



Integrity and Compliance Report **2025**



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CEB

— COUNCIL OF EUROPE DEVELOPMENT BANK —
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE

About the CEB

The Council of Europe Development Bank (CEB) is a multilateral development bank with an exclusively social mandate from its 43 member countries. The CEB finances investment projects and provides technical assistance in social sectors such as education, health and affordable housing, while focusing on the needs of vulnerable people, as well as on the social dimensions of climate change and the environment. Borrowers include governments, local and regional authorities, public and private banks, non-profit organisations and others. The CEB, which has a triple-A credit rating, funds itself through international capital markets. In addition, the CEB receives funds from donors to complement its activities.

The CEB was originally established as a resettlement fund in 1956 by eight of the 15 member states that made up the Council of Europe at the time. The CEB is Europe's oldest multilateral development bank, and is a legally and financially separate entity from the Council of Europe.

For more about CEB, visit coebank.org/en/about/

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Message from the Governor

To fulfil its social mandate, the CEB must preserve both its integrity and the trust member countries place in it. In today's complex risk environment, robust compliance is both a safeguard and a strategic enabler of sound, transparent and responsible operations.



“ Integrity and compliance are a shared responsibility, underpinning trust in the CEB and its ability to fulfil its unique social mandate.”

This year's Integrity and Compliance Report by the Office of the Chief Compliance Officer (OCCO) highlights the efforts to further strengthen the Bank's internal framework and oversight across all areas of activity. In 2025, the Compliance Office improved risk assessment, while reinforcing accountability and procedures to uphold the highest standards of governance.

To keep pace with a rapidly evolving digital landscape, the Compliance Office also helped to strengthen cybersecurity and establish staff guidelines for the responsible use of artificial intelligence. These efforts reflect the CEB's persistent commitment to transparency, resilience and preparedness, enabling it to deliver on its vital social mission in an uncertain world.

A handwritten signature in black ink, reading 'Carlo Monticelli'.

Carlo Monticelli
CEB Governor

Integrity and compliance at the CEB

The Office of the Chief Compliance Officer (OCCO) sets out the CEB's core values of integrity and ethical conduct, promoting strong governance across the Bank. The Office is dedicated to maintaining the highest standards in every aspect of banking operations.

The CEB is committed to promoting the highest standards of integrity with respect to its counterparties, business operations, procurement procedures and internal activities as well as best international practices. Under the supervision of the Chief Compliance Officer (CCO), the independent compliance function is dedicated to managing integrity and non-compliance risks and misconduct risks on a continual basis, as well as reporting to and advising the CEB's management regarding the Bank's oversight of its financial and non-financial risks.

In managing these risks, the Office continuously follows the latest developments in the Basel Committee core banking principles and in the European Banking Authority basic principles, when creating public or internal policies and procedures.

The CCO meets with the Auditing Board and external auditors on a regular basis during the year, and reports on the Compliance Office's activities to the Auditing Board annually.

OCCO's mission, objectives and management approach are defined as follows:

- **Mission:** The Compliance Office is tasked with the compliance and investigation functions at the CEB based on "prevention and advice" and "control and investigation" holistic approach.
- **OCCO roles and responsibilities:** The Integrity and Compliance Policy defines the organisational position, roles and responsibilities of OCCO as follows: OCCO is headed by the Chief Compliance Officer, who reports functionally and administratively directly to the Governor, the Executive Organ of the Bank, and has full and free access to all levels of management and to the Collegial Organs, Auditing Board and to the assigned external auditors of the CEB. The compliance function operates independently of the Bank's operational and business activities.
- **CEB Compliance Committee for issues concerning the elected officials:** The Compliance Committee has the mandate to address cases of alleged violations of the applicable Code of Conduct involving the Governor, the Vice-Governors, a member of the Bank's Collegial Organs, including their Chairperson, or a member of the Auditing Board.

Figure 1: How compliance and risk management works at the CEB



General actions and initiatives

In 2025, the CEB continued its process of modernisation, streamlining and alignment with best international practices across all areas of activity, from policy-making and due diligence, to awareness training and handling complaints.

