

CEB issues inaugural EUR 500mn 7-year Social Inclusion Bond Benchmark

Press Release – 3rd April 2017

Final terms

Issuer	Council of Europe Development Bank (CEB)
Rating	Aa1 (stable) /AA+ (stable) /AA+ (stable) (Moody's/S&P/Fitch)
Format	RegS
Issue Amount	EUR 500,000,000 (no grow)
Pricing Date	3 rd April 2017
Settlement Date	10 th April 2017
Maturity Date	10 th April 2024
Coupon	0.125% (annual ACT/ACT)
Re-offer vs. mid-swaps	-20bps
Re-offer vs. Benchmark	DBR 1.750% Feb 2024 +40bps
Re-offer Price/Yield	99.334% / 0.221%
Joint Bookrunners	Crédit Agricole CIB, DZ Bank, Goldman Sachs International and Rabobank

Context of the transaction

Council of Europe Development Bank (CEB) rated Aa1 (stable) /AA+ (stable) /AA+ (stable) (Moody's/S&P/Fitch), successfully priced its inaugural EUR 500mn 7-year **Social Inclusion Bond** at a spread of mid-swaps less 20bps, equivalent to a spread at the time of pricing of 40bps over the DBR 1.750% Feb 2024 and gathering investor interest over EUR 900mn, excluding JLM interest. The issue follows debt investor meetings across Europe to introduce CEB's Social Inclusion Bond Framework which follows best in class standards. In line with its Social Inclusion Bond framework, the proceeds are reserved for financing eligible loans to support Social Housing, Education and Vocational Training and MSMEs as described in the Final Terms of the Notes. CA-CIB acted as structuring bank. In addition the framework benefited from a positive second opinion from the specialized Environmental Social and Governance (ESG) rating agency Sustainalytics and is in alignment with the ICMA's Social Bond Guidance, 2016. CEB will prepare a reporting that will include an overview of the Eligible Social Loans and quantitative indicators on the social impact of such Eligible Social Loans. The reporting will be published in the calendar year following the year in which the Social Inclusion Bond was issued. Crédit Agricole CIB, DZ Bank, Goldman Sachs International and Rabobank acted as Joint Bookrunners on this landmark transaction.

Launch and execution process

On the back of a strong momentum following a one week roadshow in Europe to present to investors CEB's Social Inclusion Bond Framework, the decision was taken to announce the mandate on Friday 31st March at 2:00pm CET for a EUR 7-year deal.

Following a conducive market opening on Monday morning, Initial Pricing Thoughts (IPTs) were released at mid-swaps -18bps area at 9:00am CET for a EUR 500mn no grow Social Inclusion Bond Benchmark. With Indications of Interest (IOIs) already over EUR 700mn (excluding JLM interest), the Joint Lead Managers opened books at 10:45am CET with official guidance of mid-swaps-19bps area.

Momentum continued into the morning with orders at 11:15am CET exceeding EUR 900mn, excluding JLM interest, after what official guidance was revised at mid-swaps -20bps area. The spread was fixed at mid-swaps -20bps and books closed at 12:45pm CET in excess of EUR 900mn (excluding JLM interest) allowing CEB to launch a high quality Social Inclusion Bond Benchmark.

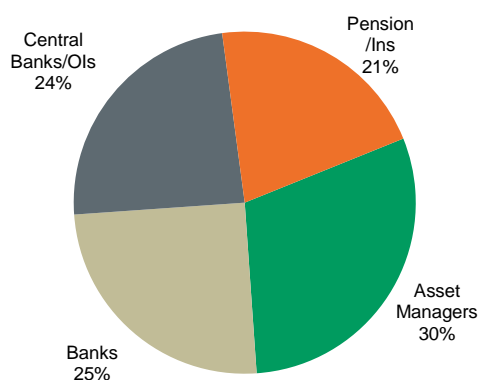
The issue priced at 3:00pm CET time with an annual coupon of 0.125%, an issue price of 99.334%, to give a spread of mid-swaps -20bps, equivalent to 40bps over DBR 1.750% Feb 2024. The issue provided a very limited new issue concession around 1bp.

The granularity of the orderbook reflects the high quality and diversity of demand for CEB's Social Inclusion Bond, with participation from over 40 accounts. With respect to distribution by geography, French investors took the largest share (29%), followed by Germany (20%), the Netherlands (17%), the rest of EMEA (25%) and Asia (9%). By investor type, 30% went to Asset Managers, followed by Banks (25%), Central Banks and Official Institutions (24%) and Pension Funds and Insurances (21%) with the rest to other accounts.

Distribution Statistics

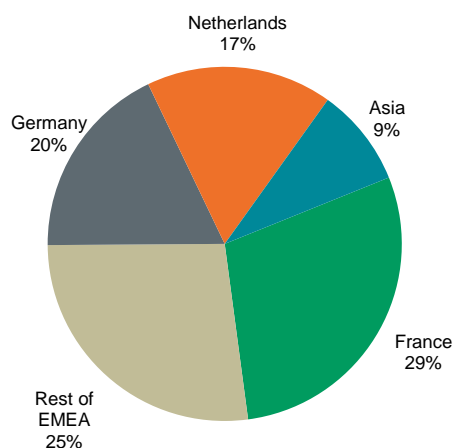
Investor Type

Asset Managers	30%
Banks	25%
Central Banks/Official Institutions	24%
Pension Funds/Insurances	21%



Geography

France	29%
Rest of EMEA	25%
Germany	20%
Netherlands	17%
Asia	9%



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