



**INTERNATIONAL
INVESTMENT
BANK**

**TIME
PROVEN
PARTNERSHIP**

2017

KEY FACTS

Multilateral development bank with long history

- ⊙ **Founded in 1970** based on an international treaty, **relaunched by shareholders in 2012** under a new Development Strategy for 2013-2017
- ⊙ **Mission** – promotion of social and economic development, growth of well-being of the population and economic cooperation between IIB member states. Particular focus on support for small and medium-sized enterprises (SMEs), export-import operations and project finance

Unique member state composition

- ⊙ **Bulgaria, Cuba, Czech Republic, Hungary, Mongolia, Romania, Russia, Slovakia and Vietnam** – highly diverse members from three continents
- ⊙ Support from member states confirmed in various forms, including ongoing capitalisation with additional capital contribution by members
- ⊙ New statutory documents will increase IIB's authorised capital to EUR 2bn
- ⊙ Open for other countries to join

Special status as an international organisation

- ⊙ Not subject to national regulation, its activities do not require a banking license
- ⊙ Exempt from VAT, customs duties and restrictions on export and import
- ⊙ IB's assets and transactions are immune from any form of administrative or juridical process, except when the Bank waives its immunity

High level of financial stability

- ⊙ Strong capital adequacy
- ⊙ Diversified loan portfolio by sectors and countries
- ⊙ Conservative risk policy and liquidity management
- ⊙ Investment grade credit ratings – **S&P (BBB, stable), Moody's (Baa1, stable), Fitch (BBB, stable) and Dagong (A, stable)**

Key financial indicators*

	2013	2014	2015	1H2016
Assets (EUR m)	411.1	611.5	809.4	921.6
Equity (EUR m)	352.4	389.4	397.7	415.0
Net Interest Margin**	4.1%	3.7%	3.1%	2.7%
Equity/Assets	85.7%	63.7%	49.1%	45.0%
Total Capital Adequacy	102.3%	78.1%	57.7%	51.2%
Financial Leverage (Liabilities/Equity)	16.7%	57.0%	104.3%	123.6%

*2013-1H2016 Consolidated Financial Statements (IFRS)

**Including hedged % exchange rates of cross-currency interest-rate SWAP

Explicitly excluded from the list of FIs, to which EU restrictions apply:

«It is also appropriate to apply restrictions on access to the capital market for certain financial institutions, excluding Russia-based institutions with international status established by intergovernmental agreements with Russia as one of the shareholders.»

Council Regulation (EU) No 833/2014 of July 31, 2014

MEMBER STATES



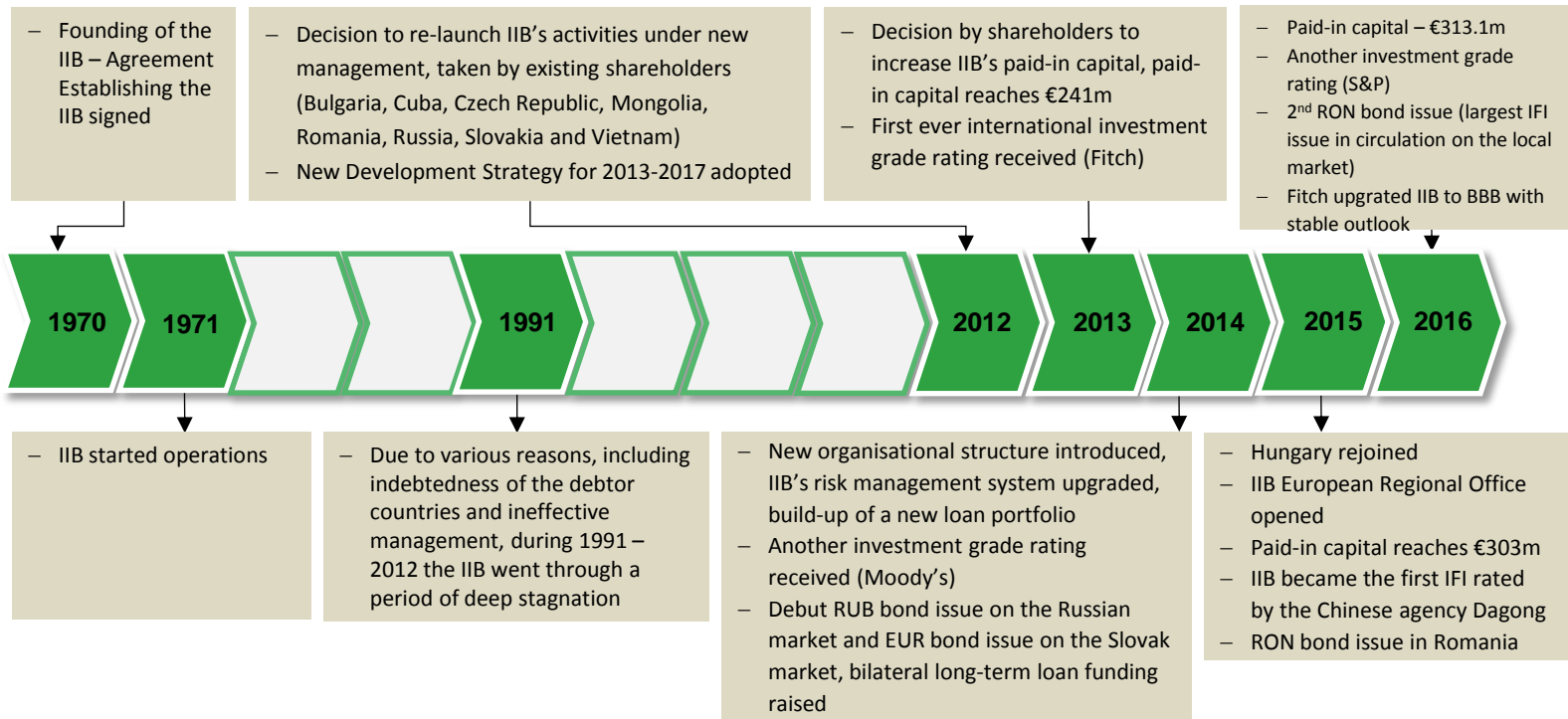
IIB is a supranational institution with a unique interregional member state composition. Five out of nine votes in the IIB Council belong to EU countries with an integral territory and a combined share of 48.72%, followed by Russia with 47.92%, Cuba with 1.71% and Asian countries with 1.65%.

