



# Message from the Governor

I am pleased to share with you this annual report which provides an overview of the CEB's activities for 2018, a year of high impact for the Bank.

Maintaining the previous year's record numbers in lending, the CEB approved new loans for social projects worth € 3.9 billion to leverage €10 billion in total investments across Europe. It also increased its disbursements by over 20% compared with the year before, and raised € 4.9 billion on the international capital markets. Responding to a strong demand for sustainable finance, in 2018 the CEB issued its second Social Inclusion Bond, which attracted substantial interest.

All this demonstrates the CEB's resilience and ability to deliver strong outcomes, even in a difficult environment with continuing challenges in CEB member countries.

In 2018, the emphasis of our project activities remained on the social sectors which are the key focus of our current Development Plan: strengthening employment, not least through the provision of financing to small, medium-sized and micro businesses; supporting public infrastructure development, especially in vital areas such as health, education and housing; and supporting climate action, through projects aimed at reducing carbon emissions and making communities more resilient to climate change.

Support for migrants, refugees and displaced persons remains an important area of operation for the CEB. 2018 saw the Regional Housing Programme (RHP) and the Migrant and Refugee Fund (MRF) continue to deliver good results, thanks to the ongoing support from donors and excellent cooperation with CEB partners.

In the course of 2018, the CEB further expanded its cooperation with other international organisations and financial institutions, through joining initiatives such as '100 Resilient Cities', the European Partnership for the Integration of Migrants and Refugees,

and the Harmonized Indicators for Private Sector Operations (HIPSO), to mention but a few. It also obtained a permanent observer status to the UN Framework Convention on Climate Change (UN FCCC), and organised a conference on 'Social Investment for a Resilient and Prosperous Europe' in Paris with the collaboration of the *Caisse des Dépôts Group*.

Internal CEB reform continued apace, with significant progress made on numerous fronts, such as the reorganisation of our internal structure to enhance efficiency, the recruitment of staff to fill key posts in the institution, and the steps taken to foster and promote internal cohesion, diversity and gender equality.

The CEB and its staff attach great importance to all aspects of corporate social responsibility. Environmental concerns not only form part of the strict selection and monitoring criteria that the Bank employs in its operations, but they are also given serious consideration in all aspects of CEB activities. For example, the CEB closely monitors its carbon footprint and makes every effort to minimise it. I am pleased to see that our efforts continue to receive recognition. In 2018, ISS-oekom and Sustanalytics renewed their confidence in us, with the former maintaining our 'Prime' status and upgrading our rating, and the latter affirming our 'Outperformer' status. You can read more about this in the CEB Corporate Social Responsibility Report 2018.

As the CEB remains fully committed to its social mission in Europe, I look forward to another year of strong results in 2019.

Paris, 27 February 2019

**Rolf WENZEL**