



EU Global Investor Call

25 June 2025

Disclaimer:

Please note that this is an off-the-record event.

The information provided can be used but not attributed to the participants in the call.

Overview

- **State of play of EU issuances**
- **Actions to support secondary market liquidity**
- **Funding Plan H2 2025**
- **Concluding remarks**

State of play of EU issuances

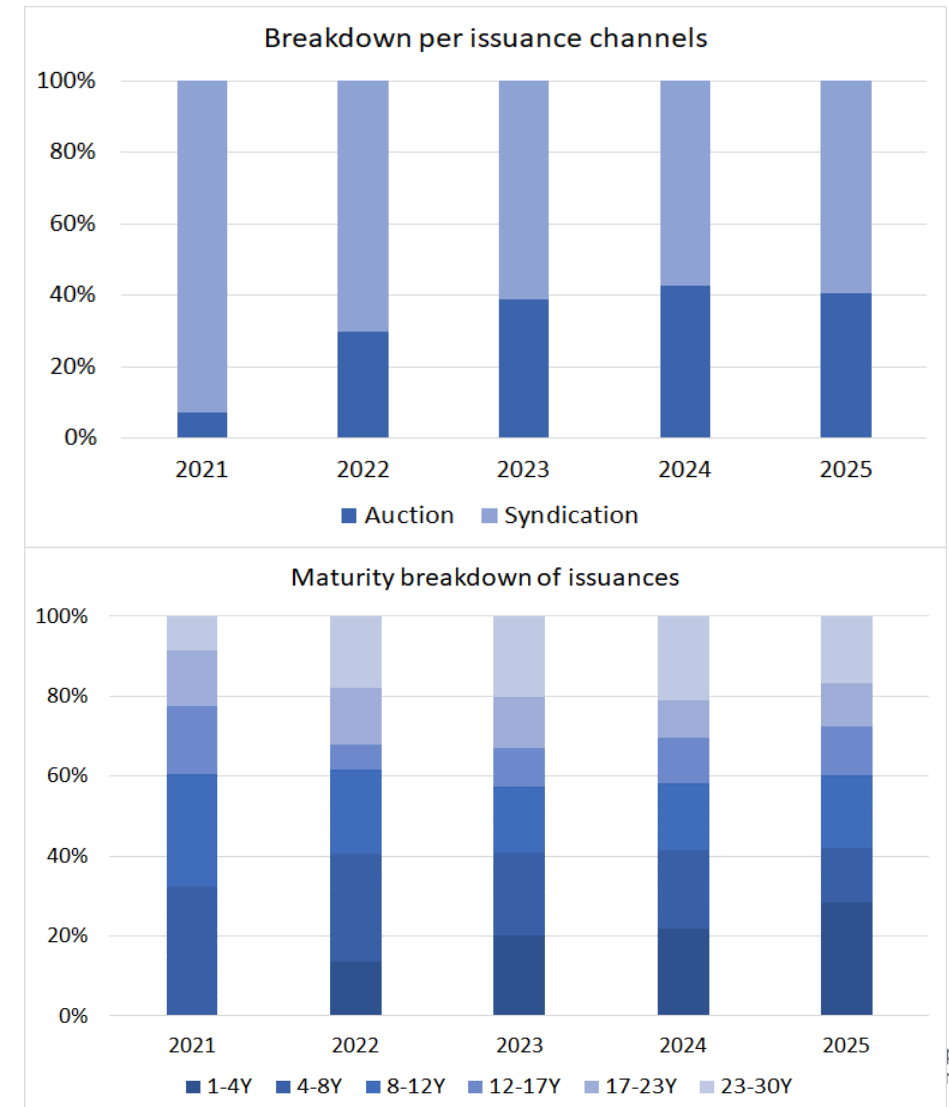


H1 2025 highlights: Continuation of strong issuances (1)

- From January to June 2025:
 - › **Completion of funding plan with EUR ca. 86bn raised** via bond issuances, with 6 syndications and 7 auctions
 - › Including **EUR 6.9bn in NGEU Green Bonds**, bringing the total volume to **EUR 75bn**. Issuance was closely calibrated to reported green expenditure by Member States
 - › Regular issuances on **all the tenors**
 - › Presence on all maturity buckets from 3y to 30y with 3 **new lines**
 - › **Outstanding EU-bonds now stands at EUR ca. 662bn**

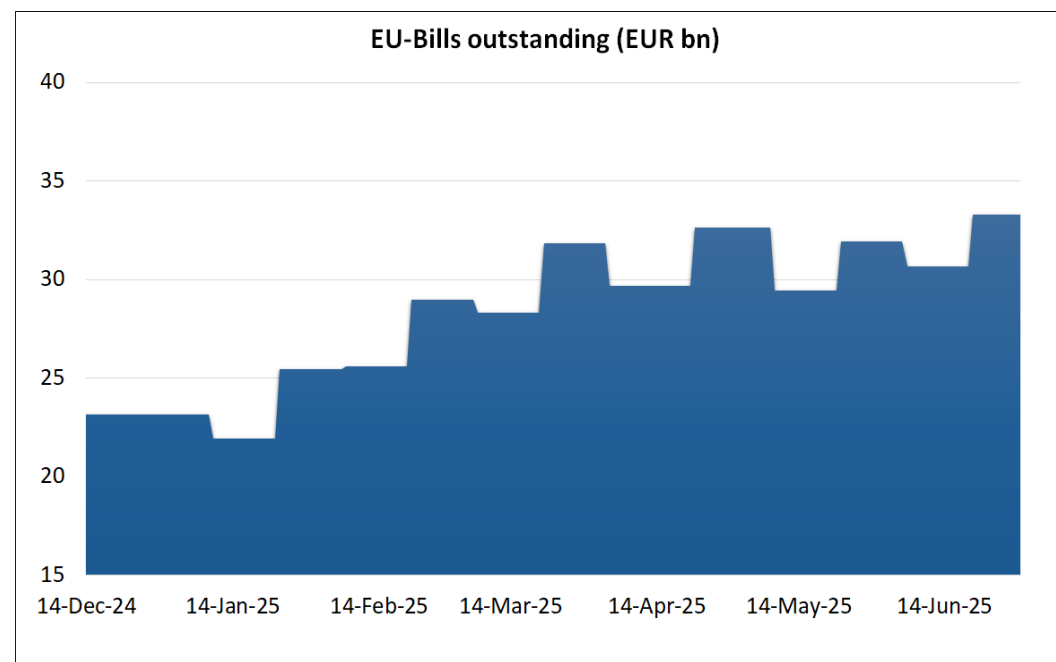
H1 2025 highlights: Continuation of strong issuances (2)

