

23. Borrowings

(in thousands of euros)	Carrying amount		Fair value		Year of maturity	Interest rate
	2018	2017	2018	2017		
EMTN programme	1,839,429	1,363,399	2,005,400	1,539,896	2019-2038	1.12%-4.97%
European Investment Bank	482,500	491,500	542,377	560,604	2024-2031	2.12%-4.14%
KfW IPEX-bank	99,809	99,772	111,438	113,240	2024	2.80%
Schuldschein	60,979	60,822	64,454	67,960	2019	5.50%-5.75%
Namenschuldverschreibung	24,839	24,799	30,666	31,686	2023	5.07%
Other borrowings	59,334	69,555	59,334	69,540		
Total	2,566,890	2,109,847	2,813,669	2,382,926		

(in thousands of euros)	Currency	Face value	Carrying amount		Fair value		Year of maturity	Interest rate
			2018	2017	2018	2017		
XS1900101046	EUR	500,000	491,738	-	507,500	-	2030	1.50%
XS0621167732	EUR	438,447	430,075	426,487	481,722	500,478	2021	4.43%
XS1301052202	EUR	400,000	404,229	404,720	428,832	434,440	2026	2.00%
XS0378569247	JPY	20,000,000	158,731	147,617	219,024	197,271	2038	3.16%
XS1437013870	EUR	150,000	149,775	149,745	149,522	146,838	2028	1.12%
XS0459442710	EUR	85,000	84,986	84,969	88,129	93,370	2019	4.97%
XS0459479399	EUR	50,000	49,983	49,963	51,761	54,895	2019	4.94%
XS0983151282	EUR	40,000	39,954	39,948	45,258	46,555	2025	3.08%
XS0997565436	EUR	30,000	29,959	29,953	33,652	34,501	2025	2.94%
XS0167622454	EUR	30,000	-	29,997	-	31,548	2018	5.16%
EMTN programme			1,839,429	1,363,399	2,005,400	1,539,896		

The fair value is estimated by discounting the future contractual cash flows at current market interest rates available to the borrower for similar financial instruments. For loans that are actively traded in a public market the quoted prices are used to calculate the fair value.

Schiphol Group has a Euro Medium Term Note (EMTN) programme, making it possible at present to raise funds of up to 3.0 billion euros as required, provided the prospectus is updated annually. The prospectus was updated in 2018. The covenants of the EMTN programme provision that a 'change of control' in combination with a 'downgrade below investment grade' triggers early redemption. There was no obligation to do so in 2018.

At year-end 2018, borrowings under the programme totalled 1,839 million euros (31 December 2017: 1,363 million euros). In 2018 Schiphol Group issued 500 million euros in green bonds to invest in the sustainability of its airports. The senior unsecured bonds are due 5 November 2030 and carry an annual coupon of 1.5%.

Schiphol Group has two facility agreements with the European Investment Bank for a total of 550 million euros, which have been drawn in full (and of which 67.5 million euros has since been repaid). Schiphol Group could be obliged to redeem the loan early if (in addition to the usual circumstances) other loans are repaid early or equity declines below 30% of total assets. Additional security will be demanded if the credit rating drops to BBB or lower (S&P) or to Baa2 or lower (Moody's). The loan agreement also contains a 'change of control' clause.

Schiphol Group entered into an agreement with KfW IPEX-Bank for a facility of 100 million euros, which was fully drawn in 2014 and has a maturity of ten years. Schiphol Group has issued two *Schuldschein* notes (fixed-interest loans with terms of seven and ten years) with a nominal value of 61 million euros (31 December 2017: 61 million euros). Both notes will be redeemed in the first half of 2019. In principle, the *Schuldschein* documentation includes the same covenants as the EMTN programme.

In 2017 Schiphol Group entered into a new agreement with the European Investment Bank for a total facility of 350 million euros to finance the development of the new pier and terminal, comprising a committed tranche of 175 million euros and an uncommitted tranche of 175 million euros. In addition, Schiphol Group has a Euro-Commercial Paper (ECP) programme with a limit of 750 million euros. As per 31 December 2018 no use has been made of these two facilities.

Borrowings under the EMTN programme, the ECP programme, the EIB facility and the KfW facility are not subordinate to other liabilities.

