



INTERNATIONAL INVESTMENT BANK

TIME PROVED PARTNERSHIP

IIB KEY FACTS AND FIGURES

QUARTER II, 2019

THE BANK MISSION AND SHAREHOLDERS

STATUS

The International investment Bank is a multilateral development institution, created by member states in 1970. The Agreement to form the bank was signed on 10 July 1970 and registered with the United Nations Secretariat under number 11417.



MISSION

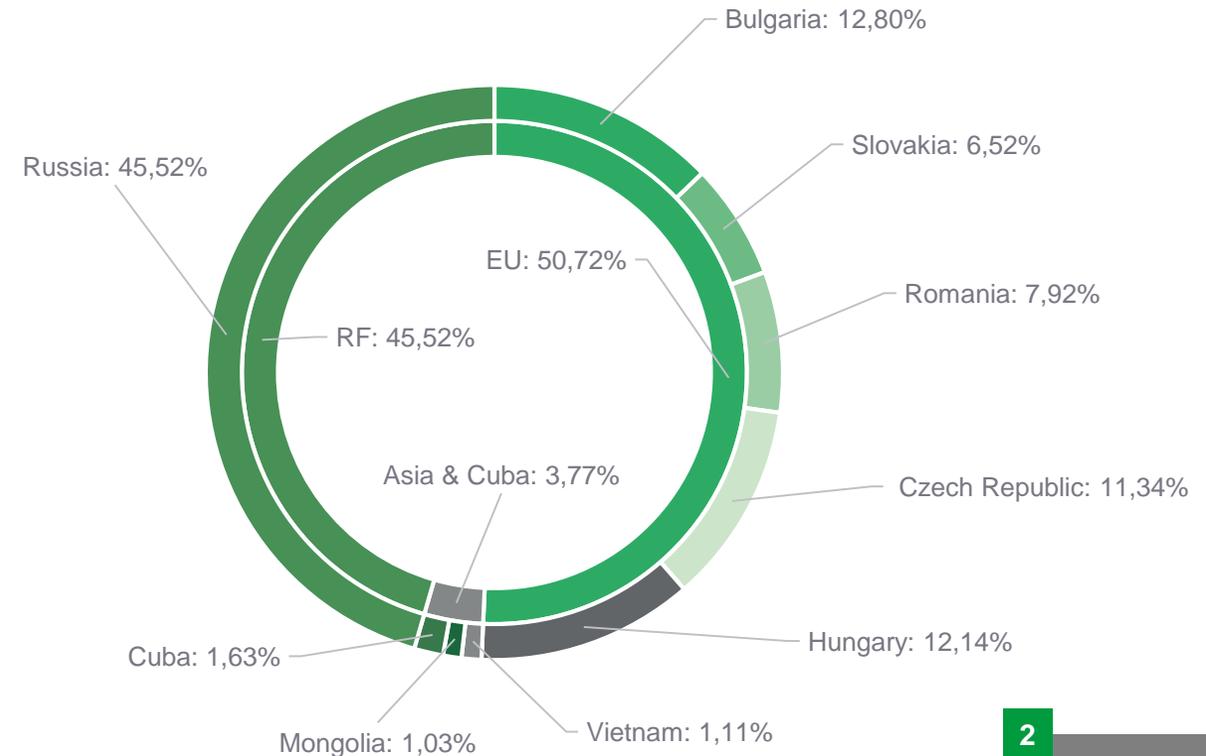
“To promote greater interconnections and integration between the economies of the Bank member states, with the aim of achieving the conditions for balanced and inclusive growth, and competitive national economies, by drawing on existing historical bonds”.



SHAREHOLDERS

- 9 sovereign states
- **329.61 million euro** paid-in capital

PAID-IN CAPITAL



CORPORATE MANAGEMENT STRUCTURE



BOARD OF GOVERNORS

Countries or international financial entities who share the goals and principles that guide the Bank's activities can become members of the Bank, if they are ready to assume the corresponding obligations.

The 'Council', also known as the Board of Governors, is the supreme governing body of the Bank, and consists of authorized representatives of countries, drawn from the highest-ranking officials of member countries. The Council identifies the general activities of the Bank and the development strategy, and resolves to accept new members to the Bank, open offices and branches, as well as takes other fundamental decisions, in compliance with the Bank Statutes.

BOARD OF DIRECTORS

HR AND COMPENSATION COMMITTEE

An advisory body attached to the Board of Directors, the main function of this Committee is to verify that the bank complies with HR policies, rules and regulations.

