

# EFSF's top credit rating affirmed

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Press releases

EFSF

Luxembourg – Following the official entry into force of the Amendments to the EFSF Framework Agreement on 18 October 2011, all three credit rating agencies affirmed the best possible credit rating – Standard & Poor's "AAA", Moody's "(P)Aaa" and Fitch Ratings "AAA" – to the EFSF.

All three agencies have also assigned the highest quality short term rating to the EFSF – Standard & Poor's "A-1+", Moody's "(P)P-1" and Fitch Ratings "F1+".

In reaction to the potential increase funding volumes that could arise to take into account the new tasks assigned to the EFSF, its funding strategy will consequently become more flexible and diversified. It is expected that the EFSF will implement a short-term funding strategy which could be structured around a Bill programme.

Klaus Regling, CEO of EFSF stated "confirmation of the highest possible credit rating shows the confidence in the strategy of the euro area to restore financial stability. The amendments to the EFSF will allow it to contribute in more ways to implement this strategy".

Under the amended EFSF, the guarantee commitments have been increased to €780 billion and effective lending capacity is now be €440 billion. The scope of activity of the EFSF has also been enlarged and it is now authorised to:

- Intervene in the debt primary and secondary markets.
- act on the basis of precautionary programmes
- finance recapitalisations of financial institutions through loans to governments including in non-programme countries

All assistance to Member States would be linked to appropriate conditionality.

EFSF has placed 3 benchmark issues this year for a total of €13 billion in support of the programmes for Ireland and Portugal which total €43.7 billion (€17.7 billion for Ireland; €26 billion for Portugal). Christophe Frankel, EFSF Deputy CEO and CFO commented “EFSF is fully operational and stands ready to perform all duties to which it is assigned”.

EFSF intends to issue a €3 billion benchmark bond for Ireland in the near future market conditions permitting.

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