

# FUNDING IN 2017

## DEBT ISSUANCE

Subject to the annual borrowing authorisation set by the Administrative Council, the CEB issues debt in the international capital markets. In 2017, the Bank borrowed a total of €2.99 billion in five financing operations, including one new re-opening transaction of an existing line, with maturities of one year or more. This amount is similar to the volume of financing in 2016, which stood at €3.14 billion and consisted of six funding operations including two re-openings of existing issues. The 2017 funding programme fulfilled three main objectives:

- to cover the requirements arising from the Bank's lending activity
- to enable the Bank to honour its debt maturities
- to enable the Bank to maintain liquidity at the level set by the Administrative Council.

To ensure the necessary funding to finance its activities, the Bank continues to combine benchmark operations on major currencies targeting a broad range of institutional investors with debt issues in a given currency or with a more specific structure designed to meet specific investor demands.

In 2017, 62.2% of the funds raised by the Bank were denominated in US dollars, 16.7% in Euros and 21.1% in British pounds. These transactions enabled the Bank to diversify the markets in which its activities are financed while at the same time allowing for a broadening of its investor base.

In USD, two transactions were priced under a Global format for a total amount of USD 2 billion: a USD 1 billion benchmark with a three-year maturity in January and another USD 1 billion benchmark with a two-year maturity in May. The USD market was thus the CEB's most important market in terms of financing volumes in 2017.

In EUR, the Bank's inaugural Social Inclusion Bond, a EUR 500 million benchmark with a seven-year maturity, was priced in April, making the EUR market the second largest in terms of funding volume.

In other currencies, one new five-year GBP 500 million issue was priced and subsequently re-opened for an amount of GBP 75 million, to bring the total combined amount to GBP 575 million. The new 2022 line represents the largest British pound transaction that the Bank has ever issued.

## Debt issued in 2017

Payment	Maturity Date	Currency	Term	Nominal amount (in millions)	Lead manager
27/01/2017	27/01/2020	USD	3.0 years	1,000	Barc/JPM/RBC/TD
10/04/2017	10/04/2024	EUR	7.0 years(*)	500	CA/Rabo/GS/DZ
17/05/2017	17/05/2019	USD	2.0 years(*)	1,000	BNPP/MS/NOMURA/SG
15/09/2017	30/06/2022	GBP	4.79 years	500	Barc/RBC/TD
30/10/2017	30/06/2022	GBP	4.67 years	75	DB/Nomura

(\*) Re-opening of existing bonds

After taking swaps into account, the total amount of funds borrowed was denominated in euros.

The average maturity of the issues launched in 2017 was 3.7 years, compared with 6.1 years in 2016. The table above shows funds raised in their original currencies.

In 2017, 37.8% of the issues carried out under the borrowing programme had final maturities of close to five years or more, compared with 68.8% in 2016, in order to ensure the refinancing of the Bank's loans and avoid cash gaps in the coming years.

The multi-currency EMTN programme was updated in November 2016. The Australian and New Zealand Dollar MTN (Australian programme) was updated in September 2015 to adapt the legal framework of the Bank's issues to changes in financial market regulations. The CEB's Euro-Commercial Paper Programme was updated in December 2017.

## TREND IN DEBT POSITION

At 31 December 2017, the outstanding debt represented by securities, excluding interest payable, amounted to €18.2 billion, down from €19.3 billion in the previous year.

In 2017, the Bank did not repurchase any of its long-term debt and did not make any early repayments. The breakdown of debt by maturity is as shown in the graph below.

## Debt outstanding by maturity as at 31 December 2017

in million euros

