



INTERNATIONAL  
INVESTMENT  
BANK

Moscow, Mashki Poryvayevoy st. 7  
Phone: : +36 1 727 8888  
Fax: : +7 (499) 975-20-70  
E-mail: mail@iibbank.com

## **International Investment Bank: Renewed Strategy**

### **Approved by All the member states**

November 30, 2012

The 98th Council meeting of the International Investment Bank took place in Moscow. The Russian Federation was chairing the meeting, which was conducted by the head of the Russian delegation in the IIB Council, Deputy Minister of Finance of the Russian Federation Sergey Storchak and by his Deputy, the Head of the Department of Economic Development, the Member of the Board in the Ministry of Foreign Affairs of the Russian Federation Alexander Gorban. The Council as the superior body of IIB's administration made several complex decisions defining bank's mid-term development strategy. The Council unanimously supported all the initiatives of the Board as far as Bank's development is concerned.

The meeting of the Council began with Sergey Storchak addressing the audience with the telegram from Igor Shuvalov, the newly appointed First Deputy of the Chairman of the Government of the Russian Federation. First Deputy Prime Minister noted that IIB's potential is not used fully when it comes to the qualitative development of the traditional financial and economic cooperation of the member states. In his message Igor Shuvalov also expressed the support to IIB's management in their efforts to improve the bank's activity and work on its further development.

The Council in question was the first for Nikolay Kosov, the Chairman of the Board of IIB, who was appointed by the Government of the Russian Federation in September 2012. The Council of the Bank confirmed Kosov's appointment for the next five years. The Chairman of the Board presented the renewed vision of IIB's development for the nearest future, which includes organization of the modern regional development institution on the basis of the existing bank. The given institution will be focusing on financing small and mid-sized businesses, as well as on supporting economic cooperation of the member states. In order to achieve these goals the management of the Bank alongside with Ernst and Young consultants had designed a programme of events and a business plan for the next three years.

According to these documents the Bank is changing its credit policy moving mainly to an agency approach. The share of end-use borrowers will be decreased while cooperation with the national and international financial institutions will be seen as IIB's priority. The Bank will concentrate on providing dedicated credit lines for the national banks for development and export-import oriented banks of the member states. The Bank will also participate in the programmes of syndicated lending for the investment projects. It will allow the Bank to build up its loan portfolio while giving more structure to it. This way the Bank will also have an opportunity to take into account the banking priorities of the member states.

The Board of IIB approved the launch of the credit line for the Bulgarian Development Bank in order to invest into the small and mid-sized businesses, and it also supported the participation in the syndicated credit for Mongolian Xacbank alongside with EBRD. Moreover,

the Board supported the programme of active measures in order to readjust the IIB's loan portfolio.

IIB's Council cancelled a range of restrictions, which were set during the peak period of the world financial crisis but which would slow down the current development of the Bank. The volume limits for IIB's operations have been considerably changed. The given measures serve as proof of the increase in the authority level of the bank's Board, and it demonstrates the level of confidence towards Bank's management on the part the member states. They suppose that next year IIB will be able to build up its loan portfolio, increase its operations yield on the financial markets, become known and recognized, and prepare for obtaining a credit rating.

In accordance with the Bank's development strategy the Council approved the implementation the performance indicators of Bank's activity and the subsequent transition to the modern budgeting system. There was also made a decision to change the organizational structure of the bank so that it conforms to its ambitious goals and strengthens its workforce capacity. The given aspects will be presented for the approval at the coming meeting of the Council. Following the offer of Vazil Hudak, the head of delegation of the Republic of Slovakia and the Secretary of State of the Ministry of Finance, next Council meeting will take place in Bratislava in Slovakia in May-June 2013.

The Council also approved the proposition of Nikolay Kosov, the Head of the Bank, to appoint Vladimir Liventsev the deputy Chairman of the IIB's Board.

## THE GOVERNMENT TELEGRAM

To the members of the IIB Council meeting

Ladies and gentlemen!

The Government of the Russian Federation appreciates the existing potential of the IIB, which unfortunately is not used to its full extent. Therefore your proposition to transform IIB into a modern multilateral bank of development deserves attention and support. Undoubtedly, practical discussion of this question shows the readiness of the member states to make concrete steps in the direction of modernizing the current structure of the bank's functioning. It would seem that for a successful implementation of the assigned tasks it is necessary to activate a dialogue between all the members of the IIB. We also count on the strengthening of the cooperation and collaboration in the key issues of the bank's performance, including the question of building a proper system of corporate management and, of course, development of new instruments and banking products, which conform to the modern requirements. The Government of the Russian Federation is certain that the arrival to the Bank of the new Chairman of the Board Nikolay Kosov will seriously contribute to the process of IIB's transformation, as Nikolay Kosov has significant professional experience, including the experience in the matters of management of the state bank of development. We hope that his knowledge will give a new impulse to the work on transforming the bank and on increasing the efficiency of its performance.

The Russian Delegation appreciates the traditional financial and economical relationships of our countries and hopes on their strengthening, on further viable cooperation and on successful creation of an efficient approach towards the transformation of the IIB.

The First  
Deputy  
Minister Igor  
of the Shuvalov  
Russian  
Federation