- From January to June 2025:
 - › Stable use of **auctions with close to 41%** of the bonds issued via auction (42% in 2H 2024) – as from April, 3-lines bond auctions
 - › Approximately **74% of the funding volume mobilised via taps** bringing existing outstanding lines to critical volume
 - › **Strong oversubscription** rates (8 - 23 times for syndicated transactions)
 - › Regular **EU-bills issuances** (12 triple tranche auctions)



H1 2025 EU-Bill issuance

- Reinforcement of the EU-Bill programme with a 12-month line since January 2025, in addition to the existing 3- and 6- month tenors
- New 6- and 12-month lines have been issued during the first auction of the month, while the second auction of the month tapped already outstanding issuances
- Outstanding amount of EU-Bills of 33.3 bn. compared to EUR 23.1 bn. at year-end 2024

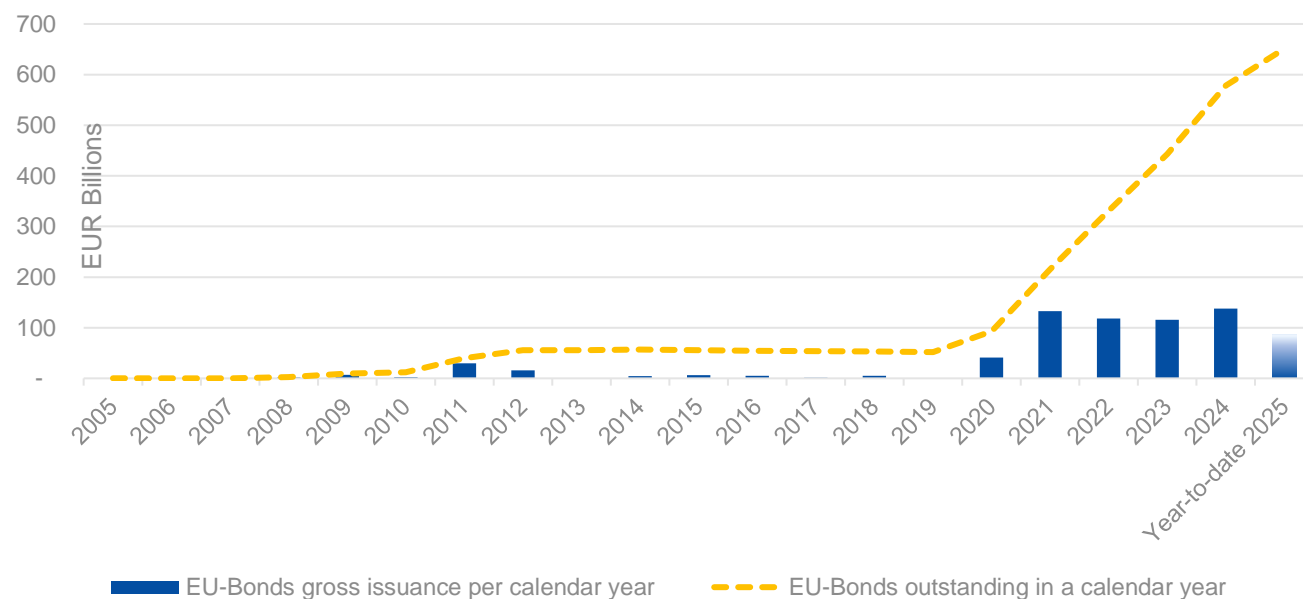


Charts as of end-June 2025

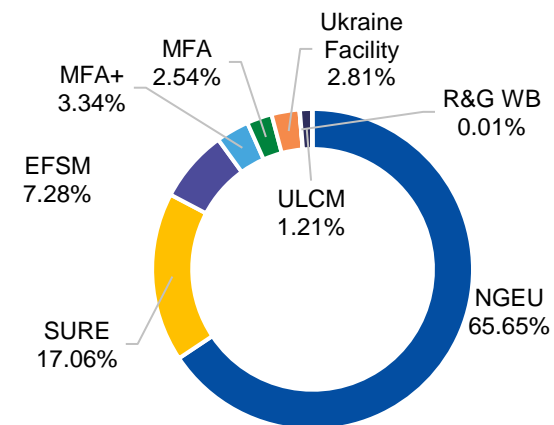
Increasing amounts of EU-Bonds outstanding

- As of end-June 2025, EU outstanding bonds stand at around **€662 billion** with the majority of bond proceeds allocated to NGEU

