

# Funding in 2018

## Debt issuance

Subject to the annual borrowing authorisation set by the Administrative Council, the CEB issues debt in the international capital markets. In 2018, the Bank borrowed a total of € 4.91 billion in eleven financing operations, including six re-opening transactions of existing issues, with maturities of one year or more. This amount is higher than the volume of financing in 2017, which stood at € 2.99 billion and consisted of five funding operations including one re-opening of an existing issue. The 2018 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 transaction in 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 2018, 73.3% of the funds raised by the Bank were denominated in Euros, 16.4% in US dollars and 9.4%

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 EUR, seven transactions were priced: A EUR 1 billion ten-year benchmark in January, the Bank's second EUR 500 million seven-year Social Inclusion Bond in March, a new EUR 1 billion five-year benchmark in May and, between January and September, one EUR 250 million re-opening of the October 2022 benchmark and three re-openings totalling EUR 850 million of the August 2021 benchmark. As a result, the EUR market was the most important in terms of funding volumes in 2018.

In other currencies, one new three-year GBP 300 million issue was priced in late July and subsequently re-opened twice, for a combined amount of GBP 150 million, to bring the total amount to GBP 450 million.

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

The average maturity of the issues launched in 2018 was 5.7 years, compared with 3.7 years in 2017. The table below shows funds raised in their original currencies.

## Debt issued in 2018

Payment	Maturity Date	Currency	Term (in years)	Nominal amount (in millions)	Lead manager
24/01/2018	24/01/2028	EUR	10.00	1 000	Barc/BNPP/CACIB/DB
05/02/2018	27/10/2022	EUR	4.72 (*)	250	Barc/Commerz
13/02/2018	13/02/2023	USD	5.00	1 000	GS/HSBC/Nomura/TD
27/03/2018	27/03/2025	EUR	7.00	500	CACIB/DZ/GS/Rabo
24/05/2018	24/05/2023	EUR	5.00	1 000	Commerz/JPM/Natixis/SG
05/07/2018	31/08/2021	EUR	3.16 (*)	250	DZ Bank
25/07/2018	31/08/2021	EUR	3.10 (*)	350	TD/UniCredit
07/08/2018	15/12/2021	GBP	3.36	300	Barc/RBC/TD
25/09/2018	31/08/2021	EUR	2.93 (*)	250	BoA/HSBC
09/10/2018	15/12/2021	GBP	3.18 (*)	100	NatWest/Nomura
05/12/2018	12/12/2021	GBP	3.02 (*)	50	HSBC

(\*) Re-opening of existing bonds

In 2018, in order to ensure the refinancing of the Bank's loans and avoid cash gaps in the coming years, 72.4% of the issues carried out under the borrowing programme had final maturities of close to five years or more, compared with 37.8% in 2017.

The multi-currency EMTN programme was updated in December 2018. The Australian and New Zealand Dollar MTN (Australian programme) was last 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 2018, the outstanding debt represented by securities, excluding interest payable, amounted to € 18.9 billion, up from € 18.2 billion at the end of the previous year.

In 2018, 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 shown in the graph below.

### Debt outstanding by maturity as at 31 December 2018

in million euros

