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IIB paid out first coupon on its debut bond issue in Romania

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On October 17, 2016, the International Investment Bank (IIB) completed the payment of the first coupon on its 3-year bonds in the amount of RON 111 million (around EUR 25 million) issued on the Bucharest Stock Exchange in October 2015. It was the debut placement of IIB's bonds in Romania, which spurred demand among local institutional investors and in December received an award from the Romanian Stockbrokers' Association for its contribution to the development of the Romanian bond market.

The interest payment, corresponding to the annual rate of 4.1%, represented RON 4.55 million (around EUR 1.05 million). BT Securities S.A., subsidiary of Banca Transilvania S.A., acted as the organiser of the issue.

IIB's funding activities on the Romanian capital market are characterised by stable demand and continuous increases in the scale of such operations. After the success of the first issue on the Bucharest Stock Exchange, in September this year the Bank placed a new issue of bonds for the amount of RON 300 million (more than EUR 65 million). This local placement has become the largest among international financial institutions (IFIs) in Romania in the past 10 years, together with a placement by the European Investment Bank in 2007. In addition, the interest rate has been lowered to 3.4% p.a. – a testimony to increased creditworthiness of and need for IIB's securities.

The International Investment Bank launched its long-term funding programme on international debt capital markets in April 2014. Currently, the Bank's bonds – so-called "mibovki" – are traded on stock exchanges in Romania, Slovakia and Russia.

Following its mission, the IIB reinvests raised funds into promising projects and socio-economic development of the countries of the placement. Thus, since 2012 the Bank has committed more than EUR 60 million to projects in Romania. The institution also invests in Romanian government and corporate securities.

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