

# Quarterly Review

**January-March 2021**

*(unaudited)*



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## **INTERNATIONAL RATING**

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On March 5, 2021, the rating committee of Fitch Ratings upgraded IBEC Long-Term Issuer Default Rating (IDR) to 'BBB', with a Stable outlook. IBEC Short-Term rating has been upgraded to 'F2'. The information on the rating upgrade was published by the Rating Agency on March 9, 2021.

## **AWARD**

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Denis Ivanov, Chairman of the Board of the International Bank for Economic Co-operation, was awarded a state award of the Russian Federation – a Medal of the Order "For Merit to the Fatherland", II degree. The award ceremony was held at the Ministry of Finance of the Russian Federation, the award was presented by Deputy Minister of Finance of the Russian Federation Timur Maksimov. As stated in the Presidential Decree No. 529, the Chairman of the IBEC Board was awarded "for his great contribution to the development of the financial and banking system of the Russian Federation and attraction of investments to the Russian economy".

## **BANK'S ACTIVITY IN TIMES OF COVID-19**

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### **LOAN AND DOCUMENTARY PORTFOLIO GROWTH**

In the first three months of 2021, the volume of the IBEC loan and documentary portfolio, compared to the volume at the beginning of the year, increased by EUR 14 million (or + 3%) and amounted to EUR 432 million.

The Bank supported agroindustrial trade between Russia and Mongolia and exports of automotive products. IBEC also financed gas infrastructure development in Bulgaria and supported the export of food products from the Czech Republic, Poland, Slovakia and Bulgaria in national currencies by participating in the Supply Chain Financing.

### **INVESTMENTS IN 4-YEAR SOCIAL BONDS**

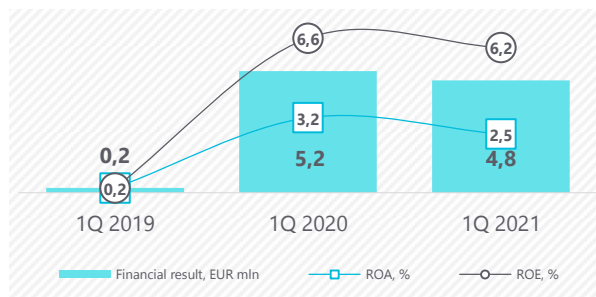
IBEC has acquired a package of four-year bonds of Sovcombank. The funds were raised to support the Halva project implemented by Sovcombank – a system of installment payments for goods and services. The project is of great social importance, and the issued bonds received Social Bond status according to the qualifications of the International Capital Markets Association (ICMA).

### **INVESTMENTS IN THE BONDS OF THE COUNCIL OF EUROPE DEVELOPMENT BANK**

IBEC took part in the IPO of the 10-year bonds of the Council of Europe Development Bank by investing EUR 20 million.

The Bank specializes in supporting social projects in member countries, developing the social environment, improving the quality of life of vulnerable groups of the population, and sustainable environmental development. The funds raised through the placement of bonds will be used to finance the statutory activities of the bank, to support existing and new projects.

	EUR mln		
	31.03.21	31.03.20	31.12.20
1 Assets	741	677	815
2 Share of working assets	92.6	90.8	93.2
3 Loan and documentary portfolio (gross)	432	361.5	418
4 Treasury assets	317	270	388
5 Short-term funding	192	258	268
6 Long-term funding	197	94.5	191
7 Net profit	4.8	5.2	6.8
8 ROA (%)	2.5	3.2	1.0
9 ROE (%)	6.2	6.6	2.2
10 CIR (%)	40.6	38.7	68.4



The Bank's **assets** compared to Q1 2020 increased by EUR 64 million.

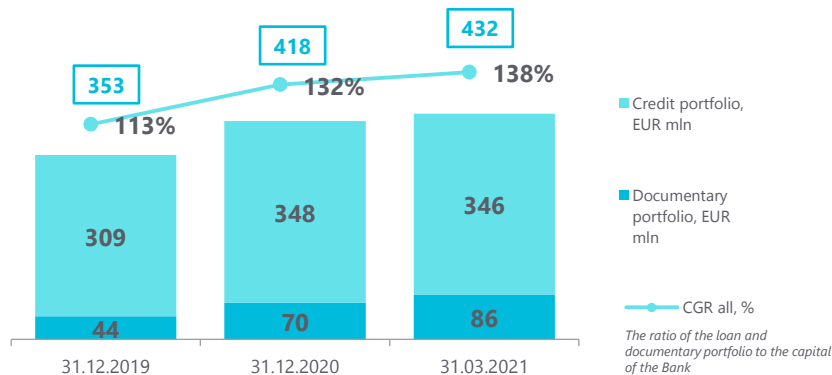
The current value of such a KFI as the **share of working assets** is 92.6%.

The volume of the **loan and documentary portfolio (gross)** continues to grow and amounted to EUR 432 million.