The Board of Directors is a governing body that consists of representatives, nominated by the Bank members. This body is responsible for general leadership, monitoring Bank activities, as it exercises governance over the core areas of activity. The Board of Directors answers to the Council.

AUDITING COMMITTEE

The Auditing Committee (AC) is a governing body responsible for financial control of the Bank, and consists of experts appointed by the Council. It is subordinate both to the Board of Directors and to the Council.

MANAGEMENT BOARD

The Management Board is the executive body of the Bank, appointed by the Council, and is responsible for day-to-day management of the activities of the Bank in compliance with the Statutes, and resolutions of the Board of Directors and the Council of Governors.

KEY FIGURES

LONG-TERM RATINGS

- The key factors behind IIB credit ratings are: a high level of support from member states; a stable liquidity situation; high capital adequacy; diversified financing sources and an improved risk management system.

MOODY'S A3, Stable 30.04.2018

STANDARD & POOR'S A-, Stable 07.03.2019

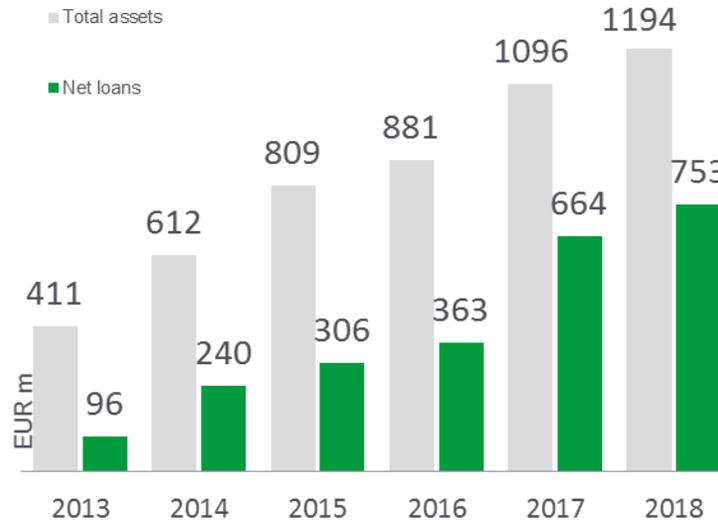
FitchRatings BBB+, Stable 21.11.2018

DAGONG GLOBAL A, Positive 07.02.2018



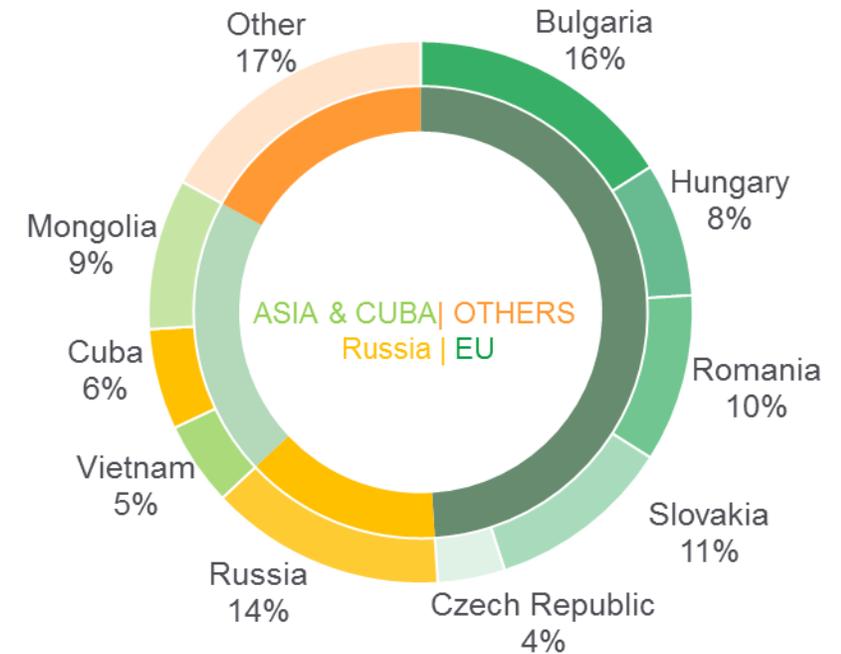
ASSETS AND LOANS PORTFOLIO

- Since 1970, the Bank has implemented more than 280 investment projects. The total investment volume is approaching 9 billion euro.
- At the end of 2018, the Bank's assets reached 1194 million euro.
- The loans portfolio at the end of 2018 reached 753 million euro and includes loans issued in all nine member states.



