# EFSF mandates Citi, HSBC and Sociéte Générale as joint lead managers for the inaugural benchmark issue

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On 17th January 2011, the European Financial Stability Facility (EFSF) announced that Citi, HSBC, and Société Générale are mandated as joint lead managers for its inaugural issue to be launched later this month subject to market conditions. The three institutions were chosen from the 44 banks that make up the EFSF Market Group. Klaus Regling, CEO of EFSF highlighted *"the first EFSF issue is an important transaction for markets and for the euro zone. I am confident that the strong position of these highly regarded global institutions in the market will ensure the success of our first issue, helping to restore stability to the sovereign bond markets and protect the euro"*. Christophe Frankel, CFO and Deputy CEO added, *"the lead managers were selected following a rigorous selection process based on comprehensive and exhaustive analysis and formal interviews"*.

Citi, HSBC and Sociéte Générale will joint lead manage EFSF's first syndicated issue. The expected €3-5 billion benchmark issue is part of the financial assistance programme for Ireland. Over 2011 and 2012 EFSF will raise up to €26.5 billion in the capital markets as part of the Irish support programme which will include two further benchmark bonds of €3-5 billion per transaction in the current year. EFSF is rated triple A by the three major rating agencies, Fitch, Moody's and Standard & Poor's.

The Eurogroup and the EU's Council of Economics and Finance Ministers decided on 28 November 2010 to grant financial assistance in response to the Irish authorities' request. The financial package will cover financing needs up to €85 billion. The EU will provide up to €22.5 billion and the EFSF up to €17.7 billion[1] over 2011 and 2012. Further support will be made available through the International Monetary Fund and bilateral loans from UK, Sweden and Denmark. On 5 January, the EU under the European Financial Stabilization Mechanism (EFSM) successfully launched and priced a €5 billion bond.

### About the EFSF:

The European Financial Stability Facility (EFSF) was incorporated in Luxembourg under Luxembourg law on June 7th 2010. Its objective is to preserve financial stability of Europe’s Economic and Monetary Union by providing temporary financial assistance to euro area Member States in difficulty. In order to reach its objective the EFSF can - with the support of the German Debt Management Office (DMO) - issue bonds or other debt instruments on the market to raise the funds needed to provide loans to countries which would submit a request. Issues are backed by guarantees given by euro area Member States of up to € 440 billion.

The EFSF is part of a wider safety net. 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) for an overall rescue package worth up to € 750 billion. Any financial assistance by EFSF, EFSM and IMF to a country in need is linked to very strict policy conditions.

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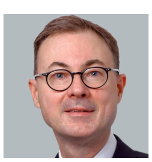
[1] *Due to its structure using an over-guarantee and cash buffer to secure triple A rating the effective lending of the EFSF does not correspond to the funding volume.*

## Contacts

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