



## Moody's Investors Service assigns A3 credit rating to the International Investment Bank

September 1, 2014

Moody's Investors Service has assigned a long-term credit rating of A3 to the International Investment Bank with a stable outlook. The International Investment Bank became the first financial institution headquartered in Moscow to receive such a high assessment of its creditworthiness.

According to [Moody's official statement](#), the key factors in the assessment of the IIB were the high level of support from the Bank's member states, stable liquidity position, the quality of management and the new development strategy being implemented by the Bank.

In particular, the agency noted the readiness of the shareholders to increase the paid-in capital. According to the decision of the IIB Council, three countries — the Slovak Republic, the Russian Federation and the Republic of Bulgaria — have already made relevant contributions this year, increasing the paid-in capital to EUR 270 million. At the same time, when taking the decision on the IIB's rating, Moody's did not tie the Bank's assessment to the separate countries' ratings, considering the IIB as a multilateral development institution.

Among factors, which may positively influence the rating, Moody's refers to further implementation of IIB's development strategy, in particular the diversification of the funding base and growth of the loan portfolio. To a large extent, the Bank has already taken steps in these directions. The Chairman of the Board of the IIB, Nikolay Kosov, said that «the assignment of such high credit rating crowns our two-year-long efforts to relaunch the IIB and to renew its activities as a full-fledged development institution. It will contribute to IIB's plans to expand its presence on national and international capital markets and to the enhancement of its role in the social and economic development of the member states».

It is already IIB's second international credit rating after the comprehensive reform of the Bank in 2012–2013. In December 2013, Fitch Ratings also assigned an investment grade credit rating to the IIB. Since then the Bank has built up a new loan portfolio, focused on support for SMEs, it has completely cleaned up the balance sheet from toxic assets, has updated the internal regulatory framework, and has introduced a new organizational structure. The process of the adopting the new constituent documents is being finalized. Hungary has stated the intention to renew its membership in the IIB. In April 2014, the Bank, for the first time, placed ruble bonds on the Moscow bond market, and it is working on the issuance of its securities on the markets of the EU member states.

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