

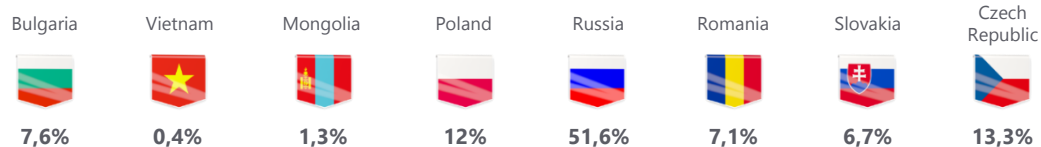
INTERNATIONAL BANK FOR ECONOMIC CO-OPERATION

**SESSION: “GUARANTEE AND FINANCIAL INSTRUMENTS IN
SUPPORT OF BUSINESS, BANKS, NEOBANKS”**

IBEC: Synergistic effect as a key to success

September 28, 2021

International Bank for Economic Co-operation is multilateral financial institution established in 1963 and operating under an intergovernmental Agreement registered with the UN Secretariat under № 7388 on 20.08.1964



Total Assets

€ 762 mln

CAR

44%

Loan & Documentary Portfolio

€ 487 mln

Authorized capital

€400 million

Paid-in capital

€200 million

Equity (30.06.2021)

€312 million

Credit ratings:

Fitch Ratings	BBB «Stable»	09/03/2021 Upgraded
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Moody's	Baa3 «Positive»	03/09/2021 Upgraded
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ACRA	A-/AAA(RU) «Stable»	06/11/2020 Affirmed
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OUT OF SANCTIONS

IBEC is not a subject of any restrictive measures introduced against the entities from Russian Federation within sanction lists and embargo programs established by US, EU and / or other jurisdictions

In December 2020 the Council approved **IBEC Development Strategy 2021-2025**

- **Positive developmental impact on Member countries** through promotion of international trade, support of greater role of SMEs trade between Member and other countries and participation in achieving **UN Sustainable Development Goals (SDGs)**
- **Provide clients with the innovative and competitive products and services** relevant to high clients' requirements
- **Improve IT technology in banking operations and continue development in internal operating efficiency**
- **While growing ensuring a long-term financial stability of the Bank**
- **A proportional increase in IBEC's business activities in all Member countries**

VISION

A continued reliable and efficient partner supporting export and import operations for the benefit of Member countries while offering competitive financial products and services

MISSION

Support economic prosperity of Member countries through interconnection of intra- and inter-regional trade operations and facilitation of financing projects that promote sustainable development goals

PRIORITY BUSINESS DIRECTIONS



Trade Finance



Lending



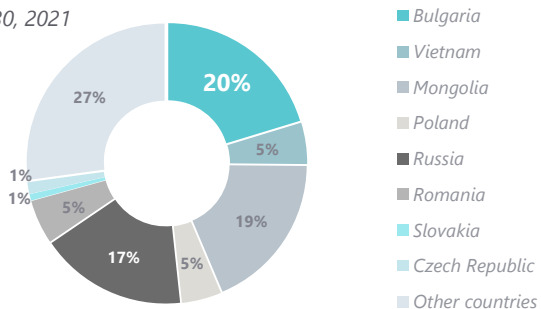
Settlements



Treasury

Geographical concentration of the loan portfolio (gross)

as of June 30, 2021



Bulgarian bonds and securities (EUR 25.6 mln, 9% in IBEC Treasury Portfolio):

Issuer	Sector	ISIN	Maturity	Amount 31.12.20, EUR mln
BEH EAD	Corporate	XS1839682116	28.06.2025	10.5
BULGARIA	Sovereign	XS2234571425	23.09.2030	12.0
BULGARIA	Sovereign	XS2234571771	23.09.2050	3.1

“IBEC investments to Bulgarian economy comprise 109 million euros (outstanding loans and securities) as of the end of June 2021, and total 170 million euros if calculating with repayment”

