

ESM and EFSF waive Greece's repayment obligation, clearing way for early IMF and GLF repayments

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Press releases

ESM



The Boards of Directors of the European Stability Mechanism (ESM) and European Financial Stability Facility (EFSF) agreed today to waive the mandatory repayment obligation of ESM/EFSF loans in connection with an early repayment of Greece's remaining outstanding loans to the International Monetary Fund (IMF), and an early loan repayment to Greek Loan Facility (GLF) lenders.

Under the ESM and EFSF loan agreements with Greece, upon early repayment to other creditors, a proportional amount of the financial assistance provided under ESM and EFSF facilities becomes immediately due and payable. Thanks to the waivers granted today by the ESM and EFSF, Greece will not be required to make an early repayment to either institution.

“The full early repayment of Greece’s outstanding IMF loans, as well as the prepayment of a portion of its GLF loans, sends a positive signal to markets about Greece’s financing position. It will also have a positive impact on Greece’s public debt profile and will generate some savings for the Greek budget. These are welcome developments for the ESM and EFSF, who hold around half of Greece’s public debt. Our interests are aligned, and we will continue to work with Greece to support efforts boosting its long-term growth potential, which is key for maintaining debt sustainability,” said ESM Managing Director and EFSF CEO Klaus Regling.

The waivers were granted in response to formal requests from the Greek government, proposing an early repayment of remaining outstanding loans to the IMF, amounting to approximately €1.86 billion. In addition, Greece intends to prepay principal payments originally due in 2023 to GLF lenders in an amount of €2.65 billion. The Greek Loan Facility was part of the first financial support programme for Greece, agreed in May 2010. It consisted of bilateral loans from 14 euro area countries, amounting to €52.9 billion.

More information on [ESM](#) and [EFSF](#) programmes for Greece
Link to [ESM/EFSF Programme Database](#)

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