

11 January 2023

## Press Release

### Council of Europe Development Bank

#### EUR 1 billion 2.875% Benchmark due January 2033

#### Transaction Highlights

- Council of Europe Development Bank successfully launches a EUR 1 billion 10-year benchmark amidst a busy EUR SSA pipeline, gathering a very high quality orderbook
- The issuer's first EUR benchmark of 2023 priced at Mid-Swaps +7 basis points, 1 basis point tighter from initial guidance and offering minimal new issue concession versus peers and its secondary curve
- The transaction comes at an important time for CEB, following the announcement of the Bank's strategic framework 2023-2027, which includes a strengthening of the CEB's capital base with a EUR 4.25 billion subscribed capital increase (EUR 1.2 billion paid-in)

#### Bond Summary Terms

Issuer:	Council of Europe Development Bank (Ticker: COE)
Issuer rating:	Aa1/AAA/AA+ (on review for upgrade/stable/positive)
Amount:	EUR 1 billion (no-grow)
Pricing Date:	10 January 2023
Settlement Date:	17 January 2023 (T+5)
Maturity Date:	17 January 2033
Coupon:	2.875%, Annual Act/Act
Issue Price:	99.188%
Issue Yield:	2.970% annual
Reoffer Spread:	MS+7bps / DBR 1.700% August 2032+68.7bps
Listing:	Luxembourg Stock Exchange's regulated market
Joint Lead Managers:	Bank of America Securities, Citigroup Global Markets Europe AG, Crédit Agricole CIB, Deutsche Bank Aktiengesellschaft
ISIN:	XS2576298991

#### Deal Execution and process

On Monday, 10<sup>th</sup> January 2023, Council of Europe Development Bank (CEB), rated Aa1/AAA/AA+ (on review for upgrade/stable/positive), priced a EUR 1 billion "no-grow" 10-year benchmark due 17 January 2033. The Joint Lead Managers on the transaction were BofA Securities, Citi, Credit Agricole CIB and Deutsche Bank. The transaction represents CEB's first benchmark outing of 2023 and kick starts its EUR funding programme under its EUR 7 billion Borrowing Authorisation for 2023.

Taking advantage of conducive market conditions for EUR SSA at the start of the year, CEB announced the mandate for its new EUR 10-year benchmark on Monday, 09<sup>th</sup> January 2023 shortly after 10:30am CET.

The transaction was announced with EUR 1 billion “no-grow” language, in line with CEB’s previous 10-year benchmark outings. The new bond extends the Bank’s EUR curve and provides a new reference point to investors.

On the back of high-quality investor engagement from the onset, a swift bookbuilding process led to books last seen over EUR 1.25 billion. This allowed CEB to set the spread 1 basis point tighter at Mid-Swaps + 7 basis points, +68.7 basis points above Bunds and offering a yield of 2.970% to the investors.

The transaction saw strong participation by Asset Managers/Insurance/Pension Funds (39%) and Central Banks/Official Institutions (21%), particularly when comparing to other 10-year supranational supply so far this year. The lions share went to France (26%) and Germany (23%), driven in part by the attractive spread to Bunds and OATs. Distribution into Netherlands/Luxembourg (22%), Austria/Switzerland (12%), the Nordic region (7%) and the UK (6%) equally underpin the broad reach and appeal of CEB’s credit amongst SSA investors.

## Investor Distribution

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By Geography	By Investor Type	
France	26% Banks	40%
Germany	23% AM	24%
Netherlands/Luxembourg	23% CB/OI	21%
Austria/Switzerland	12% Ins/PF	15%
Nordics	7%	
United Kingdom	6%	
Other Europe	2%	
Asia	1%	

## About Council of Europe Development Bank

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- The Council of Europe Development Bank (CEB) is a multilateral development bank with an exclusively social mandate. The Bank receives no aid, subsidy, or budgetary contribution from its member states to finance its activities. The necessary resources are therefore raised on the international capital markets in the form of borrowings.
- As a major instrument of the policy of solidarity in Europe, the Bank finances social projects by making available resources raised in conditions reflecting the quality of its rating (Aa1 with Moody's, on review for upgrade, AAA with Standard & Poor's, outlook stable and AA+ with Fitch Ratings, outlook positive).
- To ensure that it maintains access to the funds needed to pursue its activities, the Bank continues to have recourse both to large-scale borrowings in major currencies, aimed at a broad range of institutional investors, and to issues in given currencies or with specific structures corresponding to more particular requirements.
- One key pillar in the new strategic framework for 2023 – 2027 is the new capital increase. The subscribed capital increases by 78% while the Paid-In subscribed capital increases by 197% and will be financed through cash contributions from Member States – for the first time in CEB’s history.