PRESS RELEASE
30th January, 2018

European Union EUR 2 400 million 7-year bond issue due April 4th, 2025

The European Union ("EU"), rated AAA/Aaa/AA/AAA by Fitch, Moody's, S&P and DBRS (all rating outlooks stable), today issued a new EU 0.5% April 2025 bond with a nominal amount of EUR 2 400 million. This was the first transaction of the year and the first of two tranches to lengthen the EUR 3 400 million EFSM loan to Ireland which is due on 4 April 2018.

The transaction was executed by the European Commission (Directorate General for Economic and Financial Affairs – Luxembourg) on behalf of the EU. The bond was priced at 23 basis points through mid-swaps, equivalent to + 21.2 basis points over the 0.5% DBR due February 2025 and +3 basis points over the 0.5% FRTR due May 2025.

Joint bookrunners were Barclays, Commerzbank, HSBC and UniCredit.

Execution highlights

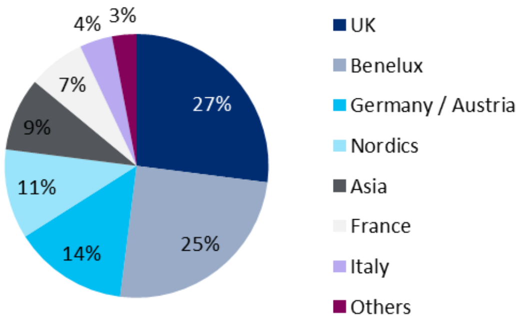
- The new 7-year EUR transaction was announced to the market on 29th January 2018 at around 16:00 CET. At 9:30 CET the following day books opened officially at an initial spread guidance of mid-swaps -20 basis points area. By 11:00 CET, the orderbook already exceeded EUR 3 650 million (including EUR 250 million of joint lead manager interest), enabling the issuer to fix the size at EUR 2 400 million (the maximum size agreed between EU and Ireland for this shorter tranche) and tighten the spread guidance by 2 basis points to mid-swaps – 22 basis points area. On the back of strong momentum the spread was fixed at mid-swaps -23 basis points 45 minutes later with orderbooks in excess of EUR 5 000 million (including EUR 250 million of joint lead manager interest).
- Orderbooks closed at 12:00 CET and final investor demand for the transaction amounted to EUR 4 750 million (including EUR 250 million of joint lead manager interest). The transaction priced at 15:05 CET with the final spread of mid-swaps -23 basis points, representing a new issue concession of only 2 basis points over fair value.
- With more than 115 investors participating, the transaction saw a high degree of granularity, particularly within Europe. In terms of investor type there was strong interest across a variety of investor types, with fund & asset managers taking the greatest share (41%) followed by central banks & official institutions (33%) and banks (25%).
- The EU's decision to opt for a 7 year maturity was driven by continued investor support for this part of the curve, the fact that the EU does not have any bonds maturing in 2025, combined with the aim of lengthening the maturity of Ireland's EFSM loan. This transaction reaffirms the EU's status as a high-quality issuer and demonstrates its continued investor support even after a period of lower primary market activity in 2017.

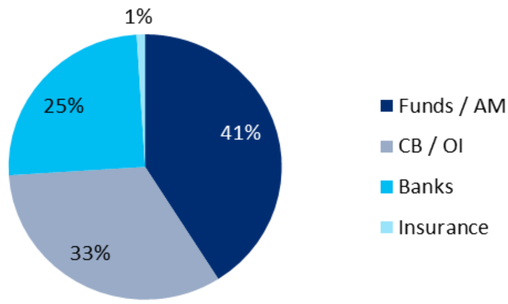
Background information on the European Union

- The EU was established by the Treaty of Rome in 1957 and is 0% risk weighted as an issuer (Basel III). The EU's borrowings are direct and unconditional obligations of the EU, and are ultimately joint and severally guaranteed by the EU Member States. The European Commission is empowered by the EU Treaty to borrow from the international capital markets, on behalf of the European Union.

- The EU borrows exclusively in Euros for on-lending in Euros to sovereign borrowers. The EU currently operates three loan programmes: The European Financial Stabilisation Mechanism ("EFSM"), the Balance of Payments facility ("BoP") and Macro-Financial Assistance ("MFA").
- Under the EFSM, the EU can borrow up to EUR 60 billion to on-lend to, in principle, any Member State and up to EUR 50 billion under the Balance of Payments facility ("BoP"), where support is obtainable only by Member States which have not adopted the Euro. Furthermore, the EU borrows to finance Macro-Financial Assistance ("MFA") loans to support, together with the IMF, non-EU countries.
- The EU funding plan for 2018 is close to EUR 5bn, about half of which is executed through this transaction. A further EUR 1 billion is planned to be issued in February/March in order to lengthen the remaining EFSM loan to Ireland due in April (EUR 3.4 billion in total).

Summary of the distribution





Summary of terms and conditions

Issuer	:	European Union (EU)
Issue ratings	:	AAA/Aaa/AA/AAA (Fitch/Moody's/S&P/DBRS) (benefitting from the unconditional support of all EU Member States)
Pricing date	:	30th January 2018
Settlement date	:	6th February 2018 (T+5)
Maturity date	:	4th April 2025
Size	:	EUR 2,400,000,000.00
Coupon	:	0.500%; annual ACT/ACT
Re-offer spread	:	MS –23bps (DBR 0.50% 02/25 +21.2 bps)
Re-offer price	:	99.692%
Re-offer yield	:	0.544%
ISIN	:	EU000A19VVY6
Listing	:	Luxembourg Stock exchange
Denominations	:	EUR 1,000.00
Bookrunners	:	Barclays, Commerzbank, HSBC, UniCredit

Points of contact at European Commission

Jean-Pierre RAES, Head of Unit Borrowing, Lending, Accounting and Back-Office
Tel: +352 4301 30070
jean-pierre.raes@ec.europa.eu

Jan CARLSSON, Deputy Head of Unit Borrowing, Lending, Accounting and Back-Office
Tel +352 4301 36424
jan.carlsson@ec.europa.eu

Stefan KOHLER, Senior Borrowing Manager
Tel: +352 4301 37453
stefan.kohler@ec.europa.eu

Thilo SARRE, Manager Borrowing and Lending
Tel: +352 4301 38876
thilo.sarre@ec.europa.eu

BARCLAYS COMMERZBANK HSBC UniCredit Corporate & Investment Banking