Member states	Share in paid-in capital (since 09.03.2016)	
	€ m	%
EU members	152.5	48.7
Republic of Bulgaria	42.2	13.5
Czech Republic	30.4	12.8
Hungary	40.0	9.7
Slovak Republic	21.5	6.9
Romania	18.5	5.9
Other	160.5	51.3
Republic of Cuba	5.4	1.7
Socialist Republic of Vietnam	3.7	1.2
Mongolia	1.5	0.5
Russian Federation	150.0	47.9
Total	313.1	100.0



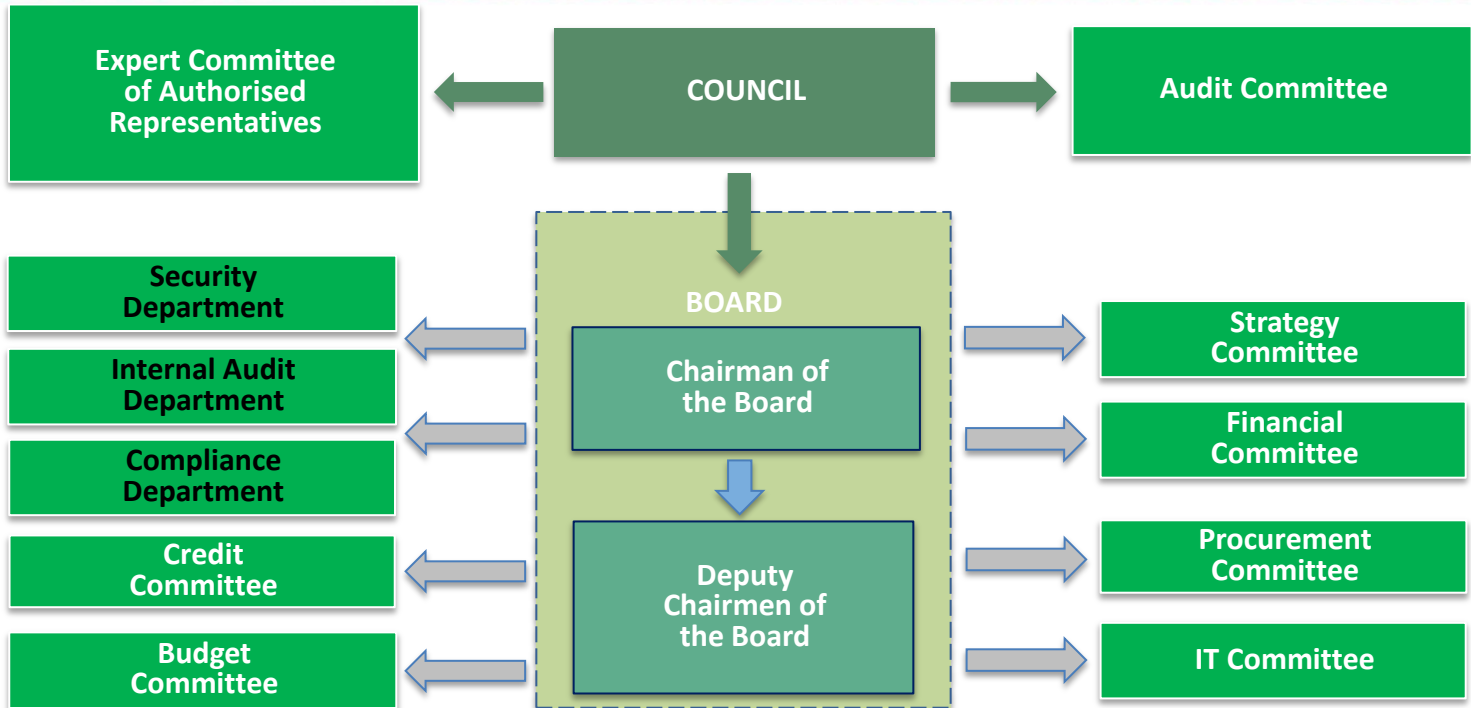
- Diversity of member states – from G20 and EU members to rapidly growing Asian markets. In accordance with IIB statutory documents, each country has one vote in the Bank’s Council
- Overall territory of operations – 19.6 million km² with a population of more than 300 million people, can work in non-member countries
- International staff from various member states

