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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

Half-yearly report on the implementation of borrowing, debt management and related lending operations pursuant to Article 13 of Commission Implementing Decision C(2023)8010

1 July 2024 to 31 December 2024

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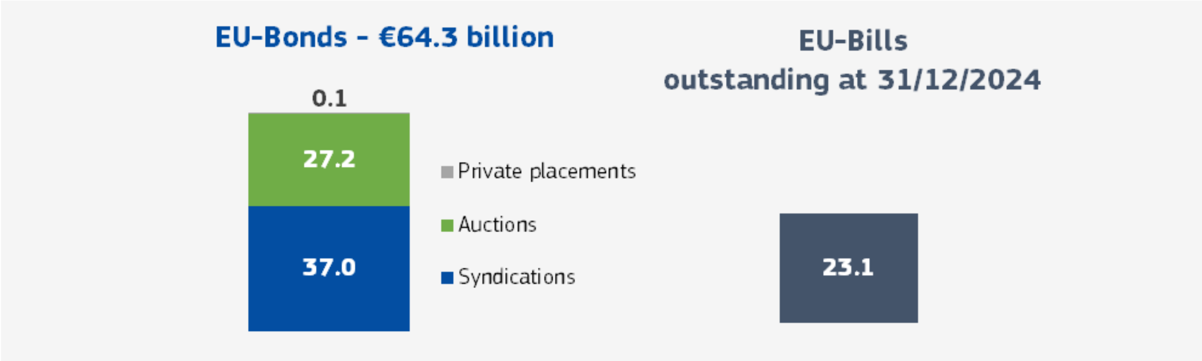
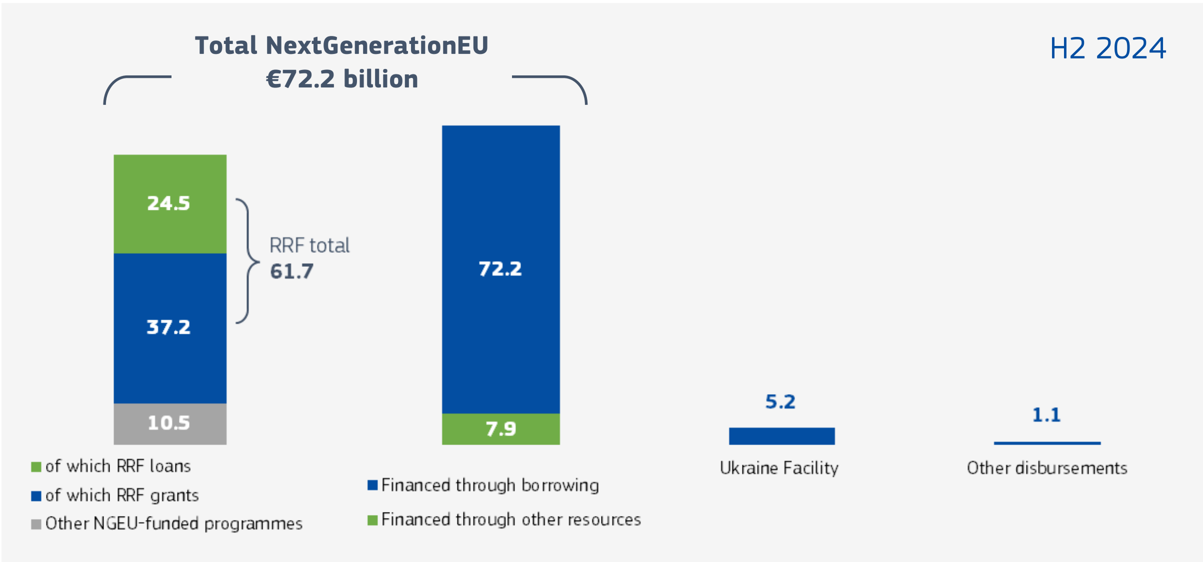
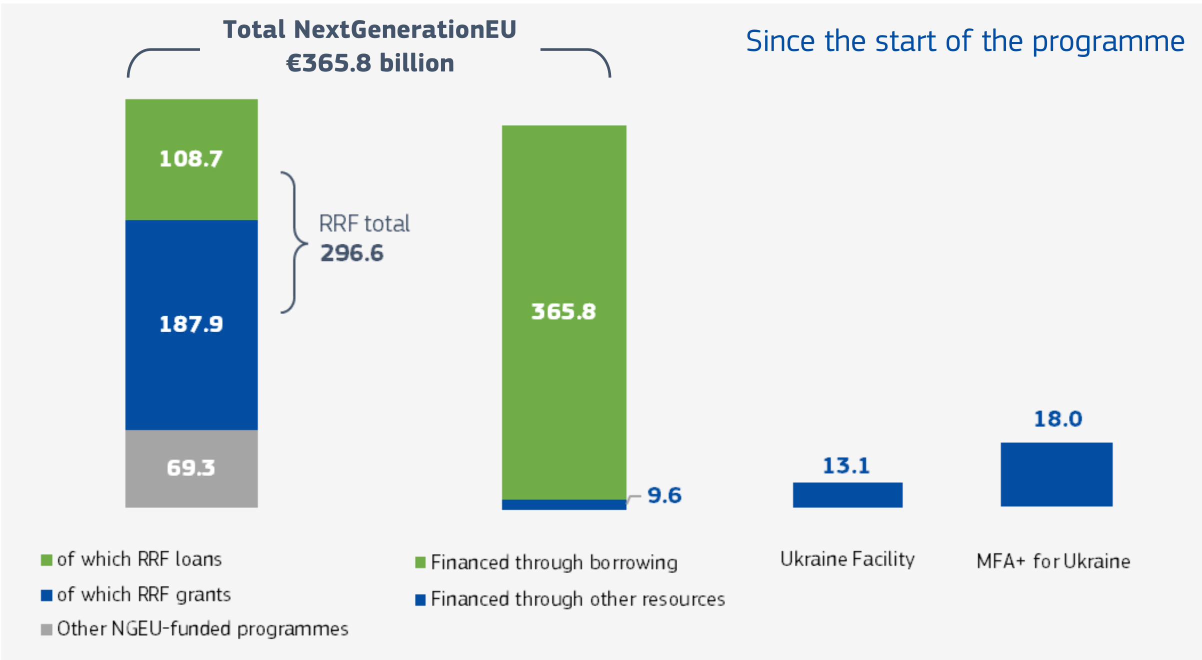
FUNDING RAISED in H2 2024



