

# EFSF taps 3-year bond via auction

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31/07/2012

Press releases

EFSF

Luxembourg – European Financial Stability Facility today held a tap via auction. The reopening was in relation to a 3-year bond which was initially placed on 24 May 2012 for an amount of €3 billion. Today’s auction raised an additional €1.48 billion. Investor demand was high with over €5.47 billion in bids received.

The weighted average price was 101.63% and the average yield was 0.54%. The bid/cover ratio was 3.7.

Christophe Frankel, Deputy CEO and CFO stated “Strong reverse inquiries from many participants led us to re-open the 3-year bond today. This is the second time we have held a tap via auction. We successfully reopened a 5-year bond using this method on 15 May.”

The funds raised will be used to support the financial assistance programmes for borrower Member States. 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 beneficiary 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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