



INTERNATIONAL
INVESTMENT
BANK

55

Moscow, Mashki Poryvayevoy st. 7

Phone: : +36 1 727 8888

Fax: : +7 (499) 975-20-70

E-mail: mail@iibbank.com

Implementation of the current strategy ahead of schedule, profit, assets and loan portfolio growth: IIB published financial results for 2021

February 4, 2022

On February 4, 2022, International Investment Bank (IIB) published [audited IFRS financial statements for the year 2021](#).

Despite high volatility of global financial markets and the ongoing pandemic, the Bank once again demonstrated a high level of stability and positive dynamics in all key indicators, including profit, assets, capital, loan portfolio growth, as well as further improvement in volumes, maturity, level of diversification and cost of funding.

An active support of the member states, continuous optimisation of internal processes, the effectiveness of the corporate governance system, growing recognition of IIB in the European financial and economic system, and trust of the international business community can be named among factors that contributed to the successful operations of the Bank in 2021.

Financial results.

In the reporting year IIB showed a record net profit figure in its recent history - EUR 7.9 mln, which is 8% higher than the same indicator for the previous year and is primarily caused by an increase in income from core activities.

Assets.

At the end of 12 months of 2021, the total volume of the Bank's assets amounted to EUR 1.8 bn, having increased by more than 10% compared to 2020. The main driver of assets' growth was the expansion of lending and investment support provided by the Bank to its member states, including deals aimed at economic recovery to overcome the negative consequences of the pandemic.

Paid-in capital.

In 2021, the implementation of the IIB Capitalization Program continued. At the end of the reporting period, the Bank's paid-in capital reached EUR 424.9 mln (an increase of more than 12% compared to the end of 2020). Active support of the IIB member states ensures further strengthening of financial stability, serves as a key factor for the Bank's dynamic development and opens up new opportunities for further boost in investment activity in shareholder countries.

Lending operations.

During the reporting period, IIB significantly increased the volume of loans granted, continuing to demonstrate a high level of geographic and sectoral diversification.

The net loan portfolio grew by more than 16% and reached EUR 1.2 bn. Thus, a key indicator of the current strategy set for the 2022 year end was reached one year ahead of schedule. The share of projects implemented in the interests of European shareholders exceeded 58%.

The improvement of the quality of the loan portfolio along with its quantitative growth has been a recent trend of IIB lending and investment activity. Large international corporates and industry-leading players of the Bank's member states are among its clients using the institution's financial support for expansion of activities in IIB member states markets.

The Bank also gives special attention to the implementation of integration projects covering interests of two or more countries. In the reporting period, such initiatives accounted for more than 24% of the portfolio.

Strengthening of positions in the European financial community, increased brand awareness, active development of the partnership network contributed to the growth in the number of transactions carried out in cooperation with other financial institutions. In 2021, the share of syndicated loans with the participation of IIB amounted to 28% of the total loan portfolio.

Treasury assets.

IIB Treasury continues to consistently implement the strategy of maintaining a high level of asset quality and diversification. As of the end of 2021, the share of treasury assets rated "AAA-A" reached 75% (+7 percentage points compared to the end of 2020). At the same time, the share of the top quality "AAA-AA" assets increased by 26% and reached 43.5% of the total Treasury portfolio.

ESG investments were the main focus of the Treasury's strategy for investing in debt securities during the reporting period. They include "green bonds", "socially responsible bonds" and "bonds for COVID-19 recovery", mainly purchased in the primary market. At the end of 2021, the ESG portfolio accounted for 69% of the total volume of Treasury fixed income instruments.

Liabilities.

Total volume of long-term funding of the Bank as of December 31, 2021 amounted to EUR 1.1 bn, out of which EUR 1.03 bn are bonds issued.

The affirmation of the Bank's long-term credit ratings at "A" level, its successful positioning in the global financial community and the international investors' steadily growing trust allowed to successfully attract necessary volumes of funding on favourable terms despite challenging market conditions throughout 2021.

In total, the Bank executed 7 bond issues in various currencies of its member states under the MTN Program, registered on the Dublin Stock Exchange. This made it possible to increase the volume of much needed lending and investment support to IIB shareholders.

In March of the reporting year, for the first time in its history, the institution entered a

territory of negative rates for its long-term funding, consolidating this achievement with five subsequent placements during the year.

In addition, 2021 was marked by the issuance of euro-denominated bonds with a historically record maturity for the Bank - 20 years.

Key rating events.

In 2021, the leading credit rating agencies took three rating actions on IIB, which strengthened the Bank's status as an international development institution with an average "A" long-term rating.

In March and August, S&P Global and Fitch Ratings, respectively, affirmed IIB's long-term rating "A-" with a stable outlook, and in October the Russian Analytical Credit Rating Agency (ACRA) announced the confirmation of IIB's international investment rating at "A" level, as well as of the national rating of "AAA" (RU) level.

"2021 marked a number of important achievements and milestones, which I am sure will go down in history of International Investment Bank." - said Nikolay Kosov, Chairperson of the IIB Management Board. "In February, the inauguration of permanent Headquarters in Budapest took place in the presence of high-rank officials from our member states. In October, more than one year ahead of schedule, we reached the 2022 key target volume of the loan portfolio set by current Bucharest Strategy 2018-2022. Our continuous expansion of activities and an increasing role of the Bank in supporting the economies of its countries have created a solid foundation for another truly historic event - in December member states took a unanimous decision to grant access to IIB membership to the Republic of Serbia. I am confident that the results of the past year will give a new powerful impetus to further growth of the Bank, and will allow us to achieve ambitious goals set for future periods."