USE OF PROCEEDS





All amounts in EUR billion

OUTSTANDING EU-BONDS

at 31/12/2024

Total €578.2 billion

- **€147.8 bn** back-to-back
- **€430.4 bn** total bonds under the unified funding approach
  - of which €362.2 bn conventional EU-Bonds
  - of which €68.2 bn NextGenerationEU green bonds

KEY FACTS about H2 2024

- Four syndications and six auctions raised EUR 64.3 billion, with an average maturity of around 12 years, bringing the total of long-term funding raised in 2024 to EUR 138.1 billion.
- Most of the funds were used for NextGenerationEU (EUR 72.2 billion) with additional disbursements under the Ukraine Facility (EUR 5.2 billion) and under the macro-financial assistance (MFA) loan programmes to Egypt (EUR 1 billion) and Moldova (EUR 95 million).
- The cost of funding was 2.97% for NextGenerationEU (compared with 3.19% in the first half of 2024), and 2.68% for the Ukraine Facility and the MFA for Egypt.

1. Summary

In the second half of 2024, the EU raised EUR 64.3 billion in long-term funding through four syndications and six auctions, in line with the target in the funding plan published in June 2024. EUR 8 billion of that EUR 64.3 billion in long-term funding was raised through NextGenerationEU (NGEU) green bonds. Together with the EUR 73.8 billion raised in the first half of 2024, those issuances brought the total long-term funding raised in 2024 to EUR 138.1 billion – the highest amount in bonds issued by the EU in a single year. By the end of 2024, the EU had EUR 578.2 billion in EU-Bonds outstanding (with an average remaining maturity of about 12 years), of which EUR 68.2 billion was in the form of NGEU green bonds.

The proceeds raised from EU-Bond issuances enabled the Commission to continue to respond to policy priorities within the EU and its neighbourhood. Specifically, in the second half of 2024, EUR 72.2 billion of those proceeds were disbursed to implement NGEU investments and reforms. Ukraine received EUR 5.2 billion under the Ukraine Facility, and a further EUR 1.1 billion in proceeds were used to finance EUR 1 billion and EUR 95 million in macro-financial assistance (MFA) for Egypt and Moldova respectively.

The EU's cost of funding[1] continued to decrease to 2.97%, compared with 3.19% for the previous funding period. The reduction in the EU's overall cost of funding was explained by more favourable market conditions and a tightening of the EU yields versus core European government (EGB) bonds during the semester. The 10-year interest rate differential between EU-Bonds and a 50/50 basket of German/French sovereign bonds declined from 25 basis points at the start of the second half of 2024 to 12 basis points by December 2024.

The Commission also took further steps to support the functioning and liquidity of the market for EU-Bonds. In October 2024, it launched a repurchase (repo) facility for EU-Bonds aimed to support EU primary dealers when posting quotes for EU-Bonds on electronic trading platforms.

These major developments from the side of the EU, coupled with the consolidation of EU issuances under the unified funding approach have enabled market participants to take independent initiatives that could further support the functioning of the EU-Bond market. In the second half of 2024, this included the launch of an index-based futures contract on EU-Bonds in December as well as the announcement of renewed interest in the launch of a traditional (physically-settled) futures contract in 2025 by a leading European exchange.

The publication of the 2024 edition of the annual NextGenerationEU Green Bonds Allocation and Impact report was another highlight in the second half of 2024. It provides updated information on the allocation of proceeds from issuing NGEU green bonds and on their estimated realised and expected climate impacts. The report documents (i) the increased issuance of NGEU green bonds (bringing outstanding NGEU green bond debt to EUR 68.2 billion), (ii) progress in implementation of climate-relevant expenditure financed by NGEU green bonds, and (iii) an increase in the pool of eligible NGEU green bond expenditures following the integration of the REPowerEU programme (the REPowerEU programme now amounts to EUR 264 billion).

Finally on 10 December 2024, the Commission announced its funding planning for the first half of 2025, with includes a target of issuing up to EUR 90 billion in bonds between January and the end of June. An indicative funding level of EUR 160 billion of EU-Bonds is expected in 2025. Three-leg bond auctions will be introduced as early as the first half of 2025 to facilitate the increased issuance of long-term bonds. To complement the EU funding needs, long-term funding will also be

[1] In accordance with the cost allocation methodology as set out in Commission Implementing Decision (EU) 2024/1974.

supplemented by issuing short-term debt, also through introducing a new 12-month EU-Bill in January 2025.

2. Introduction

The Commission has been borrowing funds on behalf of the European Union for over 40 years. The past five years have seen a marked increase in the EU's bond issuance as it relies on capital markets to finance large programmes such as SURE[2], NextGenerationEU (NGEU), and the support to Ukraine (MFA+ in 2023, the Ukraine Facility in 2024, and the MFA loan under the Ukraine Loan Cooperation Mechanism starting in 2025). At 31 December 2024, the EU's total outstanding debt was just over EUR 600 billion, of which EUR 23.1 billion in the form of EU-Bills.

This half-yearly report[3] reviews the implementation of borrowing operations between 1 July 2024 and 31 December 2024. The report also provides an outlook for EU-Bond issuance in the first half of 2025. It does not evaluate how the proceeds from EU-Bond issuances are used, including for green expenditure, as this is covered in separate reports under the regulations for each instrument[4].

