CEB issues EUR 500mm 7-year Social Inclusion Bond Benchmark
Press Release – 3rd April 2019

Final terms

Issuer	Council of Europe Development Bank (CEB)
Rating	Aa1/AAA/AA+ (M/S&P/F, all stable)
Format	RegS
Issue Amount	EUR 500,000,000 (no grow)
Pricing Date	3rd April 2019
Settlement Date	10th April 2019
Maturity Date	10th April 2026
Coupon	0.000%
Re-offer vs. mid-swaps	-13 bps
Re-offer vs. Benchmark	+38.8 bps
Re-offer Price/Yield	99.254% / 0.107%
Joint Bookrunners	BofA Merrill Lynch, Credit Agricole CIB, DZ Bank, ING

Background

- The Council of Europe Development Bank (CEB) has an explicit social mandate and strong track record of promoting social investments across Europe and is therefore ideally positioned to issue social bonds. The issuer has been issuing Social Inclusion bonds since 2017 and this represents the third such benchmark from the borrower.
- The CEB's Social Inclusion Bond framework is in full alignment with the Social Bond Principles (ICMA). In line with the issuer's framework, proceeds of this new Social Inclusion bond will be used for eligible loans belonging to the following categories:
    - Social Housing
    - Education
    - Support to MSMEs
- CEB publishes an annual reporting that includes an overview of the Eligible Social Loans and their social impact. On 26 March 2019, the issuer published its report on the second Social Inclusion Bond (which was issued in March 2018), which can be found under: https://coebank.org/en/news-and-publications/news/ceb-publishes-report-second-social-inclusion-bond/
- Extensive preparation: as an established borrower in the social bond sector, the CEB has been meeting SRI investors on an ongoing basis and so had already prepared the foundation for this successful transaction.

Deal highlights

- This new Social Inclusion Bond represents the longest outstanding Social Inclusion Bond from the borrower. The borrower announced that the transaction would be EUR 500mn (no grow) in size from the outset which triggered a strong response from investors as soon as books opened.
- The new issue was priced marginally through fair value on the back of very strong investor demand, which was the result of solid investor support for the borrower's social bond framework as well as excellent timing to take advantage of strong primary market conditions.
- Socially responsible investors were well represented in the orderbook, providing further investor diversification to CEB. In the end, around two thirds of the issue was allocated to SRI investors.
- The deal attracted a wide range of high quality investors and the orderbook was mainly driven by European investors predominantly from the Benelux (27%), the UK (23%) and Italy (22%).
- The issue was around 1.5x subscribed even though it priced marginally through fair value. Over 40 investors participated in the transaction.

Launch and execution timeline

02 April	Mandate announced, including maturity and size
03 April 09.00 CET	IPTs announced at ms-11 bps area
10.25 CET	Books open at ms-12 bps area with IOIs> 600mn (excl. JLM)
11.25 CET	Books >775mn and guidance revised to ms-13a
12.30 CET	Spread set at ms-13 bps
12.40 CET	Books closed; orderbook just under EUR 750mn at reoffer
13.59 CET	Priced

Distribution statistics