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IMPORTANT NOTICE: *This pricing notification is not an offer to sell the Bonds and is not a solicitation of an offer to buy the Bonds in any jurisdiction where it is unlawful to do so. The Bonds shall be subject to the terms and conditions included in the offering circular dated 9 October 2018 relating to the Offering and, if the case, any supplement thereto. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”). The securities described herein may not be offered or sold in the United States or to U.S. persons (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements of the Securities Act. There will be no public offering of any securities in the United States.*

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PRICING NOTIFICATION

10 October 2018

The offering (the “**Offering**”) of floating interest rate RON-denominated bonds (the “**RON Bonds**”) and fixed interest rate EUR-denominated bonds (the “**EUR Bonds**”), due 15 October 2021 (the “**Bonds**”)

by

International Investment Bank (the “**Issuer**”), a multilateral institution for development operating on the basis of the intergovernmental Agreement on the Establishment of the International Investment Bank of 10 July 1970 and the Statutes of the International Investment Bank attached to the Establishment Agreement, registered with the Secretariat of the United Nations on 1 December 1971 under number 11417

Issue price: 100 % of nominal value/Bond

Issue date: 15 October 2018

PART A. – SUMMARY OF TERMS AND CONDITIONS

CURRENCY, PRINCIPAL AMOUNT, NOMINAL VALUE AND ISSUE PRICE

FOR RON BONDS:

Currency	RON
Principal Amount	RON 300,000,000
Nominal Value of one Bond	RON 10,000
Issue Price	RON 10,000



FOR EUR BONDS:

Currency	EUR
Principal Amount	EUR 80,000,000
Nominal Value of one Bond	EUR 10,000
Issue Price	EUR 10,000

INTEREST

FOR RON BONDS:

Interest Rate type	Floating		
Interest Rate	ROBOR 3M +1.4 per cent		
Interest Commencement Date	15 October 2018		
Interest Period	from, including the Issue Date/ each Interest Payment Date	until, excluding, the immediately following Interest Payment Date	at the annual rate of ROBOR 3M +1.4 per cent
The interest shall be paid regularly	Quarterly		
Interest Payment Date	each of 15 January, 15 April, 15 July and 15 October of each year, starting with the First Interest Payment Date and ending on the Last Interest Payment Date		
First Interest Payment Date	15 January 2019		
Last Interest Payment Date	15 October 2021		

FOR EUR BONDS:

Interest Rate type	Fixed		
Interest Rate	1.5026 per cent		
Interest Commencement Date	15 October 2018		
Interest Period	from, including the Issue Date/ each Interest Payment Date	until, excluding, the immediately following Interest Payment Date	at the annual rate of 1.5026 per cent



The interest shall be paid regularly	Annually
Interest Payment Date	15 October of each year, starting with the First Interest Payment Date and ending on the Last Interest Payment Date
First Interest Payment Date	15 October 2019
Last Interest Payment Date	15 October 2021

SETTLEMENT SYSTEM (FOR BOTH RON AND EUR BONDS)

- Depozitarul Central S.A. Carol I Boulevard, District 1, Bucharest, Romania
- ICSD RoClear and Clearstream Banking, société anonyme

REPAYMENT OF THE NOMINAL VALUE (FOR BOTH RON AND EUR BONDS)

Maturity Date	15 October 2021
Full repayment of the Nominal Value upon Maturity Date	Yes
Early Repayment at the Issuer's option	No
Issue Date	15 October 2018

PAYING AGENT

Paying Agent (Interest and Nominal Value)

- Banca Transilvania S.A.
Cluj-Napoca, 8 George Baritiu St.
Romania

TAXATION

Yes

The Issuer shall pay additional amounts in case withholding tax or deductions apply (unless such withholding or deduction is required by law or another exception specified in the Terms and Conditions applies)



APPLICABLE LAW AND JURISDICTION

APPLICABLE LAW

Romanian law

JURISDICTION

Romanian courts

PART B. – OTHER INFORMATION

INFORMATION REGARDING BONDS TO BE OFFERED OR ADMITTED TO TRADING

RON Bonds identification code

ISIN ROXR6Y7LQ1H7

CFI: DBVPFR

EUR Bonds identification code

ISIN ROAB22JS4SS1

CFI: DBFPFR

TERMS AND CONDITIONS OF THE OFFERING

Conditions, statistics of the Offering, estimate Offering Date and the subscription procedure applicable to the Offering

The Offering is addressed exclusively to:

Investors who are “qualified investors” within the meaning of article 2(1)(e) of the Prospectus Directive (“**Qualified Investors**”) and/or to less than 150 natural or legal persons, other than Qualified Investors per member state and to such other investors in Romania or such other member states of the European Economic Area where it is possible to do so, in reliance of Regulation S and without the need to publish a prospectus or undertake any other formalities whatsoever under applicable law in reliance on article 3(2) of the Prospectus Directive, to the extent, and only provided that, an investment in the Bonds does not constitute a violation of any applicable law by such investors (the “**Eligible Investors**”). In addition, in the United Kingdom, the Offering is directed only at Qualified Investors (x) who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Financial Promotion Order”) and Qualified Investors falling within article 49(2)(a) to (d) of the