Policy standards

The Accountability and Complaints Handling Procedure related to the Environmental and Social Safeguards Policy was internally approved in July 2025, streamlining the complaints handling workflow. It completed the CEB's accountability architecture, articulated by five main complaints workflows and governed by existing policies and procedures.

Dealing room telephony recording procedure: In 2025, OCCO completed a thorough review of the telephony recording procedure for the CEB's dealing room, following the implementation of a new technical system. The new procedure clearly and transparently defines the roles and responsibilities for all stakeholders involved with the new technology, including front office users and supervisors.

Set-up of digitalisation platforms: OCCO is currently going live with its internal digitalised platform, with a focus on Compliance/information security/data protection. In 2025, the first fully digital CEB annual statement of integrity was implemented. During the year, OCCO also worked on a Compliance Risk Assessment tool to facilitate OCCO internal processes, to be completed in the first half of 2026.

Project integrity

In 2025, the CEB continued to apply a risk-based approach to project integrity screening at the appraisal stage and throughout project implementation, with the objective of identifying and mitigating risks related to prohibited practices, sanctions exposure, reputational concerns and other integrity-related vulnerabilities affecting counterparties and operations.

A total of 1477 integrity due diligence checks were conducted on counterparties in connection with loan and grant operations. These checks formed part of the Bank's ex-ante integrity review framework supporting operational decision-making and ensuring alignment with the Bank's policies and applicable international standards.

During the reporting period, the Bank introduced the possibility of using AI-assisted searches to support integrity screening. This enhancement complements existing analytical tools and strengthens the efficiency and coverage of publicly available information reviews, while maintaining established verification procedures and professional judgement in the assessment process.

Where warranted by the risk profile of operations, enhanced due diligence was performed in accordance with internal procedures.

In the context of the "HOME" project in Ukraine, for instance, tailored integrity and compliance provisions were incorporated into the operational handbook guiding project implementation. These include specific requirements related to integrity risk mitigation, monitoring arrangements and reporting obligations designed to address the operational environment of the project.

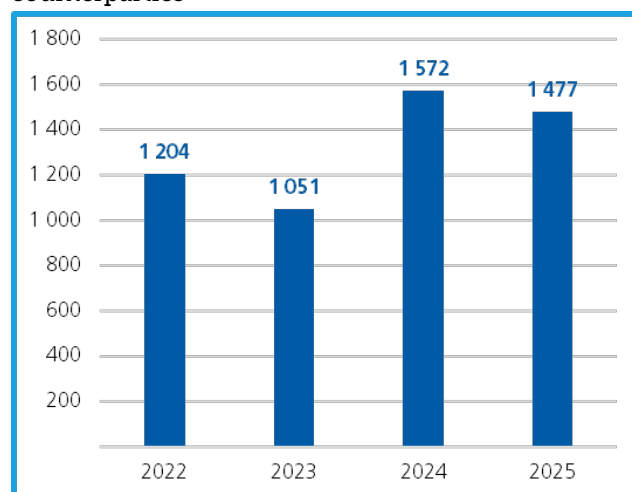
No projects were postponed or made subject to conditional approval on integrity grounds during the reporting period.

Consistent with prior years, OCCO continues to perform Compliance Risk Assessments for individual counterparties as part of its integrity framework.

Ex-ante and event-driven integrity due diligence

In 2025, the CEB continued to conduct ex-ante integrity due diligence on counterparties in line with its risk-based preventive compliance framework.

Figure 2: Number of integrity due diligence checks of counterparties



In addition to regular integrity due diligence checks, 52 event-driven integrity reviews were undertaken during the reporting period. These reviews were initiated in response to specific risk signals arising during the project cycle and formed part of the Bank's ongoing monitoring of integrity risks affecting counterparties and operations.

Two housing operations in Ukraine required enhanced due diligence, reflecting the operational context and risk environment of these projects.

Where relevant, event-driven integrity reviews were supported through cooperation with partner institutions. No mitigation measures affecting project approval status were required as a result of event-driven reviews during the reporting period, and no methodological changes were introduced compared with the previous year.

