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IIB offered Slovak investors bond buyback totalling EUR 30 million

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On November 23, 2016, the International Investment Bank (IIB) announced a buyback for its Slovak euro-denominated bonds listed in 2014 on the Bratislava Stock Exchange in the amount of EUR 30 million. While investors did not take advantage of the buyback at 102.5% of the bonds' nominal value (or around 2.6% YTM) before the offer expired on December 2, the Bank regards the results of the settlement positively.

Currently, the IIB can attract funding on debt markets at rates lower than in October 2014 when the Bank issued its first bond in Slovakia. The trend of decreasing interest rates for IIB's funding was also confirmed by its debut 2-year syndicated term loan facility from earlier this year, priced at 6M Euribor plus 1.75%, and by the Bank's later Romanian placement of 3-year bonds. The successful offering was arranged by BT Capital Partners S.A. and Banca Comerciala Romana S.A. (Erste Group) in September 2016, with coupon rate fixed at 3.40% p.a. in the national currency – lower than last year's debut RON-denominated issue on the Bucharest Stock Exchange.

Denis Ivanov, Deputy Chairman of the IIB Board, noted that this was IIB's first buyback on the national debt market in Slovakia. "*Proposing the buyback, we have demonstrated to the investment community that the cost of our funding has decreased significantly over the past years. The ability to effectively manage raised liquidity also confirms the financial maturity and the stable development of the renewed IIB*," – he stressed.

IIB's Deputy Chairman expressed his gratitude to Slovenská sporiteľňa, a.s. (Erste Group) – the arranger, dealer manager as well as tender agent of the offer. He added that, following its strategic mission to promote social and economic development in the member states, the IIB had reinvested the funds raised on the Slovak market into local projects.

Overall, the total amount of financing attracted by the Bank since the launch of its long-term funding programme in April 2014 exceeds EUR 570 million.

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