Further to the recommendation of the European Court of Auditors (ECA) in June 2023[5], the annex to this report presents indicators that can be used to monitor the implementation of the overarching debt management strategy guiding the Commission's unified funding approach[6].

3. Implementation of borrowing operations in the second half of 2024

In the second half of 2024, the Commission continued to raise funds in the markets using its unified funding approach. In addition to meeting all the disbursement commitments on time, the amounts and maturities of the bonds issued remained within the pre-set parameters, and the financing terms were in line with those of an issuer of the EU's size and rating. The sections below present some of the key components of the Commission's borrowing and lending operations in the second half of 2024. Further indicators used to monitor the implementation of the Commission's funding strategy are discussed in the annex to this report.

EXECUTION OF FUNDING OPERATIONS IN THE SECOND HALF OF 2024

In line with the funding plan for 1 July to 31 December 2024, the Commission raised a total of EUR 64.3 billion in EU-Bonds, with an average maturity of around 12 years (compared with 14 years for the funding raised in the first half of 2024). During the second half of 2024, NextGenerationEU green bond issuance was EUR 8 billion, bringing the total value of outstanding green bonds to EUR 68.2 billion, making the EU the 5th largest issuer of green bonds globally.

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[2] The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE).

[3] Prepared in accordance with Article 13 of Commission Implementing Decision C(2023)8010, which lays down the arrangements for implementing the unified funding approach for borrowing and debt management operations.

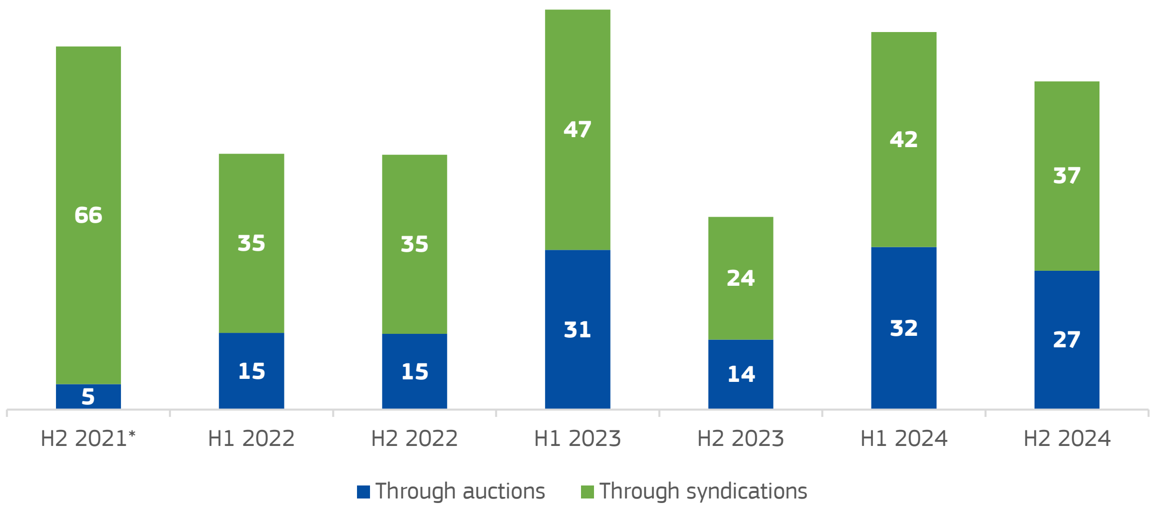
[4] See for example the annual reports for [the Recovery and Resilience Facility] and [Macro-Financial Assistance] and the [NextGenerationEU Green Bonds Allocation and Impact report].

[5] [Special report 16/2023: NGEU debt management at the Commission] and [Replies of the Commission]

[6] A description of the overarching debt management strategy can be found in the half-yearly report on the execution of the EU borrowing and lending operations from 1 January 2023 to 30 June 2023, see the fourth [Half-yearly report on the execution of the EU borrowing and lending operations (europa.eu)].

The Commission used a mix of four syndications (58% of the amount raised) and eight auctions (42% of the amount raised), in keeping with the announced target. EU-Bonds were issued at regular intervals over the six-month period, taking market liquidity conditions into account while ensuring a regular presence in the market.

Chart 2: Funding raised under the unified funding approach



* The first two NextGenerationEU transactions took place in June 2021. These have been included in the figure for H2 2021 as they were part of the same funding plan as the transactions that took place in H2 2021.

All amounts in EUR billion

The transactions in the second half of 2024 brought the total amount of outstanding EU-Bonds to EUR 578.2 billion, of which EUR 430.4 billion was issued through the EU's unified funding strategy, launched in June 2021. Of this last amount, EUR 68.2 billion was issued in the form of NextGenerationEU green bonds.

In the second half of 2024, the Commission also issued 3-month and 6-month EU-Bills through bi-monthly auctions to meet short-term funding needs. At the end of December 2024, the EU had EUR 23.1 billion credit outstanding through EU-Bills.

DISBURSEMENTS

On the back of these transactions, the Commission continued to fund Member States' recovery and resilience plans through the timely disbursement of proceeds (within six working days).

Overall, in the second half of 2024 the Commission disbursed a total of around EUR 78.5 billion for all policies combined, which it funded in part with funds that had already been raised in H1 2024. Of the funds raised during this period, EUR 72.2 billion was disbursed to finance NextGenerationEU. Of that amount, EUR 61.7 billion was used to finance Member States' recovery and resilience plans under the Recovery and Resilience Facility (RRF). This in turn can be broken down into EUR 37.2 billion in the form of grants to 15 Member States and EUR 24.5 billion in the form of loans to 9

Member States. The remaining EUR 10.5 billion was used to finance EU-managed programmes supported by NextGenerationEU[7].

