

The Issuer is exempt from Directive 2014/65/EU on markets in financial instruments (MiFID II) and does not constitute a manufacturer or a distributor under the product governance rules set out in EU Delegated Directive 2017/593. The Issuer is therefore not subject to the responsibilities conferred on manufacturers or distributors therein.

Final Terms dated 5 July 2022

EUROPEAN STABILITY MECHANISM ("ESM")

Issue of EUR 1,063,500,000 Zero Coupon Notes due 6 October 2022

under the **Debt Issuance Programme**

LEI: 222100W4EEAQ77386N50

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated 24 August 2021 (the "**Information Memorandum**"). This document constitutes the Final Terms of the Notes described herein. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Information Memorandum.

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| 1. Issuer: | European Stability Mechanism |
| 2. Series Number: | 291 |
| 3. Tranche Number: | 1 |
| 4. Specified Currency or Currencies: | Euro (" EUR ") |
| 5. Aggregate Nominal Amount: | |
| (i) Series: | EUR 1,063,500,000 |
| (ii) Tranche: | EUR 1,063,500,000 |
| 6. Issue Price: | 100.05059 per cent. of the Aggregate Nominal Amount |
| 7. Specified Denominations: | EUR 0.01 |
| 8. (i) Issue Date: | 7 July 2022 |
| (ii) Interest Commencement Date: | Not Applicable |
| 9. Maturity Date: | 6 October 2022 |
| 10. Interest Basis: | Zero Coupon |
| | (further particulars specified below) |
| 11. Redemption/Payment Basis: | Redemption at par |
| 12. Change of Interest or Redemption/Payment Basis: | Not Applicable |

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| 13. Call Option: | Not Applicable |
| 14. (i) Status of the Notes: | Senior |
| (ii) Date of Board of Directors approval for issuance of Notes obtained: | 29 October 2015, 23 January 2017, 22 October 2020 and 29 November 2021 |
| 15. Method of distribution: | Auction |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. Fixed Rate Note Provisions: | Not Applicable |
| 17. Floating Rate Note Provisions: | Not Applicable |
| 18. Zero Coupon Note Provisions: | Applicable |
| (i) Accrual Yield: | -0.2000 per cent. per annum |
| (ii) Reference Price: | 100.05059 per cent. of the Aggregate Nominal Amount |
| (iii) Any other formula/basis of determining amount payable: | Actual/360 |
| 19. Index-Linked Interest Note/other variable-linked interest Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 20. Call Option: | Not Applicable |
| 21. Final Redemption Amount of each Note: | EUR 0.01 per Specified Denomination |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 22. Form of Notes: | <p>Bearer Notes:</p> <p>Reg. S:</p> <p>Global Note exchangeable for Definitive Notes:</p> <p>Global Bearer Note deposited with the Clearing System and exchangeable for Definitive Notes in the limited circumstances described in the Global Note</p> |
| 23. Talons for future coupons or Receipts to be attached to Definitive Notes (and dates on which such talons mature): | Not Applicable |
| 24. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |
| 25. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable |

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| 26. Redenomination, renominalisation and reconventioning provisions: | Not Applicable |
| 27. Consolidation provisions: | Not Applicable |
| 28. Issuing and Paying Agency Agreement: | (i) An agency letter dated on or about 30 November 2012 between the Issuer and Deutsche Bundesbank as issuing and paying agent, and (ii) an agency letter dated on or about 30 November 2012, as amended, between the Issuer and Clearstream, Frankfurt. |
| 29. Other final terms: | Not Applicable |

DISTRIBUTION

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| 30. (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| (ii) Date of Subscription Agreement: | Not Applicable |
| (iii) Stabilising Manager(s) (if any): | Not Applicable |
| 31. If non-syndicated, name and address of Dealer: | Not Applicable |
| 32. Total commission and concession: | Not Applicable |
| 33. U.S. Selling Restrictions: | Reg. S, Category 2
TEFRA Not Applicable |
| 34. Additional selling restrictions: | Not Applicable |

GOVERNING LAW

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| 35. Governing law: | Luxembourg law |
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Signed on behalf of the European Stability Mechanism:

By: **KALIN ANEV JANSE**

Duly authorised

Kalin Anev Janse
Member of the Management Board
Chief Financial Officer

PART B – OTHER INFORMATION

1. LISTING

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| (i) | Listing: | None |
| (ii) | Admission to trading: | Not Applicable |

2. RATINGS

Ratings:	Fitch Ratings Ireland Limited has assigned to ESM a short-term rating of F1+.
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	Moody's Deutschland GmbH has assigned to ESM a short term rating of Prime-1.
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	S&P Global Ratings Europe Limited has assigned to ESM a short-term rating of A-1+.
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	Each of the above credit ratings will be treated for the purposes of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended (the " CRA Regulation ") as having been issued by Fitch Ratings Ireland Limited, Moody's Deutschland GmbH, and S&P Global Ratings Europe Limited respectively. Each of Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is established in the European Union and is registered under the CRA Regulation. As such, each of Fitch Ratings Ireland Limited, Moody's Deutschland GmbH and S&P Global Ratings Europe Limited is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.
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3. OPERATIONAL INFORMATION

ISIN Code:	EU000A3JZRF7
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Common Code:	249888800
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Clearing System, including the relevant identification number(s):	Clearstream, Frankfurt
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Intended for New Global Note Form:	Not Applicable
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Intended for New Safekeeping Structure (NSS):	Not Applicable
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Delivery:	Delivery against payment
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Names and addresses of the Issuing and Paying Agent:	Deutsche Bundesbank Wilhelm-Epstein-Straße 14 60431 Frankfurt am Main Germany
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Names and addresses of additional paying agent(s) (if any):	Not Applicable
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Names and addresses of the Luxembourg Listing Agent:	Not Applicable
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Names and addresses of the Calculation Agent (if any):	Not Applicable
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Intended to be held in a manner which would allow Eurosystem eligibility:	Yes
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Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with a Clearing System and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.