

How much financial assistance did the ESM provide to Spain?

In June 2012, the Spanish government made an official request for financial assistance for its banking system to the Eurogroup for a loan of up to €100 billion. It was designed to cover a capital shortfall identified in a number of Spanish banks, with an additional safety margin.

In December 2012, the Spanish government formally requested the disbursement of €39.47 billion via a dedicated ESM loan for the recapitalisation of the banking sector. The funds were transferred in the form of ESM notes on 11 December 2012 to the Fondo de Reestructuración Ordenada Bancaria (FROB), the bank recapitalisation fund of the Spanish government. The FROB used these notes for the recapitalisation, in an amount close to €37 billion, of the following banks: BFA-Bankia, Catalunya-Caixa, NCG Banco and Banco de Valencia. Additionally the FROB was to provide up to €2.5 billion to SAREB, the asset management company for assets arising from bank restructuring.

In January 2013, the Spanish government formally requested the disbursement of €1.86 billion for the recapitalisation of the following banks: Banco Mare Nostrum, Banco Ceiss, Caja 3 and Liberbank. The funds were transferred to the FROB in the form of ESM notes on 5 February 2013.

No further requests for disbursement were made, thus the overall amount of financial assistance provided by the ESM to Spain was €41.33 billion. This was the only instance so far when the ESM indirect recapitalisation loan was used.

