

Date: 12 September 2013

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EBRD issues \$USD 250 million “Green Bond”

Funding supports environmental projects

The EBRD have issued a USD\$ 250 million bond aimed specifically at institutional investors seeking to support environmentally sustainable projects.

The Bank will use proceeds from the bond for investment in its Green Project Portfolio. This comprises financing for such areas as energy efficiency, clean energy, water management, waste management, sustainable living, environmental services and sustainable public transport. As part of this green project portfolio, the bonds fund the rehabilitation of municipal water infrastructure to reduce water consumption and waste water discharges. Funding also goes towards upgrading power and heating plants and transmission and distribution facilities, thereby reducing total greenhouse gas (GHG) emissions. In selecting projects involving energy efficiency and fuel-switching to lower carbon intensive fuels (that qualify) for the green project portfolio, the EBRD takes into consideration the longer-term impact of each project towards the goal of a low carbon society and excludes projects that could lock EBRD clients in carbon intensive energy solutions. While EBRD aims to ensure that all projects it finances are socially and environmentally sustainable, only investments in respect of which the entire or substantially the entire amount disbursed or invested is directed at environmental and social sustainability objectives in the above areas are included in green project portfolio.

The transaction was targeted to SRI investors, including TIAA-CREF, AP2, AP3, State Street Global Advisors, Omega Global Investors and Everence. In total 14 investors participated in the bond and 51% was placed with US accounts, 31% with European accounts and 18% with Asian accounts. The sector allocation was as follows: 63% to pension funds, 18% to central banks, 12% to asset managers, 5% to state related investors and 1% to Bank treasuries and foundations.

Morgan Stanley and SEB were joint-lead managers in this transaction.

Transaction summary

Issuer:	European Bank of reconstruction and Development (EBRD)
Amount:	USD 250,000,000
Settlement date:	17 September, 2013
Maturity date:	10 April, 2018
Re-offer price:	99.453%
Issue yield:	1.75%
Coupon:	1.625%
Denomination:	USD 1,000 / USD 1,000
Listing:	London Stock Exchange
Lead Manager	Morgan Stanley / SEB
ISIN:	US29874QCN2

The EBRD first started issuing green bonds in 2010 and its portfolios of green projects currently includes 261 investments with an average tenor of 10 years and worth a total of €2.7 billion based on operating assets. The portfolio represents a selected number of projects, in respect of which the entire, or substantially the entire amounts disbursed are directed at environmental goals.

The Bank places a very high priority on investments in sustainable energy, financing energy efficiency projects as well as investments in renewable energy in a drive to boost competitiveness of economies in the region and to mitigate the impact of climate change. It has invested over €11 billion in over 600 projects under its Sustainable Energy Initiative (SEI) that was launched in 2006. Earlier in 2013, the SEI was expanded into the Sustainable Resource Initiative that promotes efficiency also in water and other materials such as waste.

The EBRD, owned by 64 countries and two intergovernmental institutions, is supporting the development of market economies and democracies. Follow us on the [web](#), [Facebook](#) and [Twitter](#).

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