

40 Member States

*Albania**Belgium**Bosnia and Herzegovina**Bulgaria**Croatia**Cyprus**Czech Republic**Denmark**Estonia**Finland**France**Georgia**Germany**Greece**Holy See**Hungary**Iceland**Ireland**Italy**Latvia**Liechtenstein**Lithuania**Luxembourg**Malta**Moldova**Montenegro**Netherlands**Norway**Poland**Portugal**Romania**San Marino**Serbia**Slovak Republic**Slovenia**Spain**Sweden**Switzerland**"the former Yugoslav
Republic of Macedonia"**Turkey*

Meeting of the Governing Board Approval of the accounts for financial year 2008

240

Paris, 7 April 2009:

The Governing Board today approved the accounts of the Council of Europe Development Bank (CEB) for the year 2008. The Report of the Governor, Mr. Raphaël ALOMAR, will therefore be published shortly. During 2008, while the financial and economic crisis worsened, the CEB intensified its contribution in favour of social cohesion in the service of solidarity in Europe, strengthened by the confidence of its Member States, in close dialogue with the Council of Europe and in coordination with its international partners.

Despite deep turbulence on the financial markets, the CEB's net results remained at a high level, standing at € 95.8 million (up 2.7% in relation to 2007). These results reinforce the strict prudential policy that has been conducted for several years and which now enables the CEB to mobilise all its resources to fully accomplish its social mandate in the present crisis, particularly in the countries where its contribution is most needed.

During 2008, 39 new projects were approved for a total of € 1 861 million, which is a slightly lower amount than that for 2007. Intensification of the activity in favour of the group of 21 target countries¹ in Central and South Eastern Europe was pursued with the approval of 27 projects representing over € 1.2 billion. The new commitments signed amounted to almost € 2 billion, 65% of which were in favour of the target group countries.

The global volume of disbursements for the year was maintained at € 1.5 billion, bringing the loans outstanding to € 12 billion by the end of the year. As an illustration of the efforts made by the Bank in terms of project identification and preparation in the target group countries, particularly in a period of crisis, 70% of all disbursements in the year concerned the target group, representing an amount of € 1 059 million (up 58% in relation to 2007). This very significant effort did not affect the quality of the CEB's loan portfolio or, therefore, its risk profile: thanks to an active policy of guarantees and credit enhancement, counterparties with an investment grade rating represent almost 90% of the portfolio.

The breakdown of the lending activity was made according to the CEB's three sectoral lines of action: 65% in favour of strengthening social integration, 17% for managing the environment and 18% for developing human capital. The CEB's disbursements were spread among 24 of its Member States, with 70% of the total amount of loans disbursed located in the target group countries.

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¹ Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Malta, Moldova, Montenegro, Poland, Romania, Serbia, Slovak Republic, Slovenia, "the former Yugoslav Republic of Macedonia", Turkey

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Moldova
Montenegro
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Key figures
(in million euros)

	2008	2007
Loans disbursed during the year	1 505	1 590
Projects approved during the year	1 861	2 414
Commitments signed during the year	1 958	2 621
Loans outstanding	12 423	12 007
Own funds (after allocation of profit)	4 718	4 754
Total assets	21 403	18 509
Net profit	95.8	93.3

2008 was also marked by the publication of the report by the Committee of Eminent Persons entitled "*CEB Strategic Review: Contributing to a Socially Cohesive and Sustainable Europe in the 21st Century*" (which is now available on the Bank's website). Implementation of the recommendations put forward by the Committee of Eminent Persons, which benefited from contributions from Mr. Iglesias, former President of the *Inter-American Development Bank*, and from Mr. Sigurðsson, former President of the *Nordic Investment Bank*, as well as advice from Mr. de Larosière, former Managing Director of the IMF and former President of EBRD, could enable the Bank to further enhance its effectiveness by simplifying its governance.

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Set up in 1956, the **CEB** (Council of Europe Development Bank) has **40 Member States**. 18 Central and Eastern European countries are listed among the Member States.

As a major instrument of the policy of solidarity in Europe, the Bank finances social projects by making available to them resources raised in conditions reflecting the quality of its rating (**AAA** with Standard & Poor's, Fitch Ratings and Moody's). It thus grants loans to its member states, to financial institutions and to local authorities for the financing of projects in the social sector, in accordance with its Articles of Agreement.