

EUROCLEAR BANK EUR 500M 2Y FRN & EUR 500M 5Y FXD INAUGURAL SENIOR PREFERRED

03RD JULY 2018



Inaugural Senior Unsecured
3mE+35bp 10-Jul-20

EUR 500,000,000

Joint Bookrunner

BELGIUM 03/07/2018



Inaugural Senior Unsecured
0.500% 10-Jul-23

EUR 500,000,000

Joint Bookrunner

BELGIUM 03/07/2018

Issuer: Euroclear Bank SA/NV
Exp. Issue Rating: AA/AA+ (S&P/Fitch)
Nominal: EUR 500m & EUR 500m
Type: 2Y FRN & 5Y FXD
 Senior Unsecured, Preferred

Pricing Date: 03rd July 2018
Maturity: 10th July 2020 & 10th July 2023
Coupon: 3mE+35bp & 0.500%
Final Spread: 3mE+17bp & MS+30bp

SG CIB Bookrunner

Rationale of the transaction

- Euroclear Bank, the credit institution of the Euroclear Group, performs the International Central Securities Depository role providing settlement and related securities services for cross-border transactions involving domestic and international bonds, equities, derivatives and investment funds
- The Central Securities Depositories Regulation requires Euroclear Bank to mitigate liquidity risks by using “Qualifying Liquidity Sources” (QLS) to support its day-to-day business as well as to handle stress scenarios
- In this context, Euroclear Bank intends to use the net proceeds of this new issue primarily to improve its liquidity position by increasing its QLS
- With a EMTN programme size of EUR 5bn, Euroclear Bank plans to issue up to EUR 2.5bn of debt in total in 2018 including both public and private placements

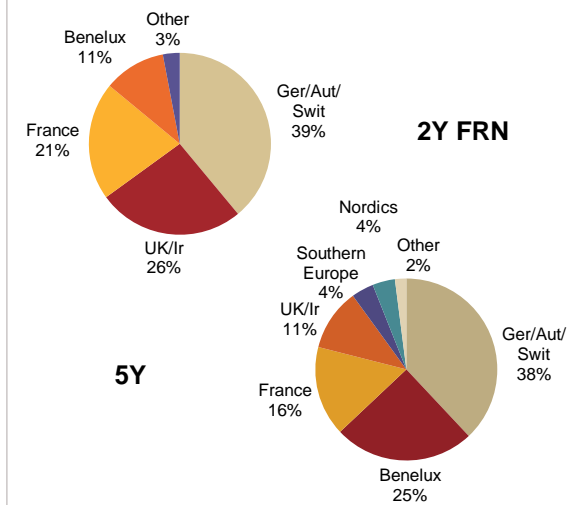
Bookbuilding and spread discovery

- On Monday 25th June, Euroclear Bank announced a 4-day roadshow across Europe in order to prepare its inaugural transaction: a EUR 500m 2Y FRN & EUR 500m 5Y FXD Senior Preferred dual-tranche transaction
- On the back of a well-attended roadshow and a supportive market backdrop after a few volatile sessions, we opened books on Tuesday 3rd July with IPTs of 3mE+25bp area on the 2Y and MS+ Low 40s on the 5Y
- The deal enjoyed a very positive reception with combined orderbook exceeding EUR 1.5bn at 11:20 CET. Following this update, books continued to grow at EUR 1.6bn+ (2Y FRN) and EUR 1.3bn+ (5Y FXD) allowing the issuer to set the guidance at 3mE+17/20bp (WPIR) and MS+30/33bp (WPIR) respectively at 12:30 CET
- The spread tightening had limited impact on investors' interest - orderbooks closed at 13:05 CET above EUR 1.9bn and EUR 1.6bn (pre-rec.) – enabling to set the final levels at the tight end of the guidance. The 3mE+17bp and MS+30bp achieved represent very limited new issue premium of +2bp and +5bp respectively

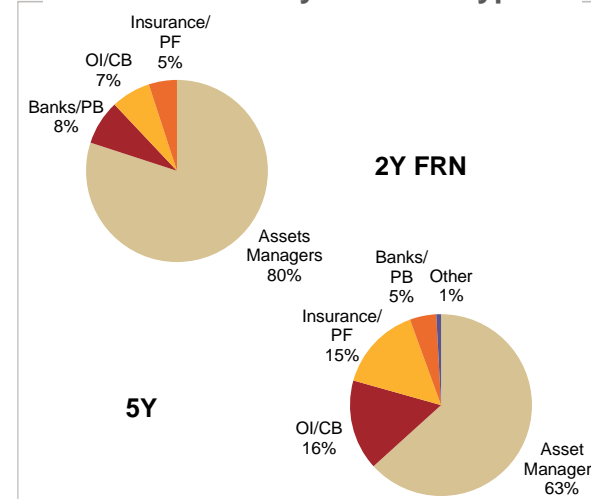
Outcome

- Strong momentum has allowed Euroclear Bank to successfully price its EUR 1bn 2Y FRN & 5Y FXD inaugural dual tranche transaction, tightening the spread respectively by 8bp and c. 12bp from IPTs to final price:
 - IPTs: 3mE+25bp area & MS+ Low 40s
 - Guidance (WPIR): 3mE+17/20bp & MS+30/33bp
 - Final spread : 3mE+17bp & MS+30bp
- The transaction has attracted a high quality orderbook in excess of EUR 3.25bn (at reoffer), with more than 130 investors involved across the two tranches:
 - On the 2Y FRN, Assets Managers took the bulk of the demand with German, UK & French investors dominating the allocations
 - On the 5Y FXD, Germany and Benelux took the lion share and Asset Managers dominated the allocations followed by Official Institutions & Central Banks

Distribution by Geography



Distribution by Investor Type



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