

CEB issues USD 500 million 3-year Global Social Inclusion Bond ("SIB")
Press Release – 03rd June 2021

Bond Summary Terms

Issuer :	Council of Europe Development bank (CEB)
Issuer rating:	Aa1 / AAA / AA+ (Moody's / S&P / Fitch)
Issue Amount:	USD 500m million
Pricing Date:	03 June 2021
Settlement date:	10 June 2021
Maturity date:	10 June 2024
Coupon:	0.375 %
Re-offer vs. mid swaps:	MS – 4bps
Re-offer vs. Benchmark:	+8.2
Re-offer Price/Yield:	99.923% / 0.401%
Joint lead managers:	Citi, Deutsche Bank, Nomura and Société Générale
ISIN:	US222213AX87

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. The pioneering issuer has been issuing Social Inclusion Bonds since 2017 and this Social Inclusion Bond represent the seventh 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 to 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)
- With strong momentum over the past 18 months against the backdrop of the ongoing COVID-19 pandemic, following this issue the cumulative volume raised from CEB's Social Inclusion Bonds has now reached nearly EUR 4bn 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 (EUR1bn 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
- In April 2021, continuing the success of Social Inclusion Bond programme CEB issued a new EUR500m million 7-year Social Inclusion Bond.

Deal highlights

On Thursday 3rd June 2021, Council of Europe Development Bank (CEB), rated Aa1 / AAA / AA+ (stable/stable/stable), launched a successful USD 500 million 3-year Social Inclusion Bond (“SIB”) via Citi, Deutsche Bank, Nomura and Société Générale. This is the CEB’s first USD benchmark transaction for 2021 and only its second ever Social bond in US\$.

The mandate for a new USD 3-year Global SIB benchmark was announced to the market at 13:00 London time on Wednesday 2nd June 2021, with Initial Price Thoughts (“IPTs”) of MS-2bps area. The transaction received strong investor interest from the outset, as Indications of Interest (“IOIs”) grew steadily overnight to exceed USD 725 million. The order book was officially opened at 8:00am London time the following morning with a price guidance of MS-3bps area, 1bp tighter than IPTs.

The transaction saw continued orderbook momentum during early London morning, allowing the final spread to be set 2bps tighter from IPTs at MS-4bps at 10:50am London time. At this point the orderbook of >USD 925 million was communicated to the market with books to close at 11:15 London (Europe/Asia).

Global Books eventually closed with 30 accounts participating in the deal. The transaction was officially priced at 15:16 London time, with a coupon of 0.375%, a reoffer price of 99.923% and a reoffer yield of 0.401%. With a reoffer spread of MS-4bps, this transaction represents the tightest pricing for a 3-year SSA issue in nearly 3-years, underscoring both the high credit quality and rarity factor offered by CEB.

The transaction witnessed particularly strong interest from Official Institutions who took up 63% of the total allocation. Banks & Bank Treasuries accounted for 20% and Fund Managers/Insurance for 17%, highlighting CEB’s strong investor franchise globally. Investor distribution was broadly diversified by region with the Americas taking the largest allocation at 51%, Asia at 35% and EMEA at 14%.

Investor Distribution:

By Investor Type

CB/OI	63%
Banks & Bank Treasuries	20%
FM/Ins	17%

By Geography

Americas	51%
Asia	35%
EMEA	14%

