Message from the Governor

This report covers the activity of the CEB in 2021, during which my predecessor, Rolf Wenzel, was at the helm. I wish to add my personal appreciation to the credit he deserves for the excellent results of the year.

Operationally, 2021 was characterised by solid lending activity in targeted sectors, thereby playing an important role in strengthening social cohesion in our member countries. Following extraordinarily high levels of activity in 2020, driven by the Bank’s response to member countries’ immediate COVID-19 needs, 2021 witnessed a return to the levels set in the Development Plan 2020-2022, with a total amount of € 4.2 billion approved over 57 social projects. As of year-end, the CEB’s loan portfolio stood at € 18.9 billion and its stock of projects at € 8.9 billion, compared with € 17.4 billion and € 9.5 billion respectively at the end of 2020. In the capital markets, the Bank fully utilised its € 5.5 billion borrowing authorisation and for the first time in a given calendar year issued bonds across a record eight different currencies. Net profit for the year amounted to € 94.8 million.

2021 was a year where the CEB maintained its involvement at key stakeholder fora. During the Finance in Common Summit, the Bank played an important role with the wider community of public development banks in the promotion of mainstreaming social aspects of investment projects. The CEB also participated in the 2021 United Nations Climate Change Conference (COP26) in Glasgow, with a delegation that engaged in a number of important exchanges with the Bank’s stakeholders.

Looking ahead, my intention is to build upon these successes. We will further enhance our visibility among those who need us most, while in parallel engaging more deeply with a wide range of stakeholders, including in particular, the Council of Europe, the European Union, civil society organisations and, crucially at this juncture, our own shareholders.

We now live in a profoundly and irrevocably altered world following the COVID-19 pandemic. We are already seeing signs that the priorities of yesteryear will not be the only areas of concern in the times ahead. Many of the social challenges and inequalities which existed prior to COVID-19 have been exacerbated by the pandemic; many more have been catalysed in previously unforeseen ways. Our challenge, therefore, must be to understand our stakeholders’ evolving needs so that we can support them in improved ways, ensuring that a “build back better” approach is implemented, leading to such genuine and sustainable social inclusion.

At this hour of darkness, war is raging in Europe and I would like to express our solidarity with the Ukrainian people who are victims of the military invasion launched by Russia. The humanitarian situation in Ukraine is deteriorating rapidly, with millions of people fleeing death and destruction, desperately seeking safety in neighbouring countries and beyond. The CEB will stand by its member countries in responding to this unprecedented crisis, in line with its historical mandate to assist refugees, migrants and displaced persons.

In 2021, we proudly celebrated the 65th anniversary of the establishment of the CEB. It is a great honour for me now to inherit the leadership of this institution: an institution with such an important historical legacy and a unique social mandate. It has already achieved so much for so many, and today has significant capacity to do even more. My belief is that we can, and indeed must, leverage on this capability to deliver further on the Bank’s mission to help the most vulnerable and disadvantaged people in Europe, especially now. As Governor, I commit to remain steadfast in my efforts to achieve this vision.

Paris, 10 March 2022
Carlo MONTICELLI