



IFRS results for 2016 confirms financial stability of IIB

March 20, 2017

The International Investment Bank (IIB) has published its audited IFRS results for 2016, which confirm the financial stability of the Bank's operations and the consistent growth of its key indicators where the most notable achievements were in the following areas:

Assets

Paid in capital

Liabilities

Treasury assets

Ratings

Assets

Assets grew by 9% to EUR 881 million, driven by an increase in corporate lending.

The gross loan portfolio increased by 21% to EUR 381 million from EUR 316 million at the end of 2015. During the year, the regular repayments of the Bank amounted at EUR 199.2 million euros, including early repayments - EUR 102.4 million.

The portfolio reached record diversification covering 14 different sectors an increase yoy.

The share of Central and Eastern European countries reached 36% up from 34% a year prior. Overall, the share of loans in the respective countries was as follows:

- Russia 23%
- Bulgaria 17%
- Mongolia 14%
- Romania 11%
- Czech Republic 6%
- Vietnam 5%
- Slovakia 2%
- Others 22%

Paid-in capital reached EUR 313 million at the end of the year.

In March 2016, Hungary completed the capital injection programme into the IIB ahead of schedule paying in EUR 10 million, taking the country's share to EUR 40 million (12.8% of the total). This brought additional balance into IIB's shareholder structure – the combined share of the Czech Republic, Slovakia, Hungary, Romania and Bulgaria (the IIB's members within the

European Union) in the Bank's capital reached **48.72%**, followed by Russia's share at 47.92%, Cuba's share at 1.71% and the share of Asian members of the IIB (Vietnam and Mongolia) at 1.65%.

Some other key figures from 2016:

- Net income - EUR 802 thousand
- Total equity - 390 million
- NPL coverage ratio - 117%
- Tier 1 ratio of 52% and CAR of 54%

Liabilities

- grew by EUR 80 million to EUR 491 million in 2016 as the Bank continued to diversify its funding sources.

In June, IIB raised 60 million EUR through its debut syndicated loan facility from financial institutions in 6 different countries.

In September, the IIB placed its second Romanian Lei bond attracting 300 million RON (approximately EUR 67 million). The bond was available through the international clearing house CLEARSTREAM and listed on the Bucharest Stock Exchange, that enabled investors from 5 EU countries to purchase the bonds.

Both the syndication and bond placement were two times over-subscribed.

Treasury Assets

- increased from EUR 399 million at the end of 2015, to 408 million at the end of 2016.

During the year, the IIB dissolved its HTM portfolio with a profit, enabling further diversification and a higher quality of overall liquid assets in 2016. For instance, the share of "non-member" countries rose to 59% in the portfolio from 35% a year earlier, and the share of A to AAA rated corporate entities increased from **9% to 41%** of all liquid assets.

Rating

- **two successful rating** events during the year. In June, the IIB received its debut S&P rating of **BBB stable**. In December, Fitch **upgraded** the Bank to **BBB stable** (their first upgrade of an IFI in over three years). The IIB's Baa1 stable rating with Moodys and A stable rating with Dagong remained unchanged.

Nikolay Kosov, Chairman of the IIB Board: *"IFRS results confirm the diversification of operations, positive lending dynamics and the stable financial position of the IIB in 2016. This fully corresponds to the role of the Bank as a multilateral integrator, which runs operations to increase the well-being of the population and to develop economies for the benefit of our shareholders."*