

# EFSF taps 7-year bond

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Press releases

EFSF

Luxembourg – European Financial Stability Facility today tapped a 7-year bond launched on 24 April 2012 maturing on 2 May 2019 for an amount of €1 billion. The issuance spread at reoffer was fixed at mid swap plus 75 basis points. This implies a reoffer yield for investors of 2.409%. Barclays, Deutsche Bank and Société Générale CIB acted as lead managers for this tap and Deutsche Finanzagentur acted as Issuance Agent.

Christophe Frankel, Deputy CEO and CFO stated, “Today’s tap of our first 7-year bond comes in response to strong reverse inquiries from key investors looking at the middle range of the curve in line with the level of the secondary market.”

The funds raised will be used to support the financial assistance programmes for borrower Member States. 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 beneficiary 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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