

EFSF places €4 billion 5-year bond

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Press releases

EFSF

Frankfurt am Main - European Financial Stability Facility today placed a €4 billion 5-year benchmark bond maturing on 15 May 2017. The issuance spread at reoffer was fixed at mid swap plus 38 basis points. This implies a reoffer yield for investors of 2.061%.

This 5-year bond by the EFSF was met with strong demand with orders received of approximately €12.8 billion from investors around the world.

Citigroup, Nomura and Unicredit acted as lead managers for this issue and Deutsche Finanzagentur acted as Issuance Agent.

Today's transaction completes a busy issuance schedule across the yield curve from the EFSF this week raising a total of €7.4 billion through three successful visits to the market. Starting on Monday, EFSF placed its first 20-year bond for an amount of €1.5 billion, followed by €1.9 billion of 6-month bills issued on Tuesday and finally today's €4 billion 5-year bond.

All three transactions met with strong investor demand and were oversubscribed.

Christophe Frankel, Deputy CEO and CFO stated "The market is back to a positive mood and investors have shown appetite for the EFSF from the short end through to the very long end. EFSF is successfully fulfilling its mandate to safeguard stability within the euro area."

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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