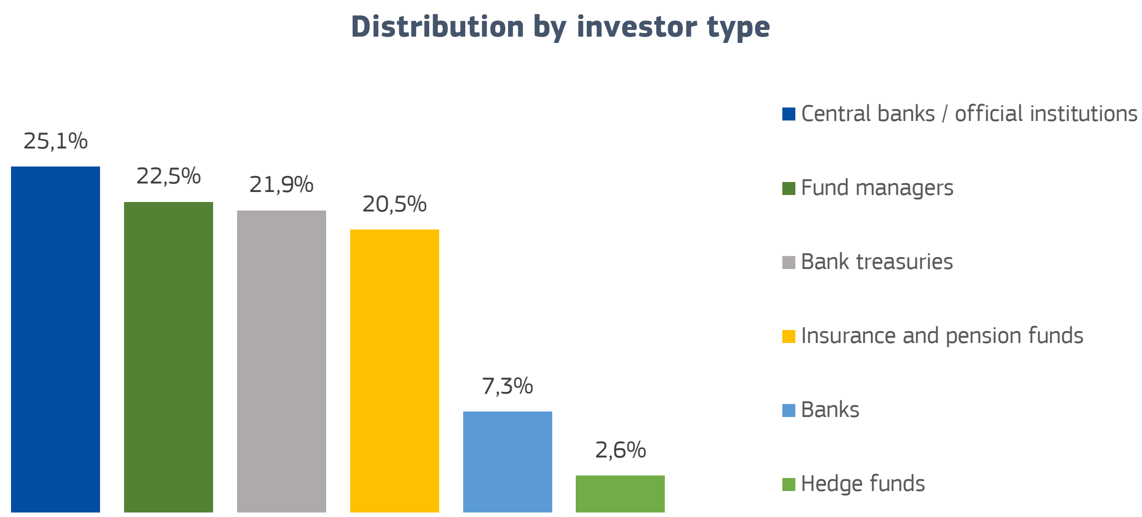
Overall, since the summer of 2021, the Commission has disbursed EUR 375.4 billion to support NextGenerationEU. This comprises, EUR 197.4 billion in grants and EUR 108.7 billion in loans to Member States under the RRF, and EUR 69.3 billion for the EU-managed NGEU programmes. Of the total EUR 375.4 billion in support for NGEU, EUR 365.8 billion has been financed by issuing debt[8].

In addition to NGEU disbursements, the Commission disbursed EUR 5.2 billion to Ukraine during the second half of 2024 under the Ukraine Facility, bringing the total disbursed under the Ukraine Facility in 2024 to EUR 13.1 billion. During the second half of 2024, EU-Bond issuance also financed MFA loans of EUR 1 billion to Egypt and of EUR 95 million to Moldova.

INVESTOR DEMAND AND SECONDARY MARKET LIQUIDITY

EU-Bond issuances continued to enjoy demand from a balanced and diversified global investor base[9].

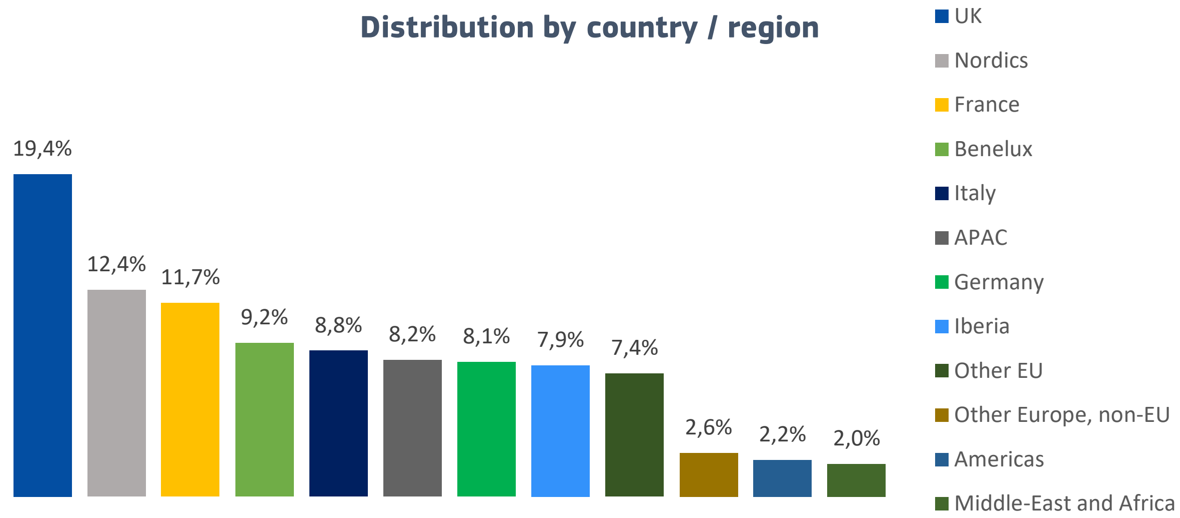
Chart 3: Breakdown of Investors in syndicated transactions executed in H2 2024



[7] These include the Strategic Technologies for Europe Platform (STEP), Horizon Europe, the InvestEU Fund, ReactEU, the EU Civil Protection Mechanism (RescEU), the European Agricultural Fund for Rural Development (EAFRD), and the Just Transition Fund.

[8] An additional EUR 9.6 billion in NGEU expenditures was financed by other sources (i.e. the Emissions Trading System (ETS) and the Brexit adjustment reserve (BAR)).

[9] To date, EU-Bonds issued via syndications have in total attracted more than 1,900 different investors from over 70 different countries. Over 65% of investment in EU-Bond syndications has come from investors located in the EU, and almost 20% has come from international investors operating from the UK. The remainder has come from international investors in Asia or other non-EU European countries like Norway and Switzerland. Over 65% of the EU-Bonds issued have been obtained by buy-and-hold investors (i.e. fund managers, insurance companies, pension funds and central banks / official institutions). There is also a good representation of investors wanting different maturities. Central banks / official institutions and bank treasuries (which usually prefer to invest in bonds with maturities of up to 10 years) account for about 47% of purchases of EU-Bonds in the primary markets in syndicated transactions, while pension funds and insurance companies (which prefer maturities of above 10 years) account for over 20%.



