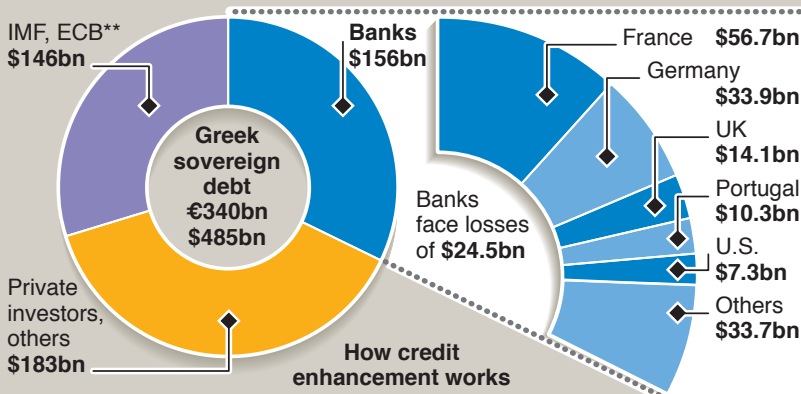


# Deal to prevent Greek debt crisis spreading

Greek rescue plans include a second bailout of €109 billion, a bond exchange plan to cut Greece's €340bn government debt by a fifth, lower interest rates\* and "credit enhancement" of Greece's private-sector bonds



## Bond exchange plan

Investors write off **20%** of face value of bond. Remaining value invested in new 30-year bond

## Greek government

Part of value of rolled-over bond (about 20%) is passed to **special purpose vehicle**

## Greek government bond

Bond has interest rate of **6.42%**  
AAA status allows bond to be traded on secondary markets

## Special purpose vehicle

EFSF\*\*\* rescue fund issues 30-year bond. **AAA status guarantees new face value**

\*Interest rates on EFSF loans to Greece, Ireland and Portugal to be cut from 5.5% to 3.5%.

\*\*International Monetary Fund, European Central Bank. \*\*\*€440bn European Financial Stability Facility

Sources: Institute of International Finance, Bank for International Settlements

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