

Date: 16 May 2014

Pricing Supplement

Series No.: 397

Tranche No.: 2

Council of Europe Development Bank

EUR 25,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

Issue of GBP 150,000,000 1.875 per cent. Notes due 22 December 2018 (the "Notes")

(to be consolidated and form a single series with the GBP 300,000,000 1.875 per cent. Notes due 22 December 2018 issued on 5 February 2014)

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated 14 November 2012. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1. Issuer: Council of Europe Development Bank
2. (i) Series Number: 397
(ii) Tranche Number: 2

On the Issue Date, the Notes will be consolidated and form a single series with the existing GBP 300,000,000 1.875 per cent. Notes due 22 December 2018 and issued on 5 February 2014.
3. Specified Currency or Currencies: Pounds Sterling ("**GBP**")
4. Aggregate Nominal Amount:
 - (i) Series: GBP 450,000,000
 - (ii) Tranche: GBP 150,000,000
5. (i) Issue Price: 99.403 per cent. of the Aggregate Nominal Amount of the Tranche plus GBP 801,369.86 in respect of 104 days of accrued interest from, and including, 5 February 2014 to, but excluding, the Issue Date

(ii) Net Proceeds:	GBP 149,905,869.86 (which includes GBP 801,369.86 in respect of 104 days of accrued interest)
6. Specified Denomination/Minimum Denomination:	GBP 1,000
7. (i) Issue Date:	20 May 2014
(ii) Interest Commencement Date:	5 February 2014
8. Maturity Date:	22 December 2018
9. Interest Basis:	1.875 per cent. Fixed Rate
10. Redemption/Payment Basis:	Redemption at par
11. Change of Interest or Redemption/ Payment Basis:	Not Applicable
12. Optional Early Redemption Put/Call Options):	Not Applicable
13. Status of the Notes:	Senior
14. Listing:	Luxembourg
15. Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions	Applicable
(i) Rate of Interest:	1.875 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s):	22 December in each year (each, an " Interest Payment Date "), with the first interest payment date being 22 December 2014, all adjusted for payment purposes only in accordance with the Following Business Day Convention. No adjustments will be made to the Fixed Coupon Amount.
(iii) Fixed Coupon Amount(s):	GBP 18.75 per GBP 1,000 in Nominal Amount
(iv) Day Count Fraction:	Actual/Actual (ICMA)
(v) Broken Amount(s):	There will be a short first Interest Period. Consequently, the amount of interest payable on the first Interest Payment Date will be GBP 16.44 per

GBP 1,000 in Nominal Amount.

(vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

17. **Floating Rate Note Provisions** Not Applicable

18. **Non-Interest Bearing Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. **Call Option** Not Applicable

20. **Put Option** Not Applicable

21. **Maturity Redemption Amount of each Note** GBP 1,000 per Note of GBP 1,000 Specified Denomination

22. **Early Termination Amount(s)** Condition 7.2 applies
Early Termination Amount(s) of each Note payable on redemption for an event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: **Bearer Notes:**
Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

24. New Global Note form: Applicable

25. Relevant Financial Centre(s) or other special provisions relating to Payment Dates: London and TARGET

26. Talons for future Coupons or Receipts to be attached to: Not Applicable

Definitive Notes (and dates on which such Talons mature):

27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
29. In the case of Notes denominated in the currency of a country that subsequently adopts the Euro in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union, whether the Notes will include a redenomination clause providing for the redenomination of the Specified Currency in Euro (a "**Redenomination Clause**"), and, if so specified, the wording of the Redenomination Clause in full and any wording in respect of renominalisation and/or reconventioning: Not Applicable
30. Other terms or special conditions: Not Applicable
31. Payment of U.S. Dollar Equivalent in the event of Inconvertibility, Non-transferability or Illiquidity: Not Applicable
32. RMB Calculation Agent: Not Applicable

DISTRIBUTION

33. (i) If syndicated, names of Manager(s): Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom
- HSBC Bank plc
8 Canada Square
London, E14 5HQ
United Kingdom
- (ii) Stabilising Manager (if any): Not Applicable
34. If non-syndicated, name of Dealer: Not Applicable
35. U.S. selling restrictions: The Issuer falls under category 2 for the purposes of Regulation S under the United States Securities Act of 1933, as amended.
- TEFRA C
36. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

37. ISIN: XS1028901673
38. Common Code: 102890167
39. In the case of Bearer Notes intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "Yes" means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit

operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

40. In the case of Registered Notes intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable
41. Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): Not Applicable
42. Delivery: Delivery against payment
43. Additional Paying Agent(s) (if any): Not Applicable

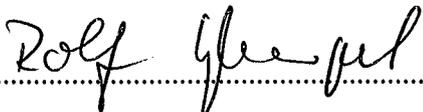
LISTING APPLICATION

This Pricing Supplement comprises the final terms required for listing on the official list and admission to trading on the regulated market of the Luxembourg Stock Exchange of the Notes described herein issued pursuant to the EUR 25,000,000,000 Euro Medium Term Note Programme of Council of Europe Development Bank.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Council of Europe Development Bank:

By: 

Name: Rolf Wenzel

Title: Governor

Duly authorised

Date: 16 May 2014