EFSF holds 6-month bill auction

View PDF
17/01/2012
Press releases
EFSF

Frankfurt am Main – European Financial Stability Facility (EFSF) today held a 6-month bill auction. The auction was met with very strong demand attracting over €4.6 billion in bids of which over €1.176 billion were non-competitive. The bid/cover ratio was 3.1.

EFSF sold €1.501 billion in 6-month bills at an average price of 99.86550% with a maturity date of 19 July 2012 (182 interest days). The weighted average yield was 0.2664 %. Settlement date is Thursday 19 January (T+2).

The auction was carried out by the German Finance Agency (Finanzagentur) using the Deutsche Bundesbank's EFSF bidding system "EBS".

EFSF has been assigned the highest quality short-term rating by all three credit rating agencies – Standard & Poor's 'A-1+', Moody's P-1 and Fitch Ratings 'F1+'.

This is EFSF's second bill auction. The first, a successful 3-month bill auction, was held in December of last year.

Christophe Frankel, CFO and Deputy CEO commented "the success of today's auction confirms investors' confidence in EFSF as a high quality issuer. As we establish our short-term bill programme, we will now be holding regular auctions focussing on 3-, 6- and 12-month tenors".

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 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.

Contacts

Cédric Crelo
Head of Communications and Chief Spokesperson
+352 260 962 205
c.crelo@esm.europa.eu

Anabela Reis
Deputy Head of Communications and Deputy Chief Spokesperson
+352 260 962 551
a.reis@esm.europa.eu

Juliana Dahl
Principal Speechwriter and Principal Spokesperson

+352 260 962 654
j.dahl@esm.europa.eu

George Matlock
Senior Financial Spokesperson
+352 260 962 232
g.matlock@esm.europa.eu