

EFSF Board of Directors extends MFFA for Greece until 30 June 2015

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Press releases

EFSF

Luxembourg – The Board of Directors of the European Financial Stability Facility (EFSF) today decided to amend the Master Financial Assistance Facility Agreement (MFFA) for Greece to extend the availability of EFSF funds for Greece by four months. Instead of expiring on 28 February 2015, the MFFA now expires on 30 June 2015. The amended MFFA will be signed by EFSF CEO Klaus Regling and the Greek Finance Minister Yanis Varoufakis.

Following this decision, €1.8 billion that is still available under the MFFA can be disbursed to Greece until 30 June 2015. The disbursement of this last loan tranche is conditional on the successful conclusion of the final review under the current arrangement and a unanimous decision by the EFSF Board of Directors. So far, the EFSF has disbursed €141.8 billion in financial assistance to Greece.

The availability of €10.9 billion held by the Hellenic Financial Stability Fund (HFSF) in EFSF bonds is also extended until 30 June 2015. These bonds had been transferred to the HFSF in the past as part of the current arrangement for the recapitalisation and resolution of Greek banks. According to the amended MFFA, the bonds will now be returned to the EFSF. They can be released to Greece only on request by the European Central Bank (ECB) / Single Supervisory Mechanism (SSM). The amended MFFA reiterates that the purpose of these bonds is to cover bank recapitalisation and resolution costs.

“Today’s decision marks an important intermediate step, as it provides for a clear framework to continue the reform efforts in Greece. It also gives reassurance as substantial EFSF funds remain available for Greece for four more months,” said EFSF CEO Klaus Regling. “The Greek government now has the opportunity to work with its partners to find a sustainable arrangement for the period after 30 June 2015. This

will build on the considerable progress achieved in Greece so far, thanks to the huge efforts of the Greek people.”

In addition, the transfer of €1.8 billion of the 2014 profits from the ECB’s Securities Markets Programme (SMP) remains available for Greece. These funds are in an account managed by the European Stability Mechanism (ESM). Any disbursement is conditional upon the successful conclusion of the review and the approval of the Eurogroup.

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