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IIB boosts investment volumes in member states in 2020

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Year 2020 - the 50th Anniversary year since the foundation of International Investment Bank - was marked as a period of unprecedented challenges of a global scale. The COVID-19 pandemic continues to impose its serious impact on the economic growth of IIB shareholders with no exception, while further exacerbating the need for development financing. Responding to such demands IIB, despite the external turbulences, managed to maintain and even ramp up the dynamics of its lending operations in the member states in an efficient manner meeting the year-end targets set out by the shareholders.

The loan and documentary portfolio reached EUR 1077,8 million with another EUR 400 million in the pipeline at various stages of assessment. Since 2019 (the year of IIB's relocation to Europe), the gross loan portfolio has grown by 27%, whereas the aggregate investments have reached nearly EUR 1 billion.

A qualitative transformation of the loan book continued throughout the last year. With an increased demand for IIB financing, 2020 resulted in the Bank's commitments to a significant volume of longer-term and larger tickets infrastructure projects of high priority and with a stronger developmental impact for member states' economies.

International Investment Bank continued to systematically broaden its presence both across the markets of its sovereign shareholders and globally, thus significantly increasing its brand recognition and expanding the partnership network. The current level of projects implemented in collaboration with other international financial institutions is 33%.

IIB continued to build up its integrating role by linking member countries with projects involving two or more of them. Throughout the year, the institution provided financing via the innovative *Schuldscheindarlehen* (SSD) lending instrument for large global corporate players with the funds aimed at supporting business communities of the Bank's 6 member states.

The share of European projects has grown noticeably now amounting to around 61% of the total portfolio.

Significant increase in financing is being demonstrated by IIB in its host member state - Hungary. If before the Headquarters relocation, the country's share in the Bank's loan book was around 6% of the total amount, at the year 2020 end it stood at 14%. Since 2015, the year of Hungary's return to IIB as a shareholder, the accumulated volume of investments into the Hungarian economy is approaching EUR 400 million level.

The boost of investment activity in Europe was in no way achieved by the lending focus shift from other countries. On the contrary, the IIB's geographical diversification was specifically highlighted by Fitch Ratings in the latest report.

The Russian Federation - the biggest IIB shareholder - remained amongst the leading recipients of its investments. Current volume of projects implemented in the interests of Russian companies exceeds EUR 220 million with such strategic sectors entered in 2020 as transport infrastructure, IT and digitalization, water and sanitation, etc.

“2020 will go down in history as probably the most unprecedented period in terms of risks to the global economy and markets. In spite of that, International Investment Bank has not only managed to continue its core activity without any interruptions, but rather demonstrated a solid level of resilience to external shocks, consistency and safety to its shareholders, clients, investors and partners”, Deputy Chairperson of the IIB Management Board in charge of Lending and Investment Georgy Potapov comments , - *“The volume of annual disbursements of the Bank for 2020 exceeded EUR 504 mln, which is a new record in the Bank’s newest history. We felt and continue to feel an increasing demand for our financing from various market players and we will do the utmost to provide our clients with the best possible customised solutions”.*