IIB HISTORY MILESTONES



- ⊙ Re-launch programme implemented
- ⊙ IIB’s new mandate supports intermediated funding of SMEs, project finance and export-import financing
- ⊙ IIB is open to new members: one to two more countries to join by 2017
- ⊙ As of March 9, 2016, the total paid-in capital of the Bank reached EUR 313.1m

CORPORATE GOVERNANCE STRUCTURE



CURRENT STATUTORY DOCUMENTS:

- ✓ Voting system is based on the principle “one country – one vote”
- ✓ For most issues, decisions are taken by the Council and by a qualified majority of $\frac{3}{4}$ member states
- ✓ Key decisions are taken unanimously. All the member states are able to influence the decision making

GENERAL CONDITIONS OF INVESTMENTS

IIB is a development institution – profit maximization is not the aim, although projects need to be “bankable” and IIB’s terms reflect fundamental principles of market pricing.

- **INTERMEDIATED FINANCING**
- **PROJECT FINANCING**
- **DOCUMENTARY PRODUCTS**
- **EQUITY & FUND INVESTMENTS**

- ⦿ Projects aimed at **supporting trade, cooperation, social and economic development of IIB’s member states**
- ⦿ **Direct financing** or (intermediated) **financing through other financial institutions**
- ⦿ **Volume:** IIB focuses on projects between EUR 10 to 50 million but can consider lower or higher amounts based on an individual approach related to the relevance of the project from the IIB mission perspective
- ⦿ **Currency:** EUR & USD, financing in local currencies of IIB member countries is possible but limited
- ⦿ **Restrictions:** activities related to the production and sale of arms and tobacco products, gambling activities, environmentally harmful economic activities, or activities prohibited by national laws and international conventions

Advantages

- **offering long-term finance – 5, 7, 10 and more years**
- **access to interesting markets (i.e. CEE, Vietnam, Russia, Mongolia, Cuba, etc.)**
- **tailor-made financial solutions, individual approach**
- **possible government support**