COUNTRY STRUCTURE OF THE PORTFOLIO

(agreements signed, % as of 31.12.2018)



THE “RELAUNCH” STRATEGY, 2012-2017

2012

- Bank member states resolved to relaunch IIB activities.
- **The 2013-2017 IIB “Relaunch” Strategy was unanimously adopted.**

2013

- **First ever shareholder decision to inject additional capital into IIB.**
- New risk management and compliance practices integrated.
- **The Bank received its first ever international investment rating from Fitch Ratings.**

2014

- **First placement of Bank bonds on the Russian market (RUB) and issue of bonds on the Slovak market (EUR).**
- The Bank starts to attract long-term financing.
- **IIB receives a second credit rating from Moody’s Investors Services.**
- Slovak Republic, Bulgaria and Vietnam significantly increase their shares in IIB capital.
- **Hungary returns as an IIB member state.**

2015

- The Bank opens a European regional office in Slovakia.
- **IIB issues bonds in Romania for the first time.**
- **Launch of Trade Financing Programme (offering products of up to two years).**
- First investment guarantee issued.

2016

- **The Bank is given a third credit rating, by S&P.**
- Fitch raises IIB credit rating to BBB with stable outlook.
- **IIB attracts syndicated financing for the first time.**
- **Technical Assistance Fund (TAF) established jointly with the Finance Ministry of the Slovak Republic.**
- The Bank successfully transitions to a modern IT platform.

2017

- **Volume of loans issued since 2013 exceeds 1 billion euro.**
- Loan portfolio reaches 664 million euro.
- **The Bank starts to issue financing in local currencies (RUB, RON and HUF).**
- IIB rating forecasts improved: Moody’s to Baa1, positive, and Fitch to BBB, positive.
- **First Schuldschein placement on the German market and first placement in Hungary.**
- **Unanimous adoption of the IIB 2018-2022 Development Strategy.**



2018: MILESTONES

JANUARY

- European Investment Fund (EIF) jointly with the IIB launched the Central Europe Fund of Funds (CEFoF) with a capital of 80 million euros to support MSEs and companies with mid-range capitalization.

FEBRUARY

- A leading China-based international rating agency, Dagong Global Credit Rating Co., Ltd, boosted the IIB credit rating from “stable” to “positive”, confirming the rating of A-level issuer.

MARCH

- IIB receives preliminary approval of application to join International Development Finance Club (IDFC) – an esteemed platform of regional and national development banks working together towards SDGs implementation and other sustainability issues.

APRIL

- S&P Global boosts IIB long-term rating to BBB+ with stable outlook.
- IIB successfully performs the inaugural placement of bonds in Czech korunas (CZK), issuing three-year securities with a floating interest rate, total volume: 501 million koruna.
- Rating agency Moody's Investors Services upgrades IIB rating to A3 with stable outlook.

JUNE

- 109 Council Meeting of IIB takes place in Yaroslavl, Russia and takes decisions on strategically important issues, such as potential new round of capitalization approach, expansion of IIB presence in Europe.

JULY

- The Government of Romania increased its paid-in share of the Bank capital to 7.04%.

AUGUST

- On August 28, 2018 IIB new statutory documents entered into force. New three-tier corporate governance system is introduced. Callable capital increases to 2 bn euros.

SEPTEMBER

- Republic of Hungary officially proposes to relocate IIB Headquarters from Moscow to Budapest

OCTOBER

- On October 10, 2018, IIB successfully executed a new bond issue on the Bucharest Stock Exchange. Two tranches – in RON (Romanian lei - about EUR 64 million) and in euros (EUR 80 million).
- On October 14, 2018 IIB officially becomes a member of IDFC by signing the Club's Charter during IDFC Annual Meeting.

NOVEMBER

- Rating agency Fitch Ratings upgrades IIB's long-term credit rating to BBB+ with a stable outlook.

DECEMBER

- On December 3-4, 2018 the Inaugural Board of Governors and Board of Directors Meetings took place in Varadero (Republic of Cuba). The Board of Governors voted for a relocation of IIB Headquarters to Budapest from Moscow and approved a new capitalisation programme until 2023.
- The Government of Czech Republic increased its paid-in share of the Bank capital to 11,47%.

