

EFSF places €3 billion bond in support of Ireland

[View PDF](#)

07/11/2011

Press releases

EFSF

Frankfurt am Main – European Financial Stability Facility today placed a €3 billion long 10-year benchmark bond maturing on 4 February 2022 to fund the EFSF’s second disbursement as part of the financial assistance programme to Ireland.

The issuance spread at reoffer was fixed at mid swap plus 104 basis points. This implies a reoffer yield for investors of 3.591%.

In spite of the recent market volatility, the issue was met with solid demand with orders received in excess of €3 billion from real money investors around the world.

Klaus Regling, CEO of EFSF commented “I am pleased that the EFSF has again attracted investors from all over the world with a satisfactory overall amount despite a difficult market environment”.

Following Ireland’s request, the funds for an amount of €3 billion will be disbursed to Ireland on 10 November. This is the first issue made following the ratification of the amendments to the EFSF’s framework which include an improved credit enhancement structure.

Barclays, Credit Agricole CIB and J.P. Morgan acted as lead managers for this issue and Deutsche Finanzagentur acted as Issuance Agent.

Christophe Frankel, Deputy CEO and CFO stated “since our first launch in January of this year, EFSF has established itself as a high quality issuer with a solid investor base”.

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 the 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.

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.

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



[George Matlock](#)

Senior Financial Spokesperson

+352 260 962 232

g.matlock@esm.europa.eu