

Quarterly Review

October-December
2021



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Oct
18



ACRA CONFIRMS IBEC HIGHEST RATING ON THE NATIONAL SCALE

The Analytical Credit Rating Agency (ACRA) has affirmed the credit rating of the International Bank for Economic Co-operation (IBEC, Bank) on the international scale – A- and on the national scale for the Russian Federation – AAA(RU). The outlook on the affirmed ratings is Stable.

Nov
1



IBEC – LEADER IN THE FINANCIAL MARKET OF EASTERN EUROPE

The International Bank for Economic Co-operation has received two awards from the British media portal Global Banking & Finance Review. IBEC became a winner in the following nominations "Banking CEO of the Year Eastern Europe 2021" and "Best Trade Finance Bank Eastern Europe 2021".

Nov
3



IBEC ATTRACTS LONG-TERM FINANCING FROM THE UNICREDIT GROUP

IBEC signed a loan agreement with a subsidiary of the UniCredit banking group in Russia – UniCredit Bank. UniCredit Bank will provide IBEC with unsecured financing for 3 years in the amount of EUR 10 million, which will be used to develop and expand IBEC loan and documentary portfolio.

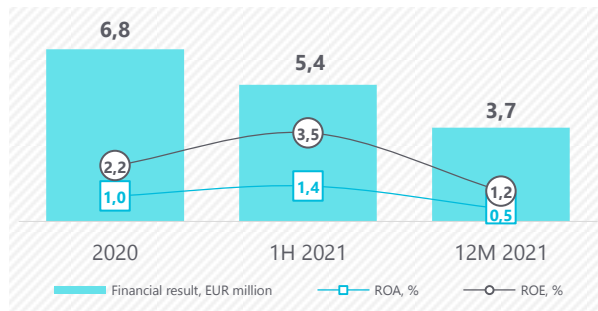
Dec
7



THE 137TH MEETING OF THE IBEC COUNCIL

On December 3, 2021 a regular 137th meeting of the Council of IBEC took place. For the first time in the Bank's history, the loan portfolio exceeded half a billion euros, having reached EUR 504 million by November, 2021, and the total amount of IBEC investments in the economies of the member countries (in the form of short-term and long-term loans, letters of credit and guarantees) reached EUR 1 billion.

	EUR million		
	31.12.21	30.06.21	31.12.20
1 Assets	776	762	815
2 Share of working assets (%)	93	92.8	93.2
3 Loan and documentary portfolio (gross)	523	487	418
4 Treasury assets	306	294	388
5 Short-term funding	287.7	193	268
6 Long-term funding	143.7	223	191
7 Net profit	3.7	5.4	6.8
8 ROA (%)	0.5	1.4	1.0
9 ROE (%)	1.2	3.5	2.2
10 CIR (%)	80.3	54.9	68.4



The Bank's **assets** compared to 1H 2021 has slightly increased.

The current **share of working assets** is stable and amounts to 93%.

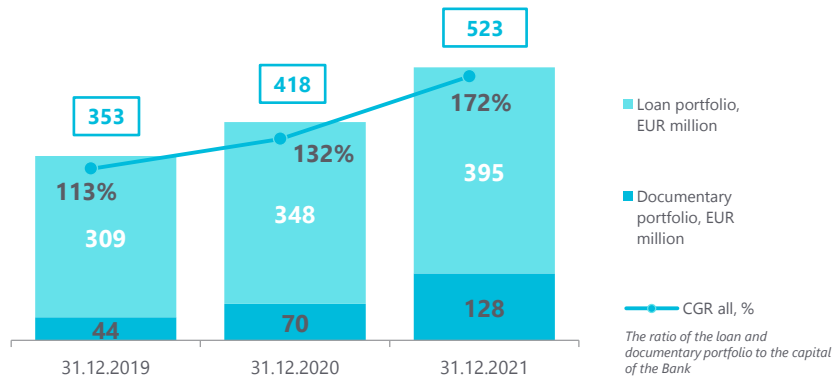
The volume of the **loan and documentary portfolio (gross)** has continued steady growth and amounted to EUR 523 million.