Transaction contents

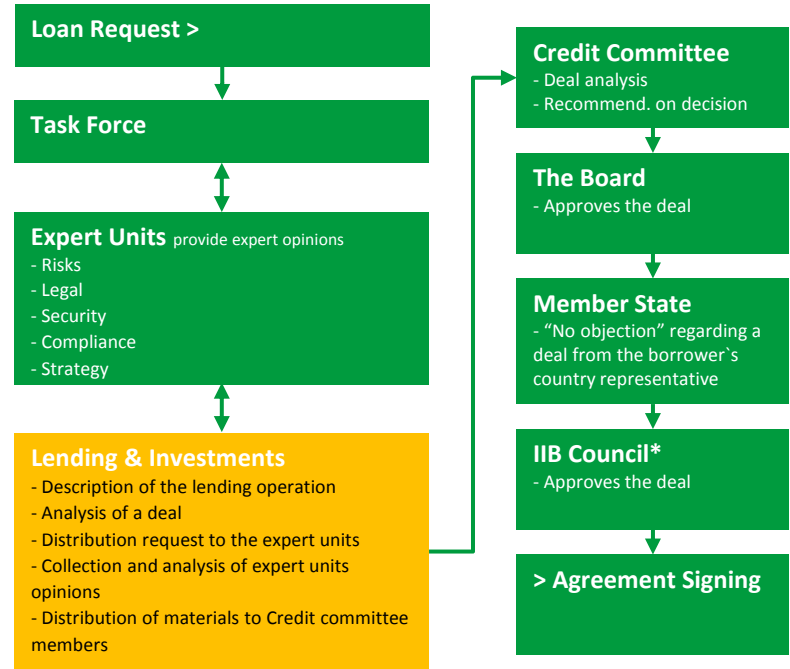
> Banks

- ⦿ Transaction description and terms of IIB participation (purpose, amount, maturity, financial terms, collateral, conditions precedent, target use of funds, etc.)
- ⦿ Financial analysis
- ⦿ Transaction participants and borrower details (originators, beneficiaries, credit rating of the borrower, main business lines of the borrower, experience in lending to SMEs and investment project lending, competitive potential, market position)

> Other entities

- ⦿ Transaction description and terms of IIB participation (purpose, amount, maturity, financial terms, project location, collateral, conditions precedent, etc.)
- ⦿ Project description (business plan analysis, purpose, total project costs and financing sources, target market, competitive potential, financial statements of the borrower)
- ⦿ Financial analysis
- ⦿ Transaction participants and borrower details (originators, beneficiaries, credit rating of the borrower, main business lines of the borrower, competitive potential)

Transaction approval

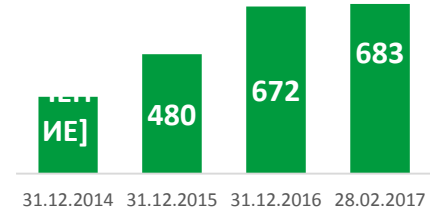


* IIB Council approval is required for all loans exceeding the authority delegated to the IIB Board (credit operations for a period of more than 7 years and/or in an amount exceeding 15% of IIB's capital)

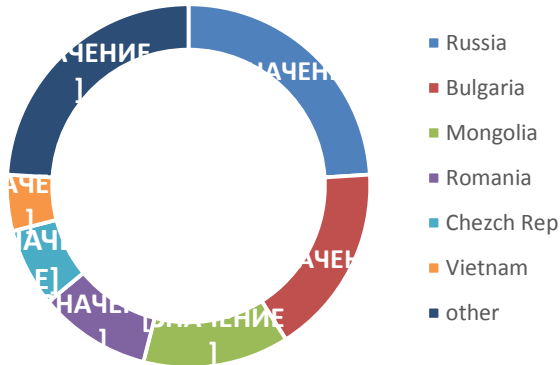
LOAN PORTFOLIO STRUCTURE AND INVESTMENTS

- Over the years, the IIB has invested over **EUR 8 billion** into the economies of its member states
- Since its relaunch in late 2012, the IIB has committed over **EUR 680 million** in new investments

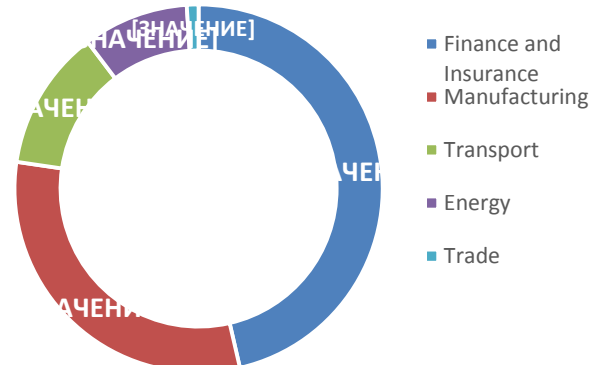
New signed investments since IIB's relaunch in late 2012 (cumulative, € m)



CURRENT LOAN PORTFOLIO BY COUNTRIES



CURRENT LOAN PORTFOLIO BY SECTORS



Source: management data as of February 28, 2017; including bank guarantees

PROJECTS FINANCED

Since being founded in 1970, the IIB has invested around EUR 8bn into the development of member states' economies. Some of IIB's latest projects are listed below:

SLOVAK GAS HOLDING (Slovakia)
€25m 5Y take in a syndicated facility.
Partner: UniCredit Bank



BT LEASING (Romania)
€10m 5Y financing for SME support.