Evolution of EU-Bonds outstanding

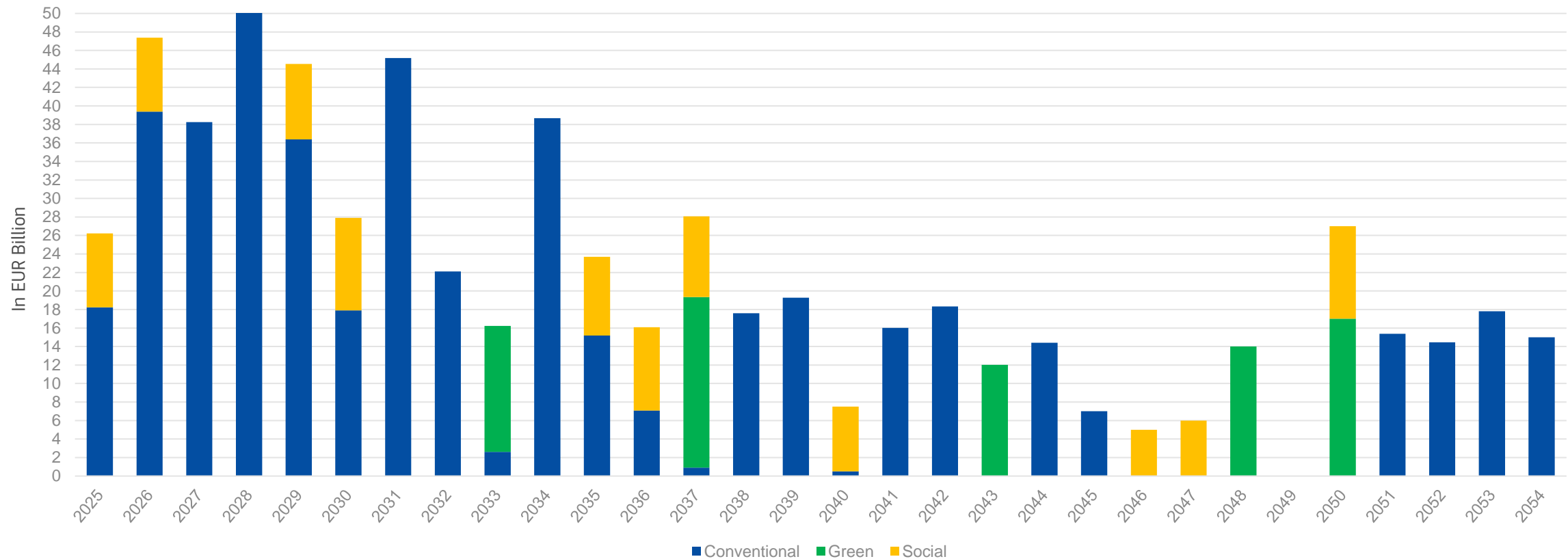


Use of proceeds from EU-Bonds outstanding*



Increasing EU outstanding bonds

EU outstanding bonds of **€662 billion**, including **€75 billion in NGEU Green Bonds**

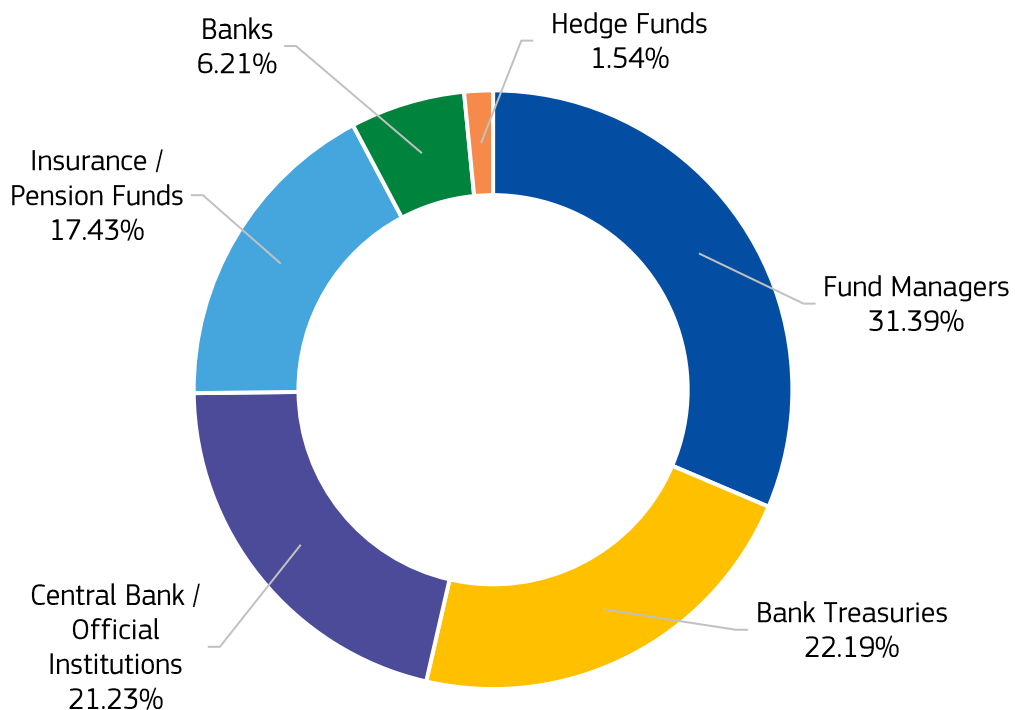


Source: European Commission

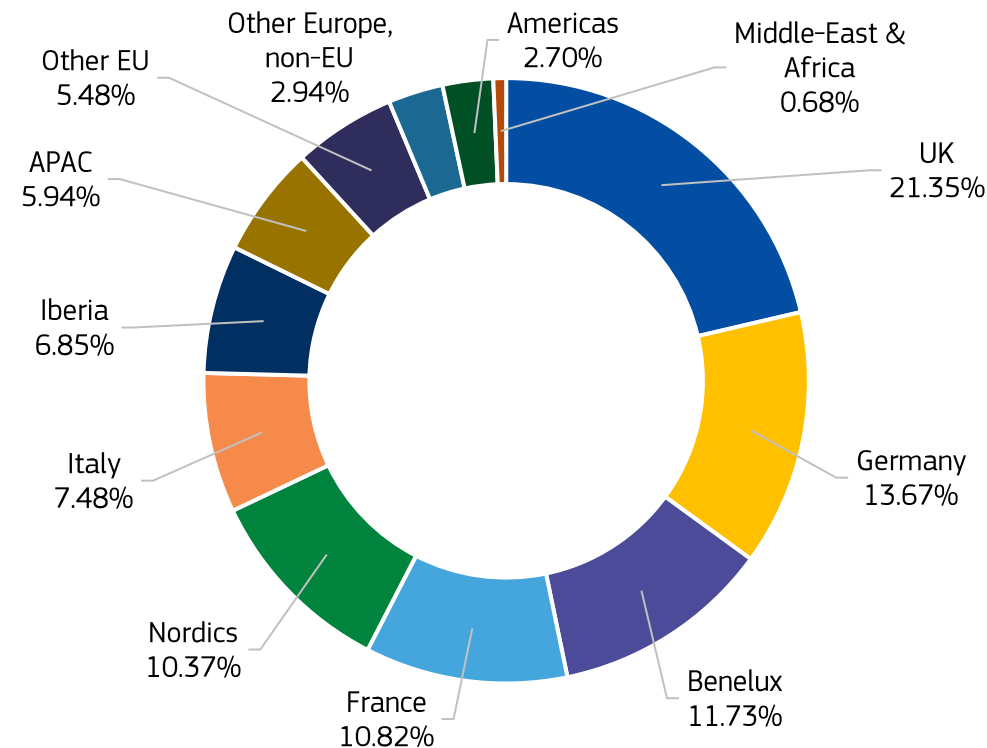
Strong demand from a diversified investor base

