



S&P Global upgrades IIB to BBB+

April 13, 2018

On 12th April 2018, S&P Global became the 4th rating agency to take a positive rating action on International Investment Bank in the past 12 months as it upgraded IIB's long-term rating to BBB+ stable.

The upgrade was driven by an improvement in the bank's financial profile, which was revised to "Very Strong" from "Strong". This revision was driven by three key factors: firstly, the fact that IIB's NPLs are "below the peer group average", secondly that the bank has "demonstrated low credit costs", and thirdly "the sustained improvement of the quality of the treasury portfolio".

S&P Global also stated that the stable outlook on the IIB's BBB+ rating reflects their "view that IIB will continue expanding its loan portfolio to reach the target while maintaining a very strong capital position and ample liquidity".

Regarding potential future rating actions on the IIB, S&P specified that there could be "an upgrade in the next 12-24 months if we were to observe an improving business position. This could be the result of a growing loan portfolio that is supported by shareholder capital injections". Such a statement puts IIB in good stead, as the idea of growth backed by new capital from shareholders is a key principle of the bank's 2018-2022 Strategy.

Furthermore, S&P Global underlines that it "positively assesses the stability and strength of the relationship between IIB and its shareholders".

Chairman of the Board of IIB, Nikolay Kosov, commented that "The rating action reflects the bank's successful competition of its 2013-2017 Relaunch Strategy, as well as, confirms the financial soundness of the bank's new 2018-2022 Strategy. It is also worth noting that IIB has shown such results in a rather turbulent external environment".

"The IIB position on the MDB map and further improvement of the rating profile depends directly on joint efforts of management and member states, under the umbrella of fostering development impact of our financing and conservative approach to risk management", noted IIB Chief Economist and Head of Ratings Elliott Auckland.

In December of the last year, Fitch Ratings raised the IIB's BBB rating to positive outlook citing "the continuing diversification of the bank's operations in Central and Eastern Europe". In May, Moody's Investors Service also raised the IIB's Baa1 rating to positive outlook citing the improved diversification and quality of the Bank's treasury assets. In February 2018, Dagong Global Credit Rating Co. raised the outlook on the IIB's A rating to positive owing to improved diversification of assets and risk management policies.

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