

ESM Board of Governors approves 2013 Annual Report

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Press releases

ESM

Luxembourg – The Board of Governors of the European Stability Mechanism (ESM) held its second Annual Meeting today at the ESM office in Luxembourg and approved the ESM Annual Report for 2013. The Board of Governors comprises the 18 euro area Finance Ministers.

The Ministers discussed the development of the ESM and its key activities. Ireland, Portugal, Greece, Spain and Cyprus have received conditional loans of a total volume of €230 billion from the ESM and its predecessor, the EFSF since 2010. Ireland, Spain and Portugal have successfully exited their programmes since the end of last year.

The Annual Report shows that there is a strong solidarity element in the programmes, with the ESM and EFSF offering loans at very low interest rates and at very long maturities. In the case of Greece all interest payments are deferred for 10 years. Greece has saved 4.7% of GDP in 2013, or €8.6 billion, due to its EFSF programme when compared to the assumed market cost of funding.

Jeroen Dijsselbloem, Chairman of the ESM Board of Governors, said the Annual Meeting convinced euro area Finance Ministers that the ESM strategy was working. “After our meeting I am pleased to conclude that the countries’ paid-in capital in the ESM is well managed and invested prudently. ESM and EFSF loans have allowed programme countries to reform and regain investor confidence. It is now of key importance that countries continue delivering on their reform agenda.”

ESM Managing Director Klaus Regling said: “The successful programme exits show that our strategy of providing loans against strict conditionality is working and the euro area is recovering from the crisis. It is important to note that our loans with

their very low interest rates and very long maturities are an expression of solidarity among the euro area Member States.”

In order to finance loans for programme countries, the ESM and EFSF regularly go to the bond markets. Total expected EFSF long-term funding from 2011 to 2015 is €167.8 billion and the ESM expected funding from 2013 to 2015 is €49 billion.

An electronic version of the ESM Annual Report 2013 is available [here](#).

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