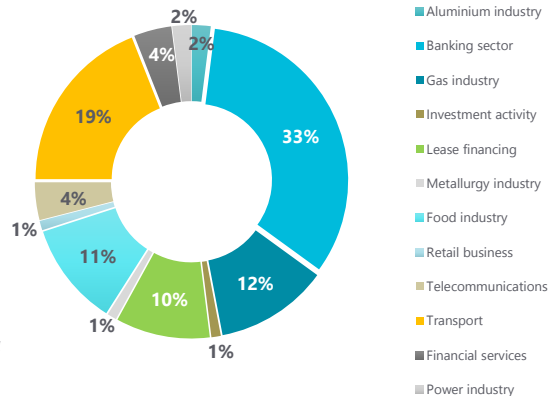
In the reporting period, the volume of debt financing amounted to EUR 389 million, while the volume of **short-term borrowings** continues to decline, while the volume of **long-term borrowings** continues to grow and amounted to EUR 197 million.

The Bank's **profit** as of the end of 1Q 2021 amounted to EUR 4.8 million.

## PORTFOLIO DYNAMICS



## INDUSTRY STRUCTURE (as of 31.03.2021)



IBEC loan and documentary portfolio continued growing steadily and at the end of the 1st quarter of 2021 amounted to EUR 432 million (of which IBEC loan portfolio (gross) – EUR 346 million). In the first three months of 2021, the volume of IBEC loan and documentary portfolio, compared to the volume at the beginning of the year, increased by EUR 14 million (or + 3%).

The sectoral structure of the portfolio is dominated by the banking sector, as well as transport infrastructure, the gas and the food industries.

Key transactions for the reporting period are: supply chain financing for suppliers in the member countries of the Bank in the amount of EUR 23 million; EUR 8.5 million to ASAKA BANK to support the exports in the automotive industry; support for agricultural exports in the amount of EUR 4.8 million with TDBM (Mongolia), forfating transactions in the amount of EUR 2.9 million – supplies of radio equipment to Vietnam.

# LOAN AND DOCUMENTARY PORTFOLIO



Key areas of activity – trade finance, syndicated financing, support for the SMEs and green economy – have once again proved their effectiveness in the context of restrictive measures.

**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.**



**AGRO**

### **Agroindustrial export**

*IBEC takes part in the financing of Russian wheat export. IBEC has issued a reimbursement undertaking in the amount of EUR 7.2 million for a period of more than a year as security for a letter of credit from the Trade and Development Bank of Mongolia.*



**AUTO**

### **Automotive industry support**

*IBEC provided USD 10 million to JSC BANK ASAKA to support Russian exports of automotive products.*

### **Gas infrastructure development**

*IBEC takes part in financing the Bulgarian company Overgas, providing funds in the amount of EUR 15 million to buy out the shares of the Gazprom group in the Overgas Group business and reimburse the previously made investment costs for the construction of new gas infrastructure in Bulgaria.*



**INFRA**

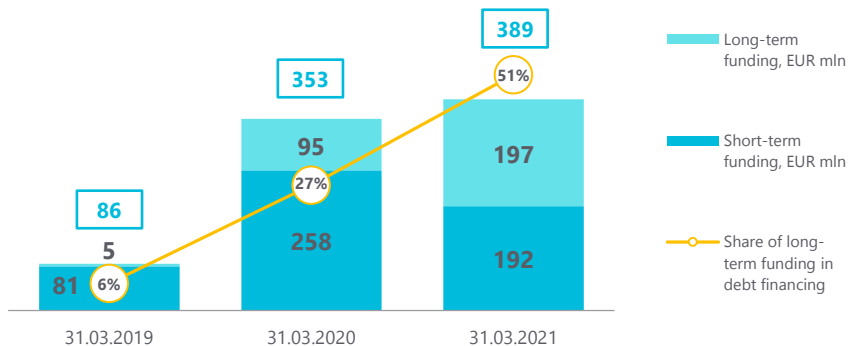
### **Supply Chain Financing**

*IBEC carried out Supply-chain financing in the amount of EUR 23 million, implemented by leading international bank to support the export of food products from the Czech Republic, Poland, Slovakia and Bulgaria in national currencies (PLN, CZK).*



**INNO**

## DEBT FINANCING DYNAMICS



The actual volume of **debt financing** at the end of the 1st quarter of 2021 amounted to EUR 389 million, while:

- the volume of long-term funding exceeds the volume of short-term funding
- the volume of long-term funding continues to grow steadily in the interests of the stability of the Bank's financial position

## INTERNATIONAL RATINGS

As of the end of the 1st quarter of 2021, IBEC has 4 international ratings:

**FitchRatings**

**BBB**

Stable outlook

March 2021

**MOODY'S**

**Baa3**

Stable outlook

January 2020

**ACRA**

**A-/AAA(RU)**

Stable outlook

November 2020

**ACRA Europe**

**BBB**

Stable outlook

May 2020



## CONTACT INFORMATION

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11, Masha Poryvaeva str.,  
107996, Moscow, Russian Federation  
**info@ibec.int**

Client Relations Department  
**UORCO@ibec.int**

Financial Institutions and Investor Relations  
**FI@ibec.int**  
**IR@ibec.int**

International Relations and Communications  
**PRESS@ibec.int**



**IBEC**  
INTERNATIONAL BANK  
FOR ECONOMIC CO-OPERATION

[www.ibec.int](http://www.ibec.int)