June
1

DEBUT BOND ISSUE IN BULGARIA

- 3-year unsecured funding for **BGN 68 million** with a coupon of 1.15% per annum and is due 2024
- it is rated **BBB by Fitch**.
- IBEC is the first International Financial Institution (IFI), based outside the European Union, to issue local currency bond on the Bulgarian capital market, governed by the Bulgarian law**
- IBEC has focused its activity in Bulgaria on sectors of the local economy, with initiatives supporting energy and infrastructure projects, agriculture, telecommunications, the electronics industry, and industrial construction. The funds of the emission will be used for financing projects in Bulgaria and other European member countries of the Bank.*

PRODUCT LINE - PRIORITY BUSINESS DIRECTIONS



Trade Finance

- Letters of Credit
- Guarantees/counter-guarantees
- Factoring / Forfaiting
- Financing with ECA
- Trade-related loans (TRL)
- Irrevocable Reimbursement Undertaking (IRU)



Treasury Operations

- Investments in corporate bonds, incl. 'Green bonds' in the primary market
- Currency SWAP
- Forward operations
- Short-term debt obligations
- Foreign exchange transactions and derivative financial instruments
- Financial instruments with fixed income



Direct and syndicated financing

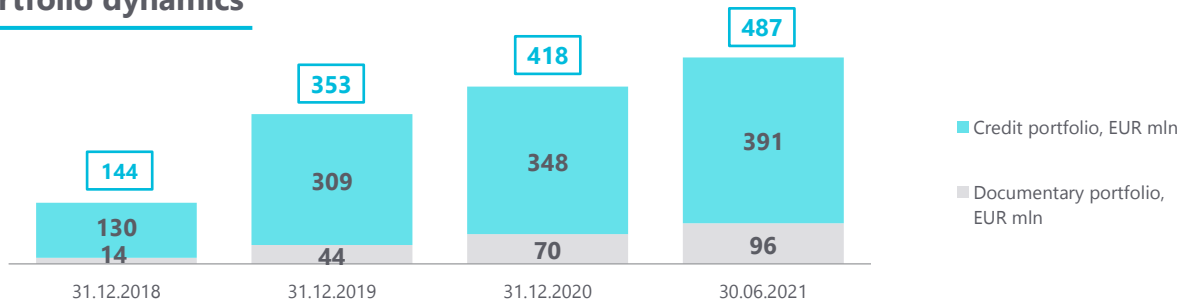
- Project finance and business development
- Working capital loans
- Contract financing
- Co-financing and syndicated financing



Cash management services

- Opening and maintenance of accounts
- Payments in rubles and other currencies
- Pledge accounts and other special accounts
- E-banking system
- Currency control
- Foreign-exchange operations
- Fixed-term deposits
- SWIFT GPI

Portfolio dynamics





GENERAL

At least one Party for transaction

Purpose – financing of:

shall be a **resident of IBEC member state**

- **export/import transactions** of corporates and financial institutions
- residents of IBEC's member countries
- **working capital**
- **other**



LIMITS AND TENORS

Maximum target ticket:

Tenors per transaction:

Interest rate, commissions, charges:

Collateral:

up to EUR 40 mln (inclusive) or an equivalent in other currency of financing

3 months to 7 years;
above 7 years - subject of approval by the Council

fixed or floating based on general terms or on individual basis

on individual basis (for FI deals up to 3 years – non collateral basis)



COUNTERPARTIES

Corporates

Financial institutions

Development banks,
international/supranational
financial organizations

EUR, USD and other
hard currencies

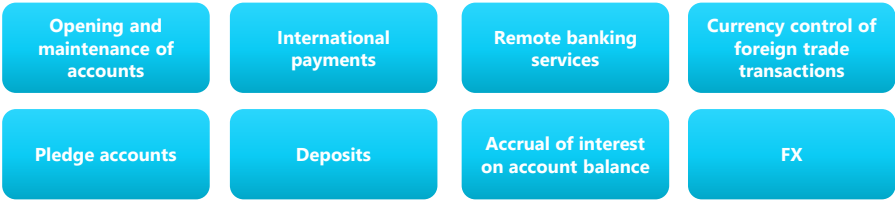
Main currencies of the IBEC's
member states



