consolidated net interest expense ratio, which cannot be less than 2.20 to 1.0, as well as a cross default provision with respect to other defaulted indebtedness of at least $500 million.

The company is in compliance with all of its significant debt covenants and provides periodic certifications to its lenders. The failure to comply with its debt covenants could constitute an event of default with respect to the debt to which such provisions apply. If certain events of default were to occur, the principal and interest on the debt to which such event of default applied would become immediately due and payable.

On May 15, 2019, the company issued an aggregate of $20 billion of indebtedness in the following eight tranches: $1.5 billion of 2-year floating rate notes priced at 3 month LIBOR plus 40 basis points, $1.5 billion of 2-year fixed rate notes with a 2.8 percent coupon, $2.75 billion of 3-year fixed rate notes with a 2.85 percent coupon, $3.0 billion of 5-year fixed rate notes with a 3.0 percent coupon, $3.0 billion of 7-year fixed rate notes with a 3.3 percent coupon, $3.25 billion of 10-year fixed rate notes with a 3.5 percent coupon, $2.0 billion of 20-year fixed rate notes with a 4.15 percent coupon and $3.0 billion of 30-year fixed rate notes with a 4.25 percent coupon. The proceeds from these debt issuances were primarily used for the acquisition of Red Hat. For additional information on this transaction, see note E, "Acquisitions & Divestitures."

Additionally, the long-term debt table above includes Euro bonds that were issued in the first quarter of 2019 to partially finance the acquisition of Red Hat upon closing.

Post-Swap Borrowing (Long-Term Debt, Including Current Portion)

($ in millions)

For the year ended December 31:	2019 Amount	2019 Weighted-Average Interest Rate	2018 Amount	2018 Weighted-Average Interest Rate
Fixed-rate debt	$52,169	2.9%	$28,770	2.7%
Floating-rate debt*	9,455	2.2%	13,886	3.0%
Total	$61,624		$42,656	

* Includes $2,975 million in 2019 and $7,563 million in 2018 of notional interest rate swaps that effectively convert fixed-rate long-term debt into floating-rate debt. Refer to note T, "Derivative Financial Instruments," for additional information.

Pre-swap annual contractual obligations of long-term debt outstanding at December 31, 2019, are as follows:

($ in millions)

	Total
2020	$ 7,526
2021	9,826
2022	7,175
2023	5,374
2024	6,305
Thereafter	26,000
Total	$62,207

Interest on Debt

($ in millions)

For the year ended December 31:	2019	2018	2017
Cost of financing	$ 608	$ 757	$ 658
Interest expense	1,344	723	615
Interest capitalized	5	3	5
Total interest paid and accrued	$1,957	$1,482	$1,278

Refer to the related discussion in note D, "Segments," for total interest expense of the Global Financing segment. Refer to note T, "Derivative Financial Instruments," for a discussion of the use of foreign currency denominated debt designated as a hedge of net investment, as well as a discussion of the use of currency and interest rate swaps in the company's debt risk management program.