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IIB placed record cheap CZK bond to high demand

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Hungary-based development bank International Investment Bank (IIB) successfully closed a tap to the outstanding April 2021 CZK Floaters bond worth CZK750mn (€29mn), in line with the Bank's strategic goal of supporting the local capital markets development, according to [IIB press release published on April 16](#).

IIB managed to double the original size of bond issue to CZK1.5bn (€58.45mn) due to high demand from local investors.

The tap deal was executed at a discount margin of 3M Pribor + 35 bps, down by 20 bps from 55 bps in April 2018 issuance. The reduction was considered to be "confirmation of the positive impact of IIB's recent credit upgrades to an average level of A, solid financial results, shareholders' strategic decisions on the IIB Headquarters' relocation and approval of the new capitalization program until 2022," the report read.

The new pricing level received through the debut HUF issue with a euro after-swap cost of 3M Euribor + 86,5 bps has been reconfirmed, "which translates into a first coupon of just 55.5 bps marking up historically low cost of funds" the bank added.

The deal was led by the Erste Group Bank AG and was carried out with a dual listing on both the Prague and Vienna bourses.

IIB is a multilateral development institution founded in 1970 and reformed in 2012. Its current nine members/shareholders are Bulgaria, Cuba, the Czech Republic, Hungary, Mongolia, Romania, Russia, Slovakia and Vietnam, all participating through intergovernmental agreements. In April 2015, the IIB opened its first European regional office in Bratislava and has moved its headquarters from Moscow to Hungary.