CURRENCY



PRODUCTS:



UNIQUE SETTLEMENT SERVICES “BOOK-TO-BOOK”



Transfers are settled within the bank between exporter and importer accounts **avoiding additional correspondent charges**



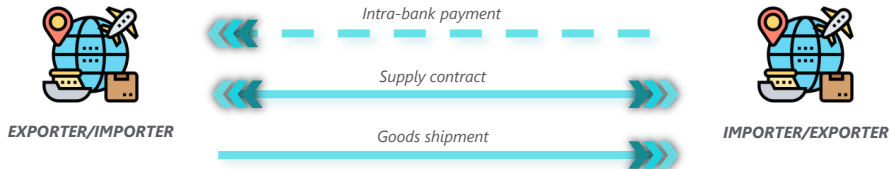
Processing of transfers will be **much faster** (within 1 operational day) and **transparent** for both parties



Bank’s property, assets and operations enjoy the **immunity from administrative and judicial intervention in any form**



IBEC is benefiting from a **non-resident status** and **tax-free status** in all member states





BULGARIA

- 1 Fostering connectivity by sustainable energy finance**
A loan to Bulgartransgaz EAD totalling EUR 90 million covering investment costs associated with the implementation of the most important project for the development of energy infrastructure "Balkan Stream". The project is of strategic importance for the East European IBEC member countries: Bulgaria, Romania, Slovakia.
- 2 Supporting medical industry in Bulgaria**
A credit line for the Bulgarian Doverie United Holding, a member of the Sopharma AD group, in the amount EUR 5 million, for the implementation of the current projects of the holding's enterprises, including in the medical industry.
- 3 Development of insurance business in the markets of the member states**
A credit line with a total limit of EUR 20 million for the largest Bulgarian private holding company Eurohold, for the development and expansion of the existing insurance business in Poland, Bulgaria and Romania.
- 4 Supporting telecommunications industry**
Participation in the syndicated loan to Bulgarian Telecommunication Company, BTC (VIVACOM) in the amount of EUR 10 mln (total amount - up to EUR 345 mln, arranger - Citibank) aimed at CAPEX financing
- 5 Supporting Bulgarian exports**
LC confirmation and trade-related loan to CISEUR in the amount of EUR 1.4 mln aimed at supporting exports of Bulgarian equipment for baby food production, consumer goods
- 6 Contributing to the development of energy infrastructure**
Syndication deal for CAPEX financing and investment support of expenditures incurred for the energy infrastructure of Bulgaria in the amount of EUR 15 mln for 6 years tenor

KEY PROJECTS – CEE IBEC MEMBER STATES



ROMANIA

- 1 Financing the development of food retail accessibility in Romania**
Syndicated loan for the development of a large retail chain of supermarkets within walking distance in Romania PROFI ROM FOOD S.R.L. – EUR 5.3 mln. The project is aimed at promoting the development of the accessibility of the retail segment in Romania.
- 2 Supporting SME export between IBEC member states**
Payment guarantee on behalf of Comvel (Romania) up to EUR 0,8 mln in favor of Promet Steel (Bulgaria) to support deliveries of metallurgical products. The transaction is aimed at direct SME support in non-commodities export (Comvel produces metallurgical goods and construction units for railway and autobans).
- 3 Financing within the Supply Chain Finance platform**
Financing the supply of equipment, materials, work, services and modernization for the largest telecommunications company in the amount of EUR 10 mln (financing in RON) within the Supply Chain Finance platform.



