

## IBEC financial statements for the 1st half of 2021

International Bank for Economic Co-operation has published its [interim financial results for the 1st half of 2021](#) in accordance with the international reporting standards together with an auditor's report on review.



The loan and documentary portfolio increased over the past six months by 16.4% to EUR 483 million (EUR 415 million at the end of 2020). The Bank continued diversification of its loan portfolio, and now all member countries are represented among the borrowers. IBEC has significantly expanded the geography of its activities – the Bank is actively working in South-East Asia, in the CIS countries, and is fully represented in Central and Eastern Europe.

In the context of the global COVID-19 pandemic, IBEC has focused its support on healthcare and medical technologies, transport infrastructure, and the insurance market. Besides, the Bank continues to support small and medium-sized enterprises in its member states. In 2021, IBEC has implemented a number of such projects in cooperation with national financial institutions.

Green financing is becoming a strategically important area of IBEC work. In the first half of 2021 IBEC replenished its portfolio with social and green bonds: bonds of the Council of Europe Development Bank, green bonds of one of the largest banks in Slovakia, Tatra banka, and bonds of the state-owned Hungarian Development Bank.

Against the background of the systematic growth of the loan and documentary portfolio, the Bank maintains a high capital adequacy. At the end of the first half of 2021, the capital adequacy ratio is 44%, significantly exceeding the threshold set by the IBEC Council – at least 25%.

The Bank's assets as of June 30, 2021 amounted to EUR 762 million, compared with EUR 815 million by the end of the year 2020. The decrease in assets is caused by the reduction of the treasury portfolio from EUR 388 million at the end of 2020 to EUR 294 million as of 30 of June 2021. Nevertheless, all key financial indicators for the first half of the year are fully consistent with the IBEC Development Strategy for 2021-2025. For the six months of 2021, the Bank's profit comprised EUR 5.4 million.

The Bank is scaling up its operations, using proven industry practices of risk management to ensure stable liquidity and a substantial capital base, maintaining strict loan underwriting criteria and meeting regulatory requirements for treasury operations.

IBEC continues to reduce the dependence on short-term funding sources. The volume of long-term funding has increased in the first half of the year by 16.8% to EUR 223 million, amounting 49.4% of all the Bank's liabilities. In June 2021, IBEC opened its credit history on the European market. The Bank placed its debut BGN-denominated bond issuance on the Bulgarian capital market, raising a 3-year unsecured funding for 68 million leva (approx. EUR 35 million). The transaction attracted interest from diverse institutional investors in Bulgaria – credit institutions, pension funds, and asset managers.

Despite deteriorating market conditions due to the global socio-economic crisis caused by COVID-19 pandemic, in March 2021, IBEC Long-Term Issuer Default Rating was upgraded by the Fitch Ratings from 'BBB-' to 'BBB', with stable outlook.

IBEC has the following credit ratings:

- 'BBB' from Fitch with a stable outlook (09/03/2021)
- 'Baa3' from Moody's with a stable outlook (24/01/2020)
- 'A-' / 'AAA(RU)' from ACRA with a stable outlook (27/04/2021)