

MESSAGE FROM THE GOVERNOR



In 2017, the CEB proved once again capable of delivering strong results supporting social investments in its member countries.

For yet another year the CEB did well in navigating a challenging global environment and maintained its financial strength. At 31 December 2017, the CEB's loan portfolio worth close to €14 billion, and its stock of projects, worth almost €7 billion, were both higher than the year before. The Bank raised €3 billion in the international capital markets, and the net profit for 2017 amounted to €112 million.

During the first year of implementation of its Development Plan 2017-2019, the CEB made an excellent start, with robust lending activity that reached a new record high. A total amount of €3.9 billion was approved for 41 social projects.

As many European countries continued to find themselves under pressure from ongoing refugee inflows, the Bank lent its full support to them, not least through its Migrant and Refugee Fund (MRF), which received several new contributions in the course of the year. In addition, the establishment of new trust funds at the Bank along with the replenishment of existing ones enabled the CEB to remain highly responsive to the needs of its members.

The integration of migrants and refugees is still a priority area of operation for the CEB, as are other sectors where there is an increased need for social investments in Europe, such as housing, public infrastructure development, and job creation. Regarding the latter, the CEB remains focused on the provision of credit lines to micro-, small and medium-sized businesses as a means of promoting entrepreneurship and boosting employment. Moreover, the CEB continues to be engaged in global efforts to tackle climate change, through the adoption of climate mitigation and adaptation measures.

The Regional Housing Programme (RHP), which is a grant-based programme managed by the CEB, has been yielding excellent results. By the end of 2017, the Programme had brought a positive change in the lives of over 2,600 vulnerable families, or some 8,000 persons, in the four partner countries (Bosnia and Herzegovina, Croatia, Montenegro, and Serbia). International donors reaffirmed their support by pledging additional contributions in 2017, thanks to which several thousand new homes are expected to be delivered to beneficiaries in the course of 2018.

The CEB has time and again proved its flexibility, continuously adapting to a demanding and changing environment and sharpening the focus of its activities. In 2017, the Bank started concentrating more on cross-sectoral themes, such as that of “sustainable cities”, which promotes inclusive growth through loan instruments specially designed for municipalities and with their specific investment needs in mind. In 2017 the Bank also introduced a new financial instrument, the Cross-Sectoral Loan (CSL), aimed at giving local authorities greater flexibility when seeking financing for social infrastructure projects in overlapping sectors.

In 2017 the CEB also issued its very first Social Inclusion Bond, the proceeds of which are reserved for the financing of projects with a particularly high social added value. The Social Inclusion Bond attracted strong interest from socially responsible investors, which demonstrates the solid confidence that investors have in the CEB’s expertise and activity in the social sector.

Promoting sustainable, inclusive growth continues to inform our strategy and drive our activities. This, combined with our unfailing resolve to strengthen social cohesion in our member countries, and backed by our strong partnerships and the support of our shareholders, will enable us to weather the challenges lying ahead and continue to fulfil our social mission.

Paris, 28 February 2018

Rolf WENZEL



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