

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Issuer is exempt from 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 19 May 2023**

**EUROPEAN STABILITY MECHANISM ("ESM")**

**Issue of EUR 2,000,000,000 3.00 per cent. Notes due 23 August 2033 (the "Notes")**

**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 18 August 2022 as supplemented by a first supplement dated 23 March 2023 (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:                    | 312  |
| 3. Tranche Number:                   | 1  |
| 4. Specified Currency or Currencies: | Euro (" <b>EUR</b> ")                            |
| 5. Aggregate Nominal Amount:         |  |
| (i) Series:                          | EUR 2,000,000,000                                |
| (ii) Tranche:                        | EUR 2,000,000,000                                |
| 6. Issue Price:                      | 99.600 per cent. of the Aggregate Nominal Amount |
| 7. Specified Denominations:          | EUR 0.01   |
| 8. (i) Issue Date:                   | 23 May 2023                                      |
| (ii) Interest Commencement Date:     | 23 May 2023                                      |

9.	Maturity Date:	23 August 2033
10.	Interest Basis:	3.00 per cent. <i>per annum</i> Fixed Rate (further particulars specified below)
11.	Redemption/Payment Basis:	Redemption at par
12.	Change of Interest or Redemption/Payment Basis:	Not Applicable
13.	Call Option	Not Applicable
14.	(i) Status of the Notes:	Senior, Unsecured, Unsubordinated
	(ii) Dates of Board of Directors approvals for issuance of Notes obtained:	29 October 2015, 23 January 2017, 22 October 2020 and 22 September 2022
15.	Method of distribution:	Syndicated

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16.	Fixed Rate Note Provisions:	Applicable
	(i) Rate of Interest:	3.00 per cent. <i>per annum</i> payable annually in arrear
	(ii) Interest Payment Date(s):	23 August each year commencing on and including 23 August 2023 (the " <b>First Interest Payment Date</b> ") (following unadjusted)
	(iii) Broken Amount(s):	Short first coupon from and including the Interest Commencement Date to but excluding the First Interest Payment Date amounting to an aggregate amount of EUR 15,123,287.67 payable on the First Interest Payment Date
	(iv) Day Count Fraction:	Actual/Actual (ICMA)
	(v) Regular Dates:	23 August in each year
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	Floating Rate Note Provisions:	Not Applicable
18.	Zero Coupon Note Provisions:	Not Applicable
19.	Index-Linked Interest Note/other variable-linked interest Note Provisions:	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

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

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

22.	Form of Notes:	<b>Bearer Note</b> <b>Reg. S</b> <b>Global Note exchangeable for Definitive Notes:</b>  Global Note deposited with the Clearing System and exchangeable for Definitive Notes in the limited circumstances described in the Global Note
23.	Talons for future coupons or Receipts to be attached to Definitive Notes (and dates on which such talons mature):	No
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
26.	Redenomination, renominatisation 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**

30.	(i) If syndicated, names of the Joint Lead Managers:	Citigroup Global Markets Europe AG Crédit Agricole Corporate and Investment Bank DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
	(ii) Date of Subscription Agreement:	19 May 2023
	(iii) Stabilisation Manager(s) (if any):	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
31.	If non-syndicated, name and address of Dealer:	Not Applicable
32.	Total commission and concession:	As separately agreed between the Issuer and the Joint Lead Managers
33.	Net proceeds:	EUR 1,988,500,000.00
34.	U.S. Selling Restrictions:	Reg. S, Category 2  TEFRA C

35. ERISA Eligible: No
36. Additional selling restrictions: Not Applicable

**GOVERNING LAW**

37. Governing law: Luxembourg law

Signed on behalf of the European Stability Mechanism:

By: **DAVID EATOUGH**

Duly authorised

**David Eatough**  
Member of the Management Board  
General Counsel

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: Luxembourg
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 23 May 2023.

### 2. RATINGS

Ratings: Fitch Ratings Ireland Limited ("**Fitch**") has assigned to ESM a long-term rating of AAA (Stable).

Moody's Deutschland GmbH ("**Moody's**") has assigned to ESM a long-term rating of Aaa (Stable).

S&P Global Ratings Europe Limited ("**S&P**") has assigned to ESM a long-term rating of AAA (Stable).

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 "**EU CRA Regulation**") as having been issued by Fitch, Moody's and S&P respectively. Each of Fitch, Moody's and S&P is established in the European Union and is registered under the EU CRA Regulation. As such, each of Fitch, Moody's and S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the EU CRA Regulation. The ratings of Fitch, Moody's and S&P are endorsed by Fitch Ratings Limited, Moody's Investors Services Limited and S&P Global Ratings UK Limited respectively, each of which is established in the UK and registered under Regulation (EU) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

### 3. OPERATIONAL INFORMATION

ISIN Code: EU000A1Z99S3

Common Code: 262627942

WKN Code:	A1Z99S
Clearing System, including the relevant identification number(s):	Clearstream Banking AG Frankfurt
Intended for New Global Note Form:	Not Applicable
Intended for New Safekeeping Structure (NSS):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of the Issuing and Paying Agent:	Deutsche Bundesbank Wilhelm-Epstein-Straße 14 60431 Frankfurt am Main Federal Republic of Germany
Names and addresses of additional paying agent(s) (if any):	Not Applicable
Names and addresses of the Luxembourg Listing Agent:	Deutsche Bank Luxembourg S.A. 2, Boulevard Konrad Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg
Names and addresses of the Calculation Agent (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes

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 European Central Bank being satisfied that Eurosystem eligibility criteria have been met.