

EFSF raises €5 billion in two bond deals

Luxembourg - The European Financial Stability Facility (EFSF) on Tuesday raised €5 billion in a dual-tranche deal, through the issue of a new 7-year benchmark bond and a tap of a 1.20% February 2045 bond.

“The EFSF continues to attract strong interest from investors in all parts of the curve. Today we made a successful start to the new quarter, raising €5 billion out of the target level of €13 billion for Q2 2017. The order book of over €9 billion for both transactions shows that EFSF bonds are highly desirable for investors,” said Siegfried Ruhl, EFSF Head of Funding and Investor Relations.

The size of the new 7-year bond was €4 billion. It has a coupon of 0.375% and matures on 11 October 2024. The spread at issuance was fixed at mid-swaps minus 3 basis points, implying a reoffer yield of 0.415%. Total orders were in excess of €5.4 billion.

The tap of the February 2045 bond raised €1 billion, bringing the total volume up to €4.5 billion. This bond has a coupon of 1.20% and matures on 17 February 2045. The spread at tap was fixed at mid-swaps plus 54 basis points for a reoffer yield of 1.879%. Books were in excess of €3.8 billion.

Joint lead managers for the transaction were Barclays, Morgan Stanley, and Société Générale CIB.

About the EFSF

The European Financial Stability Facility (EFSF) was created as a temporary crisis resolution mechanism by the euro area Member States in June 2010. The EFSF has provided financial assistance to Ireland, Portugal, and Greece. The assistance is financed by the EFSF through the issuance of bonds and other debt instruments. Since July 2013, the EFSF may no longer provide any further financial assistance.

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