



IIB took part in the first securitisation of SME loans in Russia, supporting the sustainable financing of small and medium-sized businesses

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Following its mission, the International Investment Bank (IIB) contributes to SME support activities in its member states by increasing their access to sustainable funding. Thus, the IIB has participated in the first securitization of loans to small and medium-sized enterprises in Russia, implemented by [JSC SME Bank](#) and [PJSC Promsvyazbank](#).

LLC SPE PSB SME 2015, created for the securitisation of Promsvyazbank's SME loan portfolio and protected from bankruptcy under the Russian legislation, issued collateralized debt obligations ("A" class securities). SME Bank acted as the organiser of the issue and the anchor investor, while Baker & McKenzie carried out legal and tax support.

The monthly coupon of "A" class obligations was set at 10.25% p.a. with rating from Moody's at Baa3. IIB's share in the issue represents around 7%.

"The decision to participate in the first securitisation of loans to small and medium-sized enterprises in Russia fully corresponds with IIB's mission and one of the main lines of our activities. In practice, it also contributes to the strengthening of our relationship with JSC SME Bank", — noted Denis Ivanov, Deputy Chairman of the IIB Board. He emphasised that the new programme fosters development and diversification of the collateralised debt obligations market in Russia, and represents an attractive investment instrument. Support for wider utilisation of this instrument is also among the priorities of European development institution, such as the [EIB Group](#).

The IIB and SME Bank started collaborating already in 2013 after signing a cooperation agreement and a loan agreement, under which the IIB provided resources for SME financing. In August 2015, the multilateral development institution issued its [first banking guarantee for RUB 313.7 million in favour of SME Bank](#) to securing obligations of PJSC NDB-Bank (Nizhny Novgorod) as part of the bank receiving resources for SME support.