

***DAMMAM, Kingdom of Saudi Arabia, April 6 (Infosplusgabon) - Net income increased to USD115 mn despite fallout from COVID-19 pandemic; Balance sheet grew by 7.5% to USD7.89 bn; Corporate Banking and Treasury & Capital Markets portfolios up 6% and 13%, respectively; Improvement in key financial and risk metrics, including highest ever liquidity ratio (349%) and capital adequacy (31%).***

The Arab Petroleum Investments Corporation (APICORP) ([www.APICORP.org](http://www.APICORP.org)), a multilateral development financial institution, announces that its Board of Directors recommended to the General Assembly the approval of its financial results for the year ended December 31, 2020. Continuing its record performance, the Corporation posted a 3% year-on-year (y-o-y) rise in net income despite the fallout of the unprecedented COVID-19 global crisis – from USD112 mn in 2019 to USD115 mn in 2020.

The key drivers include a 6% y-o-y growth in APICORP's Corporate Banking portfolio to reach USD3.9 bn, as well as a 13% y-o-y growth in its Treasury & Capital Markets portfolio, which also netted USD46 mn in capital gains, a 488% increase from the prior year.

Moreover, the Corporation's balance sheet increased from USD7.34 bn to USD7.89 bn in 2020, a 7.5% y-o-y uptick which is higher than the 5% CAGR recorded over the past five years. Key financial and risk metrics also continued their steady improvement, as the Corporation recorded its highest ever liquidity ratio at 349% and increased its capital adequacy ratio to 31% (+1% y-o-y), as well as reducing its leverage level from 2.5x in June 2020 to 2.23x in December 2020.

Apart from demonstrating the strength and resilience of APICORP's financial position, the robust financial and risk metrics enabled APICORP to retain its 'Aa2' rating with a stable outlook from Moody's and earned its inaugural 'AA' rating with a stable outlook by Fitch – the only regional financial institution in MENA to hold two 'AA' ratings.

The year also witnessed a landmark capital increase by which the Corporation increased its authorized capital from USD2.4 bn to USD20 bn, subscribed capital from USD2 bn to USD10 bn, paid-up capital from USD1 bn to USD1.5 bn, and callable capital from USD1 bn to USD8.5 bn.

Commenting on APICORP's results, Dr. Aabed bin Abdulla Al-Saadoun, Chairman of the Board of Directors said: "The strong 2020 financial results despite the uncertain economic landscape that clouded most of the year illustrates APICORP's exceptional steadfastness and resilience. The fact that we ended the year with a 3% increase in net income points to the Corporation's strong and solid fundamentals. As the region, and indeed the world, begins to recover from the impact of the COVID-19 pandemic, we are confident that we will continue to ably support the MENA energy sector, including the proactive advancement of the energy transition agenda."

Dr. Ahmed Ali Attiga, Chief Executive Officer of APICORP, said: "We are immensely proud to close yet another successful financial year for APICORP. The milestones we achieved in 2020 were made more remarkable given the shockwaves of the unprecedented triple crisis stemming from the COVID-19 pandemic that severely impacted the financial results of peer financial institutions and affected all sectors. Complemented by the resolute support from our Member Countries, deep partnership base, and the hard work of all staff members, our positive results underscore the soundness of our long-term investment and funding strategy, as well as our agile and efficient approach to tackle the challenges of 2020."

“Looking ahead, we will continue to solidify our position as the trusted financial partner to the MENA energy sector. In line with our development mandate, we aim to focus on supporting the growth of the private sector – particularly in the clean and renewable energy space – to accelerate the energy transition and build a more sustainable future for the Arab region,” Dr. Attiga added.

## Business Line Highlights

### Corporate Banking

APICORP increased its corporate banking assets by 6% y-o-y in 2020 to reach USD3.9 billion, booking 1.6 bn in drawdowns over the year. Notably, 6 of the 11 project finance commitments in 2020 were in green energy or within the category of sustainable utility projects, and all were part of the USD500 mn countercyclical package the Corporation launched in April to help the MENA energy sector mitigate the impact of the COVID-19 pandemic and oil price volatility. The gross NPL ratio, meanwhile, remained very low at just 0.59%.

### Investments

Although the 2020 crisis affected the revenues of some investee companies, it also opened opportunities for APICORP to pursue quality investments in high-potential well-run companies alongside like-minded investors seeking to maximize long-term value creation and impact. The year witnessed the Corporation making its first-ever equity stake in a wind energy company, while at the same time progressing on a number of exits from current investments to optimize the balance sheet as well as capitalize on the positive long-term growth prospects of its equity portfolio.

## Treasury & Capital Markets

By following a more active approach to managing the Corporation's assets and liabilities of APICORP, Treasury & Capital Markets was able to not only optimize the risk-adjusted returns of the Corporation's high-quality liquid portfolio (including USD 46 mn in capital gains), but also further bolster its strong funding profile. On the funding front, APICORP increased its medium-term financing by 26% y-o-y while decreasing short-term financing by 12% as a safeguard against prolonged market volatility. Moreover, the year saw the Corporation raising its profile as a debt issuer in the sovereign, supranational and agency (SSA) space through the USD 750 mn benchmark bond issuance in June, which achieved the lowest ever yield and spread in the Corporation's history, and attracted high-quality SSA investors from across the globe (more than 50% of the order book were from central banks and official institutions. The success of the transaction was further cemented with the USD 250 mn tap in October that brought the total size of the issuance to USD 1 bn. (Source APO Group).

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