STRATEGIC OVERVIEW

RELAUNCH STRATEGY 2013-2017

2013-2017 period for IIB can be characterized by:

- Substantial increase of assets (3-fold) reaching EUR 1096 mn at end of 2017, and loan and documentary portfolio reaching EUR 712 mn
- Obtaining investment grade credit ratings from three leading international rating agencies
- Issuing bonds and other debt instruments in Member States, both in euros and national currencies (RON, RUB, HUF, CZK, EUR as national currency of Slovak Republic)
- Building an advanced risk, assets/liabilities management and compliance control systems
- Expanding the Bank's product offering through direct funding, intermediated financing, trade financing products and bank guarantees
- Phasing in a three-tier corporate management system
- Restoring Hungary's membership with the IIB
- Increasing the Bank's recognition on international markets
- Implementing corporate social responsibility principles
- Building a qualitatively new organizational structure

DEVELOPMENT STRATEGY 2018-2022 CURRENT STAGE

MISSION: *facilitating connectivity and integration between the economies of the Bank's Member States in order to ensure sustainable and inclusive growth, competitiveness of national economies, backed by the existing historical ties*

By the end of 2022, IIB aims to:

- Raise total assets to EUR 1.7 bn and expand the loan portfolio to EUR 1.2 bn, increase volume of bonds issuances including in national currencies of the member-states
- Become an acclaimed niche lending institution capable of executing medium-sized projects to promote the development of the Member States' national economies
- Put forward a recognizable value proposition on the markets of Member States, play a prominent role in supporting financial transactions both between them and third countries, which includes funding export/import operations and investment
- Run a partnership network in each Member State on the basis of long-term mutually advantageous relationships
- Achieve and maintain long-term financial sustainability
- Demonstrate sustainable profitability through its core activity
- Expand its shareholder structure to strengthen the capital base and identify new, sound financing opportunities
- To reinforce the presence in certain geographical areas by opening local representative offices

LONG-TERM VISION PERSPECTIVE UNTIL END 2032

By the end of 2032 the Bank should become:

- A medium-sized development bank in its target geographical areas with a broad product and service offering
- A full-fledged player in Member States and in the global community of international development institutions
- A major platform providing financial, foreign trade and investment ties between Member States and their companies
- An attractive strategic investment target
- To deliver measurable development effect for Member States

