

Funding in 2021

► Debt issuance

Subject to the annual borrowing authorisation set by the Administrative Council, the CEB issues debt in the international capital markets. The Bank fully consumed the borrowing authorisation for 2021 of EUR 5.5 billion. The amount was raised in 20 financing operations with maturities of one year or more, and in record eight currency markets. The amount raised under the borrowing authorisation for 2021 is EUR 1 billion higher than for 2020, which stood at EUR 4.5 billion.

The 2021 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.

For 2021, 38.5% of the funds raised by the Bank were denominated in euros, 38.3% in US dollars, 14.3% in British pounds, 3.8% in Canadian dollars, 3.4% in Australian dollars, 0.9% in Norwegian krone, 0.6% in Hong-Kong dollars and 0.3% in Turkish lira. 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 EUR, nine transactions were priced under the borrowing authorisation for 2021: a EUR 1 billion ten-year benchmark and a EUR 50 million re-opening thereof in January, the Bank's fifth seven-year Social Inclusion Bond benchmark (EUR 500 million) and a EUR 150 million reopening maturing in April 2024, in April, a EUR 15 million callable private placement in June, a EUR 100 million re-opening maturing in April 2026 in July, a EUR 100 million re-opening maturing in April 2024 in August, and two re-openings maturing in April 2024 for EUR 100 million each, in September.

In USD, three transactions were priced under the borrowing authorisation for 2021: a USD 1 billion three-year benchmark in October 2020 (prefunding), a USD 500 million three-year Social Inclusion Bond benchmark in June and a USD 1 billion five-year benchmark in September.

In GBP, three transactions were priced: a GBP 400 million long three-year benchmark in March, a GBP 175 million reopening maturing in December 2025 in May, and a GBP 100 million reopening maturing in December 2025 in July.

As a result, the EUR, USD and GBP markets were the most important ones in terms of funding volumes in 2021.

In other currencies, five transactions were priced: a HKD 300 million three-year transaction in January, a NOK 500 million reopening maturing in February 2024 in October, a AUD 300 million three-year transaction in October, a CAD 300 million three-year transaction, and a TRY 168 million three-year transaction in November.

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

The average maturity of the issues launched under the borrowing authorisation for 2021 was 5.3 years. The table below shows funds raised in their original currencies.

Debt issued in 2021

Payment date	Maturity date	Currency	Term (in millions)	Nominal amount (in millions)	Lead manager(s)
21/10/2020	20/10/2023	USD	3	1 000	BoA/CACIB/MS/RBC
19/01/2021	20/01/2031	EUR	10	1 000	BNPP/DB/GS/HSBC
09/02/2021	09/02/2024	HKD	3	300	HSBC
23/02/2021	20/01/2031	EUR	10	50	LBBW
16/03/2021	15/12/2025	GBP	5	400	BoA/Citi/DB
15/04/2021	15/04/2028	EUR	7	500	CACIB/DZ/HSBC/ING
21/04/2021	24/04/2024	EUR	3	150	DB
07/05/2021	15/12/2025	GBP	5	175	HSBC/RBC
09/06/2021	09/06/2032	EUR	11	15	DZ
10/06/2021	10/06/2024	USD	3	500	Citi/DB/Nomura/SG
01/07/2021	08/06/2026	EUR	5	100	JPM/LBBW
26/07/2021	15/12/2025	GBP	4	100	Barc/RBC
12/08/2021	24/04/2024	EUR	3	100	HSBC
14/09/2021	24/04/2024	EUR	3	100	Commerz
14/09/2021	24/04/2024	EUR	3	100	DB
22/09/2021	22/09/2026	USD	5	1 000	Barc/BoA/JPM/RBC
11/10/2021	26/02/2024	NOK	2	500	Nomura/RBC/TD
08/10/2021	08/10/2024	AUD	3	300	Danske
21/10/2021	21/10/2024	CAD	3	300	CIBC/RBC/TD
12/11/2021	12/11/2024	TRY	3	167.5	JPM

To be noted the benchmark of USD 1 billion issued in October 2020 is part of the borrowing authorisation for 2021 and therefore presented in the table.

For 2021, in order to ensure the refinancing of the Bank's loans and avoid cash gaps in the coming years, 57.8% of the issues carried out under the borrowing programme had final maturities of close to five years or more, compared with 75.2% in 2020.

The multi-currency EMTN programme was updated in December 2020 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 also updated in December 2020. The Social Inclusion Bond framework, which is aligned with the ICMA Social Bond principles, was updated in April 2020, adding the health sector to the list of sectors in which projects can be financed from the bond proceeds.

► Trend in debt position

At 31 December 2021, the outstanding debt represented by securities, excluding interest payable, amounted to € 24.2 billion, up from € 21.9 billion at the end of the previous year.

In 2021, 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.

Long-Term Debt outstanding by maturity as of 31 December 2021