Ex-post risk assessment regarding money laundering, tax and prohibited practices

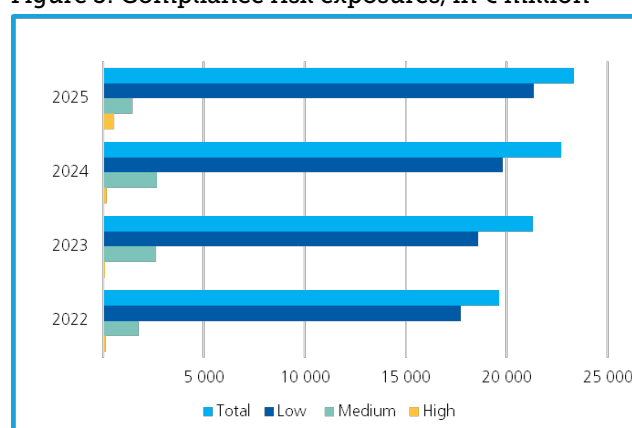
In 2025, the CEB continued to conduct its annual ex-post risk assessment covering risks related to money laundering and financing of terrorism, tax compliance and other prohibited practices. This exercise forms part of the Bank's compliance framework and supports the periodic review of integrity-related risk exposure across its activities.

The assessment was carried out through an established internal questionnaire-based process, which includes consideration of tax compliance risks alongside AML/CFT and other prohibited practices, such as financial crime.

No material findings were identified during the reporting period, and no follow-up measures or internal escalation were required.

Portfolio risk level – Overall compliance risk remains at a low level, consistent with previous years.

Figure 3: Compliance risk exposures, in € million



Know Your Customer and AML/CFT in treasury operations

In 2025, the CEB continued to conduct Know-Your-Customer (KYC) and AML/CFT reviews of treasury counterparties in accordance with its risk-based compliance framework supporting treasury activities.

These reviews covered both the onboarding of new counterparties and the annual review of existing relationships, ensuring continued alignment with the Bank's internal policies and applicable international standards. The Compliance Office also carried out preliminary compliance assessments of newly proposed treasury counterparties prior to the establishment of business relationships.

Sanctions screening remained an integral component of the review process.

In 2025, the Compliance Office participated in two due diligence reviews for CEB global bond issuances. These assessments covered key compliance areas, including:

- Exposure to borrowers subject to EU or US sanctions, anti-corruption laws and bribery legislation;
- Integrity concerns, such as allegations against directors or staff;
- Use of proceeds, ensuring no financing of sanctioned petroleum products or oil;
- Evaluation of the CEB's compliance policies, Code of Conduct, procedures, training programmes and reporting mechanisms.

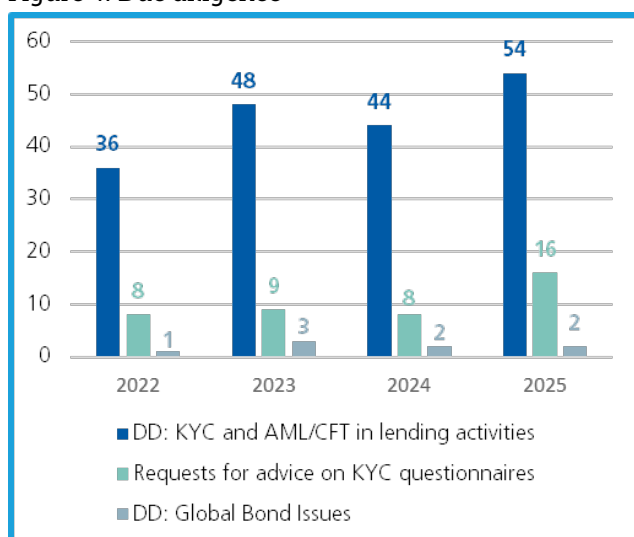
KYC enquiries

In 2025, the CEB responded to 28 KYC enquiries, primarily from commercial banks and other counterparties, including borrowers.

These enquiries related mainly to the Bank's AML/CFT, sanctions, governance and institutional compliance framework. Several requests required the provision of extended documentation to address jurisdiction-specific regulatory requirements. The scope of documentation requested increased compared with the previous reporting cycle.

Responses were prepared in coordination with the Legal and Treasury Directorates.