Offering Date on which subscriptions may be placed by Eligible Investors and the description of the subscription process	<p>Financial Promotion Order and (y) to whom it may otherwise lawfully be directed.</p> <p>11 October 2018, from 10:00 to 18:00 Romanian time.</p> <p>For the purpose of establishing the Interest Rate, a bookbuilding process has been carried out by the Managers among Eligible Investors, during 9 - 10 October 2018. During the bookbuilding process, the Managers evaluated the interest rate sensitivity of demand for Bonds from the Eligible Investors.</p> <p>For such purposes, Eligible Investors were required to specify the number of Bonds which they would be prepared to acquire and the related fixed and, respectively, floating interest rate at which they would be prepared to acquire such Bonds within an indicative range.</p> <p>The allocation of Bonds shall be made by the Issuer in consultation with the Managers following the completion of the bookbuilding process among Eligible Investors, on 10 October 2018, from 3:00 P.M. to 5:00 P.M. Eligible Investors shall thereafter be invited to subscribe for Bonds, on the Offering Date, based on the results of such allocation and in accordance with the subscription procedures set out in the offering circular for the Offering.</p> <p>Investors cannot refuse the Bonds allocated to them by the Issuer, in consultation with the Managers and shall have no right to contest or oppose such allocation. The allocation of the Bonds made by the Issuer in consultation with the Managers is mandatory and is binding for the Eligible Investors.</p>
Withdrawal of subscriptions	The subscriptions made on the Offering Date are irrevocable and may not be withdrawn or amended by the Eligible Investors.
Details on the minimum subscription amount (or number of Bonds or total amount)	No minimum subscription requirements, other than those applicable as per the provisions of article 3(2) of the Prospectus Directive (in case an Eligible Investor subscribes pursuant to an exception thereunder which requires a minimum amount of the subscribed securities) apply to Eligible Investors. Subscriptions of fractions of Bonds are not permitted and any subscription for a fraction of a Bond shall be deemed invalid. Multiple subscriptions orders must be placed with the same Eligible Participant or Manager.
Method and time limitations for paying the securities and delivering the Bonds	<p>Delivery-versus-payment</p> <p>Transaction Date: 11 October 2018</p>



Settlement Date: 15 October 2018

Description of the manner and date on which the Offering results shall be made public

The floating Interest Rate for the RON Bonds and the fixed Interest Rate for the EUR Bonds were established by the Issuer, in consultation with the Managers, on the basis of the bookbuilding results and is hereby notified to investors through this Pricing Notification published on the Issuer's web site www.iib.int/en/, on each Manager's website, www.btcapitalpartners.ro/, <https://www.ing.ro> and <https://www.brd.ro/en>, respectively, and on the website of the Bucharest Stock Exchange www.bvb.ro.

The results of the Offering will be published in Romanian and/or English, as the case may be on the Issuer's web site www.iib.int/en/, on each Manager's website, www.btcapitalpartners.ro/ and www.ing.ro and www.brd.ro, respectively, and on the website of the Bucharest Stock Exchange www.bvb.ro.

PLACEMENT AND SUBSCRIPTION

Name and address of the Managers

BT Capital Partners S.A. ("BTCP")

74-76 Constantin Brancusi Street, Brancusi Business Center, ground floor, Cluj-Napoca, Cluj county, Romania

BRD - Groupe Société Générale S.A. ("BRD")

1 – 7 Ion Mihalache Blvd, district 1, Bucharest, Romania

ING BANK N.V. AMSTERDAM - SUCURSALA BUCURESTI ("ING")

48 Iancu de Hunedoara Blvd, ground floor – 12th + 14th floors, district 1, Bucharest, Romania

Name and addresses of the Eligible Participants

Any Participants (other than the Managers) who (i) have signed an irrevocable and unconditional undertaking to observe the provisions of the offering circular relating to the Offering, the Pricing Notification and the applicable law, in the form made available by the Managers and (ii) have transmitted such undertaking, to BTCP.

ADMISSION TO TRADING

Listing

Yes



- International Bonds tier of the Regulated Spot Market of the Bucharest Stock Exchange

The Issuer may apply for admission of the Bonds to trading on any other regulated market in the European Union (at the discretion of the Issuer)

Date of admission to trading on or around 18 October 2018

ADDITIONAL INFORMATION

Issuer's rating **A3** with stable outlook by Moody's Investors Service, Inc., **BBB** with positive outlook by Fitch Ratings CIS Ltd, **BBB+** with stable outlook by Standard & Poor's Credit Market Services Europe Limited and **A** with positive outlook by Dagong Global Credit Rating Co., Ltd

Bonds' rating Each of the RON Bonds and the EUR Bonds are expected to be rated under the terms of the Issuer's agreements with international rating agencies, by at least two of the international rating agencies above.

Collection accounts:

RON Bonds	EUR Bonds
RO96BTRL01301202925690XX - Banca Transilvania S.A. Cluj	RO45BTRL01304202925690XX - Banca Transilvania S.A. Cluj
RO52BRDE427SV00624894270 - BRD – Groupe Société Générale S.A.	RO85BRDE427SV00636844270 - BRD – Groupe Société Générale S.A.

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