



IIB successfully executes the largest RON bond placement

November 4, 2019

On October 30th 2019, IIB successfully closed the order book for its fifth and largest RON bond issue on the Bucharest Stock Exchange. In terms of volume this issue is the largest outstanding corporate/supranational bond ever on the Romanian market and represents the first fixed rate bond issued in Romania by the Bank. The placement was organized by BT Capital Partners S.A. (Investment Banking & Capital Markets arm of Banca Transilvania Financial Group) and ING BANK N.V. AMSTERDAM - SUCURSALA BUCURESTI.

Following the roadshow held earlier on October 24th with support from the State Secretary of the Ministry of Public Finance of Romania, Mr. Attila György, a new 3-year issue had been launched on October 29th with an initial price indication set up at 50 bps vs. the Romanian sovereign benchmark due August 2022. The book was then closed on October 30th, at a spread of 45 bps vs. ROMGBs, gathering a large interest both from local and offshore investors.

The final coupon was set at 3.98% and the final euro-after swap price was EURIBOR +84.95bps. This is the lowest cost in the history of IIB for 3-year maturity funding. Compared with last year's RON bond issue, there is an improvement of 36 bps in euro after swap.

Total orders amounted to more than RON 500 million and the final book showed a very diversified investor base represented by 18 institutional investors (banks, asset managers, pension funds, insurers and mutual funds). Offshore investors represented about 12% of the issue size.

Following this transaction, the Romanian capital market is currently the largest market for IIB's debt origination (44% of the total long-term funding) and RON debt has the largest share (27%) in the breakdown by currencies.

*"We are proud to see the outcome of this last bond issue. It vividly demonstrates the international investor community's confidence in the Bank's strategic course and a sign of the Bank's recognition as a Europe-based multilateral development institution", **Nikolay Kosov, the Chairperson of the IIB Management Board**, commented.*

"We created a bond with the Romanian investor base. We've been present on this market for 5 years in a row and this is visible in today's outcome. We really set up benchmarks on the Romanian bond market. We issued the first euro-denominated bond listed and traded on Bucharest Stock Exchange in 2017, we repeated it in 2018 and now we have just issued the largest RON supranational/corporate bond on the local capital market achieving the lowest euro-after swap costs ever for IIB. Shareholders decisions, such as IIB headquarters relocation to Budapest, approval of a new round of capitalization, led to credit ratings and financial performance improvements. Now, we witness further positive outcomes of these decisions: the lowest costs ever for IIB obtained by its largest local currency bond issuance on the European markets so far. At the end of the day, for us, market perception and market test is the best

*barometer”, underlined **First Deputy Chairperson of the IIB Management Board in charge of funding and treasury, Jozef Kollar.***