

ESM/EFSF programmes for Greece

ESM PROGRAMME

- **Total amount of loans from the ESM:** up to €86 billion
- Loans to be used for:
 - debt service
 - bank recapitalisation (up to €25 bn)
 - arrears clearance
 - budget financing
- Duration: August 2015 – August 2018
- Maximum weighted average loan maturity: 32.5 years
- Interest rate: funding cost plus small fees; currently about 1%

- First tranche of **€21.4 billion** was disbursed in 2015, including **€5.4 billion** for bank recapitalisation (Piraeus and NBG)
- A second loan tranche of **€10.3 billion** was authorised by the ESM Board of Directors on 17 June 2016
- The first disbursement of **€7.5 billion** of the second tranche was made by ESM on 21 June 2016
- The second and final disbursement of the second tranche, amounting to **€2.8 billion**, was made by ESM on 26 October 2016
- Total amount disbursed so far by ESM: **€31.7 billion**

- **Privatisation fund** is being established; targeted total value of assets to be sold: €50 billion
 - sale of assets will be used to repay ESM; to decrease debt; and to fund investment
 - fund will be managed by Greek authorities under supervision of European institutions

- **Conditionality:** reform agenda focused on four areas:
 1. Restoring fiscal sustainability
 2. Safeguarding financial stability
 3. Enhancing growth, competitiveness and investment
 4. A modern State and public administration

- During the **Eurogroup meeting of 25/05/2016**, a number of **potential debt relief measures** for Greece were specified, to be implemented in the short, medium and long term; for details please consult our [FAQ](#)

- **ESM vs. EFSF:** The EFSF was created as a temporary rescue mechanism and, since July 2013, it can no longer engage in new financing programmes. The ESM is the sole and permanent mechanism for responding to new requests for financial assistance from euro area Member States.

EFSF PROGRAMME (expired 30 June 2015)

- **Total amount disbursed by the EFSF:** €141.8 billion (€130.9 billion outstanding)
- Duration: March 2012–June 2015
- Included €48.2 billion in EFSF notes for bank recapitalisation, of which €37.3 billion was used, and €10.9 bn was redelivered by the Hellenic Financial Stability Fund (HFSF)

Purpose	Amount (€ billion)
Budgetary financing (cash)	47.7
Bank recapitalisation (cashless)	48.2
Private sector involvement facility (cashless)	29.7
Bond interest facility (cashless)	4.9
Debt buy-back (cashless)	11.3
Total disbursed	141.8

- Maximum weighted average maturity of EFSF loans: 32.5 years
- Loan repayments due from 2023 to 2054
- EFSF did not participate in first Greek programme (loans were provided by euro area governments and the IMF)

- Private sector involvement (PSI) in March 2012, 97% of privately held Greek bonds (about €197 billion) took a 53.5% cut of the face value
- The EFSF provided PSI Facility and Bond Interest Facility to encourage bondholders to participate in PSI