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Successful return of the IIB on Russian debt market

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On April 27, 2017, the International Investment Bank (IIB) held a successful secondary placement of ruble bonds of 02 series, or “mibovki”, previously re-purchased under the regular put option. The volume of the secondary placement amounted to RUB 2.98 billion. Thus, the whole issue, RUB 3 billion is again in circulation.

The order book opened on April 26, 2017, with the initial range of 100.0-100,45% of the nominal value, which corresponds to yields of 9.46-9,73% (the coupon rate was previously set in the amount of 9.5% per annum). During the book building process, demand for the bonds reached a volume of almost RUB 13 billion. Such a large oversubscription allowed the IIB to increase the price, and thus lower the yield, several times. As a result, the final placement price amounted to 100.9% of par, which corresponds to a yield of 9.19%.

“This transaction was the IIB’s most successful placement on the Russian debt market – the Bank recorded the lowest yield among all financial institutions on the Russian market since 2013, and the lowest yield in the history of placing its own bonds in Russia. In addition, the spread to the yield of OFZ under this placing fell to a historic low level. All these indicators reflect the increased credit quality of the Bank, which is also confirmed by the fact that the IIB is currently the highest rated among all financial institutions in the territory of Russia (BBB/BBB/Baa1)," – said **Jozef Kollár,** the Deputy Chairman of the IIB Board.

The issue of series 02 bonds is already included in the Lombard list of the Bank of Russia and in the list of securities accepted by the Bank of Russia for REPO transactions. The organizers of the secondary offering were Bank Zenit, ROSBANK and Sovcombank.

Since 2014, the IIB has systematically been developing its activities to raise long-term debt funding. Over the last three years, the Bank has raised more than EUR 500 million, including its debut syndicated loan in 2016 and the bond issues in Romania, Slovakia and Russia and its inaugural Schuldscheindarlehen placement on the German market.

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