

Funding in 2019

1. Debt issuance

Subject to the annual borrowing authorisation set by the Administrative Council, the CEB issues debt in the international capital markets. In 2019, the Bank borrowed a total of € 4.5 billion in eleven financing operations, including three re-opening transactions of existing issues, with maturities of one year or more. This amount is slightly lower than the volume of financing in 2018, which stood at € 4.9 billion and also consisted of eleven funding operations, including six re-openings of existing issues. The 2019 funding programme fulfilled three main objectives:

- to cover the requirements arising from the Bank's lending activity;
- to enable the Bank to honour its debt maturities; and
- to enable the Bank to maintain liquidity at the level set by the Administrative Council.

To ensure the necessary funding to finance its activities, the Bank continues to combine benchmark transactions in major currencies targeting a broad range of institutional investors with debt issues in a given currency or with a more specific structure designed to meet specific investor demands.

In 2019, 39.8% of the funds raised by the Bank were denominated in US dollars, 38.9% in Euros, 17.2% in British pounds, 2.3% in Norwegian krone, 1.2% in Australian dollars and 0.7% in New Zealand dollars. These transactions enabled the Bank to diversify the markets in which its activities are financed while at the same time allowing for a broadening of its investor base.

In USD, two transactions were priced: A USD 1 billion five-year benchmark in February and a USD 1 billion three-year benchmark in September.

In EUR, three transactions were priced: A EUR 250 million re-opening of the October 2022 benchmark in January, a EUR 1 billion ten-year benchmark in January and the Bank's third EUR 500 million seven-year Social Inclusion Bond in April.

In GBP, two transactions were priced: A GBP 600 million three-year benchmark in January and a GBP 100 million re-opening thereof in October.

As a result, the USD, EUR and GBP markets were the most important ones in terms of funding volumes in 2019.

In other currencies, four transactions were priced: An AUD 50 million 10-year transaction in January and an AUD 35 million re-opening thereof in May, a NOK 1 billion five-year benchmark in February and a NZD 54.5 million 10-year transaction in April.

After taking swaps into account, the total amount of funds borrowed was denominated in euros.

The average maturity of the issues launched in 2019 was 5.7 years, the same as in 2018. The table below shows funds raised in their original currencies.

■ Debt issued in 2019

Payment	Maturity Date	Currency	Term (in years)	Nominal amount (in millions)	Lead manager
17/01/2019	17/03/2022	GBP	3.16	600	BoA/HSBC/TD
22/01/2019	25/05/2023	EUR	4.34 (*)	250	DB/Rabo
30/01/2019	30/01/2029	EUR	10.00	1 000	BoA/CACIB/HSBC/TD
01/02/2019	01/08/2029	AUD	10.50	50	Daiwa/RBC
25/02/2019	26/02/2024	NOK	5.00	1 000	TD
27/02/2019	27/02/2024	USD	5.00	1 000	Barc/Citi/DB/GS
10/04/2019	10/04/2026	EUR	7.00	500	BoA/CACIB/DZ/ING
17/04/2019	17/04/2029	NZD	10.00	54.5	Daiwa
20/05/2019	01/08/2029	AUD	10.20 (*)	35	Daiwa
24/09/2019	26/09/2022	USD	3.01	1 000	BNPP/MS/Nomura/RBC
15/10/2019	17/03/2022	GBP	2.42 (*)	100	BoA/NatWest

(*) Re-opening of existing bonds

In 2019, in order to ensure the refinancing of the Bank's loans and avoid cash gaps in the coming years, 57.1% of the issues carried out under the borrowing programme had final maturities of close to five years or more, compared with 72.4% in 2018.

The multi-currency EMTN programme was updated in December 2018 to adapt the legal framework of the Bank's issues to changes in financial market regulations. The Australian and New Zealand Dollar MTN (Australian programme) was last updated in September 2015. The CEB's Euro-Commercial Paper Programme was updated in December 2017.

2. Trend in debt position

At 31 December 2019, the outstanding debt represented by securities, excluding interest payable, amounted to € 20.5 billion, up from € 18.9 billion at the end of the previous year.

In 2019, the Bank did not repurchase any of its long-term debt and did not make any early repayments. The breakdown of debt by maturity is shown in the graph below.

■ Debt outstanding by maturity as at 31 December 2019

in million euros