PILSEN TOLL (Czech Republic)
€35m 3Y financing for supporting Pilsen Steel's operations.



PRISTA OIL (Bulgaria)
€10m 3Y take in a €15m syndicated facility.
Partner: Bulgarian Development Bank

TATRAVAGONKA a.s. (Slovakia)
€30m 7Y take to finance investment projects



TRANSCAPITALBANK (Russia)
€20m 5Y take in a €20+\$50 m syndicated facility for energy efficient projects. Partner: IFC

URBAN MOBILITY CENTRE (Bulgaria)
€15m 5Y take in a syndicated facility.
Partner: Bulgarian Development Bank



BIDV (Vietnam)
\$20m 5Y financing for SME support.

ROMCAB (Romania)
€15m 3Y financing.



AGRICOVER CREDIT IFN (Romania)
€10m 7Y financing for agricultural SME support.

TDBM (Mongolia)
\$10m 5Y take in a \$82m syndicated facility for SME support.
Partner: FMO



EUROLEASE GROUP (Bulgaria)
€7m 5Y take in a €15m syndicated facility for SME support. Partner: VTB Capital (Austria) AG

TYRAS (Bulgaria & Romania)
€22m 7Y take in a €50m syndicated facility.
Partner: BSTDB



SPURT BANK (Russia)
€15m 5Y financing for SME support.

ACRON (Russia)
\$25m 5Y take in a syndicated facility.
Partner: Société Générale



KHAN BANK (Mongolia)
\$10m 5Y take in a \$51m syndicated facility for SME support. Partner: IFC

EXISTING PARTNERSHIPS

- The IIB has **dozens of cooperation agreements** with financial institutions, government bodies of member states and other entities
- We are cooperating with leading multilateral development banks. The IIB is an **observer at the annual meetings of ADB, AIIB, BSTDB, EBRD, IDB, NDB and the World Bank**, and has signed the **IFC Master Cooperation Agreement**, a **Memorandum of Understanding on co-financing with the EDB**, a **Memorandum of Understanding on technical cooperation with the World Bank**, and a **Memorandum of Understanding with CAF – Development Bank of Latin America**
- The Bank is a member of the Banking Association for Central and Eastern Europe (**BACEE**), the Association of Development Financing Institutions in Asia and the Pacific (**ADFIAP**), the International Trade and Forfeiting Association (**ITFA**) and the Institute of International Finance (**IIF**) and the National Committee for Economic Cooperation with Latin American Countries (**NC CEPLA**). The IIB has been **awarded** by BACEE for the development of international banking co-operation, by ADFIAP for IIB's SME support programme, and by the **Romanian Stockbrokers' Association** for its Romanian bond placement in 2015 and 2016. According to bne IntelliNews, the IIB was the **Most innovative IFI of the year 2016**
- The IIB joined the **United Nations Global Compact** – the largest sustainable development initiative – and **provides grants for environmental protection programmes**
- The **Multilateral Memorandum on Cooperation between the IIB and export credit agencies (ECAs)** of its European member states (CZ, SK, HU, RO, BG, RU) created an export/import club



EXPANSION OF IIB'S GEOGRAPHICAL PRESENCE

The first office of the Bank outside its headquarters – **IIB European Regional Office** – was established on April 14, 2015 in Bratislava, Slovakia, covering Slovakia, Czech Republic, Hungary, Romania and Bulgaria, and serves as a platform for the diversification of IIB's investment activities and for providing its customers in EU member states with products and services in a more tailor-made and convenient way. For a similar reason, the IIB has also appointed a **local representative in Vietnam**.



THE MAIN OBJECTIVES OF THE REGIONAL OFFICE ARE:

- ⦿ increasing operations in Europe – new investment projects;
- ⦿ reinforcement of mutual relations with financial institutions and investors;
- ⦿ promotion and strengthening of IIB's status as a multilateral development bank;
- ⦿ fundraising and cost-reduction of resources;
- ⦿ strengthening the Bank's interaction with public authorities and institutions in European countries;
- ⦿ support of export/import operations between IIB's member states;
- ⦿ development of the Bank's participation in regional funds.

In addition, **the IIB remains open to other countries as new members**. Such expansion is in line with IIB's mission of supporting international economic cooperation, allows the IIB to make its contribution where it is needed and **strengthens the Bank financially, economically, as well as institutionally**. It also opens **new markets** to for companies from IIB's existing member states.



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