



IIB publishes financial results for the first half of 2019

August 2, 2019

International Investment Bank (IIB) published financial statements in accordance with IFRS for the first half of 2019. Data shows positive dynamics of all key indicators of activity, including assets, loan portfolio and capital. Reports were reviewed by auditors - EY Hungary.

Financial Result

The Bank concluded the reporting period with a profit of 2,87 mln euros as a result of net interest and fee income increase, improved quality of the loan portfolio with a sufficient level of reserves and strong cost control.

Assets

As a result of the first half of 2019 volume of assets reached 1,276 billion euros having increased by almost 7% compared to 2018 year end.

Capital

IIB capital has increased by 4% in the reported period to reach 392,5 million euros. In particular, an increase in paid-in capital, positive re-evaluation of the treasury portfolio and fixed net income can be named as driving factors for improvement of this indicator.

Lending activity

Net loan portfolio as at the end of the first half of 2019 reached 755,5 mln euros. Share of projects implemented by the Bank in the European member states equals 51%. A significant share of the Bank's portfolio belongs to projects with an integration effect, i.e. in the interest of two or more shareholder countries. As at the end of the reported period such investments amounted to 35% of the total volume.

Within the framework of Trade Finance Support Programme (TFSP) 24 deals were executed for the amount of 92 mln euros.

The Bank maintains a record low level of non-performing loans - 1,8%.

Treasury assets

ESG (Environmental, Social and Governance) responsible investments remain a priority for treasury operations. Since the beginning of 2019 treasury's green portfolio increased by 30% and currently amounts to 45% of the total volume of bonds investments. The share of AAA - A- bonds in the treasury portfolio has also increased to a record-high 63% compared to 57% in 2018.

Liabilities

The Bank's total volume of long-term funding as at the end of the reported period amounted to 758,7 mln euros, including 713,5 mln euros - own bond issues and 45,2 mln euros - other instruments. In March IIB successfully executed a debut three-year placement in Hungarian forints on the Budapest Stock Exchange in the total volume of 24,7 billion forints (78,5 mln euro equivalent). This was the inaugural HUF-denominated bond issue in Hungary implemented by an international financial organization. In April, an additional IIB Czech koruna denominated bond issue also took place in the amount of 750 mln (29,3 mln euro equivalent).

Key rating actions

In March an international rating agency S&P Global upgraded IIB's long-term credit rating to A- with a stable outlook. This allowed the Bank to strengthen its positions among international financial institutions with an average rating A.

*"IIB continues a comprehensive development of its activities" **Chairperson of the Management Board Nikolay Kosov noted** "In accordance with the shareholder decision the Bank's headquarters were relocated to Budapest (Hungary) with day-to-day operations not losing pace for one minute. Published financial reports prove that. We are determined to strive for further growth of scale and efficiency of our operations in all directions for the benefit of our shareholder economies".*

Photo: IIB Chairperson of the Management Board Nikolay Kosov with an international team of auditors from EY