- EU investor base in EU-Bond syndications: over **1,900 different investors** from **70 countries**

Investor distribution by investor type



Investor distribution by country / region



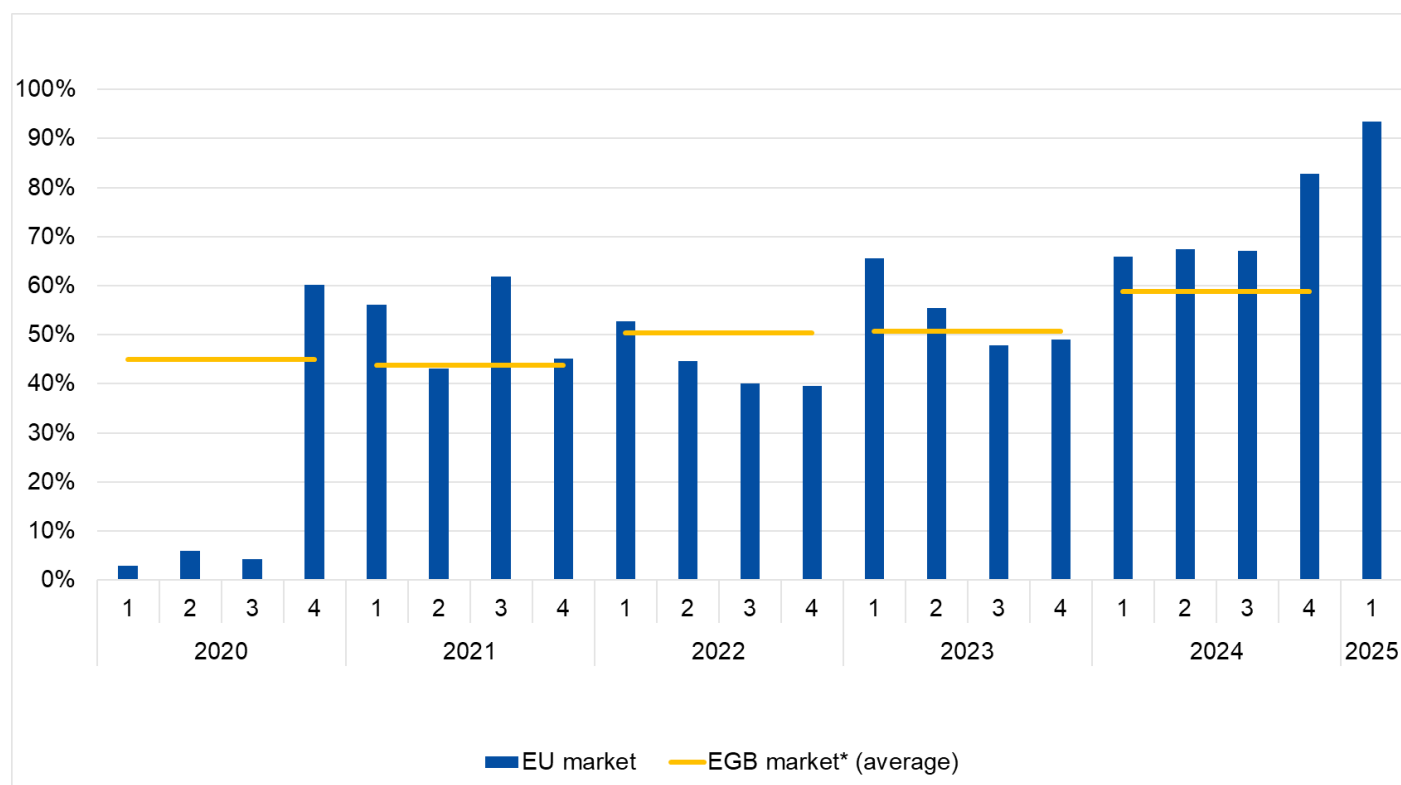
* Based EU bond syndications from January 2020 to end of June 2025

Source: European Commission



EU-Bonds' liquidity similar to European sovereigns

Quarterly secondary market turnover of EU and European Government Bonds (EGB)
(% of outstanding volume)



Source: European Commission based on Bloomberg data.

*Note: European Government Bond (EGB) market here comprises Euro-area sovereigns, the European Financial Stability Fund and the European Stability Mechanism.

