THE BANK MISSION AND SHAREHOLDERS

STATUS
The International investment Bank is a multilateral development institution, created by member states in 1970. The Agreement to form the bank was signed on 10 July 1970 and registered with the United Nations Secretariat under number 11417.

MISSION
“To promote greater interconnections and integration between the economies of the Bank member states, with the aim of achieving the conditions for balanced and inclusive growth, and competitive national economies, by drawing on existing historical bonds”.

SHAREHOLDERS
- 9 sovereign states
- 339.61 million euro paid-in capital

- Russia: 44.18%
- EU: 52.18%
- Bulgaria: 12.43%
- Czech Republic: 11.01%
- Slovakia: 6.33%
- Hungary: 14.72%
- Romania: 7.69%
- ASIA & CUBA: 3.66%
- Mongolia: 1.00%
- Vietnam: 1.08%
- Cuba: 1.58%
The ‘Council’, also known as the Board of Governors, is the supreme governing body of the Bank, and consists of authorized representatives of countries, drawn from the highest-ranking officials of member countries. The Council identifies the general activities of the Bank and the development strategy, and resolves to accept new members to the Bank, open offices and branches, as well as takes other fundamental decisions, in compliance with the Bank Statutes.

The Board of Directors is a governing body that consists of representatives, nominated by the Bank members. This body is responsible for general leadership, monitoring Bank activities, as it exercises governance over the core areas of activity. The Board of Directors answers to the Council.

The Auditing Committee (AC) is a governing body responsible for financial control of the Bank, and consists of experts appointed by the Council. It is subordinate both to the Board of Directors and to the Council.

The Management Board is the executive body of the Bank, appointed by the Council, and is responsible for day-to-day management of the activities of the Bank in compliance with the Statutes, and resolutions of the Board of Directors and the Council of Governors.
KEY FIGURES

LONG-TERM RATINGS

The key factors behind IIB credit ratings are: a high level of support from member states; a stable liquidity situation; high capital adequacy; diversified financing sources and an improved risk management system.

Moody’s  A3, Stable  30.04.2018

STANDARD &POOR’S  A-, Stable  07.03.2019

Fitch Ratings  BBB+, Positive  11.09.2019

AKPA  A, Stable  18.11.2019

ASSETS AND LOANS PORTFOLIO

Since 1970, the Bank has implemented more than 280 investment projects. The total investment volume is approaching 9 billion euro.

As for October 28, 2019 the Bank’s assets reached 1350 mln euro.

The loan portfolio as for October 28, 2019 reached 830 mln euro and includes loans granted in all nine member states.

LOAN AND DOCUMENTARY PORTFOLIO BY COUNTRY, MLN EURO

- Non-IIB area, covered by sovereign guarantees
- Bulgaria
- Russia
- Slovakia
- Romania
- Hungary
- Mongolia
- Vietnam
- Cuba
- Czech Republic

- Total assets
- Net loans

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>59.2</td>
<td>7%</td>
</tr>
<tr>
<td>Russia</td>
<td>132.7</td>
<td>15%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>167.9</td>
<td>19%</td>
</tr>
<tr>
<td>Romania</td>
<td>104.4</td>
<td>12%</td>
</tr>
<tr>
<td>Hungary</td>
<td>55.6</td>
<td>6%</td>
</tr>
<tr>
<td>Mongolia</td>
<td>97.4</td>
<td>11%</td>
</tr>
<tr>
<td>Vietnam</td>
<td>42.1</td>
<td>5%</td>
</tr>
<tr>
<td>Cuba</td>
<td>45.3</td>
<td>5%</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>71.5</td>
<td>8%</td>
</tr>
</tbody>
</table>
2019: MILESTONES

JANUARY
- IIB has been recognized as the Fastest Growing Infrastructure Bank in CEE by the international publication Global Banking and Finance Review.

