

EFSF places 25-year bond

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Press releases

EFSF

Luxembourg – EFSF today placed a €1.5 billion short 25-year bond maturing on 3 April 2037. The issuance spread at reoffer was fixed at mid swap plus 130 basis points. This implies a reoffer yield for investors of 3.420%.

Christophe Frankel, CFO and Deputy CEO stated “the successful execution of this issue highlights investors’ trust in the EFSF name. By adding a 25-year issue today, EFSF now has a wide offering right across the yield curve”.

BNP Paribas, Deutsche Bank and J.P. Morgan acted as joint lead managers for this issue and Deutsche Finanzagentur acted as Issuance Agent.

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 are 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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