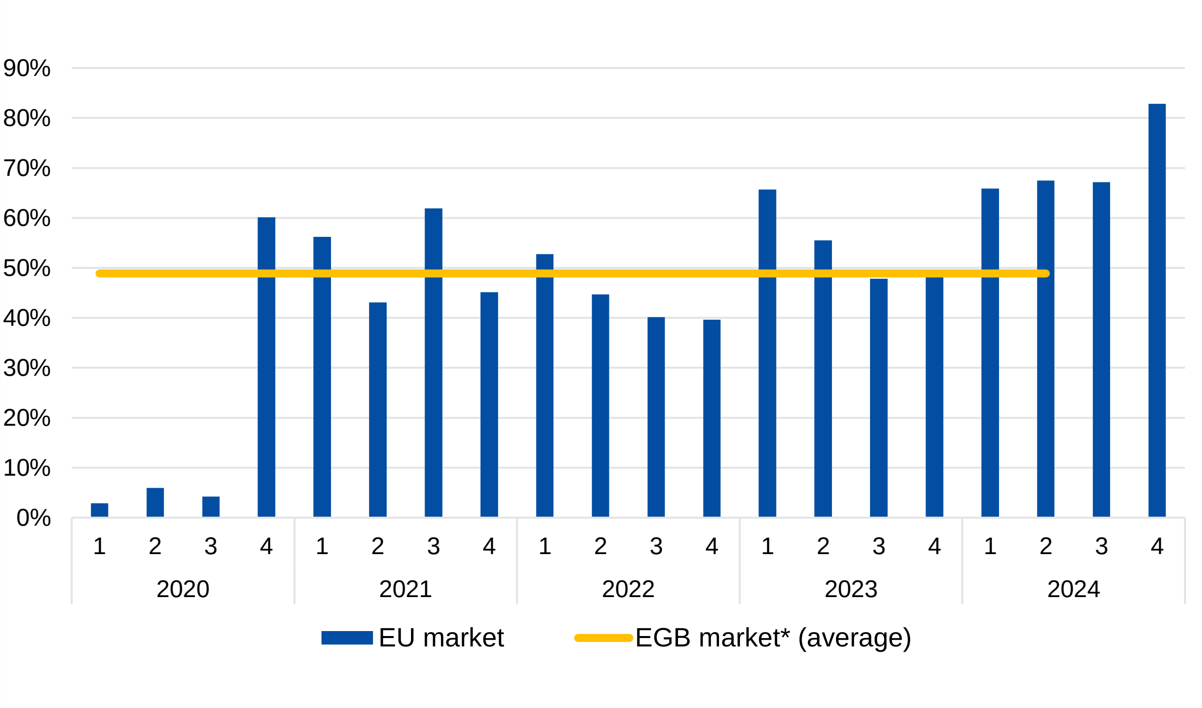
The new issue premium (NIPs)[10] demanded by investors as a concession when the EU issues bonds through syndication averaged around 2.1 basis points in the second half of 2024. While that was higher than the levels in the first half of 2024 (when the average NIP was around 1.2 basis points), the H2 2024 levels remained in line with other issuers' concessions on comparable transactions (measured by size and maturity), reflecting higher volatility in the third quarter of 2024.

At the same time, the secondary market liquidity of EU-Bonds in H2 2024 was somewhat higher than in H1 2024. The quoting arrangements in place since November 2023 (whereby EU primary dealers are encouraged to post reliable EU-Bond prices on the leading electronic bond trading platforms) continued to support the liquidity of EU-Bonds. Since the introduction of these quoting arrangements, daily trading volumes of EU-Bonds on the main electronic trading platform have averaged well above EUR 800 million with daily peaks in excess of EUR 2 billion.

The Commission also supported the liquidity of the EU-Bond curve by tapping existing lines, alongside creating new ones in order to meet programme needs and investor demand. As a result, the average amount outstanding per EU-Bond stood at around EUR 14.8 billion at the end of 2024, up from EUR 13 billion at the end of H1 2024. New 5 and 7-year lines were also launched in the second half of 2024.

[10] This new issue premium (NIP) is a premium that the issuer pays in order to persuade investors to buy its bonds in the primary market rather than in the secondary market.

Chart 4: Quarterly secondary market turnover of EU-Bonds and European government bonds (% of outstanding volume)



Source: European Commission based on data of the Economic and Financial Committee's Subcommittee on EU Sovereign Debt Markets (ESDM).
Note: Here, the European government bond (EGB) market comprises bonds issued by euro-area sovereigns, the European Financial Stability Fund and the European Stability Mechanism. Data are not yet available for Q3 and Q4 2024.

4. Cost of funding and liquidity balances

COST OF FUNDING

The cost allocation methodology under the diversified funding strategy allows the Commission to link the costs of funding charged to beneficiaries (the EU budget or loan beneficiaries) to the conditions obtained in the market when the disbursements were financed[11]. In addition, as of 30 September 2024, this methodology allows borrowing costs to be allocated on a programme-related basis. This reflects the increased number of policy programmes funded by the diversified funding strategy under the unified funding approach.

[11] For NextGenerationEU, the interest costs incurred are allocated to the EU budget and the Member States receiving loans in accordance with the methodology set out in Commission Implementing Decision (EU) 2021/1095 and its successors Commission Implementing Decision (EU) 2022/9701 and Commission Implementing Decision (EU) 2024/1974. This methodology distinguishes between three different cost categories: (i) the cost of funding to finance non-reimbursable support and loan disbursements calculated for six-monthly time compartments, (ii) the cost of holding and managing liquidity, and (iii) administrative costs. Compartmentalisation per programme has been possible since Commission Implementing Decision (EU, Euratom) 2024/1974 entered into force in the second half of 2024. To avoid any retroactive effect, programmes that were funded and disbursed prior to the implementation of this methodology (such as MFA+ loans to Ukraine and exceptional bridge-financing under the Ukraine Facility) remain pooled with NGEU borrowing and lending operations under the unified funding approach.

