

EFSF taps 25-year bond

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Press releases

EFSF

Luxembourg – European Financial Stability Facility today tapped a 25-year bond, initially placed on 12 June 2012 maturing on 3 April 2037, for an amount of €1 billion. This brings the total new issue size to €2.5 billion. The issuance spread at reoffer was fixed at mid swap plus 115 basis points. This implies a reoffer yield for investors of 3.472%.

This is the first tap for the EFSF's longest-dated bond and follows successful taps of a 20-year and a 7-year bond in May.

Deutsche Bank, Goldman Sachs and J.P. Morgan acted as lead managers for this tap and Deutsche Finanzagentur acted as Issuance Agent.

Christophe Frankel, Deputy CEO and CFO stated, "The tap of our longest-dated transaction so far demonstrates continued strong investor demand at the long end of the curve and an opportunity to take advantage of favourable market conditions.

Today's tap comes in addition to a benchmark transaction planned for the near future." The funds raised will be used to support the financial assistance programmes for beneficiary countries. In November 2011, EFSF adopted a new diversified funding strategy. One consequence of this strategy is that funds are no longer attributed to a particular country. The funds are pooled and then disbursed to the programme countries.

About EFSF

The European Financial Stability Facility (EFSF) was incorporated in Luxembourg on 7 June 2010. Its objective is to preserve financial stability of Europe's Economic and Monetary Union by providing financial assistance to euro area Member States in difficulty. In order to fulfil its mission, the EFSF is authorised to issue bonds or other debt instruments on the market to raise funds needed to provide loans to countries

in financial difficulties, intervene in the debt primary and secondary markets, act on the basis of a precautionary programme and finance recapitalisations of financial institutions through loans to governments including in non-programme countries. All financial assistance to Member States is linked to appropriate conditionality. EFSF issues area backed by guarantees given by euro area Member States of up to €780 billion. EFSF has a lending capacity of €440 billion.

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