



## **103rd IIB Council Meeting successfully concluded in Ulaanbaatar**

June 5, 2015

The highest governing authority of the International Investment Bank, the IIB Council, held its 103<sup>rd</sup> meeting — this time in Ulaanbaatar, Mongolia on June 4–5, 2015. Mongolia is not only an important shareholder and a founding member of the Bank, holding one of the nine votes in the Council and accounting for 20% of its loan portfolio at the end of May, but it is also one of two Asian member countries, providing for a symbolic significance for the meetings organized in the Year of Asia in the IIB, announced earlier this year.

The Bank presented the results of its activities in the past year. While 2013 was a year of reform, 2014 was a year of IIB's expansion, when — despite deteriorating market circumstances — the Bank increased its assets by almost 50% (now exceeding EUR 700 million, twice the size in 2012) and its loan portfolio by 150%, successfully issued its first bonds (now accounting for almost EUR 200 million) and received the highest rating among institutions with headquarters in Russia (currently Baa1 from Moody's). Furthermore, the IIB also expanded its geographical presence — in November 2014 the IIB Council decided to accept Hungary's request to return to the Bank as well as the establishment of the European Regional Office in Slovakia, two decisions, which have since then been implemented. In Ulaanbaatar, Hungary participated as a full member after fulfilling all its membership obligations, including its capital contribution.

Meeting between the delegations of the Bank's member states focused on a number of areas. On the background of the member rotation of IIB's Audit Committee — an additional layer of strategic guidance to the Bank — amendments to the HR policy, thoroughly reformed at the beginning of 2014, were discussed, with the aim of further professionalizing and internationalizing IIB's staff and a direct additional positive impact on its operations. The Bank was given the task to prepare the necessary proposals for the 104<sup>th</sup> IIB Council Meeting in Vietnam.

Strategically, the member states also shortly discussed the developments around the Republic of Cuba. The IIB has engaged with Cuban authorities to consider more closely investment opportunities in the country. As the only multilateral development bank with Cuba as a member, the IIB plans to bring together various international partners to serve as a potential channel for investment. Such meeting could take place during the 104<sup>th</sup> IIB Council Meeting in Vietnam later this year.

With a new member state — Hungary — and significant changes in member countries' economic development in the past decades, the delegations also asked the Bank to prepare proposals for new member quota distribution in IIB's authorized capital.

The Council Meeting in Ulaanbaatar marked another important event — during the

discussions, the Romanian delegation announced that it received the necessary powers to sign the new statutory documents of the Bank, bringing their successful implementation one step closer.

The meetings were traditionally accompanied by a business event, this time the IIB-MBA Mongolian Business Forum «International Partners for Mongolia's Development», co-organized with the Mongolian Bankers Association. Having been engaged with a number of leading Mongolian banks, the IIB could not have chosen a better partner for the forum. It attracted a number of high-level participants both from Mongolia and from abroad, including bank CEOs and government officials. The event gave foreign business participants a valuable insight into Mongolia and into the opportunities it offers, and a number of possibilities for specific partnerships between Mongolian and foreign banks and companies were identified, which can be further built upon by the forum's participants.

Thus, as acknowledged by the forum's participants, the IIB is gradually becoming a channel for foreign direct investment into its member states.