



## **IIB Adopts the Principles of the Loan Policy**

August 14, 2013

The Council of the International Investment Bank has adopted the Basic Principles of the IIB's Credit Policy. This basic statutory document regulates the loan activity of the Bank. The act of adoption consolidates the principles, which were formulated in the renewed strategy of the development of the IIB and which are being consistently implemented throughout the current year. The given document contains the list of the financial services offered by the bank, its priority business lines as well as the listing of the industries banned from loans, loan conditions, among them being the conditions of repayment; the document lists the categories of the financial institutions, which can be granted signature loans.

The shift in priorities of the Bank's loan policy marks the changes in the institutional and industrial orientation, as well as the Bank's principles in establishing partnerships and selecting agency banks. The main direction of the loan activity is the assistance in the development of the small and medium-sized businesses in the member states; the Bank also takes part in financing socially significant infrastructure projects on the territory of the member states. The Bank considers national development institutions, export-import banks and agencies, international financial organizations and development banks as its principal agency banks.

During the period following the adoption of the renewed development strategy (which took place in November 2012) the Bank approved ten projects in the total amount of Euro121,6 mio, which fully reflects the Bank's new approach to loan services. For instance, IIB made a decision to grant credit lines for the development of small and medium-sized businesses to Bulgarian Development Bank, Russian SME Bank, Mongolian Capital Bank, Vietnamese VietinBank and BIDV and; the Bank also decided to finance export-import operations of ROSEXIMBANK and the leasing program for small enterprises of Romania.

A balanced approach to the geographical allocation of the deals financed by the Bank is stated as an important element of the new loan policy. This year, for the first time in a long period, IIB is planning to address its credit resources to Vietnam and Romania.

Due to the drastic change in its development model, IIB has managed to become one of the active members of the international financial community in less than a year. Already at this stage not only state banks of the member states but also prestigious international financial organizations have become the Bank's partners and agency banks. The IIB has become a participant of the syndicated loan for Mongolian XacBank, which was organized by the European Bank for Reconstruction and Development. Joint projects with the International Finance Corporation (World Bank group) and Dutch Development Bank are currently being studied.

According to the forecasts of the IIB Board, the total value of the Bank's approved loan deals (since November 2012) will have reached Euro 150 mio by the end of this year. The main

feature of these deals is low risk and balanced profitability, which corresponds to the priorities and standards of the international institutions for development.

[To get acquainted with the document you can proceed to the web-site](#)