EFSF launches short-term funding programme

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Press releases
EFSF

Luxembourg – In order to increase flexibility in its funding strategy, EFSF announces the launch of a short-term funding programme focusing on 3, 6 and 12 month bills. Other bill tenors may be developed in time. The first auction is expected to take place before year end.

Klaus Regling, CEO of EFSF stated “The launch of a short-term funding programme is in line with the enlarged scope of activity of EFSF to use its new instruments efficiently.” He also underlined: “The bill programme will not substitute the long-term bond programme, but it will add flexibility to it.”

As part of the EFSF’s regular debt issuance programme and exclusively in euro, bill auctions will be open to all members of the EFSF Market Group currently comprising 47 international institutions[1]. As with EFSF’s bond issuance, the auctions will be carried out by the German debt management office (Finanzagentur) using EFSF’s bidding system “EBS”. EBS is based on the Bund Bidding System (BBS) of Deutsche Bundesbank, which has long-standing experience in German bond and bill auctions.

EFSF has been assigned the highest quality short–term rating by all three rating agencies – Standard & Poor’s “A-1+”, Moody’s (P) P-1 and Fitch Ratings “F1+(exp)”.

Christophe Frankel, Deputy CEO and CFO of EFSF commented “by introducing this programme, we will now provide our investors with the opportunity of investing across the full yield curve”.

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 are 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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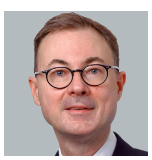
[1] For the composition of the EFSF Market Group, please see investor presentation

Contacts



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