

BT raises €700 million from international markets in an oversubscribed new issue

On 25 September 2024, [Banca Transilvania](#) sold EUR 700 million in bonds, while investor demand exceeded EUR 2.5 billion. This marks the second year running that BT has issued under the [Sustainable Finance Framework](#).

Orders were submitted by almost 170 institutional investors, mostly international, i.e. 95%. The offer was placed by 131 investment funds, pension funds, commercial banks, insurance companies and other companies from 28 countries, including Europe, the US, Asia and the Middle East. Over 64% of the investors who subscribed to BT's sustainable bonds also have ESG objectives in their investment policies.

The funds raised will help finance sustainable projects in line with the eligibility criteria of the Sustainable Financing Framework: support for SMEs in underdeveloped regions of Romania, access to healthcare and education, as well as initiatives that support the green transition - green buildings, renewable energy projects, clean transportation, ecological farming.

"We are delighted with the interest shown by investors in this issue, which once again demonstrates the strength of Banca Transilvania and the potential of our country. The yield mix, the number of investors, the size of the transaction and the total demand set new benchmarks for BT." - says Ömer Tetik, CEO, Banca Transilvania.

Within the first hour of the transaction, investor orders reached over €1 billion, BT benefiting from the vote of confidence of two international financial institutions. The favourable financial market conditions and the dynamics of the order book resulted in a final coupon of 5.125 per annum, yielding

40 basis points lower than initially expected. The entire sale process was completed within a few hours and, given the high level of interest in the market, which persisted even after the price reduction, Banca Transilvania decided to increase the amount raised to EUR 700 million.

The bonds mature in 2030, are listed on the [Dublin Stock Exchange](#) and are eligible for the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), helping to ensure an optimal level of funds at all times, distinct from customer deposits which are guaranteed by the Deposit Guarantee Fund, in line with European banking standards.

The bond sale was coordinated by J.P. Morgan, Morgan Stanley, Nomura and ING Bank, (which also acted as sole ESG advisor). BT Capital Partners, the brokerage arm of the Banca Transilvania Group, was Co-Manager for the issue. The legal advisors were Filip&Company, Freshfields Bruckhaus Deringer LLP, Clifford Chance Badea and Clifford Chance LLP. Deloitte Audit SRL acted as financial auditors and KPMG Tax SRL acted as tax advisors.

The [first ESG bond issue](#), also oversubscribed in a few hours, was announced by Banca Transilvania in November 2023, when it raised €500 million.

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About Banca Transilvania:

Banca Transilvania is the largest bank in Romania and Southeast Europe. As a universal bank, it covers all customer segments and business lines in the financial sector. It has over 20% market share, 4.3 million customers, more than 10,000 employees, online banking solutions and 500 branches in 180 locations. Beyond banking, the bank wants to have a positive impact in Romania - for people, business and the environment.

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