



NextGenerationEU: European Commission raises a further €12 billion for Europe's recovery

Brussels, 13 September 2022

The European Commission has today issued €12 billion in a dual tranche transaction under its flagship NextGenerationEU programme. The deal was the 12th syndicated transaction under NextGenerationEU and the 7th in 2022. It consisted of a new 5-year bond of €7 billion due on 4 October 2027 and a new 30-year bond of €5 billion due on 4 October 2052.

The investor demand remained strong despite the challenging market context, with combined bids exceeding €114 billion, or an oversubscription of more than 9 times.

European Commissioner in charge of Budget and Administration, Johannes **Hahn**, said: "*The Commission's NextGenerationEU programme continues to deliver to the benefit of EU Member States and beneficiaries. The funds raised today will continue to support Europe's recovery from the pandemic, and the much needed green and digital transformations.*"

With today's transaction, the Commission has issued a total of €73.75 billion in long-term funding under NextGenerationEU in 2022 and €144.75 billion since the start of the programme in June 2021. Of the total, €23.75 billion have been issued since July 2022 in line with the execution of the Commission's funding plan for the period between July and December 2022 as [presented](#) at the end of June 2022.

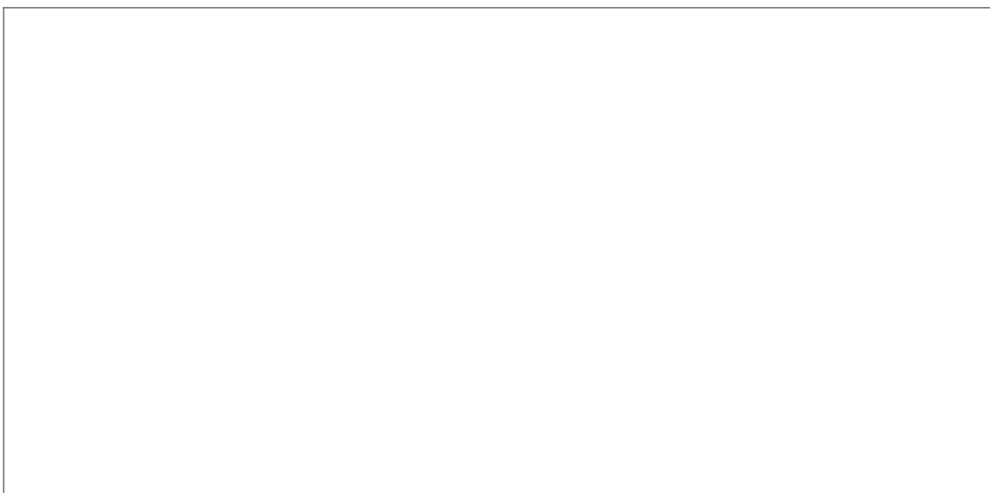
On the basis of the funds raised, the Commission has so far paid out over €110 billion under the Recovery and Resilience Facility and over €15 billion under other EU programmes which benefit from NextGenerationEU financing. The Commission will continue using the funds raised to support Europe's post-pandemic recovery, financing Member States under the Recovery and Resilience Facility as well as via other EU programmes.

Background

NextGenerationEU is a temporary recovery instrument of more than €800 billion in current prices to support Europe's recovery from the coronavirus pandemic and help build a greener, more digital and more resilient Europe.

To finance NextGenerationEU, the Commission – on behalf of the EU – is raising from the capital markets up to around €800 billion between now and end-2026.

In parallel to NextGenerationEU, the Commission runs several back-to-back funding programmes to finance the specific needs of the EU Member States and third countries. This includes the macro-financial assistance programme, under which the Commission has provided support of €2.2 billion to Ukraine since the beginning of the year, and has proposed a further €5.0 billion support, the second tranche of an up to €9.0 billion package.



7th NextGenerationEU bond syndication for 2022

5-year bond

The 5-year bond carries a coupon of 2.0% and came at a re-offer yield of 2.095% providing a spread of -28 bps to mid-swaps, which is equivalent to +60.1 bps over the 5-year OBL due in October 2027 and to +35.4 bps over the 5-year OAT due in May 2027.

The final order book was of over €60 billion, which meant that the bond has been over 8 times oversubscribed.

30-year bond

The 30-year bond carries a coupon of 2.5% and came at a re-offer yield of 2.583% providing a spread of +45 bps to mid-swaps, which is equivalent to +83.5 bps over the 30-year Bund due in August 2052 and to -1.5 bps through the 30-year OAT due in May 2052.

The final order book was of over €54.5 billion, which meant that the bond was more than 10 times oversubscribed.

The joint lead managers of this transaction were BNP Paribas, Citi, Commerzbank, Goldman Sachs Bank Europe SE and Nomura.

5-year

Geography	%
UK	29%
France	16%
Benelux	12%
Italy	10%
Iberia	7%
Germany	7%
Nordics	6%
Switzerland	5%
Asia	4%
Other Europe	3%
Rest of the World	1%
Total	100.0%

Investor Type	%
Fund Managers	37.4%
Bank Treasuries	25.9%

Central Banks / Official Institutions	25.2%
Insurance and Pension Funds	7.9%
Banks	1.8%
Hedge Funds	1.0%
Other	0.9%
Total	100.0%

30-year

Geography	%
Germany	26.5%
UK	15.1%
Benelux	12.8%
France	11.1%
Nordics	8.5%
Iberia	8.5%
Italy	8.4%
Other Europe	6.8%
Switzerland	1.4%
Asia	0.9%
Rest of the World	0.1%
Total	100.0%

Investor Type	%
Fund Managers	40.9%
Bank Treasuries	21.4%
Insurance and Pension Funds	16.8%
Central Banks / Official Institutions	15.9%

Banks	2.6%
Hedge Funds	1.3%
Other	1.1%
Total	100.0%

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