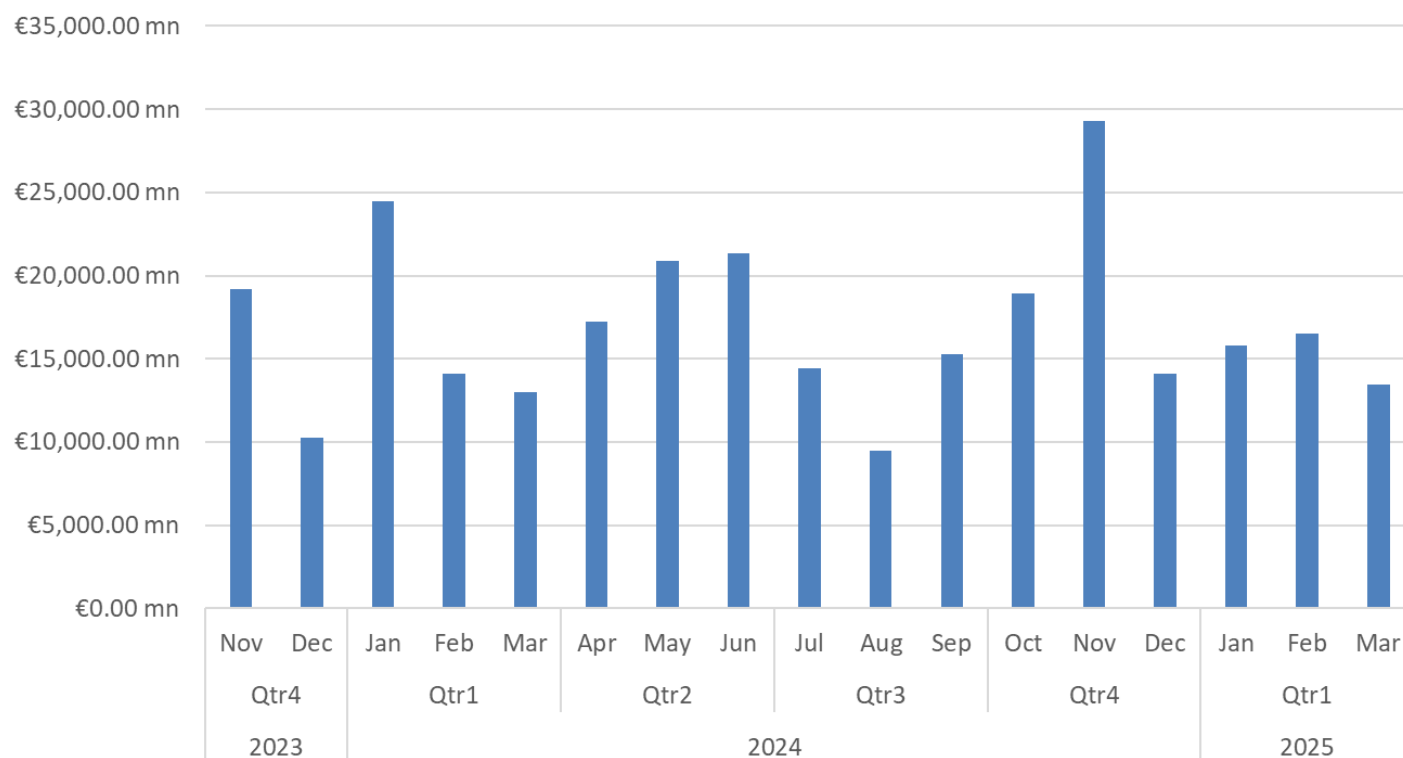
Actions to support secondary market liquidity



Quoting arrangements continue to support liquidity and price transparency



Volume executed (in million EUR)

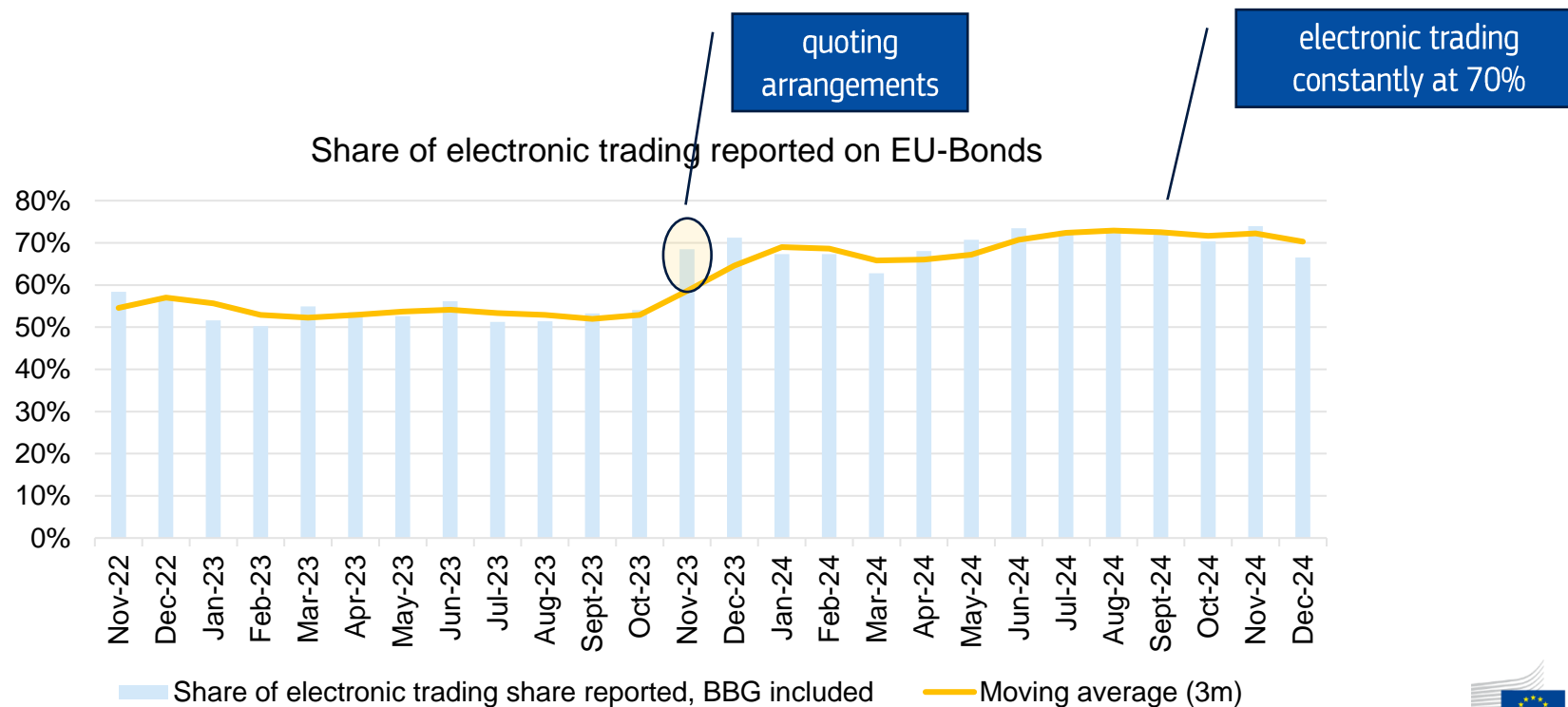


- The main electronic trading platform has seen a **daily average turnover of EUR 810 million in the last 12 months**
- On days with **primary issuance**, average turnover equals **EUR 1 billion**
- In 105 out of the 358 trading days since the introduction in November 2023, **volumes exceeded EUR 1 billion**
- On 6 days, **volumes exceed EUR 2 billion**



