



## **IIB published financial statements for the first half of 2021: the Bank continues to demonstrate growth in all key indicators**

July 30, 2021

On July 29, 2021, International Investment Bank (IIB) published [IFRS financial statements for the first half of the current year](#).

Despite the fact that the consequences of the global economic crisis caused by the pandemic continue to have an impact on the global economy, IIB has once again demonstrated a high level of financial stability, success in the implementation of the current Strategy and continued to increase the scale of its lending and investment activities in the interest of its member states.

The statements reflect positive dynamics in all key performance indicators, including growth of investment portfolio, growth in volumes and diversification of funding, profit, as well as the improvement in quality of IIB assets.

### **Financial results.**

As of the end of the first half of 2021, a net profit figure reached 7.227 million euro, which is more than 45% higher than the financial result for 2020.

### **Assets.**

As a result of the first 6 months of 2021, total volume of assets reached 1.712 billion euro, having increased by 5.6% since the beginning of the year. This is primarily due to the growth of lending and investment activities aimed at supporting the Bank's member states, as well as due to an increase in volume of highly liquid treasury assets strategically important in a turbulent global economy.

### **Lending activities.**

During the reporting period, the net loan portfolio grew by more than 6.5% and reached 1.095 billion euro. The ongoing improvement of risk management and compliance control systems allows the Bank to maintain a high quality of its loan portfolio.

IIB pays special attention to projects with an integration effect that are implemented in the interest of two or more shareholder countries. In the reporting period, such initiatives accounted for more than 29% of the loan portfolio.

Relocation to Europe, full-scale integration of IIB into the international financial community, expansion of the client and investor base, increased brand awareness and active expansion of the partnership network contributed to an increase in the number of projects carried out in

cooperation with multilateral and national development institutions, as well as commercial banks. In the first half of 2021, the share of such projects constituted 45% of the total loan portfolio.

Within the framework of the Trade Finance Facilitation Programme (TFFP), the Bank continues to carry out operations that contribute to the comprehensive strengthening and improvement of trade and economic ties between its member states. In total, since 2014, more than 235 trade finance transactions were executed in the total volume exceeding 438 million euro.

### **Treasury assets.**

In the first half of 2021, the strategic priority of the Treasury activities was to maintain a sufficient level of highly liquid treasury assets with a continuous increase in their quality. In the reporting period, the share of instruments with a credit rating “AAA-A” in the Bank's treasury portfolio reached a record level of 84%, which is 16% higher compared to the last report, while the share of “ESG” instruments increased to 66%.

### **Liabilities.**

The total volume of IIB long-term financing as of June 30, 2021 amounted to 1.115 billion euro with 1.036 billion euro representing bond issues and 79 million euro from other sources.

Positive dynamics of the Bank's credit ratings and continuous active work with investors allowed not only to ensure a consistently high demand for IIB bonds from the international financial community, but also to form new long-term positive trends for the IIB funding.

In March 2021, for the first time in its history the Bank reached a negative after – swap interest rate for its long-term funding and confidently built on this success with a subsequent issue. In addition, in the past six months, the institution placed euro-denominated bonds with a maturity of 20 years, which is a historical record for IIB.

In total, since the beginning of 2021, IIB successfully executed 5 bond issues denominated in euros, Hungarian forints, Romanian lei and Czech crowns under the MTN program listed on the Dublin Stock Exchange. The total volume of these transactions amounted to 213.7 million euro, the weighted average price after the euro swap was 0.127%.

The ability to successfully attract funding at favorable rates and in the required volumes both from international and local financial markets of its member states in challenging external conditions is an important confirmation of IIB's reliability and continuously growing trust of the investment community. IIB currently counts more than 185 banks, mutual and pension funds and insurance companies among its investors from 13 different jurisdictions, including Austria, Bulgaria, China, Czech Republic, France, Germany, Holland, Hungary, Kazakhstan, Moldova, Romania, Russia, Slovakia.

### **Key rating events.**

The first half of 2021 was also successful in terms of IIB international credit ratings. Leading agencies took 2 rating actions on the Bank, confirming its status as an international development institution with an average long-term “A” level rating.

Namely, in March, S&P Global confirmed IIB's long-term rating at the “A-” level with a stable

outlook, and in April the Russian Analytical Credit Rating Agency (ACRA) announced the confirmation of the international investment rating of the Bank at the highest “A” level, and the national rating at level “AAA” (RU).

Among key factors that contributed to these decisions the agencies particularly highlighted a high level of capital adequacy and a strong financial profile of the Bank, good quality of the loan portfolio and treasury assets, improved funding conditions and growing diversification of its sources and instruments.

*“The published financial statements once again reaffirm that all strategic targets set for the Bank by the Board of Governors are being met and put into practice ,”* **said Nikolay Kosov, Chairperson of the IIB Management Board.**