ESM and EFSF announce funding programme for 2013

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Press releases
EFSF

Luxembourg - European Stability Mechanism (ESM) and European Financial Stability Facility (EFSF) today announced their funding programmes for 2013.

In terms of short-term funding, ESM will launch its bill programme in January 2013. It will offer regular bill auctions to be held on Tuesdays, with a new closing time of 12.30 pm, initially focussing on 3-month and 6-month bills. The ESM bill programme will replace the existing EFSF bill programme. EFSF will therefore no longer hold bill auctions and maturing EFSF bills will be financed via long-term funding or through the proceeds of ESM bills.

In terms of long-term funding, EFSF will continue to finance the macroeconomic adjustment programmes for Ireland, Portugal and Greece. In 2013, EFSF is expected to raise between €55 and €60 billion in long-term issuance in order to finance disbursement to these three beneficiary Member States and to finance the rollover of existing maturities.

EFSF funding and lending 2013
(subject to market conditions and requests by beneficiary countries)

in EUR billion	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total 2013
Ireland	1.6	1.4	1.4	1.2	5.6
Portugal	0.8	0	1.9	1.8	4.5
Greece	7.6	3.2	0.6	5.1	16.5
Total Lending Requirements	10.0	4.6	3.9	8.1	26.6

in EUR billion	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total 2013
Redemptions (excluding regular bills)	14.85	11.3	-	7.0	33.15

Long-Term Funding Programme	16.5	16.5	13.0	12.0	58.0
Short-Term Funding (end of period)	17.99	17.0	11.0	4.2	-

The first financial assistance was provided by ESM on 13 December when it launched 2 bills and 3 floating rate notes for a total amount of close to €39.5 billion for the recapitalisation of the Spanish banking sector. For 2013, ESM will finance the rollover of the 2 bills mentioned above for an amount of €8.968 billion. The ESM will also be responsible for the financing of future macroeconomic assistance programmes. The ESM bill programme is expected to cover funding needs for the first half of the year with an inaugural bond issuance expected from ESM in the second half.

ESM funding and lending 2013
(subject to market conditions and requests by beneficiary countries)

in EUR billion	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Total 2013
Rollover of existing maturities	2.5		6.468		8.968

Since the creation of the EFSF, the Deutsche Finanzagentur has provided support for all the funding operations of the EFSF. The members of the team have now joined ESM and make up the ESM Funding team. Christophe Frankel, Deputy Managing Director and CFO stated: 'The ESM Funding team, headed by Siegfried Ruhl, comprises highly talented and experienced staff. They will be able to smoothly and efficiently run the funding operations for both EFSF and ESM'.

About ESM

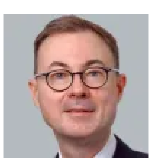
The European Stability Mechanism (ESM) is an inter-governmental institution which was inaugurated on 8 October 2012. Its mandate is to preserve financial stability of Europe's Economic and Monetary Union by providing financial assistance to euro area Member States in difficulty. In order to fulfil its mission, the ESM is authorised to issue bonds or other debt instruments on the market to raise funds needed to provide loans to countries in financial difficulties, intervene in the debt primary and secondary markets, act on the basis of a precautionary programme and finance recapitalisations of financial institutions through loans to governments including in non-programme countries. All financial assistance to Member States is linked to appropriate conditionality.

The shareholders of the ESM are the 17 euro area Member States. It has a total subscribed capital of €700 billion which comprises €80 billion in paid-in capital and €620 billion in committed callable capital. The ESM's effective lending capacity is €500 billion.

About EFSF

The European Financial Stability Facility (EFSF) was incorporated in Luxembourg on 7 June 2010. Its objective is to preserve financial stability of Europe's Economic and Monetary Union by providing financial assistance to euro area Member States in difficulty. In order to fulfil its mission, the EFSF is authorised to issue bonds or other debt instruments on the market to raise funds needed to provide loans to countries in financial difficulties, intervene in the debt primary and secondary markets, act on the basis of a precautionary programme and finance recapitalisations of financial institutions through loans to governments including in non-programme countries. All financial assistance to Member States is linked to appropriate conditionality. EFSF issues are backed by guarantees given by euro area Member States of up to €780 billion. EFSF has a lending capacity of €440 billion.

Contacts



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