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IIB signs a syndicated loan agreement on financing the Sofia Urban Mobility Centre

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The International Investment Bank took part in syndicated lending to the Sofia Urban Mobility Centre (SUMC) in Bulgaria — a subsidiary of the Sofia Municipality, responsible for the organisation of public transport, with the total sum of the credit line corresponding to approximately EUR 41.5 million.

The agreement was signed by the IIB, the Bulgarian Development Bank — the organiser of the syndication — and the International Asset Bank. IIB's share in the credit line represents EUR 15 million. The loan facility will be used for purchasing new transport vehicles (trolley buses and subway cars) from the Czech Republic and Russia, two other IIB member states.

This syndication has been arranged following a Memorandum of Cooperation signed between the IIB and the BDB earlier this year in March with the aim of co-financing Bulgarian businesses, and it is a testimony to the strategic partnerships the IIB maintains with the development banks of its member states and with the BDB in particular.

IIB's participation in the credit line fully corresponds with its mission, and, in addition to fostering trade between the Bank's members, it is significant in terms of its social impact, with the IIB financing public transport needs of its second largest shareholder. With this new loan, IIB's ongoing commitments in Bulgaria reach almost EUR 50 million.

Reference

Bulgarian Development Bank (BDB) is a financial institution 99.9%-owned by the Bulgarian state. It is the successor of Encouragement Bank established in 1999. Its focus is to support small and medium-sized enterprises. BDB is among the top four Bulgarian banks in terms of credit rating, rated BBB- by Fitch Ratings, the global credit rating agency. It is the only Bulgarian bank to provide financing via other credit institutions as well as direct financing. BDB is the best-positioned local bank to raise funds from international partners. Its subsidiary, the National Guarantee Fund, issues guarantees for bank loans to the non-financial sector.

International Asset Bank AD (IAB) is a universal commercial bank, founded in 1989. The Bank offers a wide range of financial services for various client groups — corporate and investment banking, service to spenders of budgetary appropriations, small and medium-sized enterprises, as well as products for individual clients.

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