FEBRUARY
- On February 5, Deputy Prime Minister of economic policy, Minister of Finance of Hungary Mihaly Varga and the IIB Chairperson of the Management Board Nikolay Kosov signed the Agreement between the International Investment Bank and the Government of Hungary regarding the Headquarters of the International Investment Bank in Hungary.
- On February 19, IIB received another award “Consistency in issuing bonds on the Romanian capital market” from the Bucharest Stock Exchange (BSE).
- IIB’s project on a newly introduced corporate governance system, which was successfully completed in 2018, won the annual award “For Outstanding Development Projects”, at a ceremony traditionally held by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).

MARCH
- On March 20, IIB closed the order book for the inaugural HUF bond transaction with a 3-year maturity and a fixed coupon on the Budapest Stock Exchange. The Bank allocated the amount of HUF 24,7 billion (approx. EUR 79 mln equivalent).

APRIL
- On April 15, IIB successfully closed a tap to the existing CZK 750 mln (approx. 29 mln euros) Floating Rate Notes issued last year and due on April 2021, marking up historically low cost of funds.

JUNE
- IIB has actively participated in the inaugural sovereign Dutch green bond issue, which allowed the institution to confirm its “green investor” status and receive a letter of recognition from Dutch State Treasury Agency (DSTA).
- IIB has relocated its headquarters to Budapest, becoming the first and only multilateral development bank with Headquarters in the CEE region.

JULY
- The Slovak Republic – International Investment Bank Technical Assistance Fund (SR-IIB TAF) has successfully finalized its first project in Vietnam.
- Organization for Economic Cooperation and Development (OECD) included IIB in the list of international institutions eligible for acceptance of the Official Development Assistance (ODA).

SEPTEMBER
- On September 11 Fitch Ratings improved the outlook for IIB long-term BBB+ rating from “stable” to “positive”.
- On September 12 Hungary started off a new round of the Bank’s capitalization with a paid-in capital injection of EUR 10 mln becoming the second largest shareholder of IIB.

OCTOBER
- On October 5, IIB acquired new SWIFT code - IIBMHU22 meaning that the Bank successfully completed the relocation and received confirmation of its status as an international financial institution with European registration.
- On October 17, capitalizing on the Headquarters’ relocation to Budapest and the strategic plan to enhance its presence in Europe IIB successfully closed the order book for the second HUF bond transaction with a 3-year maturity and a fixed coupon on the Budapest Stock Exchange. The Bank allocated the amount of HUF 22,5 billion (EUR 67,5 million equivalent).
2013-2017 period for IIB can be characterized by:

- Substantial increase of assets (3-fold) reaching EUR 1096 mn at end of 2017, and loan and documentary portfolio reaching EUR 712 mn
- Obtaining investment grade credit ratings from three leading international rating agencies
- Issuing bonds and other debt instruments in Member States, both in euros and national currencies (RON, RUB, HUF, CZK, EUR as national currency of Slovak Republic)
- Building an advanced risk, assets/liabilities management and compliance control systems
- Expanding the Bank’s product offering through direct funding, intermediated financing, trade financing products and bank guarantees
- Phasing in a three-tier corporate management system
- Restoring Hungary’s membership with the IIB
- Increasing the Bank’s recognition on international markets
- Implementing corporate social responsibility principles
- Building a qualitatively new organizational structure

MISSION: facilitating connectivity and integration between the economies of the Bank’s Member States in order to ensure sustainable and inclusive growth, competitiveness of national economies, backed by the existing historical ties

By the end of 2022, IIB aims to:

- Raise total assets to EUR 1.7 bn and expand the loan portfolio to EUR 1.2 bn, increase volume of bonds issuances including in national currencies of the member-states
- Become an acclaimed niche lending institution capable of executing medium-sized projects to promote the development of the Member States’ national economies
- Put forward a recognizable value proposition on the markets of Member States, play a prominent role in supporting financial transactions both between them and third countries, which includes funding export/import operations and investment
- Run a partnership network in each Member State on the basis of long-term mutually advantageous relationships
- Achieve and maintain long-term financial sustainability
- Demonstrate sustainable profitability through its core activity
- Expand its shareholder structure to strengthen the capital base and identify new, sound financing opportunities
- To reinforce the presence in certain geographical areas by opening local representative offices