In line with this methodology, the cost of funding for NGEU payments in the July to December 2024 time compartment ('TC7' in the table below) is estimated at 2.97%, compared with 3.19% for the previous time 6-monthly time compartment. The cost of funding for disbursements under the Ukraine Facility and the MFA Egypt programme stood at 2.68% at the end of December 2024. The lower funding costs for these policies compared to NextGenerationEU reflects the fact that they can be funded using bonds with shorter average maturities than those used to finance NGEU, as NGEU's repayment profile (and therefore average maturities) has to respect the dedicated temporary 'own resources' ceiling.

Chart 5: Cost of funding

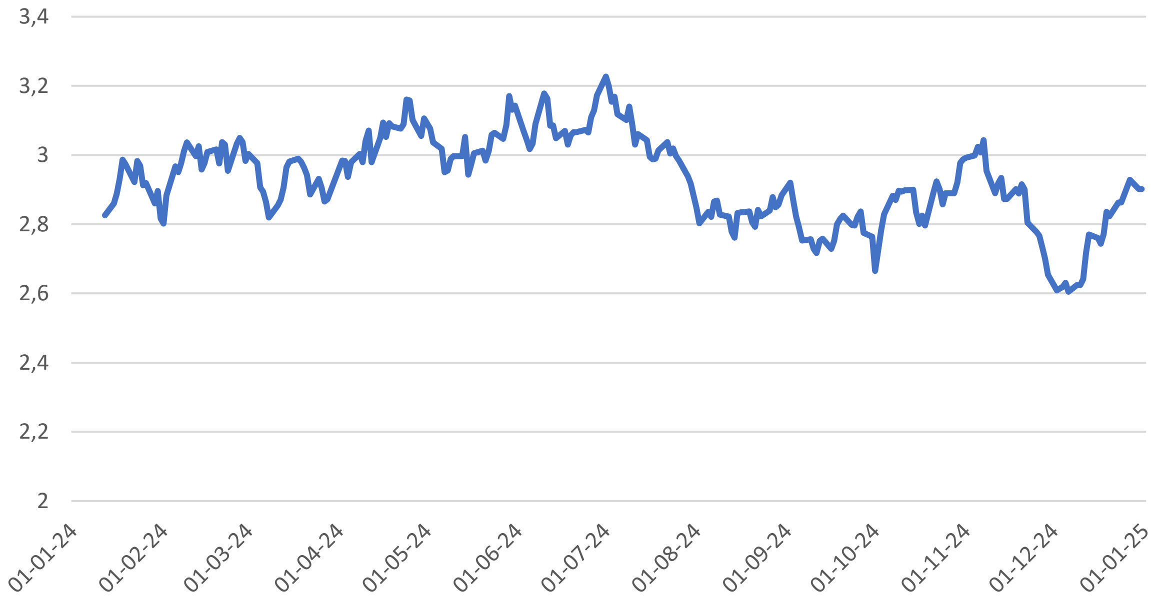
	TC1	TC2	TC3	TC4	TC5	TC6	TC7
NextGenerationEU	0.15%	1.38%	2.61%	3.27%	3.63%	3.19%	2.97%

Ukraine Facility
2.68%

MFA Egypt
2.68%

The further reduction in funding costs during the second half of 2024 reflected wider market conditions and a tightening of the EU-Bond yields versus European government bonds yields during the six-month period. Interest rates on EU-Bonds declined by around 33 basis points over the second half of 2024, falling from 3.23% on 1 July 2024 to 2.90% on 31 December 2024 for a 10-year bond. These developments were supported by the European Central Bank's three 25-basis-point interest rate cuts over the course of the second half of 2024. Yield spreads between the EU and most EGB issuers tightened during the second half of 2024. For example, the 10-year interest rate differential between EU-Bonds and a 50/50 basket of German/French sovereign bonds fell from around 25 basis points at the start of the semester to 12 basis points at the end of the semester.

Chart 6: Yields of 10-year EU-Bonds



LIQUIDITY MANAGEMENT

The Commission maintained a regular and predictable presence in the financial markets, in line with the funding plan announced in June 2024. Over the second half of 2024, average liquidity holdings increased compared with the first half of 2024, primarily due to disbursements concentrated at the end of 2024 and beginning of 2025. As a result, average cash holdings stood at EUR 50.7 billion in the second half of the year, compared with EUR 28.2 billion in the first half of 2024. Cash holdings fell to EUR 33.8 billion at the start of 2025, after peaking at EUR 76.9 billion in the beginning of December 2024 (before disbursements of almost EUR 43 billion in the three following weeks). The remaining end-of-year cash balances will be drawn upon at the start of 2025 to meet planned disbursement needs.

These liquidity holdings did not translate into costs for the programmes supported. On the contrary, excess cash holdings were subject to active liquidity management throughout H2 2024 to optimise returns on cash holdings without incurring any counterparty risk. Supported by this active liquidity management, a net income of EUR 58.1 million was earned on the cash holdings from July to December 2024. Cumulated with the earnings in the first half of 2024, annual earnings on liquidity holdings stood at EUR 139.9 million at year end. This income will be shared proportionately between the EU budget and loan beneficiaries, notably Member States under the RRF loan programme.

5. Steps to further develop the ecosystem for EU-Bonds

In October 2024, the Commission launched a repurchase agreement (repo) facility for EU-Bonds, which enables the EU to offer its primary dealers the possibility to source specific EU-Bonds on a temporary basis. The facility aims to help EU primary dealers post firm and public quotes on EU-Bonds so that investors can be confident in the terms on which they can trade EU-Bonds in the secondary market, which will improve the efficiency and liquidity of the market for EU-Bonds.