Treasury portfolio has insignificantly grown and amounted to EUR 306 million.

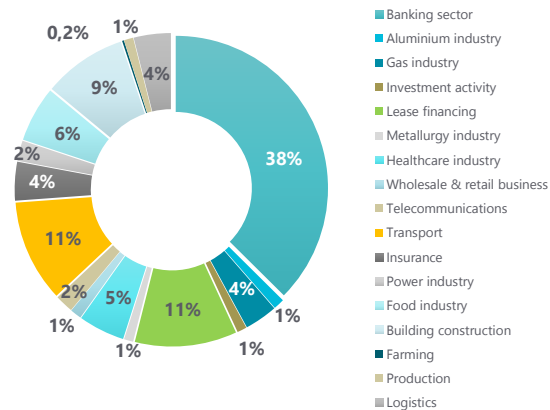
The volume of debt financing amounted to EUR 431.4 million.

The Bank's **net profit** has amounted to EUR 3.7 million.

PORTFOLIO DYNAMICS



INDUSTRY STRUCTURE (as of 31.12.2021)



IBEC loan and documentary portfolio at the end of 2021 amounted to EUR 523 million (out of which IBEC loan portfolio (gross) was EUR 395 million). The volume of IBEC loan and documentary portfolio as of 31.12.2021, compared to the volume as of 31.12.2020, increased by EUR 105 million (or +25%).

A significant share of the portfolio is in the banking sector, transport infrastructure, leasing, construction and food industries, and healthcare.

Key transactions for the reporting period are the following: acquisition of the COVID-19 Response bonds of the Polish BGK and sustainability-linked bond issue of the Romanian leasing company Autonom, 2 billion rubles credit line for auto leasing company Europlan,, 3-year credit line to finance the construction of an advanced poultry production unit.

LOAN AND DOCUMENTARY PORTFOLIO

 **Poland**

A2/A- (Moody's/Fitch Ratings)
Credit portfolio: **€ 17.4 million**
Documentary portfolio: **€ 0.3 million**

 **Czechia**

Aa3/AA- (Moody's/Fitch Ratings)
Credit portfolio: **€ 5.1 million**
Documentary portfolio: **€ 1.2 million**

 **Slovakia**

A2/A (Moody's/Fitch Ratings)
Credit portfolio: **€ 5.2 million**
Documentary portfolio: **€ 0.2 million**

 **Romania**

Baa3/BBB- (Moody's/Fitch Ratings)
Credit portfolio: **€ 24.9 million**
Documentary portfolio: **€ 0.8 million**



 **Russia**

Baa3/BBB (Moody's/Fitch Ratings)
Credit portfolio: **€ 95.8 million**
Documentary portfolio: **€ 65.9 million**

 **Mongolia**

B3/B (Moody's/Fitch Ratings)
Credit portfolio: **€ 66.1 million**
Documentary portfolio: **€ 29.5 million**

 **Vietnam**

Ba3/BB (Moody's/Fitch Ratings)
Credit portfolio: **€ 42.2 million**

 **Bulgaria**

Baa1/BBB (Moody's/Fitch Ratings)
Credit portfolio: **€ 51.4 million**
Documentary portfolio: **€ 1.9 million**

 **Other countries**

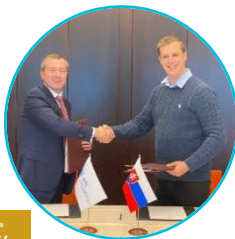
Credit portfolio: **€ 86.9 million**
Documentary portfolio: **€ 28.6 million**

IBEC continues to pay special attention to projects consistent with the UN Sustainable Development Goals, the implementation of which is an important element of the Bank's strategy.