By the end of 2032 the Bank should become:

- A medium-sized development bank in its target geographical areas with a broad product and service offering
- A full-fledged player in Member States and in the global community of international development institutions
- A major platform providing financial, foreign trade and investment ties between Member States and their companies
- An attractive strategic investment target
- To deliver measurable development effect for Member States
## OUR POTENTIAL

<table>
<thead>
<tr>
<th>PROJECT FINANCING</th>
<th>MODERNIZATION</th>
<th>EXPORT-IMPORT</th>
<th>SUPPORT FOR MSEs</th>
<th>MERGERS AND ACQUISITIONS</th>
<th>TRADE FINANCING</th>
<th>TECHNICAL ASSISTANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We finance creditworthy projects in IIB member states, that are aimed at sustainable development and cooperation between IIB member states</td>
<td>Financing is performed with the goals of modernization of existing infrastructure, modernizing equipment and (or) expanding existing business</td>
<td>Financing the export and import of goods, equipment, technologies and services, promoting the sustainable development of member states</td>
<td>IIB promotes improving access for small and medium-sized enterprises (SMEs) of IIB member states to financial resources by using a dual-level financing mechanism</td>
<td>Financing the acquisition of companies (acquisition of a company or asset, largely financed using borrowed funds).</td>
<td>Export or import of goods, equipment, technology and services between IIB member states and other countries</td>
<td>Rendering technical assistance services paid for by the IIB/Slovak Republic Technical Assistance Fund</td>
</tr>
<tr>
<td><strong>Items financed</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Projects aimed at sustainable development of member states (innovation, resource-saving, social infrastructure, integration, etc.)</td>
<td>Existing business Infrastructure projects New equipment Other projects</td>
<td>Export or import of vehicles and equipment (financing on the part of the buyers and sellers in IIB countries) Pre-export financing of exporters operating in IIB member countries</td>
<td>Financing of MSE support programmes for IIB partners/financial intermediaries aimed at sustainable development of IIB member States</td>
<td>Acquisition of an existing business</td>
<td>Export or import of goods, equipment and services Pre- and Post-export financing of exporters/importers working in IIB member states</td>
<td>Projects aimed at sustainable development of IIB developing country members: Vietnam, Mongolia, Cuba</td>
</tr>
<tr>
<td><strong>Term (years)</strong></td>
<td>3 – 15</td>
<td>3 – 7</td>
<td>1 – 5</td>
<td>3 – 7</td>
<td>Up to 2 years</td>
<td>Period of technical assistance is determined case-by-case, depending on the scale and substance of the project</td>
</tr>
<tr>
<td><strong>Sums, rates, currencies</strong></td>
<td>We focus on deals with IIB participation of 20-100 million euro or the equivalent in another currency</td>
<td>We provide financing in euro, USD and other national currencies of IIB member states</td>
<td>We undertake a case-by-case approach to price formation, whilst also guided by the principle of break-even operations</td>
<td>We focus on deals with IIB participation of 20-100 million euro or the equivalent in another currency</td>
<td>Prices dictated by market EUR, USD, national currencies of members, and other currencies</td>
<td>The volume of assistance is determined case-by-case, depending on the scale and substance of the project</td>
</tr>
<tr>
<td><strong>Instruments and vehicles</strong></td>
<td>Credit</td>
<td>Credit</td>
<td>Renewable credit line with limited tranche term</td>
<td>Credit</td>
<td>Credit</td>
<td>Irrevocable Reimbursement Undertaking (IRU)</td>
</tr>
<tr>
<td>Borrower participates with proprietary funds to at least 25% of total project cost</td>
<td>Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA)</td>
<td>Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA)</td>
<td>Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA)</td>
<td>Bank guarantees Syndicated financing (incl. A/B Loans, Related financing, Parallel financing) Participation in conditional bonds (RPA)</td>
<td></td>
<td>Slovak Republic Technical Assistance Fund: IIB pays for technical assistance services, rendered to recipient organizations and support from consulting companies registered in the Republic of Slovakia</td>
</tr>
<tr>
<td><strong>Key requirements</strong></td>
<td>Borrower participates with proprietary funds to at least 25% of total project cost Special covenants established case-by-case Business plan/financial modelling</td>
<td>International impact from financing (involving IIB member states) Current contracts</td>
<td>International impact from financing (involving IIB member states) Current contracts</td>
<td>International impact from financing (involving IIB member states) Creation of added value in IIB country at deal completion</td>
<td>Commodities not on the exceptions list The statutory credit limit for the issuer bank Connection between the participant and/or the scope of the deal with one of the IIB member countries</td>
<td>The project must be implemented in Vietnam, Mongolia or Cuba</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>IIB applies a dual-level financing system, supporting SMEs through financial intermediaries: commercial partner banks, leasing companies, etc.</td>
<td></td>
<td></td>
<td>The project must comply with the IIB mission</td>
</tr>
</tbody>
</table>
DEVELOPMENT OF INFRASTRUCTURE