POLAND

- 1 Promoting Innovations and Green Transportation**
Credit line in the amount of EUR 15.18 mln to the Polish company Laude Smart Intermodal to finance the purchase of innovative intermodal freight railway containers and platforms made in Russia and Belarus. The use of innovative containers makes it possible to significantly optimize the structure of transported goods and make changes in the transport and logistics industry aimed at optimizing and greening transportation.
- 2 Supporting international scientific developments**
EUR 2,7 mln in guarantees, LC issued to cover obligations of the Polish supplier under contracts for the supply of equipment as part of an international scientific project. NICA (Nuclotron based Ion Collider Facility), a unique international scientific project at the Joint Institute for Nuclear Research in Dubna (Russia) is a new accelerator complex designed for the purpose of studying properties of dense baryonic matter. The 1st stage was commissioned at the end of 2020. The results of the project will make it possible to implement a number of high-tech solutions in medicine, ecology, energy. All 8 IBEC member countries are the members of the Joint Institute for Nuclear Research.



SLOVAKIA

Supporting Slovak radio electronics

Credit line to Incoff Aerospace supporting supplies of components for satellite antennas (radio equipment) to Russia



CZECHIA

Supporting export of the Czech Republic

more than EUR 4.7 mln equiv., advance payment guarantees and loans for Czech corporate clients, letter of credit in favor of Czech supplier supporting export and deliveries of equipment for transport means, energy and scientific equipment



RUSSIA

1 Guarantees to secure the purchase of pharmaceuticals

Counter-guarantees / guarantees on behalf of the Russian companies LLC Grand capital, ErkaFarm in the amount of more than EUR 61.2 mln, to support the procurement of pharmaceuticals from the world's leading manufacturers by a Russian distributor. Supporting the supply of pharmaceuticals has economic and social impact in times of pandemic.

2 Development of Russian aviation

Long-term loan to State Transport Leasing Company (GTLK) for the purchase and subsequent transfer into operation of localized aircrafts of the Czech brand L-410 manufactured by the Ural Civil Aviation Plant.



WORLD

1 UZBEKISTAN and ARMENIA
Promoting integration with other countries, incl. SME export support. CIS banks, incl Uzbekistan (EUR 66.5 mln) and Armenia (EUR 8.6 mln), trade loans, syndication, credit guarantee, SBLCs and IRUs to support export (**incl. of SMEs**) of the Czech Republic, Slovakia, Poland, Romania, Russia in different sectors, incl. healthcare, industrial equipment

2 FOR THE BENEFIT OF CZECHIA, SLOVAKIA, POLAND AND BULGARIA Supply Chain Financing in the Bank member countries

IBEC takes part in supplier's financing program of Mondelez (one of the world's largest snacks companies), organized by top international bank in CZK, PLN, RON . As of today EUR 98 mln support provided with reverse factoring Supply Chain Financing aiming at support of suppliers from CEE member states.

1 Developing Mongolian transport infrastructure

Targeted loan to the Ulaanbaatar Railway in the amount of 40 million euros under the insurance coverage of the Russian ECA for the implementation of a long-term investment program for the modernization of the Mongolian railway infrastructure and the purchase of Russian-made diesel locomotives that meet modern environmental and safety requirements

2 Supporting SME, GREEN FINANCE and the external trade of Mongolia

TDBM: USD 10 mln for 3 years, Green Loan Program (GLP) for SMEs aiming at implementation of UN SDGs (clean water, energy, decent work and economic growth, combating climate change and others).

Capitron bank, Golomt Bank, TDBM, XacBank: equivalent EUR 120 mln, trade-related loans, syndication, guarantee, SBLCs and IRUs deals to support external trade of Mongolia, including SME support

