



Paris, 16 October 2015

Successful operational completion of the first trial reverse auction for PSPP eligible supranational bond purchases

Banque de France, in close cooperation with the Eurosystem, has started to conduct reverse auctions on a trial basis. The trial auction launched this morning on PSPP eligible supranational bonds has been successfully completed from an operational standpoint.

The test allowed a significant number of counterparties of the Banque de France to submit offers on 4 EFSF (European Financial Stability Facility) debt securities¹, which had been specifically selected for this auction, details of which were published on Tuesday, 13 October 2015 on the Banque de France's Bloomberg page <BDF GO>.

Banque de France used the Bloomberg auction tool to collect offers and finalise the allotment. The best offers were accepted, at the price proposed by the counterparty, up to a maximum amount and price determined by Banque de France for each security.

These trial auctions will continue for at least 3 more weeks; the next test will take place on Friday 23 October 2015 in accordance with the operational modalities indicated on the Banque de France's Bloomberg page <BDF GO>.

In accordance with Article 8 of the ECB 2015/10 decision of March 2015, the Eurosystem publishes on a weekly basis the aggregate book value of the securities held under the PSPP and in addition publishes on a monthly basis the amounts and weighted average residual maturities by issuer residence. Therefore, Banque de France does not communicate specifically on the total amount purchased through the trial auction nor the accepted prices.

Without prejudging in any way whether Banque de France would consider applying auctions more systematically in asset purchase programmes in the future, the aim of these trials is to gain experience in carrying out asset purchases under the PSPP via reverse auctions.

¹ EU000A1G0A24 EFSF 1 1/8 11/30/17 ; EU000A1G0AR0 EFSF 2 5/8 05/02/19 ; EU000A1G0BG1 EFSF 1 5/8 07/17/20 ; EU000A1G0BP2 EFSF 1 3/8 06/07/21