OUR POTENTIAL

	PROJECT FINANCING	MODERNIZATION	EXPORT-IMPORT	SUPPORT FOR MSEs	MERGERS AND ACQUISITIONS	TRADE FINANCING	TECHNICAL ASSISTANCE
Description	<ul style="list-style-type: none"> We finance creditworthy projects in IIB member states, that are aimed at sustainable development and cooperation between IIB member states 	<ul style="list-style-type: none"> Financing is performed with the goals of modernization of existing infrastructure, modernizing equipment and (or) expanding existing business 	<ul style="list-style-type: none"> Financing the export and import of goods, equipment, technologies and services, promoting the sustainable development of member states 	<ul style="list-style-type: none"> IIB promotes improving access for small and medium-sized enterprises (SMEs) of IIB member states to financial resources by using a dual-level financing mechanism 	<ul style="list-style-type: none"> Financing the acquisition of companies (acquisition of a company or asset, largely financed using borrowed funds). 	<ul style="list-style-type: none"> Export or import of goods, equipment, technology and services between IIB member states and other countries 	<ul style="list-style-type: none"> Rendering technical assistance services paid for by the IIB/Slovak Republic Technical Assistance Fund
Items financed	<ul style="list-style-type: none"> Projects aimed at sustainable development of member states (innovation, resource-saving, social infrastructure, integration, etc.) 	<ul style="list-style-type: none"> Existing business Infrastructure projects New equipment Other projects 	<ul style="list-style-type: none"> Export or import of vehicles and equipment (financing on the part of the buyers and sellers in IIB countries) Pre-export financing of exporters operating in IIB member countries 	<ul style="list-style-type: none"> Financing of MSE support programmes for IIB partners/financial intermediaries aimed at sustainable development of IIB member States 	<ul style="list-style-type: none"> Acquisition of an existing business 	<ul style="list-style-type: none"> Export or import of goods, equipment and services Pre- and Post-export financing of exporters/importers working in IIB member states 	<ul style="list-style-type: none"> Projects aimed at sustainable development of IIB developing country members: Vietnam, Mongolia, Cuba
Term (years)	<ul style="list-style-type: none"> 3 – 15 	<ul style="list-style-type: none"> 3 – 7 	<ul style="list-style-type: none"> 1 – 5 	<ul style="list-style-type: none"> 3 - 7 	<ul style="list-style-type: none"> 3 – 7 	<ul style="list-style-type: none"> Up to 2 years 	<ul style="list-style-type: none"> Period of technical assistance is determined case-by-case, depending on the scale and substance of the project
Sums, rates, currencies	<ul style="list-style-type: none"> We focus on deals with IIB participation of 20-100 million euro or the equivalent in another currency We provide financing in euro, USD and other national currencies of IIB member states We undertake a case-by-case approach to price formation, whilst also guided by the principle of break-even operations 					<ul style="list-style-type: none"> Sums within established credit limits Prices dictated by market EUR, USD, national currencies of members, and other currencies 	<ul style="list-style-type: none"> The volume of assistance is determined case-by-case, depending on the scale and substance of the project
Instruments and vehicles	<ul style="list-style-type: none"> Credit Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA) Shareholder financing 	<ul style="list-style-type: none"> Credit Credit line renewal Financing working capital Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) 	<ul style="list-style-type: none"> Renewable credit line with limited tranche term Credit Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA) Bank guarantees 	<ul style="list-style-type: none"> Credit Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA) 	<ul style="list-style-type: none"> Credit Syndicated financing Bank guarantees 	<ul style="list-style-type: none"> Irrevocable Reimbursement Undertaking (IRU) Guarantee, counter-guarantee (advance payment, performance bonds, tender, payment guarantees, etc.) Standby Letter of Credit (SLC) Target-related loan (TRL) Letter of Credit with post-financing / discounting 	<ul style="list-style-type: none"> Slovak Republic Technical Assistance Fund: IIB pays for technical assistance services, rendered to recipient organizations and support from consulting companies registered in the Republic of Slovakia
Key requirements	<ul style="list-style-type: none"> Borrower participates with proprietary funds to at least 25% of total project cost Special covenants established case-by-case Business plan/financial modelling 	<ul style="list-style-type: none"> Integrational impact from financing (involving IIB member states) Current contracts 	<ul style="list-style-type: none"> Integrational impact from financing (involving IIB member states, and also third states) Financing Export/Import Current contracts 	<ul style="list-style-type: none"> IIB applies a dual-level financing system, supporting MSEs through financial intermediaries: commercial partner banks, leasing companies, etc. 	<ul style="list-style-type: none"> Integrational impact from financing (involving IIB member states) Creation of added value in IIB country at deal completion 	<ul style="list-style-type: none"> KYC for every deal Commodities not on the exceptions list The statutory credit limit for the issuer bank Connection between the participant and/or the scope of the deal with one of the IIB member countries 	<ul style="list-style-type: none"> The project must be implemented in Vietnam, Mongolia or Cuba The project must comply with the IIB mission

LANDMARK IIB PROJECTS

DEVELOPMENT OF INFRASTRUCTURE

The Bank is financing the construction of a cascade of small hydro-electric dams in Karelia.

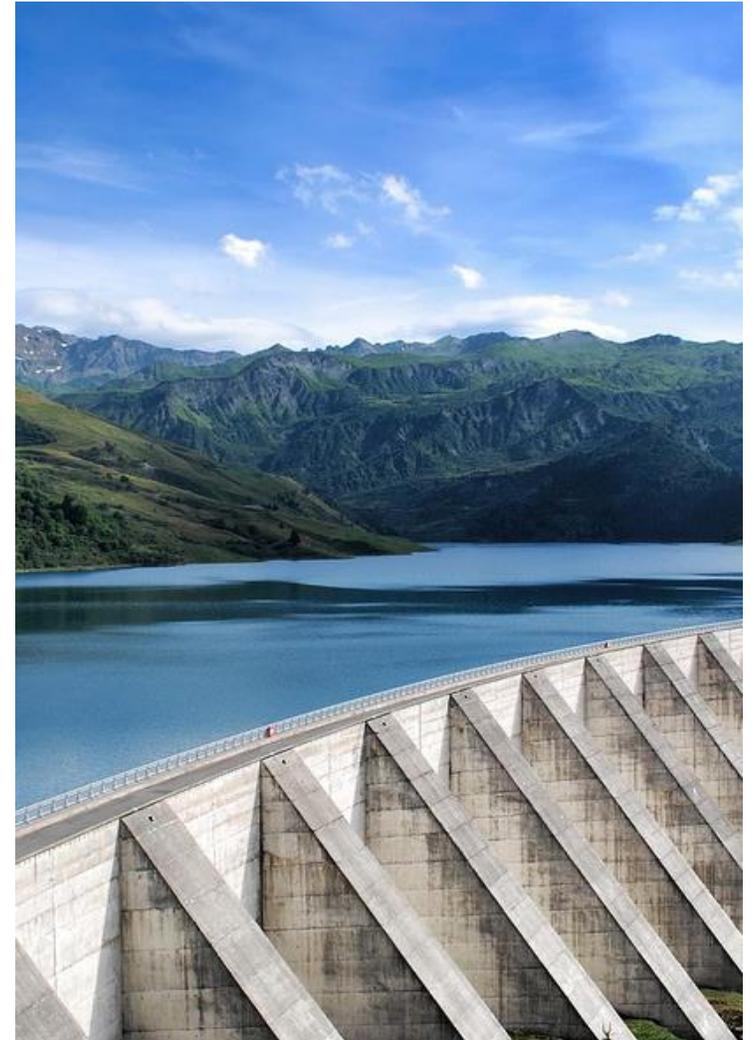
The project is included in a list of high-priority projects under the Federal Targeted Programme “Development of the Republic of Karelia to 2020”.

