

**Auction rules for the issue of Bonds and Bills of the  
European Stability Mechanism (ESM)  
(as of 1 September 2026)**

1. The European Stability Mechanism (ESM), referred to hereinafter as “ESM”, offers Bonds and Bills of the ESM for sale by auction through the Deutsche Bundesbank. The terms and conditions of each individual issue are announced together with the invitations to bid via press releases, financial information services and the Deutsche Bundesbank’s ESM/EFSF Bidding System (EBS). When carrying out the auctions and the settlement of the Bonds and Bills of the ESM, the Deutsche Bundesbank acts in the name and for the account of the ESM, which is the seller of the Bonds and Bills.
2. There are no restrictions on the range of potential buyers. However, only members of the “ESM/EFSF Market Group” determined by the ESM, may participate in the auctions directly, provided that such members are either:

(a) German resident credit institutions, securities trading firms and securities trading banks pursuant to section 1 (1) and (3d) sentence 2 and sentence 3 of the German Banking Act and German branches of foreign enterprises pursuant to sections 53 and 53b of the German Banking Act, provided that they are authorised to engage in issuing business pursuant to section 1 (1) sentence 2 number 10 of the German Banking Act, or

(b) credit institutions within the meaning of Article 4 (1) number 1 of Regulation 2013/575/EU or investment firms within the meaning of Article 4 (1) number 1 subparagraph 1 of Directive 2014/65/EU which are domiciled in another member state of the European Union and perform investment services and activities within the meaning of numbers 1 to 6 of Annex I, section A of this Directive if the enterprise is licensed by the competent authorities of the home country, the business it conducts is covered by the licence, the enterprise is supervised by the competent authorities in accordance with the Directives issued by the European Union and the enterprise is not exempt from the application of the Directive, or

(c) intra-Community branches of credit institutions authorised in a third country and the intra-Community branches of investment firms authorised in a third country within the meaning of the aforementioned Directive.

Another prerequisite for membership is that delivery can be made via a securities account at Clearstream Europe AG. This also includes delivery in favour of accounts at other central securities depositories that, in turn, maintain a corresponding account relationship with Clearstream Europe AG. The corresponding monetary settlement is carried out exclusively in central bank money via TARGET Services.

3. Applications for membership of the “ESM/EFSF Market Group” may be submitted to the ESM at any time ([esm\\_market\\_group@esm.europa.eu](mailto:esm_market_group@esm.europa.eu)). Applicants have no legal right of admission to the “ESM/EFSF Market Group”. The “ESM/EFSF Market Group” members

are expected to have submitted successful bids for at least 0.25% of the total issue amounts allotted at auctions on a semi-annual basis. Weighting factors for the auctioned instruments apply. Those member institutions which fail to reach the required minimum share on a semi-annual basis will be deemed “inactive members” and withdrawn from the group and their privileges will be automatically cancelled for the course of the following six months.

4. Bids are to be transmitted electronically through the Deutsche Bundesbank’s ESM/EFSF Bidding System (EBS) before the bidding deadline specified in the invitation to bid. The special terms and conditions for auction procedures of the Deutsche Bundesbank for auctions of ESM Bonds and Bills using the ESM/EFSF Bidding System (EBS) shall apply.
5. Bids for fixed interest rate Bonds of the ESM must be of a par value of no less than EUR 1 million or an integral multiple thereof and should state the price, as a percentage of the par value, at which the bidders are prepared to purchase the Bonds of the ESM offered. No yield bids will be considered for the Bonds of the ESM. The price bids for fixed interest rate Bonds of the ESM with an original term to maturity of five years and longer must be expressed as full 0.01 percentage points. The price bids for fixed interest rate Bonds of the ESM with an original term to maturity up to five years must be expressed as full 0.005 percentage points. It is possible to make non-competitive bids and to submit several bids at different prices in respect of fixed interest rate Bonds of the ESM.

Bids for Bills of the ESM must be for a par value of not less than EUR 1 million or an integral multiple thereof and should state the yield at which the bidders are prepared to purchase the Bills of the ESM offered. No price bids will be considered for Bills of the ESM. The yield bids for Bills of the ESM must be expressed as full 0.001 percentage points. It is possible to submit non-competitive bids and several bids at different yields in respect of the Bills of the ESM.

The bidders are bound by their bids until allotment.

6. The bids for fixed interest rate Bonds of the ESM which are accepted by the ESM will be allotted at the price specified in the bid. Bids which are above the lowest price accepted by the ESM will be allotted in full. Bids which are below the lowest accepted price will not be considered. Non-competitive bids are allotted at the weighted average price of the competitive bids accepted. The ESM reserves the right to reject all bids, or to scale down bids quoting the lowest accepted price, and/or to scale down non-competitive bids. If bids are scaled down, there will be no minimum allotment. Bids which have been submitted on time but which, for technical reasons, have to be considered after the allotment will have no effect on the weighted average price of accepted bids, which is relevant for settlement.

The bids for Bills of the ESM which are accepted by the ESM will be allotted at the yield specified in the bid. Bids which are below the highest yield accepted by the ESM will be allotted in full. Bids which are above the highest accepted yield will not be considered. Non-competitive bids are allotted at the weighted average yield of the competitive bids accepted. The ESM reserves the right to reject all bids, or to scale down bids quoting the highest accepted yield, and/or to scale down non-competitive bids. If bids are scaled

down, there will be no minimum allotment. Bids which have been submitted on time but which, for technical reasons, have to be considered after the allotment will have no effect on the weighted average yield of accepted bids, which is relevant for settlement.

Bidders will be informed of the allotment immediately. The securities allotted will be settled on the value date specified in the invitation to bid. The settlement will be effected in the night-time processing of Clearstream Europe AG in accordance with the terms and conditions of Clearstream Europe AG for night-time processing.

The ESM reserves the right to reopen the issues.

7. For any deviations from these auction rules, please see the relevant invitation to bid. Deutsche Bundesbank also reserves the right to amend these Auction rules.

DEUTSCHE BUNDESBANK