



INTERNATIONAL  
INVESTMENT  
BANK

55

Moscow, Mashki Poryvayevoy st. 7  
Phone: : +36 1 727 8888  
Fax: : +7 (499) 975-20-70  
E-mail: mail@iibbank.com

## **Council Meeting in Bratislava – New Prospects for IIB**

June 10, 2013

The 99th Council meeting of the International Investment Bank has been held in Bratislava, Slovak Republic on June 6. Decisions made by the Council allowed Nikolay Kosov, IIB's Chairman of the Board to state: «an end has been put to the period of the Bank's stagnation.» Solutions presented by the Bank's Board were fully supported by the Council and are implementing the tasks on the strategic renewal and development of the Bank set at the end of 2012.

Member states' delegations unanimously approved of the proposals on the quality renewal of the Bank, thus allowing to transform IIB into a modern multilateral financial institution for development.

For the first time since the foundation of the Bank a decision on its recapitalization in the amount of EUR 176 million has been made. The Council entrusted the heads of the delegations to study the possibility of directing additional payments in the amount of no less than EUR 100 million to the registered capital and to start the necessary intergovernmental procedures to implement this decision.

The Bank's participants have also agreed with the proposal to direct 50% of the non-distributed profits of the last years in amount of EUR 76 million to the paid-in capital.

Thus, the Council's decisions will allow almost to double the Bank's paid-in capital in the nearest future, making it EUR 341 million. It significantly raises the IIB's abilities to increase the balance sheet total and to promote loan activity. Decisions on the Bank's recapitalization is also vital in terms of obtaining an international rating. A group was specially created to work on this issue. According to methodology of the leading rating agencies, support of the shareholders, manifested first of all by increase of the capital base, is one of the most important factors when evaluating international institutions for development.

The Council has also set a task to the Bank's Board to present at the next Council meeting proposals on implementing callable capital mechanism, which will also contribute to higher evaluation of the level of the Bank's support by its member states.

Another important decision was the adoption of the new organizational structure and personnel motivation and payment system. New structure created with assistance of an independent consultant from «Ernst & Young» Company complies with the modern international standards, and its implementation starting from January 2014 is a prerequisite for the realization of the Bank's renewed development strategy. New personnel motivation system reflects the Bank's pursuit for creating a highly professional team and for having quality human capital assets.

The Bank's Council has also studied the question of debt settlement with Cuba, which

appeared in the early 1990-s because of the collapse of the socialist camp and freezing a range of projects, implemented in Cuba with the IIB's participation. Representatives of the Republic of Cuba told about Cuba's intention to preserve its membership in the Bank and asked the IIB's members to restructure the old debt. The Council welcomed maintaining Cuba's full membership in the Bank and entrusted the Board to have negotiations with the delegation of Cuba to work out mutually suitable terms of debt settlement.

Promotion of the IIB's contacts with international and national financial institutions was reflected in the Council's decision on adopting the Observer's Status Decree. This document will allow the IIB to systematically develop its relations with its partners in the member states as well as on the world financial markets.

The delegation of Hungary which took part in the Council meeting as an observer (it withdraw its membership from IIB in early 2000's) has officially confirmed its interest to develop efficient cooperation with the IIB. Such intentions of the Hungarian party demonstrate demand for the renewed IIB. The Council gave a task to IIB's Board to study the variants of Hungary's participation in the Bank's activities, including regaining its full membership.

The Council has also considered a range of questions on the current activities of the Bank, in particular having approved the report and audit conclusions based on the Bank's performance in the year 2012, report of the audit committee.

During the Council's meeting approaches towards the renewal of the constituent documents were discussed, taking into consideration the modern conditions and development of the Bank as a multilateral institution for development. The Board was entrusted to present drafts of the renewed Statutes documents to the member states' delegations.

According to the Council's decision, the next anniversary 100th meeting will take place on December 5–6, 2013 in Moscow under the Chairmanship of Russian Federation.

After the Council meeting, which became historical for IIB, a conference for business circles of the Slovak Republic and Eastern Europe was held. During the conference IIB's and its partner banks' (Russian export agency EXIAR, SME Bank, Vietnam JSC Bank For Industry and Trade (VietinBank) capabilities of financing and supporting the promotion of products and services on the IIB's member states' markets were presented.

Heads of the Russian-Slovak and Slovak-Russian Business councils also participated in the event.

Within the frames of the conference International Investment Bank signed Cooperation Agreements with Czech Export Bank and EXIAR. Apart from there being a trilateral arrangement among IIB, EXIAR and Slovak party on arranging delivery to Slovak Republic Russian energetic equipment was signed.

As part of the Council delegations' heads of IIB member states were welcomed by the Deputy Prime Minister, Minister of Finance of the Slovak Republic Peter Kazimir. A thorough discussion of IIB's further development as an important tool of economic cooperation was held. Separate meetings of Mr. Kazimir with the head of the Russian Delegation Alexander Gorban, IIB's Chairman of the Board Nikolay Kosov and General Director of EXIAR Petr Fradkov were also organized.

All the Council participants marked a high level of organization of the event by the Ministry

of Finance and Government of the Slovak Republic, and thanked the Slovak party for their hospitality.