

## 2019 IBEC FINANCIAL STATEMENTS

International Bank for Economic Co-operation has disclosed its [financial results](#) in accordance with the International Financial Reporting Standards with an auditor's report for the past year.

According to the results of 2019, IBEC assets amounted to 650 million euro. They increased by 61% compared to the previous year. Such a result became possible due to the development of the Bank's key business directions, primarily, trade and syndicated financing, support for SMEs and green economy, as well as interbank settlements.

The loan and documentary portfolio has more than doubled over the past year, amounting to 353 million euro at the end of 2019. It is important to note that for the first time loan and documentary portfolio has exceeded Bank's equity. This result has been achieved through the use of the entire range of trade finance instruments (including targeted trade loans, confirmation and post-financing by letters of credit, guarantee operations and interbank reimbursement transactions, financing of international factoring), as well as active participation in syndicated financing transactions.

Corporate loan portfolio in 2019 was significantly diversified by economic sectors. So, if previously borrowers from the energy, telecommunications and leasing sectors were represented, now the

Bank also works with clients from the gas industry, pharmaceuticals, transport, the aluminum industry and retail.

Last year, IBEC significantly expanded the geography of its activities. Funding was provided for the implementation of projects and transactions in IBEC member states and other countries. To borrowers from Russia, Bulgaria, Romania clients from Poland and Hungary were added. Russia's share in the corporate loan portfolio decreased from 59.7% in 2018 to 36.8% in 2019, while Bulgaria's share increased from 12% in 2018 to 31.2% in 2019. Such results are fully consistent with the IBEC course on the balanced loan portfolio, including geographical context. In 2019, the Bank also expanded the list of currencies in which financing was provided. In addition to euro, US dollars and Russian rubles, IBEC also provided loans in Romanian lei in 2019. In the future, the Bank plans to continue expanding lending in the currencies of IBEC member states.

It is also worth noting that in 2019 actions were taken to significantly reduce credit risk. In particular, the volume of unsecured loans to corporate customers decreased both in absolute and relative terms. In 2018, they amounted to 49.7 million euro and 59.7% of the total portfolio of loans to corporate clients, and in 2019 - 47.4 million euro and 25.3%, respectively. In addition, in 2019, loans secured by deposits appeared. Despite the significant growth in the loan and documentary portfolio, the Bank manages to keep NPL at zero level for the second year in a row, which proves a balanced and effective risk management policy.

Significant expansion of the Bank's business was reflected in the financial result. According to the results of 2019, IBEC profit amounted to 6.586 million euro, which is 5.011 million euro more than in 2018. The Bank's profit was primarily provided by net interest and commission income.

2019 was a significant year for the Bank in terms of financing structure. If at the end of 2018, at the end of 2018, the amount of long-term financing attracted was only 4 million euro, then by the end of 2019, this figure reached 112 million euro, an increase of 28 times. This growth is largely due to the Bank's debut public debt transaction, which is the placement of bonds on the [Moscow Exchange](#) in the amount of 7 billion rubles (about 100 million euro in equivalent). After a successful placement, IBEC signed a loan agreement with [Raiffeisen Bank International AG](#), under which attracted financing in the amount of 10 million euro.

Recent transactions, along with the Bank's investment grade ratings from Fitch and Moody's, confirm IBEC's reputation as a high-quality and reliable borrower.

