

Background material

Three years of „Greek bail-out“: 77% went into the financial sector

A. Overview of both programmes for Greece

1st programme

Decided on: 2 May 2010 by Eurozone countries, ECB and IMF (after formal Greek application on 23 April 2010)
 Volume: €110 billion (of which € 34,4 bn. were transferred to the 2nd programme later, see below)
 Shares: Eurozone countries: €80 bn., IMF: €30 bn.
 Disbursed between: May 2010 and December 2011
 Amount disbursed: €73 bn.

Sources:(1) (2)

2nd programme

Decided on: 21 February 2012 (on the basis of decisions made on 21 July 2011) (3)
 Volume: €172,6 bn.
 Shares: EFSF €144,6 bn., IMF €28,0 bn. (of which €8,2 bn. after 2014) (4)
 Transfer from 1st programme: Eurozone share: €24,4 bn., IMF share: €10 bn. (5)
 Planned use: bank recapitalisation – up to €48 bn.
 support of the haircut – up to €30 bn. (through the „PSI sweetener“)
 accrued interest payments (during the haircut): up to €5,5 bn.
 Use undecided: transferred Eurozone share from 1st programme: €24,4 bn.
 IMF share: €28 bn. (including €10 bn. transfer from 1st programme)
 additional EFSF funds: €36,7 bn. (4)
 Disbursement since: March 2012
 Amount disbursed (as of June 2013): €133,891 bn. (including pending €1,74 bn. dated May 2013, see below)

B. Use of disbursed funds – detailed list

The following table gives an overview of the disbursements which have so far been made under both programmes for Greece. Unless noted otherwise, the dates and amounts regarding the different tranches of the first programme are taken from the European Commission (1), those regarding the second programme from the same source as well as from EFSF documentation. (1, 2) All additional information on the disbursements and their uses are presented with their respective sources in brackets. As the numbering of tranches is not identical in the various official sources, all subtranches of the different disbursements are included here and numbered chronologically. Dates and amounts allow crossreferencing with other documents.

The table lists all tranches with their source, date of disbursement and use. On that basis, we assign each payment to one of the following categories:

- creditors: holders of Greek government bonds who benefit from their repayment
- banks: Greek banks which are recapitalised
- state budget: funds which to the general government budget

The use of some tranches is documented by official sources. Where this is not the case, the use could mostly be traced through other sources, like media reports. In cases where this was not possible, we assume a designation to the state budget. The 77% that went into the financial sector are therefore a minimum and might be underestimated. Interest payments made to bond holders by the Greek state have not been included in the table, though programme funds have partly been used this way (see briefing text).

Disbursements and use of programme funds for Greece (as of June 15, 2013)								
FIRST PROGRAMME								
	Date	Total volume	Eurozone date	Eurozone share	IMF date	IMF share	Evaluation	Beneficiary
1 st tranche	May 2010	€20 bn.	18.05.2010	€14,5 bn.	12.05.2010	€5,5 bn.	According to the EC (3), the first five tranches were used the following way: <ul style="list-style-type: none"> • €37,1 bn. to repay medium- and long-term government bonds (May 2010 – September 2011) • €10 bn. to stabilise the Greek banking and financial system via HFSF (4) • remaining € 17,9 bn. for the state budget 	creditors banks
2 nd tranche	Sept. 2010	€9 bn.	13.09.2010	€6,5 bn.	14.09.2010	€2,5 bn.		
3 rd tranche	Jan. 2011	€9 bn.	19.01.2011	€6,5 bn.	21.12.2010	€2,5 bn.		
4 th tranche	March 2011	€15 bn.	16.03.2011	€10,9 bn.	16.03.2011	€4,1 bn.		
5 th tranche	July 2011	€12 bn.	15.07.2011	€8,7 bn.	13.07.2011	€3,3 bn.		
6 th tranche	Dec. 2011	€8 bn.	14.12.2011	€5,8 bn.	07.12.2011	€2,2 bn.	The use of this tranche cannot be reconstructed. We therefore assume it went into the state budget.	state budget
TOTAL 1st programme	-	€73 bn.	-	€52,9 bn.	-	€20,1 bn.	-	-