The creation of the repo facility follows in the footsteps of many large issuers who offer this service to their primary dealers and is a natural next step in the deepening of the market ecosystem for EU-Bonds. With the launch of the scheme, the EU has met the last of the commitments made in December 2022 on the steps to build capacity to support the EU-Bond market.

The ongoing development of the ecosystem for EU-bonds, coupled with the consolidation of funding volumes under the unified funding approach (in place since January 2023) have also enabled market participants to take independent initiatives, which could further support the functioning of the EU-Bond market.

These independent initiatives included the launch of a futures contract based on an index of EU-Bonds in December 2024. A leading European exchange announced its renewed interest in launching a traditional (physically-settled) EU-Bond future on the market in the course of 2025. The availability of these futures contracts will further support investment in EU-Bonds by allowing market participants to hedge open positions on EU-Bonds and assess market expectations of EU-bond pricing. Index providers continued to reflect on how to best classify EU-Bonds in different indices with a second index manager communicating that, following a consultation of index users, it was not yet ready to include EU-Bonds in its relevant sovereign indices, but that it would reassess the situation later.

6. Other milestones in the second half of 2024

2024 NGEU GREEN BONDS ALLOCATION AND IMPACT REPORT

Three years after the first green bonds were issued in October 2021, the NGEU green bond issuances at end-2024 stood at more than EUR 68 billion. These bonds were issued on the basis of an already reported and validated climate-relevant expenditure of EUR 53 billion and a total pool of EUR 264 billion worth of climate-relevant expenditure contained in Member States' plans that are funded by the RRF.

In line with the reporting requirements of the NGEU green bond framework, the Commission published its 2024 edition of the annual NextGenerationEU Green Bonds Allocation and Impact report in November.

The report shows (based on the 1 August 2024 cut-off date) that:

- The pool of eligible NGEU green bond expenditures increased to EUR 264.6 billion in 2024, which is almost 40% higher than in 2023. This increase was mostly due to higher climate transition-relevant expenditure after the Member States' recovery and resilience plans were revised to include the REPowerEU Plan.
- The NGEU green bond pool remains strongly aligned with the EU Taxonomy; with 63.4% of the total pool of NGEU green bond eligible expenditure assessed as being fully or substantially aligned with the EU taxonomy metrics (compared with 57.5% in 2023).
- The full roll-out of investments financed by NGEU green bonds is expected to reduce the EU's greenhouse gas (GHG) emissions by 55 million tonnes per year, which equates to 1.5% of all GHG emissions in the EU.

Looking ahead, NGEU green bonds will increasingly be issued at the same time as Member States report and validate eligible expenses. For expenses that are confirmed after 2026, the Commission may issue NGEU green bonds to replace maturing conventional bonds during the refinancing phase. This approach ensures that all eligible expenditure is fully verified before the bonds are issued.

7. Issuance outlook for the first half of 2025

On 10 December 2024, the Commission announced its intention to issue up to EUR 90 billion in EU-Bonds in the first half of 2025, the highest semi-annual funding target since the diversified funding strategy was launched in 2021. Based on disbursement forecasts, the EU expects to obtain EUR 160 billion in funding in 2025 by issuing EU-Bonds. These funding needs reflect the wide range of existing and new EU policy programmes that are financed by the proceeds of EU-Bonds, which in H2 2024 were expanded to include a new EUR 18.1 billion exceptional MFA loan to Ukraine within the context of the G7 agreement and new support for enlargement candidates under the Western Balkan Investment Facility and neighbourhood countries (such as Egypt and Jordan).

Amounts raised by issuing EU-Bonds will be supplemented by short-term funding through EU-Bills and other short-term funding tools. Increased EU-Bill volumes will be facilitated by the introduction three-leg Bill auctions and the launch of a new 12-month EU-Bill line in January 2025, in addition to the existing 3- and 6-month lines.

In line with the increased funding target, more bonds are also expected to be issued via auctions during the first half of 2025, keeping the auction share stable. This increase will be facilitated by introducing three-leg bond auctions during the first half of 2025. In the same vein, the Commission is working towards introducing non-competitive auction allocations (‘greenshoe option’) to allocate a limited additional amount of auctioned bonds immediately after an auction. This additional feature is also used by many sovereign auction programmes to give their primary dealers an incentive to support auctions, by allowing them to acquire additional bonds on favourable terms if the post-auction market price moves to their advantage. The Commission is aiming to implement non-competitive allocations as part of the funding plan for the second half of 2025.

Annex: Implementation indicators on the use of the means for delivering against the Commission's overarching debt-management strategy's efficiency and effectiveness objectives

