

ESM issues 40-year €1 billion bond

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Press releases

ESM

Luxembourg – The European Stability Mechanism (ESM) today issued a new €1 billion 40-year benchmark bond with a coupon of 1.85%, maturing on 1 December, 2055. The deal fills the remaining €500 million funding need for this year, while the other half will be used for the ESM’s 2016 funding programme.

“This is an outstanding end to the ESM’s funding programme for 2015. While lengthening maturities beyond our recent 21- and 30-year deals, investor appetite was such that we were able to pre-fund €500 million towards next year’s needs,” said Christophe Frankel, CFO and Deputy Managing Director.

The deal follows last week’s decision by the ESM Board of Directors to revise the Borrowing Guidelines, and to set the maximum authorised maturity for ESM borrowing transactions at 45 years.

The spread at issuance was fixed at mid-swaps plus 40 basis points. This implies a reoffer yield for investors of 1.863%. Barclays, Deutsche Bank and Goldman Sachs International acted as joint lead managers for the issue. The total book size was in excess of €1.1 billion.

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