

EFSF places €1.5 billion 20 year bond

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Press releases

EFSF

Frankfurt am Main - European Financial Stability Facility today placed a €1.5 billion 20-year benchmark bond maturing on 30 March 2032. The issuance spread at reoffer was fixed at mid swap plus 115 basis points. This implies a reoffer yield for investors of 3.956%.

This first 20-year bond placed by the EFSF was met with strong demand with orders received close to €4.8 billion from investors around the world.

BNP Paribas, Commerzbank and DZ Bank acted as lead managers for this issue and Deutsche Finanzagentur acted as Issuance Agent.

Christophe Frankel, Deputy CEO and CFO stated “as our longest maturity to date, I am very happy to see such a large investor appetite for today’s 20-year issue.” EFSF has so far successfully placed 3, 5 and 10 years bonds as well as launching a short term bill programme.

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.

EFSF is part of the European financial stability package. Its funds are combined with loans of up to €60 billion coming from the European Financial Stabilisation Mechanism (EFSM), i.e. funds raised by the European Commission and guaranteed by the EU budget and up to €250 billion from the International Monetary Fund (IMF). Any financial assistance by EFSF, EFSM and IMF to a country in need is linked to strict policy conditions.

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