Supporting Vietnam trade and renewable energy

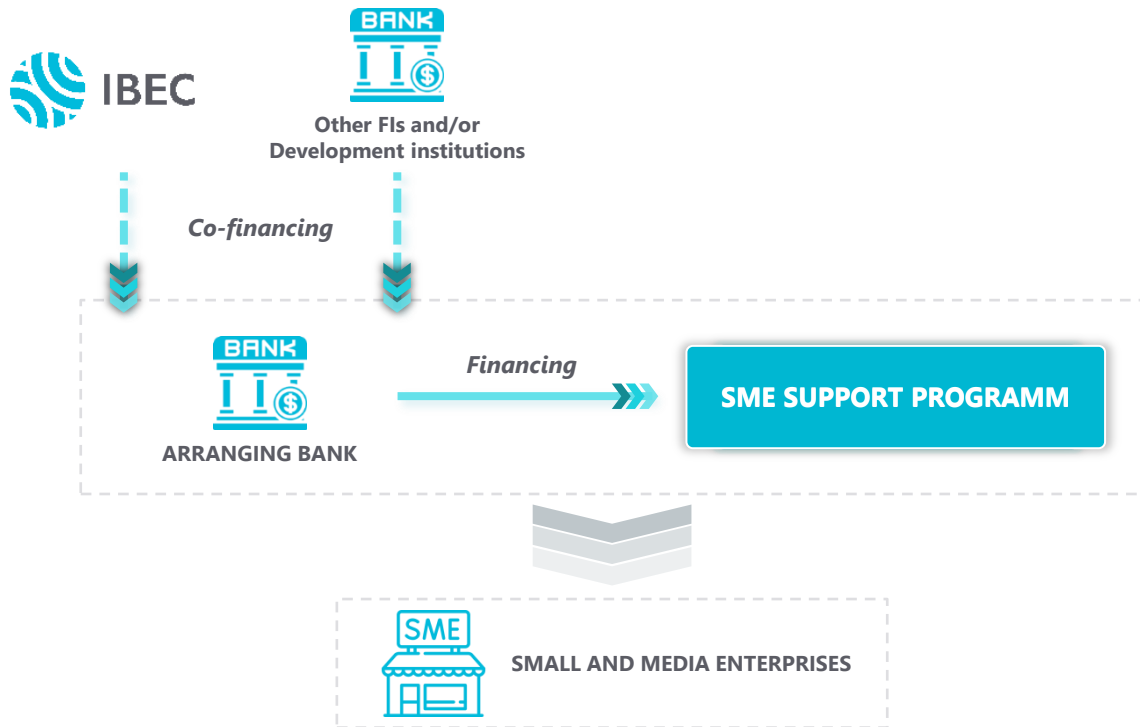
SHB, HD and BIDV. Financing under UPAS LCs to support export-import operations with countries in Asia, Africa and South America for the total amount of USD 92 mln, including USD 12 mln forfaiting deals under green project, i.e. supporting the supply of monocrystalline solar panel modules to Vietnam – a key element for renewable solar energy projects, and radio electronic goods.



