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International Investment Bank and Bulgarian Development Bank are to jointly finance business projects

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International Investment Bank (IIB) and Bulgarian Development Bank (BDB) are beginning to co-finance projects of Bulgarian businesses. Vladimir Liventsev, Deputy Chairman of the IIB Board, and Bilian Balev, Deputy Chairman of the BDB Board, today signed a Memorandum of Cooperation between the two financial institutions.

The document governs the granting of syndicated loans to companies in Bulgaria, which want to develop their business and to make new investments. The two banks will share the risk on the loans, leading to a larger volume of investments and better interest rates for end customers.

The International Investment Bank — a multilateral development bank with Bulgaria as its second largest shareholder — has been a partner of the Bulgarian Development Bank since 2012. In 2013, it provided BDB with a credit line of EUR 20 million to finance small and medium-sized enterprises in Bulgaria. Funds were made available for a period of seven years and have been used for direct lending to companies and for financing of programmes to support Bulgarian businesses implemented by commercial banks.

As stated by Vladimir Liventsev, Deputy Chairman of the IIB Board, «BDB is one of the key partners of the IIB in Bulgaria and it is logical that we decided to further institutionalize and deepen our partnership. We are confident that the document signed today will spur new investments in Bulgaria, increasing our capacity to support its economic development».

For 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.