director of the ESM said. “This time enables Cyprus to undertake the reforms necessary to rebuild its economy on a sustainable basis.”

In accordance with the decisions taken by the Eurogroup on 25 March 2013, Cyprus will receive assistance of up to €10 billion during the next three years. The ESM is expected to provide up to €9 billion and the International Monetary Fund is to contribute around €1 billion, subject to approval by its Executive Board.

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