Schiphol Group has access to a 300 million euro syndicated and committed facility with a term to June 2022. Schiphol Group also has access to a bilateral committed facility of 100 million euros agreed with Bank Nederlandse Gemeenten with a maturity to 1 January 2020. In addition, Schiphol Group holds two bilateral uncommitted facilities of 75 million euros each. Eindhoven Airport has a facility for 36 million euros, of which 12 million euros had been drawn as at 31 December 2018.

Of the total loans, an amount of 158.7 million euros has been drawn in Japanese yen (JPY 20 billion). In line with the financial risk management policy, a combined cross-currency swap has been contracted on the JPY loan to hedge the exchange rate risks relating to this loan. In principle, the transactions concerned correspond to all relevant characteristics of the respective loans, such as maturity and amount, and hedge the positions with respect to the euro and/or fixed interest rates. All hedging transactions are accounted for as cash flow hedges and are fully effective.

The current portion of borrowings at 31 December 2018 of 200.7 million euros (31 December 2017: 35.2 million euros) is recognised under current liabilities.

In 2018 Schiphol Group met the agreed covenants included in the various contracts.

The average interest rate of outstanding borrowings in 2018 was 3.0% (2017: 4.1%).

The remaining terms of the borrowings as at 31 December 2018 are as follows:

(in thousands of euros)	Total	<= 1 year	> 1 year	> 1 year and <= 5 years	> 5 years
EMTN programme	1,839,429	130,917	1,708,512	433,395	1,275,116
European Investment Bank	482,500	9,000	473,500	36,000	437,500
KfW IPEX-bank	99,809	-38	99,847	-150	99,997
Schuldschein	60,979	60,979	-	-	-
Namensschuldverschreibung	24,839	-39	24,877	24,877	-
Other borrowings	59,334	-165	59,499	59,499	-
Total borrowings	2,566,890	200,655	2,366,235	553,622	1,812,613

The movements in borrowings during the year were as follows:

(in thousands of euros)	Borrowings > 1 year	Borrowings <= 1 year	Total
Carrying amount as at 1 January 2017	2,010,773	4,927	2,015,700
Movements in 2017			
New borrowings	118,845	-	118,845
Fair value movement	4,950	-	4,950
Transferred to current liabilities	-44,727	44,727	-
Repayments	-	-18,727	-18,727
Exchange differences	-14,800	-	-14,800
Other movements	-414	4,293	3,879
Total movements in the year	63,854	30,293	94,147
Carrying amount as at 31 December 2017	2,074,627	35,220	2,109,847
Movements in 2018			
New borrowings	491,620	-	491,620
Fair value movement	2,621	-	2,621
Transferred to current liabilities	-213,736	213,736	-
Repayments	-	-52,000	-52,000
Exchange differences	11,103	-	11,103
Other movements	-	3,699	3,699
Total movements in the year	291,608	165,435	457,043
Carrying amount as at 31 December 2018	2,366,235	200,655	2,566,890

For more details regarding the fair value movement, please refer to note 29. [Management of financial risks and financial instruments.](#)

24. Employee benefits

(in thousands of euros)	Post-employment benefits	Other long-term employee benefits	Termination benefits	Total
Carrying amount as at 31 December 2018				
Liability defined contribution	26,166	16,518	7,781	50,465
Liability in the balance sheet	26,166	16,518	7,781	50,465
Carrying amount as at 31 December 2017				
Liability defined contribution	24,311	16,177	1,649	42,137
Liability in the balance sheet	24,311	16,177	1,649	42,137

The balance in the provision for termination benefits at the end of 2018 includes among others the costs Schiphol Group expects to incur in respect of restructurings in a few of its departments. The restructurings were announced in 2018 and implementation is ongoing or will commence in 2019.

Post-employment benefits consist of pension plans and job-related early retirement benefits. Other long-term employee benefits consist of long-service awards, disability benefit supplements and sustainable employment budget. The movements in post-employment benefit liabilities during the year were as follows:

(in thousands of euros)	2018	2017
Carrying amount as at 1 January	24,311	23,668
Total net benefit expense for the year	1,264	1,339
Benefits paid during the year	-1,314	-1,222
Actuarial changes presented in other comprehensive income	1,845	704
Other movements	60	-178
Total movements in the year	1,855	643
Carrying amount as at 31 December	26,166	24,311