REFILE-Spain assumes bad bank SAREB's liabilities, debt-to-GDP rises to 120%

By Reuters Staff

(Fixes dateline)

MADRID, March 23 (Reuters) - Spain had to include the liabilities of its ‘bad bank’ SAREB into the country’s total public debt as demanded by Eurostat, lifting the debt-to-GDP ratio to around 120% from 117%, a senior government source said on Tuesday.

It will now be considered a public entity, which means that the state will assume around 35 billion euros of its debt. The source also said the government would consider extending the Brussels-set 2027 deadline to wind down SAREB beyond 2027.

SAREB took over more than 50 billion euros ($57 billion) in real estate and other toxic assets from nine Spanish savings banks during the financial crisis in 2012 as part of an international bailout for Spain’s financial sector. (Reporting by Belen Carreno, writing by Andrei Khalip)

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