

# ESM issues €4 bn 2-year bond

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Press releases

ESM

Luxembourg – The European Stability Mechanism (ESM) placed today a €4 billion 2-year bond maturing on 28 October 2016. The transaction was marketed on a yield basis and finally priced with a 0.04% reoffer yield for investors. This corresponds with a swap spread of mid swap minus 19.2 basis points. The coupon was set at 0.00% which delivered a reoffer price of 99.92%. It is the first ESM bond issued with a 0% coupon.

Barclays, BNP Paribas and Bank of America Merrill Lynch acted as lead managers. The issue attracted very strong demand, with above €5.8 billion in orders received from investors worldwide. It is the first 2-year bond ever issued by the ESM. There remains €1 billion to complete the ESM's funding target for the fourth quarter of 2014.

Christophe Frankel, CFO and Deputy Managing Director said: "With our new benchmark bond we have created a new point on the short end of the ESM's curve and optimised the redemption profile. The size and quality of the order book shows that the new tenor satisfied the needs of our investors."

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