

ESM and EFSF waive Greece's repayment obligation, enabling early repayment of GLF loans



The Boards of Directors of the European Stability Mechanism (ESM) and European Financial Stability Facility (EFSF) agreed today to waive the mandatory proportional repayment obligation of ESM/EFSF loans in connection with an early repayment to Greek Loan Facility (GLF) lenders. The Board of Directors of the European Stability Mechanism (ESM) also approved the use of funds from a dedicated cash buffer account, created at the end of the adjustment programme, to carry out this prepayment.

Under the ESM and EFSF loan agreements with Greece, upon early repayment to certain official creditors, including the GLF lenders, 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 a proportionate early repayment to either institution.

“Greece continues to make notable progress in strengthening its economy. This additional early repayment of the GLF loan sends another positive signal to financial markets, improves Greece’s debt structure, and reflects the country’s improving fiscal position. The ESM and EFSF remain committed to supporting the Greek authorities in their efforts to foster long-term growth and ensure debt sustainability,” said Pierre Gramegna, ESM Managing Director and EFSF CEO.

The waivers and the cash buffer use were granted in response to a formal request from the Greek government, proposing to early repay loans under the GLF maturing within 2033 and 2041, for an aggregate amount of €5.29 billion, with the use of the cash buffer.

The GLF 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, of which €31.6 billion currently remains outstanding.

Greece completed the repayment of its IMF loans two years ahead of schedule in 2022. The latest early repayment of the GLF loans took place in 2024.

Note: Erroneous reference to third early repayment of GLF loans removed on 2 June 2026.

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