Question for written answer E-000217/2015
to the Commission
Rule 130
Bernd Kölmel (ECR)

Subject: Impairment of Greece's debt to the EFSF

The IFRS rules with which the EFSF has to comply also include International Accounting Standard 39 (58): ‘An entity shall assess at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. […]’. Objective evidence of impairment and therefore of the need for a value adjustment in the case of Greece’s debt includes in particular:

– the rating agencies regard loans to Greece as highly speculative;

– the first debt write-down, of which the EFSF was not yet part, was already an indication that Greece is not a reliable debtor;

– many of the requirements and expectations associated with the troika loans were not met (e.g. privatisation revenues);

– the economic data (growth in gross domestic product, unemployment figures, tax revenue and the like) are below the forecasts made when the loans were granted;

– interest rates had to be reduced below normal market levels for a debtor of this kind;

– in spite of the write-down public debt is too high and is rising again;

– Greece is not paying its creditors or is only doing so very late;

– in both of the last two years the maximum credit exposure has increased from EUR 108 billion to EUR 144 billion.

Why do the EFSF’s annual accounts ignore these many instances of ‘objective’ evidence of the need to make a value adjustment in the case of Greece’s debts?