

ESM Board of Governors approves 2014 Annual Report

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Press releases

ESM

Luxembourg – The Board of Governors of the European Stability Mechanism (ESM) held its third Annual Meeting today at the ESM office in Luxembourg and approved the ESM Annual Report for 2014. The Board of Governors comprises the 19 euro area Finance Ministers. They discussed the development of the ESM and its key activities.

The Annual Report includes the ESM's financial statements for 2014, which were approved by the Board of Governors. The ESM's net result of nearly €444 million was allocated to its Reserve Fund, which serves as a buffer in case of potential losses.

The year 2014 confirmed the positive impact of the EFSF/ESM financial assistance programmes. After Ireland and Spain, Portugal successfully exited its financial assistance programme in May 2014. Funding costs improved markedly and these countries decided to anticipate the repayment of parts of their loans to the IMF and, in the case of Spain, to the ESM. Cyprus and Greece remain with active programmes. The ESM has a remaining lending capacity of over €450 billion, which allows it to fulfil its mandate of guaranteeing the financial stability of the euro area as a whole and of its Member States.

Jeroen Dijsselbloem, Chairman of the ESM Board of Governors, said that the ESM was performing its role very well. “Loans provided by the ESM and EFSF, combined with significant structural reforms, have allowed programme countries to regain market confidence and to return to economic growth. Reforms are a necessary condition to be granted financial assistance.”

ESM Managing Director Klaus Regling said: “In 2014, we saw the results of our strategy. The beneficial ESM/EFSSF lending terms were key to improving market perceptions of borrowing countries, and also contributed to increasing their fiscal

space. Due to extremely low interest rates and long maturities of EFSF lending, Greece for example saved 4.4% in 2014 in its budget, compared to the assumed market cost of funding: Greece's total budgetary saving for 2014 was €8 billion. These savings are in line with what the country saved in 2013 as a result of our beneficial lending terms".

An electronic version of the ESM Annual Report 2014 is available on the [ESM website](#)

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