

# Deal Review

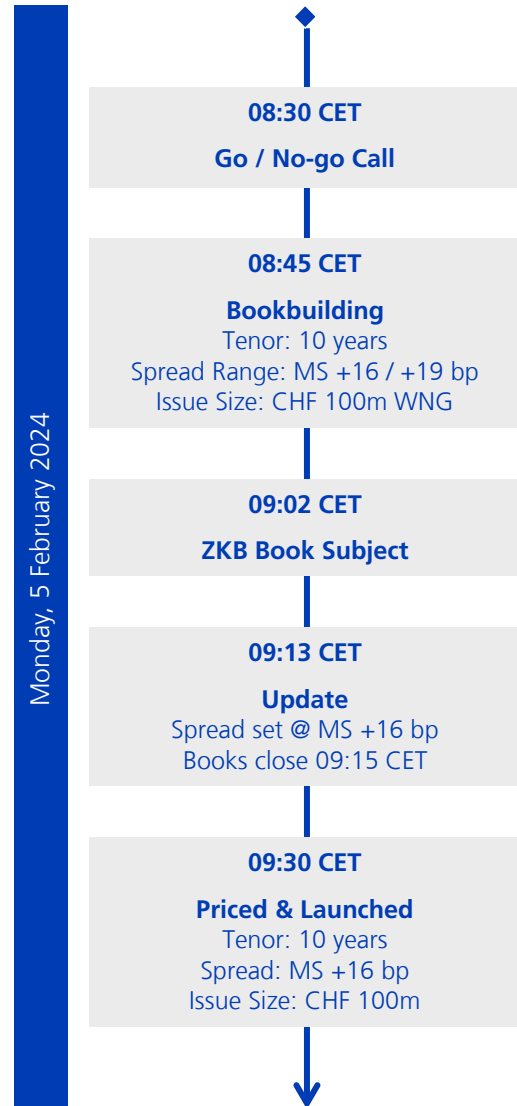
## City of Lugano

CHF 100m wholesale Central Bank Digital Currency (wCBDC) Bond  
5 February 2024



# Deal Review: City of Lugano CHF 100m 1.415% 10y wCBDC Bond

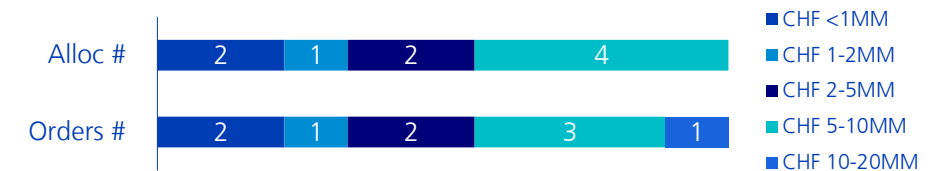
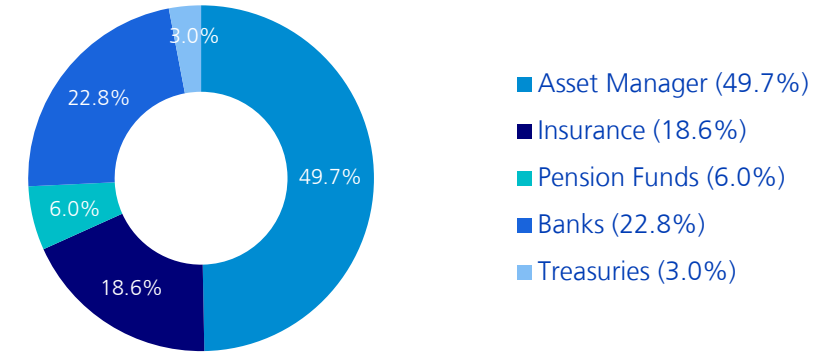
## Timeline



## Final Terms

Key Terms	
Issuer Price	City of Lugano
Amount	CHF 100m
Tenor	10 years
Coupon (30/360, ann.)	1.415%
Issuer Price	100.000%
Payment Date	07.03.2024
Maturity Date	07.03.2034
Joint Lead Managers	ZKB / BKB / JSS
Investor Analysis	
CHF-Swap Mid (GOTTEX)	1.2550%
Investor Yield	1.415%
Spread vs. Swap	16 BP
Orderbook Details	
Number of Orders	9
Smallest Allocation	CHF 0.1m
Largest Allocation	CHF 8m

## Orderbook Statistics (allocated)



## Highlights

- **A step ahead** – With the successful issue of the **CHF 100m wholesale Central Bank Digital Currency (wCBDC) bond**, the City of Lugano is not only the **first city in Switzerland to issue a digital bond with wCBDC settlement**, but currently also **the only debtor on the Swiss capital market with two digital bonds outstanding**.
- Despite some investor feedback that the **deal was being perceived expensive**, the **strategy** to start the bookbuilding of the CHF 100m will-not-grow (WNG) transaction with a spread range of MS +16 / +19 bps **proofed prudent** as it allowed to **build up the momentum to price at the tight end** of the range at MS +16 bps.
- **ZKB's book was subject after only 17 minutes**, reflecting the strong interest of investors in participating in this new digital bond issue of the City of Lugano, despite the aggressive price tag.
- The deal was **mainly supported by asset managers**, followed by banks and insurance companies.
- **ZKB congratulates the City of Lugano** to this successful transaction!

# Your Deal Team at Zürcher Kantonalbank



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