

# ESM and EFSF waive Greece's repayment obligation, enabling additional 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 repayment obligation for Greece of ESM/EFSF loans in connection with its early repayment to the Greek Loan Facility (GLF) lenders. The Board of Directors of the ESM also

approved the use of funds from a dedicated cash buffer account, created at the end of the adjustment programme, to partially fund this prepayment.

Under the ESM and EFSF loan agreements with Greece, early repayment to certain creditors, including the GLF lenders, triggers a proportional early repayment obligation to the ESM and EFSF. Thanks to the waivers granted today by the ESM and EFSF, Greece will no longer be obliged to proceed with a proportionate early repayment.

“Greece continues to make solid progress in strengthening its economy. This additional early repayment to the GLF lenders - the second largest to date - sends out a further positive signal to financial markets, reduces interest rate risk for Greece, and improves its debt structure. The ESM and EFSF remain committed to supporting the Greek authorities in their efforts to promote long-term growth and debt sustainability,” said Pierre Gramegna, ESM Managing Director and EFSF CEO.

The waivers and the use of the cash buffer were granted in response to a formal request from the Greek government, proposing an early repayment of loans under the GLF originally due in 2029 and 2033-2035, in an aggregate amount of €6.94 billion. Following this transaction, the funds held in the cash buffer account will be exhausted.

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, of which €26.3 billion remains outstanding.

Greece completed the repayment of its IMF loans two years ahead of schedule in 2022. The most recent early repayment of the GLF loans took place in 2025.

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