

CEC Bank successfully issues benchmark - type EUR 300 million SNP 5NC4 MREL eligible bonds, rated BB by Fitch issued under its EUR 1.5 billion EMTN Programme

CEC Bank achieved a significant milestone by issuing EUR 300 million Senior Non-Preferred Eligible Notes through a benchmark-type international placement, with a 5.625% coupon. This issuance marks the first rated tranche of the notes under the bank's EMTN Programme, receiving a BB rating from Fitch Ratings, consistent with the Bank's IDR rating.

Since its debut as an issuer in December 2022, CEC Bank has successfully tapped the markets annually. The instruments issued are intended to ensure compliance with the MREL regulatory requirements and support general growth, thereby establishing CEC Bank as a regular issuer on the international senior bond markets.

The orderbook, which was more than twice subscribed compared to the initially announced size of EUR 300 million, consisted primarily of international investors. The strong demand indicates growing trust and visibility amongst an international investor base towards the issuer, aligning with its expansion strategy.

"CEC Bank is evolving towards a well-established player in the international markets, aligning with its peers and the overall growth of the Bank, driven by its current transformation agenda. Through this issuance, we have achieved several milestones: liquidity through relevant volume, our first rated tranche, and a diverse and granular base of international investors.

We are proud to witness the increased appetite shown by market participants, which we consider a symbol of trust and appreciation for the Bank's achievements in recent years. We are also grateful to our partners who have supported us during this inspiring journey, culminating in a successful trade", said Ionuț Lianu, Chief Balance Sheet Officer.

"The issuer attracted strong interest from a broad international investor base, resulting in a peak orderbook of over EUR 800mn, with impressive momentum from the outset. This fine deal certainly paves the way for further successful capital market transactions in the future. Erste Group is honored to be part of this success story as Co-Arranger of the Programme as well as Joint Lead Manager.", said Maxim Boersig, Head of FIG Origination, Debt Capital Markets, Erste Group.

"ING was honored to support CEC Bank as Documentation Co-Arranger and Joint Lead Manager on its public MREL Eurobond transaction. The strong international investor support and orderbook oversubscription are a testament to the team's timing and marketing efforts. By placing this EUR 300m 5NC4 Senior Non-Preferred bond, priced 37.5bps inside Initial Price Thoughts, CEC Bank has successfully secured access to the public capital markets and diversified its funding base.", said Théophile Despres, Vice-President, ING CEEMEA DCM.

"In a volatile context in which we see how the macroeconomic fundamentals are repositioning with rapid steps, we are honored to have had the opportunity to assist CEC Bank, a reference institution in the financial and banking history of Romania, in attracting an impressive amount at an advantageous price, both for investors and for the company.", said Daniela Secara, CEO BT Capital Partners.

"As long-standing advisors to CEC Bank since their very first issuance, we are proud to be by their side throughout this remarkable journey in the international debt capital markets. We extend our heartfelt congratulations to the dedicated and talented CEC Bank team on this latest successful bond issuance, and we thank the joint book runners, managers, and their counsel for the collaboration on this significant achievement!", said Loredana Chitu, Head of Capital Markets practice in Dentons Bucharest.

The EUR-denominated bonds were issued under CEC Bank's updated EUR 1.5 billion EMTN Programme based on a prospectus approved by the Commission de Surveillance de Secteur Financiere (CSSF) Luxembourg on November 18, 2024.

The notes are admitted to trading on the regulated market of Luxembourg Stock Exchange starting November 28, 2024 and are intended to be admitted to trading on the regulated market of Bucharest Stock Exchange. CEC Bank mandated Erste Group Bank A.G. and ING Bank N.V. as Joint Lead Managers and Co-Arrangers of the bond issue, while BT Capital Partners acted as Co-Manager. Dentons served as legal advisor to CEC Bank, while the Joint Lead Managers were advised by Clifford Chance, in each case through their Bucharest and Frankfurt offices.