



IIB backs Bulgarian energy sector

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The International Investment Bank (IIB) took part in a bond placement of the Bulgarian Energy Holding (BEH), Bulgaria's state-owned company pooling the country's public energy assets. The total amount of the placement was EUR 550 million. Raised funds will be used by BEH to restructure its balance sheet and to improve its long-term financial sustainability.

Earlier this year, the IIB participated in a bridge loan for one of the holding's subsidiaries with EUR 50 million. The Bank continued its cooperation with the holding and in August purchased BEH bonds with a maturity of 5 years in an amount totalling EUR 36 million, thus further supporting efforts of the Bulgarian government to reform and liberalize the energy sector in the country.

BEH holds a dominant position at the electricity and gas market of Bulgaria, and, through its export capacity, is one of the leading suppliers in the Balkans. The holding's activities are carried out in accordance with Bulgaria's State Energy Strategy, so funding will be directed to improve the efficiency and further liberalisation of the energy market, development of competition and the abolition of the single purchaser model with regulated prices and quotas.

In addition to the IIB, a number of large institutional investors participated in the placement of BEH bonds, including the [European Bank for Reconstruction and Development](#). The issue was placed on the Irish Stock Exchange following roadshows in London, Paris, Munich, Vienna and other cities.

Participation in the placement of BEH bonds is a further evidence of IIB's progress under the Bulgarian direction of its activities. Thus, over the past three years, the relaunched Bank has signed loan agreements with borrowers from Bulgaria, the second-largest shareholder of the IIB, reaching almost EUR 200 million, with a promising pipeline. This figure is higher than in any other member state of this multilateral development institution.