The project will allow the region, its residents and enterprises to be supplied with inexpensive, “clean” energy.

The implementation of “green” and renewable energy sector projects is among the priority activities of IIB, as an international development institution.

Key project parameters:

- Equivalent of 4.075 billion rubles
- 12 years
- Country: RF



LANDMARK IIB PROJECTS

INVESTMENT IN TRANSPORT AND INDUSTRIAL INFRASTRUCTURE

IIB has ensured financing for the lease-to-buy acquisition of aviation equipment manufactured in the Czech Republic.

The project provided a new impulse for the development of an existing aeronautics production plant, helped save existing jobs and create new ones at plants both in Russia and the Czech Republic, facilitated the development of the RF regional transport infrastructure, and boosted the level of security and accessibility of modern, high-quality and reliable air transportation services, which is particularly important for distant and hard-to-reach regions.

The deal, which fully complies with the IIB mandate as a multilateral development institution, has become a historic event in the process of reinforcing and expanding bilateral economic links between the member states of the Bank.

Key project parameters:

- Equivalent of 4.5 billion rubles
- 7 years
- Countries: RF, Czech Republic



LANDMARK IIB PROJECTS

DEVELOPMENT OF ENERGY SECTOR

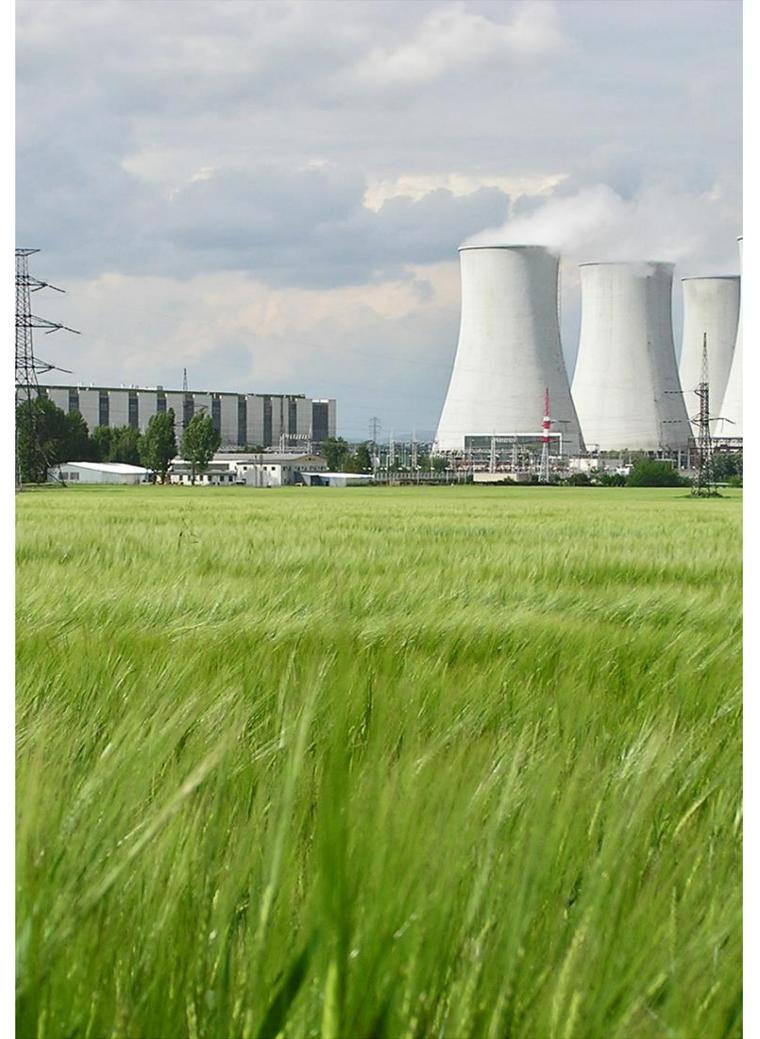
IIB has extended credit for the implementation of strategic projects to develop one of the largest energy holdings in Europe.