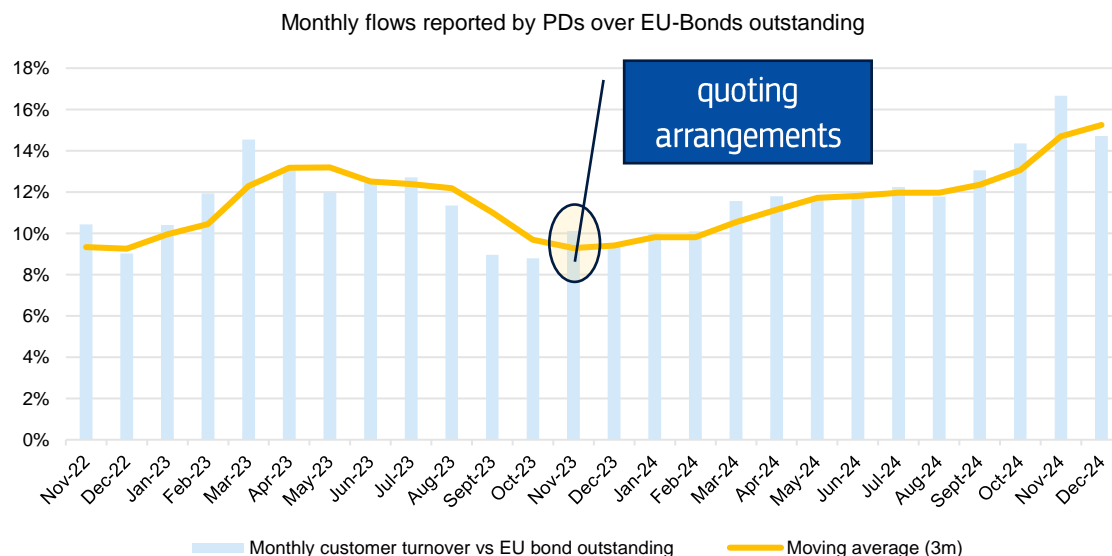
Market structure shifts to electronic trading

- With the implementation of **quoting arrangements** in November 2023 price transparency improved
- In combination with **tradeable quotes on standard electronic platforms**, market participants feel more comfortable to trade EU-bonds on electronic platforms
- Consequently, the **proportion of trading volume of EU-Bonds traded on electronic platforms increased from 56% in 2023 to 70% in 2024**



Increased market depth

- The **total volumes of EU-Bonds traded in the secondary market in 2024 increased by 65% vs 2023**
 - Turnover **for the first time exceeded €1trn** (2024: €1.4tn vs 2023: €835bn) – equivalent to three times the amount of the outstanding liquid benchmark bonds which have been issued since 2020
 - The **average monthly turnover increased to €118bn** (vs. €70bn in 2023) and since March 2024, the **monthly total turnover has been regularly above €100bn**
- The increase of the relative turnover shows that the **higher turnover volumes are not only related to higher outstanding amount of debt**
- Outstanding bonds are more frequently traded, the **depth of the EU-Bond market has increased**
- The **monthly turnover relative to the outstanding volume** of EU-Bonds has **grown to 23% on average** in 2024 (2023: 18%)



Development of EU bond market ecosystem

- **Initiatives from the Commission**

- **Quoting arrangements** for EU Primary Dealers on electronic trading platforms in place since November 2023
- **Repo-facility** as backstop to EU Primary Dealers in place since October 2024

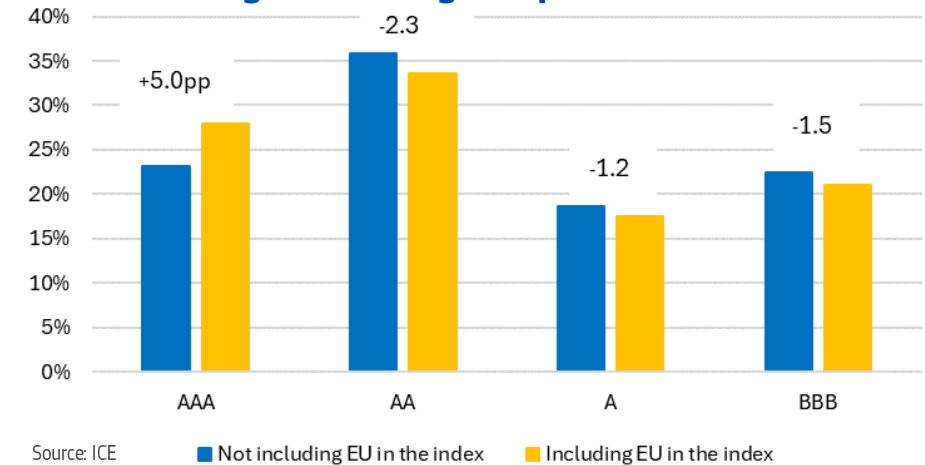
- **Initiatives from market participants**

- **End 2024, launch of independent initiatives for future contracts** (December 2024 ICE launched future contract on an EU Bond Index and EUREX announced the launch of a traditional futures contract in September 2025)
- **Current new consultations for the inclusion of EU-bonds in Government bond indices** from (1) [J.P. Morgan DM Rates Index Governance Consultation](#); (2). [ICE Annual Fixed Income Index Rule Review](#).

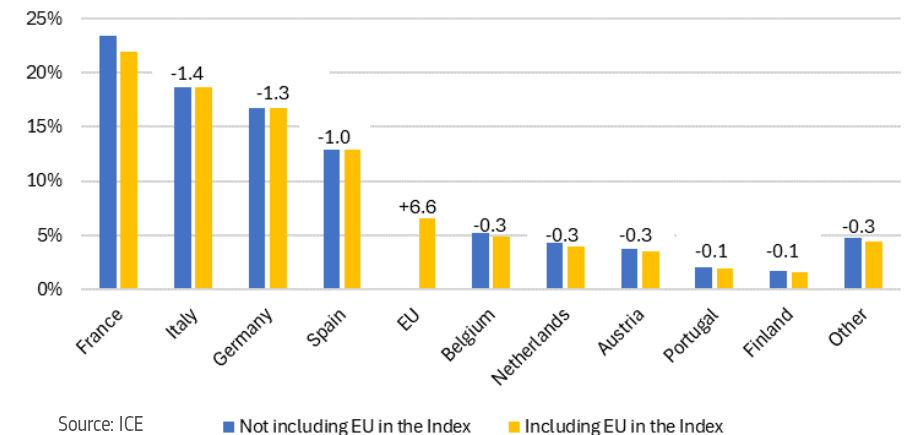
Inclusion of EU in Sovereign indices: what's in for investors?

