

CEB issues USD 1 billion 3.625% Benchmark due January 2028

Press Release – 19th January 2023

Transaction Highlights

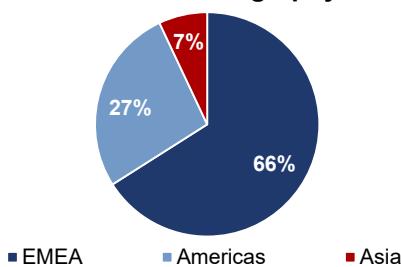
- Council of Europe Development Bank successfully launches a USD 1 billion 5-year benchmark amidst a busy USD SSA pipeline, gathering a very high quality orderbook**
- The issuer's first USD benchmark of 2023 priced at Mid-Swaps +41 basis points, offering minimal new issue concession versus peers and its secondary curve**
- This transaction represents the longest tenor on the CEB USD curve, hence successfully extending the issuer's curve**

Deal Details

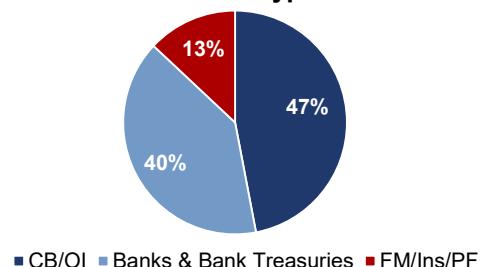
- On Thursday, 19th January 2023, Council of Europe Development Bank (CEB), rated Aa1/AAA/AA+ (on review for upgrade/stable/positive), priced a USD 1 billion “no-grow” 5-year benchmark due 26 January 2028
- The Joint Lead Managers on the transaction were Barclays, BNP Paribas, Goldman Sachs Bank Europe SE, RBC Capital Management. The transaction represents CEB's first USD benchmark of 2023
- The mandate for this benchmark bond was announced to the market on Wednesday, 18th January at 13:06 CET with IPTs of SOFR MS+41bps area
- IOIs grew in excess of USD700mm (including USD200mm JLM interest) overnight and guidance was set at SOFR MS +41bps area when books were officially opened on the morning of Thursday 19th January at 09:13 CET
- By 11:19 CET, books were over USD 1.2 billion (including USD 350mm JLM interest), and the CEB set the spread formally at SOFR MS+41bps area
- Books continued to grow, attracting a number of high-quality orders and closing over USD 1.6 billion (including USD 350mm JLM interest)
- The transaction was priced at 15:45 CET, with a coupon of 3.625% (s.a.), a re-offer price of 99.792% and a re-offer yield of 3.671%. The transaction priced with a spread of +20.2bps over Treasuries
- Over 50 accounts participated in the transaction with remarkable participation from CB/OIs who took the lion's share of the transaction (47%), which is quite noticeable given the tenor of the transaction. Banks and Bank Treasuries took 40% and finally Fund Managers, Insurances and Pension Funds were allocated 13% of the deal
- Investor demand came primarily from EMEA (66%), followed by Americas (27%) and Asia (7%)

Distribution Statistics

Investor Geography



Investor Type



Final Terms

Issuer:	Council of Europe Development Bank (Ticker: COE)
Issuer rating:	Aa1/AAA/AA+ (on review for upgrade/stable/positive)
Format	Global, SEC Registered
Amount:	USD 1 billion (no-grow)
Pricing Date:	19 January 2023
Settlement Date:	26 January 2023 (T+5)
Maturity Date:	26 January 2028
Coupon:	3.625%, Semi-Annual, 30/360
Reoffer vs. SOFR Mid-swaps	SOFR MS+41bps
Reoffer vs. Benchmark	+20.2bps
Reoffer Price/Yield	99.792% / 3.671% s.a.
Listing:	Luxembourg Stock Exchange's regulated market
Joint Lead Managers:	Barclays, BNP Paribas, Goldman Sachs Bank Europe SE, RBC Capital Management
ISIN:	US222213BB58

Background

- 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