



## **IIB publishes financial results of the first half of 2020: growth of net profit, assets and loan portfolio.**

July 30, 2020

On July 30, 2020, International Investment Bank (IIB) [published IFRS financial statements for the first half of this year](#). Despite the global economic crisis caused by the COVID-19 pandemic, thanks to effective management and timely anti-crisis measures the Bank demonstrates a high level of financial stability and success in achieving strategic targets.

Statements once again show positive dynamics in all key performance indicators, including growth of profit, assets, capital, loan portfolio, volume and diversification of funding, improvement in quality of treasury assets.

### **Financial results.**

As of the end of the first half of 2020 net profit figure reached 5.0 million euro, which is more than 70% higher than in 2019.

### **Assets.**

At the end of 6 months of 2020, total volume of assets reached 1.660 billion euro, having increased by 22% compared to the end of 2019. Such growth is primarily related to an increase in volume of highly liquid treasury assets accumulated to strengthen the liquidity buffer during a period of high turbulence in the global economy, as well as to the growth of lending and investment volume aimed at supporting the Bank's member states in these challenging times.

### **Paid-in capital.**

The practical implementation of a new IIB capitalization program commenced during the reporting period as the IIB paid-in capital reached 375.8 million euro. More than 10% growth was recorded thanks to contributions from the Russian Federation and Hungary that fully met their obligations for the year 2020 under the new round of capitalization. Active support of IIB member states lays foundation for further strengthening of the financial stability of the Bank and growth of its loan portfolio.

### **Lending activity.**

During the reporting period, IIB significantly increased the volume of loans granted and guarantees issued, actively operating in all of its 9 member states. The net loan portfolio grew by more than 7.6% and reached 951.3 million euro. At the same time, the share of IIB projects in the interest of its European shareholders peaked over 54%.

The Bank's ongoing improvement of risk management and compliance control systems has clearly demonstrated its high efficiency. Once again, IIB managed to bring the non-performing

loans figure to a record low level of 1.5% despite a significant level of instability in all key geographies.

The Bank gives special attention to support of projects with an integration component, covering interests of two or more member states. 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, increasing brand awareness, active development of the partnership network contributed to an increase in the number of “partner projects” implemented in cooperation with multilateral and national development institutions, as well as with commercial banks. In the first half of the year, the share of such projects reached 39% of the loan portfolio.

Within the framework of the Trade Finance Facilitation Programme (TFFP), the Bank continues to carry out operations that contribute to the strengthening and development of trade and economic ties between IIB member states. In total, since 2014, more than 200 trade finance transactions were executed in the total volume of over 426 million euro.

### **Treasury assets.**

In the first half of 2020, the key priority of the Treasury's activities was to maintain a sufficient volume of highly liquid treasury assets with a consistent increase in their quality. Within the reported period, the share of instruments with an “AAA-A” rating in the Bank's treasury portfolio reached a record level of 72%, while the share of “green” instruments peaked to 60%.

### **Liabilities.**

Total volume of long-term financing of the Bank as of June 30, 2020 amounted to 970.9 million euro with 889.7 million euro of bond issues and 81.2 million euro from other sources. The acquisition of a European address brought the Bank closer to major funding sources, and allowed to significantly increase volumes, level of diversification in geography, instruments, currencies and tenor as well as improve the cost of funding.

In 2020, despite a very challenging market situation, IIB successfully executed 5 bond issues, two of them under the new Medium Term Notes Programme, registered back in May on the Dublin Stock Exchange. The total amount of these operations exceeded 283 million euro, which is about 30% of the total volume of the Bank's long-term funding.

The ability to successfully attract funding from both international and local financial markets even under the most difficult conditions is an important confirmation of IIB reliability levels and of the growing trust of the international investment community. Among its investors IIB currently counts more than 180 entities and institutions - banks, mutual and pension funds, insurance companies from 12 jurisdictions, including Austria, Bulgaria, Croatia, Czech Republic, Great Britain, Holland, Hungary, Germany, Moldova, Romania, Russia, Slovakia.

### **Key rating events.**

The first half of 2020 was also successful in terms of IIB ratings - in the reported period the leading rating agencies took 3 rating actions on IIB, confirming its high status as an international development institution with an average “A” long-term rating.

In March 2020, the international agency S&P Global confirmed IIB's long-term rating at "A- " with a stable outlook, in May 2020 Moody's Investors Service confirmed IIB's long-term credit rating at A3 with a stable outlook, and in the same month the Russian Analytical Credit Rating Agency (ACRA ) announced the affirmation of IIB's international investment rating at the highest "A" level, as well as of national rating at the "AAA" (RU) level.

Among the key factors that contributed to these decisions, the agencies highlighted, in particular, a "very strong" financial profile of the Bank, high level of capital adequacy, funding and liquidity of the Bank, active support of the member states, excellent quality of both loan portfolio and treasury assets, the effectiveness of the "Europeanization" strategy implementation and successful positioning of the Bank as a European financial development institution.

"In 2020, when the Bank celebrates its 50th anniversary, the world is facing the global challenges unprecedented in their nature, scale and consequences. I would like to proudly note that during this turbulent period, the Bank demonstrated well-coordinated work of the entire team. IIB showed reliability, resilience and prompt response to the dynamic development of events on the global scene, continued to support economies of our countries. " - **said Nikolay Kosov, Chairperson of the IIB Management Board**, - "The published financial statements are an eloquent confirmation of the stability and maturity of IIB, which is not subject to either global political and economic crises or pandemics. We intend to make our best to implement our Strategy and plans, without slowing down the current pace of development. "