

## EBRD issues USD 650mn 3-year Global in Green Bond format Press Release – 13<sup>th</sup> July 2016

### Final terms of the transaction

<b>Issuer:</b>	European Bank for Reconstruction and Development (EBRD)
<b>Rating:</b>	Aaa / AAA / AAA (all stable) (Moody's / S&P / Fitch)
<b>Issue Amount:</b>	USD 650,000,000
<b>Pricing Date:</b>	13 <sup>th</sup> July 2016
<b>Settlement Date:</b>	20 <sup>th</sup> July 2016
<b>Maturity Date:</b>	22 <sup>nd</sup> July 2019
<b>Re-Offer Price/Yield:</b>	99.678% / 0.984%
<b>Coupon:</b>	0.875% (semi-annual, 30/360)
<b>Re-offer vs. mid-swaps:</b>	+9bps
<b>Re-offer vs. Benchmark:</b>	UST 0.75% due 15 <sup>th</sup> July 2019 +20bps
<b>Joint Bookrunners:</b>	BofA Merrill Lynch, Crédit Agricole CIB

### Context of the transaction

Today the European Bank for Reconstruction and Development (EBRD), rated Aaa (stable) / AAA (stable) / AAA (stable), successfully issued a USD 3-year Global Green Bond. The new USD 650mn benchmark transaction is due on 22<sup>nd</sup> July 2019, pays a coupon of 0.875% and priced with a spread of +9bps over mid-swaps, equivalent to +20bps over the UST 0.75% due 15<sup>th</sup> July 2019. BofA Merrill Lynch and Crédit Agricole CIB acted as Joint Bookrunners.

This transaction is EBRD's second ever Green Bond issue in benchmark format and its largest to date.

The proceeds of EBRD's environmental bonds are earmarked to support a specific portfolio of environmentally and socially sustainable projects (the "Green Project Portfolio or "GPP"), which currently comprises investments in the following 5 areas: Energy Efficiency, Renewable Energy, Water Management, Waste Management and Environmental Services (e.g. municipal district heating) and Sustainable Public Transport. EBRD first started issuing Green Bonds in 2010 and its Green Project Portfolio includes 338 projects worth a total EUR 3.78bn based on operating assets as at 31<sup>st</sup> March 2016.

EBRD is one of the largest investors in environmental projects in its countries of operations, having invested over EUR 12 billion in energy efficiency, climate change and resource finance under its Sustainable Resource Initiative as at 1Q 2016.

## **Launch and execution process**

The transaction followed a global investor conference call on Tuesday 12th July, during which EBRD explained its focus on the environment and adherence to the Green Bond Principles.

The conference call met with a strong response from investors, especially those with a particular focus on Socially Responsible Investing (“SRI”) and the decision was made to announce the mandate at 15:00pm London time on Tuesday, 12<sup>th</sup> July 2016 for a USD 3-year Green Bond benchmark transaction. Initial Pricing Thoughts (IPTs) were simultaneously released at mid-swaps +10bps area.

Following a conducive market opening the next day, with Indications of Interest (IOIs) already over USD 500mn, the Joint Lead Managers opened books at 8:10am London time with an official price guidance of mid-swaps +10bps area, reflecting the strong support and the quality of investors’ interest.

Momentum continued into the morning with orders reaching USD 600mn within just over 2 hours of the book opening. The low spread sensitivity of orders allowed for the guidance to be revised and set at mid-swaps +9bps area at 12:00pm London time. Books closed at 14:30pm London time in excess of USD 690mn allowing EBRD to launch a USD 650mn deal.

EBRD’s USD 3-year Global Green Bond priced at 15:45pm London time with an annual coupon of 0.875%, an issue price of 99.678%, to give a spread of +9bps over mid-swaps, equivalent to 20bps over the UST 0.75% due 15th July 2019.

The orderbook reflects the high quality and diversity of demand for EBRD Green Bonds, with participation from almost 40 accounts. Investors with a commitment to sustainable investing represented a very strong proportion of the final allocation, among which: Barclays Treasury, BlackRock, CALSTRS, Calvert, Fideuram Asset Management, Mirova, Sella Capital Management and TIAA Asset Management.

Banks took the majority of the total allocation with 34% of the bonds, followed by Fund Managers with (31%), Central Banks & Official Institutions (24%), Pension/Insurance (10%) and others (1%). By geography, the Americas led with 48%, followed by the UK (25%), the Middle East (19%) and other Europe (8%).

"EBRD has invested a considerable amount of time and resources developing the Green Bond product and its own investor base. This new line reinforces their institution’s commitment to the development of this market with their second USD public Green Bond. EBRD have been rewarded with a fantastic trade, attractive pricing and excellent investor diversification”.

**Adrien de Naurois, SSA Syndicate, BofA Merrill Lynch**

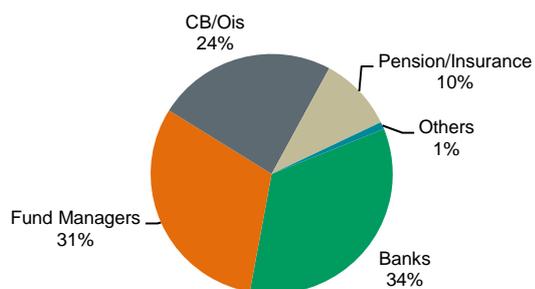
"EBRD has been at the forefront of the development of the Green Bond market since 2010. With this new public benchmark Green Bond transaction, EBRD reaffirms once again its commitment to this growing market and has been able to benefit from the strong support of Green Investors. Crédit Agricole CIB is very proud to have been associated with this very successful transaction”.

**Mathilde Girard, Sustainable Banking, Crédit Agricole CIB**

## Distribution Statistics

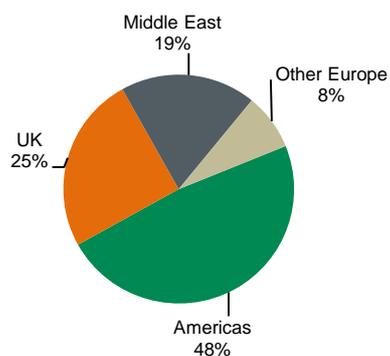
### Investor Type

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### Geography

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