Polish COVID Response program

IBEC has participated in primary placement of COVID-19 Response bonds of the Polish national development bank Bank Gospodarstwa Krajowego (BGK). New 7-year bonds have been issued under BGK's Euro Medium Term Note (EMTN) Programme on behalf of COVID-19 Response Fund and are irrevocably and unconditionally guaranteed by the State Treasury of the Republic of Poland. The size of new issue is EUR 500 million. The funds raised will be used to finance programs combating the COVID-19 pandemic and its consequences, restore the most affected sectors of the economy, and support medical and social infrastructure.



Investing in food security

IBEC finances the construction of an advanced poultry production unit. The Bank opens a three-year credit line to finance a technological complex and start of production. The production will be located in Tatarstan, Russia. The transfer of incubation technology to Russia will significantly increase the efficiency of poultry operation, optimize price parameters, which is an extremely urgent task for Russia, which is consistently pursuing a course of import substitution, especially against the background of a global rise in food prices.



Reduction of the carbon footprint in Romania

IBEC took part in the placement of bonds of the Romanian company Autonom, specializing in car leasing, fleet management, short-term car rental. The Bank acquired more than 10% of the issue, becoming one of the key investors in the issued securities. This is the first sustainability-linked bond issue on the Romanian local market. Autonom raises funds to ensure business development which is consistent with decarbonisation objectives of European Union countries. The mid-term plan envisages expanding the vehicle fleet and reducing carbon emissions by 25% by 2025 and by 51% by 2030.

Guarantees ensuring Eastern European trade

IBEC implemented the first trade finance deal aimed at supporting foreign trade between Bulgaria and Poland with the Bulgarian Municipal Bank AD. The guarantee issued by IBEC in the amount of EUR 2 mln secured the fulfillment of the payment obligations of the Bulgarian buyer to the Polish supplier under the contract for the supply of railway rails. IBEC Guarantee is issued in accordance with the international rules governing bank guarantees (ICC Uniform Rules for Demand Guarantees URDG 758), and, as requested by the supplier, is subject to Polish law.



Development of transport and logistics infrastructure in Vietnam

IBEC has granted a long-term credit facility to HATECO Logistics (Vietnam) in the amount of EUR 20 mln for the construction and development of logistics infrastructure in northern Vietnam. The funds will be used to create an infrastructural facility in Vietnam, which, in turn, will contribute to the intensification of export-import relations and to the economic development of the country. The contribution of IBEC to the development of logistics infrastructure will also support the early adoption of anti-COVID measures through the improvement and optimization of the supply chain of medicines, equipment and food for the population of Vietnam.

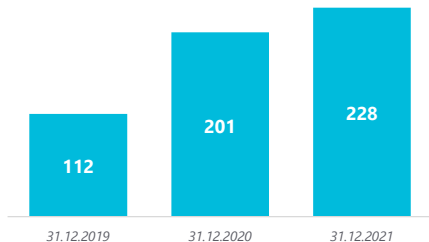


Financing Russian car leasing

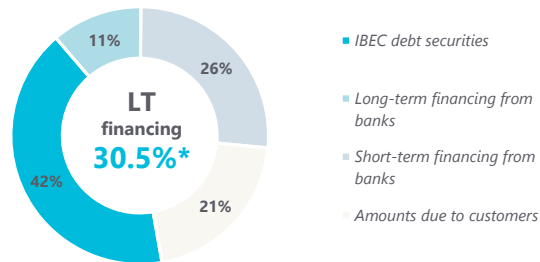
IBEC opened a credit line for auto leasing company Europlan for over 2 billion rubles to finance the expansion of leasing programs for Russian small and medium-sized businesses. Bank-supported programs are leading to a large-scale renewal of the commercial vehicle fleet towards more environmentally friendly vehicle models, which also contributes to the implementation of the "green" agenda in the Russian Federation.



LONG-TERM DEALS (EUR mln)



LOAN FINANCING STRUCTURE (as of 31.12.2021)



INTERNATIONAL RATINGS

IBEC has 3 credit ratings as of the end of 2021 :

FitchRatings

BBB

Stable outlook

March 2021

MOODY'S

Baa3

Positive outlook

September 2021

ACRA

A-/AAA(RU)

Stable outlook

October 2021

* The share of LT financing from Total liabilities.

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