CEB issues USD 500 million 0.25% 3-year Global COVID-19 Response Social Inclusion Bond Benchmark
Press Release – 3rd June 2020

Final terms
Issuer Council of Europe Development Bank (CEB)
Rating Aa1/AAA/AA+ (M/S&P/F) (stb, stb, pos)
Format Global, SEC Registered
Issue Amount USD 500,000,000
Pricing Date 3rd June 2020
Settlement Date 10th June 2020
Maturity Date 10th June 2023
Coupon 0.250% semi-annually
Re-offer vs. mid-swaps +8 bps
Re-offer vs. Benchmark +12.4 bps
Re-offer Price/Yield 99.645% / 0.369%
Joint Bookrunners Crédit Agricole CIB, Daiwa Capital Markets Europe, J.P.Morgan, NatWest Markets

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 fifth such benchmark from the borrower.
• CEB is fully committed to providing flexible and timely financing to its member countries in response to the COVID-19 outbreak. The CEB is also engaging with national promotional banks in order to continue supporting MSMEs and municipal companies, with a focus on the preservation of jobs and on enabling ongoing municipal investments.
• In line with the CEB's commitment to support member countries affected by COVID-19, the CEB intends to allocate an amount equivalent to the proceeds raised through this Social Inclusion Bond to the financing and/or refinancing, in part or in full, of new and/or existing Eligible Social Loans according to its Social Inclusion Bond framework, which includes support to micro, small and medium-sized enterprises for the creation and preservation of viable jobs. SIB-eligibilities have now been extended to additional areas of financing related to the health sector.
• Specifically, in response to the challenges posed to Europe’s public health systems by the COVID-19 pandemic, the Bank has adapted its Public Finance Facility (PFF) aimed at national and sub-national public sector partners to cover, in particular: the acquisition, under emergency procedures, of medical equipment and consumable material; the rehabilitation and transformation of spaces and medical units; and the mobilisation of additional expertise.
• The CEB will report on the allocation of proceeds in the calendar year following the year in which the Social Inclusion Bond was issued. This reporting will include an overview of the Eligible Social Loans and quantitative indicators on the social impact of such Eligible Social Loans.

**Deal highlights**

• In response to the COVID-19 crisis, CEB was able to swiftly leverage off its existing Social Inclusion Bond framework for the second time since April in order to support its member countries, whilst being in line with existing initiatives. This time CEB issued their debut USD social format to fulfill their remaining funding need of USD 500m, to meet their duration target in 3-years.

• This new benchmark represents the 2nd COVID-19 Response Social Inclusion Bond (SIB) from CEB launched in 2020 and has attracted impressive interest from investors (final books size was 3 times the issue size). This Global USD benchmark follows their very successful COVID-19 SIB EUR 1bn 7yr launched in April (where final order books were > EUR 4.5bn).

• The no-grow issue size communicated from IPTs, combined with the COVID-19 linked Use of Proceeds, and the first time use of the USD Global format for Social bonds, all generated excellent investor support from the outset. The orderbook reached in excess of USD 1.25bn when books opening.

• Robust USD SSA primary market conditions this week enabled a strong book building process, capturing deep demand with final books standing in excess of USD 1.5bn.

• The size and quality of the orderbook allowed CEB to set the spread at MS+8bps, 3bps inside of initial guidance of MS+11bps area.

• Over 42 accounts participated in the transaction with broad diversification among investor geographically and types. Investors based in Americas took 50% of allocations, followed by Asia (27%), and EMEA (23%).

• CB/OIs took (77%) of the transaction, followed by Banks & Bank Treasuries (16%) and Asset Managers (7%).

**Launch and execution timeline**

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<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>01 June</td>
<td>15.30</td>
<td>Mandate announced, including format and maturity.</td>
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<td>Group Investors Call (GIC) announced.</td>
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<td>02 June</td>
<td>14.00</td>
<td>GIC</td>
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<td></td>
<td>14.50</td>
<td>IPTs announced at MS+11bps area. Size set to USD 500m (no grow).</td>
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<td>03 June</td>
<td>9.00</td>
<td>Books open at &gt; USD 1.25bn (ex JLM Interest), guidance revised to ms+10 bps area.</td>
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<td>11.50</td>
<td>Books &gt; USD 1.6bn (ex JLM Interest); spread set at ms+8 bps.</td>
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<td>12.15</td>
<td>Books closed (EMEA/APAC).</td>
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<tr>
<td></td>
<td>14.30</td>
<td>Books closed (Americas).</td>
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<tr>
<td></td>
<td>15.50</td>
<td>Final orderbook &gt;USD 1.5bn (ex JLM Interest) communicated</td>
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<td>16.40</td>
<td>Priced</td>
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Distribution statistics

Investor Geography:

- Americas: 50%
- APAC: 27%
- EMEA: 23%

Investor Type:

- CB/OI: 77%
- Bank: 16%
- AM: 7%