Figure 4: Due diligence

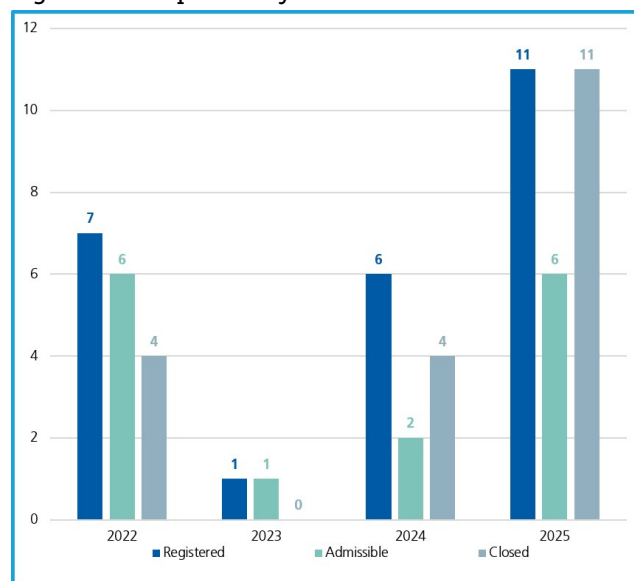


Whistleblowing and complaints

The Compliance Office manages project-related complaints received through multiple channels. Stakeholders can submit complaints about environmental, social, and governance (ESG) issues, fraud, corruption, other prohibited practices, misconduct or data breaches. Complaints can be submitted via the compliance section of the CEB's website or through designated e-mail addresses, including:

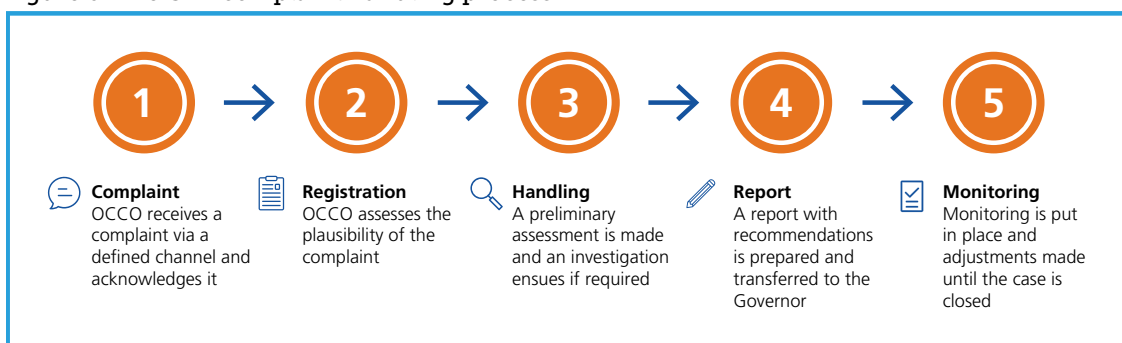
- compliance@coebank.org
- occo-whistleblowing@coebank.org
- dpo@coebank.org
- dpc@coebank.org
- info@coebank.org

Figure 5: Complaints by status



In 2025, OCCO received 11 new complaints out of which, five were found inadmissible, six were CEB project-related, all closed within the year; one legacy complaint is still ongoing.

