



IIB published its audited IFRS results for 2017, decreasing publication period by one month: financial stability, development and diversification of credit and investment portfolio, significant improvement in quality of treasury assets

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The International Investment Bank (IIB) published its [IFRS audited results for 2017](#) on the 15th February 2018.

A year ago, the IIB introduced a new information system for accounting and reporting, which has allowed the bank to issue its financial reports in a much reduced period of time. The time period which it takes the IIB to issue its reports is one of the fastest in comparison with the market per se, including international organizations.

The IIB's report for the year 2017 confirms an active growth of key performance indicators of the Bank, including the loan portfolio, an improvement in the quality of treasury assets, and the diversification of fund raising from the point of view of time period, products and the investor base.

There have been significant achievements in all of the key business areas below.

Assets

In 2017, the IIB witnessed a significant growth in assets - by EUR 215 million or 24% to a total of EUR 1096 million. Such a significant growth was predominantly based upon the growth of the credit portfolio.

Both the asset growth and the increase of the credit portfolio are in line with the strategic development goals of the IIB.

Diversification of the Loan Portfolio

In 2017, the IIB broadened the country diversification of the credit portfolio.

By achieving total growth in the credit portfolio of EUR 301 million Euros net, the IIB also increased the volume of net loans issued to borrowers in the shareholders countries by EUR 308 million bringing it to a level of EUR 589 million (89% of the total loan portfolio).

Within the Trade Finance Support Programme (TFSP) the IIB continues its strategy of diversification and steadily increased the portfolio of such operations in the interests of the shareholders countries.

Treasury Assets

The IIB is actively working at improving the quality of its Treasury assets. 2017 results demonstrated that the portion of assets under management with a credit rating of A-AAA increased to 43% (41% in 2016) of the total volume of treasury assets.

Liabilities

In order to support its significant growth dynamic in 2017, the IIB used various debt financing instruments: there was a debut issue of Schuldscheindarlehen (SSD), the issue of rouble bonds as part of the Moscow Exchange programme of exchange-trading bonds, the first use of such an instrument on the Russian market amongst International Financial Institutions and other foreign issuers.

Furthermore, in August the Bank raised funding for the first time in Hungarian Forint totaling 4 bln HUF (approximately 13 mln EUR) for a period of 3 years.

In September 2017 the IIB issued two tranches of 3-year bonds, denominated in Romanian Lei and in EURO, the combined volume of which was approximately 125 million EUR. It was the first issue in the history of Romanian capital market denominated and settled in Euro.

Capital and Financial Result

The IIB's equity grew by 5.4 mil. Euro, following a positive financial result at year end (around 1 mil. Euro) and an additional contribution of paid-in capital from Mongolia as part of the IIB new business development strategy for 2018-2022.

The Capital Adequacy Ratio indicator according to the Basel Committee for Banking Regulation standards (Basel II) was 37.85%.

International Credit Ratings

There have been four key rating events over the period:

- In May 2017, Moody's Investors Service improved the outlook of the Bank's rating (Baa1) to positive, on the strength of the level of diversification and quality of the IIB's treasuries.
- In June 2017, S&P Global Ratings confirmed the IIB rating at the level of BBB with a stable outlook based on the sustainable financial basis of the Bank.
- In December 2017, Fitch Ratings increased their forecast for the credit rating (BBB) to positive, noting the "ongoing diversification of the banking operations in Central and Eastern Europe"
- In February 2018, Dagong Global Credit Rating Co., Ltd raised the level of the IIB's rating (A) to positive in connection with the improved efficiency of the operational activities of the Bank, the diversification of sources of financing and improvement in the system of risk management.

The Chairman of the IIB Board, **Nikolay Kosov**, commented: *«2017 was a very successful year for IIB, as the Bank continued its sustainable development generating significant benefits for all shareholders. The Bank confirmed itself as a modern IFI, a reliable partner, has generated socially and economically "Flagship" projects in our member states. Investment policies are*

focused on balanced diversification, fostering trade and cross-border cooperation, social and climate protection projects being treated with high priority. On the capital market, the Bank is a proactive, innovative and predictable issuer, committed to the local markets in the member states. This successful strategy allowed IIB in 2017 to reach record levels in terms of diversification of instruments, maturities and geography of investors at record low costs.»