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High-level strategic decision: First step taken towards establishment of IIB European Unit in Budapest

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Following the invitation of the Government of Hungary the delegation of the International Investment Bank headed by Chairman of the Board Nikolay Kosov visited the Hungarian capital with the purpose of bilateral consultations with the Deputy Prime Minister Mihály Varga as well as participation in the signing ceremony of the Memorandum of understanding between Hungarian Government and IIB.

Conclusion of the document serves as one of the initial steps towards practical implementation of decisions taken during the Bank's 109 Council Meeting held on 4-5 June 2018 in Yaroslavl, Russian Federation on the establishment of the new European front office – IIB European Unit.

The signed Memorandum provides legal foundation for future joint work of IIB and the Government of Hungary concerning this matter, as well as fixes intentions of both parties to ratify the host-country agreement for IIB European Unit until the year-end, in order for the office to start operating at the beginning of 2019.

“Whilst assessing possible locations for IIB European Unit International Investment Bank's Board was unanimous in its choice of Budapest as a platform for this new strategic business unit of the Bank”, Chairman Kosov stated, “I would like to express sincere gratitude to the Hungarian Government in the name of Deputy Prime Minister Mr. M. Varga, Minister of Foreign Affairs and Trade Mr. P. Szijjártó as well as the State Secretary Ms. A. Hornung for their valuable support to the initiative and their readiness to promptly resolve all related issues. This is a vital step towards IIB new strategy implementation that was launched at the beginning of the year and provides for a comprehensive expansion of activities in European markets. Today's signing does not only fully meet interests of European shareholders of IIB, but is also important for other geographies of the Bank in view of implementation of joint projects and programmes”.

Currently, the plan is to gradually launch activities of the IIB European Unit and expand its functions in the future. Apart from standard projects search, new office will perform their primary assessment and monitor further implementation. Moreover, the Unit is set to coordinate IIB's European treasury and funding activities. The Memorandum states that establishment of IIB European Unit will allow the Bank to demonstrate further flexibility and efficiency when dealing with partners and clients, while lowering risks and increasing quality of its services in all directions.

Within the course of the meeting, Nikolay Kosov and Mihály Varga also discussed IIB's strategic targets in the region in the light of the Bank's development mandate. Both parties

underlined vital importance of the IIB European Unit establishment for further development of economic and investment potential of IIB member states.