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S&P assigns BBB credit rating to the International Investment Bank

June 10, 2016

Yesterday, rating agency S&P Global Ratings assigned the International Investment Bank (IIB) a long-term rating of BBB, together with a short-term rating of A-2, both with stable outlook. S&P has joined the other two major rating agencies, which assessed the IIB in late 2013 and mid-2014, and the Bank has now become even better equipped to expand its capital market activities.

According to S&P's official statement, the key feature of the rating was IIB's strong financial profile. IIB's S&P risk-adjusted capital ratio compared favourably against other multilateral lenders. The agency also noted that the Bank would be able to cover all committed lending and debt repayments for at least one year, even under stressed market conditions, reflecting IIB's comprehensive liquidity buffer.

The IIB has now been rated by all three leading rating agencies in less than three years, receiving investment grade rating with stable outlook from each (Fitch "BBB-", Moody's "Baa1" and S&P "BBB"). In addition, it has also been rated by the Chinese rating agency Dagong ("A"), as the first international financial institution. Thus, the renewed IIB has quickly reached the creditworthiness levels of its peer regional development banks, with solid financials and growing attractiveness for investors.

Commenting on the rating, IIB's Chairman of the Board, **Nikolay Kosov**, said: *"We are pleased that yet another major rating agency has recognized our strong position by assigning us an investment grade credit rating. This will additionally support our efforts to attract even more partners with the purpose of increasing IIB's capacity to contribute to economic development in its member states. We also pay close attention to the rating agencies' conclusions in relation to the preparation of IIB's development strategy for the period of 2018-2022."*

IIB's internal rating strengths are underlined by the fact that its rating is higher than the average weighted rating of its shareholders – all of them developing or emerging market countries – as well as the vast majority of their individual ratings. This is important as it means that IIB's ability to bring additional value to its member countries and to make a more significant developmental impact on their economies is further improving.

S&P positively evaluated IIB's strength and shareholder stability noting that in the past 16 years there was only one change in the shareholder structure, and a positive one – Hungary's rejoining of the IIB. They also noted that the IIB is exempt from any sanctions and that its regional role has become more significant due to geopolitical events in the past few years.

The assigned rating further confirms the long way the IIB has gone since 2012 and the solid base of its growth despite the ongoing unfavourable external economic circumstances. This has resulted in an increased attention from investors – in two years, the IIB has attracted more than EUR 500 million in long-term financing, including through a recent debut syndicated facility and bond issues in Romania, Slovakia and Russia. For its Romanian issue, the IIB received an award by the Romanian Stockbrokers Association.