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## ESM Managing Director Klaus Regling reappointed by Board of Governors

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Luxembourg – The Board of Governors of the European Stability Mechanism (ESM) today reappointed Klaus Regling as Managing Director of the ESM. The second and final five-year term of office will start on 8 October 2017.

“Klaus Regling developed the ESM into the credible backstop for sovereigns that safeguards financial stability in the euro area. Also, he established the ESM as a trusted issuer in the currency union. Under Klaus Regling’s stewardship, the ESM has made the currency union more robust and resilient, making it a key factor in overcoming the euro crisis”, said Jeroen Dijsselbloem, Chairman of the ESM Board of Governors. The Board of Governors is composed of the 19 euro area finance ministers.

Mr Regling was appointed as the ESM’s first Managing Director in October 2012. He also serves as CEO of the European Financial Stability Facility (EFSF), the temporary rescue fund that he set up in 2010.

“I thank Jeroen Dijsselbloem and the ESM Board of Governors for their past support and their renewed trust. The ESM approach of granting rescue loans in exchange for economic reforms has helped four programme countries to overcome their crises and regain investor confidence. This will also work for Greece if the agreed programme reforms are implemented” said Mr Regling.

Taken together, ESM and EFSF have disbursed €264.8 billion to Portugal, Ireland, Greece, Spain and Cyprus. Portugal, Ireland, Spain and Cyprus have successfully exited their respective programmes.

Mr Regling has worked for 40 years as an economist in senior positions at the IMF, the German Ministry of Finance and in the private sector, and was Director General for Economic and Financial Affairs of the European Commission.

### About the ESM

The European Stability Mechanism (ESM) has the mandate to preserve financial stability in the euro area by providing financial assistance to Member States with severe financing problems. It is a permanent inter-governmental institution, inaugurated on 8 October 2012. ESM assistance may include loans, precautionary credit lines, the purchase of bonds of ESM Members in primary and secondary markets, and the recapitalisation of financial institutions directly and through loans to governments. All financial assistance to Member States is linked to appropriate conditionality. The ESM finances its assistance by issuing bonds and other debt instruments. The shareholders of the ESM are the 19 euro area Member States. It has a total subscribed capital of approximately €700 billion, which comprises €80 billion in paid-in capital and €620 billion in committed callable capital. The ESM’s maximum lending capacity is €500 billion.



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