Means		Indicator	Value in H2 2024 (unless indicated otherwise)	Commentary on execution in H2 2024
Implementation of the EU-Bond programme	a) Regular issuances across the curve Regular EU-Bond (and NGEU green bond) issuances in all maturities across the curve (up to 30 years) to provide different types of investors with investment opportunities as a way of maintaining strong investor demand and thus the flexibility to determine issuance volumes and maturities for individual transactions based on market conditions.	i. *Maturity split of issuance programme*	1-4 years: 15% 4-8 years: 37% 8-12 years: 10% 12-17 years: 12% 17-23 years: 8% 23-31 years: 17%	In H2 2024 the Commission pursued its objective through regular bond issuances across different tenors to provide the EU curve with liquidity on all segments. The funding transactions were spread over the six-month period to ensure a regular presence in the market. There were fewer transactions than in H1 2024, as the H2 2024 funding target of up to EUR 65 billion was lower than the H1 2024 funding target of EUR 75 billion. Green bond issuance was slightly lower than in the first half of 2024, reflecting the lower funding target, the cumulative reported green expenditures by Member States, and the appropriate calibration of green bond issuances to these expenditures.
		ii. *Timely distribution of issuances*	Four syndications and six bond auctions, resulting in one or two issuances per month.	
		iii. *Green issuances*[12]	EUR 8 billion, by tapping EU 2043 and EU 2050 bonds.	
	b) Achieving a proper balance of auctions and syndications Use of different funding techniques with a proper balance, depending on total issuance volumes and market conditions, in order to manage execution risks, improve secondary market liquidity and improve borrowing costs.	i. *Split auction / syndication in %*	42% of bond issuances via auction.	In H2 2024, the Commission issued 42% of the EU-Bonds via auction, in line with the proportion in H1 2024.
	c) Establishment of large and liquid benchmark bonds Tapping of EU-Bonds to bring the outstanding volume of different lines to levels commensurate with large and liquid benchmark lines.	i. *Issuances via new bonds vs volume issued via taps*	• EUR 10 billion via new bonds • EUR 54.2 billion via taps	In order to support the liquidity of EU securities, the Commission used its transactions to tap existing funding lines, with approximately 84% of the funding volume mobilised via taps. New funding lines were launched to provide the market with
		ii. *Speed of tapping of new bonds*[13]	2 months	
		iii. *Average size of*	Around 15 billion	

[12] Additional information on the NGEU green bonds can be found in the NGEU green bond dashboard here: [Dashboard (europa.eu)]
[13] Based on average number of months between new issuance and first tap when considering the new lines tapped during H2 2024.

Means		Indicator	Value in H2 2024 (unless indicated otherwise)	Commentary on execution in H2 2024
		outstanding bonds[14]		new benchmark lines where needed on the curve and based on the recommendations of the EU primary dealers. New 5-year and 7-year bonds were launched in the second half of 2024. As a result, the average outstanding amount per bond increased marginally to around EUR 15 billion by end of December 2024, ensuring consistent liquidity of the bonds.
		iv. *Turnover relative to issuance volume*	Approximately 155% in H2 2024 vs 139% in H1 2024	
		v. *Absolute turnover*	EUR 894 billion in H2 2024 vs EUR 714 billion in H1 2024	
	d) Management of the maturity profile of EU-Bond issuances with due regard to: • the temporary additional headroom (for NGEU-related borrowing) and permanent headroom (for MFA+) under the EU budget • the future redemption of disbursements in any given year • stable future roll-over needs • the need to protect the EU's rating to ensure low borrowing costs in the long run and strong demand from its core investor base.	i. *Average maturity of issuance*	Around 12 years	In H2 2024, the EU-Bond issuances had an average maturity of 12 years. This reflected the need to spread the redemption profile over time while, at the same time, attracting investors to EU primary market transactions. The average maturity remained below the maximum average maturity of 17 years set out in the annual borrowing decision for 2024. The average time to maturity of outstanding debt remained stable (at around 12 years). Refinancing also remained stable, reflecting the past issuances and related to the redemption profile.
		ii. *Average time to maturity of outstanding debt*	Around 12 years	
		iii. *Refinancing in the short term, i.e. percentage of outstanding stock of bonds and bills maturing in the next 12 months*	Less than 10%	
		iv. *Refinancing in the medium term, i.e. percentage of outstanding stock of bonds and bills maturing in the next 5 years*	Less than 37%.	
Implementation of the EU-Bill-programme	Regular issuance of EU-Bills with maturities of up to 1 year via auction to attract additional investors (or additional portfolios of existing investors) and support liquidity management.	i. *Outstanding volume of EU-Bills*	EUR 20-25 billion	Outstanding debt under the EU-Bill programme increased from around EUR 20 billion to around EUR 25 billion over the period as part of the development of the programme to provide additional liquidity when needed.
		ii. *Number of EU-Bill auctions*	10	
Liquidity management	Management of a liquidity pool based on payment obligations, disbursement needs and the costs of cash holding, with due regard to prevailing market	i. *Number of payment failures due to lack of liquidity*	None	The Commission met all disbursement needs and there were no settlement failures during the second half of 2024.

[14] Outstanding bonds over number of bonds as at end of H2 2024, based on bonds issued under the diversified funding strategy.

	Means	Indicator	Value in H2 2024 (unless indicated otherwise)	Commentary on execution in H2 2024
	conditions.			
Primary dealer network	Attracting a wide range of financial institutions with a strong commitment to supporting the EU issuances.	i. *Number of institutions which signed underwriting commitments for transactions over the past six months*	15 (compared with 19 in H1 2024)	EU primary dealers continued to support the Commission and rotation at the syndications helped the Commission to make the best use of all the banks eligible to be part of a syndicate.
Communication with diverse market stakeholders and peer issuers	Maintaining and building the trust of the investor base, market participants and peer issuers to support demand for EU debt and improve the EU's understanding of market dynamics and investor needs.	i. *Deviations from the pre-announced timings for the publication of funding plans*	None	The Commission maintained regular and predictable communication with the markets, in line with previous announcements. During the second half of 2024 a reduced allocation of EUR 1 billion occurred due to the securing of attractive financing conditions in the bond auctions. The Commission regularly published investor statistics which remained stable, and its diversified investor base continued to increase.
		ii. *Deviation from the volumes announced in the funding plan*	Less than EUR 1 billion or less than 2% (compared with less than 2% in H1 2024).	
		iii. *Investor distribution statistics*	Per type: central banks/official institutions 25.1%, fund managers 22.5%, bank treasuries 21.9%, insurance and pension funds 20.5%, banks 7.3%, hedge funds 2.6% Per country / region: UK 19.4%, Nordics 12.4%, France 11.7%, Benelux 9.2%, Italy 8.8%, Asia-Pacific 8.2%, Germany 8.1%, Iberia 7.9%, Other EU 7.4%, Other Europe, non-EU 2.6%, Americas 2.2%, Middle East and Africa 2.0%	