

Extension of the EFSF programme and EFSF bonds for Greece

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Press releases

ESM

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Luxembourg – The Board of Directors of the European Financial Stability Facility (EFSF) decided today to grant Greece a two-month technical extension of its 2nd Economic Adjustment Programme financed by the EFSF. Instead of ending on 31 December 2014, the EFSF programme will now end on 28 February 2015. The decision follows a request from the Greek Finance Minister Gikas Hardouvelis.

As a result of this decision, the remaining €1.8 billion from the programme can still be disbursed to Greece until the end of February. The disbursement of this last loan tranche is conditional on the successful conclusion of the current programme's last review. As part of the programme, the EFSF has so far disbursed €141.8 billion of financial assistance to Greece.

In parallel, following a request from Greece, EFSF CEO Klaus Regling has confirmed that the availability period of €10.9 billion of EFSF bonds has been extended until 28 February 2015. As part of Greece's 2nd Economic Adjustment Programme, these EFSF bonds were transferred to the Hellenic Financial Stability Fund (HFSF) which can use them to recapitalise and resolve banks.

“The technical extension of the EFSF programme for two months gives Greece time to conclude the current review with the Troika”, said EFSF CEO Klaus Regling, who is also Managing Director of the European Stability Mechanism (ESM). “The extension of the EFSF facility and bonds for two months ensures that these funds remain available for Greece. This will reassure the markets. Greece and the Troika should

use this period to move towards a follow-up arrangement.”

At its meeting on 8 December, the Eurogroup reiterated that it would be favourably disposed to a Greek request for an Enhanced Conditions Credit Line (ECCL) by the ESM as a follow-up to Greece’s current programme. The ESM would only grant an ECCL once Greece’s 2nd Economic Adjustment Programme has been successfully concluded. The ECCL is a precautionary credit line by the ESM.

“The Greek people have made enormous progress in putting their economy back on sounder footing, but there is still a need for more reform”, Klaus Regling added.

“With the extension of the EFSF programme and the prospect of ESM support afterwards, conditions are there in principle to accompany Greece towards a full economic recovery and renewed full market access.”

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