



## **Hungary supports IIB's further development - Chairman's meetings in Budapest**

November 30, 2016

During the events of the Budapest Water Summit 2016, the delegation of the International Investment Bank (IIB), led by the Chairman of the Board, Nikolay Kosov, participated in a series of talks with the top officials of the Hungarian government bodies. On November 28, 2016, the IIB Chairman held meetings with the Minister for National Economy and Head of the Hungarian delegation in the IIB Council, Mihály Varga, and with the Minister of Foreign Affairs and Trade of Hungary, Péter Szijjártó.

N. Kosov briefed the ministers on IIB's operational results and its key indicators in the current year. The Bank continued to increase its loan portfolio, expanded partnerships network, received another [investment grade rating from leading rating agency S&P \(BBB\)](#) and managed to reduce the cost of its funding. This was demonstrated by IIB's bond placement in September, the second on the Romanian market and the third in the Bank's European member countries. Overall, the Bank has accomplished its main task for 2016 - the achievement of the institution's financial stability. This was substantially facilitated by the increase in Hungary's share in the Bank's paid-in capital after its second contribution in the first half of this year. N. Kosov congratulated the Hungarian officials on a successful year, during which the country improved its sovereign ratings and its economy continued to grow, accelerating.

The talks focused on the agenda of the upcoming 106th IIB Council Meeting - the transition towards a three-tier corporate governance structure and the medium-term development strategy until 2022. The Chairman of the Board noted the constructive contribution of the national delegation to the preparations of IIB's Strategic Vision and productive consultations with the Bank's representatives on this issue. He welcomed the leading support by Budapest of IIB's transition to a three-tier governance structure - Hungary was the first among the member states to have ratified the Bank's new statutory documents and appointed to the position of Governor its state representative at the ministerial level, which corresponds to the best practices of IFIs.

For their part, the ministers praised the progress of the Bank and expressed strong support and willingness to contribute to the further development of the IIB. Hungary's top officials outlined the country's ambitious plans to improve the business climate and to attract new investment, including through reforms of the tax and social contributions systems. The Hungarian party expressed its interest in a close cooperation with the Bank in identifying and implementing Hungarian projects and in preparing IIB's country strategy for Hungary. The meetings also stressed the importance of the Bank's partnerships with Hungarian banking institutions, such as OTP Bank. The ministers expressed support for IIB's plans to expand the geography of its operations by attracting new shareholder countries and by providing its partners with a special status.

During the meeting with the Minister of Foreign Affairs and Trade of Hungary, Péter Szijjártó, with the participation of the CEO of the Hungarian Export-Import Bank, Zoltán Urbán, the discussion focused on the opportunities of further developing cooperation with the export credit agency. Thus, parties noted the prospects for development of the Cuban direction in IIB's activities in the context of support for Hungarian business in Cuba. The Bank's status of a special creditor for the Caribbean country, as confirmed by the [Agreement on Cooperation with the Central Bank of Cuba](#), plays an important role in this regard.

After the successful reform of the IIB, Hungary made a decision to return to the Bank and became its third largest shareholder in 2016. The multilateral development institution has supported Hungarian exports to the Russian Federation and the Republic of Belarus and is currently reviewing Hungarian projects totalling more than EUR 50 million. In the fourth quarter of 2016, the IIB Council approved the [Bank's participation in the Central Europe Fund of Funds](#), to be set up and managed by the European Investment Fund, to support SMEs in Central Europe, where three member countries of the IIB are located – Czech Republic, Slovakia and Hungary.