SECOND PROGRAMME								
	Date	Total volume	EFSF Date	EFSF Share	IMF Date	IMF Share	Evaluation	Beneficiary
1st disbursement								
1 st tranche	March 2012	€31,32 bn.	12.03./10./25.04.2012	€29,7 bn.	19.03.2012	€1,62 bn.	The EFSF share (€29,7 bn.) was part of the haircut („PSI sweetener“) and went to private creditors. (5) The IMF share (€ 1,62 bn.) is not documented, we therefore assume it went into the state budget. (6)	creditors state budget
2 nd tranche	March 2012	€4,9 bn.	12.03./10./25.04.2012	€4,9 bn.	-	-	This tranche („accrued Interest“) was part of the haircut arrangements, too. It was used to repay outstanding interest to creditors. (7)	creditors
3 rd tranche	March 2012	€5,9 bn.	19.03.2012	€5,9 bn.	-	-	The largest part of this tranche (€4,9 bn.) was transferred to the Greek escrow account, which is used to repay government debt. The remaining funds (€1 bn.) were used for the state budget. (6, 8)	creditors state budget
4 th tranche	April 2012	€3,3 bn.	10.04.2012	€3,3 bn.	-	-	There is no official documentation on the use of this tranche. A later release by the EFSF indicates that this tranche was also transferred to the escrow account to repay government bonds. (9)	creditors
5 th tranche	April 2012	€25 bn.	19.04.2012	€25 bn.	-	-	The 25 bn. of this tranche had already been earmarked for the recapitalisation of Greek banks in the draft of the second programme. (see p.1) The transactions were carried out by the HFSF. (10)	banks
6 th tranche	May 2012	€4,2 bn.	10.05.2012	€4,2 bn.	-	-	This tranche was transferred to the escrow account designated for repaying government bonds. (9)	creditors
7 th tranche	June 2012	€1 bn.	28.06.2012	€1 bn.	-	-	According to news reports, 900 mio. of this tranche were used as Greece's contribution to the ESM (450 mio. each in in July and October). The remaining 100 mio. went into the state budget. (11, 12)	ESM state budget
TOTAL 1st disbursement	-	€75,62 bn.	-	€74 bn.	-	€1,62 bn.	-	-
2nd disbursement								
1 st tranche	December 2012	€11,291 bn.	17.12.2012	€11,291 bn.	-	-	This tranche was used to conduct a debt buy-back. Greece bought outstanding government bonds back from creditors, mostly above market prices. (13, 14)	creditors
TOTAL 2nd disbursement	-	€11,291 bn.	-	€11,291 bn.	-	-	-	-

3rd disbursement								
1 st tranche	December 2012	€7 bn.	17.12.2012	€7 bn.	-	-	This tranche went into the state budget. (15)	state budget
2 nd tranche	December 2012	€16 bn.	19.12.2012	€16 bn.	-	-	This tranche was used to recapitalise Greek banks. (2, 15)	banks
3 rd tranche	January 2013	€3,24 bn.	-	-	18.01.2013	€3,24 bn.	The use of this tranche, which was released by the IMF after a long pause, is not fully documented. We therefore assume a transfer to the state budget. (16)	state budget
4 th tranche	January 2013	€2 bn.	31.01.2013	€2 bn.	-	-	This tranche was used to finance ongoing government expenditure, it went to the state budget. (17, 18)	state budget
5 th tranche	May 2013	€7,2 bn	31.05.2013	€7,2 bn.	-	-	This tranche, originally scheduled for February, was used to recapitalise banks. (2, 18)	banks
6 th tranche	February 2013	€2,8 bn.	28.02.2013	€2,8 bn.	-	-	According to plans, this tranche was designated for budgetary expenditures, i.e. for the state budget. (18)	state budget
7 th tranche	May 2013	€2,8 bn.	03.05.2013	€2,8 bn.	-	-	This tranche was planned for the state budget. (18)	state budget
SUB-TOTAL 3rd disbursement		€41,04 bn.	-	€37,8 bn.	-	€3,24 bn.	-	-
4th disbursement								
1 st tranche	May 2013	€4,2 bn.	17.05.2013	€4,2 bn.	-	-	This tranche and the following one were disbursed a few days before government bonds matured. It is therefore interpreted as having gone to creditors. (19)	creditors
2 nd tranche	May 2013 <i>pending</i>	€1,74 bn.	-	-	<i>pending</i>	€1,74 bn.	The disbursement of this tranche has been decided, but not yet executed. (20) According to media reports, the waiting period had to be bridged by short-term bonds (t-bills), to cover outstanding long-term bonds. (19)	creditors
SUB-TOTAL 4th disbursement	As of June 2013	€5,94 bn.	-	€4,2 bn.	-	€1,74 bn.		
SUB-TOTAL 2nd PROGRAMME	As of June 2013	€133,891 bn.	-	€127,291 bn.	-	€6,6 bn.		
Disbursed TOTAL	June 2013	€206,891 bn.	-	€180,191 bn.	-	€26,7 bn.		

C. Overview – Use of disbursed programme funds:

Funds disbursed so far: €206,891bn.

Thereof:

Recapitalisation of Greek banks: min. €58,2 bn. (28,13%)

Creditors of the Greek state: min. €101,331 bn. (48,98%), thereof:

- €55,44 bn. to repay government bonds
- €34,6 bn. to sell the February 2012 haircut to private creditors
- €11,291 bn. for the debt buy-back in December 2012

Greek state budget: max. €46,46 bn. (22,46%)

Greek contribution to the ESM: €0,9 bn. (0,43%)

Conclusion: At least **77,12%** of the programme funds went directly (via bank recapitalisations) or indirectly (via repaying government debt) to the financial sector.

D. Sources (as of 15 June 2013)Sources Chapter A: Overview of both programmes for Greece

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Sources Chapter B: Use of disbursed funds – detailed list

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