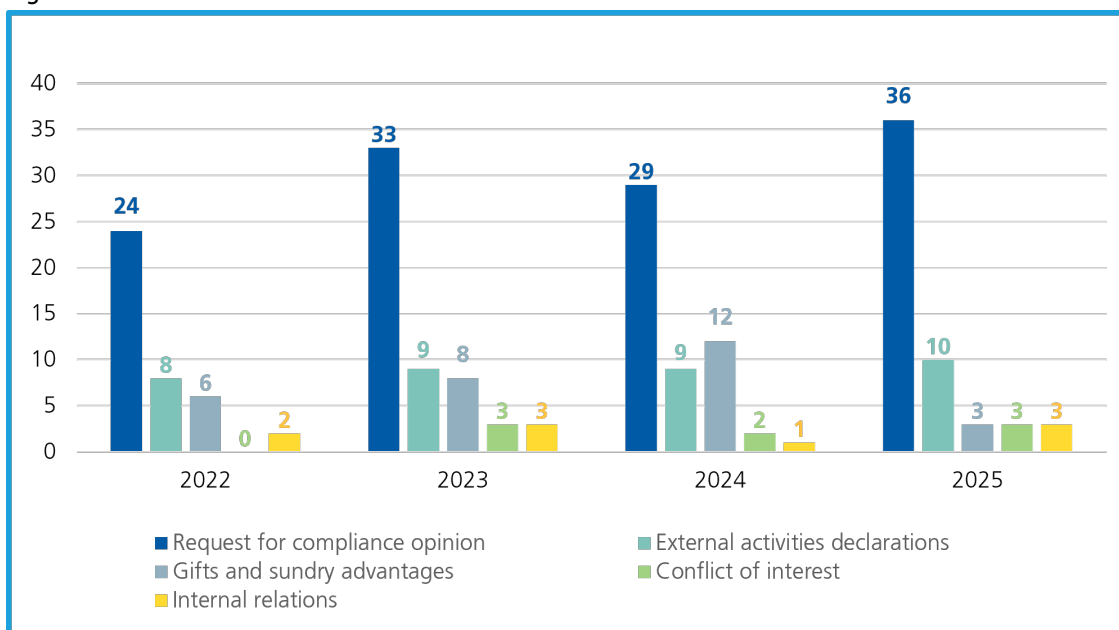
Figure 6: The CEB complaint handling process



Ethics and integrity

The Code of Conduct of the CEB sets out the values, guidance, duties and obligations as well as the conduct that the CEB expects from staff members, elected officials, contractual collaborators and governing body members.

In 2025, the Compliance Office provided extensive advice on 36 internal opinions related to CEB Code of Conduct issues, responding to queries from personnel of all levels, mainly related to compliance with internal procedures, due diligence, incompatibility and external activities.

Figure 7: Ethics and conduct

The Compliance Office also provides preliminary assessments on governance and ethical issues to management and CEB services. It encourages the amicable resolution of complaints and/or mediation where appropriate, while maintaining an open-door policy and proactively contributing to speak-up culture at the CEB.

On 23 April 2025, the CEB endorsed the Standards of Practice for Ethics Functions together with multilateral development banks (MDBs) and international financial institutions (IFIs) that are members of the Ethics Network of Multilateral Organisations ([ENMO](#)), reflecting a shared commitment to working as a system. These Standards provide a common reference framework aimed at strengthening ethics functions across international organisations, emphasising the importance of an independent, adequately resourced and professionally competent ethics office in promoting integrity, transparency and accountability.

They set out key principles and responsibilities, including the provision of guidance and advice to staff and management, the promotion of ethical decision-making, the management of conflicts of interest, the fostering of a speak-up culture, and the delivery of training and awareness initiatives. The Standards also underline the importance of operational independence, impartiality and confidentiality, as well as the need for strong leadership commitment, robust ethical policies, effective reporting mechanisms and protection against retaliation.

While non-binding, these Standards reflect internationally recognised best practices and contribute to the progressive harmonisation of ethics frameworks across multilateral institutions. Their endorsement further supports the CEB in strengthening its ethical culture, enhancing governance and accountability, and reinforcing transparency in line with evolving international standards.

Investigations

The CEB follows the Rule of the Governor and its investigation internal procedures, in line with the [MDBs joint investigations principles, guidelines and procedures](#). In 2025, one investigation on alleged misbehaviour was conducted by the Office.

Training and awareness raising

Marking International Anti-corruption Day 2025: Every year, the CEB marks International Anti-corruption Day on 9 December, joining the international community in acclaiming the importance of integrity, transparency and accountability and reaffirming its determination to oppose corruption in all its forms.

Mandatory compliance training: The Compliance Office conducts a yearly, mandatory induction session for all newly hired CEB staff members. This training offers an in-depth overview of the Bank's compliance culture and responsibilities. Led by the Chief Compliance Officer, the session covers a wide array of subjects, including a reaffirmation of the CEB's fundamental values, an explanation of OCCO's mission and objectives, and discussions about essential compliance risks, such as corruption, money laundering, and other prohibited activities.

