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**Morgenmagazin: There could perhaps be a third aid package. The sum that is being talked about is at least 85 billion. Will all of that come from your rescue fund?**

Klaus Regling: No. And the sum is not at least, but at most, €85 billion. That is what the summit decided this weekend. I expect a large part, but not all, to come from the rescue fund, perhaps 50 billion. One reason is that the International Monetary Fund is part of the rescue package, although we don't know yet the precise sum. Privatisation receipts will also be part of the package. And I also expect that in this three-year period – the third package is supposed to run over three years – that in the framework of these three years Greece will regain market access, if the reforms are implemented. That is not unrealistic. A year ago, when the reforms were working, Greece was able to borrow money on the capital market again.

**Morgenmagazin: So you expect the ESM to have to pay 50 billion. You have 80 billion in real money, I mean paid-in capital from your members. Given this, is it possible to disburse 50 billion?**

Klaus Regling: Yes. The paid-in capital – 80 billion from our Member States – is not used for loans, instead it serves as collateral for our bonds. We issue bonds on the market and with that money we finance loans. This is how we have done it with Ireland, Spain and Portugal. That is the concept. So, the paid-in capital itself is not used (for loans). All in all, we could still disburse new loans in the volume of €450 billion. So you see that the size of the rescue fund is sufficient under all assumptions for a third package for Greece, should it be agreed upon.

**Morgenmagazin: There is another question which is decisive in determining whether the rescue fund can become active. You can only become active if – as the guidelines say – there is a danger for the stability of the Eurozone. Is there such a danger? Is the Eurozone unstable because of the crisis in Greece?**

Klaus Regling: That is right, that is the precondition. This has been discussed, first by the euro finance ministers over the weekend and then during the summit. The European Central Bank and the European Commission have explained in writing, and that will also be transmitted to the Bundestag, that they believe that there is indeed a risk to financial market stability. You have to realize: should Greece not get a third aid package, and we are now only at the beginning of the process, the parliaments still have to agree, only after that the negotiations can start, but should all of that fail, then the Greek banking system will collapse. The four largest Greek banks are systemically relevant banks. They are supervised by the European banking supervisor. Should the four largest systemically

relevant banks in one country no longer work, then this would have grave consequences not only for Greece, where the consequences would be catastrophic, but also for the euro area as a whole.

**Morgenmagazin: But what you just said contradicts the statements we heard all last week, according to which the euro could cope with a potential collapse of Greek banks and a Greek exit from the euro. Have Mr. Schäuble and all the other politicians who have said this been lying to us?**

Klaus Regling: No, I would not see it like that under any circumstances. It is certainly true that there are different dangers today than five years ago, when the euro crisis started, also with Greece at that time. This has been repeated many times. At that time there was a risk of a domino effect. Had there not been the aid measures for Greece at that time, the crisis could have spilled over to other countries in the Eurozone. This risk is no longer there because the other countries have done their homework. Today they are much stronger. We know that countries like Spain, Portugal and Ireland have the highest growth rates in all of Europe today. They are structurally more healthy. So there is no longer any domino effect. But the problem that can emerge from the Greek banks is a problem that we have to counter. That is now the starting point for the negotiations. And it is a very important aspect of the Greek aid package that the banks be recapitalised and restructured.