

## CEB issues USD 1bn 3.750% 3-year Global Social Inclusion Bond Benchmark 16 May 2023

### Highlights

- This transaction is the 12<sup>th</sup> Social Inclusion Bond (SIB) issued by CEB, and the fourth in USD Global format, with a total funding volume in SIB format now totaling close to EUR 8 billion.
- This is the CEB's joint second largest USD SIB transaction at USD 1 billion.
- With only two other dollar-denominated SIB deals so far this year in the SSA market, the CEB has again demonstrated its support to the social bond investor base, increasing supply and reiterating its commitment to this market.
- Priced with a re-offer spread of SOFR MS+24bps, this deal represents the tightest 3-year supranational benchmark transaction on a SOFR MS basis this year.
- Over 74% of the transaction was placed with socially responsible investors.

### Final terms

Issuer	Council of Europe Development Bank (CEB)
Rating	Aaa/AAA/AA+ (stable/stable/positive)
Format	Global, SEC Registered
Issue Amount	USD 1,00,000,000
Pricing Date	16 <sup>th</sup> May 2023
Settlement Date	25 <sup>th</sup> May 2023
Maturity Date	25 <sup>th</sup> May 2026 (T+7)
Coupon	3.750%
Re-offer vs. SOFR Mid-Swaps	SOFR MS+24bps
Re-offer vs. Benchmark	+9.9bps
Re-offer Price/Yield	99.792%/ 3.824% s/a
Joint Bookrunners	Crédit Agricole CIB, Morgan Stanley, NatWest Markets and Nomura

### Background

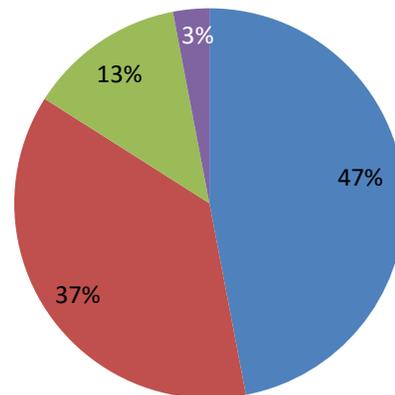
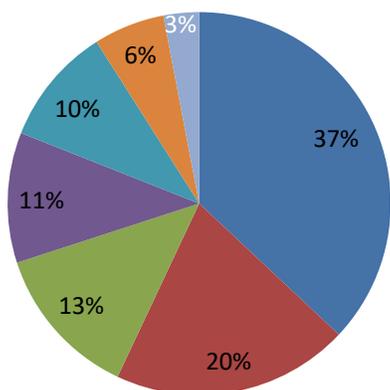
- The Council of Europe Development Bank (CEB) has an explicit social mandate, actively promoting social cohesion and social integration across Europe. The issuer has been issuing SIB since 2017 and this transaction represents its twelfth such benchmark.
- In line with the CEB's SIB Framework, the proceeds of this new bond will be used for eligible loans in one or several of the following categories: Social housing for low-income persons; Education and vocational training; Health and social care and support to MSMEs for the creation and preservation of jobs.
- All CEB loans are granted in accordance with specific technical and social development criteria and in strict conformity with environmental, procurement and compliance guidelines and policies.
- The CEB also screens project proposals for their consistency with applicable climate goals in line with its roadmap for alignment with the Paris Agreement.
- The CEB is committed to transparent reporting on the allocation and impact of eligible social loans that are financed by its SIBs. In March 2023, the CEB published its latest [SIB Report](#), this time under the Bank's new portfolio approach for the management of proceeds following the update of the SIB Framework last year.

- In addition to its support for its members countries during the COVID-19 pandemic and the Ukraine refugee crisis, the CEB has most recently supported the Republic of Türkiye following the severe damage from the earthquakes that occurred in February this year.
- The CEB, as the first multilateral development bank to disburse grants to provide immediate assistance to refugees from Ukraine, is also preparing to welcome Ukraine as a member in the coming months.

### Deal details

- The mandate for this SIB benchmark was announced to the market on Monday 15<sup>th</sup> May at 13.00 CET with IPTs of SOFR MS+24bps area.
- Though investor concerns over the approaching debt ceiling deadline are mounting, a stable backdrop during the course of Monday enabled a supportive book building process, capturing IOIs in excess of USD970m (excl JLM interest). Books were then officially opened on the morning of Tuesday 16<sup>th</sup> May at a guidance spread of SOFR MS+24bps.
- By 12.10 CET, books were over USD 1 billion, excluding JLM interest, with the spread set at SOFR MS+24bps. The transaction size of USD 1 billion was set when the transaction was formally launched at 15.00 CET.
- The transaction priced at 16.38 CET, with a coupon of 3.750%, a re-offer price of 99.792% and a re-offer yield of 3.824% s/a. The transaction priced with a spread of +9.9bps over Treasuries, making it the second tightest spread to UST for a SSA transaction year to date.
- Over 50 accounts participated in the transaction with broad diversification among investor geographically and types. Investors based in the Americas took 37%, followed by Asia (20%), Germany/Austria & Switzerland (13%), Middle East /Africa (11%), Other Europe (10%) and UK/Ireland (6%) with other countries accounting for the remaining 3%.
- CB/OIs took 47% of the transaction, followed by Banks (37%), Fund Managers at 13%, Hedge Funds (3%).
- Socially Responsible Investors (SRI) provided very strong support to this transaction with over 74% of the issue allocated to such investors.

### Distribution statistics





Morgan Stanley



NOMURA