Masterclasses and compliance ambassadors: On November 2025, the CCO provided advanced training to CEB Compliance Liaison Officers, to inform them about of the latest compliance and information security update on policies, procedures and ongoing training. This year's annual event included a roundtable to discuss compliance topics, gather feedback and exchange views among participants.

Information security and personal data protection

The CEB remains committed to advancing its cybersecurity and data protection framework by proactively addressing emerging threats through comprehensive preventive and response strategies. Fostering digital awareness is key for organisational integrity and ensuring regulatory compliance.

Information security

In 2025, the CEB did not face any major cybersecurity incident. However, various incidents of limited severity occurred and were diligently handled as per the procedures in place.

Strategy and governance: The Bank initiated a complete review of its normative cybersecurity documents in 2025. This process found that while most of the principles listed in the current applicable security normative documents, remain relevant, there was a need to update some texts to reflect the evolution of the digital landscape. New guidelines on the safe and effective use of artificial intelligence were issued, for instance, as well as steps taken to address fast-emerging threats. New updated versions of the relevant normative documents are currently being finalised.

Support of major IT projects

- **Collaborative tools:** In 2025, the Bank deployed a suite of collaborative tools for all users, to support smoother collaboration in day-to-day operational activities. The Chief Information Security Officer (CISO) was actively involved in this project, notably to manage the various security implications. Moreover, this project allowed for the implementation of data classification features, as a key element to better protecting CEB data from unauthorised access.
- **Enterprise Resource Planning (Atlas):** As this is now up and running across the Bank, the CISO has continued to follow up on Atlas developments to make sure security aspects were continuously taken into account.
- **Privileged Access Management (PAM) tool:** The Bank launched a tender in 2025 to renew its Privileged Access Management (PAM) solution, working in close collaboration with the CISO. The selected solution is expected to be implemented in the first half of 2026, allowing further improvements to the security level of the CEB's IT infrastructure.
- **Capital Markets System (CMS):** As part of the IT Master plan, the CEB initiated a major project to replace its core banking system, which is currently benchmarking various service providers. While the project is in an early phase, the CISO has been involved since the beginning to make sure security aspects are considered from the design stage onwards.

Swift Customer Security Programme: As with any organisation using the Swift platform, the CEB has to comply with the Swift Customer Security Programme annually. This programme, which has been enriched regularly throughout the years, is composed of 31 controls (of which 25 are mandatory) covering the main aspects of cybersecurity, such as vulnerability management, access management and security awareness.

As the previous years, the Bank mandated a certified company to conduct the assessment, both on the Bank Identifier Code (BIC) historically used to conduct core banking operations, but also on the new BIC created in 2025 as part of the Atlas project. The outcome of these two assessments has been highly positive, with 100% of the controls having been rated as fully compliant. As imposed by Swift, the outcome of this assessment was published on the Swift customer website so that our counterparties can have the visibility of the Bank's compliance.

Cyber resilience: In parallel to the continuous reinforcement of the Bank's cyber protection capabilities, the CEB has continued to strengthen its cyber resilience capabilities in 2025.

- **Organisation of cybersecurity table-top exercises:** In order to train and develop the Bank's senior management capacities and reflexes in front of a cybersecurity crisis, two cybersecurity simulation exercises were undertaken in 2025. These exercises simulated specific cyberattacks hitting the CEB, testing how the persons in charge would react and make the appropriate decisions when confronted with various evolutions of the crisis.
- **Development of IT capabilities to limit interruptions of core business activities:** To complete its cyber resilience framework, the CEB has been implementing various technical solutions to facilitate the continuity of core business operations in case of a major cyberattack hitting the Bank.
- **Contracts with specialised cybersecurity companies:** Two dedicated tenders were conducted in 2025 to renew major cybersecurity services for the Bank: (1) Cyber Threat Intelligence to anticipate as much as possible the cybersecurity threats to the Bank and (2) Cyber Response assistance to benefit from skilled and immediate assistance in case of problems. While these services were already in place, the tender launched in 2025 led to contracting with new providers, so the CEB can benefit from the best service possible in these key areas.

