

# ESM issues bonds for the recap of the Spanish banking sector

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Press releases

ESM

Luxembourg - European Stability Mechanism (ESM) has today launched and priced 2 bills and 3 floating rate notes for a total amount of close to €39.5 billion for the financial assistance to be provided for the recapitalisation of the Spanish banking sector. The ESM notes will be transferred to the FROB\*, the bank recapitalisation fund of the Spanish government, in the coming days. The FROB will use a share of these notes of close to €37 billion for the recapitalisation of the following banks that have been categorised as Group 1: BFA-Bankia, Catalunya-Caixa, NCG Banco and Banco de Valencia. The FROB will disburse a remaining share of up to €2.5 billion to capitalise SAREB, the Asset Management Company (AMC).

Klaus Regling, ESM's Managing Director stated "This is the first financial assistance provided by the European Stability Mechanism. It is an important event as the ESM has now started to actively fulfil its role as the permanent rescue mechanism for the euro zone".

The table below provides the details of these transactions. These notes were not funded via the market.

| ISIN         | Maturity   | Type          | Amount         | Beneficiary |
|--------------|------------|---------------|----------------|-------------|
| EU000A1U97C2 | 11/02/2013 | 2 month Bill  | €2.5 billion   | SAREB** (v  |
| EU000A1U97D0 | 11/10/2013 | 10 month Bill | €6.468 billion | Banks (via  |
| EU000A1U98U2 | 11/06/2014 | 18 month FRN  | €6.5 billion   | Banks (via  |

|              |            |            |             |            |
|--------------|------------|------------|-------------|------------|
| EU000A1U98V0 | 11/12/2014 | 2 year FRN | €12 billion | Banks (via |
| EU000A1U98W8 | 11/12/2015 | 3 year FRN | €12 billion | Banks (via |

Financial assistance for the recapitalisation of the Spanish banking sector for a total amount of up to €100 billion was agreed in July 2012 under the EFSF and was transferred to the ESM on 29 November. The €30 billion in EFSF notes, issued on 26 July, were held by the EFSF in order to be able to be provided to the FROB upon request and will subsequently be cancelled.

\* Fondo de Reestructuración Ordenada Bancaria

\*\* SAREB - Asset Management Company (AMC) for Assets Arising from Bank Restructuring

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