The Bank is financing the construction of a cascade of small hydro-electric dams in Karelia.

The project is included in a list of high-priority projects under the Federal Targeted Programme “Development of the Republic of Karelia to 2020”.

The project will allow the region, its residents and enterprises to be supplied with inexpensive, “clean” energy.

The implementation of “green” and renewable energy sector projects is among the priority activities of IIB, as an international development institution.

Key project parameters:
- Equivalent of 4.075 billion rubles
- 10 years
- Country: RF
IIB has ensured financing for the lease-to-buy acquisition of aviation equipment manufactured in the Czech Republic.

The project provided a new impulse for the development of an existing aeronautics production plant, helped save existing jobs and create new ones at plants both in Russia and the Czech Republic, facilitated the development of the RF regional transport infrastructure, and boosted the level of security and accessibility of modern, high-quality and reliable air transportation services, which is particularly important for distant and hard-to-reach regions.

The deal, which fully complies with the IIB mandate as a multilateral development institution, has become a historic event in the process of reinforcing and expanding bilateral economic links between the member states of the Bank.

Key project parameters:

- Equivalent of 4.5 billion rubles
- 7 years
- Countries: RF, Czech Republic
DEVELOPMENT OF ENERGY SECTOR

IIB has extended credit for the implementation of strategic projects to develop one of the largest energy holdings in Europe.

The activities by the borrower fully comply with the environmental responsibility standards of the IIB, as they cause almost zero harm to the environment. Most of the electrical power generated by the group involves no greenhouse gas emissions, due to the use of the most cutting-edge technologies harvesting nuclear, solar, water and wind energy.

Support for the energy sector in member states is one of the key areas of activities by the Bank, and as an international financial institution, IIB shares the sustainable development priorities of the United Nations Organisation, unswervingly focusing special attention on implementing projects in the “green” and renewable energy sectors.

Key project parameters:
- 90 mln euro
- 8 years
- Country: Republic of Slovakia
In partnership with the Mongolia Development Bank, IIB has rendered financial support for the development of a series of projects critical to the national economy.

Projects were implemented in areas of strategic importance for Mongolia, such as the energy sector, the construction industry, and the food industry.

Funds provided by IIB were spent on expanding the activities of the leading enterprises in the country, performing technical retrofitting, integrating modern energy-saving technologies and environmentally-friendly technologies, whilst also creating new jobs.

Key project parameters:
- 50 mln euro
- 5 years
- Country: Mongolia
Jointly with its long-term partner, the Black Sea Trade and Development Bank (BSTDB), IIB has financed small and medium-sized enterprises in the food industry of Bulgaria.

