

EFSF places €3 billion 3-year bond

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Press releases

EFSF

Luxembourg - European Financial Stability Facility today placed a €3 billion 3-year benchmark bond maturing on 01/06/2015. The issuance spread at reoffer was fixed at mid swap plus 18 basis points. This implies a reoffer yield for investors of 1.162%.

This bond by the EFSF was met with strong demand with orders received in excess of €4.5 billion from investors around the world.

Christophe Frankel, CFO and Deputy CEO stated “Once again, EFSF has proved that it can successfully place a benchmark bond in a volatile market environment. This issue attracted some very large orders coming from new investors which shows that EFSF has become a major issuer in the SSA market.”

Bank of America Merrill Lynch, Crédit Agricole CIB and Royal Bank of Scotland 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 Ireland, Portugal and Greece. 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 are backed by guarantees given by euro area Member States of up to €780 billion. EFSF has a lending capacity of €440 billion.

Contacts



[Cédric Crelo](#)

Head of Communications and Chief Spokesperson

+352 260 962 205

c.crelo@esm.europa.eu



[Anabela Reis](#)

Deputy Head of Communications and Deputy Chief Spokesperson

+352 260 962 551

a.reis@esm.europa.eu



[Juliana Dahl](#)

Principal Speechwriter and Principal Spokesperson

+352 260 962 654

j.dahl@esm.europa.eu