

European Stability Mechanism



CONFIDENTIAL

SG/BoG/2013/02/02**EUROPEAN STABILITY MECHANISM****BOARD OF GOVERNORS****Meeting of 24 April 2013****RESOLUTION No. 2***Decision to grant, in principle, stability support to the Republic of Cyprus*

THE BOARD OF GOVERNORS,

Having regard to the request for stability support addressed by the Cypriot Government to the President of the Eurogroup on 25 June 2012, annexed hereto,

Having regard to the Statement by the Eurogroup dated 27 June 2012 welcoming the request by the Cypriot authorities and stating that such assistance shall be provided by the EFSF or the ESM,

Having regard to the Statement by the Eurogroup dated 25 March 2013 considering that financial assistance to Cyprus is in principle warranted to safeguard financial stability in Cyprus and the euro area as a whole,

Having regard to the assessments performed by the European Commission, in liaison with the ECB, pursuant to Article 13(1) of the Treaty establishing the ESM (the "Treaty"), annexed hereto,

ACKNOWLEDGES AND CONFIRMS that the European Commission and the ECB have been tasked with these assessments and RESOLVES to grant, in principle, stability support in the form of a financial assistance facility to the Republic of Cyprus, pursuant to article 13(2) of the Treaty.

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Annex 1: Request for stability support from the Republic of Cyprus dated 25 June 2012

Annex 2: Assessment of the existence of a risk to the financial stability of the euro area as a whole or of its Member States

Annex 3: Assessment on debt sustainability

Annex 4: Assessment on the actual and potential financing needs of the Republic of Cyprus

Distribution:

Governors
Alternate Governors