The activities by the borrower fully comply with the environmental responsibility standards of the IIB, as they cause almost zero harm to the environment. Most of the electrical power generated by the group involves no greenhouse gas emissions, due to the use of the most cutting-edge technologies harvesting nuclear, solar, water and wind energy.

Support for the energy sector in member states is one of the key areas of activities by the Bank, and as an international financial institution, IIB shares the sustainable development priorities of the United Nations Organisation, unswervingly focusing special attention on implementing projects in the “green” and renewable energy sectors.

Key project parameters:

- 90 mln euro
- 12 years
- Country: Republic of Slovakia



LANDMARK IIB PROJECTS

DEVELOPMENT OF INFRASTRUCTURE

In partnership with the Mongolia Development Bank, IIB has rendered financial support for the development of a series of projects critical to the national economy.

Projects were implemented in areas of strategic importance for Mongolia, such as the energy sector, the construction industry, and the food industry.

Funds provided by IIB were spent on expanding the activities of the leading enterprises in the country, performing technical retrofitting, integrating modern energy-saving technologies and environmentally-friendly technologies, whilst also creating new jobs.

Key project parameters:

- 50 mln euro
- 5 years
- Country: Mongolia



LANDMARK IIB PROJECTS

DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES

Jointly with its long-term partner, the Black Sea Trade and Development Bank (BSTDB), IIB has financed small and medium-sized enterprises in the food industry of Bulgaria.

Cooperation with leading developing institutions, including in the loans and investment sector, remains one of the high-priority areas of activity of the IIB under our mandate as an international development bank.

Companies which received financial support from IIB were able to use funds to acquire new equipment, boosting production capacities and expanding product ranges, and to bolster their working capital.

Key project parameters:

- 11 mln euro
- 7 years
- Country: Bulgaria



LANDMARK IIB PROJECTS

DEVELOPMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES

IIB concluded an agreement with International Finance Corporation (IFC) to participate in a syndicated loan to benefit small and medium-enterprises in Vietnam.

For the IIB, this syndication is the fourth joint deal with the IFC, one of the bank's key strategic partners.

Implementing projects to support small and medium-sized enterprise in Vietnam makes a major contribution to the cause of creating new jobs, as well as promoting national economic growth and ensuring greater prosperity for the population at large.

Key project parameters:

- 10 mln USD
- 5 years
- Country: Socialist Republic of Vietnam



LANDMARK IIB PROJECTS

RETAIL SECTOR DEVELOPMENT

IIB participated in extending syndicated credit to benefit a major Romanian company—the national operator of a retail trade network. The financing deal made it possible to purchase one of the largest food retail networks in the country.

For the Bank, this deal was also of strategic importance, because for the first time the loan was issued in the national currency.

The funds issued by the IIB were used to create new jobs and boost competitiveness in the retail sector of the Romanian economy, facilitating an increase in prosperity and quality of life for the population of the country.

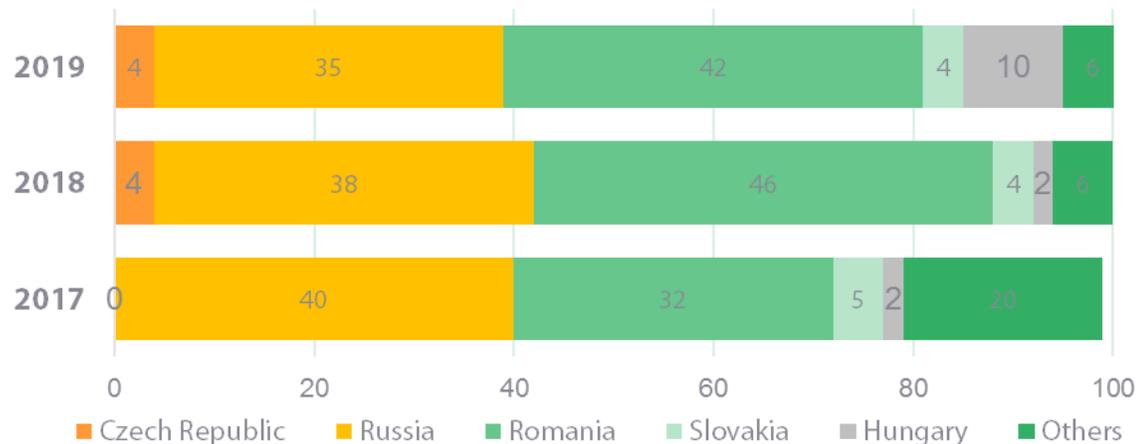
Key project parameters:

