

EFSF places 7-year bond

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Press releases

EFSF

Frankfurt am Main - European Financial Stability Facility today placed a €3 billion 7-year benchmark bond maturing on 2 May 2019. The issuance spread at reoffer was fixed at mid swap plus 77 basis points. This implies a reoffer yield for investors of 2.654%.

HSBC, Morgan Stanley and Natixis acted as lead managers for this issue and Deutsche Finanzagentur acted as Issuance Agent.

This first 7-year bond by the EFSF was met with strong demand given the negative market backdrop. In particular, strong support came from Asia and the central bank and sovereign wealth fund segment.

Christophe Frankel, Deputy CEO and CFO stated “I am very happy with today’s result as it demonstrates the strong investor interest in the EFSF name, irrespective of market conditions. EFSF will continue to build its yield curve throughout the year in order to provide investors with a full investment range.”

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.

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