

ESM raises €5 billion in two bond issues

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Press releases

ESM

Luxembourg, Luxembourg

Luxembourg – The European Stability Mechanism on Tuesday raised €5 billion in a dual-tranche transaction, issuing a new 26-year bond, and tapping an existing 10-year bond.

“Today’s very strong transaction marks the successful reopening of the ESM’s funding programme in the third quarter. It shows that investors have confidence in the ESM’s strategy and have taken note that the UK vote to leave the European Union has no direct consequences for the institution. We will continue to be present at the entire yield curve in benchmark size in the future to serve our wide investor base,” said Siegfried Ruhl, ESM Head of Funding.

The size of the new 26-year bond was €2.5 billion. It has a coupon of 0.875% and will mature on 18 July 2042. The spread at issuance was fixed at mid-swaps plus 14 basis points, implying a reoffer yield of 0.933%. Total orders were in excess of €3.3 billion.

A total of €2.5 billion was placed in the tap of the existing 10-year bond, bringing the total volume to €5.5 billion. The bond has a coupon of 0.5% and will mature on 2 March 2026. The spread at issuance was fixed at mid-swaps minus 14 basis points for a reoffer yield of 0.149%. Books were in excess of €4.5 billion.

Barclays, Citi and Deutsche Bank were joint lead managers on the deal.

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