Bundesrepublik Deutschland
Finanzagentur GmbH

Press Release

Number 19 on 14 December 2022

ADDRESS
Olof-Palme-Straße 35
60439 Frankfurt / Main

TEL +49 69 25616-1607
FAX +49 69 25616-1429

presse@deutsche-finanzagentur.de
www.deutsche-finanzagentur.de

Supplementary Federal note issued by the Federal government for the Economic Stabilisation Fund

- Economic Stabilisation Fund finances measures to mitigate energy crisis
- Economic Stabilisation Fund will be provided with a financing volume of €200 billion already in 2022 through Supplementary Federal note
- Supplementary Federal note will not be sold on the market

As a result of the energy crisis, the German Federal government has assigned an additional function to the Economic Stabilisation Fund. Since November 2022, the fund, which was set up in the wake of the coronavirus pandemic in 2020, also finances measures to mitigate the impact of the energy crisis. The Stabilisation Fund Act (StFG) has been extended for this purpose and provides for a debt authorisation of €200 billion for 2022 to finance these measures for a specific purpose (section 26b in conjunction with section 26a StFG).

Expenditures for measures occurring during the fourth quarter of 2022 will be financed via money and capital markets until the end of the year. Nevertheless, the Economic Stabilisation Fund will fully utilise the debt authorisation of €200 billion in 2022 and the fund will be provided with liquid assets accordingly. Therefore, at the end of 2022 the Federal government will issue a Supplementary Federal note in the amount of the difference from the authorised €200 billion less the expenditures already financed in 2022. The Supplementary Federal note will be issued outside the issuance calendar. It will not be sold on the market and will instead be transferred directly into the Economic Stabilisation Fund's portfolio as liquid asset. The supplementary bond will be subject to its own terms of issue.

Expenditures occurring in 2023 and 2024 dedicated to measures to mitigate the energy crisis will be financed on the market as usual through issues of the Federal government within the respective issuance calendar. At the same time, the volume of Supplementary Federal note held by the Economic Stabilisation Fund will be gradually reduced by a corresponding amount. Expenditures for measures pursuant to section 26a StFG are possible for a limited period until 30 June 2024.

Note to editors:

The Federal Republic of Germany - Finance Agency carries out the borrowing and debt management for the Federal government. The Finance Agency issues Federal securities on behalf of the Federal Republic of Germany, conducts money market and derivative transactions and thus manages the debt portfolio as well as the capital market presence. In doing so, its task is to ensure the budget and cash financing of the Federal government on the financial markets at all times and to optimise this financing from both a cost and a risk perspective.

Since 1 January 2018, the Finance Agency has also been managing the Financial Market Stabilisation Fund (FMS), which was established by the Federal government in 2008 to deal with the financial market crisis, and overseeing the equity investments held by the FMS. The Economic Stabilisation Fund, launched in March 2020 to combat the economic consequences of the coronavirus pandemic, is also managed by the Finance Agency. In November 2022, this fund was assigned the financing of measures to mitigate the consequences of the energy crisis.

Furthermore, the Finance Agency is entrusted with the sponsorship of the Federal Agency for Financial Market Stabilisation, which exercises legal supervision over the resolution institutions established under federal law.