- The EU-bonds' rating is higher than the average Euro Sovereign Indices'
- **The inclusion of EU-Bonds in Sovereign Indices improves its average rating, while the return does not seem to be compromised**
- In 2024 ICE created the ICE European Union Index (EG00EU) by adding EU-Bonds to the ICE Euro Government Index (EG00)
- **EU-bonds weight around 6.6%** when included in the Euro Government Index, being the 5th top holding issuer
- Comparing both indices:
 - The **rating improves by 1 notch**, from A1 to AA3
 - The share of AAA issuers increases from 23.35% to 28.32%.
 - Historical **return remains largely unchanged**
 - As of 31/05/2025, the effective yield of the index stays around the same (not including EU: 2.65%, including EU: 2.66%), as well as the effective duration (not including EU: 7.29y, including EU: 7.38y)

Changes in rating composition



Changes in top 10 issuers



EU Funding plan H2 2025

Setting the scene: funding needs will remain high in the coming years

For programmes and refinancing



Borrowing needs driven by:

(i) **Ongoing programmes**, including:

- **NGEU**: EUR 712 billion borrowing envelope until 2026 (around 47% still to be disbursed)
- **Support to Ukraine** (under the **Ukraine facility** until 2027 and under the **ULCM** as part of the with G7 agreement), of the bulk would have been disbursed in 2025
- **Western Balkans Reform and Growth Facility**: up to EUR 4 billion to be funded until 2027
- **Macro Financial Assistance programmes**: Such as the support to Egypt (EUR 5 billion)

(ii) **New programmes**, such as **SAFE** until 2030 for up to EUR 150 billion

(iii) **Roll-over of maturing issuances** (a minimum of EUR 190 billion from 2025-2030 for bonds, to be complemented by short-term funding)

Overall, this means already c. 700 bn. of funding needs between 2025-2030. On that basis a tentative guidance of around EUR 160 bn. of EU-Bonds issuances in 2026

EU funding needs: SAFE Instrument

- Security Action for Europe – **SAFE** – is a new EU financial instrument which will provide Member States with **up to EUR 150 billion** of loans backed by the EU budget.
- **Availability until 31 December 2030**
- Funds raised through the diversified funding strategy with the issuances of **EU-Bonds and EU-Bills** – there will be no issuance of Defence labelled bonds
- The **EU budget** will serve as the ultimate system of protection **guaranteeing** the liabilities arising from the loan.
- Flexible use of short-term and long-term funding across the yield curve will be mobilized as needed.

EU Funding Plan H2 2025: Key elements

- **EUR 70 bn. of EU-Bonds**
- Regular issuance **from 3 to 30 years, with taps and new lines**
 - Maturities of new lines will account for market conditions and parts of EU curve in need of new lines, with **tentative focus on 5y, 7y, 15 and 30y for new conventional benchmark bonds**
- **NGEU Green Bonds** subject to Member States reporting new eligible Green Bond expenditures
 - Preference for **tapping of existing lines to improve liquidity before launching new ones**
- Share of **auctions expected to overall increase slightly in 2025** compared to 2024
 - Introduction of 3 legs bond auction as of Q2 2025
 - Introduction of non-competitive offers in H2 2025 (in T+1, for 20 % of the allocated amount at auctions)
- EU Bond issuances to be complemented by **the EU-Bills issuance using 3m/6m/12m tenors**
- Funding plan available in **EU as a borrower website:** [Funding plans \(europa.eu\)](https://europa.eu/funding-plans)

EU Funding Plan H2 2025: Calendar

- **EU-Bonds:**
 - Six auctions
 - Four syndications
 - Transaction windows chosen in light of (already known) peer issuance calendar
- **EU-Bills:**
 - In addition to 3m & 6m EU-Bill, a new 12m line
 - Continuation of EU-Bill schedule in line with past practice (1st and 3rd Wednesday of the month as a general rule)

2025					
July	August	September	October	November	December
1 Tu	1 Fr	1 Mo	1 We EU-Bills Auctions	1 Sa	1 Mo EU-bond Auction
2 We EU-Bills Auctions	2 Sa	2 Tu	2 Th	2 Su	2 Tu EU-Bonds NCOs
3 Th	3 Su	3 We EU-Bills Auctions	3 Fr	3 Mo EU-bond Auction	3 We EU-Bills Auctions
4 Fr	4 Mo	4 Th	4 Sa	4 Tu EU-Bonds NCOs	4 Th
5 Sa	5 Tu	5 Fr	5 Su	5 We EU-Bills Auctions	5 Fr
6 Su	6 We EU-Bills Auctions	6 Sa	6 Mo	6 Th	6 Sa
7 Mo	7 Th	7 Su	7 Tu	7 Fr	7 Su
8 Tu	8 Fr	8 Mo	8 We	8 Sa	8 Mo
9 We	9 Sa	9 Tu	9 Th	9 Su	9 Tu
10 Th	10 Su	10 We	10 Fr	10 Mo	10 We
11 Fr	11 Mo	11 Th	11 Sa	11 Tu	11 Th
12 Sa	12 Tu	12 Fr	12 Su	12 We	12 Fr
13 Su	13 We	13 Sa	13 Mo	13 Th	13 Sa
14 Mo EU-bond Auction	14 Th	14 Su	14 Tu	14 Fr	14 Su
15 Tu	15 Fr	15 Mo	15 We EU-Bills Auctions	15 Sa	15 Mo
16 We EU-Bills Auctions	16 Sa	16 Tu	16 Th	16 Su	16 Tu
17 Th	17 Su	17 We EU-Bills Auctions	17 Fr	17 Mo	17 We Optional EU-Bills Auctions
18 Fr	18 Mo	18 Th	18 Sa	18 Tu	18 Th
19 Sa	19 Tu	19 Fr	19 Su	19 We EU-Bills Auctions	19 Fr
20 Su	20 We	20 Sa	20 Mo EU-bond Auction	20 Th	20 Sa
21 Mo	21 Th	21 Su	21 Tu EU-Bonds NCOs	21 Fr	21 Su
22 Tu	22 Fr	22 Mo EU-bond Auction	22 We	22 Sa	22 Mo
23 We	23 Sa	23 Tu EU-Bonds NCOs	23 Th	23 Su	23 Tu
24 Th	24 Su	24 We	24 Fr	24 Mo	24 We
25 Fr	25 Mo EU-bond Auction	25 Th	25 Sa	25 Tu	25 Th
26 Sa	26 Tu	26 Fr	26 Su	26 We	26 Fr
27 Su	27 We	27 Sa	27 Mo	27 Th	27 Sa
28 Mo	28 Th	28 Su	28 Tu	28 Fr	28 Su
29 Tu	29 Fr	29 Mo	29 We	29 Sa	29 Mo
30 We	30 Sa	30 Tu	30 Th	30 Su	30 Tu
31 Th	31 Su		31 Fi		31 We