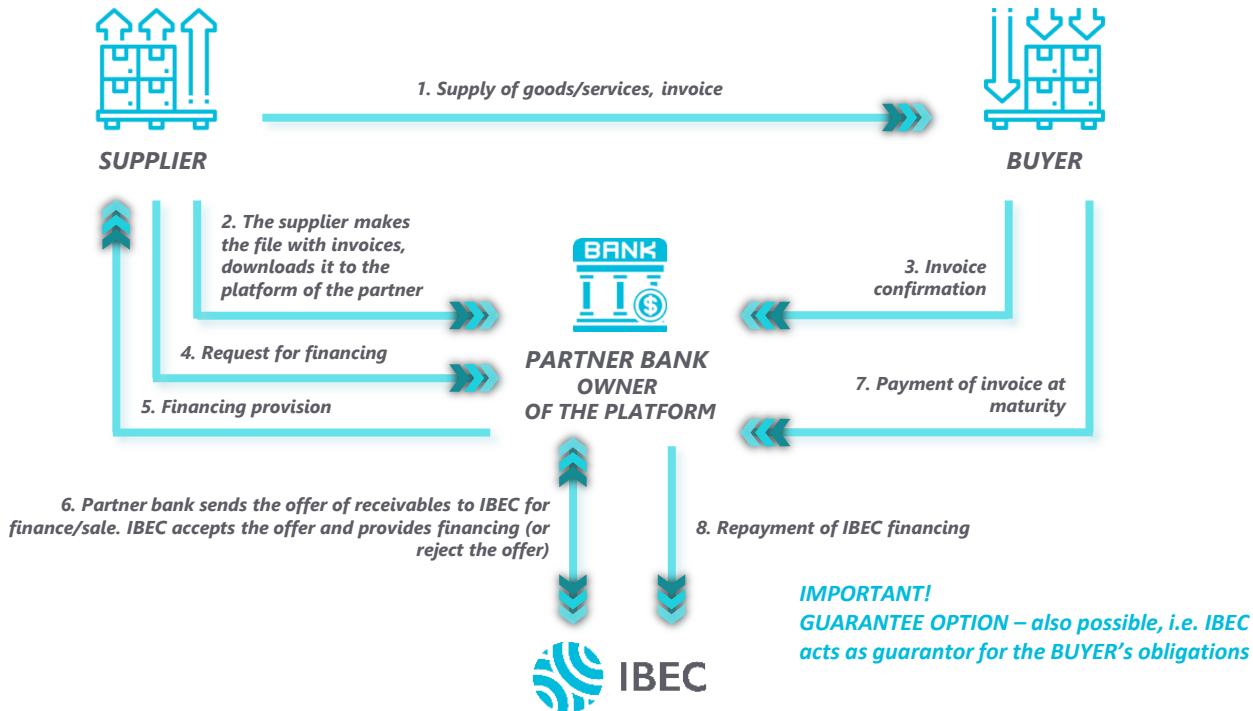
MONGOLIA



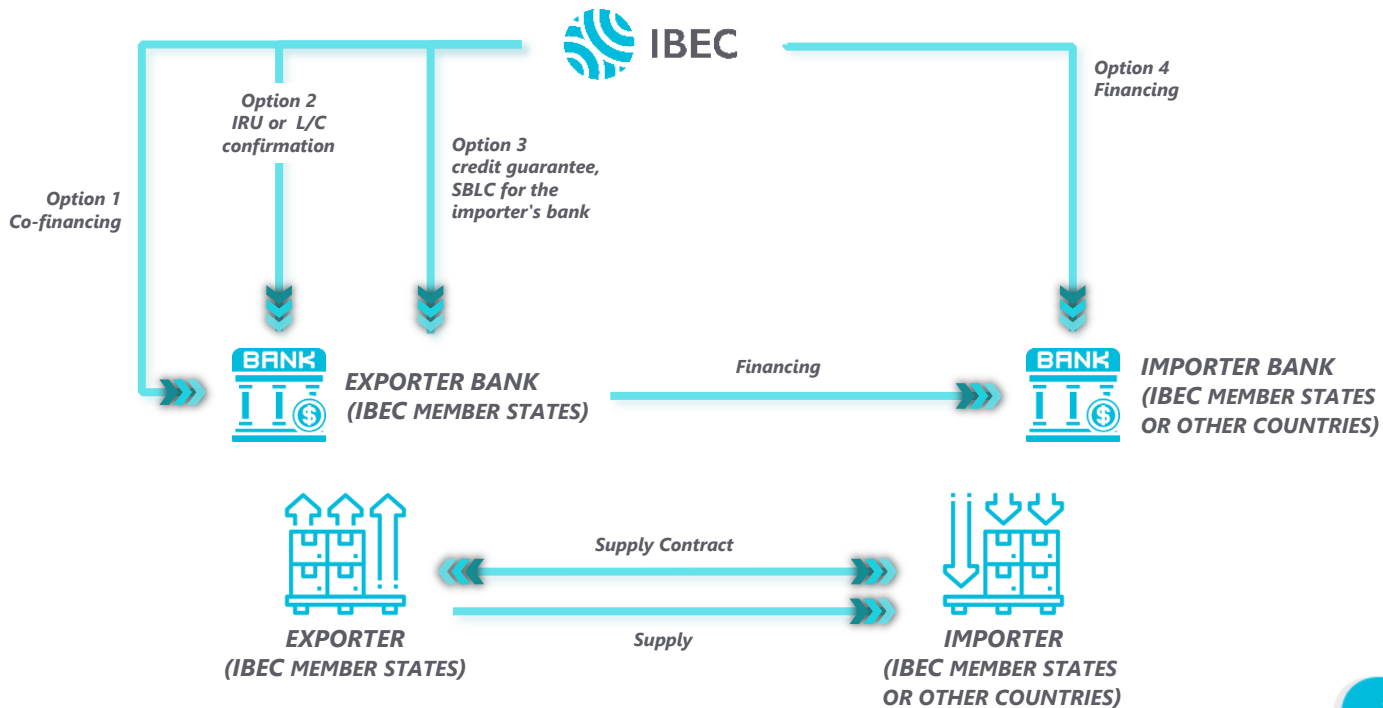
VIETNAM



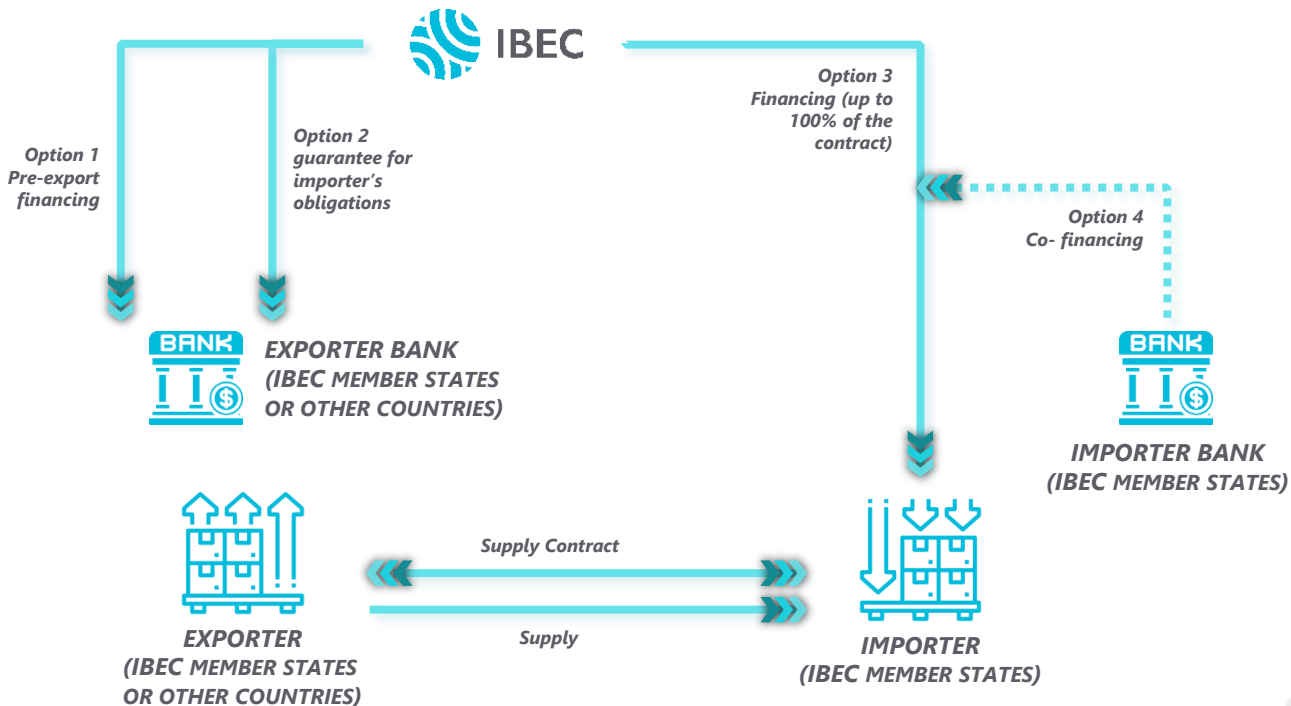
SYNERGISTIC EFFECT – SUPPLY CHAIN FINANCE



EXPORT SUPPORT FOR IBEC MEMBER STATES



IMPORT SUPPORT FOR IBEC MEMBER STATES



CONTACT INFORMATION

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