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IIB had successfully attracted new Romanian lei funding, recording its lowest ever long-term cost of funds

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On 29th September IIB had successfully placed new RON issuance in the volume of 340 million (approx. EUR 70 million) under the IIB's MTN Programme registered on the Dublin Stock Exchange. The 3-year maturity bond has a coupon of 3,393%, representing 30 bps spread over the Romanian Government bonds. The euro after-swap price obtained reflects the lowest ever long-term cost of funds for IIB set up at **0,395% p.a.**

The lead manager of this successful placement was BT Capital partners, which had been lead-managing IIB's five previous issuances on the Romanian market, placed in the local format.

IIB had taken advantage of the redemption of dual tranche of IIB's bonds issued in Romania in September 2017, in Romanian Lei and Euro, in amounts of RON 300 million and EUR 60 million respectively. The euro-denominated tranche of the issuance was the first-ever of its kind on the Romanian capital market.

The new RON placement has been allocated to 11 institutional investors from Romania: banks, pension funds, insurers and other asset managers.

IIB has a status of frequent issuer in RON, this being its sixth year of issuance in RON, demonstrating the Bank is strongly committed to continue the development of the local currency bond markets of its Member States.

The overall volume of redemptions of IIB's bonds since the beginning of the year, including the above-mentioned Romanian issuance, amounts to EUR 287 million. The overall level of attracted funding with maturities of at least one year, in 2020, amounts to slightly above EUR 600 million.

"Despite unprecedented situation on the world debt capital markets, caused by the pandemic context, we have managed to ensure a smooth implementation of our funding plan without affecting Banks' commitments and the achievement of its development mandate. Since the beginning of pandemic, we have attracted more than EUR 600 million of funding, which facilitated continuing extensive lending activity while putting in place conservative and prudent liquidity management policies." mentioned **Mr. Nikolay Kosov, Chairperson of the Management Board.**

"Our weighted average 'crisis interest rate' for long term funding over one year was set at 1,48% p.a.. Today we have reached a level of euro-after swap cost of funding almost four times lower. These numbers speak for themselves and definitely, they are the consequence of the overall strong financial performance, financial sustainability and solid risk management reflected also in the recent rating upgrade from Fitch, which consolidated Bank's ratings at A-

level. Moreover, it is worthwhile to note that we achieved this significant gradual funding cost reduction from a deal to another in such of short time span by issuing only in the local currency markets of the Member States. We basically ensured the whole long-term funding for this year, the largest by far in IIB history, by tapping RUB, RON, HUF and CZK bond markets. This is a proof of the development of these local currency bond markets and IIB had certainly played its role for this achievement. Actually It is not a coincidence that we achieved the lowest ever pricing in EUR by issuing RON. It is a reward of our consistent and frequent presence on the Romanian debt capital market and the result of a trust created gradually during the last six years of issuance.” commented **Mr. Jozef Kollar, First Deputy Chairperson of the Management Board.**