EFSF holds first bill auction

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Frankfurt am Main – As part of its short-term funding programme, European Financial Stability Facility today held its first bill auction. The auction was met with very strong demand attracting over €6.2 billion in bids of which over €2 billion were non-competitive. The bid/cover ratio was 3.2.

EFSF sold €1.971 billion in 3-month bills. The average price for the EFSF 3-month bills was 99.94386% with a maturity date of 15 March 2012 (91 interest days). The weighted average yield was 0.2222%. Settlement is 15 December 2011 (T+2).

Christophe Frankel, CFO and Deputy CEO commented "This programme will not only extend our range of issues to the short-term, but it will increase the flexibility of the whole funding strategy".

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

EFSF aims to hold regular bill auctions and the calendar for 2012 is expected to be released early next year.

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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