



CEB issues EUR 500mm 7-year Social Inclusion Bond Benchmark Press Release – 8th April 2021

Final terms

Issuer	Council of Europe Development Bank (CEB)
Rating	Aa1/AAA/AA+ (stable/stable/positive)
Format	RegS
Issue Amount	EUR 500,000,000 (no grow)
Pricing Date	8 th April 2021
Settlement Date	15 th April 2021
Maturity Date	15 th April 2028
Coupon	0.000%
Re-offer vs. mid-swaps	-14 bps
Re-offer vs. Benchmark	+22.8 bps
Re-offer Price/Yield	102.391% / -0.337%
Joint Bookrunners	Credit Agricole CIB, DZ BANK, HSBC, ING

Background

- The Council of Europe Development Bank (CEB) is the only Multilateral Development Bank with an exclusively social mandate and has a strong track record of promoting social investments across Europe and is therefore ideally positioned to issue social bonds. The issuer has been issuing Social Inclusion bonds since 2017 and this new Social Inclusion Bond represents the sixth such benchmark from the borrower.
- The CEB's Social Inclusion Bond framework (April 2020) is in full alignment with the Social Bond Principles (ICMA). In line with the issuer's framework, proceeds of this new Social Inclusion Bond will be used for eligible loans in one or several of the following categories:
 - Social Housing
 - Education
 - Support to MSMEs
 - Healthcare (this category was added in the framework update in April 2020)
- The cumulative volume raised from CEB's Social Inclusion Bonds doubled in 2020, bringing the total to almost EUR 3bn since the programme's establishment in 2017. In March 2021, the issuer published its report on the COVID-19 Response Social Inclusion Bonds that were issued in 2020 (EUR 1bn 7-year in April 2020 and USD 500mn 3-year in June 2020). The allocation of the proceeds of both bonds reflected the emphasis on lending to healthcare and MSMEs in the context of the challenges posed by the COVID-19 pandemic. The report can be found under https://coebank.org/documents/1023/CEB_2020_Social_Inclusion_Bond_Report.pdf
- The new 7-year Social Inclusion Bond established another reference on the CEB's and represents the longest outstanding Social Inclusion Bond from the CEB.

Deal highlights

- The mandate was announced on Wednesday 07th April to allow investors sufficient time to prepare for this annual flagship transaction. Although no price thoughts were announced on the first day, the Bookrunners received good indications of interest from the investor community.
- The issuer announced that the transaction would be EUR 500mn (no grow) in size from the outset which triggered a strong response from investors as soon as books opened.
- The new issue was priced marginally through fair value on the back of very strong investor demand, which was the result of solid investor support for the borrower's social bond framework as well as excellent timing to take advantage of strong primary market conditions.
- Socially responsible investors were well represented in the orderbook, providing further investor diversification to CEB. **In the end, around two thirds of the issue was allocated to SRI investors.**
- The deal attracted a wide range of high quality investors and the orderbook was mainly driven by European investors, predominantly from the DACH region taking 40%, Benelux 27%, Asia 10% and Italy 10%. Banks & bank treasuries took 45% of the transaction, followed by central banks and official institutions taking 28%, asset managers 25% and pension & insurance funds 2%.

Distribution statistics

