

# **ESM Board of Directors approves €8.5 billion loan tranche to Greece**

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Press releases

ESM

Luxembourg – The Board of Directors of the European Stability Mechanism (ESM) today approved the third tranche of €8.5 billion of ESM financial assistance to Greece. This follows the approval of the Supplemental Memorandum of Understanding by the ESM Board of Governors and the Greek government's completion of all prior actions last Wednesday.

The first disbursement under this tranche will amount to €7.7 billion, and is expected to be made by the ESM on Monday. Out of this amount, €6.9 billion will be used for debt servicing needs and €0.8 billion for arrears clearance.

ESM Managing Director Klaus Regling said: "Today's decision by the ESM Board of Directors shows that Greece has completed the reforms required at this stage. The government and people of Greece deserve recognition for having come a long way in returning to fiscal sustainability and economic growth. The government should continue on this path to rebuild a competitive economy and regain investors' trust."

A further disbursement for arrears clearance of €0.8 billion may be made after 1 September 2017 subject to Greece making significant progress on arrears clearance, using its own resources to the arrears clearance effort as well as the funding from the disbursement approved today. It is subject to a further decision by the ESM Board of Directors.

After the disbursement approved today, ESM financial assistance for Greece will reach €39.4 billion, out of a total programme volume of up to €86 billion. Together the ESM and the EFSF have so far disbursed €181.2 billion to Greece (including the amount approved today), making the rescue funds the largest creditors to Greece by

far.

The ESM Board of Governors comprises the finance ministers of the ESM Members. The ESM Board of Directors comprises deputy finance ministers and other high finance ministry officials of the ESM Members.

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