



## **IIB wraps up its 104th Council Meeting in Vietnam**

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The highest governing authority of the International Investment Bank (IIB), the IIB Council, held its 104th meeting in Hanoi last Friday, marking the formal completion of IIB's institutional reform, which started in 2012. All member states of the Bank have now adopted the new statutory documents, which will come into force after once all members have approved.

The meeting boasted the bank's achievement of financial stability and balanced growth dynamics of the main indicators, including IIB's loan and investment activities. IIB's assets have now exceeded EUR 800 million, and in the past three years, IIB has signed loan and guarantee agreements worth of EUR 400 million in total, of which more than EUR120 million were committed in 2015 alone.

IIB has also continued attracting long-term funds, both from large international financial groups such as Credit Suisse and Rosbank (Société Générale Group) and by issuing bonds on the local debt capital markets of its member states.

IIB's new instrument, the trade finance, also received a positive assessment, as the bank contributes to the strengthening of ties between its members and third countries, at the same time expanding the geography of its operations. Since the beginning of the year, IIB has signed 14 trade finance deals.

All the participants of the 104th Council Meeting agreed that such growth dynamics and results allow forecasting of further progress of IIB. In line with this, a range of crucial decisions was adopted, including an update to the formula for distribution of shareholders' stake in the registered capital, which will lead to a transparent mechanism for calculation of the potential new members' stake and will provide the current shareholders with an opportunity to increase their stake in the registered capital. Also, changes were adopted in relation to some of IIB's internal policies, aiming to further improve its function as a development bank.

"These developments will serve as a basis for continuing growth of IIB's activities in the region for years to come," said Nikolay Kosov, chairman of the IIB Board.

IIB is a multilateral development bank found in 1970, striving to support the economies of its member states through direct project financing as well as through financial intermediaries, while partnering with leading financial institutions. There are currently nine shareholders of the IIB, in the territories of which it invests in, including Bulgaria, Cuba, Czech Republic, Hungary, Mongolia, Romania, Russia, Slovakia, and Vietnam.

Vietnam joined IBB in 1977. Until the late 1990s, IIB was very active in financing various projects worth up to EUR40 million to support the local's restructuring and development in the

post-war era.

Right after the period of inactivity due to the geo-political fluctuations in the member countries and when IIB re-launched in 2012, IIB has resumed its activities in Vietnam with a new country strategy where the bank focuses on lending to local SMEs, via local financial institutions and seeks to partner with international financial institutions to co-finance various projects in infrastructure, trade and industrial sectors in Vietnam.

“Vietnam has always been an active and responsible member of the bank. We have taken part in all of the discussions and been supportive to all the reform measures to turn IIB into an international financial organisation operating in accordance with international standards,” said the State Bank of Vietnam Governor Nguyen Van Binh at the meeting.

The Council Meeting was followed by the business forum featuring Vietnam - Global Opportunities for Sustainable Local, courtesy of Vietnam’s third biggest lender, in terms of assets, BIDV, and StoxPlus - the country’s leading financial and business information corporation. The event brought together leading international financial institutions, and both government and business representatives from Vietnam and other countries, to discuss and identify the challenges and opportunities with regards to the development of Vietnam’s small and medium-sized enterprises (SME) sector.

During the two interactive thematic sessions, opportunities for cooperation between Vietnamese and foreign institutions were examined. Ultimately, the event brought together a large international audience and helped identify several potential investments, in which IIB can offer its support and services.

The IIB Board also held a series of high-level bilateral meetings, notably with Deputy Prime Minister Vu Van Ninh, and with top officials from the Ministry of Finance, Ministry of Industry and Trade, and Ministry of Planning and Investment. During the talks, the parties discussed prospects for collaboration with a focus on implementation of projects in the countries where IIB presents.

At the Open Session, the bank signed two important documents: a \$20 million loan agreement with BIDV to support the SME sector and a memorandum of understanding (MoU) on cooperation with Thanh Hoa province. A further signing of an MoU on cooperation with the Danang People’s Committee also took place on December 5. Additionally, the bank awarded the World Wide Fund for Nature (WWF) with a grant of \$40,000 for the Wild Asian Elephants Programme in Vietnam.