EU-Bonds auctions

EU-Bonds NCOs

EU-Bills auctions

↕ Syndicated transaction window

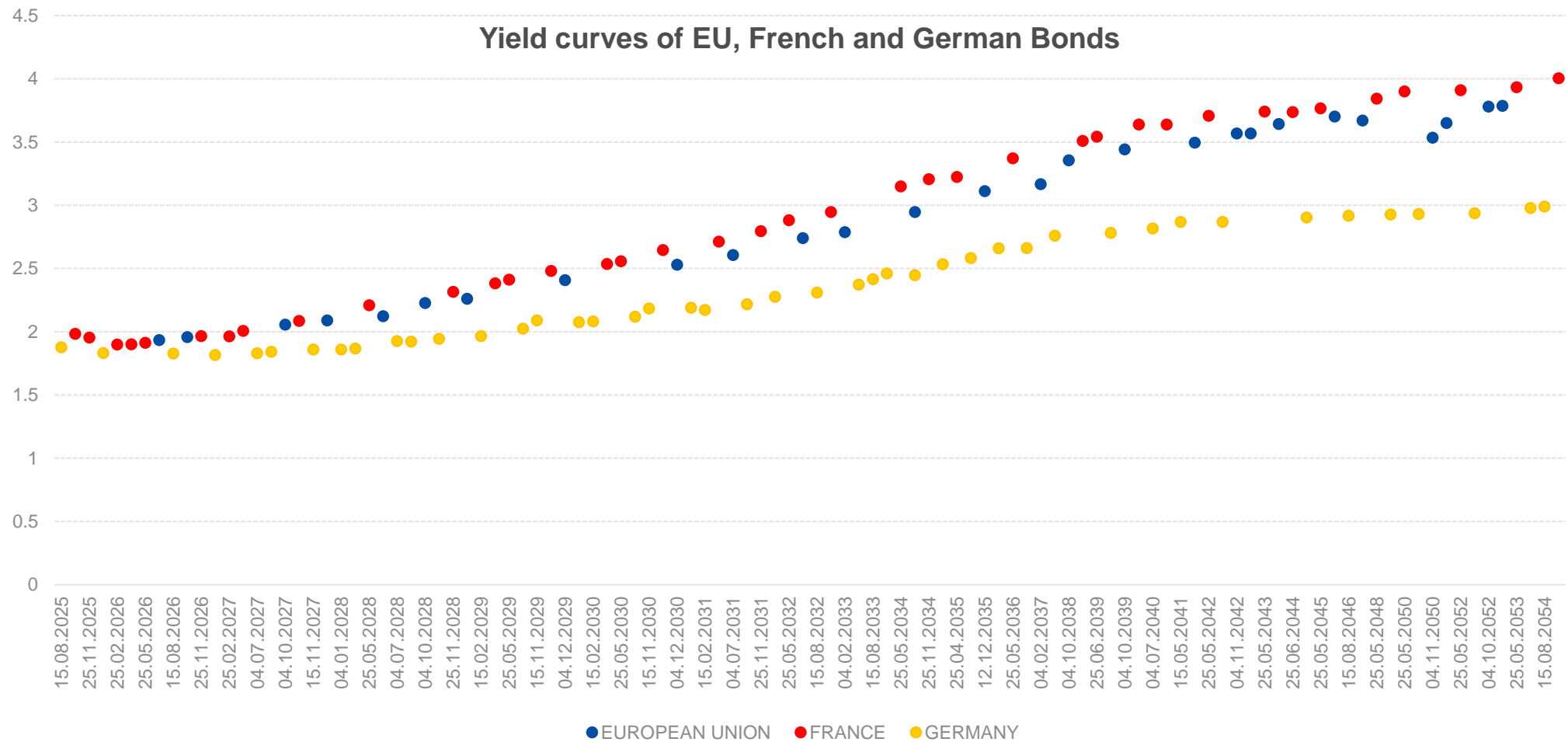
Nonworking days

Concluding remarks





EU-Bonds are offering attractive relative returns



Source: Bloomberg data as of 24/06/2025

Concluding remarks

- **EU Bonds continue to offer attractive terms compared to key EGBs**
- **Several policies are now funded with EU borrowings**
 - Since 2021 (start date of NGEU), EU issuances called upon to fund new policies representing more than EUR 240 bn
- **Rollover needs** linked to maturing bonds in the coming years will be increased by rollover of short-term funding via bond issuances beyond 2026
- **Development of EU as an issuer** provides platform for regular recourse by policymakers to finance EU policy priorities
- **Continuous development of the investor base** supported by large and liquid issues

For more information:



Check out our EU as a borrower website: <https://europa.eu/!mq99rn>



Get in touch: EU-INVESTOR-RELATIONS@ec.europa.eu



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