PRESS RELEASE

27th March, 2017

European Union EUR 600 million tap on 0.750% benchmark due April 4th, 2031

The European Union ("EU"), rated AAA/Aaa/AA/AAA by Fitch, Moody's, S&P and DBRS (all rating outlooks stable), today increased the EU 0.750% April 2031 bonds by EUR 600m for a new outstanding amount of EUR 2.86 billion. This was the EU's first syndicated transaction since April 2016.

The transaction was executed by the European Commission (Directorate General for Economic and Financial Affairs – Luxembourg) on behalf of the EU. The size of the transaction matches the second disbursement in support of Ukraine under the current Macro-Financial Assistance ("MFA") programme. The EUR 600 million increase was priced at -12 basis points through mid-swaps, equivalent to +43.6 basis points over the 5.5% DBR due January 2031.

Joint bookrunners were Bank of America Merrill Lynch, Deutsche Bank and DZ BANK.

Background information on the European Union

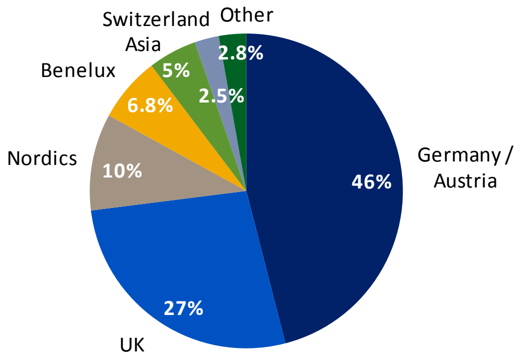
- The EU was established by the Treaty of Rome in 1957 and is 0% risk weighted as an issuer (Basel III). The EU's borrowings are direct and unconditional obligations of the EU, and are ultimately joint and severally guaranteed by the EU Member States. The European Commission is empowered by the EU Treaty 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 has 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 has committed up to EUR 1.8 billion under the third MFA programme for Ukraine, of which the second tranche of EUR 600 million is funded with this transaction. Proceeds of today´s transaction will be disbursed to Ukraine on the settlement date of the deal, which is 4 April 2017.

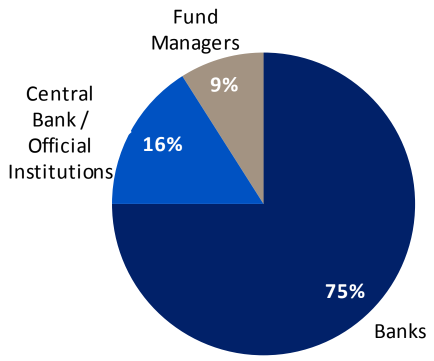
Execution highlights

- The EU moved early on Monday morning March 27 to execute intraday for a EUR 600 million tap of its 0.75% April 2031 bond. With this transaction, the EU achieved its objectives of raising this amount at attractive terms whilst adding liquidity to its outstanding line which now stands at EUR 2.86 billion.
- Despite a more volatile market backdrop over the weekend with yields dropping by roughly 3 basis points, EU managed to distribute the tap in a well-diversified fashion amongst its European investor base, complemented by some Asian demand.

- Books were opened at 10am CET with a strategy of tight price guidance of midswaps-12bp area in view of the limited amount and EU's status of a rare issuer. The price was subsequently set a little over 2 hours later at the guidance of midswaps-12bp, confirming the pricing approach.
- Lead managers and issuer saw fair value for the tap at midswaps-14bps immediately prior to the announcement. As such, this equals to a new issue concession of 2bp at final pricing.
- Books were closed at 1.20pm CET and the tap was priced at 2.35 CET (please see final terms below)
- Despite the rally in the outright market, the tap still managed to achieve a yield above 1%, which was a target of some investors.
- Good interest came from the official sector at 16%, which is higher than is often the case for longer tenors.
- Value date was set at T+6 (one day longer than standard) for technical reasons to avoid accrued interest as the outstanding bond pays interest on each 4 April annually.

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	:	27th March 2017
Settlement date	:	4^{th} April 2017 (T+6)
Maturity date	:	4^{th} April 2031
Size	:	EUR 600,000,000.00
Coupon	:	0.750%; annual ACT/ACT
Re-offer spread	:	MS –12bps (DBR 5.50% 01/31 +43.6 bps)
Re-offer price	:	96.736%
Re-offer yield	:	1.001%
ISIN	:	EU000A18Z2D4
Listing	:	Luxembourg Stock exchange
Denominations	:	EUR 1,000.00
Bookrunners	:	Bank of America Merrill Lynch, Deutsche Bank, DZ BANK

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