

Council of Europe Development Bank

A\$550m 4.400% Kangaroo Social Inclusion Bond Benchmark due May 2030

Press Release – 26th February 2025

Highlights

- On Tuesday 25th February 2025, Council of Europe Development Bank (CEB), rated Aaa/AAA/AAA (all stable), priced a new A\$550m long 5-year Kangaroo Social Inclusion Bond due 24th May 2030
- CEB took advantage of a positive backdrop in the SSA Kangaroo primary markets to start 2025, as well as strong interest from dedicated Social investors for high quality ESG paper in the AUD space
- This transaction marks the second AUD Kangaroo Social Inclusion Bond benchmark in a row from the CEB, following last year's highly successful first ever Kangaroo Social Inclusion Bond in benchmark format
- The deal was met with very high-quality demand globally driven by Central Banks and Official Institutions which received 84% of the allocation. The orderbook closed in excess of A\$750m, highlighting the importance of the Social Inclusion feature
- Final allocations were broadly spread across regions and investor types, with demand coming from EMEA, Asia, LatAm and Australia. Focusing on the ESG driven demand, over 88% of the transaction was allocated to accounts with a strong ESG mandate
- With this trade, CEB extends their benchmark Kangaroo curve with a new liquid reference point in a strategic maturity bucket, following last year's AUD 600m 5yr Kangaroo SIB
- The Joint Lead Managers on the transaction were Commonwealth Bank of Australia, Deutsche Bank and RBC Capital Markets

Final Terms

Issuer:	Council of Europe Development Bank (Ticker: COE)
Issuer rating:	Aaa/AAA/AAA (all stable)
Amount:	AUD 550m
Pricing Date:	25 February 2025
Settlement Date:	4 March 2025 (T+5)
Maturity Date:	24 May 2030
Coupon:	4.400% Fixed, s.a RBA Bond Basis
Issue Price:	99.782%
Issue Yield:	4.446% s.a.
Reoffer Spread:	ASW+50bps ACGB May-30 +46.10bps EFP+61.60 bps
Joint Lead Managers:	Commonwealth Bank of Australia, Deutsche Bank and RBC Capital Markets
ISIN:	AU3CB0319143

Deal details

- The new AUD 5.25-year Social Inclusion Bond was announced to the market on Monday February 24th at 10:23 CET / 20:23h SYD with indicative pricing of ASW +50bps area
- The trade has seen a strong interest from high-quality accounts, with books standing in excess of A\$630m (incl. A\$50m JLMs) at the first book update at 23:04 CET / 09:04 (+1) SYD, while price guidance remained unchanged at ASW+50bps area
- At 4:10 CET / 14:10h SYD a second book update was published, by which allocations were released. Final demand stood in excess of A\$750m (incl. A\$ 150m JLMs), with a final deal size set at A\$550m, while the spread was set previously at ASW SQ+50bps
- Finally, at 04:59 CET / 16:59 SYD, the new A\$550m Kangaroo SIB deal was priced. The deal pays a coupon of 4.400%, with a reoffer price and yield of 99.782% and 4.446% s.a. respectively
- Allocations wise, EMEA-based investors took the lion's share with 93% of allocated demand, followed by APAC (6%) and Americas (1%). Investor quality on this deal was of very high, with CB/OIs taking 84% of the transaction, followed by Banks (13%) and Fund Managers/Insurances/Pension Funds (3%).

Background

- The Council of Europe Development Bank (CEB) has an explicit social mandate, actively promoting social cohesion and social integration in Europe. The issuer has been issuing Social Inclusion Bonds (SIB) since 2017 and this transaction represents the second SIB trade in syndicated Kangaroo format
- 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 the Paris Agreement
- The CEB is committed to transparent reporting on the allocation and impact of eligible social loans that are financed by its SIB. 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 in March 2022

Distribution Statistics