- 137.25 mln Romanian leu
- 7 years
- Country: Romania

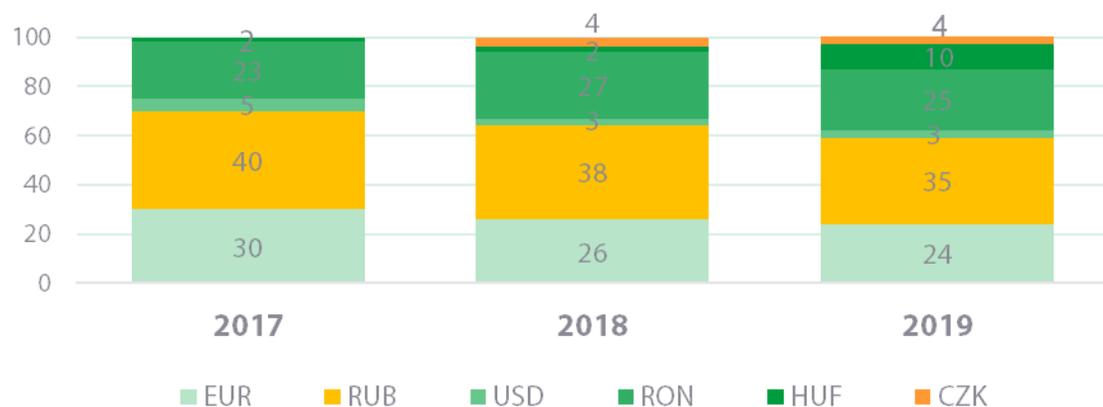


DIVERSIFICATION OF SOURCES OF FUNDING

LT funding by countries



LT funding by currencies



KEY PLACEMENTS

RUSSIA

- 5 issues
- 24 billion rubles
- Listing: Moscow Exchange

ROMANIA

- 4 issues
- 900 million Romanian leu, 140 mln euro
- Listing: Bucharest Stock Exchange

SLOVAKIA

- 1 issue
- 30 mln euro
- Listing: Bratislava Stock Exchange

CZECH REPUBLIC

- 1 issue
- 750 million koruna
- Listing: Prague and Vienna Stock Exchanges

HUNGARY

- 1 issue
- 24.7 billion forints
- Listing: Budapest Stock Exchange

PLANS

- Bond issues on other national markets of the IIB member countries.
- Placement of Eurobonds and Schuldscheindarlehen.
- Development of alternative forms of fund-raising, such as bilateral and syndicated borrowing, including loans from IFI.
- Sourcing funds from banks, sovereign and other funds within the IIB member countries.
- Opening credit lines to support trade finance transactions.
- Reviewing lines to support money market transactions, and opening new lines.

INTERNATIONAL PARTNERSHIP NETWORK

IIB BUSINESS PARTNERS

- International Financial Organizations (The World Bank Group, EBRD, EIB, NDB, IBEC and others)
- Regional development banks (BSTDB, CAF, CABI, NIB, EDB and others)
- National development banks
- National Chambers of Trade and Industry
- Export credit agencies
- State and private financial institutions.
- Platforms and associations of financial institutions (IDFC, ADFIAP, BACEE, D20)
- Commercial banks



IIB NON-COMMERCIAL ORGANISATIONS PARTNERS

IIB takes a strong stance on supporting initiatives aimed at environmental protection and sustainable development. The Bank not only extends financial support to such projects (loans and grants), but also actively cooperates with non-profit international organizations to develop new policies and promote responsible development financing.

These esteemed organisations include:

- United Nations (IIB is a member of UN Global Compact)
- UNEP FI
- WWF
- Wetlands International
- ICC Green Finance Working Group



IIB OBSERVERS

- Republic of Belarus – sovereign observer



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