Cooperation with leading developing institutions, including in the loans and investment sector, remains one of the high-priority areas of activity of the IIB under our mandate as an international development bank.

Companies which received financial support from IIB were able to use funds to acquire new equipment, boosting production capacities and expanding product ranges, and to bolster their working capital.

Key project parameters:
- 11 mln euro
- 7 years
- Country: Bulgaria
IIB concluded an agreement with International Finance Corporation (IFC) to participate in a syndicated loan to benefit small and medium-enterprises in Vietnam.

For the IIB, this syndication is the fourth joint deal with the IFC, one of the bank’s key strategic partners.

Implementing projects to support small and medium-sized enterprise in Vietnam makes a major contribution to the cause of creating new jobs, as well as promoting national economic growth and ensuring greater prosperity for the population at large.

Key project parameters:
- 10 mln USD
- 5 years
- Country: Socialist Republic of Vietnam
IIB participated in extending syndicated credit to benefit a major Romanian company—the national operator of a retail trade network. The financing deal made it possible to purchase one of the largest food retail networks in the country.

For the Bank, this deal was also of strategic importance, because for the first time the loan was issued in the national currency.

The funds issued by the IIB were used to create new jobs and boost competitiveness in the retail sector of the Romanian economy, facilitating an increase in prosperity and quality of life for the population of the country.

Key project parameters:

- 137.25 mln Romanian leu
- 7 years
- Country: Romania
**DIVERSIFICATION OF SOURCES OF FUNDING**

### Key Bond Placements

#### Russia
- 5 issues
- 24 billion rubles
- Listing: Moscow Exchange

#### Romania
- 5 issues
- 1 400 million Romanian leu, 140 mln euro
- Listing: Bucharest Stock Exchange

#### Slovakia
- 1 issue
- 30 mln euro
- Listing: Bratislava Stock Exchange

#### Czech Republic
- 1 issue
- 1.5 billion korunas
- Listing: Prague and Vienna Stock Exchanges

#### Hungary
- 2 issues
- 47.2 billion forints
- Listing: Budapest Stock Exchange

### Plans

- Bond issues on other national markets of the IIB member countries.
- Placement of Eurobonds and Schuldscheindarlehen.
- Development of alternative forms of fund-raising, such as bilateral and syndicated borrowing, including loans from IFI.
- Sourcing funds from banks, sovereign and other funds within the IIB member countries.
- Opening credit lines to support trade finance transactions.
- Reviewing lines to support money market transactions, and opening new lines.
### International Partnership Network

#### IIB Business Partners
- International Financial Organizations (The World Bank Group, EBRD, EIB, NDB, IBEC and others)
- Regional development banks (BSTDB, CAF, CABEI, NIB, EDB and others)
- National development banks
- National Chambers of Trade and Industry
- Export credit agencies
- State and private financial institutions.
- Platforms and associations of financial institutions (IDFC, ADFIAP, BACCE, D20)
- Commercial banks

#### IIB Non-Commercial Organisations Partners
IIB takes a strong stance on supporting initiatives aimed at environmental protection and sustainable development. The Bank not only extends financial support to such projects (loans and grants), but also actively cooperates with non-profit international organizations to develop new policies and promote responsible development financing. These esteemed organisations include:
- United Nations (IIB is a member of UN Global Compact)
- UNEP FI
- WWF
- Wetlands International
- ICC Green Finance Working Group

#### IIB Observers
- Republic of Belarus – sovereign observer

---

Image of logos for various organizations related to IIB.
CONTACT INFORMATION

International Investment Bank

IIB Headquarters
Budapest, Vaci ut 188, H-1138, Hungary
Tel: +36 1 727 88 88
E-mail: mail@iibbank.com

Moscow Branch
7 Ulitsa Mashi Ponyvaevoy, Moscow, Russian Federation, 107078
Tel: +7 495 604 7300
Fax: +7 499 975 2070

WWW.IIB.INT