



An Roinn Airgeadais  
Department of Finance

# **Fifteenth Report under Section 4 of the Euro Area Loan Facility Act 2010 (No. 7 of 2010)**

Reporting period: 1 July 2019 to 31 December 2019

Prepared by EU and International Division,  
Department of Finance  
[www.gov.ie/finance](http://www.gov.ie/finance)

# Chapter 1

## Introduction

In accordance with Section 4 of the Euro Area Loan Facility Act 2010, as amended by Section 6 of the European Financial Stability Facility Act 2010, the Minister for Finance is laying before Dáil Éireann the following information:

## 1.1 BACKGROUND

The purpose of the Euro Area Loan Facility Act 2010 is to give effect to the Loan Facility Agreement (LFA) agreed by and between certain Euro Area Member States of the European Union and Greece in May 2010 in order to support the financial stability of the Euro Area as a whole.

The Act enables Ireland to participate in the Pooled Bilateral Loans to Greece and for the loans to be managed by the EU Commission on behalf of participating Member States. Participating Member States authorised a Euro Area Loan Facility totalling approximately 77.3 billion Euro. This facility was provided under the first Greek programme in conjunction with additional IMF support.

The agreements are an Intercreditor Agreement and a Loan Facility Agreement. There is also a Memorandum of Understanding which was laid before Dáil Éireann.

The Intercreditor Agreement, under which the Commission manages the Pooled Bilateral Loans for the benefit of Greece, is an agreement between the lenders (the Euro Area Member States, except Greece) in relation to the implementation of the loan facility.

The LFA, agreed by and between certain Euro Area Member States and Greece, outlines the terms of the loan and the conditions precedent for drawing down the loan over three years. This document was signed by the Commission, on behalf of the Lenders, and by Greece.

These agreements are included in the Schedules to the Act.

In late 2010, Ireland stepped out of the Greek Loan Facility when we entered into the EU/IMF Programme for External Assistance. This means that Ireland no longer participates in providing financial assistance to Greece. However, as Ireland is an original signatory to the Greek Loan Facility, our consent is still required to implement any amendment to it.

By the time Ireland had stepped out of the Greek Loan Facility we had contributed €347,439,121.03 of the €1,310,046,500.93 original commitment.

Repayments of the principal amounts will commence in 2020 in accordance with the amended LFA. Currently quarterly interest payments are being received, the interest calculation is 3M-Euribor plus a margin of 0.5%.

The LFA has been amended on three subsequent occasions and these amendments have been adopted by Ireland by means of primary legislation in the:

- European Financial Stability Facility and Euro Area Loan Facility (Amendment) Act 2011;
- Euro Area Loan Facility (Amendment) Act 2012; and,
- Euro Area Loan Facility (Amendment) Act 2013.

Under the 3rd Amendment to the Euro Area Loan Facility, which reduced the interest rate payable by Greece to non-Programme countries with effect from 15 December 2012, Greece did not make any quarterly interest payments in September and December 2013 in order to recover the excess interest it had paid in the first two quarters of 2013. The amounts owed to Programme countries, including Ireland, in respect of the third and fourth quarters of 2013 were paid in the first two quarters of 2014. As we exited our programme in December 2013, the rate paid to Ireland has now fallen in line with the 3rd Amendment.

## 1.2 LEGISLATION

Section 4 of the Euro Area Loan Facility Act 2010, as amended by Section 6 of the European Financial Stability Facility Act 2010 reads as follows:

*“4.—(1) In respect of each reporting period the Minister shall, as soon as practicable after the end of the period, cause a report to be laid before Dáil Éireann that includes the following information:*

*(a) the aggregate amount of monies advanced by the State under section 2 during the reporting period,*

*(b) the aggregate amount of monies received by the State under section 3 during the reporting period,*

*(c) the aggregate amount of monies advanced by the State under section 2 up to the end of the reporting period,*

*(d) the aggregate amount of monies received by the State under section 3 up to the end of the reporting period, and*

*(e) the aggregate amount of monies outstanding and owed to the State under the loan facility at the end of the reporting period.*

(2) In subsection (1) “reporting period” means—

(a) each of the following periods—

(i) the period from 20 May 2010 to 31 December 2010,

(ii) the period in any year after 2010 from 1 January to 30 June,

(iii) the period in any year after 2010 from 1 July to 31 December,

or

(b) within each period to which paragraph (a) relates, such shorter periods as the Minister may from time to time consider appropriate in the circumstances.”

## Chapter 2

### Report Covering the Period 1 July 2019 to 31 Decemeber 2019

This chapter provides the report as required in accordance with Section 4 of the Euro Area Loan Facility Act 2010, as amended by Section 6 of the European Financial Stability Facility Act.

This report is the fourteenth report under this legislation and covers the reporting period 1 July 2019 to 31 December 2019. Each previous report has been laid before Dáil Éireann.

#### Reporting Period: 1 July 2019 to 31 December 2019

<i>a. the aggregate amount of monies advanced by the State under section 2 during this reporting period is:</i>	<i>a. zero</i>
<i>b. the aggregate amount of monies received by the State under section 3 during this reporting period is:</i>	<i>b. €205,730.13</i>
<i>c. the aggregate amount of monies advanced by the State under section 2 up to the end of this reporting period is:</i>	<i>c. €347,439,121.03<sup>1</sup></i>
<i>d. the aggregate amount of monies received by the State under section 3 up to the end of this reporting period is:</i>	<i>d. €36,757,068.78</i>
<i>e. the aggregate amount of monies outstanding and owed to the State under the loan facility at the end of this reporting period is:</i>	<i>e. €347,439,121.03</i>

<sup>1</sup> This is the full amount outstanding and on which interest is payable; the net amount paid out of the Exchequer was €345,701,925.42 because the 50 basis point service fee which was applied to the full loan amount when the loan was made was deducted upfront on disbursement of the loan.



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