Transcript of statement by ESM Managing Director Klaus Regling

Press conference following Eurogroup meeting, 11 February 2016

A few words from the ESM perspective, let me start with Greece. I share the view that we see good cooperation with the authorities. There's also good progress, as you already heard, and at the same time a considerable amount of work still needs to be done. But I think it's also good to remember that we've already disbursed €21.4 billion under the new programme, which is about one fourth of the overall programme amount. And let me remind you that those disbursements in the last few months of course only happened after agreed policy reforms were implemented. Because the rule is clear: no disbursement without conditionality.

I think we can already see some of the positive effects of these reforms in previous months. For instance, rating agencies have upgraded Greece – that happened last month. And also revenue developments are better than expected, so we see some positive effects here.

On Portugal: as Portugal's biggest creditor, we look very closely at developments there, in the post-programme mission, but also beyond. It's clear that markets reacted negatively to the uncertainty related to fiscal developments. And I think therefore that today's commitment from the Portuguese authorities to prepare additional measures immediately to be implemented when needed is very reassuring.

And finally on transparency, let me say that I support that. It's also relevant and has implications for the ESM. We already publish most documents related to the ESM Boards on our website, and I think that the recent documentation that we put there related to the Greek financial assistance programme is a good example. We will now do this in a more systematic way.

(*question on the falling prices of bank stocks*)

I share the view that banks will have to get used to the BRRD, but keep in mind that outside the euro area, bank stocks in Switzerland, in the UK, and also in the US (a little bit less) declined by as much as in the euro area, so you cannot relate it all to the BRRD.

(*question on the liquidity situation in Greece*)

Of course, liquidity is a concern. Ultimately, if there were no concern, we wouldn't have a programme. There is a programme because the government is not able to finance all obligations on its own. Compared to last month, there are two positive elements that make it a little bit less urgent. One – as I said already, revenue has developed better than expected. And the second element – you know it because it was published by the Greek central bank – there was a substantial amount of profits transferred to the Greek budget. So that makes it a little bit easier for the immediate future, but ultimately the concern is there.