



Heading Bratislava – Confirmed

March 24, 2013

In the frame of the preparation for the 99-th session of the Bank's Council, a meeting of the Expert Committee of authorized representatives of the heads of the delegations of the member states was held in the headquarters of IIB in Moscow. The Hungarian delegation also participated in the meeting as an observer — at the beginning of the year Hungary has informed on having interest to resume its participation in IIB.

During the meeting members of the Board informed the delegations of the member states on the results of the work on the implementation of the renewed concept of IIB's development, which was adopted in November 2013 at the 98th session of the Bank's Council. The delegations were told about such important aspects of the Bank's activities as growth of the loan portfolio, the development of partnership relations with national and international financial institutions, the preparation for obtaining the credit rating, the improvement of the risk management system, the readjustment of the balance, the renewal of the standards base and the increase of the brand awareness.

For further quality promotion in transforming the Bank it is necessary to take a number of coherent steps — to switch to a modern organizational structure, to change the principles of personnel motivation, to readjust the «old» loan portfolio. The Board of the Bank together with external consultants — Ernst & Young (CIS) B.V. Company has worked out and presented to the Expert Committee suggestions for solving these tasks.

The project of the new IIB's organizational structure is based on the analysis of the work principles of the largest international institutions for development. In its ground lays creation of enlarged functional blocks, clear segregation of duties between subdivisions of the front, middle and back offices. Such an approach presupposes a flexible regulation of the number of employees depending on the growth of the banking operations volume and provides dynamic development of the Bank. Members of the Expert Committee appreciated the work done by the Board, took notice of the presented suggestions and asked (taking into account the discussion) to present them at the Council session, which is going to take place on June 6 in Bratislava. They took also into consideration the proposals of the Board concerning the necessity to improve and stimulate remuneration reward for the Bank's employees.

An important part of the transformation of IIB into a modern bank for the development and transition to a dynamic expansion of operations is the readjustment of the «old» loan portfolio. At the conclusion of discussing the number of measures prepared by the Board, the Expert Committee recommended the Council of IIB to consider the draft of the respective decision.

During the meeting the presentation of the IIB Capital Company was also made.

At the end of the meeting of the Expert Committee — authorized representatives of all the member states supported the measures taken by the Board of the Bank on implementing the

renewed strategy of the IIB and confirmed their interest in the renewal and development of the Bank as a multilateral modern institution for development.