



## **The fourth meeting of the IIB Board of Governors: new shareholder state, implementation of the current strategy ahead of schedule, targeted further growth**

December 8, 2021

On December 8, 2021 the fourth meeting of the Board of Governors of International Investment Bank, the highest governing body of the institution, took place. The event was organized in a hybrid form: six out of nine shareholders were present in person at IIB Headquarters in Budapest, and three others participated online. This is the first Board of Governors meeting after the Bank moved to the historic Lanchid Palota building on a permanent basis. Earlier, on December 6, 2021 the Board of Directors gathering preceded the governors meeting.

Addressing high-level representatives of shareholder states IIB Chairperson of the Management Board Nikolay Kosov stated with satisfaction that in 2021 International Investment Bank continued its forward movement in all key indicators. The loan portfolio is demonstrating qualitative and quantitative growth, a high level of financial stability is maintained, and profit from core activities is on the rise. More than one year ahead of schedule, the Bank has reached a loan and documentary portfolio target of EUR 1.2 billion - a strategic aim of the current strategy for the year-end of 2022. The portfolio is highly diversified by instruments of support, geography and sectors, as it covers interests of all IIB member states. The share of European investments in the total volume of the portfolio exceeds 55%.

Current year has also become a milestone for IIB in relation to capital markets activities. Apart from the continuous trend of investor base expansion and diversification, for the first time in its history the Bank attracted resources under its MTN Programme at a negative interest rate, confidently building on this success numerous times throughout the year. Moreover, 2021 saw IIB issuing bonds at the longest ever maturity of 20 years. Qualitative growth of treasury assets is also highly visible - over 67% of the treasury portfolio is allocated for high-rated ESG instruments.

**Summing up intermediate results of the last nine years of activities, since the Bank began its relaunch back in 2012, the following main achievements can be underlined. Aggregate volume of investments in member states economies amounted to EUR 3.1 billion. Loan and documentary portfolio grew 13 times from EUR 95.6 million to current EUR 1.3 billion. Assets grew almost 5 times from EUR 367 million to EUR 1.8 billion. The total volume of attracted financing by the Bank is EUR 2.5 billion. The level of non-performing loans decreased from 75.3% of the total portfolio to 2.3%.**

The Governors were unanimous in their high praise of the work of the IIB Management Board and its multinational team. It was highlighted that despite rather challenging global environment the Bank has significantly increased the level of member states support and the overall performance exceeded expectations in the outgoing year.

**The key point on the agenda of the Board of Governors meeting was the application of the Republic of Serbia on the accession to the membership in International Investment Bank. It is important to highlight that a matter of accession of a new country became a subject of discussion for the first time in more than half-a-century existence of the institution. As a result, a positive unanimous decision was taken to admit the Republic of Serbia as a shareholder state.**

Representatives of member states underlined that expansion of the shareholder base with the admission of Serbia fully corresponds with interests of all countries. It will allow IIB to expand its operations in Europe continuing the “European” strategic course of the past few years, to increase capital levels, further improve financial stability and geographic diversification due to access to the markets of the Balkan region. Moreover, Serbia’s membership is set to give an additional impetus to enhancement of its trade and economic ties with IIB countries on a bilateral, as well as multilateral basis through implementation of projects with an integration component.

*«On behalf of the Management Board I wholeheartedly welcome the accession of the Republic of Serbia as a member state of International Investment Bank. I would like to thank the Serbian Government for a constructive, efficient and practical approach to this matter. Cordial gratitude also goes to the shareholders of the Bank for their high opinion on the efforts undertaken by the Government of Serbia and our team, and for their unanimous support of this milestone decision”, commented Nikolay Kosov.” I find it very symbolic that exactly on the 10<sup>th</sup> year since the relaunch of our institution - IIB now becomes a bank of 10 countries and 3 continents. 2021 is a year we implemented the Bucharest Strategy 2018-2022 ahead of schedule, and it is ending in a remarkable way and a high note for all of us».*

In addition, throughout the course of the meeting Governors considered a number of issues related to current activities of IIB and plans for 2022. Member states approved the Bank’s Management Board proposals regarding strategic priorities for the upcoming year aimed at further growth of investment operations and strengthening of the Bank’s positions as one of the key financial institutions in the region. Governors expressed intentions to continue providing comprehensive support to International Investment Bank to achieve outlined ambitious targets.