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The IIB had successfully closed book for a new bond placement

October 12, 2018

On October 10, 2018, the International Investment Bank (IIB) successfully closed the order book for a new bond issue on the Bucharest Stock Exchange. The issue is the fourth one in a row for the IIB and the largest one in terms of volume on the Romanian market. The placement was organized by BT Capital Partners S.A. (Banca Transilvania Group), BRD - Groupe Société Générale S.A. and ING BANK N.V. AMSTERDAM - SUCURSALA BUCURESTI.

The new issue was again structured in two tranches - in RON (Romanian lei) and EUR. The maturity of both tranches is 3 years. The volume of the RON tranche amounted to RON 300 million (about EUR 64 million), while the volume of the EUR-denominated tranche amounted to EUR 80 million. The interest rate in RON is linked to the Romanian interbank offer rate (ROBOR) and amounted to ROBOR 3M + 1.40% p.a., while the EUR rate was set at 1.5026% p.a. Continuing to develop the Romanian financial market, the IIB has offered, for the second time, bonds denominated in both EUR and RON to local and international investors, using the local infrastructure and based on Regulation S under the U.S. Securities Act of 1933.

As with previous issuances, the offered instruments met with a significant investor interest. While the RON tranche was met with interest mainly by the local investor base, predominantly by asset managers, the EUR tranche has shown a very good geographical distribution with offshore investors, whose orders contributed to around 60% of the total book. The orders for the EUR tranche came from nine countries, among which the most important were Romania (40%), Hungary (31%) and Bulgaria (12%), followed by Austria, Germany, Republic of Moldova, the Netherlands, France and Switzerland.

High demand for the IIB's bonds was ensured through a successful roadshow in the period from October 2 to October 5. The Bank held meetings in Bucharest with support of the State Secretary of the Ministry of Public Finance of Romania and the Head of the Romanian delegation to the IIB Attila Gyorgy, while the roadshow meetings held in Budapest were conducted with support of Dr. László Balogh, Deputy State Secretary for Financial Policy at the Ministry of Finance of Hungary. Roadshow meetings were also held in Frankfurt and London.

"This year's rating upgrades from Standard & Poor's and Moody's, in the context of the IIB's continuously improving diversification of lending and funding as well as the treasury asset quality, were materialized in tighter spreads on both tranches compared with the IIB's issuance last year," commented **Nikolay Kosov, Chairman of the IIB Management Board**.

"The IIB successfully reduced the spread on the RON tranche by 10 bps and on the EUR tranche by 25 bps compared with last year's deal, concluding the new transaction at ROBOR 3M + 140 bps for the RON tranche and Mid-swaps + 140 bps for the EUR tranche," commented Deputy Chairman of the IIB Management Board **Jozef Kollar**, responsible for

funding.