

EFSF taps 20-year bond

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Press releases

EFSF

Frankfurt am Main - European Financial Stability Facility today tapped a 20-year bond launched on 19 March 2012 maturing on 30 March 2032 for an amount of €1 billion. The issuance spread at reoffer was fixed at mid swap plus 105 basis points. This implies a reoffer yield for investors of 3.681%. It is the first time that EFSF has tapped an outstanding bond.

Barclays, Goldman Sachs and Unicredit acted as lead managers for this tap and Deutsche Finanzagentur acted as Issuance Agent.

Christophe Frankel, Deputy CEO and CFO stated, "EFSF's first tap of an existing bond comes in reaction to strong reverse inquiries from key investors. It also provides a complement at the long end of the curve."

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 area 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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