



## **International Investment Bank upgraded to A- by Fitch Ratings Agency**

September 9, 2020

On September 8, 2020, Fitch Ratings upgraded IIB's rating to A- from BBB+ "reflecting the ongoing diversification of the bank's operations across the EU following the relocation of its' headquarters to Budapest".

Fitch positively assesses IIB's overall Europeanisation strategy expressed in particular in a shift in the bank's lending operations and shareholder structure, focusing on a larger share of lending in the region and an increased share of EU shareholders in the Bank.

As the agency notes "since the last review there have been a number of positive developments- most notably the average rating of loans and guarantees has improved to 'BB-' at 1H2020 from 'B+', owing to the ongoing lending focus on EU-based borrowers".

Elsewhere, Fitch praised the Bank's "low" NPL level of 1.5%, its "low concentration risk" as measured by top-5 largest exposures, the "pledge" by shareholders to continue to support the institution with fresh capital through 2022", IIB "strong liquidity buffer" and "excellent capitalization profile", as well as "increasing diversification of funding sources".

IIB has become the only multilateral development bank to be upgraded in 2020 reflecting the Bank's structural improvements and resilience to the COVID-19 recession. As a result of the upgrade, all of IIB's international credit ratings are currently in the "A" category; A- by Fitch, S&P and Moody's, and A by ACRA.

Elliott Auckland, Chief Economist of IIB in charge of ratings, commented: "In a year, in which rating agencies have downgraded more issuers than ever before, to receive an upgrade speaks volumes about the enormous improvements that have occurred since the Bank has moved to Budapest".

Mr Nikolay Kosov, IIB Chairperson of the Management Board, stated: "The decision to upgrade is yet another eloquent confirmation of the Bank's market position as a modern dynamic multilateral development bank. Today we can declare that IIB is not only able to follow the best examples and practices of leading institutions, but also to set its own trends in the international financial community, being a vivid example of effective management and strategy. Thanks to the well-coordinated work of our international team and active support of our member states, the Bank has once again demonstrated its constantly growing potential to provide practical support to the economies of our stakeholders even during economic and ~~geopolitical turmoil caused by the COVID-19 pandemic~~".

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