EFSF becomes fully operational

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Press releases
EFSF

Luxembourg – All three major rating agencies assigned the best possible credit rating – Standard & Poor's "AAA"; Moody's "Aaa"; Fitch Ratings "AAA" - to the European Financial Stability Facility (EFSF), a Luxembourg-registered company which was set up by euro area Member States to preserve financial stability in Europe's Economic and Monetary Union. According to the CRAs, the long-term issuer rating as well as the top rating for EFSF's possible future debt issues reflect the strong shareholder support and credit enhancements such as an over-guarantee of the amount borrowed by 120 % and cash buffer which will accumulated when a loan is made. The rating outlook was qualified as stable.

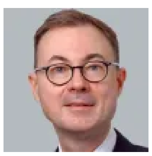
Commenting on the announcement, Klaus Regling, Chief Executive Officer of EFSF declared: "We are most satisfied to obtain the top credit ratings by all agencies. It is a clear confirmation that the EFSF can play its envisaged role and be one of the cornerstones of Europe's strategy to maintain financial stability of the euro zone sovereign debt market. The top credit ratings are key to our commitment to support euro area Member States in financial difficulty." And he added: "The top ratings of the EFSF, should the facility need to issue, will provide a good opportunity for investors to diversify into a new supranational asset."

About the EFSF:

The European Financial Stability Facility (EFSF) was incorporated in Luxembourg under Luxembourgish law on June 7th 2010. Its objective is to preserve financial stability of Europe's Economic and Monetary Union by providing temporary financial assistance to euro area Member States in difficulty. In order to reach its objective the EFSF can - with the support of the German Debt Management Office (DMO) - issue bonds or other debt instruments on the market to raise the funds needed to provide loans to countries which would submit a request. Issues would be backed by guarantees given by euro area Member States of up to € 440 billion.

The EFSF is part of a wider safety net. Its funds would be 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) for an overall rescue package worth up to € 750 billion. EFSF, EFSM and IMF can only act after a support request is made by a euro area Member State and a country programme has been negotiated with the European Commission and the IMF. This would only occur when the country is unable to borrow on markets at acceptable rates. Any financial assistance by EFSF, EFSM and IMF to a country in need would be linked to very strict policy conditions.

Contacts



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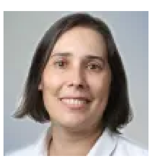

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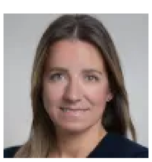

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