Belgium, Slovakia and Slovenia now full EFSF members

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Press releases
EFSF

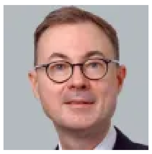
Luxembourg – Belgium, Slovakia and Slovenia recently confirmed commitment to the EFSF framework agreement and authorization of the agreement under its national laws. Following the EFSF Board of Directors on Friday 3 December all remaining issues have been cleared. All 16 Member States of the euro area have now signed up and are thus full EFSF members. Klaus Regling, Chief Executive Officer of the EFSF commented: “I welcome that all 16 euro area Member States have concluded their legal processes. This confirms that the euro area Member States are determined to safeguard financial stability of the euro zone and to protect the euro.” The signature of Belgium, Slovakia and Slovenia and the clearance of the remaining issues did not influence the functioning of the EFSF, which has been fully operational since 4 August 2010.

About the EFSF:

The European Financial Stability Facility (EFSF) was incorporated in Luxembourg under Luxembourgish law on June 7th 2010. Its objective is to preserve financial stability of Europe’s Economic and Monetary Union by providing temporary financial assistance to euro area Member States in difficulty. In order to reach its objective the EFSF can - with the support of the German Debt Management Office (DMO) - issue bonds or other debt instruments on the market to raise the funds needed to provide loans to countries which would submit a request. Issues would be backed by guarantees given by euro area Member States of up to € 440 billion.

The EFSF is part of a wider safety net. Its funds would be combined with loans of up to € 60 billion coming from the European Financial Stabilisation Mechanism (EFSM), i.e. funds raised by the European Commission and guaranteed by the EU budget, and up to € 250 billion from the International Monetary Fund (IMF) for an overall rescue package worth up to € 750 billion. EFSF, EFSM and IMF can only act after a support request is made by a euro area Member State and a country programme has been negotiated with the European Commission and the IMF. This would only occur when the country is unable to borrow on markets at acceptable rates. Any financial assistance by EFSF, EFSM and IMF to a country in need would be linked to very strict policy conditions.

Contacts



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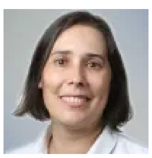

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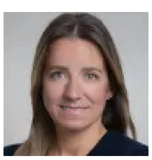

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