



## Significant fact - Notice to Bondholders, Creditors and Clients

June 30, 2023

Further to our previous statements, IIB hereby informs our bondholders that as a result of General License No. 69 issued by OFAC on May 31, 2023, the release of funds and transfer by one of the EU financial institutions to Citibank, N.A., London Branch (Principal Paying Agent under the IIB EUR1.5b EUR MTN Programme) made it possible for the **IIB to fulfil the coupon payment of CZK bond issue with ISIN XS2180177623 (CZK 12,310,980.00) with value date June 27, 2023.**

IIB emphasizes that it faithfully attempts to meet its contractual payment obligations to bondholders and creditors given the known sanction constraints. As a necessary condition for debt service, we need: **a) prolongation of OFAC License up to the last redemption of bonds issued by IIB; b) service of the Paying Agent for the same time horizon; c) unfreeze of all securities and funds by Euroclear and other European FIs as the major and absolute prerequisite for any debt service; d) providing Citibank's designated EUR, HUF, RON accounts** for receiving principal and interest payments from clients of IIB in different currencies.

IIB repeats that at the beginning of June 2023 it approached **Euroclear SA/NV (Belgium), European Investment Fund (Luxembourg), MBH Bank Nyrt. (Hungary), Banca Transilvania (Romania), BULGARIAN DEVELOPMENT BANK (Bulgaria)**, where its securities and/or funds were/are frozen with the request to unfreeze them as well as forwarded Citibank's payment details for their direct payments in CZK as Citibank N.A. agreed to satisfy only CZK claims arising from the debt securities issued by IIB on coupon and principal amounts due on 26 April and 26 May 2023. As a result, **the transferred amount was sufficient to cover only one coupon payment** for CZK 12,310,980.00 (ISIN XS2180177623).

IIB additionally accentuates the fact that **total amount of its blocked/frozen funds exceeds the total amount of the contractual payment obligations** under MTN Programme and that IIB's **payment ability as such solely depends on the above FIs including Euroclear** blocking the largest volume of IIB's assets.

Until OFAC License expiry date (June 30. 2023) Citibank as Principal Paying Agent has received no funds from above listed entities.