Training and awareness: Fostering a security culture within the organisation is a core ambition of the Bank's cybersecurity strategy, as reflected in the delivery of a series of awareness-raising actions throughout 2025, in particular:

- **General security awareness sessions:** a series of three training sessions (two in French, one in English) was organised at the end of 2025, during which the CISO was able to raise CEB staff members' awareness of the current cyberthreat landscape and deliver concrete tips and best practices for reducing risks.
- **Phishing simulation campaigns:** three campaigns were carried out to train staff members how to identify phishing e-mails.
- **Interactive e-learning:** an e-learning initiative was launched in 2025, providing all staff with tips and best practices for their daily use.

Personal data protection

Training on personal data protection

A training course on the core principles of data protection and pertinent CEB regulations was delivered in February to selected staff, including two target groups in particular:

- **HR staff members** who joined the Bank during the past year. The HR Division must routinely handle significant quantities of sensitive personal and staff-related data within the Bank. The training course ensures that these agents are well-informed about data protection principles and obligations;

- **Compliance Liaison Officers** across the Bank were provided with guidance to help them support colleagues processing personal data in the course of their work.

Data Protection Commissioner

The CCO and DPO held two regular meetings in 2025 with the Data Protection Commissioner (DPC). Following these meetings, and as stated in the CEB personal data protection regulations, the DPC issued an annual report, providing an assessment of the Bank's standing with regard to personal data protection. The report is available on the coebank.org website: [CEB Data Protection Regulations](#).

International cooperation

The CEB actively cooperates with a range of international reference bodies responsible for fighting corruption, fraud and money laundering. Such outreach underlines the Bank's firm commitment to combatting financial crime, enabling it to stay abreast of the latest developments and further strengthen its own integrity and compliance safeguards.

The CEB attaches great importance to its special institutional relationship with the Council of Europe. For OCCO, this means working closely with specialist bodies, particularly the Group of States against Corruption ([GRECO](#)) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ([MONEYVAL](#)).

The Compliance Office has continued actively to engage as an observer within key intergovernmental initiatives, such as those of the Organisation for Economic Cooperation and Development (OECD). It participated in important events organised by the [OECD Global Anti-Corruption and Integrity Forum](#), the [OECD Anti-Corruption Network for Eastern Europe and Central Asia \(ACN\)](#), the [OECD Working Group on Bribery](#).

In 2025, OCCO actively engaged with peers. Its participation included high-level meetings and forums such as the Economic Crime Prevention conference, the ACFE Fraud conference, the MDB Private Sector Integrity meeting, the [Conference of International Investigators](#), the [Ethics Network of Multilateral Organisations \(ENMO\) meeting](#), [Forum International de la Cybersécurité \(INCYBER\)](#), the European IFIs cybersecurity workshop, as well as the [EDPS workshop on data protection](#).

Annex

Abbreviations

AML	Anti-Money Laundering
BIC	Bank Identifier Code
CCO	Chief Compliance Officer
CFT	Combating the Financing of Terrorism
CMS	Capital Markets System
CRA	Compliance Risk Assessment
CRC	Credit Risk Committee
CISO	Chief Information Security Officer
DPC	Data Protection Commissioner
DPO	Data Protection Officer
ENMO	Ethics Network of Multilateral Organisations
GRECO	Group of States against Corruption
IFI	International Financial Institution
KYC	Know Your Customer
MDB	Multilateral Development Bank
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures Financing of Terrorism
OCCO	Office of the Chief Compliance Officer

Contact information

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Member countries

The CEB has 43 member countries, which are the Bank's shareholders. All countries that are members of the Council of Europe are eligible to join the CEB.

Albania ★

Andorra

Belgium

Bosnia and Herzegovina ★

Bulgaria ★

Croatia ★

Cyprus ★

Czech Republic ★

Denmark

Estonia ★

Finland

France

Georgia ★

Germany

Greece

Holy See

Hungary ★

Iceland

Ireland

Italy

Kosovo ★

Latvia ★

Liechtenstein

Lithuania ★

Luxembourg

Malta ★

Republic of Moldova ★

Montenegro ★

Netherlands

North Macedonia ★

Norway

Poland ★

Portugal

Romania ★

San Marino

Serbia ★

Slovak Republic ★

Slovenia ★

Spain

Sweden

Switzerland

Türkiye ★

Ukraine ★

★ Target Group Countries



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