



IIB has taken part in “Credit risk modelling 2018”

November 20, 2018

In November 2018 the delegation of the International Investment Bank (IIB) took part in the European Banking Summit titled “Credit risk modelling 2018”, organized by Infoline in Frankfurt am Main (Germany).

The summit, attended by the representatives of leading European banking groups, focused on key questions of introducing IFRS 9, changes in the calculation of regulatory capital (Basel 4), and organizing the validation and stress testing processes. In particular, the forum looked into the most successful practices of cooperation of banks’ financial departments and risk management services, and correlation of accounting data and indicators for preparing financial statements and meeting capital management requirements.

Head of Prudential Policy and Accounting of the European Central Bank (ECB) **David Grünberger** welcomed the guests and participants of the Summit with an introductory speech.

Deputy Director of the Finance Department of the IIB **Elena Minduksheva** spoke at the panel discussion on behalf of the IIB. In particular, she discussed the approach of the Bank as an international financial institution to the implementation of the Basel methodology and disclosures in financial statements, which is not only mandatory under the IFRS requirements, but also provides the most complete picture of how the Bank manages its capital.

Despite the fact that the IIB, like other international development institutions, is not subject to banking supervision and does not provide regulatory reporting to achieve compliance with Basel Committee requirements, it has investment grade ratings from leading international rating agencies and successfully places its own bonds in the markets of several of its member states. “To confirm its stability and reliability, the IIB keeps track of the changes in accounting standards and capital adequacy requirements on a regular basis,” said **Elena Minduksheva**, adding that “at present the European banking community and the IIB pay close attention to forming effective models of validation processes within the framework of IFRS 9 and the latest requirements of the Basel Committee.”

“Development banks are working closely with commercial banks, forming a united financial system. An open dialogue with the members of the Basel Committee, the ECB, and the heads of the largest European banking groups on the issue of capital management gives us a possibility to give feedback to the regulator on the effectiveness of the adopted laws, and also to share with the financial community our view on how particular changes in banking regulation directly or indirectly affect the work of international development institutions,” emphasized **Elena Minduksheva**.

Along with the IIB representative, top executives from leading banks such as Credit Suisse, Deutsche Bank, DZ Bank, Erste Group, Bank of Ireland and Santander also presented their views at the event.
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